BLANCO RIVER

Table of Contents—School File (Acquired)

Date File Created: 2-14-06

By: ISABEL ALFARO

Control No. 18-1063

School Land (Acquired)

File Number 155382

HAYS County

Abstract No.

Grantor: KY-TEX PROPERTIES, L.P.

~~1,971.29~~ 0 Acres

* Survey/Section No.

Block Tsp. Cert. No.

Endorsements

T.N.R.C., SEC. 51.

* CALEB W. BAKER SVY., A-31
SEABORN BERRY SVY., A-32
JOHN COOPER SVY., A-99
WILLIAM DUNBAR SVY., A-156
THOMAS C. SNAILUM SVY., A-409
SAMUAL PHARASS SVY., A-360

sold in 155874

PAID IN FULL FOR 1,971.29 ACRES
DATE 8-23-05 P.O. REQ# 305-5-3215 JA

	Contents	Date of Instrument	Filer
No. 1	SLB MEMO-CONTRACT	4/5/05	JA
No. 2	SLB MINUTES-CONTRACT	4/5/05	JA
No. 3	CONTRACT	6/21/05	JA
No. 4	PHASE I-ESA	6/30/05	JA
No. 5	LIMITED DUE DILIGENSE STUDY	7/18/05	JA
No. 6	SLB MEMO-FUNDING	7/19/05	JA
No. 7	SLB MINUTES-FUNDING	7/19/05	JA
No. 8	SURVEY	8/22/05	JA
No. 9	PURCHASE REQUISITION	8/23/05	JA
No. 10	APPRAISAL	8/22/05	JA
No. 11	NON FOREIGN AFFIDAVIT	8/24/05	JA
No. 12	AMENDMENT TO CONTRACT	8/24/05	JA
No. 13	SETTLEMENT STATEMENT	8/24/05	JA
No. 14	TAX RATE SHEET	8/24/05	JA
No. 15	SURFACE LEASE	8/24/05	JA
No. 16	DEED-RECORDED	8/24/05	JA
No. 17	EASEMENT AGREEMENT-RECORDED	8/24/05	JA
No. 18	TITLE POLICY	8/25/05	JA
No. 19	LAND ACQUISITION CHECKLIST	2/14/06	JA
No. 20	ARCHIVE FILE ROUTING CHECKLIST	3/13/07	JA
No. —	Scanned 7/11/08		Ca
No. 21	DISTRIBUTION SLIP	11-15-07	
No. 22	TITLE COMMITMENT	7-21-05	
No. 23	PHASE II ESA DUE DILIGENCE STUDY	8-31-05	
No. —	Scanned sm 9/3/13		
No. 24	Recorded Right of 1st Refusal Agreement	12-19-14	
No. —	Scanned PJ 2-18-15		
No. —	Scanned 07/29/15		
No. —			
No. —			
No. —			
No. —			
No. —			
No. —			
No. —			

Revised: 7/06

added to database and cross referenced 3/22/2007 SSchasen

School Land File Number (Acquired) _____

Endorsements	Contents	Date of Instrument	Filer
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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 the Permanent School Fund acquisition of approximately 1,951 acres of land out of the Caleb W. Baker, Seaborn Berry, John Cooper, William Dunbar, Thomas C. Snailm and Samuel Pharass Surveys, Hays County, Texas and waiver of 1.5% acquisition fee.

ITEM NUMBER: 13 ATTACHMENTS: 4

ACTION: X Level II DATE OF MEETING: April 5, 2005

INFORMATION: _____ PRESENTER (S): Bo Tanner

Authority
Under Texas Natural Resources Code Subchapter 1, Section 51.401 - 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 as provided by Section 51.402.

Executive Summary
Staff has identified a tract of land in Kyle, a small town approximately 10 miles south of Austin, which upon preliminary analysis offers potential for purchase by the Permanent School Fund for addition to the surface portfolio. The tract is on the western edge of a high growth community, with the special feature of 1.5 miles of frontage along the Blanco River. The property will be acquired with the intention of holding for future development as a residential subdivision. It may be managed for recreational and agriculture uses on an interim basis.

Background
The site under consideration has been in the seller's ownership since 1949. This tract is the remaining portion of a larger ranching estate that over the past few years has had portions sold as growth occurs. The tract is located on the western edge of Kyle, a town that lies approximately 10 miles south of Austin along IH-35. Over the past four year the area has experienced tremendous residential market activity as a result of overall growth trends in the Central Texas area. This market has been particularly appealing because of the affordable costs of housing, and its convenience to Austin and San Marcos. The tract has minimal frontage along Highway 150, which is the primary exit off of IH 35 into Kyle. The broader area is also experiencing increased commercial development activity, particularly in Buda, just north of Kyle. The property is described on the attachment along with a location map.

Analysis
The proposed transaction anticipates that the tract would be acquired and leased for recreational and agricultural uses initially. GLO Asset Inspections staff has done a preliminary review of the property

and indicates that there appears to be good habitat for wildlife for hunting, and pasture and grasses for grazing. This site would require planning to determine the optimum approach to utilize the river frontage, and topography of the site to enhance the overall development. We anticipate obtaining a consultant that specializes in tracts with similar features. The site planning; subdivision and initial tract development would be facilitated through lease with option to purchase. Subsequently, disposition could occur through sealed bid sale. The investment objective for this acquisition is an overall annual return rate of 8% to 10% with a hold time of approximately 7 to 10 years, assuming a phased sale of large tracts.

Recommendation

Staff recommends that the School Land Board authorize the Land Commissioner to negotiate and execute a contract to purchase the site described, and waive the 1.5% acquisition fee, as being in the best interest of the Permanent School Fund. This contract is subject to appraisal, survey, due diligence and other contractual terms and conditions. School Land Board action is required for final funding of this acquisition.

Date Prepared: 3-22-05

By:

Anita E. Dabney

Approved by:

Bob Hewgley
Director of Real Estate
Texas General Land Office

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

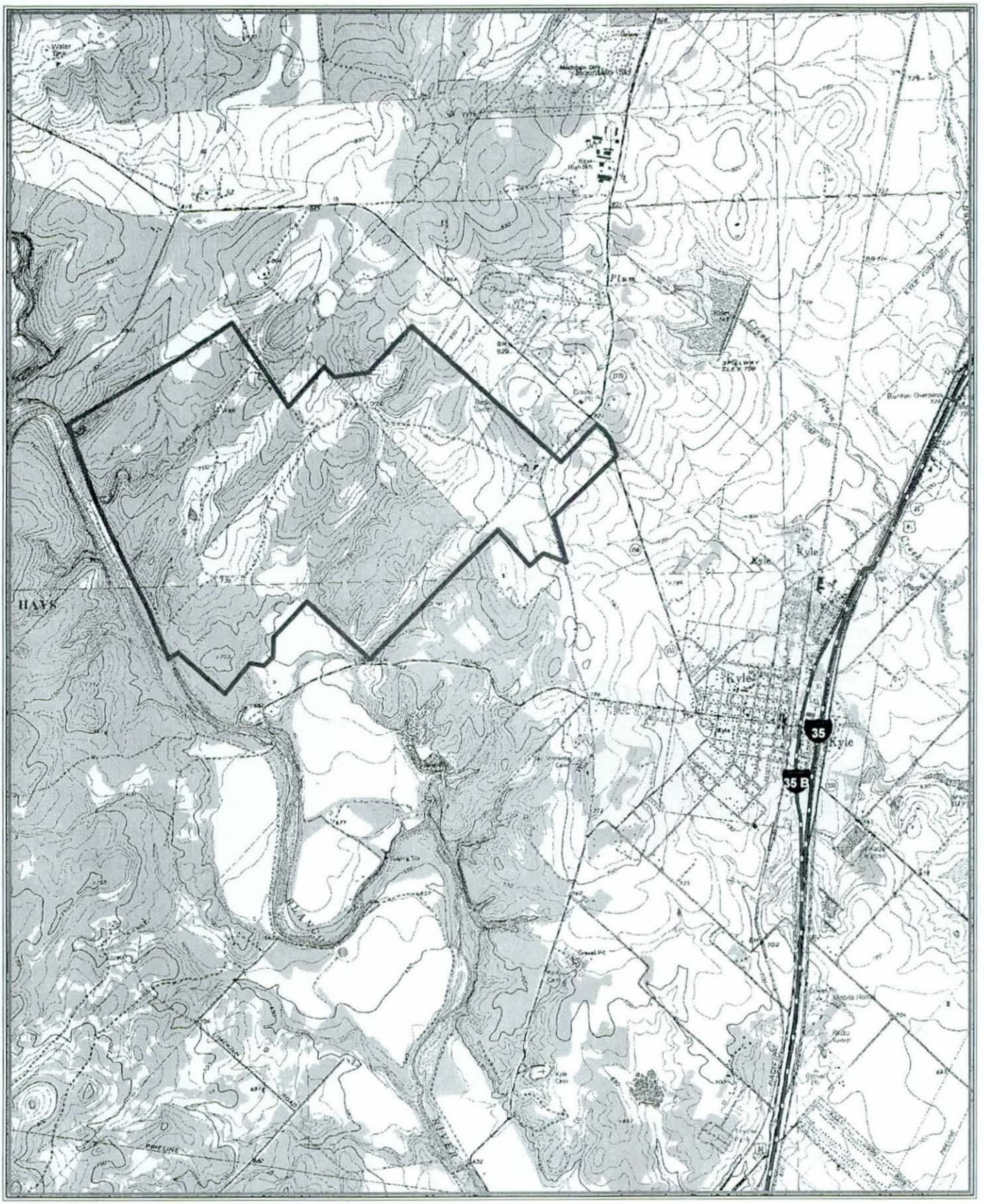
Review and Concur:

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

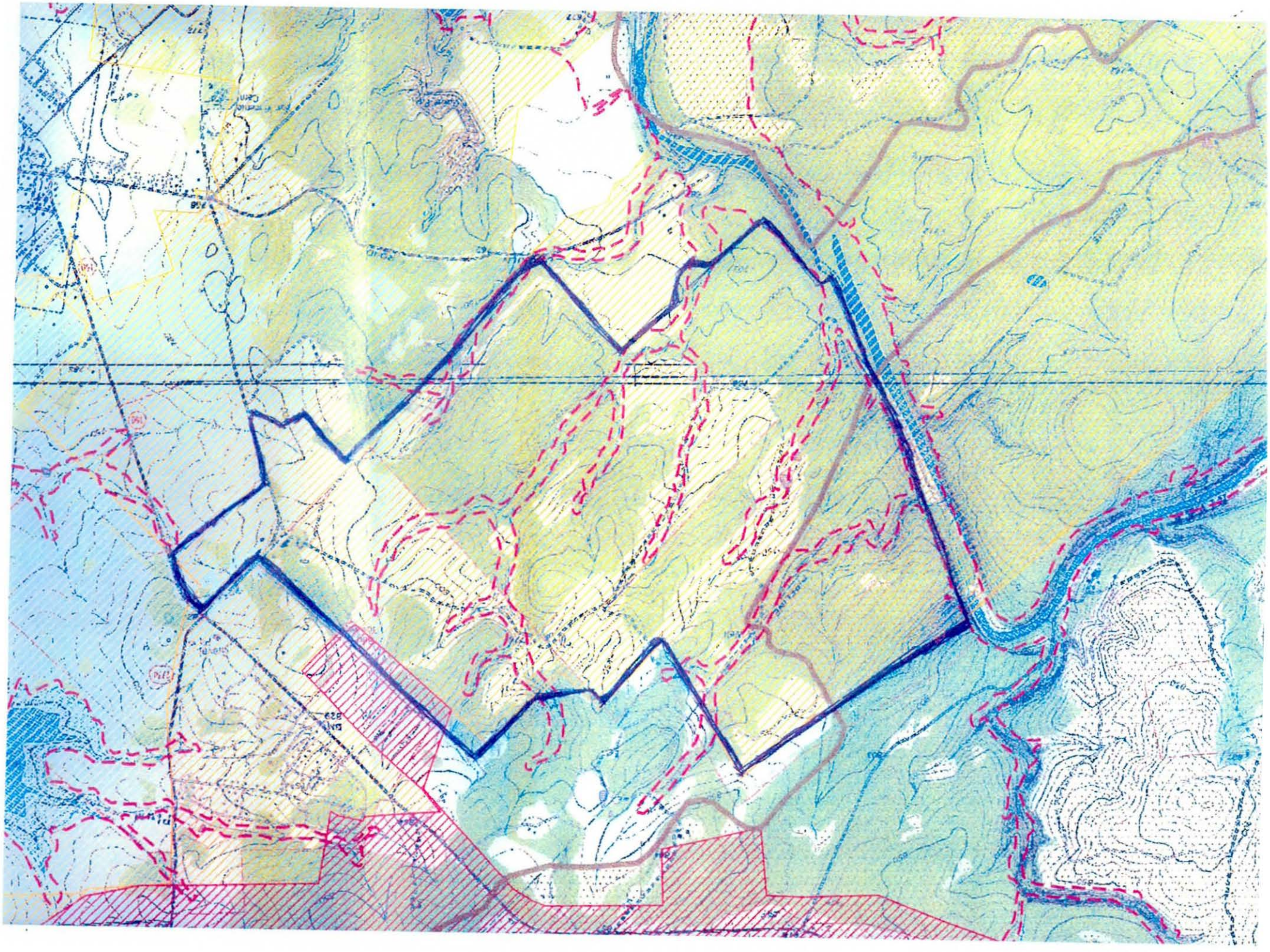
DATE: 4/14/05

PROPERTY SUMMARY

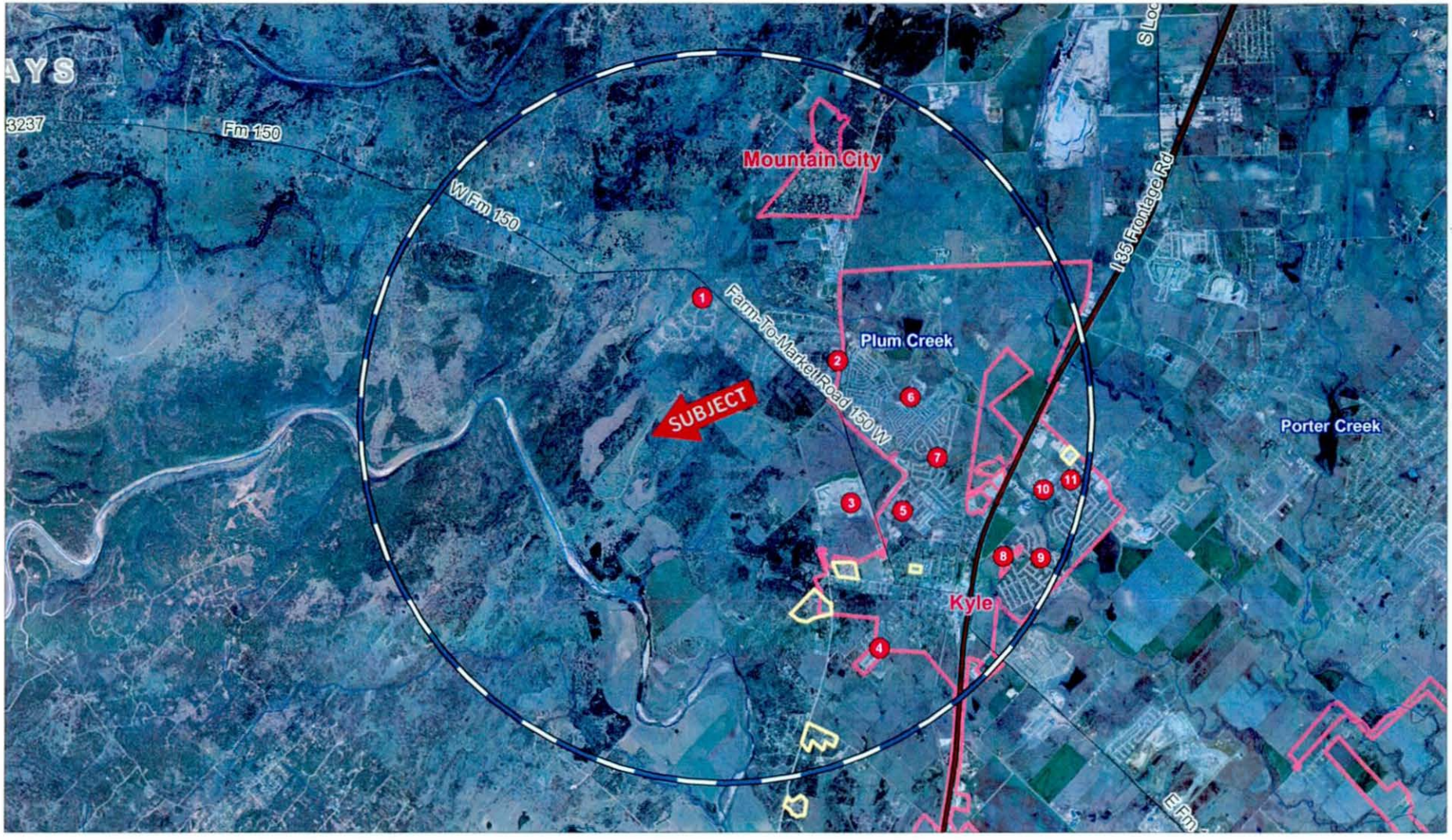
Name:	Blanco River Ranch
Location:	FM 150, Kyle, Hays County, Texas
Size:	1,951 acres
Legal:	Approximately 1,951 acres of land out of the Caleb W. Baker, Seaborn Berry, John Cooper, William Dunbar, Thomas C. Snailm and Samuel Pharass Surveys, Hays County, Texas
Zoning:	Kyle ETJ
Topography:	Rolling, rangeland vegetation with grazing & pasture crops. Drains to the River, with several annual stream channels through the property
Frontage:	Limited frontage along FM 150 ; Approximately 1.5 miles of frontage along the Blanco River
Utilities:	Water and sewer is approximately 1,000' from the site.
Encumbrances Restrictions:	Flood Zone along River; Portion of tract is in the recharge zone.
Improvements:	Several houses currently occupied by sellers and hunting cabin. Utility buildings, pens and fencing in various condition.
Proposed Use:	Single-family development
Comments:	Property has good recreational potential for interim use. Kyle's population has grown by 33% in the last several years. The developer of the single-family subdivision abutting a portion of the property has expressed interest in purchasing a portion of the property. Another subdivision developer is also interested in the tract. Plum Creek and Main Street Kyle Subdivisions are both successful subdivisions in the area.



Blanco River Ranch



Subdivisions are sequentially numbered from left to right across the page.



1 -Arroyo Ranch	16 -	31 -	46 -	61 -	76 -
2 -Hidden Oaks	17 -	32 -	47 -	62 -	77 -
3 -Hometown Kyle	18 -	33 -	48 -	63 -	78 -
4 -Bradford Meadows	19 -	34 -	49 -	64 -	79 -
5 -Silverado	20 -	35 -	50 -	65 -	80 -
6 -Plum Creek	21 -	36 -	51 -	66 -	81 -
7 -Spring Branch	22 -	37 -	52 -	67 -	82 -
8 -Trails	23 -	38 -	53 -	68 -	83 -
9 -Prairie on the Creek	24 -	39 -	54 -	69 -	84 -
10 -Steeplechase/Park	25 -	40 -	55 -	70 -	85 -
11 -Steeplechase	26 -	41 -	56 -	71 -	86 -
12 -	27 -	42 -	57 -	72 -	87 -
13 -	28 -	43 -	58 -	73 -	88 -
14 -	29 -	44 -	59 -	74 -	89 -
15 -	30 -	45 -	60 -	75 -	90 -

TMA

(1)

File No. 155382

Hays County

SLB Memo

Date Filed: 2-14-06

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED
DATE 5/21/07 pf

MINUTES
SCHOOL LAND BOARD MEETING
AND
OIL AND GAS LEASE SALE
TUESDAY, APRIL 5, 2005

The School Land Board of the State of Texas met on Tuesday, April 5, 2005 at 10:00 A.M. in Room 1-100 and Room 1-110A of the William B. Travis 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; David Herrmann and Todd Barth, Board Members. Also present were LaNell Aston, Executive Secretary to the Board; Rene Truan, Mark McAnally, Ben Thomson, Tony Williams, Professional Services Division; Bo Tanner, Susan Biles, Bob Hewgley, Susan Flusche, Chris Palmer, Vince Franco, Jeff Boudreau, Julie Hogan, Jim Rose, Susan Sugarek, Anith Dabney, and Rodney Gray, Asset Management Division; Matt Edling, Robert Hatter, Peter Boone, Daryl Morgan, Jesse Arellano, Tracey Throckmorton, Ladell Collier, Bill Farr, Ferrel Taylor, Jim Irwin, George Martin, Pat Rogers, Bill Korthals, Mary Silva, Ronald Widmayer, Carl Bonn, Alex Saenz, Robert Valdez, Bob Blumberg and Beverly Boyd, Energy Resources Division; Jane Sarosdy, Tom Cengel, Wendell Smith, Larry Borella, Charles Richards, Noelle Letteri, and Ed Wesley, Legal Services Division; Helen Young, Internal Audit Division; Keith Heard and David Little, Communications Division.

Also in attendance were John Iles representing Louisiana Gas Development; Stephen J. Weir representing Weir Incorporated; Wynn Hollis representing Santos USA Corporation; Tyler Alcorn and Rick Hart representing Brigham Exploration; Michael Fleniken and Gene Miller representing Allred Services; Don Huebner representing Peoples Energy; Darla Peluso representing Cinco Natural Resources; J. D. Hall representing EOG Resources, Inc.; Wayne Wheeler representing Jebco Seismic; Gregory M. Lang representing Unit Resources, Inc.; and Jim Cowden representing Lake Ronel Oil Company.

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

Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve the minutes from the March 15, 2005 School Land Board Meeting. Motion carried unanimously.

Robert Hatter presented information on Item No. 2, opening, consideration and action on bids received for the April 5, 2005 oil, gas and other minerals lease sale. Mr. Hatter announced that internal audit would open the bid box and once the bid opening was final, the bids would be brought before the Board for approval.

Jerry Dewbre, Trustee, Duval County Ranch, Duval County, Texas, presented information on Item No. 3 at which time he presented the School Land Board with a

check for $1,000,000, representing the State's share of income on production of state-owned minerals from the Duval County Ranch.

Peter Boone presented information on Item No. 4, A – F, consideration and action on pooling applications. Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 4-A, EOG Resources, Inc., State Tract D Gas Unit, State Leases: MF101878, MF101879 and MF102332, Nueces and San Patricio Counties according to staff's recommendation, a copy of which is attached hereto as **Exhibit - A**. Motion carried unanimously.

Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 4-B, an application by Antero Resources I, L.P., TRWD Unit F2H, 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. Herrmann and seconded by Mr. Barth to approve Item No. 4-C, an application by Antero Resources I, L.P., TRWD Unit H3H, State Lease: MF104255, Tarrant 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. 4-D, an application by Antero Resources I, L.P., TRWD Unit H1H, State Lease: MF104255, Tarrant 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. 4-E, an application by TransTexas Gas Corporation, Half Moon Shoal Gas Unit, State Leases: MF102018, MF102019, MF102026, MF102027, MF102029, MF102030, MF102031, MF102032, MF102033 and MF102034, 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. Herrmann and seconded by Mr. Barth to approve Item No. 4-F, an application by Lake Ronel Oil Company, Humble Island No. 1 Unit, State Leases: MF102333, MF102835 and MF102879, Jefferson and Orange Counties, 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. 5, 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. 5, A-C, all renewals: **A.** CE850058, Twin Dolphins Homeowners Association, Corpus Christi Bay, Nueces County; **B.** CE900117, Tri County Point Property Owners' Association, Carancahua Bay, Jackson County; **C.** CE20000148, Akrotex Films Incorporated, Sabine River, Orange 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. 5-D, a new application, CE20050022, Sneed Shipbuilding, Inc., Cow Bayou, Orange County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – H.** Motion carried unanimously.

Tony Williams presented information on Item No. 6, 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. 6, A-E, all renewals: **A.** LC940067, Thornton Marine Service, Double Bayou, Chambers County; **B.** LC950019, Bruce Soape, Galveston Bay, Galveston County; **C.** LC950022, St. Martins Seafood, Matagorda Bay, Calhoun County; **D.** LC950049, Sabine Pilots Service, Inc., Sabine Pass, Jefferson County; **E.** LC20000023, Steven M. & Gracie L. Bailey, Cayo Del Grullo, Kleberg County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – I**. Motion carried unanimously.

Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 6-F, a new application, LC20050014, Quality Concrete & Materials, Inc., Cow Bayou, Orange County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – J**. Motion carried unanimously

Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 6-G, a new application, LC20050015, Mainsail Developers, Inc., Dickinson Bay & Factory Bayou, Galveston County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – K**. Motion carried unanimously.

Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 6-H, a new application, LC20050018, Tim W. & Maureen Murphy, Copano Bay, Aransas 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 action on applications for Coastal Leases on Coastal Public Lands. Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 7-A, an amendment, CL900006, City of Clear Lake Shores, Clear Lake, Galveston County, 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 on an application to purchase Permanent School Fund land by direct sale with terms, File No. 149661, 203.10 acres, more or less, all of the W ¾ of Section 19, Block 87, Public School Land, lying northwest of the NW ROW line of FM 2185, save and except 40 acres described in GLO File No. M-939, Culberson County to Fred Hoffman, P. O. Box 1377, Van Horn, Texas 79855-1377. Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 8, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – N**. Motion carried unanimously.

Susan Sugarek presented information on Item No. 9, consideration and possible action on an application to purchase Permanent School Fund land by direct sale with terms, being 2,828.83 acres, more or less, Culberson County to Fred Hoffman, P. O. Box 1377, Van Horn, Texas 79855-1377 as follows: **A.** File No. 104512, 640 acres, Section 22, Block 87, PSL Survey; **B.** File No. 149659, 708.83 acres, West 7/8 of Section 7, Block 84, PSL Survey; **C.** File No. 149660, 560 acres, East 7/8 of Section 30, Block 86, PSL Survey; **D.** File No. 149662, 440 acres, S ¾ except SE/4 of SE/4 of Section 35, Block 87, PSL Survey; **E.** File No. 149663, 480 acres, E ¾ of W/2 & W ¾ of E/2 of Section 29, Block 86, PSL Survey. Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 9, A-E, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – O**. Motion carried unanimously.

Bo Tanner presented information on Item No. 10, consideration and possible action on recommendation to Waive First Option to Purchase the following State Agency tracts. Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. **10-A.** Department of State Health Services, GLO I.D. #740, approximately 521 acres out of the Terrell State Hospital, Kaufman County, Texas. Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 10-A, according to staff's recommendation. Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. **10-B**, Department of Aging and Disability Services, GLO I.D. #752, approximately 200 acres out of the Abilene State School, Taylor County, Texas, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – P**.

Item No. 10 – C was pulled from the docket prior to the meeting.

The School Land Board entered into Closed Session at 10:37 A.M. pursuant to Chapter 551, Subchapter D, Texas Government Code Section 551.07, relating to Item No. **11**, consideration and possible action on proposed contract for the Permanent School Fund acquisition of approximately 46 acres of land out of the Interwood Business Park, Harris County, Texas; Item No. **12**, consideration and possible action on proposed contract for the Permanent School Fund acquisition of approximately 65 acres of land out of Reserves A-D, & G Interwood Sections 1 & 2 Houston, Harris County, Texas and to waive the 1.5% acquisition fee; Item No. **13**, consideration and possible action on proposed contract for the Permanent School Fund acquisition of approximately 1,951 acres of land out of the Caleb W. Baker, Seaborn Berry, John Cooper, William Dunbar, Thomas C. Snailm (sic) and Samuel Pharass Surveys, Hays County, Texas and to waive the 1.5% acquisition fee; Item No. **14**, consideration and possible action on proposed contract for the Permanent School Fund acquisition of approximately 75 acres of land out of the A. Mansola Survey, Abstract 29, Guadalupe County, Texas and to waive the 1.5% acquisition fee; Item No. **15**, consideration and possible action on proposed contract for Permanent School Fund acquisition of approximately 300 acres out of the Henry Felton Survey 30, Abstract 195, D. Gamble Survey 406, Abstract 238, W. G. Fuch Survey 6, Abstract 1486 and several other surveys as filed in the official Deed Records of Blanco County, Texas and to waive the 1.5% acquisition fee; Item No. **16**, consideration and

possible action on funding for Permanent School Fund acquisition of approximately 4.23 acres in City Block 8/203, City of Dallas, Dallas County, Texas; Item No. **17**, consideration and possible action on proposed contract for Permanent School Fund acquisition of approximately 18.9005 acres of land, out of the Reserve A of the Oakbrook Park Subdivision, in the Joel Wheaton Survey, Abstract 80, Houston, Harris County, Texas and to waive the 1.5% acquisition fee; Item No. **18**, consideration and possible action on proposed contract for Permanent School Fund acquisition of approximately 88.918 acres of land out of the John Clay Survey, Abstract 228, Dallas, Collin County, Texas and to waive the 1.5% acquisition fee; Item No. **19**, consideration and possible action on proposed contract for acquisition of approximately 792.3 acres of land out of the Escalara Ranch Subdivision, Williamson County, Texas and to waive the acquisition 1.5% fee; Item No. **20**, consideration and possible action on proposed contract for Permanent School Fund acquisition of 168 acres to include an additional 38 acres of land out of the Hopkins Davidson Survey, Abstract 437, I. & G.N.R.R. Co. Survey, Abstract 827 and James H. Eastman Survey, Abstract 501, Tarrant County, Texas; Item No. **21**, consideration and possible action on funding for the Permanent School Fund acquisition of approximately 79.618 acres in the William Barker Survey, C.E. Rowe Survey and Asa Thomas Survey, Williamson County, Texas and/or to seek or receive attorney advice or counsel.

Item No. 22 and 23 were pulled from the docket prior to the meeting.

The School Land Board reconvened into Open Session at 11:41 A.M. No action was taken during Closed Session.

Robert Hatter announced the high bids received for the April 5, 2005 oil, gas and other minerals lease sale. Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve all high bids that met the minimum, according to staff's recommendation. A copy of the high bids received is attached hereto as **Exhibit – Q**. Motion carried unanimously.

Bo Tanner presented information on Item No. 11, consideration and possible action on proposed contract for the Permanent School Fund acquisition of approximately 46 acres of land out of the Interwood Business Park, Harris County, Texas. Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 11, according to staff's recommendation. Staff recommends that a market study be commissioned to determine the specific types of land use in current demand. A selection of a firm would be made to design and implement a coordinated marketing effort to facilitate the sales of the parcels. The investment objective for this acquisition is an overall annual return rate of 8% to 10% with a hold time of approximately 3 to 5 years. Because these tracts are scattered through the site; the acquisition of these four tracts would be contingent upon the closing by the Permanent School Fund of the other 65 acres (Item No. 12) in the part under consideration. Motion carried unanimously.

Bo Tanner presented information on Item No. 12, consideration and possible action on proposed contract for the Permanent School Fund acquisition of approximately 65 acres of land out of Reserves A-D, & G Interwood Sections 1 & 2 Houston, Harris County, Texas and

to waive the 1.5% acquisition fee. Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 12, according to staff's recommendation. Staff recommends that the School Land Board authorize the Land Commissioner to negotiate and execute a contract to purchase the site described, and waive the 1.5% Acquisition Fee, as being in the best interest of the Permanent School Fund. This contract is subject to appraisal, survey, due diligence and other contractual terms and conditions. School Land Board action is required for final funding of this acquisition. Motion carried unanimously.

Bo Tanner presented information on Item No. 13, consideration and possible action on proposed contract for the Permanent School Fund acquisition of approximately 1,951 acres of land out of the Caleb W. Baker, Seaborn Berry, John Cooper, William Dunbar, Thomas C. Snailm (sic) and Samuel Pharass Surveys, Hays County, Texas and to waive the 1.5% acquisition fee. Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 13, according to staff's recommendation. Staff recommends that the School Land Board authorize the Land Commissioner to negotiate and execute a contract to purchase the site described, and waive the 1.5% acquisition fee, as being in the best interest of the Permanent School Fund. This contract is subject to appraisal, survey, due diligence and other contractual terms and conditions. School Land Board action is required for final funding of this acquisition. Motion carried unanimously.

Bo Tanner presented information on Item No. 14, consideration and possible action on proposed contract for the Permanent School Fund acquisition of approximately 75 acres of land out of the A. Mansola Survey, Abstract 29, Guadalupe County, Texas and to waive the 1.5% acquisition fee. Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 14, according to staff's recommendation. Staff recommends that the School Land Board authorize the Land Commissioner to negotiate and execute a contract to purchase the site described, and waive the 1.5% acquisition fee, as being in the best interest of the Permanent School Fund. The contract is subject to appraisal, survey, due diligence and other contractual terms and conditions. School Land Board action is required for final funding of this acquisition. Motion carried unanimously.

Bo Tanner presented information on Item No. 15, consideration and possible action on proposed contract for Permanent School Fund acquisition of approximately 300 acres out of the Henry Felton Survey 30, Abstract 195, D. Gamble Survey 406, Abstract 238, W. G. Fuch Survey 6, Abstract 1486 and several other surveys as filed in the official Deed Records of Blanco County, Texas and to waive the 1.5% acquisition fee. Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 15, according to staff's recommendation. Staff recommends purchasing this tract as being in the best interest of the Permanent School Fund; and that the School Land Board grant authority to the Land Commissioner to negotiate and execute a contract to purchase the subject property at its fair market value as determined by an acceptable appraisal; and waive the 1.5% acquisition fee in consideration of other conditions of the contract favorable to the Permanent School Fund that have been negotiated. Motion carried unanimously.

Bo Tanner presented information on Item No. 16, consideration and possible action on funding for Permanent School Fund acquisition of approximately 4.23 acres in City Block 8/203, City of Dallas, Dallas County, Texas. Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve staff's recommendation. Staff recommends the purchase of this tract as being in the best interest of the Permanent School Fund. Funding will be for no more than the fair market value as established by the General Land Office, Appraisal Division. Funding is also contingent upon the satisfactory completion of a Phase I Environmental Site Assessment that finds no measurable concerns, receipt of a title commitment that will allow the issuance of an owners policy, and completion of a survey. Motion carried unanimously.

Bo Tanner presented information on Item No. 17, consideration and possible action on proposed contract for Permanent School Fund acquisition of approximately 18.9005 acres of land, out of the Reserve A of the Oakbrook Park Subdivision, in the Joel Wheaton Survey, Abstract 80, Houston, Harris County, Texas and to waive the 1.5% acquisition fee. Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve staff's 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. Motion carried unanimously.

Bo Tanner presented information on Item No. 18, consideration and possible action on proposed contract for Permanent School Fund acquisition of approximately 88.918 acres of land out of the John Clay Survey, Abstract 228, Dallas, Collin County, Texas and to waive the 1.5% acquisition fee. Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 18, according to staff's recommendation. Staff recommends that the School Land Board authorize the Land Commissioner and staff to enter into negotiations with the Erickson Retirement Communities and Texas A & M University System to negotiate the terms and conditions of a contract to purchase and a lease agreement on the site as described and as being in the best interest of the Permanent School Fund. School Land Board approval is required on the final terms and conditions of a purchase contract and lease agreement before the final contract and/or lease agreement can be executed. Motion carried unanimously.

Bo Tanner presented information on Item No. 19, consideration and possible action on proposed contract for acquisition of approximately 792.3 acres of land out of the Escalara Ranch Subdivision, Williamson County, Texas and to waive the acquisition 1.5% fee. Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 19, according to staff's recommendation. Staff recommends that the Board authorize the Commissioner to negotiate a Purchase Contract for the acquisition of the remaining 792.3 acres of the Escalera Ranch for an amount not to exceed the appraised value and subject to a "no findings" result of an Environmental Site Assessment and a Title Policy Commitment Letter that indicates no issues effecting title to the property that cannot be removed by closing and a current survey as being in the best interest of the Permanent School Fund. Motion carried unanimously.

Bo Tanner presented information on Item No. 20, consideration and possible action on proposed contract for Permanent School Fund acquisition of 168 acres to include an additional 38 acres of land out of the Hopkins Davidson Survey, Abstract 437, I. & G.N.R.R. Co. Survey, Abstract 827 and James H. Eastman Survey, Abstract 501, Tarrant County, Texas. Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 20, according to staff's recommendation. Staff recommends that the Board authorize the Commissioner to negotiate an amendment to the Purchase Contract for the 168 acre Synergy Park East that would include the acquisition of this 38 acres for a combined total amount not to exceed the appraised value and subject to validation of the Environmental Site Assessment previously prepared, a Title Policy Commitment Letter that indicates no issues effecting title to the property that cannot be removed by closing and a current survey as being in the best interest of the Permanent School Fund. Motion carried unanimously.

Bo Tanner presented information on Item No. 21, consideration and possible action on funding for the Permanent School Fund acquisition of approximately 79.618 acres in the William Barker Survey, C.E. Rowe Survey and Asa Thomas Survey, Williamson County, Texas. Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 21, according to staff's recommendation. Staff recommends this purchase as being in the best interest of the Permanent School Fund and requests approval for closing and funding of this purchase subject to acceptable appraised value, title conveyance and resolution of any environmental issues. Staff further recommends approval of an amendment to the transaction terms to add an additional approximate 1.5 acre tract to the purchase and to increase the purchase price by $100,000 in order to offset the assessment to the property from the road district which funded improvements to Louis Henna Boulevard. Staff further recommends that the closing be contingent on staff settling any ancillary title issues which may be reflected on the property. Motion carried unanimously.

There being no further business before the School Land Board, the meeting was adjourned at 12:09 A.M.

ATTEST:

LaNell Aston

LaNell Aston, Executive
Secretary to the Board

APPROVE:

Jerry E. Patterson

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

File No. 155382 (2)

Hays County

SLB Minutes

Date Filed: 2-14-06

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED

DATE 5/21/07 af

Contract To Purchase Blanco River Ranch
1982.4 Acres Hays County (KY-TEX Properties, L.P.)

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1. Parties:

Seller(s):

KY-TEX Properties, L.P.
1259 North Old Stagecoach Road
Kyle, Texas 78640-9428

Seller's Address: 1259 North Old Stagecoach Road
Kyle, Texas 78640-9428

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 720, Austin, Texas 78701

2. Identity of Title Company:

The title company to be used in this transaction ("Title Company") is ~~First American~~ TEXAS United Title Company, Austin, Texas.

3. Property:

The property subject of this Contract consists of approximately 1982.4 acres of land out of the Caleb W. Baker Survey, Seaborn Berry Survey, John Cooper Survey, William Dunbar Survey, Thomas C. Snailm Survey and John Pharass and Samuel Pharass Survey, Hays County, Texas and is more particularly described on **Exhibit A**.

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 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 shall be $12,000 per gross surveyed acre, except and provided however, that Buyer has no authority to pay more than market value determined in accordance with Chapter 51 of the Texas Natural Resources Code, payable in cash at closing.

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 drawn 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.

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 1 ½% acquisition fee required by 31 Texas Administrative Code § 154.11 in respect of this transaction.

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

8.1. Seller will pay for the 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 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). (Buyer pays the additional premium);

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

(d) no exception is permitted for "rights of parties in possession;" and

(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. Buyer may acquire, at Buyer's expense a survey of the Property acceptable to Buyer's Surveying Director ("Survey"). The Survey must set out, without limitation, (i) the total gross acres of the property, and (ii) all easements affecting the Property. Seller shall credit Buyer at closing the sum of $50,000 or cost of the survey, whichever is less. In the event the Survey is performed by GLO, the credit shall be $50,000.

8.5. Seller represents and warrants to Buyer that at the Closing, Seller will have title to, and will execute a 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 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 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 (a) a copy of each current surface or mineral lease and all records relating thereto, if any, and (b) a copy of each zoning ordinance, restrictive covenant, deed restriction, and other land

use restriction affecting use of the Property, if any (the documents referred to in this subsection being referred to as "Land Use Documents").

9.2. Buyer has 60 days from its receipt of the Review Documents, as hereinafter defined, ("Feasibility Period") to review the Title Commitment, the Survey, and 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. In the event Buyer deems an extension is necessary for further inspection then upon Buyer's request the Feasibility Period shall be extended for a maximum of 30 days without cost to Buyer. 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 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 7 days of Buyer's delivery, Seller must notify Buyer in writing whether it intends to cure the objections. 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. Any abandoned or unsuccessful attempt by Buyer to cure any defect revealed by the Review Documents does not waive any rights Buyer may otherwise have relating to Seller's default, if any, related to the defects.

9.5. Within 20 days of the Effective Date, Seller must deliver to Buyer (a) copies of all existing engineering plans, specifications, maps, and drawings for any structures on the Property; reports (whether generated by Seller or its agents or consultants) regarding the condition of the Property or the structures thereon and (b) written notice of all water, utility, hospital, drainage, road, and other special taxing districts in which the Property is situated, together with any notices Seller may have received regarding taxing districts planning to include the Property in the future. The reports to be delivered include, without limitation, reports concerning utilities, environmental conditions, and infrastructure); reports relating to the possible development of the Property, and percolation and other soil tests. At the same time as Seller delivers the items to Buyer, Seller must likewise deliver the items noted under (b) above to the Title Company. Seller must deliver to Buyer any other due diligence material reasonably requested within 10 days of the request. Seller does not warrant the accuracy of any materials delivered under this paragraph, except that Seller will notify Buyer in writing if Seller has conscious awareness of the falsity of any item in the materials. Buyer will evaluate the material provided at its own risk.

9.6. From the Effective Date of the Contract until the end of the Feasibility Period, Buyer may 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 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. Buyer shall not damage any fence or enclosure on the Property or undertake such tests or activities that would make the Property unusable for raising cattle. Seller shall cooperate with Buyer in moving Seller's cattle within different sections of the Property to accommodate any testing, surveying, or other investigation on sections of the Property consistent with the restrictions set forth in this Section 9.6.

9.7. At or before Closing, Seller shall 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.

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. If the School Land Board denies approval, 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.

10.3 **EXCEPT AS TO BUYER'S OBLIGATION TO PAY ONE AND ONE-HALF PERCENT OF SALES PRICE FOR BROKER'S COMMISSION PROVIDED IN SECTION 15 OF THIS CONTRACT, SELLER MUST INDEMNIFY BUYER AND HOLD BUYER HARMLESS FROM AND AGAINST ANY AND ALL LOSS, COST, LIABILITY, OR EXPENSE ARISING OUT OF OR RELATING TO CLAIMS BY THIRD PARTIES FOR BROKERAGE COMMISSIONS OR FINDER'S OR OTHER FEES RELATIVE TO THIS CONTRACT OR THE SALE OF THE PROPERTY IF THE CLAIMS ARISE OUT OF OR RELATE TO ACTS OR OMISSIONS OF SELLER. WITHOUT LIMITATION, ALL COURT COSTS, ATTORNEYS' FEES AND OTHER COSTS OR EXPENSES ARISING THEREFROM ARE INCLUDED IN THIS INDEMNITY. THIS INDEMNITY SURVIVES CLOSING.**

11. Representations:

Seller represents to Buyer as follows:

11.1. Seller has, or will have as of Closing, good and indefeasible fee simple title to the Property, other than Permitted Exceptions, 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.

11.3. There is no 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. The Property has not been used as a landfill or other waste or by-product disposal facility. Neither has the Property been used for storage or disposal of any hazardous or toxic materials, nor is there any other adverse fact or condition relating to the Property that has not been specifically disclosed in writing by Seller to Buyer.

11.6. In addition to access from the easement to be created pursuant to this Contract, 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.

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. The Property is currently not zoned. Seller is not aware of any judicial or administrative action or any natural or artificial condition that would adversely affect Buyer's intended use of 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 or has been filed by or against Seller or the Property.

11.10. Development of any material part of the Property is not 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.

11.11. Seller is a limited partnership duly organized and validly existing under the laws of the State of Texas. Seller has taken all requisite action to make this Contract binding upon and enforceable against Seller in accordance with its terms.

11.12. 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 Seller's articles of incorporation or bylaws or any contract or other obligation by which Seller or its property are bound.

11.13. 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, terminate this Contract or sue to compel Seller to make the representation true. All representations survive the Closing.

12. Closing:

12.1. If Seller satisfies its obligations hereunder, the closing of this Contract (the "Closing") must occur not later than thirty (30) days after the expiration of the feasibility period except as mutually agreed by the parties, at a mutually acceptable time and location. Seller appoints A.W. Gregg as 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 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.

12.3.1 At Closing, Seller, as Lessee, and Buyer, as Lessor, shall execute a grazing surface lease for the Property, substantially in the form attached hereto as Exhibit B, with such additions and modifications as the parties shall agree upon during the Feasibility Period. Seller shall also cause the owner(s) of a tract of land comprised of approximately 12 acres surrounded on three sides by the Property to provide Buyer:(i) an easement, in recordable form, for reasonable access to and egress from the Property over the existing road on such 12 acre tract; and (ii) an option to purchase such property. The terms of such option and easement shall provide, among other things, as follows: The easement shall terminate on the earlier of the completion of development of the Property pursuant to a development plan or the date upon which the Buyer has completed construction of a road providing direct access to the Property from Hays County Road No. 136; The owner of such 12 acre tract shall provide notice to Buyer prior to offering or marketing such property for sale of Buyer's option to elect to purchase such property for the then fair market value of the property. In the event that Buyer declines to enter into a binding agreement for purchase of such property at the then fair market value within 90 days from receiving notice of the option to purchase, Buyer's use of the easement shall be restricted, until it is terminated, to access by passenger cars and light trucks.

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. Buyer is excused from payment of any property taxes. Security deposits and prepaid rent held by Seller if any, must be delivered to Buyer at Closing.

12.5. In addition to the prorated taxes for 2005, 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 twelve (12) months following the date of the Closing if the Property were in private hands and used as qualified open-space land as applicable to the Property in the year prior to Closing. 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 and subject to the same special rules for appraisal of qualified open-space land as applicable to the Property in the year prior to Closing. The calculation must be based on the most recent assessed valuation. 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 for payment in lieu of taxes during the twelve (12) months following the Closing date. Buyer will use its best efforts to inform any prospective purchaser, as and when Buyer should sell the property that the property may be subject to roll back taxes. Buyer agrees that it will not sell or otherwise transfer the Property prior to January 1, 2006, but in the event Buyer sells or transfers any part of the Property to any non-tax exempt party in the same calendar year the Property is conveyed by Seller to Buyer, Buyer shall cause its transferee to be responsible by contract for any roll back taxes imposed as a result of a change in use subsequent to such transfer.

13. Default:

13.1. If Seller defaults, Buyer has the absolute right, upon written notice and demand, to the return in full of all or any portion of the Sales Price as may have been deposited by Buyer with the Seller or the Title Company before or at Closing. Except however, the Independent Consideration is non-refundable.

13.2. If either party defaults in its obligations under this Contract, the remedy of the non-defaulting party is termination of this Contract, except as may be expressly provided otherwise.

13.3. In addition to the remedies specified above, Buyer may bring a suit in law or equity (i) for specific performance or (ii) to enforce any of Seller's representations, warranties, indemnities, or other obligations that survive the Closing.

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. Any of these remedies may be used together with any other remedy at Buyer's option.

15. Brokerage:

Seller has informed Buyer that, by separate agreement with Greg Blackburn, CB Richard Ellis Commercial Real Estate, Austin and Mike Schroeder, Schroeder Company, Austin, Seller is liable for a commission in respect of this transaction. Buyer has no liability for any such commission except that Buyer agrees to pay an amount of one and one-half percent of Sales Price for such brokerage commissions. **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 Therefrom, And Alleged To Be Due By Authorization Of Purchaser. 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. Any notice to Seller required or permitted by the terms of this Contract shall not be complete unless simultaneously forwarded to Seller's attorney:

Doug Young
Scanlan, Buckle & Young, P.C.
602 West 11th Street
Austin, Texas 78701

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 15 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

Approved:
Contents: _____
Legal Services: _____
Deputy: _____
General Counsel: _____
Executive: _____

Date of Buyer's Signature: 6/21/05

Seller:

KY-TEX PROPERTIES L.P.

By: _____
A.W. Gregg, Jr.

_____
_____
_____

Date of Seller's Signature: 6/15/05

Exhibit A to
Contract To Purchase Blanco River Ranch
1982.4 Acres Hays County, Ky-Tex Properties L.P., Seller

EXHIBIT A TO CONTRACT BETWEEN KY-TEX PROPERTIES, LP, AS SELLER, AND THE STATE OF TEXAS FOR THE USE AND BENEFIT OF THE PERMANENT SCHOOL FUND

1938.67 ACRES OF LAND, MORE OR LESS, AS FULLY DESCRIBED BY METES AND BOUNDS IN THE DEED FROM J.N. THORTON AND WIFE, BESSIE THORNTON, TO F.D. GLASS, JR., DATED JUNE 7, 1944, RECORDED IN BOOK 130, PAGES 121 ET SEQ., HAYS COUNTY DEED RECORDS, LESS 11.9 ACRES, MORE OR LESS, OUT OF THE BELOW DESCRIBED 251 ACRES, AS CONVEYED BY A.W. GREGG, DATED FEBRUARY 4, 1982 AND RECORDED IN VOLUME 371, PAGE 138 OF THE HAYS COUNTY DEED RECORDS, AND

251 ACRES OF LAND, MORE OR LESS, IN HAYS COUNTY, TEXAS, MORE FULLY DESCRIBED BY METES AND BOUNDS IN THE DEED FROM ERNEST R. GRIFFIN TO A.W.GREGG, DATED FEBRUARY 28, 1951, RECORDED IN BOOK 167, PAGES 365 ET SEQ., HAYS COUNTY DEED RECORDS, LESS 195.27 ACRES, MORE OR LESS, CONVEYED BY SELLER HEREIN TO FULLER IN SEPTEMBER OF 1963 AND LESS 0.10 ACRES, MORE OR LESS, OUT OF THE 251 ACRES, AS CONVEYED BY A.W. GREGG, DATED FEBRUARY 4, 1982 AND RECORDED IN VOLUME 371, PAGE 138 OF THE HAYS COUNTY DEED RECORDS.

EXHIBIT "B"

The State of Texas

Austin, Texas

SURFACE LEASE SL _____

(GRAZING/HUNTING)

STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF HAYS §

This Surface Lease SL_____, (the "Lease"), is granted by virtue of the authority granted in Section 51.121, et seq., TEX. NAT. RES. CODE ANN. (Vernon Supp. 1999), 31 TEX. ADMIN. CODE § 13 (Land Resources), et seq., and all other applicable statutes and rules, as the same may be amended from time to time, and is subject to all applicable regulations promulgated from time to time.

ARTICLE I. PARTIES

1.01. In consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the STATE OF TEXAS, acting by and through the Commissioner of the General Land Office, on behalf of the Permanent School Fund ("Lessor"), hereby grants to _____, whose address is _____ phone number _____, ("Lessee"), the right to use the surface estate of certain Permanent School Fund land (the "Leased Premises") for the purposes identified in Article V. below.

ARTICLE II. PREMISES

2.01. The Leased Premises is described below and further described or depicted on Exhibits attached hereto and collectively incorporated by reference for all purposes:

Section	Block	TSP	Survey	File No.	Acres	County

2.02. **LESSEE HAS INSPECTED THE PHYSICAL AND TOPOGRAPHIC CONDITION OF THE LEASED PREMISES AND ACCEPTS SAME "AS IS" IN ITS EXISTING CONDITION. LESSEE IS NOT RELYING ON ANY REPRESENTATION OR WARRANTY OF LESSOR REGARDING ANY ASPECT OF THE PREMISES, BUT IS RELYING ON LESSEE'S OWN INSPECTION OF THE PREMISES. LESSOR DISCLAIMS ANY AND ALL WARRANTIES OF HABITABILITY, MERCHANTABILITY, SUITABILITY, FITNESS FOR ANY PURPOSE, AND ANY**

OTHER WARRANTY WHATSOEVER NOT EXPRESSLY SET FORTH IN THIS LEASE. LESSOR AND LESSEE HEREBY AGREE AND ACKNOWLEDGE THAT THE USE OF THE TERMS "GRANT" AND/OR "CONVEY" IN NO WAY IMPLIES THAT THIS LEASE OR THE LEASED PREMISES ARE FREE OF LIENS, ENCUMBRANCES AND/OR PRIOR RIGHTS. LESSEE IS HEREBY PUT ON NOTICE THAT ANY PRIOR GRANT AND/OR ENCUMBRANCES MAY BE OF RECORD AND LESSEE IS ADVISED TO EXAMINE ALL RECORDS OF LESSOR AND THE COUNTY IN WHICH THE LEASED PREMISES ARE LOCATED. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS LEASE.

ARTICLE III. TERM

3.01. This Surface Lease SL_____is for a minimum term of six (6) months, commencing on the date of closing of the sale transaction to the Permanent School Fund, ("effective date") and terminating six (6) months from the effective date, unless earlier terminated as provided herein. Renewal of this agreement is at the sole discretion of Lessor, and no right to renew is implied or provided for herein.

ARTICLE IV. CONSIDERATION AND TAXES

4.01. A. As consideration ("Consideration") for the granting of this Lease, Lessee shall pay rent ("Rent") to Lessor (payable to the Commissioner of the General Land Office at Austin, Texas): the sum of _____ **00/100 Dollars ($_____).**

B. Consideration for this Lease shall be payable in _____ (____) annual installments, in advance, of **00/100 Dollars ($_____).** The first annual installment shall be made upon the execution hereof and subsequent annual installments are to be made on or before each anniversary of the effective date hereof.

C. Past due Rent and other past due payments shall bear interest from maturity at the rate of ten percent (10%) per annum from the date when due until actually paid, as provided in Section 51.301, TEX. NAT. RES. CODE ANN. (Vernon 1978). Failure of Lessee to make a payment on or before the date the same becomes due shall, at Lessor's option, make all payments due and payable immediately.

4.02. Lessor is exempt from taxation. If any taxes are levied on Lessee's interest under this Lease, or if any other taxes or assessments are appropriately levied against the Leased Premises, Lessee shall pay such taxes and assessments not less than five (5) days prior to the date of delinquency thereof directly to the taxing authority. Lessee may in good faith and at its sole cost contest any such taxes or assessments, and shall be obligated to pay the contested amount only if and when finally determined to be owed. **LESSEE AGREES TO AND SHALL INDEMNIFY AND HOLD LESSOR HARMLESS FROM AND AGAINST ANY SUCH TAXES AND ASSESSMENTS LEVIED DURING THE TERM OF THIS LEASE. THIS INDEMNIFICATION SHALL SURVIVE EXPIRATION OR EARLIER TERMINATION OF THIS LEASE.**

4.03. Lessee shall pay all utility charges for electricity, heat, water, gas, and telephone, and the like used on and about the Leased Premises.

4.04. Pursuant to Chapter 9 of the Texas Business and Commerce Code, Lessee grants to Lessor a security interest to secure payment of all Consideration. This security interest attaches to all crops raised on the Leased Premises and all proceeds from the sale of those crops, and on all presently living and subsequently acquired or born livestock on the Leased Premises owned by Lessee, and all proceeds from the sale of such livestock.

ARTICLE V. USE OF THE PREMISES

5.01. The Leased Premises may be used by Lessee solely for Grazing, Hunting and for no other purpose. Except to the extent that modification is reasonably necessary for Lessee's authorized use, the Leased Premises are to remain in their current topographical condition during the term of the Lease. Lessee is specifically prohibited from modifying the premises in any manner, and from using or allowing the use by others of the Leased Premises for any other purpose, including, but not limited to, mining, hauling, or otherwise removing rock, sand, gravel, aggregate, or other such materials, without Lessor's prior express written approval.

5.02. The carrying capacity for grazing under this Lease shall be 85 animal units for the Leased Premises. Lessee may not exceed this rate without Lessor's prior express written approval.

5.03. Lessee shall not use or permit the use of the Leased Premises for any illegal purpose. Lessee and its officers, employees, agents and invitees will comply with, all applicable federal, State and local laws, ordinances and rules concerning the use of the Leased Premises.

5.04. Lessor reserves the exclusive right to grant easements, rights-of way and/or other permits authorizing use of the Leased Premises, provided (except in the instance of mineral development as provided in Section 5.06 below) such use does not unreasonably interfere with Lessee's use thereof. Any purported grant of an easement, right-of-way, permit or other license by Lessee shall be void unless specifically authorized in this Lease or by Lessor's prior express written approval.

5.05. Lessor reserves the right to enter upon the Leased Premises at any time with or without prior notice to Lessee to inspect the condition thereof and/or take action authorized by this Lease. Lessee shall provide Lessor with keys or combinations to all locks which may limit access to the Leased Premises.

5.06. Lessor reserves unto itself all of the oil, gas, and other minerals, all gas thermal resources, and all water and water rights in, on, under, or associated with the Leased Premises; provided, however, that Lessee is permitted to use such waters located on the Leased Premises, to the extent and in an amount ordinarily and reasonably necessary, for the purpose of watering Lessee's permitted livestock and/or wildlife. The Leased Premises are subject to prospecting, production and development of oil, gas and other minerals and other materials of commercial value by Lessor, its lessees, permittees, licensees or other agents, assigns or representatives. Lessee shall not interfere with such use of the Leased Premises and shall allow any lessee, permit holder, licensee or other agent, assignee or representative of the State and/or the School Land Board the right of ingress and egress over, across and through, and the use of the Leased Premises for any and all purposes authorized by State.

5.07. Lessee may not charge State's authorized lessees, permit holders, licensees or other agents, assigns or representatives surface damages, or any other fee, for use of the Leased Premises, provided, however, the foregoing shall not limit the liability of any person or entity to Lessee for damages caused to property owned by Lessee.

5.08. Lessor reserves the right to use Natural Resources Conservation Service and/or the Texas Parks and Wildlife personnel and their field office technical guides (standards and specifications) for all range and wildlife conservation and/or ranch improvement programs and practices.

5.09. Lessee shall implement a sound soil and water conservation plan for the Leased Premises, subject to Lessor's approval. Lessee will develop the plan in cooperation with the Lessor and/or the U.S. Department of Agriculture Natural Resources Conservation Service. Lessee shall file the plan with Lessor within six (6) months of execution of the lease.

5.10. A. No construction, land modifications or excavation, or permanent property improvements may be allowed or undertaken without Lessor's prior express written consent. Lessee may not maintain or allow any nuisances or public hazards on the Leased Premises, and shall be under a duty to abate or remove any activity or property constituting or contributing to a hazard or nuisance.

B. Existing improvements and improvements for which Lessor awards credit or grants to Lessee are and shall remain the property of Lessor. Regardless of ownership, Lessee shall properly maintain all existing improvements and all improvements placed or constructed on the Leased Premises, provided that no improvement owned by Lessor may be altered or modified without Lessor's prior express written consent.

C. Lessee shall submit a map or description showing and describing any new improvements and their location on the Leased Premises.

5.11. Lessee shall take all reasonable precautions to suppress and prevent the uncontrolled spread of fire and shall not purposely attempt to burn any part of the Leased Premises without prior approval of Lessor.

5.12. Lessee shall not commit waste and shall keep all improvements and land in reasonably neat condition.

5.13. Hunting on the Leased Premises is allowed only to the extent described elsewhere in this Lease. Lessee shall adhere to the Texas Parks and Wildlife Department's rules and regulations for Duval and McMullen Counties.

ARTICLE VI. ASSIGNMENTS

6.01. Lessee shall not assign or sublease the Leased Premises or the rights granted herein, in whole or part, to any third party for any purpose without the prior written consent of Lessor, which may be granted or denied in Lessor's sole discretion. Any unauthorized assignment or sublease shall be void and of no effect and such assignment or sublease shall not relieve Lessee of any liability for any obligation, covenant, or condition of this Lease. This provision and the prohibition against assignment and subleasing contained herein shall survive expiration or earlier termination of this Lease. For purposes of this Lease, an assignment is any transfer, including by operation of law, to another of all or part of the property, interest or rights herein granted.

ARTICLE VII. PROTECTION OF HISTORICAL RESOURCES

7.01. **LESSEE IS EXPRESSLY PLACED ON NOTICE OF THE NATIONAL HISTORICAL PRESERVATION ACT OF 1966, (PB-89-66, 80 STATUTE 915; §470) AND THE ANTIQUITIES CODE OF TEXAS, CHAPTER 191, TEX. NAT. RES. CODE ANN. (VERNON 1999 SUPP.). IN THE EVENT THAT ANY SITE, OBJECT, LOCATION, ARTIFACT OR**

OTHER FEATURE OF ARCHEOLOGICAL, SCIENTIFIC, EDUCATIONAL, CULTURAL OR HISTORIC INTEREST IS ENCOUNTERED DURING ANY ACTIVITY ON THE LEASED PREMISES, LESSEE WILL IMMEDIATELY CEASE SUCH ACTIVITIES AND WILL IMMEDIATELY NOTIFY LESSOR AND THE TEXAS HISTORICAL COMMISSION, PO BOX 12276, AUSTIN, TEXAS 78711, SO THAT ADEQUATE MEASURES MAY BE UNDERTAKEN TO PROTECT OR RECOVER SUCH DISCOVERIES OR FINDINGS, AS APPROPRIATE.

ARTICLE VIII. INDEMNITY

8.01. **LESSEE SHALL BE FULLY LIABLE AND RESPONSIBLE FOR ANY DAMAGE, OF ANY NATURE, ARISING OR RESULTING FROM ITS OWN ACTS OR OMISSIONS RELATED TO ITS EXERCISE OF THE RIGHTS GRANTED HEREIN. LESSEE AGREES TO AND SHALL INDEMNIFY AND HOLD LESSOR, LESSOR'S OFFICERS, AGENTS, AND EMPLOYEES, HARMLESS FROM AND AGAINST CLAIMS, SUIT, COSTS, LIABILITY OR DAMAGES OF ANY KIND, INCLUDING STRICT LIABILITY CLAIMS, WITHOUT LIMIT AND WITHOUT REGARD TO CAUSE OF THE DAMAGES OR THE NEGLIGENCE OF ANY PARTY, EXCEPT FOR THE CONSEQUENCES OF THE NEGLIGENT ACTS OR WILLFUL MISCONDUCT OF LESSOR, LESSOR'S OFFICERS, AGENTS, EMPLOYEES, OR INVITEES, ARISING DIRECTLY OR INDIRECTLY FROM LESSEE'S USE OF THE LEASED PREMISES (OR ANY ADJACENT OR CONTIGUOUS PSF LAND) OR FROM ANY BREACH BY LESSEE OF THE TERMS, COVENANTS OR CONDITIONS CONTAINED HEREIN. THE PROVISIONS OF THIS SECTION SHALL SURVIVE EXPIRATION OR EARLIER TERMINATION OF THIS LEASE.**

ARTICLE IX. DEFAULT, TERMINATION AND EXPIRATION

9.01. If, following 30 days prior written notice from Lessor specifying a default or breach, Lessee fails to pay any money due hereunder or is in breach of any term or condition of this Lease, Lessor shall have the right, at its option and its sole discretion, to terminate this Lease and all rights inuring to Lessee herein by sending written notice of such termination to Lessee in accordance with ARTICLE XI of this Lease. Upon sending of such written notice, this Lease shall automatically terminate and all rights granted herein to Lessee shall revert to Lessor. Such termination shall not prejudice the rights of Lessor to collect any money due or to seek recovery on any claim arising hereunder.

9.02. If Lessee fails to remove its personal property from the Leased Premises within the time specified in Section 9.01. above, or if Lessee fails to remove improvements placed or constructed on the Leased Premises by or on behalf of Lessee pursuant to a notice by Lessor to remove those improvements pursuant to Section 9.01. above, then Lessor may, at its sole option, remove and dispose of such property (with no obligation to sell or otherwise maintain such property in accordance with the Uniform Commercial Code), at Lessee's sole cost and expense, or Lessor may elect to own such property by filing a notice of such election pursuant to Section 51.302, et seq., TEX. NAT. RES. CODE ANN. (Vernon Supp. 1999). If Lessor elects to remove Lessee's property and dispose of it pursuant to this section, then in such an event Lessee shall be obligated to reimburse Lessor for the reasonable costs of such removal and disposal within ten (10) days of Lessor's demand for reimbursement. **THE TERMS OF THIS SECTION SHALL SURVIVE EXPIRATION OR EARLIER TERMINATION OF THIS LEASE.**

9.03. The Leased Premises are subject to sale or trade. Lessor reserves the right to permit entry by prospective or actual buyers. In the event the Leased Premises are sold or traded, Lessor may terminate this Lease upon sixty (60) days written notice to Lessee; provided, however, that no termination on account of a trade or sale of the Property may occur before January 1, 2006. Upon conveyance or award of the Leased Premises to a party acquiring the Leased Premises by sale or trade, this Lease shall automatically terminate unless otherwise agreed in writing by such party and Lessee. Regardless of whether the Leased Premises are offered for sale or trade, Lessee shall have no preference right to purchase the Leased Premises or to renew or extend this Lease.

9.04. Lessor reserves the right to remove from this Lease such acreage as Lessor may determine necessary for purposes other than those described herein, in which event this Lease shall be canceled as to the part so removed by Lessor and Rent shall be prorated on the remaining acreage.

ARTICLE X. HOLDOVER

10.01. If Lessee holds over and continues in possession of the Leased Premises after expiration or earlier termination of this Agreement, Lessee will be deemed to be occupying the Leased Premises on the basis of a month-to-month tenancy subject to all of the terms and conditions of this Lease, except that as liquidated damages by reason of such holding over, the amounts payable by Lessee under this Lease shall be increased such that the Consideration payable under Section 4.01 of this Lease and any other sums payable hereunder shall be one hundred fifty percent (150%) of the amount payable to Lessor by Lessee for the applicable period immediately preceding the first day of the holdover period. Lessee acknowledges that in the event it holds over, Lessor's actual damages will be difficult, if not impossible, to ascertain, and the liquidated damages herein agreed to be paid are reasonable in amount and are payable in lieu of actual damages and are not a penalty. Lessee further acknowledges that acceptance of hold over Consideration does not imply Lessor's consent to hold over.

10.02. The tenancy from month-to-month described in Section 10.01 of this Lease may be terminated by either party upon thirty (30) days written notice to the other.

10.03. The Consideration due after notice of termination has been given is to be calculated according to Section 10.01 hereinabove on a pro rata basis. If upon notice of termination by Lessor, Lessee pays Consideration in excess of the amount due and payable and Lessor accepts such payment, the acceptance of such payment will not operate as a waiver by Lessor of the notice of termination unless such waiver is in writing and signed by Lessor. Any such excess amounts paid by Lessee and accepted by Lessor shall be promptly refunded by Lessor after deducting therefrom any amounts owed to Lessor.

ARTICLE XI. NOTICE

11.01. Any notice which may or shall be given under the terms of this Lease shall be in writing and shall be either delivered by hand, by facsimile, or sent by United States first class mail, adequate postage prepaid, if for Lessor to Deputy Commissioner, Asset Inspection, addressed to his attention, 1700 North Congress Avenue, Austin, Texas 78701-1495, FAX: (512) 463-5304, and if for Lessee, to: Ky-Tex Properties, L.P. 1259 Old Stagecoach Road , Kyle, Texas 78640-9428, with copy to Lessee's Attorney: Doug Young, Scanlan, Buckle & Young, P.C., 602 West 11th Street, Austin, Texas 78701. Any party's address may be changed from time to time by such party by giving notice as provided above, except that the Leased Premises may not be used by Lessee as the sole notice address. No change of address of either party shall be binding on the other party until notice of such change of address is given as herein provided.

11.02. For purposes of the calculation of various time periods referred to in this Lease, notice delivered by hand shall be deemed received when delivered to the place for giving notice to a party referred to above. Notice mailed in the manner provided above shall be deemed completed upon the earlier to occur of (i) actual receipt as indicated on the signed return receipt, or (ii) three (3) days after posting as herein provided.

ARTICLE XII. INFORMATIONAL REQUIREMENTS

12.01. A. Lessee shall provide written notice to Lessor of any change in Lessee's name, address, corporate structure, legal status or any other information relevant to this Agreement.

B. Lessee shall provide to Lessor any other information reasonably requested by Lessor in writing within fifteen (15) days following such request or such other time period approved by Lessor (such approval not to be unreasonably withheld).

ARTICLE XIII. MISCELLANEOUS PROVISIONS

13.01. With respect to terminology in this Lease, each number (singular or plural) shall include all numbers, and each gender (male, female or neuter) shall include all genders. If any provision of this Lease shall ever be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions of the Lease, but such other provisions shall continue in full force and effect.

13.02. The titles of the Articles in this Lease shall have no effect and shall neither limit nor amplify the provisions of the Lease itself. This Lease shall be binding upon and shall accrue to the benefit of Lessor, its successors and assigns, and Lessee, Lessee's successors and assigns (or heirs, executors, administrators and assigns, as the case may be); however, this clause does not constitute a consent by Lessor to any assignment by Lessee.

13.03. Neither acceptance of Consideration (or any portion thereof) or any other sums payable by Lessee hereunder (or any portion thereof) to Lessor nor failure by Lessor to complain of any action, non-action or default of Lessee shall constitute a waiver as to any breach of any covenant or condition of Lessee contained herein nor a waiver of any of Lessor's rights hereunder. Waiver by Lessor of any right for any default of Lessee shall not constitute a waiver of any right for either a prior or subsequent default of the same obligation or for any prior or subsequent default of any other obligation. No right or remedy of Lessor hereunder or covenant, duty or obligation of Lessee hereunder shall be deemed waived by Lessor unless such waiver be in writing, signed by a duly authorized representative of Lessor. Nothing herein shall constitute a waiver of Lessor's sovereign immunity.

13.04. No provision of this Lease shall be construed in such a way as to constitute Lessor and Lessee joint ventures or partners or to make Lessee the agent of Lessor or make Lessor liable for the debts of Lessee.

13.05. In all instances where Lessee is required hereunder to pay any sum or do any act at a particular indicated time or within an indicated period, it is understood that time is of the essence.

13.06. Under no circumstances whatsoever shall Lessor ever be liable hereunder for consequential damages or special damages. The terms of this Lease shall only be binding on Lessor during the period of its ownership of the Leased Premises, and in the event of the transfer of such ownership interest, Lessor shall thereupon be released and discharged from all covenants and obligations thereafter accruing, but such covenants and obligations shall be binding during the Lease term upon each new owner for the duration of such owner's ownership.

13.07. All monetary obligations of Lessor and Lessee (including, without limitation, any monetary obligation for damages for any breach of the respective covenants, duties or obligations of either party hereunder) are performable exclusively in Austin, Travis County, Texas.

13.08. Lessee's obligations to pay Consideration and to perform Lessee's other covenants and duties under this Lease constitute independent, unconditional obligations. Lessee waives and relinquishes all rights which Lessee might have to claim any nature of lien against Lessor and the Leased Premises, or withhold or deduct from or offset against any Consideration or other sums provided hereunder to be paid to Lessor by Lessee. Lessee waives and relinquishes any right to assert, either as a claim or as a defense, that Lessor is bound to perform or is liable for the nonperformance of any implied covenant or implied duty of the Lessor not expressly set forth in this Lease.

ARTICLE XIV. FILING

14.01. Lessee shall, at its sole cost and expense, record this Lease in the Hays County Real Property Records and provide a filemarked copy to Lessor within 60 days after this Lease is executed by all parties.

ARTICLE XV. ENTIRE AGREEMENT

15.01. This Lease, including any exhibits to the same, constitutes the entire agreement between Lessor and Lessee, no prior or contemporaneous written or oral promises or representations shall be binding. The submission of this Lease for examination by Lessee or Lessor and/or execution thereof by the Lessee or Lessor does not constitute a reservation of or option for the Leased Premises and this Lease shall become effective only upon execution of all parties hereto and delivery of a fully executed counterpart thereof by Lessor to the Lessee.

15.02 This Lease shall not be amended, changed or extended except by written instrument signed by both parties thereto.

IN TESTIMONY WHEREOF witness my hand and Seal of Office.

LESSOR:
THE STATE OF TEXAS

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

Date: _____

LESSEE:

By: _____

_____
(Printed Name)

Date: _____

APPROVED:

Contents: _____

Legal: _____

Deputy: _____

Executive: _____

ACKNOWLEDGMENT

STATE OF _____ §
§
COUNTY OF HAYS §

This instrument was acknowledged before me on the _____day of _____, _____, by _____.

_____

Notary Public, State of _____

My commission expires: _____

(3)

File No. 155382

Hays County

Contract

Date Filed: 2-14-06

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED
DATE 5/21/07 pf

TCB | AECOM

Report of Phase I Environmental Site Assessment

Blanco River Tract - 1,936 Acres
Hays County, TX

submitted to
Texas General Land Office
Austin, Texas

June 2005

TCB | AECOM

Report
of
Phase I
Environmental Site Assessment

Blanco River Tract
Approximately 1,936 Acres of Undeveloped Land
Hays County, Texas

Prepared for:

Texas General Land Office
1700 N. Congress Avenue
Austin, Texas 78701-1495

Prepared by:

Turner Collie & Braden Inc.
400 West 15th Street, Suite 500
Austin, Texas 78701

June 2005

TCB Project 052.322319.0001.00001.3202

TCB | AECOM

Turner Collie & Braden
400 West 15th Street, Suite 500, Austin, Texas 78701
T 512.472.4519 F 512.472.7519 www.tcb.aecom.com

June 30, 2005

Ms. Sharon Clark
Texas General Land Office
1700 N. Congress Avenue
Austin, Texas 78701-1495

Subject: **Report of Phase I Environmental Site Assessment**
Blanco River Tract – Approximately 1,936 Acres of Undeveloped Ranch Land
Hays County, Texas
TCB Project No. 052.322319.0001, Task 00001

Dear Ms. Clark:

Turner Collie & Braden Inc. (TCB) is pleased to submit this report of the Phase I Environmental Site Assessment for the above referenced property located in Austin, Travis County, Texas. This report discusses background information, purpose and scope of work, execution of work, conclusions, and recommendations for the Property.

This report is intended for the use of the Texas General Land Office only. TCB's services have been performed under mutually agreed-upon terms and conditions. If other parties wish to rely on this report, please have them contact TCB so that a mutual understanding and agreement of the terms and conditions for TCB's services can be established prior to their use of this information.

We appreciate your selection of TCB for this project and look forward to assisting you further on this and other projects. If you have any questions, please do not hesitate to contact one of the undersigned.

Sincerely,

Douglas E. Zarker, PG
Environmental Specialist/Geologist

Carlos Swonke
Project Manager

Robert C. Esenwein, CEP
Vice President/Chief Environmental Planner

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Executive Summary

Blanco River Tract
1,936 Acres of Undeveloped Ranch Land
Hays County, Texas

The Texas General Land Office (GLO) has engaged Turner Collie & Braden Inc. (TCB) to perform a Phase I Environmental Site Assessment (ESA) of the above referenced property in accordance with our Contract for Professional Services (GLO Contract No. 05-172) dated January 28, 2005, and Work Order No. 05-172-WO-08 effective June 22, 2005. The following summarizes TCB's findings, conclusions and recommendations based upon the assessment activities completed.

The subject property (Property) encompasses approximately 1,936 acres of undeveloped, agricultural ranch land located in Hays County. The site is located about one mile west of Kyle, Texas, between the Blanco River and Farm to Market (FM) Road 150. Improvements noted on the Property include several barns and related structures, three relatively small one-story bunk-house type structures including a lodge located near the Blanco River. Other improvements noted on the Property include two stock tanks, several water wells and associated pump houses, and the existing fence. The Property is surrounded primarily by tracts of undeveloped agricultural land and residential property. TCB understands this assessment was required prior to a proposed real estate transaction involving the Property. The purpose of the environmental site assessment was to identify potential sources of environmental contamination by reviewing regulatory information and historical data, and by visual observations of the site and surrounding area.

Historical Review

No obvious recognized environmental conditions were noted during our review of available historical information.

Regulatory Review

TCB has reviewed selected federal and state environmental regulatory lists. Regulatory information reviewed to date does not indicate obvious recognized environmental conditions at the Property.

On-Site Concerns

No recognized environmental conditions were identified at the Property.

Three empty aboveground storage tanks (ASTs) were noted on the Property during our site reconnaissance. One of the three ASTs is approximately 10,000 gallons in capacity and Mr. A.W. Gregg, one of the current owners of the Property, reported that the larger AST was formerly used to store groundwater prior to the installation of several additional water wells drilled on the Property. The other two ASTs were observed on the eastern portion of the Property and are smaller, 500-gallon reservoirs constructed of steel. Mr. Gregg indicated that the two ASTs were formerly used to store diesel fuel for the re-fueling of farm vehicles and equipment but that the tanks have not been used in the last 15 to 20 years. Mr. Gregg reported that the farm vehicles and equipment were now refueled by portable containers stored in the bed of his pick-up truck. The tanks were empty at the time of our site reconnaissance and no evidence of excessive spillage, extensive soil staining, hydrocarbon odors, or vegetative stress was observed in the vicinity of the ASTs.

Evidence of prior dumping activities was noted in several isolated areas of the Property. Dumped materials observed in these areas included mostly inert materials such as old discarded farm equipment, furniture, appliances, rubber tires and typical household trash.

No evidence of recent dumping or landfilling was noted or reported. No evidence of staining or vegetative stress was noted in the general area of the dumped materials. Minor amounts of scattered household debris were noted in areas across the tract but did not appear to present a source of environmental concern.

Review of the National Wetlands Inventory Map of the *Mountain City, Texas* and the *Sequin, Texas* Quadrangle Maps and our preliminary field evaluation indicated that the stock tank and some of the lower reaches of some of the drainages feeding into the Blanco River on the tract are classified as wetland-designated areas. The maps are generated from aerial photographs and are not field-verified; however, impacts to these areas may require a permit under the Clean Water Act.

Six water wells were observed on the Property. Records for only one of the water wells was available from the Texas Water Development Board. Records for the other water wells were not available. No other water wells, cisterns, or groundwater monitoring wells were reported or observed on the Property during the site reconnaissance.

Suspect asbestos-containing building materials may be located within the lodge, bunk houses or the other buildings on the ranch.

Off-Site Concerns

No obvious off-site recognized environmental concerns were identified.

Conclusions and Recommendations

TCB has performed a Phase I ESA in general conformance with the scope and limitations of ASTM E1527-00 of a 1,936-acre tract of undeveloped, agricultural ranch land located in Hays County, Texas. Any exceptions to, or deletions from, the ASTM E1527-00 scope are described in *Section 2.2* of this report. This assessment has revealed no evidence of recognized environmental conditions in connection with the Property. No further environmental assessment is recommended.

We recommend that the ASTs observed on the Property be removed and disposed in an appropriate landfill if they are not to be used. Based on the information provided to us or obtained for this study, we have identified no evidence that the ASTs may have caused environmental degradation to the Property. If during removal, suspect hazardous materials are encountered, TCB should be contacted to determine the extent and characterize the nature of potential constituents of concern in the soil and/or groundwater.

We recommend that the dumped materials and debris observed on the Property be removed and disposed in an appropriate landfill. If during removal, suspect hazardous materials are encountered, TCB should be contacted to determine the extent and characterize the nature of potential constituents of concern in the soil and/or groundwater.

Review of the National Wetlands Inventory Map of the *Seguin, Texas* and the *Mountain City, Texas* Quadrangles, and our preliminary field evaluation conducted on the site identified the stock tank areas and some of the lower reaches of some of the drainages feeding into the Blanco River on the tract are classified as a wetlands-designated areas. A wetlands identification and delineation was not included within the scope of services for this Phase I ESA. A jurisdictional waters determination, however, can be provided at your request. These services include identification of waters of the

United States, including wetlands, that may be subject to the U.S. Army Corps of Engineers permitting under Section 404 of the Clean Water Act.

We also recommend that the water wells, if they are not to be used, be properly plugged and abandoned. According to state regulations, the water wells should be properly plugged and abandoned with a report for each submitted to the Texas Department of Licensing and Regulations in Austin.

Suspect asbestos-containing building materials may be present within the buildings located on the ranch. If removal or demolition activities of the existing buildings on the ranch is being considered, we recommend that an asbestos survey be conducted to identify, sample, and analyze suspect friable and non-friable building materials. The Environmental Protection Agency (National Emission Standards for Hazardous Air Pollutants) and OSHA (Occupational Safety and Health Administration) regulations require that asbestos be properly handled during renovation or demolition.

This executive summary is presented for convenience only. While the executive summary is an integral part of the report, it should not be used in lieu of reading the entire report including the appendices.

1.0 Introduction

The Texas General Land Office (GLO) engaged Turner Collie & Braden Inc. (TCB) to perform a Phase I Environmental Site Assessment (ESA) of approximately 1,936 acres of undeveloped, agricultural ranch land in Hays County, Texas. The subject property (Property) is located about one mile west of Kyle, Texas, on a large tract of land located between the Blanco River and Farm to Market (FM) Road 150 in Hays County.

This study was performed substantially as outlined in GLO Contract No. 05-172, dated January 28, 2005, and Work Order No. 05-172-WO-08 effective June 22, 2005.

The Property consists of a 1,936-acre tract of undeveloped, agricultural ranch land. The description of the property is generally described as: 936.75 acres of the Caleb W. Baker Survey, 68.62 acres of the Seaborn Berry Survey, 371.54 acres of John Cooper Survey, 15.98 acres of the W. Dunbar Survey, 50.91 acres of the Thos. Snalim Survey, and 491.96 acres of the Samuel Pharass Survey.

Improvements noted on the Property include several barns, and three relatively small, one-story bunk house-type structures including a lodge located on the west side of the Property near the Blanco River. Other improvements include two stock tanks, several water wells and associated pump houses, and the existing fence. The Blanco River borders the western boundary of the Property. The current owner of the Property is reported to be KY-TEX Properties, LTD., who has owned and operated the Property for agricultural purposes since about 1948.

A TCB professional, experienced in environmental site assessments, performed fieldwork on the Property on June 23, 2005. Site information and access was provided by Mr. A.W. Gregg, one of the current owners of the Property.

2.0 Purpose, Scope, and Report Format

2.1 Purpose

The purpose of our services was to identify recognized environmental conditions from practices and activities that have occurred on the site or adjacent sites which could potentially contaminate the site. No subsurface evaluation was performed as a part of this assessment.

2.2 Scope of Services

The Phase I ESA is a general characterization of environmental concerns based on readily available information and site observations. The assessment was performed in general accordance with ASTM E1527-00 "Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process." The services provided are summarized below.

1. A qualitative hydrogeologic evaluation of the site and vicinity was performed using both published topographic maps and area observations to characterize the area drainage.
2. A review of readily available historical documents was conducted, including review of maps and aerial photographs and interviews with knowledgeable persons to evaluate past land uses. A 65-year chain-of-ownership summary was not obtained because a historical source extending back to 1940 and earlier was obtained for this project. According to the ASTM E1527-00 standards, a chain-of-ownership summary is not required if at least one historical source dating back to 1940 or earlier is available.
3. A review of available environmental reports published by state and federal agencies and contacts with local pollution control agencies was completed to determine if the site or nearby properties are listed as having a present or past environmental problem, are under investigation, or are regulated by state; federal; or local environmental regulatory agencies.
4. A site and surrounding area reconnaissance was performed to identify obvious indications of present or past activities which have or could have contaminated the site.
5. This report was prepared to present our findings, conclusions and recommendations.

Our scope of services did not include sampling of the soil and groundwater at the site. The assessment of issues identified as "additional issues" in ASTM E1527-00 such as asbestos, lead in paint, radon, lead in drinking water, formal surveys for endangered or threatened species, or detailed wetlands delineation was not performed as part of this assessment. In those instances where additional issues are included in the report as requested or authorized by the client, specific limitations attendant to those services are presented in the text of the report.

2.3 Report Format

Our report is presented in the following format:

- Hydrogeology
- Historical Review
- Regulatory Review
- Site and Area Reconnaissance
- Conclusions and Recommendations

A statement of interpretive limitations follows the recommendations.

3.0 Hydrogeology

A consideration of surface and subsurface drainage and geology are of interest since they provide potential pathways for contaminants, if present. TCB reviewed the following information regarding the hydrogeology of the site and surrounding area:

- *Edwards Aquifer Recharge Zone Map, San Marcos North and Mountain City, Texas* prepared by the Texas Commission on Environmental Quality (TCEQ). Reviewed online: http://gis.tceq.state.tx.us/website/iredwards1/viewer.htm
- *Environmental Geology of the Austin Area: An Aid to Urban Planning*, Bureau of Economic Geology, University of Texas, 1976
- *Geologic Atlas of Texas, Austin Sheet*, Bureau of Economic Geology, University of Texas at Austin, 1981
- *Geologic Map of the Austin Area, Texas* Bureau of Economic Geology, University of Texas, Reprinted 1986
- *Soil Survey of Comal and Hays County, Texas*, U.S. Department of Agriculture, Soil Conservation Service (SCS), 1984
- Texas Water Development Board, Water Information and Integration System, plotted wells for the *San Marcos North and Mountain City, Texas* quadrangle maps. Reviewed online: http://wiid.twdb.state.tx.us/
- U.S. Geological Survey (USGS) map, *San Marcos North, Texas* and *Mountain City, Texas* quadrangle, 7.5-minute series, dated 1973 and 1986, respectively (*Figure 1*)

The purpose of this review is to evaluate the sensitivity of the hydrogeology to potential contamination from sources either on or near the site. It was not the purpose of this study to evaluate the geotechnical conditions of the site or to access engineering geology such as foundation conditions, faulting, or subsidence.

The major physiographic regions of the Austin area are the Edwards Plateau, Rolling Prairie, and Blackland Prairie. These three regions are delineated primarily on the basis of topographic expression. The Property lies within both the Blackland Prairie which is east of the Edwards Plateau and consists mainly of deep clays and also within the Edwards Plateau, located on the west-northwest portion of the Property which consists of shallow stoney clays and gravelly clay loams. Topography of the Blackland Prairie consists of a slightly to moderately dissected area where slopes are commonly less than two percent and the Edwards Plateau where elevations range from 600 to 1,600 feet above mean sea level (msl).

According to the USGS topographic map referenced above, the Property is gently sloping with a surface elevation ranging from approximately 850 feet above msl to 650 feet above msl (*Figure 1*). In general, the Property gently slopes in several directions toward at least seven drainages on the Property, all draining to the west toward the Blanco River. The Property is located in the drainage basin of the Blanco River Watershed which flows southerly towards the San Marcos River. On the basis of our site observations and interpretation of the topographic map, most of the surface water run-off from the site would be expected to flow westerly toward the Blanco River. It is assumed that the apparent shallow ground-water flow direction in this area will generally be to the west based on interpretation of the surface topography.

Soils mapped on the Property comprise two general soil associations. *The Soil Survey of Comal and Hays County* indicates that the Property is mapped within the Comfort-Rumple-Eckrant and Krum-Medlin-Eckrant Associations. Soils of the Comfort-Rumple-Eckrant Association, mapped across the majority of the Property, are described as very shallow to moderately deep, undulating to steep and hilly soils over indurated limestone; on uplands of Blackland Prairie. Soils of the Krum-Medlin-Eckrant Association, mapped along the central portion of the Property, are described as deep, undulating to steep soils over clay, shaley clay, and limestone, on stream terraces, valley fills, and uplands of the Edwards Plateau.

The *Geologic Atlas of Texas, Seguin Sheet*, indicates the Property is underlain by four different geologic units including Upper Cretaceous-age marine deposits of the Austin Chalk and Eagle Ford Group and Lower Cretaceous-age deposits of the Del Rio Clay and Edwards Limestone. The Austin Chalk consists primarily of chalk and marly limestone and crops out on the southern two-thirds of the Property. The Austin Chalk ranges in thickness in the area from about 325 to 420 feet and is underlain by several impermeable formations which act as confining layers to the underlying Edwards Aquifer. The Eagle Ford Group consists of massive beds of calcareous shale with thin interbeds of silty, flaggy limestone. The Del Rio Clay consists of shale and limestone and yields very little water. The Edwards Formation is primarily composed of carbonate rocks such as limestone and dolomite that weather by dissolution. This erosional process contributes to the "honeycombed" and cavernous nature of the Edwards forming what is called "karst" topography. When this type of formation is exposed at the surface it allows relatively rapid infiltration of rainfall and surface runoff providing recharge to the underlying aquifer. This condition, combined with the thin soils typical over the Edwards outcrop, make the aquifer sensitive to surface conditions. According to the *Geologic Atlas of Texas, Austin Sheet*, two faults are shown on the Property. The faults strike from the northeast to southwest across the north-central portion of the Property and are part of the Balcones Fault Zone, which extends across Central Texas from Del Rio north through Austin and into Bell County. Most of the fault movement of this zone occurred over five million years ago during Miocene time; no movement has been detected during modern time. No environmental concerns or recognized environmental conditions are associated with the faults mapped on the Property.

According to the *Edwards Aquifer Recharge Zone Maps* prepared by the TCEQ, the western portion of the Property is located in the hydrogeologic province known as the Edwards Aquifer Recharge Zone (EARZ) and the remainder is located in the transition zone. The EARZ is considered to be environmentally sensitive and is protected by state (TCEQ/Edwards Aquifer Rules) regulations. Construction activities in the transition zone are not regulated unless the construction activities include installation of petroleum storage tanks and other specific activities.

Area ground-water use and depths were determined through a review of information about water wells in the vicinity. The Texas Water Development Board (TWDB) website shows one water well mapped on the Property and several other water wells located within one mile of the Property. According to available records the water well produces water from the Edwards Formation and is about 400 feet deep. The other wells in the area also produce water from the Edwards and all are reported to be used for domestic/irrigation purposes. Five other water wells were reported or observed on the Property during the site reconnaissance. Further information regarding these wells are provided in *Section 6.1.9*.

The ground-water flow direction at the site was not measured during our assessment, as it was beyond the scope of our services. As previously mentioned, we assume that shallow ground-water flow mimics surface topography, which in this case will be to the west, toward the Blanco River. It should be noted that surface topography does not always reflect the actual hydraulic gradient and that fluctuations are sometimes encountered. Ground-water flow direction measurements would be necessary to determine the actual on-site direction and gradient.

4.0 Historical Review

TCB reviewed the following available information in order to determine the historical uses of the site and immediately adjacent properties to evaluate the presence of activity of potential environmental concern and recognized environmental conditions:

- Aerial photograph dated 2002 (*Figure 2*) obtained from Capital Area Planning Council (CAPCO), aerial photograph dated 1996 obtained from Vargis of Texas, LLC and Earth Information Systems Corporation; aerial photographs dated 1996, 1980, 1974 1965 and 1951 obtained from Texas Natural Resource Information Systems (TNRIS)
- USGS topographic map, *San Marcos North, Texas* quadrangle, 7.5-minute series, dated 1973 (*Figure 1*)
- USGS topographic map, *Mountain City, Texas* quadrangle, 7.5-minute series, dated 1986 (*Figure 1*)
- Interview with Mr. A.W. Gregg, a current owner of the Property who has been associated with the ranch since 1948.

City Directories and Sanborn Fire Insurance Maps were not available for this area of Hays County. Also, a chain-of-ownership report was not prepared or provided to TCB for review as part of this assessment. Photocopies of the 1996, 1980, 1965, and 1951 historical aerial photographs referenced above are provided in Appendix A. A photocopy of the 2002 aerial photograph is provided in *Figure 2.*

4.1 Past Site Uses

Available aerial photographs depicting development of the Property at periodic intervals were reviewed and our findings are summarized in the table below. The information obtained from the evaluation of the aerial photograph depends upon the scale and quality.

AERIAL PHOTOGRAPH SUMMARY		
Date	**Property Use**	**Source**
1951	The majority of the Property appears as undeveloped or cultivated ranch land. Several structures, roads, ponds and creeks are depicted on the aerial photograph. Main road crossing Property shown in its present day configuration. Pipeline easement also shown transecting the Property from southwest to northeast.	TNRIS
1965	The Property appears relatively unchanged from the 1951 aerial photograph except that feed barn and pens are evident near central portion of Property.	TNRIS
1974	The Property appears relatively unchanged from the 1965 aerial photograph.	TNRIS
1980	The Property appears relatively unchanged from the 1974 aerial photograph except lodge shown near Blanco River.	TNRIS

AERIAL PHOTOGRAPH SUMMARY		
Date	**Property Use**	**Source**
1996	The Property appears relatively unchanged from the 1980 aerial photograph except that large stock tank has been constructed near central-west central portion of Property.	TNRIS
2002	The Property appears similar to its present day appearance and is shown as undeveloped tract of agricultural ranch land.	CAPCO

Review of the USGS topographic maps referenced above also shows the Property as vacant, undeveloped ranch land with several structures shown in the same general area as that shown in the aerial photographs. Stock tanks and the pipeline easement are also shown crossing the Property. Further discussion regarding the pipeline easement is provided in *Section 6.1.6*.

Mr. Gregg reported that he is one of the current owners of the Property and that the Property has been in the Gregg family for over 50 years. Mr. Gregg indicated that the Property has been used for agricultural purposes only and that the main operation at the ranch was for raising cattle. Mr. Gregg was not aware of any past landfilling activities on the property, "midnight dumping" or other issues of potential environmental concern. Mr. Gregg also stated that he was not aware of any environmental concerns associated with the property.

No issues of potential environmental concern or recognized environmental conditions were identified during TCB's review of historic information pertaining to prior uses of the Property

4.2 Past Immediately Surrounding Land Uses

Review of the 1951, 1965, 1974 and 1980 aerial photographs generally show the adjacent properties located to the immediate north, east west and south to be undeveloped, agricultural ranch land. Farmhouses or similar type structures are evident on the surrounding properties in the general area. Review of the USGS topographic maps referenced above also show the outlines of farmhouses, sheds and barns in the general area. The 1996 and 2002 aerial photograph (*Figure 2*) shows the surrounding properties and land use much as they appeared during our area reconnaissance. The aerial photograph shows subdivision development to the north and south of FM 150, and many of the same residences and businesses observed during the site reconnaissance are shown in the general area. More information regarding these adjacent properties is provided in *Section 6.2* of this report.

Based on the review of the above information and our area reconnaissance, the surrounding properties in the area appear to be generally used for agricultural, commercial or residential purposes. No past or present businesses, industrial-based operations, or other recognized environmental conditions were noted during our review of available historic information.

4.3 Review of Previous Environmental Reports

No previous environmental reports were provided for our review.

5.0 Regulatory Review

TCB conducted a review of selected regulatory lists published by the state and federal regulatory agencies and contacted local pollution control agencies to determine if the site or nearby properties are listed as having a past or present record of actual or potential environmental impact or are under investigation for an environmental impact.

Please note that regulatory listings are limited and include only those sites which are known to the regulatory agencies at the time of publication to be contaminated or in the process of evaluation for potential contamination. Our review of the unmappables or orphan sites did not indicate any of these sites located on the Property or general vicinity. A copy of the regulatory data obtained and reviewed for this project and a plotted site map of the regulated facilities prepared by GeoSearch Information Solutions, Inc. (GeoSearch) is provided in *Appendix B*. Due to the relatively large size of the Property, the search distances of the databases were increased from the standard ASTM search criteria. The following narratives summarize the results of the review of state and federal regulatory data.

EPA NATIONAL PRIORITIES LIST (NPL), dated April 2005

The Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) established the National Priorities List (NPL) of federal "superfund" sites. These are contaminated sites that have been assigned a high ranking, in terms of potential public health effects, by the EPA.

- The Property does not appear on the NPL.
- No facilities are listed on the NPL within one mile of the Property.

EPA COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY INFORMATION SYSTEM (CERCLIS) LIST, dated April 2005

The CERCLIS lists and identifies suspected contamination sites throughout the nation. However, a facility or site on this list does not necessarily have environmental problems.

- The Property does not appear on CERCLIS.
- No facilities are listed on CERCLIS within 0.5 mile of the Property.

EPA RESOURCE CONSERVATION AND RECOVERY INFORMATION SYSTEM (RCRIS), dated February 2005

RCRIS, or RCRA Notifiers list, is the EPA database of facilities that generate, transport, store, or dispose of hazardous waste.

- The Property does not appear on the RCRIS list.
- No facilities are listed as hazardous waste generators on RCRIS within 0.25 mile of the Property.
- No facilities are listed as treatment/storage/disposal (TSD) sites on RCRIS within one mile of the Property.

RCRA CORRECTIVE ACTION SITES LIST (CORRACTS), dated February 2005

The EPA maintains this database of RCRA facilities that are undergoing "corrective action." A "corrective action order" is issued when there has been a release of hazardous waste or constituents into the environment from a RCRA facility.

- The Property does not appear on the CORRACTS list.
- No non-TSD facilities are listed on the CORRACTS list within 0.5 mile of the Property.
- No facilities are listed as TSD CORRACTS sites within one mile of the Property.

EPA EMERGENCY RESPONSE NOTIFICATION SYSTEM (ERNS), dated December 2004

The ERNS is a national database used to collect information on reported releases of oil and hazardous substances. The database contains information from spill reports made to federal authorities including the EPA, the U.S. Coast Guard, The National Response Center and the Department of Transportation.

- The Property is not listed on ERNS.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (TCEQ) SUPERFUND REGISTRY, dated April 2005

The State Superfund Registry identifies potential hazardous waste facilities or areas which may constitute endangerment to public health and safety.

- The Property does not appear on the State Superfund list.
- No properties are recorded on the State Superfund list within one mile of the Property.

TEXAS REGISTERED PETROLEUM STORAGE TANK LIST, dated January 2005

The TCEQ maintains an inventory of registered petroleum storage tanks (PST) located within the state.

- The subject site does not appear on the state PST list.
- No facilities are listed on the PST database within 0.25 mile of the Property.

TEXAS LEAKING PETROLEUM STORAGE TANK (LPST) LIST, dated November 2004

The LPST list identifies properties which have been reported to the state as having known leakage from underground tanks.

- The subject site does not appear on the LPST list.
- No facilities were noted on the LPST list within 0.5 mile of the Property.

MUNICIPAL SOLID WASTE FACILITY (MSWF) LIST, dated March 2005

The MSWF database tracks permits and registrations for landfills, transfer stations, sludge application sites, illegal dump sites, recycling facilities, medical waste generators, and transporters.

- The Property does not appear on the MSWF list.
- No facilities are recorded on the MSWF list within 0.5 mile of the Property.

TCEQ VOLUNTARY CLEANUP PROGRAM (VCP), dated January 2005

The TCEQ VCP database list contains an inventory of reported sites that have entered the VCP. The VCP was primarily created to provide incentives to encourage the cleanup of thousands of contaminated sites in Texas which require remedial actions in order to complete real estate transactions. The VCP rules advance this purpose by providing timely technical and regulatory review of response actions which will be protective of currently discovered or reasonably anticipated receptors. Although review of the VCP list is not required by ASTM, it is included here because facilities that appear on the VCP list may not be listed on other regulatory database listings.

- The Property does not appear on the VCP list.
- No facilities were noted on the VCP list within 0.5 mile of the Property.

6.0 Site and Area Reconnaissance

An environmental professional from TCB experienced in environmental site assessments conducted the site and area reconnaissances on June 23, 2005.

6.1 Site Reconnaissance

The site reconnaissance was performed to identify obvious visual indications of present or past activities which have or could have contaminated the site. The site reconnaissance was conducted on foot. Site information and access was provided by Mr. A. W. Gregg, one of the current owners of the Property. Mr. Gregg reported that the Property has been in his family for over 50 years and that it has been used primarily for agricultural and livestock purposes only. *Figure 1* provides a site location map of the Property. *Figure 2* is a copy of a 2002 aerial photograph showing the site and vicinity. Ground photographs of the Property are provided in *Appendix C*.

6.1.1 Property Description

The Property consists of undeveloped, agricultural land (*Figures 1* and *2* and *Photograph Nos. 1* through *6*). Improvements noted on the Property included two one-story houses, several barns and structures, and the existing fencing were noted on the Property. The site is surrounded primarily by tracts of undeveloped, agricultural land and residential development.

6.1.2 Underground/Aboveground Storage Tanks

On the basis of our site reconnaissance and interviews with Mr. Greg, no underground storage tanks (USTs) are located on the Property. No evidence of USTs, such as fill caps or vent pipes, was observed on the Property. No emergency generators were noted or reported at the site. No unusual ground conditions, which might indicate the presence of USTs, waste oil tanks, hydraulic lifts, or other obvious environmental concerns, were noted during our site reconnaissance.

Two, skid-mounted aboveground storage tanks (ASTs) were noted on the northeast portion of the Property (*Photograph No. 6*). No evidence of past releases, extensive soil staining or vegetative stress was noted underneath or in the general vicinity of the ASTs. Mr. Gregg reported that the two ASTs were formerly used for re-fueling of tractors and farm equipment on the ranch but that the ASTs have not been used for at least the past 15 years. Mr. Gregg reported that the ASTs were the property of a fuel service company that would refuel the ASTs on an "as-needed" basis, but that the service company is no longer in business. Mr. Gregg reported that the farm vehicles and equipment are currently refueled by portable containers stored in the bed of his pick-up truck. The two ASTs are constructed of steel and approximately 500 gallons in capacity each. The tanks were empty and no evidence of excessive spillage, extensive soil staining, hydrocarbon odors, or vegetative stress was noted underneath or in the general vicinity of the ASTs. The TCEQ does not require registration of ASTs less than 1,000 gallons in capacity.

One other 10,000 gallon AST was also noted on the Property. Mr. Gregg reported that the AST was formerly used for storage of water from a nearby water well and that the water was distributed to other areas of the ranch with a gravity feed-type system that would deliver the stored water on an "as-needed" basis to downgradient stock tanks on the ranch. No hydrocarbon odors, dispenser pumps or other evidence of a fuel distribution system was

noted on this area of the Property. The AST was no longer used when Mr. Gregg installed additional water wells on the Property.

Mr. Gregg was not aware of any past releases from any of the ASTs. Due to the lack of surface staining in the area of the ASTs, the known historical use of the three ASTs, and the fact that no spills were recorded or observed for the ASTs, none of the ASTs are considered a recognized environmental condition.

No unusual ground conditions, which might indicate the presence of USTs, hydraulic lifts, or other obvious environmental concerns, were noted during our site reconnaissance.

6.1.3 Hazardous Materials and Waste

The site reconnaissance included visual observation of the property for indications of potential environmental concern. Mr.Gregg reported that the Property is currently used and has historically been used for agricultural purposes only such as raising livestock. Mr. Gregg reported that he was not aware of any past cattle dipping operations having occurred on the Property and no evidence of this type of operation was noted on the Property or in the aerial photographs reviewed. Our experience with these type of farming sites indicates that such historical land use can sometimes result in residual contamination of near-surface soils by agricultural chemicals. However, there is no apparent or historical evidence that the site was used as an agrochemical mixing, storage or processing site. The presence or potential presence of such agrochemicals at "background" levels common to the area have not caused environmental regulation of agricultural lands. On the basis of our site visit and interviews conducted for this project, it is our opinion that the potential for residual agrochemicals at the subject site is not comparatively high, and considering the current use of the Property, we do not consider the potential for agrochemical contamination to be an environmental concern or a recognized environmental condition at this time.

Three, 55-gallon containers were noted in the vicinity of the feed barn storage, water well and bunk house area near the north-central portion of the Property. The drums were all sealed and labeled as containing "Raven", Part A and Part B; an epoxy resin material. Two of three drums were empty and the third drum was a partially filled container. Mr. Gregg reported that the drums were probably brought onto the site by his nephew who used the drums as trash receptacles while residing at the bunk house. Mr. Gregg reported that he never had any reason to use epoxy in the ranch's day to day operation. No evidence of past releases, extensive soil staining or vegetative stress was noted in the general area. It is unlikely that the above-described materials would have environmentally impacted the underlying soils. Based on this information, the presence of these materials on the Property do not represent evidence of a recognized environmental condition.

6.1.4 Solid Waste

Evidence of prior dumping activities was noted on isolated areas of the Property, mainly the northeast portion of the Property in the vicinity of an old dilapidated barn. Most of the material appears to contain mostly discarded household-type appliances and common household trash. The dumped materials are located on top of the ground surface and no evidence of landfilling was noted in these areas or in the aerial photographs reviewed. No hazardous material labels or similar information was noted on the material observed. No evidence of staining or vegetative stress was noted in the general area of the dumped materials.

No landfills were observed during our on-site reconnaissance, and no evidence of previous landfills or dumping activities (other than those described above) was discovered or reported during our review of historical and regulatory data for the site. Minor amounts of scattered

household litter and debris were noted in isolated areas of the Property, but do not appear to present a source of environmental concern. No staining or vegetative stress was noted on the Property. Mr. Gregg was not aware of any landfilling or past dumping activities that have occurred at the Property.

No other indications that solid or liquid waste is received, generated, stored or disposed on the site were noted during our site reconnaissance.

6.1.5 PCB Containing Fluids

Electrical transformers are a potential source of environmental concern due to the potential presence of polychlorinated biphenyl (PCB) containing cooling oils used in some units. Equipment containing hydraulic oil may also be PCB-containing.

During our reconnaissance, several pole-mounted electrical transformers were noted on the ranch in the vicinity of the improvements (two houses) and for the water well pump houses located on the property. The transformers appeared to be in good condition and did not show indication of oil leakage or spills on the transformer case or the ground underneath the transformers. No labeling indicating the status of the PCBs was observed on the transformers. It was reported that the transformers are owned and maintained by Pedernales Electric Company (PEC).

Considering that the transformers are owned by PEC, and that they would be responsible for leaks or spills associated with their equipment, we do not believe that the transformers are an environmental concern to the subject property.

6.1.6 Water Supply/Utilities

No water supply or utilities (other than electric) provide service to the Property. No recognized environmental conditions were noted for the easements or utilities in the area.

Approximately six domestic/irrigation water wells screened in the Edwards Aquifer are located on the northern boundary of the property and provide water for irrigation purposes (*Photograph No. 4*). Mr. Gregg reported that the six wells are screened at various depths from about 400 to 600 feet. All of the wells are equipped with an electric pump. No city water supply or municipalities provide water service to the farm. Overhead electric transmission lines were noted crossing the Property. No other utilities were reported or noted on the Property. No recognized environmental conditions were noted for the utilities in the area.

One pipeline easement was noted transecting the property (*Figure 2* and *Photograph No. 3*). According to the placard observed along the easement, the pipeline is owned and operated by Equilon Pipeline Company. Review of information on the placard indicates that it is a high pressure pipeline used to transport petroleum. No incidences of past releases or spills from the pipelines were identified during the review of the regulatory information obtained from Geosearch.

6.1.7 Wastewater

It does not appear that the Property has wastewater service at this time. No process wastewater is discharged from the Property.

6.1.8 Wetlands and Floodplain Designation

For your information we have included a review of the National Wetlands Inventory Map of the *Seguin, Texas* and the *Mountain City* Quadrangle, as mapped and prepared by the U.S. Fish and Wildlife Service and National Wetlands Inventory dated 1993. Based upon our review of this map, the stock tank areas located on the Property and the lower reaches of some of the drainages feeding into the Blanco River are classified as a wetlands-designated area. These maps are created from aerial photographs and are not field verified; however, impacts to these areas may require a permit under the Clean Water Act. Under Section 404 of the Clean Water Act (Section 404), the U.S. Army Corps of Engineers (USACE) regulates the discharge of dredged and fill material into waters of the U.S., including wetlands. Waters of the U.S. include rivers, streams (perennial, intermittent, and ephemeral), ponds, lakes, wetlands, and similar areas. A wetlands identification and delineation or jurisdictional waters determination was not included within the scope of services for this Phase I ESA.

According to the National Flood Insurance Program's Flood Insurance Rate Map, Panel 120, dated February 18, 1998 (Hays County), the Property lies in both Zone X and Zone A. Zone X is considered to be an area of minimal flooding, also referred to as areas determined to be outside the 500-year flood zone. Zone A includes those areas determined to be within the 100-year floodplain and includes only a relatively small area of the Property along the drainages across the Property with the remainder of the Property mapped as Zone X, except for the Blanco River which is mapped as Zone AE. A copy of the Flood Insurance Rate Map can be found in *Appendix D*.

6.1.9 Wells and Mine Shafts

No evidence of oil or gas wells, pipelines, or groundwater monitoring wells or related activities was noted on the Property during the site reconnaissance, nor were pipelines or oil and gas wells noted on the USGS topographic map or the aerial photographs. No mine shafts were observed on the Property.

As previously discussed, the TWDB website plotted one water well on the site. However, based on our interview with Mr. Gregg and our site reconnaissance, five other water wells are located on the Property (*Photograph No. 5*). Mr. Gregg reported that the wells are screened in the Edwards aquifer. No further information regarding these water wells was available for review. No other water wells were reported or noted on the Property.

6.1.10 Pits and Sumps

No sumps were observed or reported on the Property. Mr. Gregg reported that a small gravel pit was excavated on the northern portion of the property and the material used for roadway improvements across the Property. No environmental concerns were noted in the area of the gravel pit.

6.2 Area Reconnaissance

The area reconnaissance was performed to assist in evaluating if adjacent land uses have or could have contaminated the site. The area reconnaissance was conducted by touring the area by automobile and viewing particular businesses from public rights-of-way, and by actual observations at selected businesses or properties. Selected, upgradient properties identified in the regulatory lists, if any, were visited during the area reconnaissance.

In general, properties surrounding the site include residential, commercial and light industrial development and vacant, undeveloped agricultural land (*Figure 2*). The findings of our area reconnaissance will be discussed according to the geographic relation to the site: north, east, south, and west.

6.2.1 North

The northern boundary of the property is bordered by undeveloped, agricultural ranch land (*Figure 2*). FM 150 and new single-family residential development is also located to the north.

6.2.2 East

The eastern boundary of the property is bordered by undeveloped, agricultural land and private residential property (*Figure 2*). Limekiln or Cypress Road is also located to the east-southeast. Development of single-family homes is located further away to the east.

6.2.3 South

The southern boundary of the property is bordered by undeveloped, agricultural ranch land and the Blanco River (*Figure 2*).

6.2.4 West

The Blanco River borders the western portion of the Property. Undeveloped, agricultural ranch land is located further away to the west (*Figure 2*).

Observations of the properties situated adjacent to the site and cross-reference with the historical and regulatory data reviewed did not reveal apparent recognized environmental conditions for the site.

7.0 Conclusions and Recommendations

TCB has performed a Phase I Environmental Site Assessment in general conformance with the scope and limitations of ASTM E1527-00 of a 1,936-acre tract of primarily undeveloped, agricultural ranch land located in Hays County, Texas. This assessment has revealed no evidence of recognized environmental conditions in connection with the Property. No further environmental assessment is recommended.

Three empty aboveground storage tanks (ASTs) were noted on the Property during our site reconnaissance. One of the three ASTs is approximately 10,000 gallons in capacity and Mr. A.W. Gregg, one of the current owners of the Property, reported that the larger AST was formerly used to store groundwater prior to the installation of several additional water wells drilled on the Property. The other two ASTs were observed on the eastern portion of the Property and are smaller, 500-gallon reservoirs constructed of steel. Mr. Gregg indicated that the two ASTs were formerly used to store diesel fuel for the re-fueling of farm vehicles and equipment but that the tanks have not been used in the last 15 to 20 years. Mr. Gregg reported that the farm vehicles and equipment were now refueled by portable containers stored in the bed of his pick-up truck. The ASTs were empty at the time of our site reconnaissance and no evidence of excessive spillage, extensive soil staining, hydrocarbon odors, or vegetative stress was observed in the vicinity of the ASTs. We recommend that the three ASTs be removed and disposed in an appropriate landfill if they are not to be used. Based on the information provided to us or obtained for this study, we have identified no evidence that the ASTs may have caused environmental degradation to the Property. If during removal, suspect hazardous materials are encountered, TCB should be contacted to determine the extent and characterize the nature of potential constituents of concern in the soil and/or groundwater.

We recommend that the dumped materials and debris observed on the Property be removed and disposed in an appropriate landfill. If during removal, suspect hazardous materials are encountered, TCB should be contacted to determine the extent and characterize the nature of potential constituents of concern in the soil and/or groundwater.

Review of the National Wetlands Inventory Map of the *Seguin, Texas* and the *Mountain City, Texas* Quadrangles, and our preliminary field evaluation conducted on the site identified the stock tank areas and some of the lower reaches of some of the drainages feeding into the Blanco River on the tract are classified as a wetlands-designated areas. A wetlands identification and delineation was not included within the scope of services for this Phase I ESA. A jurisdictional waters determination, however, can be provided at your request. These services include identification of waters of the United States, including wetlands, that may be subject to the U.S. Army Corps of Engineers permitting under Section 404 of the Clean Water Act.

We also recommend that the water wells, if they are not to be used, be properly plugged and abandoned. According to state regulations, the water well should be properly plugged and abandoned with a report submitted to the Texas Department of Licensing and Regulations in Austin.

Suspect asbestos-containing building materials may be present within the buildings located on the ranch. If removal or demolition activities of the existing buildings on the ranch is being considered, we recommend that an asbestos survey be conducted to identify, sample, and analyze suspect friable and non-friable building materials. The Environmental Protection Agency (National Emission Standards for Hazardous Air Pollutants) and OSHA (Occupational Safety and Health Administration) regulations require that asbestos be properly handled during renovation or demolition.

8.0 Limitations

The findings and opinions included herein are relevant to the dates of our site work and should not be relied on to represent conditions at substantially later dates.

The opinions included herein are based on information obtained during the study and our experience. If additional information becomes available which might impact our environmental conclusions, we request the opportunity to review the information, reassess the potential concerns, and modify our opinion, if warranted. If this assessment included a review of documents or reports prepared by others, it must be recognized that TCB is not responsible for the accuracy of information contained in the documents reviewed.

Although this assessment has attempted to identify the potential for contamination of the Property, potential sources of contamination may have escaped detection due to: (1) the limited scope of this assessment, (2) the inaccuracy of public or other records and information, and (3) the presence of undetected and unreported environmental incidents. It was not the purpose of this study to determine the actual presence, degree, or extent of contamination, if any, at the site. This could require additional exploratory work, including sampling and laboratory analysis.

TCB's professional services have been performed using that degree of care and skill ordinarily exercised, under similar conditions, by reputable environmental consultants practicing in this or similar localities. No other warranty, expressed or implied, is made as to the professional information in this report.

This report has been prepared on behalf of and for the exclusive use of the Client, and is subject to and issued in connection with the Agreement and the provisions thereof. Additional third-party re-use of this report is strictly forbidden.

9.0 References

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U.S. Fish & Wildlife Service. 1984. *Seguin, Texas*. National Wetlands Inventory (Base Map – U.S. Geological Survey map, 1:100,000 scale map).

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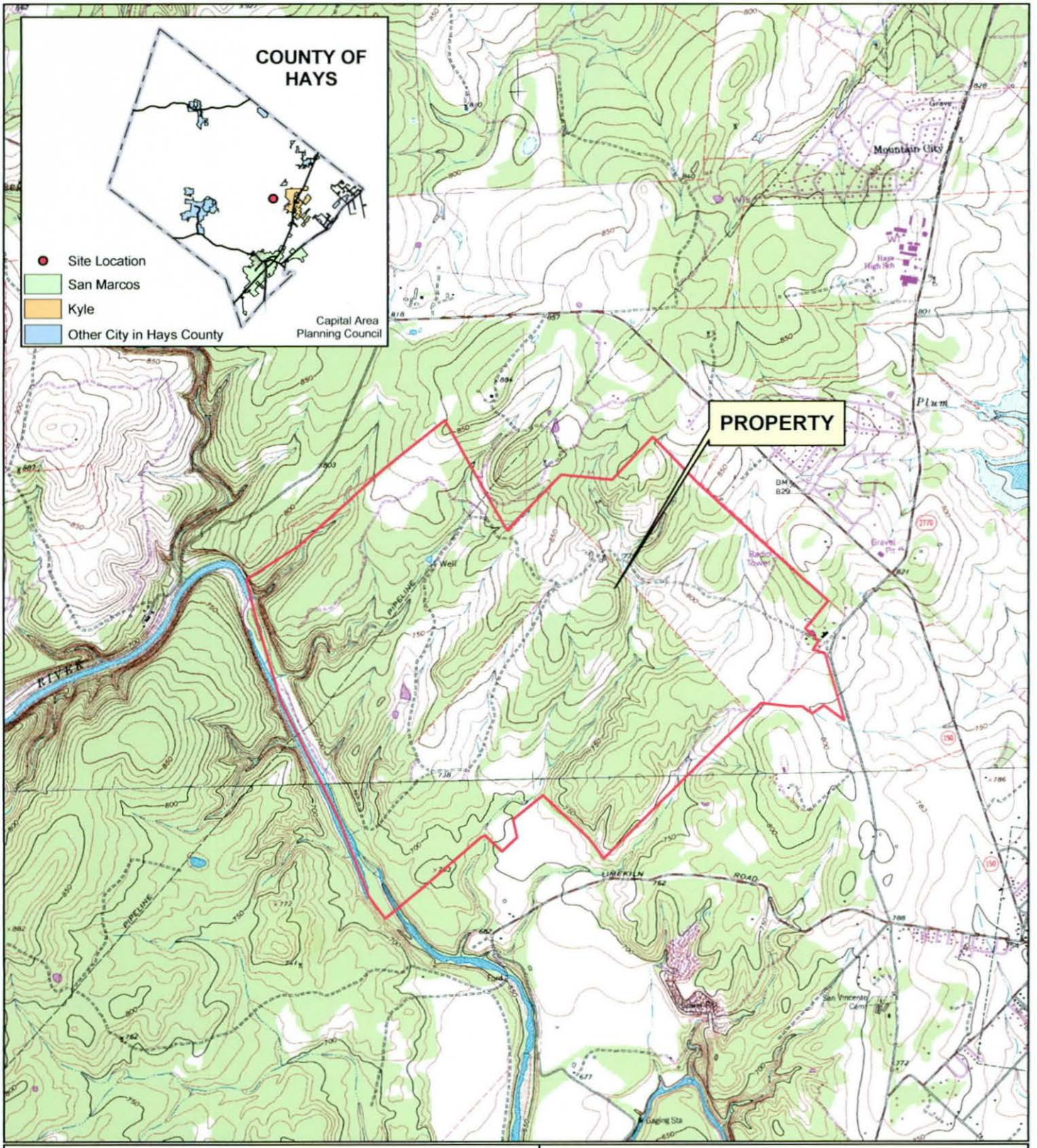
U.S. Geological Survey (USGS) Topographic Map, 7.5-minute Series, *Mountain City, Texas,* dated 1986.

Figures

FIGURES



LEGEND

PROPERTY BOUNDARY (APPROXIMATE)

SCALE

0 750 1,500 3,000 4,500 6,000 Feet

N W E S

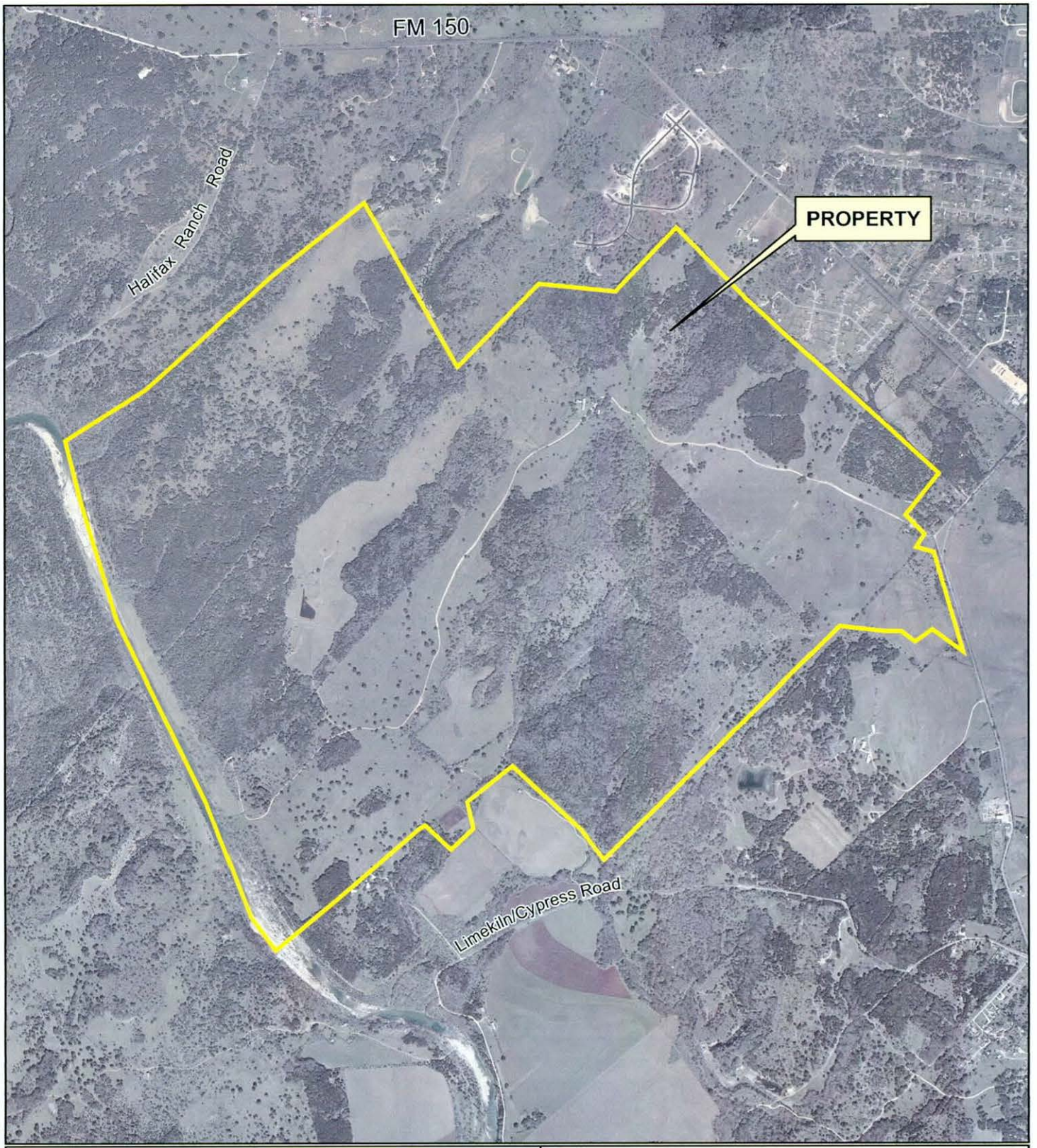
FIGURE 1
SITE LOCATION MAP
BLANCO RIVER TRACT
HAYS COUNTY, TEXAS

TCB | AECOM

PROJECT NO. 052322319.0001 | **DATE: JUNE 2005**

E:\Phase I ESAs\General Land Office\Blanco\GIS\figure1_topo_Hays.mxd

Note: Turner Collie & Braden does not warrant the accuracy of this map, either to scale, accuracy or completeness. Source: USGS 7.5 Quadrangle Map of Mountain City, Texas (1986) and San Marcos North, Texas (1973).



LEGEND

SUBJECT PROPERTY BOUNDARY (APPROXIMATE)

SCALE

0 500 1,000 2,000 3,000 4,000 Feet

N W E S

FIGURE 2
SITE PLAN and VICINITY MAP
BLANCO RIVER TRACT
HAYS COUNTY, TEXAS

TCB | AECOM

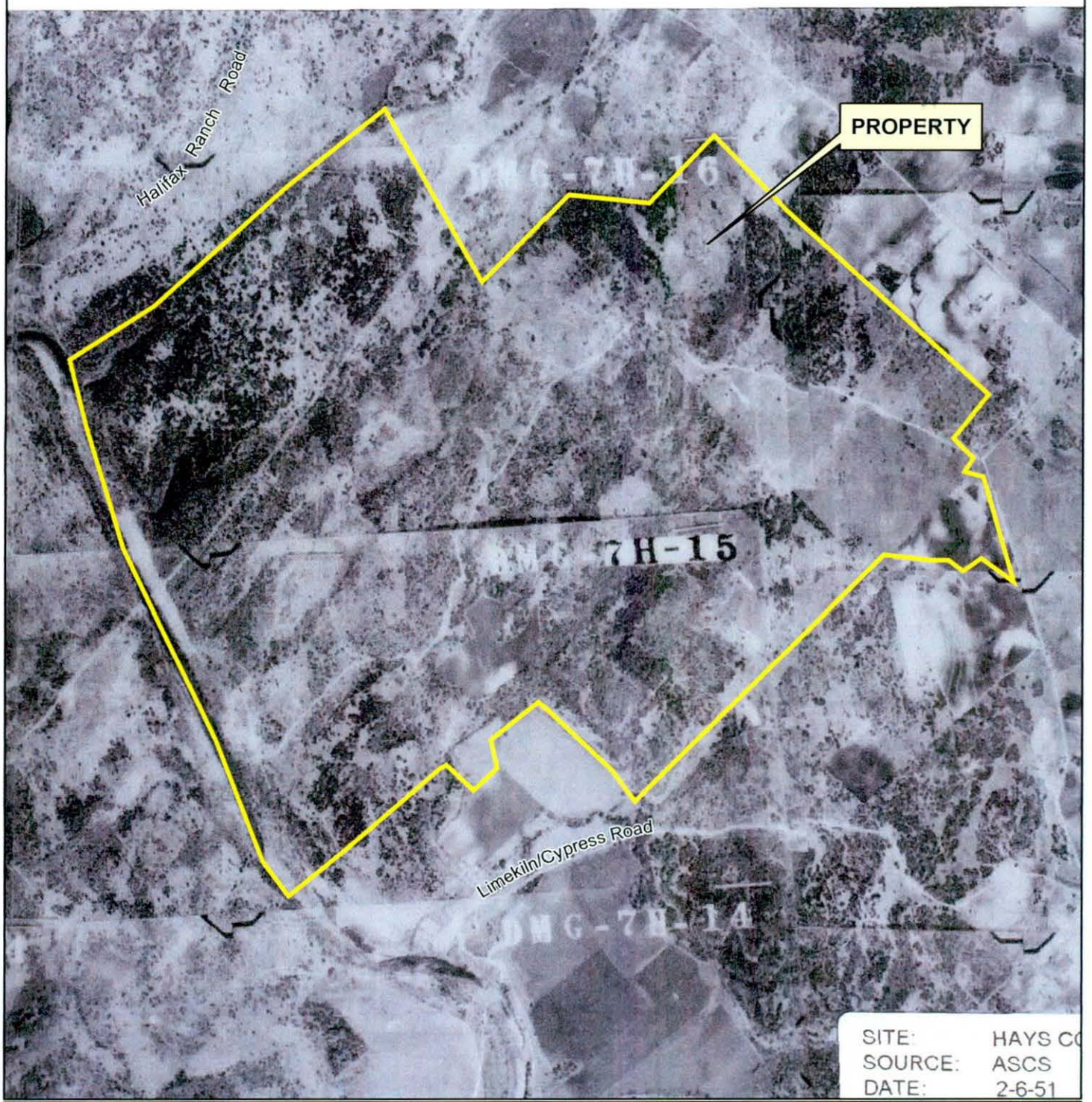
PROJECT NO. 052322319.0001 | **DATE: JUNE 2005**

E:\Phase I ESAs\General Land Office\Blanco\GIS\figure2_aerial.mxd

Note: Turner Collie & Braden does not warrant the accuracy of this map, either to scale, accuracy or completeness. Source: CAPCO orthophotograph dated 2002.

APPENDICES

APPENDIX A



LEGEND

PROPERTY BOUNDARY (APPROXIMATE)

HISTORICAL AERIAL PHOTOGRAPH
1951
BLANCO RIVER TRACT
HAYS COUNTY, TEXAS

SCALE

0 500 1,000 2,000 3,000 4,000 Feet

N W E S

TCB | AECOM

PROJECT NO. 052322319.0001 | **DATE: JUNE 2005**

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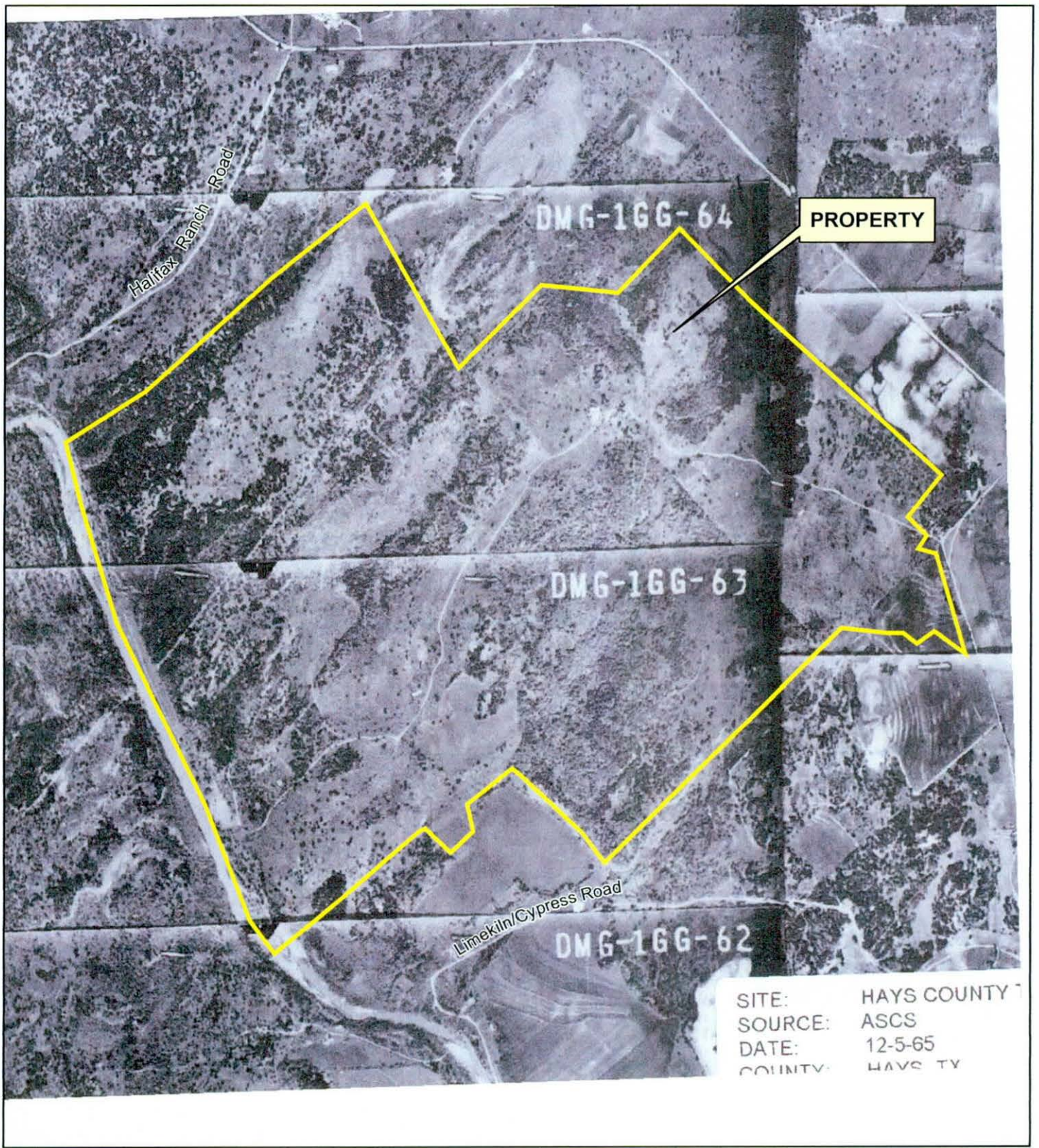
Note: Turner Collie & Braden does not warrant the accuracy of this map, either to scale, accuracy or completeness. Source: ASCS aerial photograph dated 1951.



LEGEND

PROPERTY BOUNDARY (APPROXIMATE)

HISTORICAL AERIAL PHOTOGRAPH
1965
BLANCO RIVER TRACT
HAYS COUNTY, TEXAS

SCALE

0 500 1,000 2,000 3,000 4,000 Feet

N W E S

TCB | AECOM

PROJECT NO. 052322319.0001

DATE: JUNE 2005

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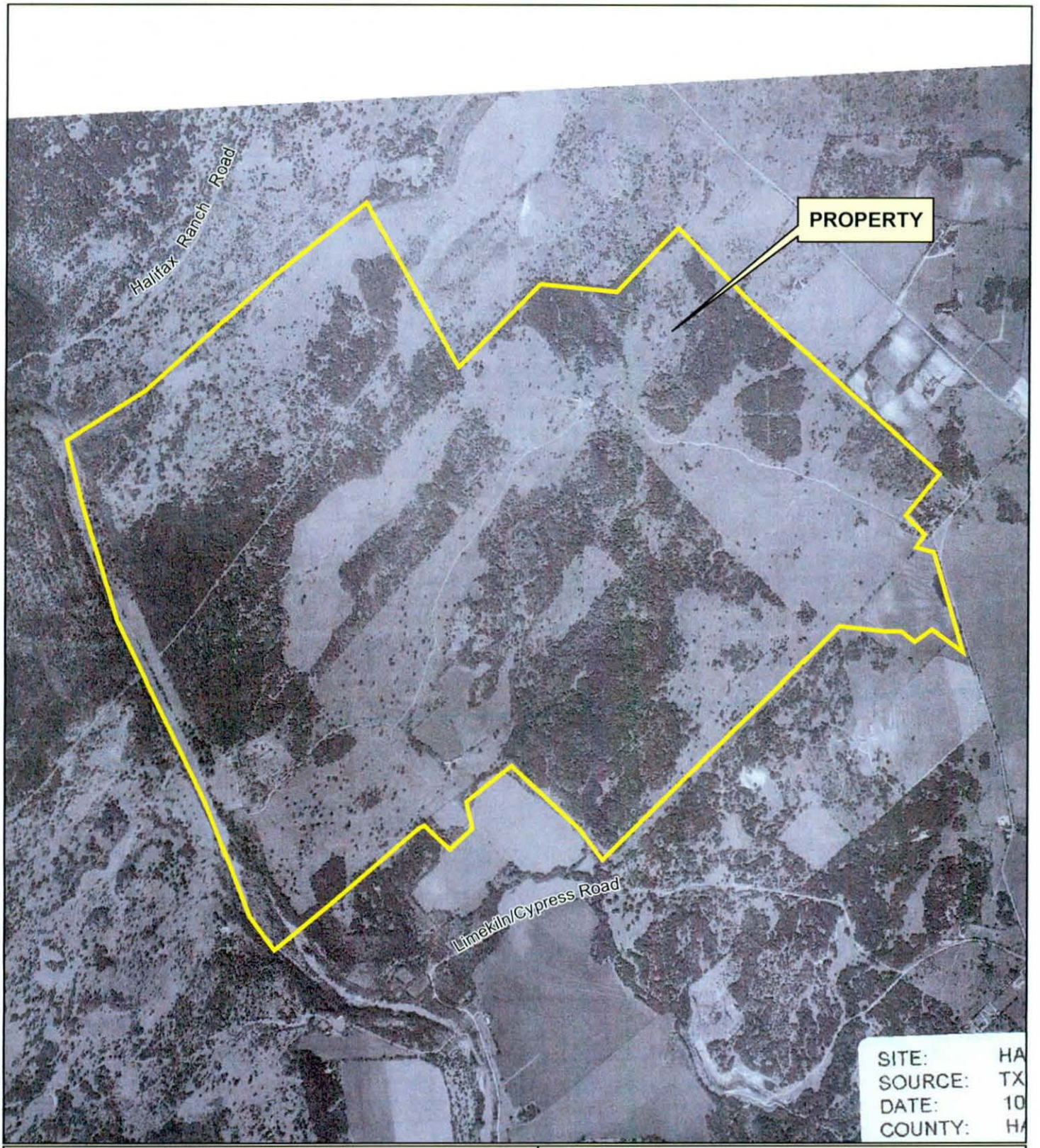
Note: Turner Collie & Braden does not warrant the accuracy of this map, either to scale, accuracy or completeness. Source: ASCS aerial photograph dated 1965.



LEGEND

PROPERTY BOUNDARY (APPROXIMATE)

HISTORICAL AERIAL PHOTOGRAPH
1980
BLANCO RIVER TRACT
HAYS COUNTY, TEXAS

SCALE

0 500 1,000 2,000 3,000 4,000 Feet

N W E S

TCB | AECOM

PROJECT NO. 052322319.0001 | **DATE: JUNE 2005**

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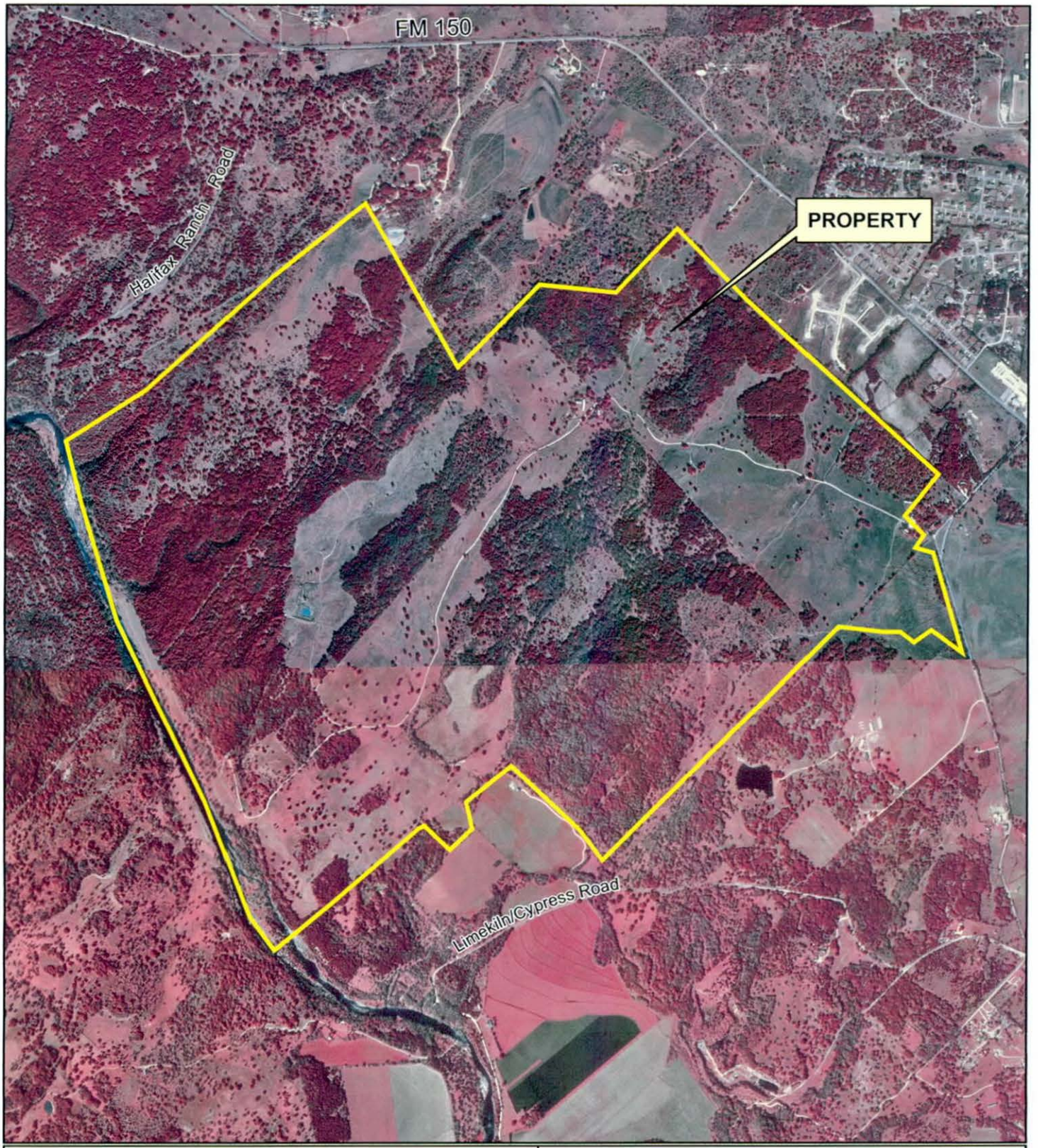
Note: Turner Collie & Braden does not warrant the accuracy of this map, either to scale, accuracy or completeness. Source: TxDOT aerial photograph dated 1980.



LEGEND

PROPERTY BOUNDARY (APPROXIMATE)

HISTORICAL AERIAL PHOTOGRAPH
1996
BLANCO RIVER TRACT
HAYS COUNTY, TEXAS

SCALE

0 500 1,000 2,000 3,000 4,000 Feet

N W E S

TCB | AECOM

PROJECT NO. 052322319.0001

DATE: JUNE 2005

E:\Phase I ESAs\General Land Office\Blanco\GIS\Historical_1996.mxd

Note: Turner Collie & Braden does not warrant the accuracy of this map, either to scale, accuracy or completeness. Source: TNRIS aerial photograph dated 1996.

APPENDIX B

GeoSearch

RADIUS REPORT

Property:

Hays County Tract
Hays County, TX
Project # 05222204.0001

Prepared For:

Turner Collie & Braden - Austin

Job #: 44324 / Date: 06/17/05

2705 Bee Caves Rd, Suite 330 · Austin, Texas 78746 · phone: 1-866-396-0042 · fax: 512-472-9967
www.geo-search.net

GeoSearch
DATABASE FINDINGS SUMMARY

DATABASE	ACRONYM	LOCA-TABLE	UNLOCA-TABLE	SEARCH RADIUS
FEDERAL				
NATIONAL PRIORITY LIST	NPL	0	0	1.000 mi
DELISTED NATIONAL PRIORITY LIST	DNPL	0	0	1.000 mi
RECORDS OF DECISION	RODS	0	0	1.000 mi
COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION & LIABILITY INFORMATION SYSTEM	CERCLIS	0	0	0.500 mi
NO FURTHER REMEDIAL ACTION PLANNED	NFRAP	0	0	0.500 mi
RESOURCE CONSERVATION & RECOVERY ACT INFORMATION SYSTEM - CORRECTIVE ACTION	RCRISC	0	0	1.000 mi
RESOURCE CONSERVATION & RECOVERY ACT INFORMATION SYSTEM - TREATMENT, STORAGE & DISPOSAL	RCRIST	0	0	0.500 mi
RESOURCE CONSERVATION & RECOVERY ACT INFORMATION SYSTEM - GENERATOR / HANDLER	RCRISG	0	0	0.250 mi
EMERGENCY RESPONSE NOTIFICATION SYSTEM	ERNS	0	0	0.250 mi
STATE				
STATE SUPERFUND	TXSF	0	0	1.000 mi
VOLUNTARY CLEANUP PROGRAM	VCP	0	0	0.500 mi
MUNICIPAL SOLID WASTE LANDFILL SITES	MSWLF	0	0	0.500 mi
CLOSED & ABANDONED LANDFILL INVENTORY	CALF	0	0	0.500 mi
LEAKING PETROLEUM STORAGE TANK	LPST	0	0	0.500 mi
PETROLEUM STORAGE TANKS	PST	0	0	0.250 mi
SPILLS LISTING	SPILLS	0	0	0.250 mi
INDUSTRIAL AND HAZARDOUS WASTE	IHW	0	0	0.250 mi
INNOCENT OWNER / OPERATOR PROGRAM	IOP	0	0	0.500 mi
DRY CLEANER REGISTRATION	DCR	0	0	0.250 mi
TOTAL		0	0	

Disclaimer - The information provided in this report was obtained from a variety of public sources. GeoSearch cannot insure and makes no warranty or representation as to the accuracy, reliability, quality, errors occurring from data conversion or the customer's interpretation of this report. This report was made for the exclusive use by GeoSearch for its clients only. Therefore, this report may not contain sufficient information for other purposes or parties. GeoSearch and its partners, employees, officers and independent contractors cannot be held liable for actual, incidental, consequential, special or exemplary damages suffered by a customer resulting directly or indirectly from any information provided by GeoSearch.

GeoSearch

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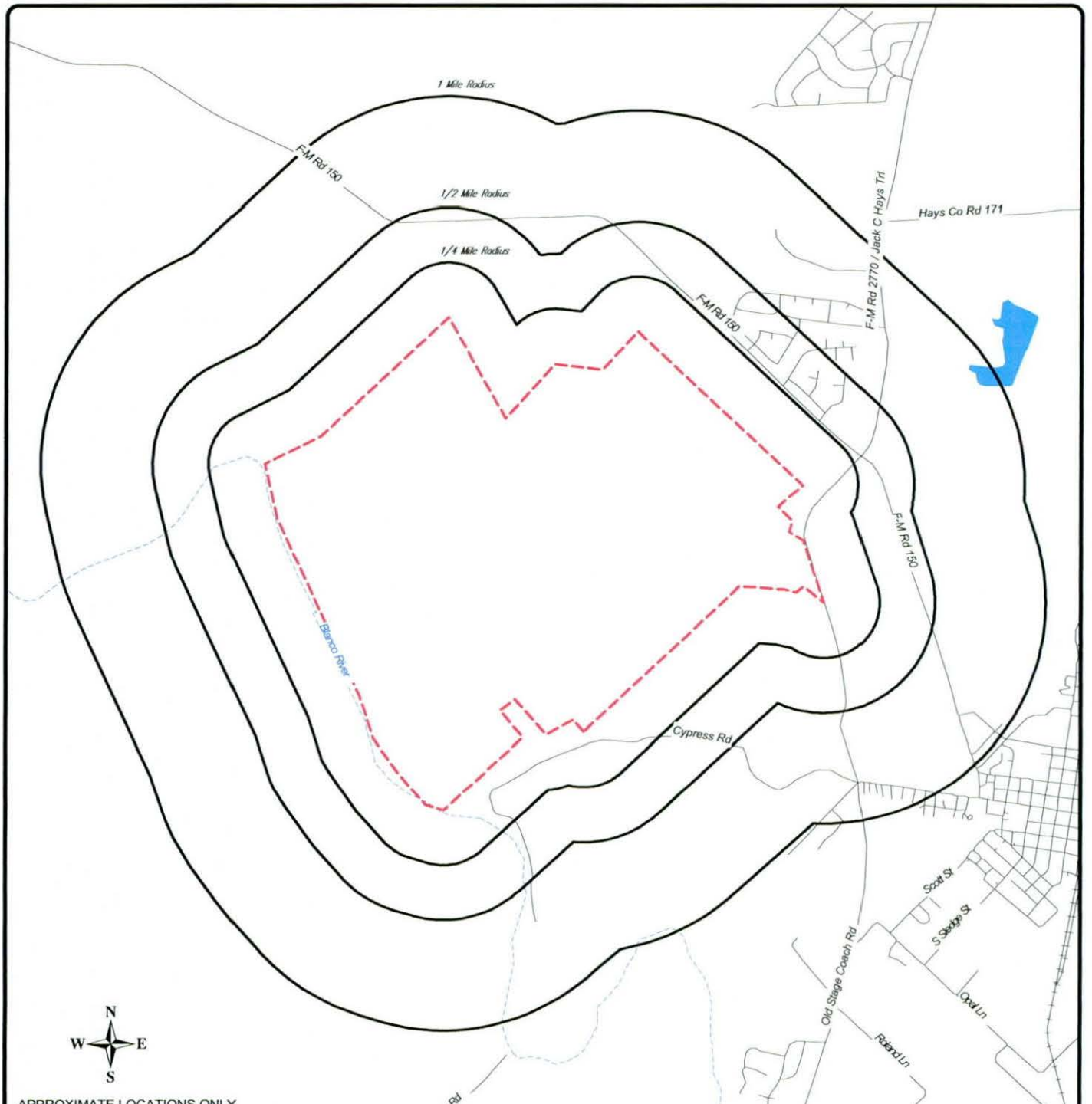


APPROXIMATE LOCATIONS ONLY

PROPERTY BOUNDARY

SITE MAP

Hays County Tract
Hays County, TX
Project #: 05222204.0001

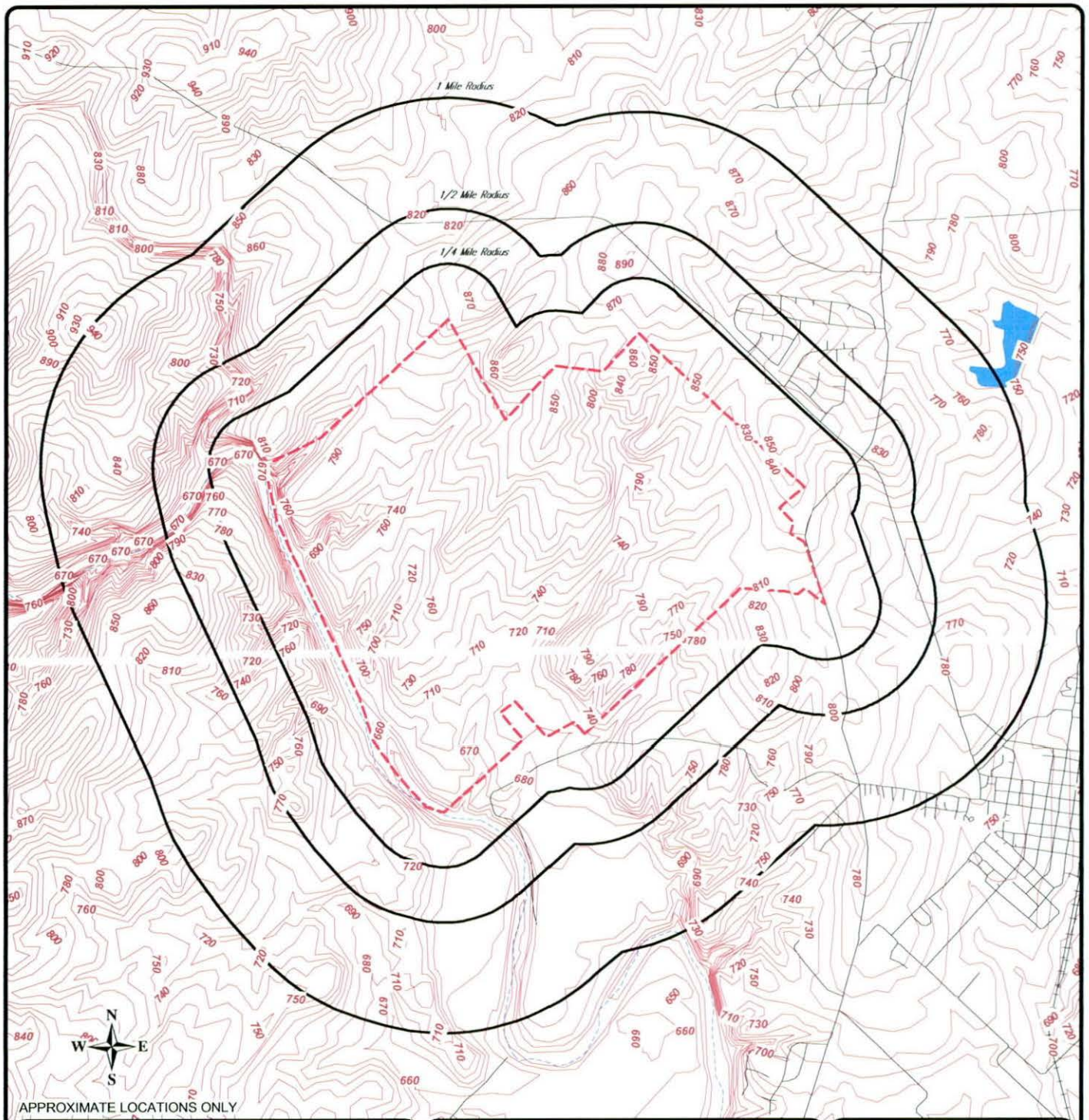
0' 1650' 3300' 4950'

SCALE: 1" = 3300'

GeoSearch

2705 Bee Caves Rd, Suite 330
Austin, Texas 78746
866-396-0042

JOB #: 44324 / DATE: 06/17/2005



APPROXIMATE LOCATIONS ONLY

PROPERTY BOUNDARY

SITE MAP

Hays County Tract
Hays County, TX
Project #: 05222204.0001

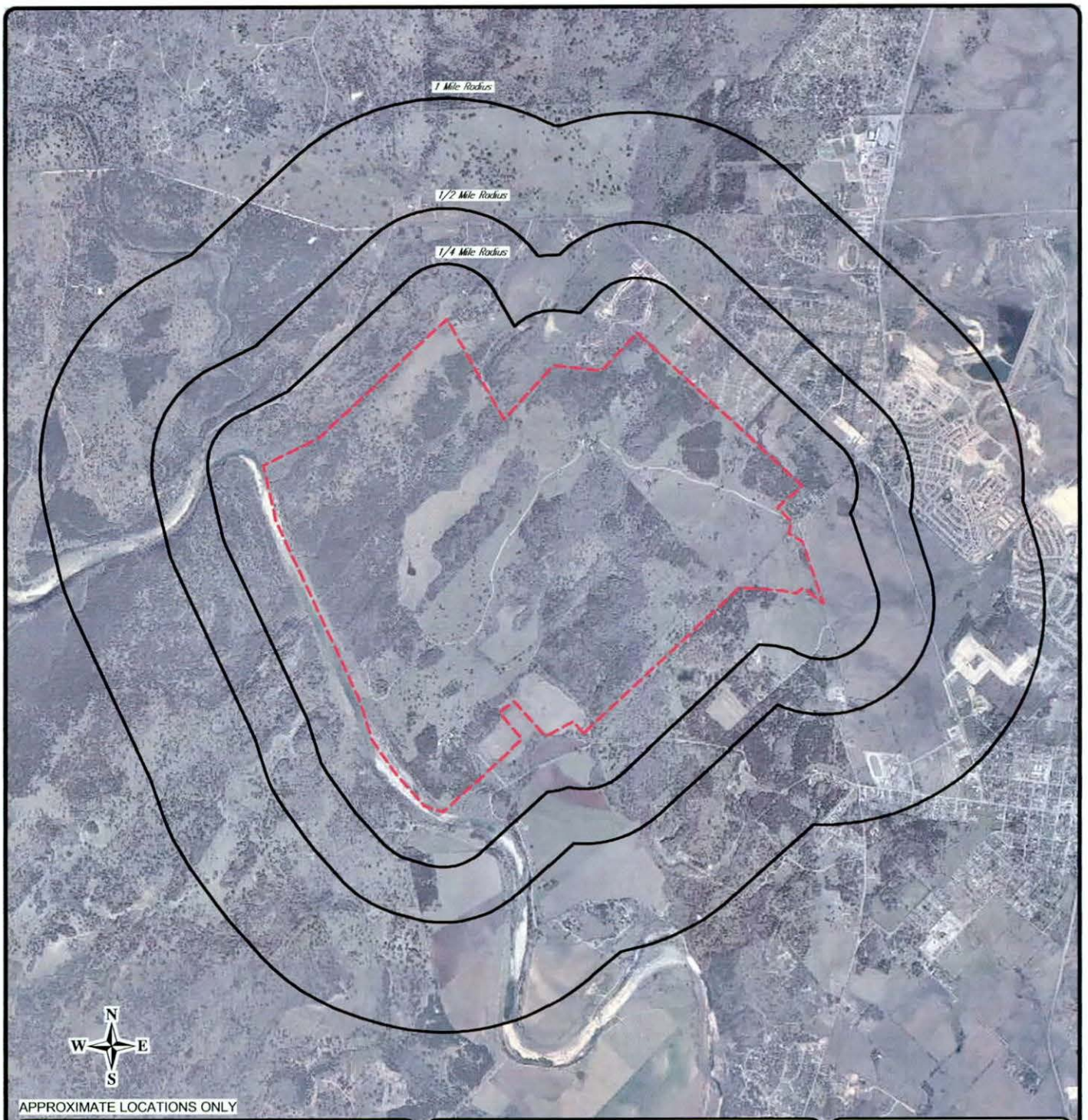
0' 1650' 3300' 4950'

SCALE: 1" = 3300'

GeoSearch

2705 Bee Caves Rd, Suite 330
Austin, Texas 78746
866-396-0042

JOB #: 44324 / DATE: 06/17/2005



APPROXIMATE LOCATIONS ONLY

PROPERTY BOUNDARY

ORTHOPHOTO SITE MAP

Mountain City, San Marcos North Quadrangle
Source: Sanborn Map Co. (02/2002)

Hays County Tract
Hays County, TX
Project #: 05222204.0001

0' 1650' 3300' 4950'

SCALE: 1" = 3300'

GeoSearch

2705 Bee Caves Rd, Suite 330
Austin, Texas 78746
866-396-0042

JOB #: 44324 / DATE: 06/17/2005

ENVIRONMENTAL RECORDS DEFINITIONS - FEDERAL

AIRS	Aerometric Information Retrieval System	(12/2001)	ASTM Supplemental

The AIRS database provides air monitoring data from the EPA's Air Quality System (AQS). The database contains measurements of air pollutant concentrations in the 50 United States, plus the District of Columbia, Puerto Rico, and the Virgin Islands. The measurements include both criteria air pollutants and hazardous air pollutants.

CERCLIS	Comprehensive Environmental Response, Compensation & Liability Information System	(4/2005)	ASTM

CERCLIS is the repository for site and non-site specific Superfund information in support of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). This database contains an extract of sites that have been investigated or are in the process of being investigated for potential environmental risk.

DNPL	Delisted National Priority List	(4/2005)	ASTM

This database includes U.S. Environmental Protection Agency (EPA) Final National Priorty List sites where remedies have proven to be satisfactory or sites where the original analyses were inaccurate, and the site is no longer appropriate for inclusion on the NPL, and final publication in the Federal Register has occurred.

ERNS	Emergency Response Notification System	(12/2002)	ASTM

This EPA database contains data on reported releases of oil and hazardous substances. The data comes from spill reports made to the EPA, U.S. Coast Guard, the National Response Center and/or the Department of Transportation.

FINDS	Facility Index System	(2/2003)	ASTM Supplemental

FINDS data is a comprehensive listing of facilities regulated under a variety of EPA programs. The FINDS database provides some basic information about each facility and a listing of ID numbers in other EPA databases.

HMIRS	Hazardous Materials Incident Reporting System	(2/2004)	ASTM Supplemental

The HMIRS database contains unintentional hazardous materials release information reported to the US Department of Transportation.

NCDB	National Compliance Database System	(9/2003)	ASTM Supplemental

NCDB is the national repository of data from the EPA's (ten) 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 the following programs:
Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) ,Toxic Substance Control Act (TSCA) , Emergency Planning and Right-to-Know Act, Section 313 (EPCRA) , Asbestos Hazard Emergency Response (AHERA) . NCDBC contain administrative case listings and NCDBI contain facility inspection information.

NFRAP	No Further Remedial Action Planned	(4/2005)	ASTM

This database includes sites, which have been determined by the EPA, following preliminary assessment, to no longer pose a significant risk or require further activity under CERCLA. After initial investigation, no contamination was found, contamination was quickly removed or contamination was not serious enough to require Federal Superfund action or NPL consideration.

NPDES	National Pollutant Discharge Elimination System	(2/2003)	ASTM Supplemental

Information in this database is extracted from the (PCS) Water Permit Compliance System database which is used by EPA to track surface water permits issued under the Clean Water Act.

NPL	National Priority List	(4/2005)	ASTM

This database includes U.S. Environmental Protection Agency (EPA) National Priority List sites that fall under the EPA's Superfund program, established to fund the cleanup of the most serious uncontrolled or abandoned hazardous waste sites identified for possible long-term remedial action.

PADS	Pcb Activity Database	(3/2004)	ASTM Supplemental

The PCB Activity Database System (PADS) is used by the EPA to monitor the activities of polychlorinated biphenyls (PCB) handlers.

RCRIS	Resource Conservation & Recovery Act Information System	(2/2005)	ASTM

This databases include Handlers, Generators (Large, Small, and Exempt), Transporters, Violations, Corrective Actions, and Treatment, Storage & Disposal Facilities (TSD) (this database includes selective information on sites which handle, generate, transport, store, treat, or dispose of hazardous wastes). See RCRIS Description page for more information.

RODS	Record Of Decision System	(4/2004)	ASTM Supplemental

These decision documents maintained by the U.S. EPA describe the chosen remedy for NPL (Superfund) site remediation. They also include site history, site description, site characteristics, community participation, enforcement activities, past and present activities, contaminated media, the contaminants present, and scope and role of response action.

SSTS	Section Seven Tracking System	(12/2001)	ASTM Supplemental

SSTS is the system that EPA uses to track pesticide producing establishments and the amount of pesticides they produce. SSTS records the registration of new establishments and records pesticide production at each establishment. It is a repository for information on the establishments that produce pesticides.

TRI	Toxics Release Inventory	(12/2002)	ASTM Supplemental

This EPA database includes information about releases and transfers of toxic chemicals from manufacturing facilities.

BSA	Brownfields Site Assessments	(6/2003)	ASTM Supplemental

The BSA database includes relevant information on contaminated Brownfields properties that are being cleaned.

CALF	Closed & Abandoned Landfill Inventory	ASTM

TCEQ, under a contract with Texas State University, and in cooperation with the 24 regional Council of Governments in the State, has located over 4,000 closed and abandoned municipal solid waste landfills throughout Texas. This listing contains "unauthorized sites". Unauthorized sites have no permit and are considered abandoned. The information available for each site varies in detail.

DCR	Dry Cleaner Registration	(11/2004)	ASTM Supplemental

The DCR listing includes dry cleaning drop stations and facilities registered with the Texas Commission on Environmental Quality.

IHW	Industrial And Hazardous Waste	(12/2004)	ASTM Supplemental

Owner and facility information is included in this database of industrial and hazardous waste sites. Industrial waste is waste that results from or is incidental to operations of industry, manufacturing, mining, or agriculture. Hazardous waste is defined as any solid waste listed as hazardous or possesses one or more hazardous characteristics as defined in federal waste regulations.

IOP	Innocent Owner / Operator	(1/2005)	ASTM Supplemental

Texas Innocent Owner / Operator (IOP) 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.

LPST	Leaking Petroleum Storage Tank	(11/2004)	ASTM

The Leaking Underground Storage Tank listing is derived from the Petroleum Storage Tank (PST) database and is maintained by the Texas Commission on Environmental Quality (TCEQ). This database includes facilities with reported leaking petroleum storage tanks.

MSWLF	Municipal Solid Waste Landfill Sites	(3/2003)	ASTM

Sites listed within a solid waste landfill database may include active landfills and inactive landfills, where solid waste is treated or stored.

PST	Petroleum Storage Tank	(1/2005)	ASTM

The Underground Storage Tank listing is derived from the Petroleum Storage Tank database which is administered by the TCEQ (Texas Commission on Environmental Quality). Both Underground storage tanks (USTs) and Aboveground storage tanks (ASTs) are included in this report.

SPILLS	Spills Listing	(7/2003)	ASTM

The Texas Commission on Environmental Quality provides this database. Information includes releases of hazardous or potential hazardous chemical/materials into the environment.

TXSF	State Superfund	(4/2005)	ASTM

The state Superfund program mission is to remediate abandoned or inactive sites within the state that pose an unacceptable risk to public health and safety or the environment, but which do not qualify for action under the federal Superfund program (NPL - National Priority Listing). Information in this database includes any recent developments and the anticipated action for these sites.

VCP	Voluntary Cleanup Program	(1/2005)	ASTM Supplemental

The Texas Voluntary Cleanup Program (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 underused properties may be restored to economically productive or community beneficial uses.

RCRIS – Descriptions

Acronyms

RCRISG – RCRIS GENERATOR/HANDLER
RCRIST – RCRIS TSD
RCRISC – RCRIS CORRECTIVE ACTION

Generator Types

Large Quantity Generators:

- Generate 1,000 kg or more of hazardous waste during any calendar month; or
- Generate more than 1 kg of acutely hazardous waste during any calendar month; or
- Generate more than 100 kg of any residue or contaminated soil, waste or other debris resulting from the cleanup of a spill, into or on any land or water, or acutely hazardous waste during any calendar month; or
- Generate 1 kg or less of acutely hazardous waste during any calendar month, and accumulate more than 1kg of of acutely hazardous waste at any time; or
- Generate 100 kg or less of any residue or contaminated soil, waste or other debris resulting from the cleanup of a spill, into or on any land or water, of acutely hazardous waste during any calendar month, and accumulated more than 100 kg or that material at any time.

Small Quantity Generators:

- Generate more than 100 and less than 1000 kilograms of hazardous waste during any calendar month and accumulate less than 6000 kg of hazardous waste at any time; or
- Generate 100 kg or less of hazardous waste during any calendar month, and accumulate more than 1000 kg of hazardous waste at any time.

Conditionally Exempt Small Quantity Generators:

- Generate 100 kilograms or less of hazardous waste per calendar month, and accumulate 1000 kg or less of hazardous waste at any time; or
- Generate one kilogram or less of acutely hazardous waste per calendar month, and accumulate at any time:
  - 1 kg or less of acutely hazardous waste; or
  - 100 kg or less of any residue or contaminated soil, waste or other debris resulting from the cleanup of a spill, into or on any land or water, or acutely hazardous waste; or
- Generate 100 kg or less of any residue or contaminated soil, waste or other debris resulting from the cleanup of a spill, into or on any land or water, or acutely hazardous waste during any calendar month, and accumulate at any time:
  - 1 kg or less of acutely hazardous waste; or
  - 100 kg or less of any residue or contaminated soil, waste or other debris resulting from the cleanup of a spill, into or on any land or water, of acutely hazardous waste.

TSD Indicator: Indicates that the handler is engaged in the treatment, storage or disposal of hazardous waste.
Allowed Values: TSD
Not a TSD, Verified
Not a TSD, Unverified

Transporter Indicator: Indicates that the handler is engaged in the transportation of hazardous waste.
Allowed Values: Handler transports wastes for hire (i.e., commercial transport)
Handler transports wastes for self
Handler transports wastes, but commercial status is unknown
Not a transporter, verified
Unverified

APPENDIX C

Photograph No. 1 – This photograph shows a typical view of Property from front gate.

Photograph No. 2 – This photograph shows typical view of Property looking toward Blanco River from Lodge Building.

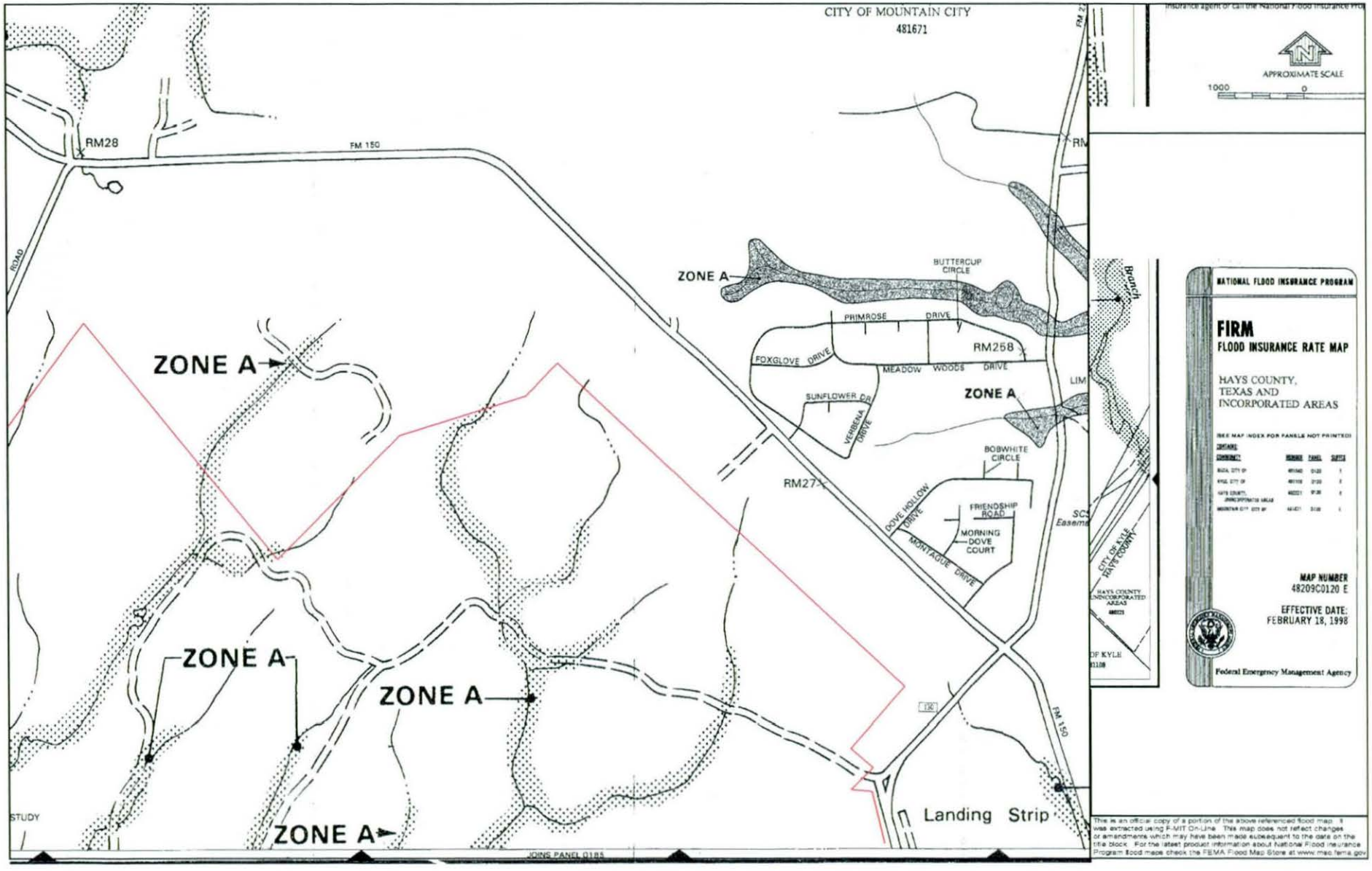
Photograph No. 3 – This photograph shows a typical view of Lodge Building.

Photograph No. 4 – This photograph shows typical view of pipeline easement that crosses Property.

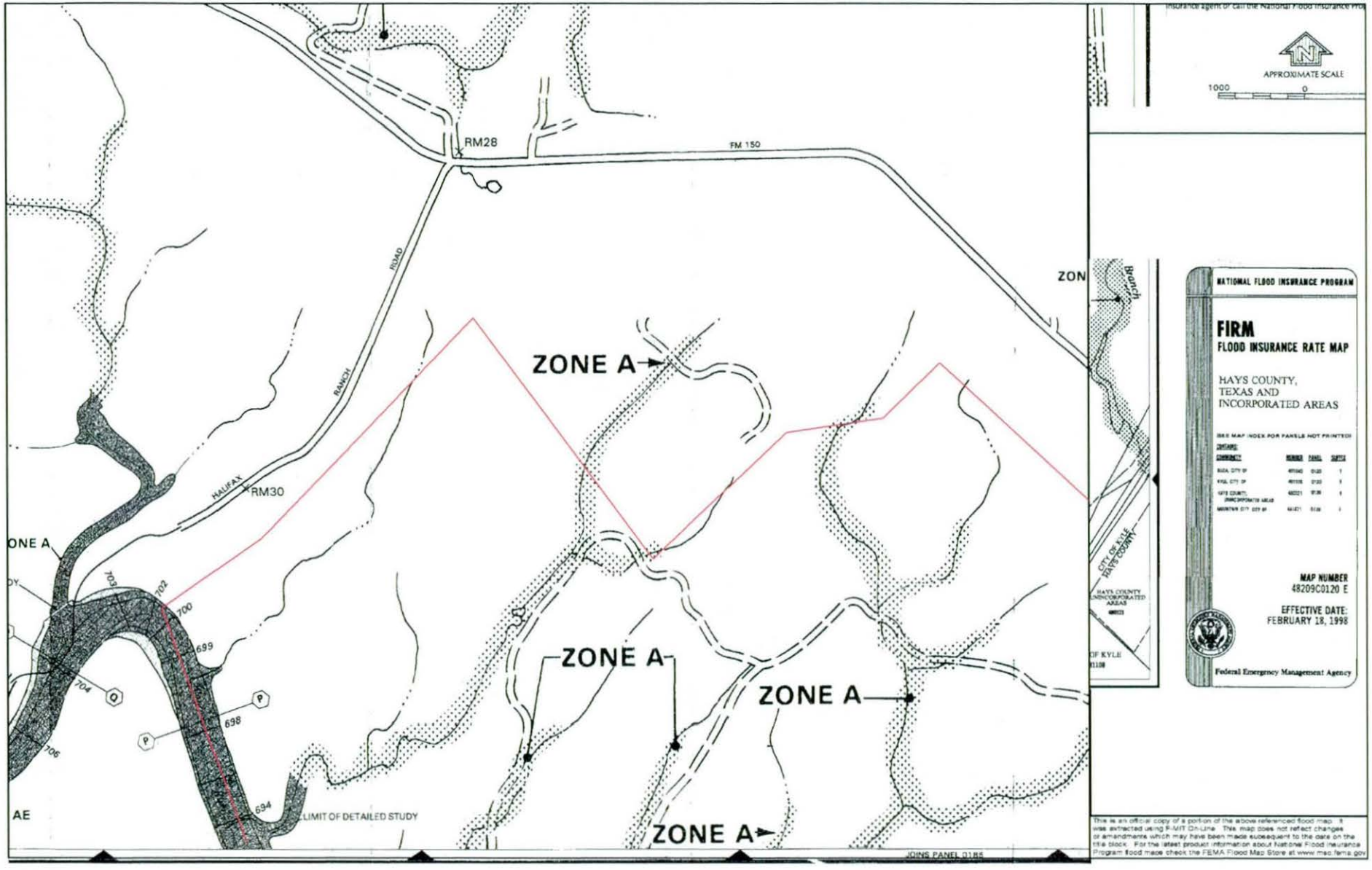
Photograph No. 5 – This photograph shows a typical view of one of the six water wells located on the Property.

Photograph No. 6 – This photograph shows typical view of ASTs noted on the Property.

APPENDIX D



This is an official copy of a portion of the above referenced flood map. It was extracted using F-MIT On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. For the latest product information about National Flood Insurance Program flood maps check the FEMA Flood Map Store at www.msc.fema.gov



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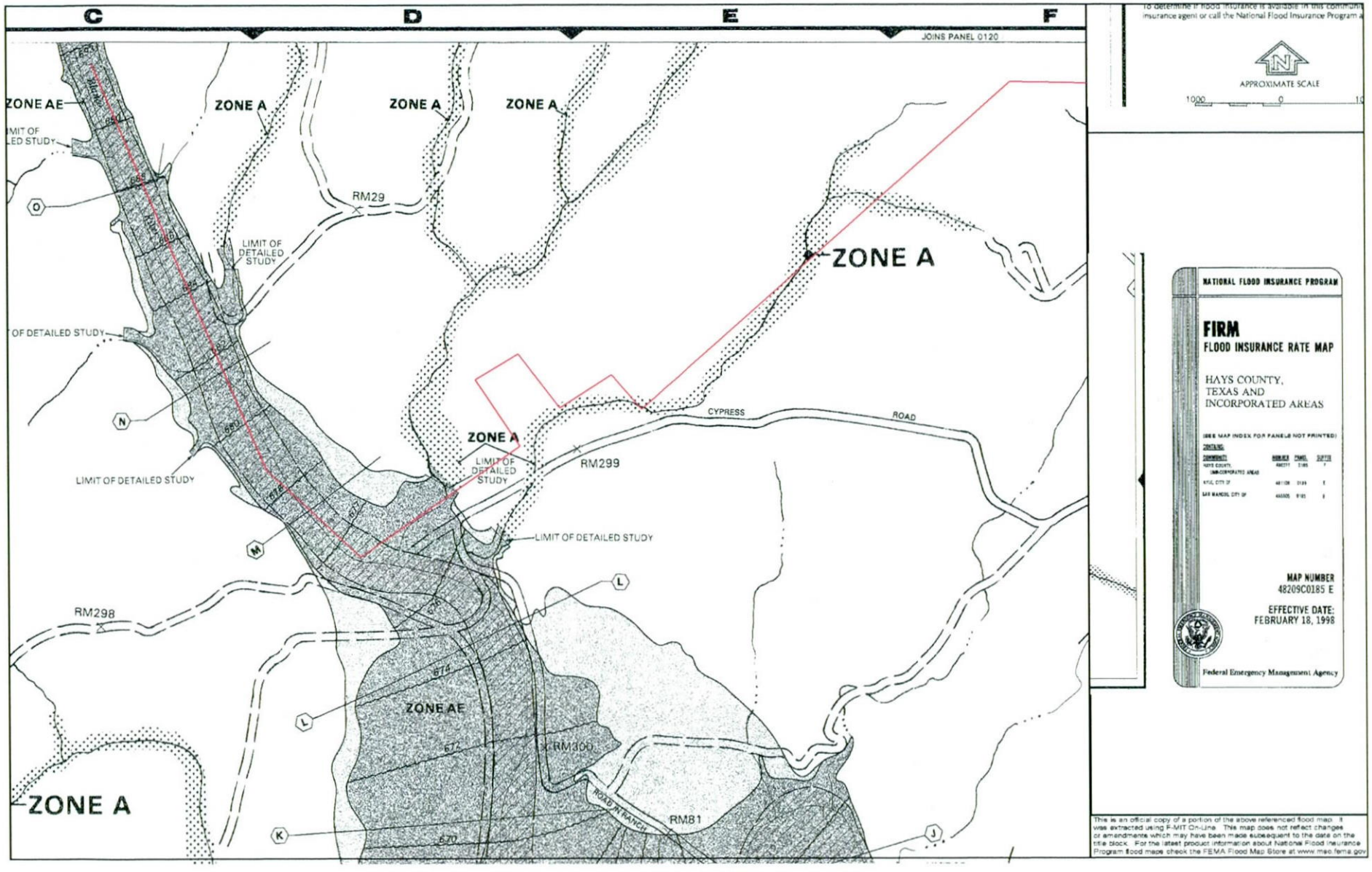
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HAYS COUNTY,
TEXAS AND
INCORPORATED AREAS
MAP NUMBER
48209C0185 E
EFFECTIVE DATE:
FEBRUARY 18, 1998
Federal Emergency Management Agency
This is an official copy of a portion of the above referenced flood map. It was extracted using F-MIT On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. For the latest product information about National Flood Insurance Program flood maps check the FEMA Flood Map Store at www.msc.fema.gov

APPENDIX E

LIST OF PREPARERS

The following individuals contributed to this Phase I Environmental Site Assessment:

Name and Document Contribution	Associated Professional Expertise
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Carlos Swonke Project Manager (QC)	Environmental Project Manager: 15 years experience in water resources, environmental studies and environmental assessments.
Douglas Zarker, P.G. Registered Texas Geologist (No. 1153) (Environmental Assessment Services, GIS)	Environmental Specialist: 15 years experience in conducting Phase I and Phase II ESA services and geologic/hydrogeologic assessments.

File No. 155382 (4)

Hays County

Phase I ESA

Date Filed: 2-14-06

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED
DATE 5/16/07
CKM

LIMITED DUE DILIGENCE STUDY

KY-TEX PROPERTIES, L.P.

BLANCO RIVER PROPERTY
HAYS COUNTY, TEXAS

TEXAS GENERAL LAND OFFICE
ASSET MANAGEMENT
REAL ESTATE DIVISION

JULY 2005

STATE OF TEXAS
KEVIN R. KADLECEK
67249
REGISTERED
PROFESSIONAL ENGINEER
7-18-05

Stanley Consultants INC.
A Stanley Group Company
Engineering, Environmental and Construction Services - Worldwide

BLANCO RIVER PROPERTY
LIMITED DUE DILIGENCE STUDY

Introduction

The intent of this limited due diligence report is to present preliminary findings related to the feasibility of developing the subject property located in Hays County. The property is comprised of several tracts totaling approximately 2,000 acres. A boundary survey is currently being prepared by Cobb Finley Associates. The boundary survey will be incorporated into the final version of this report. The site is located approximately two miles west of Interstate Highway 35 and one-quarter mile south of FM 150, near the city of Kyle, as shown on the Vicinity Map (Exhibit 1) and Site Location Map (Exhibit 2). At present, access to the property is limited to Old Stagecoach Road (Hays County Road No. 136), which traverses the northeastern portion of the property.

Topography and Physical Characteristics

Elevations on the property range from approximately 850 feet above Mean Sea Level (MSL) at several locations along the northern and northeastern boundary lines to approximately 670 feet MSL along the Blanco River at the southwestern boundary of the property, as shown on Exhibit 3. The Blanco River generally defines the entire southwestern boundary – a distance of approximately 1½ miles. The property drains from northeast to southwest via a series of seasonal creeks that flow to the river.

Slopes on the property are generally in the mild category (2 to 7 percent) with some steep slopes (15 to 20 percent) near the river. Approximately one-half of the property is open rangeland. The balance of the property is heavily wooded with a mixture of live oak, cedar elm and other hardwoods along with some ash juniper. According to the *Soil Survey of Comal and Hays Counties Texas*, published by the United States Department of Agriculture Soil Conservation Service, approximately ten distinct soil map units are present on the property. The predominant soils are gravelly loam and clay soils in Real Series. An environmental asset inventory will be conducted subsequent to this initial investigation and will become a part of this study upon completion.

Except for several residences located along Old Stagecoach Road near the northeast corner of the site, the property is vacant. The current use is primarily rangeland for cattle, with some hunting and fishing activities at various times. A hunting lodge is located near the river and a small fishing cabin is situated near a small stock tank at the northern end of the property. Assorted barns, pens and other structures associated with livestock activity are also found at various locations throughout the property. A water well inventory was not conducted as part of this investigation. However, the United States Geological Service (USGS) map indicates at least one well on the property. A petroleum pipeline, operated by Chevron Pipeline Company, crosses the Blanco River at approximately the midpoint of southwestern boundary and traverses the northwestern portion of the property.

Floodplain

Regulatory floodplains are determined by the Federal Emergency Management Agency (FEMA). Where indicated, floodplains are delineated on Flood Insurance Rate Maps (FIRM). The most recent floodplain maps for the subject area were published effective February 18, 1998. The floodplain for the segment of the Blanco River flowing from northwest to southeast along the southwestern boundary of the property is delineated on FIRM Panel No. 48209C0120 E and No. 48209C0185 E. The maps indicate an area along the river designated as Zone AE, areas

inundated by the 100-year base flood. A 100-year event has a one percent statistical probability of occurrence in a given year.

The areas determined to be within the FEMA floodplain for this segment of the Blanco River are generally confined to an area within 300 to 400 feet from the river, as shown on Exhibit 3. FEMA also designates areas along the seasonal creeks within the property as having the potential to be inundated. These areas are designated as Zone A, areas not studied, but identified as subject to flooding. At some point in the process of moving forward with a development scheme, a floodplain study should be conducted in order to delineate the floodplains associated with these seasonal creeks. However, for the purpose of conducting an initial due diligence effort, the USGS map shows these areas to be generally well defined and should not be considered detrimental to the development process.

Regulatory Jurisdiction

The property is located within the extra-territorial jurisdiction (ETJ) of the City of Kyle. In Texas, cities are given the authority to regulate development in their ETJ to the extent that cities cannot impose zoning regulations outside their corporate limits. In general, all other ordinances related to development imposed within the city limits are applicable in the ETJ. The City of Kyle regulates development by Subdivision Ordinance No. 439. The current ordinance was adopted on November 24, 2003. A complete copy of the ordinance is included in this report as Exhibit 4.

Since the property is located within the ETJ of the City of Kyle, any development of the property would also require approval by the Hays County Commissioners Court. The commissioners court enforces the *Subdivision and Development Regulations of Hays County* as amended June 3, 2003. In general, the City of Kyle regulations will apply to the development of this property. In some cases, the Hays County rules will determine minimum lot sizes, for example, when onsite sewage facilities (i.e. individual septic systems) are utilized.

A copy of the Hays County Subdivision regulations is included in this report as Exhibit 5. Exhibit 6 of this report contains the *Rules for Onsite Sewage Facilities* promulgated by the Hays County Environmental Health Department.

The Texas Department of Transportation (TxDoT) regulates access to state-maintained highways such as FM 150 located to the north of the property. Access to FM 150, if obtained, will require a permit from TxDoT.

The Texas Commission on Environmental Quality (TCEQ), formerly the Texas Natural Resource Conservation Commission (TNRCC) regulates development activities with the Barton Springs Segment of the Edwards Aquifer Recharge Zone. Regulated areas consist of four categories – recharge zone, contributing zone, transition zone and contributing zone within the transition zone. Edwards Aquifer rules are found in Chapter 213 of the Texas Water Code; a copy of which is included as Exhibit 7 of this report. Exhibit 8 shows the location of these zones relative to the property. The map shows that some areas along the southern portion of the property appear to be within the Recharge Zone. Other areas of the property are designated Transition Zone, or Contributing Zone within the Transition Zone.

The Edwards Aquifer rules dictate certain measures, such as preparing a Water Pollution Abatement Plan (WPAP), be followed in order to mitigate the impact of stormwater runoff on the aquifer. The rules governing development activity within the contributing and transitions zones require an application to the TCEQ along with a technical report, but do not require a WPAP to be prepared. For lots served by onsite sewage facilities, Hays County further restricts minimum lot sizes for lots located within the Recharge Zone (refer to Table 10.1 of the Hays County Rules *for Onsite Sewage Facilities*.

Any proposed construction activity in the Blanco River floodplain (i.e. bridges, roadways, dams) that alters the floodplain would be regulated by the Federal Emergency Management Agency. Depending upon the level of disturbance, a permit from the U.S. Army Corps of Engineers could also be required. In order to remove the involvement of these agencies from the regulatory process, any proposed development plan for this property should avoid altering the floodplain.

Water wells used for public water supply are regulated by the Barton Springs/Edwards Aquifer Conservation District.

Water Service Availability

The City of Kyle has a contract with the Guadalupe Blanco River Authority (GBRA) to receive surface water via the City of San Marcos. The city also co-mingles groundwater to supplement the surface water supply. The city has storage facilities located north of the property at Plum Creek, near the intersection of FM 150 and FM 2270, as well as south of the property near the intersection of Old Stagecoach Road and Cypress Road (a.k.a. Limekiln Road). A 12-inch diameter waterline runs along the east side of Old Stagecoach Road, connecting the two storage facilities. Based on discussions with Mr. John Bartle, P.E. of Neptune-Wilkinson Associates, Inc. – the city engineer for Kyle, the 12-inch line could be used to deliver water to the property. Depending upon demands and pressure requirements, additional infrastructure in the way of storage and booster pumping facilities may need to be constructed onsite.

Currently, only a portion of the property along Old Stagecoach Road is located within the City's designated water service area or Certificate of Convenience and Necessity (CCN). However, the property is within the City's boundary for planning and assessing water impact fees, and thus able to receive water service from the City of Kyle. Ultimately, an amendment to the City's CCN boundary would be required. Such amendments are handled administratively by the Texas Commission on Environmental Quality.

Wastewater Service Availability

The City of Kyle would appear to be the logical choice for wastewater service to the property. A portion of the property along Old Stagecoach Road is within the City's existing wastewater CCN. The remainder of the property is located within the City's designated planning area for wastewater service. However, based on discussions with Mr. Bartle, the City's existing wastewater collection has capacity issues which would preclude the City from extending service to the property for the foreseeable future.

The development known as Hometown Kyle, located immediately to the east of the property, is situated in the Plum Creek drainage basin. The Plum Creek basin is located to the north of the property and collection system service capacity for that basin is fully committed, according to Mr. Bartle. The service basin downstream of the property would require that wastewater pass through the part of the collection system located in the older part of the city. According to Mr. Bartle, that part of the system has either lasted beyond its useful service life, is at capacity; or both conditions apply. Mr. Bartle has stated that the city has no immediate plans to upgrade the collection system in that part of town.

Options for wastewater service to the property include using individual onsite systems for each proposed lot or constructing a stand-alone wastewater treatment plant and collection system. Both are viable options. Using individual onsite systems will place a limitation on the minimum lot size, as regulated by the Hays County Environmental Health Department. The county will require a facility planning report, which includes a subsurface soil investigation in order to determine the type or types of systems most suitable for the soil conditions.

The TCEQ is charged with permitting wastewater plants and collection systems. The type of permit most easily attainable is referred to as a "no discharge" permit. Under this type of permit, treated effluent is disposed of onsite using either spray irrigation, such as commonly found on golf courses, or a subsurface disposal method such as drip irrigation. Obtaining a direct discharge permit which would allow treated effluent to be discharged directly to the Blanco River would not be feasible for this project due to political and regulatory hurdles.

Conclusions

This initial due diligence effort was limited to identifying jurisdictional agencies and physical and regulatory constraints to development of the property as a residential subdivision. In general terms, there appear to be no physical constraints that would encumber the development process. The topography of the site is varied, but well within workable limits for construction of infrastructure improvements. Floodplain is present on the site, associated with the Blanco River as well as with small tributaries on the property. However, the limits of these floodplains can be determined with further study and incorporated into the overall design concept. A petroleum pipeline crosses the property. The development plan should take that into consideration, but should not be a detriment to future development of the property.

The regulatory agencies with jurisdiction have been identified. The primary agencies with the authority to regulate the development of this project are the City of Kyle, Hays County and the Texas Commission on Environmental Quality. Although specific regulations were not addressed in this initial study, a significant amount of development is occurring within these jurisdictions in relatively close proximity to the property. These adjacent developments would be subject to the same regulatory issues, which would serve as an indicator of the feasibility of developing within these jurisdictions.

The City of Kyle has an adequate supply of potable water to provide service to the property. Although some additional storage and pumping capacity may be required, the waterline is located adjacent to the property, thereby limiting the need for significant offsite improvements. The critical issue for this site appears to be wastewater service. Although the property is located within the City of Kyle's planned service area, there appears to be no immediate, viable means for the City to provide service. Available options in lieu of City service include individual onsite systems and a wastewater treatment and collection system constructed and operated independently of the City of Kyle.

Recommendations

- Recommendations for moving forward in the due diligence process, include the following:
- Conduct an environmental asset inventory for the property;
- Begin the conceptual land planning process including estimating density requirements and determining lot size and configuration;
- Investigate additional access points at FM 150 and Cypress Road to promote better internal circulation;
- Explore in greater detail, the projected water demands and options for wastewater treatment and disposal;
- Conduct a market analysis;
- Begin the process of conceptual engineering;
- Begin the process of projecting development costs and preparing pro forma statements.

Exhibit 1 - Vicinity Map

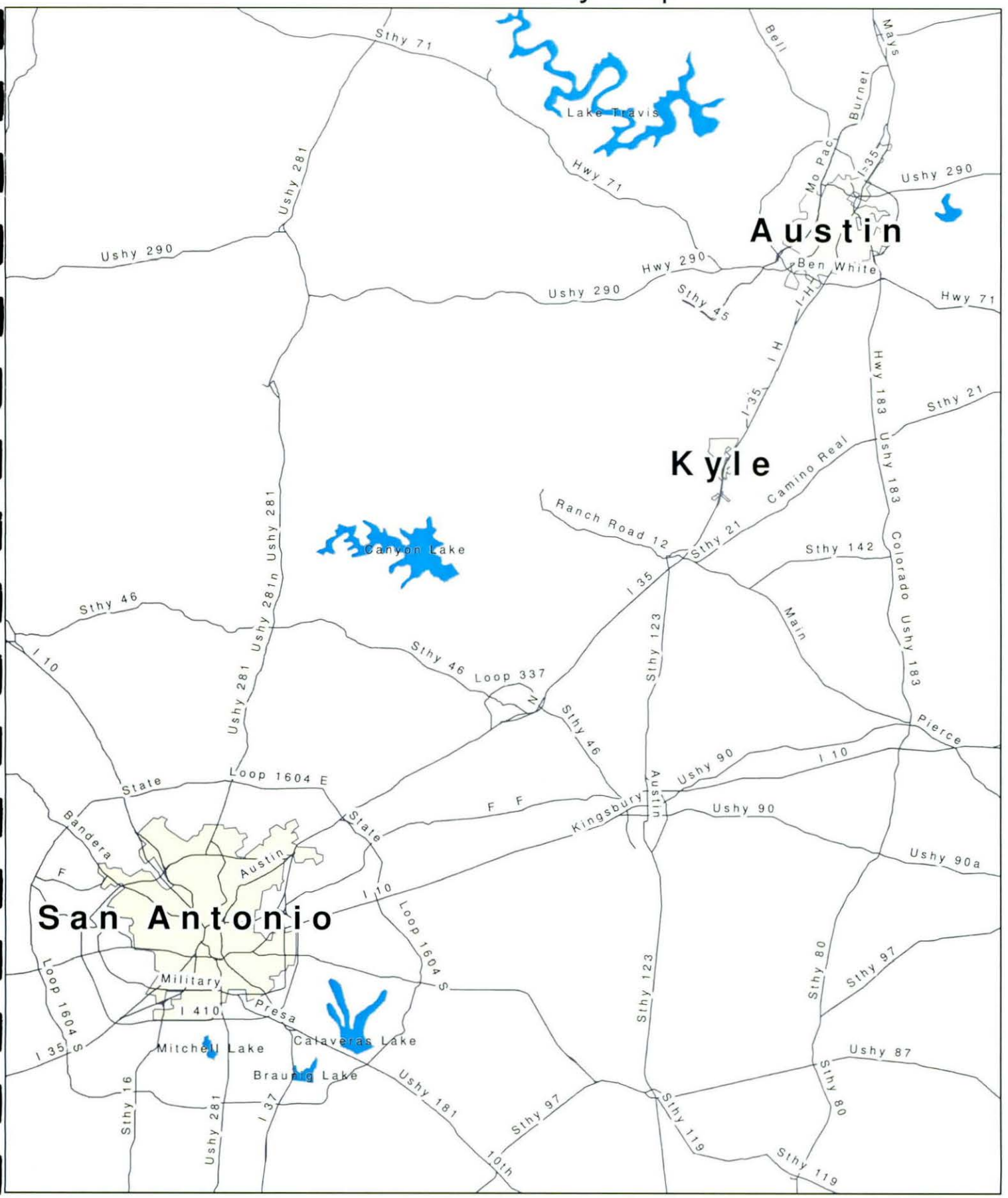
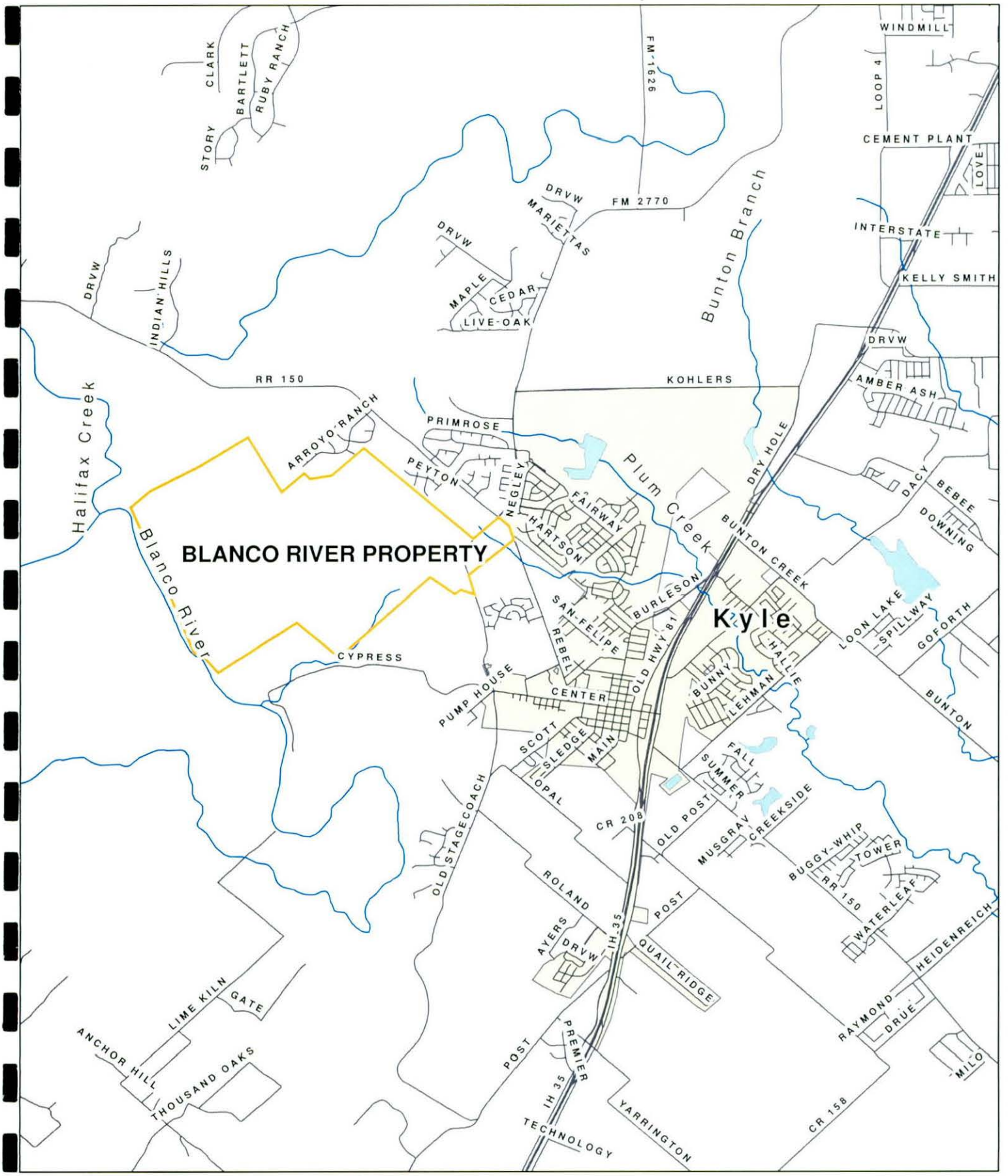


Exhibit 2 - Site Map



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N

Legend

- Blanco River Property
- City
- Roads

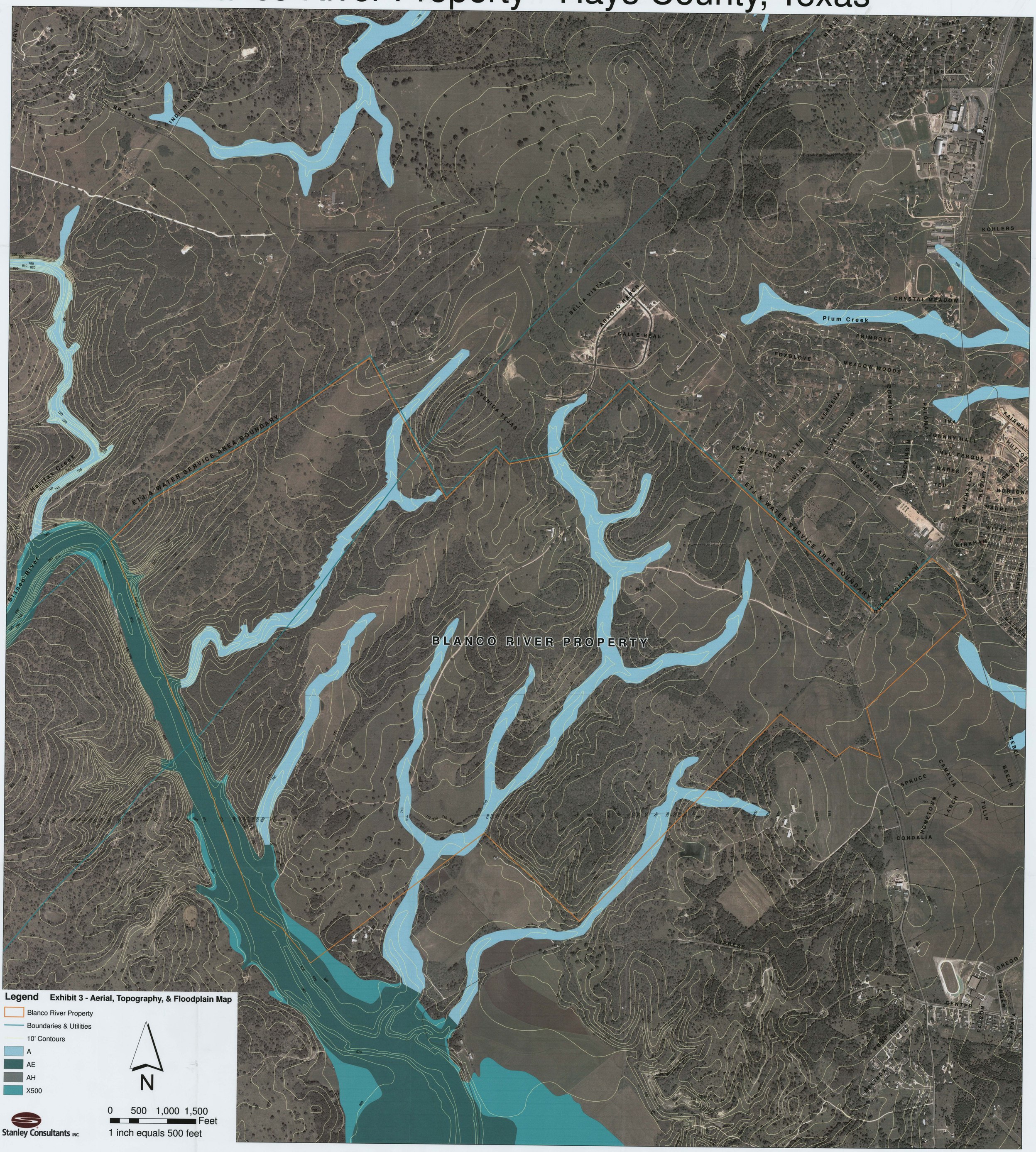
0 1 2 Miles

1 inch equals 1 mile

Exhibit 3

Aerial Photograph/Topographic Map

Blanco River Property - Hays County, Texas



Legend **Exhibit 3 - Aerial, Topography, & Floodplain Map**

- Blanco River Property
- Boundaries & Utilities
- 10' Contours
- A
- AE
- AH
- X500

N

0 500 1,000 1,500 Feet

1 inch equals 500 feet

Stanley Consultants INC.

Exhibit 4

City of Kyle Subdivision Ordinance

CITY OF KYLE

HAYS COUNTY, TEXAS

Subdivision Ordinance No. 439

Adopted by Kyle City Council

November 24, 2003

ORDINANCE NO. 439
SUBDIVISION ORDINANCE

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ORDINANCE NO. 439

AN ORDINANCE OF THE CITY OF KYLE, TEXAS, AMENDING ORDINANCE NO. 296 IN ITS ENTIRETY; ADOPTING AND PROVIDING COMPREHENSIVE REGULATIONS AND STANDARDS FOR THE PLATTING OF LAND AND DEVELOPMENT OF SUBDIVISIONS; PROVIDING A SEVERABILITY CLAUSE; PROVIDING AN EFFECTIVE DATE; AND PROVIDING AN OPEN MEETINGS CLAUSE.

Whereas, the City of Kyle (the "City") has a duty and responsibility to adopt rules, regulations and ordinances for the purpose of providing an attractive living environment and protecting the health and welfare of the present and future residents of the City and its extraterritorial jurisdiction; and

Whereas, the City has authority pursuant to its general police powers and Chapt. 212, Tex. Loc. Gov't. Code, to regulate the subdivision and development of property within the City and its extraterritorial jurisdiction;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KYLE, TEXAS, THAT:

Article I. General.

Section 1. Authority and Dedications. (a) This ordinance is adopted by the City of Kyle pursuant to the police powers of general law cities, and under authority of the Constitution and general laws of the State of Texas, and Chapt. 212, Tex. Loc. Gov't. Code.

(b) In accordance with the City's police powers and authority, and as specifically authorized by Chapt. 212, Tex. Loc. Gov't. Code, and other applicable laws, the planning and zoning commission and the City council, as a condition of subdivision plat or replat approval, may require the owners and developers of land who desire to subdivide, plat or replat land for urban development, to provide for building setback lines, to dedicate streets, alleys, parks, easements or other public places or facilities of adequate width and size and to coordinate street layouts and street planning with the comprehensive plan, with other municipalities, and with county, state and federally designated highways, as they may deem best in the interest of the general public.

Section 2. Purpose. The purpose of this ordinance is to provide for orderly, safe and healthful development to promote the health, safety and general welfare of the community. From and after the passage of this ordinance, all plats and subdivisions of land within the corporate limits of the City of Kyle, and all plats and subdivisions of land outside the corporate limits of the City of Kyle that the Councilmembers may be petitioned to include within the corporate limits of the City by an extension of said corporate limits, and all tracts within the City's extraterritorial jurisdiction shall conform to the following rules and regulations.

Section 3. **Definitions.** For the purposes of this ordinance, the following terms, phrases, words and their derivations shall have the meaning ascribed to them in this section:

Abutting. Adjacent; joining at a boundary.

Administrator. The city engineer, director of public works or other person designated by the City to administer the regulations and provisions of this ordinance.

Alley. A minor public right-of-way that is primarily for vehicular service access to the back or sides of properties otherwise abutting on a street.

Block. A unit of land bounded by streets or a combination of streets and public land, railroad rights-of-way, waterways, or any other barrier to the continuity to development.

Building setback line. A line beyond which building foundations or any building extension other than roof overhang not exceeding 18 inches must be set back from the property line.

City. The City of Kyle, Texas.

Commission. The Planning and Zoning Commission of the City of Kyle.

Council. The City Council of the City of Kyle.

Crosswalkway. A public right-of-way, between property lines, for pedestrian circulation.

Cul-de-sac. A local street with only one street outlet and having an appropriate terminal for the safe and convenient reversal of traffic movement.

Dead-end street. A portion of a street or a road with only one street or road outlet.

Developer. (See Subdivider)

Double fronting lot. A lot which fronts upon two (2) parallel streets, or which fronts upon two (2) streets which do not intersect at the boundaries of the lot.

Easement. A grant of one (1) or more of the property rights by the property owner to and/or for the use by the public, corporation or another person or entity.

Easement, avigation. An air-rights easement, which protects air lanes around airports.

Easement, drainage. An easement required for the installation of stormwater sewers or drainage ditches, and/or required for the preservation or maintenance of a natural stream or watercourse or other drainage facility.

Engineer. A person authorized under the Texas Engineering Registration Act to practice the profession of engineering.

Flood. A general and temporary condition as partial or complete inundation of normally dry land areas from the unusual and rapid accumulation or runoff of surface waters from any source.

Flood protection elevation, regulatory. (See: Flood Damage Prevention Ordinance).

Governing body. The Council of the City of Kyle, Texas.

Homeowners association. A community association, other than a condominium association, which is organized in a development in which individual owners share common interests in open space or facilities.

Interior lot. A lot other than a corner lot.

Lot. An undivided tract or parcel of land, identified by a number or symbol and designated as a distinct and separate tract on a fully approved subdivision plat properly filed of record.

Lot area. The total area within the lot lines of the lot excluding any street rights-of-way.

Lot corner. A lot or parcel of land abutting upon two (2) or more streets at their intersection, or upon two (2) parts of the same street forming an interior angle of less than one hundred thirty-five (135) degrees.

Lot depth. The distance measured from the front lot line to the rear lot line. Where the front and rear lot lines are not parallel, the lot depth should be measured by drawing lines from the front to the rear lot lines, at right angles to the front lot line every ten (10) feet, and averaging the length of these lines.

Lot line. A line of record bounding a lot, which divides one (1) lot from another lot or from a public or private street or any other public space.

Major subdivision. Any subdivision not classified as a minor subdivision.

Master development plan. A graphic representation and narrative description of a large area of land intended for eventual development in phases. The plan may involve a single parcel or a number of contiguous parcels. It should show proposed land use, street classification, parks and open space, major public facility sites, floodplains and waterways, major drainage and utility improvements, and other features deemed necessary or appropriate by the administrator to depict critical on- and off-site relationships that coordinate the development with the community's overall plan and adjoining undertakings.

Minor Plat. A proposed plat with four (4) or fewer lots, with said lot or lots fronting on an existing street, and not requiring the creation of any new street or the extension of municipal facilities.

Mobile home park. A site with required improvements and utilities for the long-term parking of mobile homes, which may include services and facilities for the residents.

Owner. (See Subdivider)

Parkway. That portion of the right-of-way between the curb and the right-of-way line.

Person. Any individual, association, firm, corporation, governmental agency, political subdivision or other legal entity.

Plan, comprehensive. The comprehensive plan of the City and adjoining areas adopted by the Commission and approved by the Council, including all its revisions. The plan indicates the general locations recommended for various land uses, transportation routes, public and private buildings, streets, parks, and other public and private developments and improvements, to include detailed plans for water, sewer, etc.

Plan, concept. A rough concept map of a proposed subdivision with sufficient accuracy to be used for the purpose of discussion, classification, and comment.

Plan or plat package. Includes all drawings, instruments, written specifications, reports, test results, covenants, and other similar items required in this ordinance.

Planned development. A development provided for by the zoning ordinance of the City wherein certain yards, areas and related standards may be varied and a variety of land uses associated on a tract, the plan of which is subject to approval by the Commission and Council.

Plat. A map representing a tract of land, showing the boundaries and location of individual properties and streets.

Plat drawing. A drawing or drawings depicting the proposed subdivision layout itself, along with associated certifications, dedications and related notations.

Plat, final. The final map of all or a portion of a subdivision, which is presented to the proper review authority for final approval.

Plan preliminary. A preliminary plan indicating the proposed layout of a subdivision that is submitted to the review authority for consideration and preliminary approval.

Commission. The duly designated planning board of the City of Kyle having responsibilities as delegated by the Council including, but not limited to, land use review concerning comprehensive planning, zoning, and subdivision of land.

Pre-design conference. A conference between a developer and the City planning staff, held prior to application for approval of a plat, for the purposes of exchanging information and identifying potential problems with a proposed development.

Replatting. The alteration of any part or all of any lot, block or tract of a previously platted subdivision.

Residential lane. A street which, by its design, discourages through traffic and which may afford the only vehicular access to lots abutting thereon, which lots shall be restricted to residential use as set forth for only certain zoning districts in the zoning ordinance and its amending ordinances.

Shall, may. The word "shall" is always mandatory. The word "may" is merely discretionary.

Staff or **City Staff.** The employees, and the professionals providing services to the City, authorized or permitted by the Council to undertake any duty or to provide any review, work or service contemplated by the terms of this ordinance to be undertaken by City personnel.

Street. A public right-of-way, however designated, which serves one or more of the following purposes:

(1) A "major thoroughfare," "arterial street" or "expressway" primarily provides vehicular circulation to various sections of the City.

(2) A "collector street" primarily provides circulation within neighborhoods, to carry traffic from local streets to arterial or major thoroughfare streets, or to carry traffic through or adjacent to commercial or industrial areas.

(3) A "marginal access" or "frontage street" is a street, which is parallel to and adjacent to an arterial street and primarily provides access to properties abutting these types of streets.

(4) A "local street" is a street designed primarily for access to abutting residential property. A local street does not include roadways that carry through traffic, but will generally be intersected frequently by "collector streets."

Street, width. That distance from back of curb to back of curb.

Subdivider. Any person, or agent thereof, dividing or proposing to divide land so as to constitute a subdivision, as defined herein, The term "subdivider" shall be restricted to include only the owner, equitable owner, or authorized agent of such owner or equitable owner, of land sought to be divided.

Subdivision. A division of any tract of land, situated within the corporate limits of the City of Kyle or within its extraterritorial jurisdiction, into two (2) or more parts for the purpose of laying out any addition to the City, or for laying out suburban lots or building lots, or any lots,

and streets, alleys, access easements, public utility easements, or parks or other portions intended for public use or the use of purchasers or owners of lots fronting thereon or adjacent thereto. Divisions of land in parcels of five (5) acres or more shall not be included within this definition of "subdivision", unless any such division of five (5) acres or more includes the planning or development of a new street or access easement, or public utility easement.

Surveyor. A registered professional land surveyor authorized by state statute to practice the profession of surveying.

Utility easement. An interest in land granted to the City, the public generally or to a private corporation, for installing and maintaining utilities across, over or under private land.

Words and terms not expressly defined herein are to be construed in accordance with customary usage in municipal planning and engineering practices.

Section 4. Application and Administration. This ordinance shall be applied to and govern all applications for subdivision approval made after the effective date of this ordinance. This ordinance shall be applied and administered in coordination with all other applicable ordinances, codes, development and standards and regulations. The provisions hereof shall also be applied and administered in conjunction with the adopted comprehensive plan, the adopted water and sewer plan and all other such official plans.

Section 5. Flood Damage Prevention. All subdivisions shall comply with all ordinances applicable to drainage and the prevention of floods, including but not limited to the "Flood Damage Prevention Ordinance" as amended.

Section 6. Applicable To Existing Unrecorded Subdivisions. This ordinance shall apply to any proposed subdivision submitted for approval prior to the effective date of this ordinance but which the owner or developer suffers or permits an approved concept plant, preliminary plat or final plat for the subdivision to expire under the terms and conditions of the prior applicable subdivision ordinance. All subdivision plats submitted for approval prior to the effective date of this ordinance shall, except as provided in the preceding sentence, comply with the provisions of the preexisting Ordinances 137 and 149, as applicable. Provided further by resolution of the Council, after recommendation by the Commission, the time for recording the final plat of a previously approved subdivision may be extended an additional ninety (90) days upon demonstration of good cause by the owner or developer of the subdivision. Save and except the terms and provisions of this ordinance for vacating, amending, correcting or altering a recorded subdivision plat, this ordinance shall not apply to a subdivision for which a final plat was approved and recorded under a previous City ordinance from 1965 to the effective date of this ordinance.

Section 7. Requirements for Permits. Unless an existing subdivision has obtained approval and recorded a final plat or unless such subdivision has obtained a resolution, as described in Section 6 above, and said exception is adopted and filed of record, no building, repair, plumbing or electrical permit shall be issued by the City for any structure on a lot, tract or parcel of land in the subdivision. Provided, however, in the case of the granting of an exception such permit shall be issued in accordance with the specific requirements of the exception as set forth in the resolution.

Section 8. Acceptance of Streets and Utilities. The City shall not repair, maintain, install or provide any streets or public utility services in any subdivision unless a resolution has been adopted and filed of record pursuant to Section 6 or a final plat has been adopted and filed of record in accordance with the requirements of this ordinance. Provided, however, in case an exception has been granted the repairs, maintenance, installation and provision of streets or public utility services shall be in accordance with the specific requirements of that exception as set forth in the resolution.

Section 9. Utility Services. (a) The City shall not sell or supply any water or wastewater services to or within any subdivision platted after the date hereof, for which a final plat has not been approved and filed of record unless a resolution has been adopted and filed of record pursuant to Section 6. Provided, however, in case an exception has been granted, the City shall sell and supply water or wastewater services in accordance with the specific requirements of that exception as set forth in the resolution.

(b) No water and/or wastewater connection shall be made by the City of Kyle until the requirements as to the installation of water and wastewater mains have been complied with within the block facing the street on which the property is situated. This includes satisfactory testing of lines serving the property for which a connection request is made.

Section 10. Exceptions. (a) It is the expressed intent of this ordinance that all sections and parts should be complied with except in those instances when the provisions of this section are applicable. It is further the intent of this ordinance that the granting of an exception to this ordinance, i.e. a variance from the requirements hereof, shall not be a substitute for the amending of this ordinance.

(b) The Commission may recommend to the Council an exception from these regulations be granted when, in its opinion, undue hardship will result from requiring strict compliance. In considering, recommending and granting an exception, either the Commission or the Council shall prescribe such conditions that it deems necessary or desirable in the public interest.

In making the findings herein below required, both bodies shall take into account, at least, the nature of the proposed use of the land involved, existing uses of land in the vicinity, the number of persons who will reside or work in the proposed subdivision, and the probable effect of such exception upon traffic conditions and upon the public health, safety, convenience and welfare in the vicinity.

(c) No exception shall be granted unless the following conditions are met:

(i) That there are special circumstances or conditions affecting the land involved such that the strict application of the provisions of this ordinance would have a substantial adverse impact on the applicant's reasonable use of his land;

(ii) That the granting of the exception will not be detrimental to the public health, safety or welfare, or injurious to other property in the area; and

(iii) That the granting of the exception will not have the effect of preventing the orderly subdividing of other land in the area in accordance with the provisions of this ordinance.

(d) Such findings of the Commission and Council, together with the specific facts upon which such findings are based, shall be incorporated into the official minutes of the meeting at which such exception is recommended and granted.

(e) Exceptions may be granted only when in harmony with the general purpose and intent of this ordinance so that the public health, safety and welfare may be secured and substantial justice served.

Section 11. Compliance with Exception. In any case where a final plat has not been approved or recorded but an exception has been obtained upon recommendation of the Commission and a resolution of the Council, the subdivision must comply with all conditions and requirements of the exception where these vary with this ordinance. In all other instances, the subdivision shall comply with the requirements of this ordinance. Unless the subdivision fully complies with the conditions set forth in this section, the City shall not issue the permits, repair, maintain, install or provide streets or public utility services to the subdivision.

Section 12. Compliance. No person shall create a subdivision, as herein defined, without complying with the provisions of this ordinance. All plats and subdivision of any land shall conform to state and federal laws and applicable City ordinances.

Section 13. Enforcement. The City attorney shall institute appropriate action in a court of competent jurisdiction to enforce the provisions of this ordinance, or the standards referred to herein, with respect to any violation thereof, which occurs within any area subject to all or a part of the provisions of this ordinance.

Article II. Processing of Proposed Subdivisions.

Section 1. Advice and Cooperation. Advice and cooperation in the preparing of plats will be reasonably given by the Commission and appropriate members of the City staff.

Section 2. Fees. (a) Fees and charges shall be collected by the City Secretary in advance of the filing of any concept plan, short-form plat, preliminary plan package, final plat package, or replat application with the City for processing and consideration. No such plan, plat, preliminary plan, final plat or replat shall be approved until all fees required therefore have been paid. No action by the Commission or the Council shall be valid until such fees are paid.

(b) A receipt must be obtained from the proper officer specifying that the fees provided for herein have been paid prior to the submission of any plat to the Commission. The receipt shall be attached to the formal request for plat review and processing.

(c) No filing fee shall be refunded because a preliminary plan, final plat, or any other plat or plan is later withdrawn or disapproved.

(d) The amounts to be charged shall be established by ordinance of the Council and adjusted from time to time as necessary to sustain efficient planning and development services and comply with laws and regulations.

Section 3. **Applications.** Requests for approval of plats must be filed with the City, in writing, on a form prescribed by the City. An application for subdivision plat approval shall not be deemed to be made until a complete application package has been filed with the City. The filing date of an application for approval of a plat is the date on which the following items are filed with the City: (a) Complete, signed application form; (b) Copy of receipt for filing fees; (c) all other certificates, plans, documents and instruments required by this ordinance; and (d) the following required number of copies of proposals, having the form and content specified in this ordinance for the plat package:

Stage of Review	Information in Narrative Form	Plat Maps
Concept plan package	2	20
Preliminary plan package	2	20
Final plat package	2	20

Section 4. **Concept Plan Package (CPP).**

(a) A developer may elect not to submit a concept plan for a short-from subdivision.

(b) The subdivider of a subdivision that is not a short form subdivision, a replat or an amending plat shall submit a concept plan package. Concept plan packages are helpful for identifying and resolving potential problems and deficiencies that might otherwise cause the Commission to recommend disapproval of a Preliminary Plan or recommend approval with conditions. The intent of the Concept Plan is to provide an opportunity for the Commission and Council to be provided information and to offer comments relating to the Concept Plan. Formal approval or denial action will not be taken. The required copies of the CPP must be filed not less than twenty-eight (28) calendar days prior to the date of the Commission meeting at which it shall be considered.

(c) The subdivider of any other subdivisions shall submit a concept plan package. Concept plan packages are helpful for identifying and resolving potential problems and deficiencies that might otherwise cause the Commission to recommend disapproval of a Preliminary Plan or recommend approval with conditions. The intent of the Concept Plan is to provide an opportunity for the Commission and Council to be provided information and to offer comments relating to the Concept Plan. Formal approval or denial action will not be taken. The required copies of the CPP must be filed not less than twenty-eight (28) calendar days prior to the date of the Commission meeting.

(d) If the proposed subdivision constitutes a phase or section of a large tract, which is intended to be subsequently subdivided as additional phase(s) or section(s) of the same subdivision or development, the concept plan shall include the entire area, showing the tentative proposed layout of all phases of development, streets, blocks, drainage, water sewage, parks, schools and other improvements for such areas.

Section 5. **Short Form Subdivision.** A subdivision may receive preliminary and final consideration by the Commission and the Council if it meets the following conditions:

(a) The lots must abut a dedicated and accepted City street for the required lot frontage;

(b) Topography of the tract is such that drainage related facilities will not be required;

(c) Water and sewer mains of sufficient capacity are adjacent, or on the property, for tapping with service lines;

(d) All requirements in these regulations regarding preliminary and final plats shall be complied with, where applicable, without exception, i.e. without a variance from the requirements of this ordinance.

Section 6. Administrative Approval of Plats. The City Manager, or absent such designation the City Manager as administrator of this ordinance, may on the written recommendation of the city engineer and Director of Public Works, administratively approve a minor plat, as defined herein, without consideration by the Commission and Council. Such officials may, for any reason, elect to present the plat to the Commission and Council.

Section 7. Preliminary Plan Package (PPP). (a) **Filing deadline.** Preliminary plan packages shall be deemed to be filed with the City on the date the PPP is considered by the Commission in a public meeting and found to be administratively complete. The City Manager shall make a written recommendation as to the PPP being administratively complete as reasonably soon as possible after the City Manager finds that the PPP meets all the requirements of this ordinance, save and except only for requested variances. The Commission shall consider each PPP recommended as administratively complete, or recommended as administratively complete except for requested variances, at a meeting held on a date that is not more than twenty-eight (28) calendar days after the date the PPP application is made with the City. Upon written request by the applicant filed twenty-eight days or more after the PPP application is made with the City, a PPP that has not been recommended as administratively complete will be submitted to the Commission at its next regular meeting for which notice may be given. The City Manager shall make a recommendation as to the PPP being administratively complete no later than the date the PPP is first considered by the Commission. If the PPP is not submitted to the Commission within thirty (30) days after the administrator makes a recommendation that the PPP is administratively complete, or after the date the applicant makes a written request that a PPP be submitted to the Commission notwithstanding it not being recommended as administratively complete, the PPP shall be forwarded to the City Council for review and action, with Commission approval assumed. If the PPP is submitted to the Commission and is not approved with or without conditions, or is not disapproved by the Commission, within thirty (30) days after the PPP is deemed to be filed with the City, the PPP shall be forwarded to the City Council for review and action, as a disapproved PPP. For the purposes of this ordinance "administratively complete" means the plans, drawings, specifications, forms and package application have been found to meet all the requirements of this ordinance, the application and filing is made with the required City office, and all fees applicable to the application and filing are paid.

(b) **Staff review.** The preliminary plan shall be reviewed by appropriate members of the City staff for compliance with this and applicable ordinances and policies. A report shall be prepared and submitted to the Commission and applicant prior to the next regular Commission meeting date. The report shall provide the comments received as part of the review by the staff and any other concerned entities. Such report should include comments relative to the proposed subdivision's compliance with the comprehensive plan and other master plans.

(c) **Commission Review.** After the preliminary plan is deemed administratively complete, the Commission shall recommend approval or disapproval of the preliminary plan or recommend conditional approval with modifications. A conditional approval recommendation can include the requirements and specific changes the Commission determines necessary for the plan to comply with this ordinance, or the conditional approval recommendation can be specifically given by the Commission as an expression of recommended acceptance of the layout submitted on the preliminary plan as a guide to the installation of streets, drainage, water, sewer and other required improvements and utilities and to the preparation of the final or recorded plat.

(d) **Submission to Council.** A preliminary plan package must be reviewed by the Commission and, except in unusual or extenuating circumstances, should receive a recommended approval or conditional approval by the Commission, prior to, the Preliminary Plan together with the City staff and the Commission's comments and recommendations being submitted to the Council.

(e) **Council.** The City Council may refuse to consider a preliminary plan that has been disapproved by the Commission, unless the administrator, the city manager or the city attorney advises the council of circumstances requiring the council to consider the plan. If the council refuses to consider the plan such refusal shall constitute a disapproval. Within thirty (30) days of the Council's initial consideration of a preliminary plan package the Council shall approve, conditionally approve with modifications, conditionally approve the plan and return it to the Commission with instructions for further consideration, or disapprove the plan. If the city council considers a preliminary plan and finds that it complies with all the requirements of this ordinance, the preliminary plan shall be approved.

(f) **Preliminary Plan Term.** A preliminary plan for a subdivision shall expire one (1) year from the date of approval unless the term is extended as provided below. A new application must be filed to request approval for subdivision of land for which a preliminary plan has expired.

(g) **Extension of Plan Term.** The term of a preliminary plan shall be extended if the following conditions are met before the initial term or an extension of the term expires:

(i) The Council approves a final plat for a phase of the subdivision that is reasonable in size and layout and finds that the final plat substantially conforms to the preliminary plan, and

(ii) The developer begins construction of the subdivision improvements required for the section or phase for which the final plat was approved.

(h) Recommended approval of a preliminary plan, or master development plan by the Commission and approval of the Council shall not constitute automatic approval of the final plat.

Section 8. **Final Plat Package (FPP).** (a) **Filing deadline.** Final plat packages shall be deemed to be filed with the City on the date the FPP is considered by the Commission in a public meeting and found to be administratively complete. The administrator shall make a written recommendation as to the FPP being administratively complete as reasonably soon as possible after the administrator finds that the FPP meets all the requirements of this ordinance, save and except only requested variances. The Commission shall consider each FPP recommended as administratively complete, or recommended as administratively complete except for requested variances, at a meeting held on a date that is not more than twenty-eight (28) calendar days after the date the FPP application is made with the City. Upon written request by the applicant filed twenty-eight days or more after the FPP application is made filed with the City, an FPP that has not been recommended as administratively complete will be submitted to the Commission at its next regular meeting for which notice may be given. The administrator shall make a recommendation as to the FPP being administratively complete no later than the date the FPP is first considered by the Commission. If the FPP is not submitted to the Commission within thirty (30) days after the administrator makes a recommendation that the FPP is administratively complete, or after the date the applicant makes a written request that the FPP be submitted to the Commission notwithstanding it not being recommended as administratively complete, the FPP shall be forwarded to the City Council for review and action, with Commission approval assumed. If the FPP is submitted to the Commission and is not approved with or without conditions, or disapproved, by the Commission, within thirty (30) days after the FPP is deemed to be filed with the City, the FPP shall be forwarded to the City Council for review and action, as a disapproved FPP.

(b) **Staff review.** The final plat shall be reviewed by appropriate members of the City staff for compliance with this and other applicable ordinances and policies. A report shall be prepared and submitted to the Commission prior to the next regular Commission meeting date stating the comments of the subdivision review, including comments received as part of the review of utility companies and other concerned entities. Such a report should include comments relative to the proposed subdivision's compliance with the comprehensive plan and other master plans.

(c) **Commission.** The Commission shall act on and administratively complete final plat within thirty (30) days of the date the FPP application is filed with the City. If the plat is not disapproved within thirty (30) days of such application date, or conditionally approved subject to conditions being complied with prior to final approval, it shall be deemed to have been recommended for approval by the Commission. After the Commission has determined that the plat is in proper form, that the arrangement of the development proposed for the property being subdivided is consistent with zoning regulations, if applicable, and that the subdivision complies with the provisions of this ordinance and other applicable ordinances and policies, it shall recommend approving the plat.

(d) **Council.** The Council shall act upon the final plat within thirty (30) days after recommendation action is taken by the Commission, or after the approval by reason of non-action of the Commission. If the plat is not approved, approved with conditions, or disapproved by the Council within thirty (30) days, it shall be deemed to have been approved by the Council unless such time has been extended by negotiations with the developer. A certificate showing the filing dates hereunder and the failure to take action thereon within the period herein prescribed shall, on demand, be issued by the Commission or the Council, as the case may be, and such certificate shall be sufficient in lieu of the written endorsement or other evidence of approval herein required.

(e) **Approval of plat by sections** A subdivider, at his option, may obtain approval of a portion or a section of a subdivision, provided he meets all the requirements with reference to such portion or section in the same manner as is required for a complete addition. In the event a subdivision and the final plat thereof is approved in sections, each final plat of each section shall substantially conform to the Preliminary Plan, carry the name of the entire subdivision, but is to be distinguished from each other section by a distinguishing letter, number or subtitle. Lot numbers shall run consecutively and names shall be consistent throughout the entire subdivision, even though such subdivision may be finally approved in sections.

Section 9. **Procedures After Final Plat Approval.** (a) **Certificate of Approval.** The final plat shall be approved for recording after approval by the Council. The Council's approval of the final plat shall authorize execution of certificates of approval on the final plat and duplicate originals of the final plat as provided in this Ordinance.

(b) **Coordination with County.** The approved final plat for any subdivision located outside the corporate limits of the City but within the extraterritorial jurisdiction shall also be submitted to the Commissioner's Court of Hays County for approval before filing, unless provided otherwise by interlocal cooperation agreement then in effect between the City and Hays County. After action by the Commissioners' Court, or if no action by the Commissioners Court is required, the final plat with duplicate originals shall be returned to the City bearing all appropriate signatures and seals. A copy of the interlocal agreement between the City and Hays County for the processing of subdivisions may be obtained from the City Manager.

(c) **Final plat copies.** After approval of the final plat, one reproducible mylar sepia and the required number of duplicate originals of the final plat shall be furnished to the City complete with all necessary signatures. All figures and letters shown must be plain, distinct and of sufficient size to be easily read, and must be of sufficient density to make a lasting and permanent record.

(d) **Final Plat Term.** A final plat shall be recorded within one hundred eighty (180) days after approval by the Council and if not so recorded such plat approval shall expire. Prior to such final plat being recorded, the subdivider shall obtain and provide to the administrator an acceptable performance and a payment bond, letter of credit or escrow account to secure that the required infrastructure and public improvements in the subdivision are completed within twelve (12) calendar months. Such bond, letter of credit or escrow shall be payable to the City in an amount equal to one hundred ten percent (110%) of the city engineer's estimated cost for constructing such infrastructure and improvements as approved by the City.

(e) **Acceptance of Improvements.** Before the City accepts the subdivision improvements the developer shall submit the following:

(i) One (1) complete set of reproducible mylar construction plans marked "record drawings"; and auto cad diskettes (compatible with the City's equipment) of subdivision plats and engineering plans (with one blue-line copy).

(ii) A full guarantee and warranty of all improvements within the subdivision for a term of two years, which guarantee and warranty shall include, but not be limited to, the guarantee and warranty of the materials, workmanship, performance and maintenance of all infrastructure within the subdivision, such infrastructure including but not being limited to all water and wastewater utility lines and facilities, all drainage improvements, and all streets and sidewalks; and

(iii) Security for the guarantee and warranty of the improvements in the subdivision, which security shall be payable to the City for a period of two years from the date of final acceptance by the City, in an amount equal to not less than thirty-five (35) percent of the total construction cost of all such improvements in one of the following forms (acceptable to and approved by the City Attorney):

(A) Cash deposit to the City.

(B) An irrevocable letter of credit approved by the City attorney issued by an FDIC insured bank located within the State of Texas, with reserves and financial resources acceptable to the City.

(C) A surety bond issued by a company licensed by the State Insurance Commission, having a Best's Rating of "A" or better, acceptable and approved by the City attorney that will guarantee such funds to the City.

(f) **Building Permits.** The approved final plat must be recorded in the records of Hays County and all the required streets, drainage, utilities and other infrastructure and public improvements for the subdivision must be completed and accepted as built in compliance with all applicable City requirements, prior to any building permit being issued for any home or building within the subdivision.

Section 10. **Obligation by City for Maintenance.** Approval of the plat shall not impose any duty upon the City concerning the maintenance of improvements of any such dedicated parts until the director of public works or his or her authorized representative shall have signed a statement for the acceptance of same.

Section 11. **No City Obligation to Furnish Improvements.** The acceptance of a final plat, bond, letter of credit, or cash escrow by the City does not in any manner obligate the City to finance or furnish any storm sewers, drainage structures, street, water or wastewater improvements or any other improvements within the approved subdivision, except under the provisions provided herein. The City may in its discretion, but shall not be required to, use any bond, letter of credit, or cash escrow deposit provided or made for a subdivision to complete all

or any part of the utilities, streets, drainage or other improvements in the subdivision for which the final plat was recorded. Further, if insufficient bond, escrow or letter of credit funding is available to complete all the required improvements within the subdivision, the City may use any such funds to complete only certain improvements selected in the sole discretion of the City Council.

Section 12. **Resubmission of Plats.** (a) **Conformance With Preliminary Plan**. Unless the subdivider wishes to resubmit for preliminary plan processing, the final plat shall conform substantially to the preliminary plan as approved.

(b) In the event that either or both of the following conditions occur during the processing of a subdivision plat, the Commission may recommend or Council may require resubmission as a preliminary plan or final plat:

(i) **Significant Change.** When a proposal has undergone a significant change or changes during the process of plat review that make it desirable or necessary to review its impact on the City comprehensive plan and associated plans for community improvements.

(ii) **Extended Delay In Processing.** When the developer does not complete the review process within twelve (12) months from the date of approval of the preliminary plan, extensions may be granted by the Council for good cause, for additional six-month periods.

Section 13. **Vacating Plats.** (a) Upon approval by the Commission and the City Council, the Owner(s) of a tract covered by a plat may vacate the plat at any time before any lot in the plat is sold. The plat is vacated when a signed, acknowledged instrument declaring the plat vacated is approved and recorded in the manner prescribed for the original plat; provided that the Commission and the Council may establish requirements as may be reasonable in the discretion of the City to protect the public interest.

(b) If lots in a plat have been sold, the plat, or any part of the plat, may be vacated on the application of all the owners of the lots in the plat with approval obtained in the manner prescribed for the original plat.

(c) No plat shall be vacated except upon the approval of the Commission and the Council and the recording of the approved instruments vacating such plat in the office of the county clerk of Hays County. The county clerk shall write legibly on a vacated plat the word "vacated" and shall enter on the plat a reference to the volume and page at which the vacating instrument is recorded.

(d) On the execution and recording of the vacated instrument, the vacated plat has no effect; provided that when necessary to protect the public welfare or preserve the benefits or integrity of any street, utility, park or other public improvement plan that has moved forward in reliance on such plat, the Commission and Council may require that any right-of-way, parkland, public property, or easement shown on such plat be dedicated to the City by separate instrument.

(e) In the event of any conflict between the terms and provisions of this Section and *§ 212.013, Tex. Loc. Gov't. Code,* the terms and provisions of § 212.013 shall govern to the extent of such conflict.

Section 14. Replatting. (a) Replatting. The replatting of any existing subdivision, or any part thereof, shall meet the procedural requirements provided for herein for a new subdivision, except as provided in subsection (b) below. The subdivision standards imposed are those in effect at the time the application for replat is requested and, in the event of any conflict between this Section and *§§ 212.014 and 212.015, Tex. Loc. Gov't. Code,* the terms and provisions of such sections shall govern to the extent of the conflict.

(b) Replatting Without Vacating. (i) A replat of a subdivision or part of a subdivision may be recorded and is controlling over the preceding plat without vacation of that plat if the replat:

(A) Is signed and acknowledged by only the owners of the property being replatted;

(B) Is approved, after a public hearing on the matter at which parties in interest and citizens have an opportunity to be heard, by the Commission, and is subsequently approved by the Council; and

(C) Does not attempt to amend or remove any covenants or restrictions.

(ii) In addition to compliance with subsection (b)(i), a replat without vacation of the preceding plat must conform to the requirements of this section if:

(A) During the preceding five (5) years, any of the area to be replatted was limited by an interim or permanent zoning classification to residential use for not more than two (2) residential units per lot; or

(B) Any lot in the preceding plat was limited by deed restrictions to residential use for not more than two (2) residential units per lot.

(iii) Notice of the hearing required under subsection (b)(i) shall be given before the fifteenth day before the date of the hearing by:

(A) Publication in an official newspaper or a newspaper of general circulation in Hays County; and

(B) By written notice, with a copy of subsection (b)(iv) attached, forwarded by the Commission to the owners of lots that are in the original subdivision and that are within two hundred (200) feet of the lots to be replatted, as indicated on the most recently approved municipal tax roll or in the case of a subdivision within the extraterritorial jurisdiction, the most recently approved county tax

roll of the property upon which the replat is requested. The written notice may be delivered by depositing the notice, properly addressed with postage prepaid, in a post office or postal depository within the boundaries of the municipality.

(iv) If the proposed replat requires a variance and is protested in accordance with this subsection, the proposed replat must receive, in order to be approved, the affirmative vote of at least three-fourths (3/4) of the members present of both the Commission and the City Council. For a legal protest, written instruments signed by the owners of at least twenty (20) percent of the area of the lots or land immediately adjoining the area covered by the proposed replat and extending two hundred (200) feet from that area, but within the original subdivision, must be filed with the Commission, prior to the close of the Commission's public hearing.

(v) In computing the percentage of land area under subsection (b)(iv), the area of streets and alleys shall be included.

(vi) Compliance with subsection (iv) and (v) is not required for approval of a replat of part of a preceding plat if the area to be replatted was designated or reserved for other than single or duplex-family residential use by notation on the last legally recorded plat or in the legally recorded restrictions applicable to the plat.

Section 15. Amendments. (a) Purpose. The Commission and the Council may approve and issue an amending plat, which may be recorded and is controlling over the preceding plat without vacation of that plat, if the amending plat is signed by the applicants only and is solely for one or more of the following purposes:

(i) To correct an error in a course or distance shown on the preceding plat;

(ii) To add a course or distance that was omitted on the preceding plat;

(iii) To correct an error in a real property description shown on the preceding plat;

(iv) To indicate monuments set after the death, disability, or retirement from practice of the engineer or surveyor responsible for setting monuments;

(v) To show the location or character of a monument that has been changed in location or character or that is shown incorrectly as to location or character on the preceding plat;

(vi) To correct any other type of scrivener or clerical error or omission previously approved by the municipal authority responsible for approving plats, including lot numbers, acreage, street names, and identification of adjacent recorded plats;

(vii) To correct an error in courses and distances of lot lines between two (2) adjacent lots if:

(A) Both lot owners join in the application for amending the plat;
(B) Neither lot is abolished;
(C) The amendment does not attempt to remove recorded covenants or restrictions; and
(D) The amendment does not have a material adverse effect on the property rights of the other owners in the plat;

(viii) To relocate a lot line to eliminate an inadvertent encroachment of a building or other improvements on a lot line or easement;

(ix) To relocate one (1) or more lot lines between one (1) or more adjacent lots if:

(A) The owners of all those lots join in the application for amending the plat;
(B) The amendment does not attempt to remove recorded covenants or restrictions; and
(C) The amendment does not increase the number of lots; or

(x) To make necessary changes to the preceding plat to create six (6) or fewer lots in the subdivision or part of the subdivision covered by the preceding plat if:

(A) The changes do not affect applicable zoning and other regulations of the municipality;

(B) The changes do not attempt to amend or remove any covenants or restrictions; and

(C) The area covered by the changes is located in an area that the municipal Commission or other Council of the municipality has approved, after a public hearing, as a residential improvement area.

(b) Application for Amendment. The amended plat may be submitted without approval of a preliminary plan or construction plans. The plat, prepared by a surveyor, and engineer if required, and bearing their seals shall be submitted to the administrator with a completed application and all required fees, for approval before recordation of the plat.

Legible prints, as indicated on the application form shall be submitted to the City Engineer along with the following:

(i) Completed application forms and the payment of all required fees.

(ii) Certification from all applicable taxing authorities that all taxes due on the property have been paid.

(iii) Any attendant documents needed to supplement the information provided on the plat.

(iv) The City Engineer shall require the following note on the amended plat: This subdivision is subject to all general notes and restrictions appearing on the plat of __, Lot(s)___, recorded at Vol. ___, Page ___ of the Plat Records of Hays County, Texas.

(c) Required Notice. Notice, a hearing, and the approval of other lot owners are not required for the approval and issuance of an amending plat.

(d) Statute. In the event of any conflict between the terms and provisions of this Section and *§ 212.016, Tex. Loc. Gov't. Code,* the terms and provisions of § 212.016 shall govern to the extent of such conflict.

(e) Expiration. Approval of an amended plat shall expire if said plat is not recorded in the plat records of Hays County within twelve (12) months of approval.

Article III. Special Project Provisions.

Opportunity is provided for innovative site design and development responses to new market demands. The use of improved techniques for land development is often difficult under traditional land use regulations. Proper private development of infill areas, as well as advantageous development of large areas of substantially vacant land, require a flexible approach to be available both to the City and to the landowner. Any such innovative site design shall be based upon an approved comprehensive plan that is consistent with applicable City plans and services. The standards and specifications for required infrastructure and improvements shall be equal to or greater than the minimum standards and specifications adopted by the City; and no such proposed project or development shall have or obtain any vested right save and except the comprehensive plan, the standards and specifications for the development and improvement of the property are approved by separate ordinance of the City.

Section 1. Planned Developments. (a) Provisions for Approval. All planned development projects shall conform to the provisions and procedures set forth for conventional subdivisions in this ordinance; provided that a detailed development plan must be submitted for review at the time of preliminary plan submittal and the project must be finally approved by ordinance. Such developments shall be otherwise submitted for approval in the same manner as any other plat.

(b) Purposes. Planned Developments are intended to provide:

(i) Opportunities for innovative projects and development with emphasis on quality, including but not limited to establishing a quality living and/or work environment;

(ii) Conservation of energy and natural resources.

(iii) A maximum choice of types of environment, dwelling and/or business units.

(iv) An integration of open space and recreation areas with residential and/or office, retail, commercial and/or industrial development.

(v) A pattern of development which preserves unique environmental assets, trees and other outstanding natural features.

(vi) A creative approach to the use of land and its related physical development.

(vii) An efficient use of land requiring smaller networks of utilities and streets, thereby lowering development, maintenance and housing costs.

(c) Master Plan. Planned Developments shall be required to be submitted and considered for approval based upon a master plan establishing comprehensive and detailed plans for the development.

(i) Within Corporate Limits. A planned development within the corporate limits of the City shall be submitted and considered in conjunction with the requirements of the zoning ordinances of the City and shall, prior to final approval, satisfy both the requirements of this ordinance and the zoning ordinances. The final approval of the zoning for a planned development shall constitute the approval of such planned development pursuant to this ordinance.

(ii) Extraterritorial Jurisdiction. Upon the application of the Owner(s), a planned development may be approved within the extraterritorial jurisdiction of the City, provided that the Developer enters into a comprehensive, detailed written agreement with the City that provides detailed and comprehensive standards for (A) the development of the property; (B) the construction of all infrastructure, improvements and buildings within the development; (C) the provision of utility and other public services; (D) funding the upkeep and maintenance of all private facilities; (E) reimbursement of the City for its costs and expenses for providing water and wastewater services to the property; (F) restrictive covenants sufficient to control the population densities and to restrict the uses of the property in conformance with the subdivider's master plan and approved planned development; (G) an agreement for the annexation of the property or the phased annexation of the property prior to its conveyance to the end user; and (H) such other provisions as the subdivider and the City may agree based upon all the applicable facts and circumstances.

(d) General Infrastructure. The requirements, standards and specifications provided in this ordinance, and/or incorporated herein by reference, with respect to utilities, parks and greenbelts, drainage and stormwater management and all other improvements, infrastructure and amenities shall, except as in this section specifically provided otherwise, be applicable. When based upon sound engineering and construction practices, innovative techniques and combinations may be employed for the intended purpose of such combination exceeding the minimum standards required by this ordinance.

(e) Streets. On planned development projects, private interior streets to be used only as local or collector streets within the development shall have a minimum pavement width of thirty (30) feet face to face of curb. Any such private streets may not conflict with streets identified in the City's comprehensive plan. If a potential exists for a private street to become a public street, the dedicated right-of-way and/or easements created for the private street should be the same width as the right-of-way required for a local street.

(f) Instruments of covenants. Instruments of covenants, governing the proposed planned developments to include maintenance and operation, will be approved by the City attorney and the administrator to insure there are no conflicts with City codes.

(g) Exceed Minimum Requirements. This section shall apply to development proposals which vary the arrangement of landscaping, buildings, lots, open space, access, and/or relationships between uses required in these regulations and the Zoning Ordinance. A planned development shall not be used to obtain approval of gross densities, gross impervious coverages, lower specifications or standards, or land uses that are inconsistent with the Subdivision Regulations and the Zoning Ordinance; rather it is the intent of this section that a planned development will, in the aggregate, equal or exceed the minimum criteria and standards otherwise applicable to the development.

Section 2. Townhouses. Applications for the approval of a townhouse subdivision shall meet the requirements specified in Section 1 above for Planned Developments and the provisions of the City's Zoning Ordinance applicable to Townhouses. Such sections of the zoning ordinance, as applicable to subdivisions and lots, are incorporated herein by reference as a part of this subdivision ordinance.

Section 3. Manufactured Home Subdivision. All manufactured and mobile home parks and other subdivisions shall comply with this ordinance except where specifically superseded by the City's codes and ordinances dealing with manufactured and mobile home subdivisions. A manufactured or mobile home park is a subdivision subject to this ordinance.

Section 4. Private Facilities. When an applicant proposes that any part of a subdivision, planned development, or any other development of land, include any private park, street, amenity or improvement normally dedicated to the City, a property owner's association (or comparable mechanism) shall be created, whereby:

(a) Maintenance. Total responsibility for maintenance in perpetuity of such private improvements is borne by the association; and

(b) Funding Program. A program is established whereby the association can accomplish the maintenance of private facilities.

(c) Discretion. Private streets will generally not be approved except in limited circumstances, e.g. a subdivision for townhouses, cluster homes and portions of planned developments as appropriate. The approval of private streets in a subdivision shall be in the discretion of the City Council, and require a waiver by the City Council of the provisions of this ordinance requiring the dedication of public right-of-way for streets. The City Council may, in

its discretion, waive the requirement for the public dedication of right-of-way for some, but not all, streets in a subdivision. In those subdivisions where private streets are permitted, the developer shall be required to grant to the City an easement for the provision, regulation and control of public utilities and services, and a separate easement for the provision of public safety and emergency services.

(d) Community Postal Box. All subdivisions shall provide covered and lighted community postal box locations within subdivision and meet all United States Postal Service Requirements. All Subdivisions shall provide off street parking of a minimum of five (five) spaces to allow residence ability to park off street to check mail at community postal box.

Section 5. Rural Subdivision Standards. (a) Purpose. The provisions of this section are designed and intended to permit development of undeveloped agricultural land while preserving the rural character of the area until such time as development of a more intensive urban nature is appropriate and can be supported by the necessary public facilities and services. These design standards modify, and/or reinforce other requirements found in these regulations. By qualifying other particular requirements of these regulations, these rural subdivision design standards insure minimum conditions for establishing a low density rural living environment while providing the necessary foundation upon which more intensive urban development can occur in the future.

(b) Applicability. The requirements contained in this section shall apply to all land within the jurisdictional limits of the City that is outside the utility service area of the City for water and/or wastewater services, and for which the provision of such services will be accommodated through the use of individual, privately owned systems. No land or property within the City's certificated service area shall be entitled to be developed pursuant to this section, except upon a waiver given by the City Council. Further, except as specifically qualified in this section, all other standards, terms, conditions and provisions of this ordinance shall apply to such rural subdivisions.

(c) Streets. All streets within rural subdivisions shall be designed and constructed in accordance with the requirements for rural streets set forth in the City's Construction Standards and Specifications for Roads, Streets, Structures, and Utilities. The right-of-way required shall be the same as for all other subdivisions.

(d) Blocks. Blocks in rural subdivisions shall not exceed fifteen hundred (1,500) feet in length and shall adequately accommodate two (2) tiers of lots arranged back to back.

(e) Lots. All lots in rural subdivisions shall:

(i) Be greater than one (1) acre in area; and

(ii) Have a minimum width at the front property line of one hundred and thirty (130) feet; and

(iii) Be designed so that all access is provided from a local street except access may be permitted from a major thoroughfare or street; State Highway, farm to market road or ranch road; or numbered / or named County roadway if a minimum driveway centerline spacing of 200 feet is provided between driveways.

(f) Easements and Dedications. In addition to all other right-of-way dedications and/or easements required by this ordinance, all rural subdivisions shall be required to dedicate not less than an additional ten feet (10') of right-of-way along that portion of all property abutting major thoroughfares; State highways, farm to market or ranch roads; or numbered County roads.

(g) Utilities.

(i) Wastewater Collection Systems. For all rural subdivisions where public wastewater utility services are not available, the City reserves the right to require the installation of improvements required for non-rural subdivisions in accordance with the provisions of these subdivision regulations, when public wastewater services are available within one-quarter (1/4) mile of the subdivision, the city is coordinating with the private sector to extend a public wastewater system to within one quarter (1/4) mile of the subdivision within two years, or the extension of urban services to within one-quarter (1/4) mile of any portion of the subdivision is scheduled in the City's Capital Improvements program to occur within five (5) years from the date of preliminary plan approval.

(ii) Water Distribution System. To enhance the overall efficiency and service level for water distribution in rural subdivisions the City will cooperate with existing non-municipal water utility providers in the City's extraterritorial jurisdiction. Through joint coordination and planning both the City and the non-municipal water utilities will work towards ensuring the availability throughout the jurisdiction of this ordinance of a water distribution system that satisfies the fire flow requirements.

A. Rural subdivisions designed for other than single family detached residential development shall satisfy the applicable State and City fire flow standards;

B. All single-family detached residential rural subdivisions shall install water distribution system improvements meeting the design requirements of this ordinance; and

(1) Where a public water system capable of providing required fire flows to the development is located within one-quarter (1/4) mile of any part of the subdivision then it shall be the responsibility of the developer to extend service and connect to the public utility in order to provide fire protection to the development; or

(2) For all rural subdivisions, which are not to be served by a public water supply, the subdivider must show proof of a safe and adequate water supply.

(h) Additional Provisions. In addition to any and all other provisions of this ordinance, prior to any resubdivision of a rural subdivision being approved by the City, the level of improvements and urban services required by this ordinance for non-rural subdivisions shall be available to and satisfied by the resubdivided property.

Article IV. Plat Packages - Form and Content

Section 1. Concept Plan Package (CPP). The concept plan package (CPP) shall contain the following:

(a) Maps and Narrative. Maps and associated narrative information that will adequately explain all substantial aspects of the proposed development as it exists at the preliminary design and concept stage. Contents of concept plan package (CPP).

(b) Phased Development. If the development of a single tract or parcel of land is to occur in phases, the CPP should cover all phases of development, indicating how development is proposed or anticipated to occur.

(c) Facility Location. A proposed concept plan shall indicate a coordinated development strategy. As applicable, the CPP shall indicate preliminary location and arrangements for:

(i) Streets. General widths and rights-of-way; access and frontage proposals; bridges and culverts.

(ii) Water. Major lines.

(iii) Sewer. Overall service system with preliminary location of force mains and lift stations if applicable.

(iv) Major Utility Easements-Locations: Power, gas, sewer trunk and water.

(v) Major drainage system elements: On-and off-site.

(vi) Flood hazard areas.

(vii) Land use and zoning proposals.

(viii) General lot layout and street frontage arrangements.

(xi) Sites for schools, parks and other public facilities.

(xii) Information related to traffic management and engineering.

(d) Public Plans. The developer's plan should take into account current public plans for the elements covered in subsection (c) above. The Commission and Council review will include City policy, good engineering practices, and public plans, including:

(i) Comprehensive plan;

(ii) Area and neighborhood plan;

(iii) Water master plan;

(iv) Wastewater master plan.

Section 2. Preliminary Plan Package (PPP). (a) Package. The required number of copies of the preliminary plan package (PPP) of the proposed subdivision shall be submitted to the City with an application for subdivision processing.

(b) Drawings. Twenty (20) copies of the preliminary plan drawing, prepared on twenty-four-by thirty-six-inch sheets, of the proposed subdivision shall be submitted to the City with an application for subdivision processing.

(c) Scale. All drawings(s) shall be drawn at a minimum scale of one hundred (100) feet to an inch.

(i) When more than one sheet is necessary to accommodate the entire area of the subdivision plus other associated information, an index sheet showing the entire subdivision at an appropriate scale shall be attached to the plat.

(ii) On the plan drawing sheet or index sheet there shall be a vicinity concept drawing to indicate the general location of the subdivision. The plan and vicinity concept drawing shall graphically indicate the physical relationship (distance) of the corner of the subdivision (adjacent to a public right-of-way) to a physical point, acceptable to the city engineer as a visible reference and datum marker, and to property ownership patterns in the vicinity.

(d) Required Certificates. The following certificates shall be placed on the plat:

(i) Recommended as Administratively Complete:

City Engineer and/or Director of Public Works

_____

Date

(e) Plat Notes. The plat drawing shall show or be accompanied by the following general information:

(i) The names of the owner and/or subdivider, the name of the registered professional land surveyor responsible for the survey, and the name of the licensed professional engineer responsible for the design of the plat.

(ii) The proposed name of the subdivision (which must not be so similar to that of an existing subdivision as to cause confusion).

(iii) Names of contiguous subdivisions and the owners of contiguous parcels of unsubdivided land, together with a notation as to which contiguous properties are platted and the volume and page number of the recorded subdivision plat.

(iv) Description by metes and bounds prepared from an accurate boundary survey of the subject property, with bearings and distances, referenced to survey

lines and established subdivision. The description shall close and be based on an actual field survey with an adjusted closure of a minimum of one part in ten thousand (10,000).

(v) A draft of the dedicated instrument, which may include protective covenants whereby the subdivider proposes to regulate land use or development standards in the subdivision.

(vi) A statement from the developer that the appropriate utility companies have been furnished copies of the proposed preliminary plan for their review.

(vii) Subdivision boundary line, indicated by heavy lines, and the computed acreage of the subdivision.

(viii) Date of preparation, scale of plat and north arrow.

(ix) A number to identify each lot or site and each block. Number of lots and blocks shall be in accordance with a systematic arrangement.

(x) Location of City limit line and the outer border of the City's extraterritorial jurisdiction, if they traverse the subdivision, form part of the boundary of the subdivision, or are contiguous to such boundary.

(xi) Topographical information prepared from a field survey or USGS Maps. Topographical information shall include contour lines on a basis of five (5) vertical feet, in terrain with a slope of two (2) percent or more, and on a basis of two (2) vertical feet in terrain with a slope of less than two (2) percent. All elevations shall be referenced to the U.S.G.S. bench mark system.

(xii) From the property line and within a distance of five hundred feet (500'):

(A) Location of boundary and property lines;

(B) Width and location of platted streets and alleys and easements. Streets, alleys and lots in adjacent subdivisions (at least for a distance of five hundred (500') feet shall be shown in dashed lines.

(xiii) Physical features of property, including location of watercourses, ravines, bridges, culverts, present drainage structures and other features pertinent to the subdivision.

(xiv) Existing utilities, watercourses, and flood elevations and boundaries:

(A) Existing utilities within the subdivision including the size of sewer and water. Existing utilities outside the subdivision should be shown if they affect the proposed subdivision.

(B) The exact location, dimensions, description and flow line of existing watercourses and drainage structures within the subdivision.

(C) Regulatory flood elevations and boundaries of flood prone areas, including floodways using the official existing flood insurance rate map (FIRM) or calculations when not shown on FIRM.

(xv) Proposed locations or sites of the following:

(A) The exact location, dimensions, description and name of all proposed streets, alleys, parkland, including acreage, and other public areas, reservations, easements or other rights-of-way, blocks, lots and other sites within the subdivision. proposed streets shall not be shown over lands of adjacent owners unless written agreements permitting this are presented with the plat. The names of streets are to conform whenever possible to existing street names. In the case of branching streets, the lines of departure shall be indicated.

(B) On-site and related off-site drainage system elements, when direct access to an existing drainage way is unavailable.

(C) Water system elements.

(D) Wastewater system elements.

(xvi) The computed acreage of land within the right-of-way of proposed streets, the total number of proposed lots in the subdivision, and the total number of proposed lots for each proposed land use or zoning classification.

(f) **TCEQ Review**. Design of proposed system elements subject to regulation by the Texas Commission on Environmental Quality (TCEQ) shall be certified by design engineer that system(s) comply with all applicable regulations of TCEQ.

Section 3. Final Plat Package (FPP). (a) Package. The required number of final plat package (FPP) of the proposed subdivision shall be submitted to the City with an application for subdivision processing.

(b) Drawings. Twenty (20) copies of the final plat package of any proposed subdivision shall be submitted with an application for subdivision plat processing.

(c) Engineer Seal. All engineering plans and engineering calculations shall bear the seal and signature of a Texas licensed engineer.

(d) Specifications. The specifications for the final plat (drawings) shall conform to the requirements of paragraph (g).

(e) Confirmation. The developer shall confirm the written proposals submitted in accordance with paragraph (g).

(f) Plat Notes. The final plat drawing shall show or be accompanied by the information required for the preliminary plan and as set forth in paragraph (g).

(g) Construction Plans. The final plat package for a subdivision must include the construction plans. Construction plans, regardless of when filed, must be approved by the city engineer/director of public works before authority to proceed is given or building permits are issued. The construction and engineering plans for a subdivision shall include the following site improvement data, either separately or combined:

(i) Streets & Right-of-Way. Four (4) copies of plans and profiles sheets showing all streets, alleys, sidewalks, crosswalkways with construction details

(ii) Sanitary Sewer. (A) Four (4) copies of the proposed wastewater plan, showing required contours and the location and dimensions of existing sanitary sewer lines to be used by the subdivision.

(B) Four (4) copies of plans and profiles of proposed sanitary sewer lines, indicating depths, sizes and grades of lines.

(C) When a lift station and force main are proposed, four (4) copies of proposed plans and specifications.

(iii) Water. (A) Four (4) copies of the proposed plat showing the location and size of existing water lines and fire hydrants to be used by the subdivision.

(B) Four (4) copies of plans and profiles (12 inch pipe and larger) on all proposed water lines and fire hydrants, showing depths, sizes and grades of the lines.

(C) When a separate water system other than the City's will serve the subdivision, four (4) copies of the plans, including fire hydrants, of the proposed system.

(iv) Drainage. (A) Four (4) copies of the proposed plan, overlaid on previously required topographic (mapped) information. All street widths and grades shall be indicated on the plan, and runoff calculations shall be indicated on the outlet and inlet side of all storm sewers, and at all points in the street at changes of grade or where the water enters another street, storm sewer or drainage ditch. Drainage easements shall be indicated.

(B) A general location map of the subdivision showing the entire watershed (a copy of the appropriate portion(s) of a U.S.G.S. quadrangle is satisfactory).

(C) Calculations showing the anticipated storm water flow, including watershed area, percent impervious cover, and time of concentration. When storm sewer is proposed, calculations shall be submitted showing basis for design.

(D) When storm sewer is proposed, complete plans, profiles and specifications shall be submitted, showing complete construction details.

(E) When conditions upstream or downstream from an existing channel or proposed storm sewer do not permit maximum design flow, high water marks, based on a one hundred (100) year frequency, shall be indicated based on conditions.

(v) Construction Plans. Plats shall be accompanied by four (4) copies of the construction plans sufficient to build all the necessary infrastructure for the proposed subdivision; including water, sewer, storm drain, streets, curb and gutter and any other necessary improvements. The plans shall consist of plan and profile sheets in a standard engineering size of 22 x 36 inches and plotted to a maximum scale of fifty (50') feet to one (1") inch horizontal and five (5') feet to one (1") inch vertical.

These plans shall be developed by a licensed professional engineer under the laws of the State of Texas and be sealed by the Engineer before final submittal to the City. All details shall conform to City standard details unless otherwise approved by the city engineer and/or the director of public works. All engineering design on the plans shall conform to accepted *engineering* standards for public infrastructure construction.

(vi) Street design. Street design shall be based on soil testing and shall show the type and width of paving proposed for the streets. Curbs, gutters and drainage structures shall be in accordance with current design standards adopted by the City.

(h) Storm Water. A final plan for proposed fills and other structure-elevating techniques, levees, channel modifications, storm water detention ponds, and other methods to alleviate flood hazard and/or erosion related hazards shall be submitted.

(i) Flood Prevention. See the "Flood Damage Prevention Ordinance" for requirements related to flood damage prevention.

(j) Setback Lines and Distances. Front building setback line on all lots and sites; side and rear yard building setback line shall be shown on the plat.

(k) Proposed Uses. Designations of the proposed uses of land within the subdivision shall be shown for churches, schools, parks or other special uses.

(l) Number of Lots. The number of lots and proposed land use of the proposed subdivision shall be shown.

(m) Tax Receipts. Receipts showing that all City and county property taxes, then due, have been paid.

(n) Restrictive Covenants. All proposed deed restrictions. Applicant will provide satisfactory proof of ownership of property to be subdivided, or provide written proof of permission from owner to subdivide.

(o) TCEQ Review. Design of proposed system elements subject to regulation by the Texas Commission on Environmental Quality (TCEQ) shall be certified by design engineer that system(s) comply with all applicable regulations of TCEQ.

(p) Certifications. The following certifications shall be considered as minimum phrasings to be placed on the final plat drawing or accompanying sheet(s). Plat drawings shall bear the signature of the person or officer making the acknowledgment to the Notary.

(i) Owner Certification.

(A) For a natural person acting in his/her own right:

STATE OF TEXAS
COUNTY OF HAYS

KNOW ALL MEN BY THESE PRESENTS, That I __OWNER__, owner of DEEDED ACREAGE _, acres of land out the __ORIGINAL SURVEY__, Hays County, Texas as conveyed to me by deed dated _____, and recorded in Volume , Page _____, Hays County Deed Records, DO HEREBY SUBDIVIDE Subdivision Acreage_ acres of land out of the _Original Survey_(Note: If the subdivision lies in more than one survey, determine the acreage in each survey and repeat for each original survey within the subdivision) to be known as the Subdivision Name _, in accordance with the plat shown hereon, subject to any and all easements or restrictions heretofore granted, and do hereby dedicate to the public (or: "owners of the property shown hereon" for private streets) the use of the streets and easements shown hereon.

WITNESS MY HAND, this the __ day of ___, A.D., 20__.

_____
(Owner's Name) Owner/Individual

STATE OF TEXAS
COUNTY OF HAYS

This instrument was acknowledged before me on [date] by [name or names of person or persons acknowledging].

Seal (Signature of Notary)
Notary Public, State of Texas
My Commission expires:_____

(B) For a corporation:

KNOW ALL MEN BY THESE PRESENTS, That I __Corporation Name__, a corporation organized and existing under the laws of the State of Texas, with its home address at __Address, City, State__, owner of __Deeded Acreage__ acres of land out of the __Original Survey__, Hays County, Texas as conveyed to it by deed dated , and recorded in Volume ___, Page ____, Hays County Deed Records, DOES HEREBY SUBDIVIDE __Subdivision Acreage__ acres of land out of the __Original Survey__, (Note: If the subdivision lies in more than one survey, determine the acreage in each survey and repeat for each original survey within the subdivision) to be known as the __Subdivision Name__, in accordance with the plat shown hereon, subject to any and all easements or restrictions heretofore granted, and do hereby dedicate to the public (or owners of the property shown hereon for private streets) the use of the streets and easements shown hereon.

IN WITNESS WHEREOF the said __Corporation Name__ has caused these presents to be executed by its __Corporate Title__, __Name__, and thereunto duly authorized,

_____,
(Owner's Name) Owner

STATE OF TEXAS
COUNTY OF HAYS

This instrument was acknowledged before me on [date] by [name of officer], [title] of [name of corporation acknowledging] a [state of incorporation] corporation, on behalf of said corporation.

Seal (Signature of Notary)
Notary Public, State of Texas

(C) Public officer, trustee, executor, administrator, guardian, etc:

STATE OF TEXAS
COUNTY OF HAYS

This instrument was acknowledged before me on [date] by [name of representative], [title] of [name of entity or person represented].

Seal (Signature of Notary)
Notary Public, State of Texas
My Commission expires:

(D) Partnership:

STATE OF TEXAS
COUNTY OF HAYS

This instrument was acknowledged before me on the [date] by [name of acknowledging partner or partners], partner(s) on behalf of [name of partnership], a partnership.

Seal (Signature of Notary)
Notary Public, State of Texas
My Commission expires:

(ii) Surveyor Certification:

STATE OF TEXAS
COUNTY OF

I, the undersigned, a registered professional land surveyor in the State of Texas, hereby certify, that this plat is true and correct, that it was prepared from an actual survey of the property made under my supervision on the ground, and that all necessary survey monuments are correctly set or found as shown thereon.

_____
Registered Professional Land Surveyor

(iii) Engineer Certification.
STATE OF TEXAS
COUNTY OF

I, the undersigned, a licensed professional engineer in the State of Texas, hereby certify that proper engineering consideration has been given this plat.

_____
Licensed Professional Engineer

(iv) City Engineer Certification.

STATE OF TEXAS
COUNTY OF HAYS

I, the undersigned, City Engineer of the City of Kyle, hereby certify that this subdivision plat conforms to the requirements of the subdivision ordinance and hereby recommend approval.

_____
City Engineer

(v) County Health Dept. Certification (E.T.J. on-site wastewater treatment only) Certification Statement as required under Hays County Subdivision regulations.

(vi) Director of Public Works Certification.

I, the undersigned, director of public works of the City of Kyle, hereby certify that this subdivision plat conforms to the requirements of the City of Kyle Subdivision Ordinance and hereby recommend approval.

_____
Director of Public Works

(vii) Planning and Zoning Commission Certification.

This final plat has been submitted to and considered by the Planning and Zoning Commission of the City of Kyle, Texas, and is hereby approved by such Planning and Zoning Commission.

Dated this ___ day of _____, 20___.

Chairperson

(viii) Hays County Subdivision Regulations [ETJ]. Certifications as required under Hays County subdivision regulations.

(ix) Certification of the city secretary. The following certificate shall be placed on the plat for execution after it has been finally approved by the governing body:

I hereby certify that the above and foregoing plat of _____ Addition to the City of Kyle, Texas, was approved by the City Council of the City of Kyle on the day of _____, 20___. Said addition shall be subject to all the requirements of the subdivision ordinance of the City of Kyle, Texas.

Witness my hand this ___ day of _____, 20___.

City Secretary

(x) Owner Additional Certification. When avigation easements and/or releases are required pursuant to this ordinance, then the following certificate shall be required:

I, (we), the undersigned, owner(s) of the land shown on this plat, hereby acknowledge that certain avigation easement(s) and/or release(s) were made to the City of Kyle and run with the title to all subdivided parcels within this subdivision.

Owner(s)

Article V. Standards and Specifications.

Section 1. General Requirements. (a) Standards and Plans. All construction plans and accepted subdivision improvements shall conform to the following standards and specifications, unless an exception is expressly approved by resolution of the Council:

(i) Conformity with Comprehensive Plan. The subdivision shall be consistent with the adopted comprehensive plan of the City, if any, and the parts thereof, as amended, from time to time.

(ii) Connecting Streets. If a tract is subdivided, parcels shall be arranged to allow for the opening of future streets, as provided for herein.

(iii) Prohibition of reserve strips. No subdivision or addition showing reserve strips of land controlling the access to public ways or adjoining properties will be approved either in whole or in part, unless such strips are in compliance with the law and are not detrimental to the public health, safety and welfare.

(iv) Inspection of Construction. All construction work, such as street grading, street paving, storm sewers, storm water detention facilities, curbs and gutters, sanitary sewers and water mains, performed by the owner, developer or contractor shall be subject to inspection during construction by the proper authorities of the City. All construction shall be completed in compliance with the construction specifications of the City in effect at time of subdivision approval. Said specification shall be on file in the office of the city engineer.

No construction work shall commence on any subdivision without a written Notice to Proceed being issued by the City; and no construction work shall proceed on any weekend or City holiday without the prior written agreement of the City and the contractor or developer paying the City's costs and expenses for the required construction inspection, including over-time pay and benefits.

(v) Street Names and Addresses. Street addressing (odd-even), street naming (consistent with connecting street names, avoiding duplication), subdivision naming and related matters shall be subject to Council approval and shall comply with such standards and regulations as are in effect from time to time.

(vi) Subdivision Construction Standards. All subdivisions shall comply with the City's typical construction standards in effect at the time of the application for plat approval. Construction detail standards for concrete, sanitary sewer, water lines and associated facilities shall be separately adopted from time to time by the City Council acting by resolution. Variations in standards shall be based on field conditions and the professional judgment of the city engineer.

(b) Dedication of Land. The developer shall dedicate or convey title to the land needed for improvements required for a subdivision. All such dedication instruments, deeds and easements shall be to the "City of Kyle, Texas" as grantee.

(c) Costs of Installation. All required improvements shall be constructed at the developer's cost, with no contribution from the City, except as specified in this ordinance and the Capital Recovery Fee Ordinance.

(d) Appeals. Appeals may be taken to the Commission and the governing body by the owner and/or developer as to actions of the city engineer or director of public works, whether on preliminary or final review of a proposed plan.

Section 2. Blocks. (a) General. In general, intersecting streets determining block lengths shall be provided at such intervals as to serve cross traffic adequately and to meet existing streets or contemporary and accepted subdivision practices.

(b) Length. Blocks shall be not more than one thousand (1,000) feet in length, and shall be, at minimum, bounded on either end of the long axis by a local street. Block length, up to twelve hundred (1,200) feet, may be approved for good and sufficient reasons (example: curvilinear streets or paved alleys). Blocks which contain lots afforded access only by a residential lane shall contain no more than ten (10) such lots on a single block face, shall be not more than three hundred (300) feet in length, and shall be of such configuration that no portion of any building on any such lot will be more than three hundred (300) feet from the right-of-way of a local residential street to which the residential lane is connected.

(c) Commercial and Industrial. Industrial and commercial subdivisions may under appropriate circumstances include blocks longer than one thousand feet (1,000'). A master plan or preliminary plan of the subdivision depicting proposed land use shall demonstrate reasonable provisions in the street layout for the public health and safety, particularly the circulation of emergency vehicles and anticipated truck traffic.

Section 3. Lots. (a) Area Requirements. Within the corporate limits of the City the required lot area, width, setback line, side yard and rear yard requirements shall be established by the City's zoning ordinance based on uses proposed by the developer. Such limited provisions of the zoning ordinance as to lot layout, size and setbacks are incorporated herein by reference as subdivision regulations (See Chart 1). The minimum residential lot size in the City's extraterritorial jurisdiction shall be 9,600 square feet. All lots to be served by a septic system shall have a lot size that is the larger of 20,000 square feet or the minimum lot size required by the Hays County Rules for On-Site Sewage Facilities, whichever is greater, and conform to the Hays County Rules for On-Site Sewage Facilities.

Chart 1.

Land Use District	Front Setback	Side Setback	Corner Lot at Side Street or Alley Way Setback	Street Side Yard Setback	Rear Setback	Min. Lot SF Area	Min. Lot Street Line Width	Height Limit
A	25 ft.	25 ft.	25 ft.	25 ft.	25 ft.	43,500	150 ft.	45 ft.
UE	25 ft.	25 ft.	25 ft.	25 ft.	25 ft.	22,500	100 ft.	45 ft.
R-1-1	30ft.(9)	7 ft.	10 ft.	15 ft.	25 ft.	8,190 (1)	80 ft. (1)	35 ft.
R-1-2	30ft.(9)	5 ft.	10 ft.	15 ft.	25 ft.	6,825 (1)	65 ft. (1)	35 ft.
R-1-A	25 ft.	(2)	10 ft.	15 ft.	15 ft.	4,550 (1)	35 ft.	35 ft.
R-1-T	(3)	(3)	10 ft.	15 ft.	(3)	2,844 (3)	35 ft.	35 ft.
R-1-C	(4)	(4)	10 ft.	15 ft.	(4)	9,000 (4)	80 ft.	45 ft.
R-2	25 ft.(9)	7 ft.	10 ft.	15 ft.	25 ft.	9,000	80 ft.	35 ft.
R-3-1	25 ft.	15 ft.	15 ft	15 ft.	25 ft.	(5)	80 ft.	35 ft.(6)
R-3-2	25 ft.	20 ft.	15 ft	15 ft.	25 ft.	(5)	80 ft.	45 ft.(7)
R-3-3	25 ft.	7 ft.	15 ft	15 ft.	25 ft.	(13)	90 ft.	45 ft. (7)
M-1	25 ft.	7 ft.	15 ft	15 ft.	25 ft.	8,190	80 ft.	35 ft.
M-2	25 ft	7 ft	25 ft	25 ft	25 ft	8,190	80 ft.	35 ft
CBD-1	25 ft (8)	(8)	15 ft	15 ft.	(8)	(8)	(8)	35 ft. (8)
CBD-2	0 ft	0 ft	0 ft	0 ft.	0 ft	2,500	25 ft	45 ft
RS	25 ft	10 ft	15 ft	15 ft	15 ft	6,000	50 ft	45 ft
W	25 ft	25 ft	25 ft	25 ft	25 ft	9,000	80 ft	45 ft
CM	25 ft	50 ft	50 ft	50 ft	50 ft	43,500	150 ft	45 ft
E	25 ft	25 ft	15 ft	15 ft	15 ft	6,000	50 ft	45 ft(14)
TU	25 ft	7 ft	15 ft	15 ft	15 ft	(10)	(10)	(10)
B	25 ft	25 ft	25 ft	15 ft	15 ft	(11)	(11)	(11)
PUD	(8)	(8)	(8)	15 ft.	(8)	5 acres	(8)	(8)

(b) Access. Each lot shall front upon a public street or, in the case of a planned development, have access to a public way by access easement sufficient to meet the requirements of the Standard Fire Prevention Code, governing access to buildings by fire apparatus. The frontage of each single family-detached residential, commercial, industrial and other lot on a public street shall not be less than that required by the Zoning Ordinance, the provisions of which for the frontage of lots on a public street are incorporated herein by reference; provided that the minimum required frontage on a public street for single family-detached residential lots situated on a cul-de-sac shall be thirty-five (35').

(c) Side Lot Lines. Side lot lines in residential subdivisions shall be substantially at right angles to straight streets lines and radial to curved street lines. Except for cul-de-sacs lots, street frontage shall not be substantially less in width than width of lot at building site location. The ratio of the lot depth to the average lot width shall not be greater than 5:1.

(d) Extra Depth and Width. Where a lot in a residential area backs up to a railroad right-of-way, a high pressure gasoline, oil or gas line, an industrial area, or other land use which has a depreciating effect on the residential use of property, and where no marginal access street or other street is provided, additional depth may be required by the Commission. In no case shall a residential lot depth in excess of one hundred seventy-five (175) feet be required. Where a residential lot sides to any of the above, additional width shall be required by the Commission, but in no event shall a width in excess of one hundred twenty feet (120') be required.

(e) Lot Arrangement. Lots for residential use should not front on or be contiguous at a side lot line to major thoroughfares or expressways. Lot arrangement in case of nonresidential uses is subject to the review and approval of the Commission and Council so that traffic congestion and movement problems are minimized whenever possible. Double fronting lots or lots with a side lot line contiguous to major thoroughfares or expressways may be allowed, after evaluation of the resulting exposure (i.e., fence, berm, wall) adjacent to the street.

(f) Subsequent Platting. At the option of the subdivider of a commercial and industrial subdivision, with recommended approval of the Commission and approval of the Council, the subdivider may plat all streets, easements, and minimum building lines, and at a subsequent date, plat the lots as individual subdivision plats consistent with the initial platting of streets and utilities.

Section 4. Streets. (a) Layout. Adequate streets shall be provided by the subdivider and the arrangement, character, extent, width, grade, and location of each shall conform to the comprehensive plan of the City, if any, and other applicable plans, and shall be considered in their relation to existing and planned streets, to topographical conditions, public safety and convenience, and in their appropriate relationship to the proposed uses of land to be served. In particular, subdivision layout should provide for a minimum practical number of intersections with major arterials, and those intersections should be with collector streets at intervals of not less than eight hundred (800) feet.

(b) Relation to Adjoining Streets. Where necessary to the street circulation pattern within a neighborhood, existing streets in adjoining areas shall be continued and shall be at least as wide as such existing streets and in alignment therewith. Practical down-sizing of streets will be permitted where obvious transition is from high to low traffic frequency and there are no comprehensive plan thoroughfare requirements.

(c) Projection of Streets. Where adjoining areas are not subdivided, the arrangement of streets in the subdivision shall make provision for the future projection of streets into such unsubdivided areas, unless otherwise provided by the comprehensive plan. Subdivision plat design shall provide for the location of a reasonable number of street openings to adjoining properties. Such an opening shall occur at least every one thousand (1,000) feet or in alignment with existing or proposed subdivision streets along each boundary of the subdivision. An exception may be granted to this requirement if a natural or manmade barrier, such as a thoroughfare, railroad, etc., prevents its implementation.

The developer shall convey or dedicate land to the appropriate public entity for the future projection of collector and larger streets into adjoining, unsubdivided areas. For the future projection of local streets, the developer shall either dedicate land or convey to the City, by general warranty deed, a fee simple on condition subsequent estate in one (1) or more lots. If the City, by resolution of the Council, ever determines that the property will not be needed for street extension, the grantor (or successor) shall have the right to reenter and assume ownership of the property.

A residential lane shall connect only to another residential lane or to a local residential street, either existing or proposed to be constructed concurrently with the residential lane in a single phase of development, and shall not be constructed as a dead-end residential lane provided to connect with a future street in adjacent land.

(d) Intersections. Off-center street intersections will not be approved, however jogs with centerline offsets of more than one hundred eighty feet (180') may be submitted for consideration.

(e) Curvilinear Streets.

(i)

Street Classification	Minimum Curve Radius to Center Line of Street (feet)
Local street	275
Collector street	375
Arterial street	725
Major thoroughfare	1000

(ii) The Commission and the Council may approve local residential streets with smaller radii than required above in special circumstances (consistent with the use of the street).

(f) Half-Streets. No new half streets shall be platted except in the case where such a street is to be a major thoroughfare.

(g) Street Intersections.

(i) More than two (2) streets intersecting at one point shall not be permitted.

(ii) No street shall intersect any other street at an angle of less than sixty (60) degrees and curb radii at the corner shall be adjusted accordingly.

(iii) Major thoroughfare intersections shall have property line corner chords with a minimum tangent distance of thirty (30) feet.

(iv) Curb radii at intersections, including alley openings, shall be a minimum of twenty-five (25) feet, measured from face of curb, except in commercial or industrial developments where the radii shall be a minimum of thirty feet (30').

(h) Cul-de-sacs.

(i) Streets ending in a cul-de-sac shall generally not exceed six hundred feet (600') in length, nor two hundred feet (200') in the case of a residential lane.

(ii) Minimum cul-de-sac dimensions shall be as follows:

Usage Area	Pavement Radius (feet)	Right-of-Way Radius (feet)
Residential	45	55
Commercial/Industrial	50-65	60-75

(i) Comprehensive Plan Street. Where subdivision embraces a street as shown on the comprehensive plan of the City, such street shall be platted consistent with the location, purpose and width indicated by the comprehensive plan.

(j) Local Streets. Minor streets shall be laid out to discourage use by through traffic.

(k) Pavement and Right-of-Way Width.

(i) Minimum standards:

Standard Category	Pavement width (feet)	Right-of-Way Width (feet)
Residential lane	28	60
Local street	30 - 36	60
Collector street	38	60
Arterial street	44 - 48	80
Major thoroughfare	66-70	100-120

All pavement widths referred to above are from curb face to curb face. Where a range of pavement or right-of-way width is shown, such decision shall be made during the subdivision approval process. Direct access from abutting property to arterial streets and major thoroughfares will be restricted.

(ii) Depending on traffic patterns, densities, needs and other related factors, the City can require:

(A) Additional pavement width and/or right-of-way width for major thoroughfares, including "expressway" sections.

(B) If a street pavement section is divided, the total width of each of the pavement sections shall not be less than the above widths.

(C) Additional right-of-way in vicinity of intersections of collector, arterial and major thoroughfare roadways to adequately accommodate turning movements and/or property access needs.

(D) Additional easements needed to provide for utilities.

(iii) If a street within a subdivision serves as an entrance to the subdivision at an intersection with a collector street, the entry street within the subdivision shall be a divided street for a distance of not less than 150 feet into the subdivision from the intersection with the collector street, with the required additional right-of-way and pavement widths.

(l) Typical Sections. (i) Subject to the requirements of the following subsection 4(l)(ii), typical street sections shall be based upon projected traffic volume, existing soil conditions, drainage condition and requirements. The design shall be in conformance with good engineering practices, this section and the recommendations of a geotechnical analysis of the site. The street section(s) shall be based on a twenty-year life and the following loading shall be used as a minimum design standard:

Residential lane and alleys 20,000 18 Kip Axle Repetitions

Local street 20,000 18 Kip Axle Repetitions

Collector street 100,000 18 Kip Axle Repetitions

Arterial street 400,000 18 Kip Axle Repetitions

Major thoroughfare 500,000 18 Kip Axle Repetitions

(ii) Notwithstanding the foregoing subsection 4(l)(i), minimum requirements for typical street sections may be approved and adopted by the City Council from time to time and if the requirements specified in any such minimum standards shall exceed the requirements resulting from the application of the above subsection 4(l)(i) then, in that event, such minimum standards shall govern.

(m) Street Grades.

(i) Streets other than local streets shall have a maximum grade of eight percent (8%), unless the city engineer shall concur that the natural topography requires steeper grades, in which case a ten (10) percent grade may be used, if the site distance is adequate and there are no intersections at the top or bottom of the grade within the calculated stopping distance based upon the speed limit plus ten (10) miles per hours.

(ii) Local streets may have a maximum grade of ten (10) percent.

(iii) All streets must have a minimum grade of at least five-tenths (0.5) of one percent.

(iv) Centerline grade changes with an algebraic difference of more than two percent (2%) shall be connected with vertical curves of sufficient length to provide sight distance on major streets as required for 45 mile per hour traffic; and sight distance on minor streets and local residential streets as required for 30 mile per hour traffic.

(v) Whenever a cross slope is necessary or desirable from one curb to the opposite curb, such cross slopes shall not exceed twelve inches (12") in thirty feet (30'). Streets designed with super elevated curves shall conform to the standard highway design for such curves.

(n) Bonded Contractor. All street construction shall be performed by a bonded contractor.

(o) Signs and Markers. The developer shall pay the cost of purchasing and installing all required posts, signs and markers for all streets, which posts, signs and markers shall comply with TxDOT Texas Uniform Traffic Control Manual.

(p) Perimeter Streets. The developer's obligations concerning perimeter streets are as follows:

(i) Local, collector streets.

(A) Dedicate land for one-half (1/2) of the required right-of-way of an adjacent local and collector street; and

(B) Pay the improvements costs or build one-half (1/2) of the required width of adjacent local and collector streets, including curbs, gutters and storm drainage.

(ii) Arterial and larger streets.

(A) Dedicate a proportional share of the right-of-way for arterial and larger streets; and

(B) Pay the improvements costs for or build a proportional share of the required street width for arterial and larger streets, including curbs, gutters and storm drainage, not to exceed the amount that would be required for one-half (1/2) of a collector street.

(iii) Designated, state or federal roadways. No financial contribution other than dedication of right-of-way. The developer's obligations to build or fund streets may be secured by a letter of credit, escrow account or other means approved by the Council.

(q) Monuments.

(i) The surveyor responsible for the plat shall place permanent monuments in accordance with the standards of the State Board of Registration for Professional Land Surveyors.

(ii) The location of monuments shall be shown on the final plat.

(iii) All lot corners and street rights-of-way shall be set with a marker of a permanent nature, i.e. iron rod, pipe, etc.

(iv) All monuments shall be in place at the time of acceptance of utilities and streets.

(r) Installation Costs. The developer shall pay all costs for the installation of streets in a subdivision, including those streets and related drainage structures that are deemed by the Commission and/or the Council to be required because:

(i) A substantial amount of traffic will be generated from, to or through the subdivision because of existing and/or future conditions;

(ii) The City's comprehensive plan, or street plan, indicates a need for certain major thoroughfares through or adjacent to the subdivision; or

(iii) The City's ordinances requires the installation of frontage roads or similar special access arrangements.

Section 5. Curbs and Gutters.

(a) Required. Curbs and gutters shall be required to be constructed on all streets. Standard curb and gutter profile shall be required for all streets except as provided otherwise in this Section. Reinforced concrete ribbon curbs having a width of not less than 18 inches may be substituted for standard curbs and gutters in a large lot subdivision, or estate size lot subdivisions designed and platted for single family residences, provided that: (i) no lot within the subdivision will be less than one acre in size; (ii) standard curbs and gutters are not found by the City to be necessary or desirable for drainage and storm water control; and (iii) standard curbs and gutters shall be installed for any street or part thereof as advisable for drainage and storm water control.

(b) Intersections. Standard curbs and gutters shall be constructed at each corner upon each block to which curbs and gutters are constructed; except for streets in subdivisions in which lay-down curbs are permitted under paragraph (a).

(c) Valley Gutters. Concrete valley gutters shall be constructed across all alleys at street intersections.

Section 6. Crosswalks. Crosswalkways ten (10) feet in width shall be dedicated where deemed necessary by the Commission and/or Council to provide circulation or access to schools, playgrounds, shopping centers, transportation and other community facilities. Crosswalkways shall be provided, when required by a development, with a concrete sidewalk six (6) feet wide constructed to City specifications and ramped at street intersections.

Section 7. Watershed and Flood Prevention. (a) Watershed Protection. The watershed provisions contained herein are deemed necessary for the following reasons:

(i) The watersheds within the City's jurisdiction contribute significantly to the City's drinking water supply.

(ii) Waterways and their associated watersheds within the City's jurisdiction represent significant recreational and aesthetic resources and contribute to the City's public health.

(iii) The future of the City is dependent on an adequate quality and quantity of water. a pleasing natural environment, recreational opportunities in close proximity to the City as well as the protection of people and property from the hazards of flooding.

(iv) All watersheds within the City's jurisdiction are vulnerable to non-point source pollution and sedimentation resulting from development activities.

(v) All watersheds within the City's jurisdiction are undergoing development or are facing development pressure.

(vi) If watersheds within the City's jurisdiction are not developed in a sensitive and innovative manner, water resources, natural environment, and recreational characteristics may be irreparably damaged.

(vii) Protection of critical environmental features is necessary to protect water quality in those areas most susceptible to pollution.

(viii) It is important to protect the water supply and the natural environment of all watersheds for existing and future generations of citizens of the City.

(ix) The City may adopt additional appropriate development rules and regulations for the purpose of protection of the watersheds and aquifers within its jurisdiction as a facet of its overall program for the control and abatement of pollution resulting from generalized discharges of pollution which are not traceable to a specific source, such as urban runoff from rainwater; and for the abatement of the risks related to flooding within the watersheds.

(b) Stormwater Management. In order to achieve the purposes in the foregoing section, the following sections provide for storm water management systems. All development plans and subdivision plats submitted to the City shall comply with the provisions of this Article and section and any other applicable regulations; specifically, the City's Construction Standards and Specifications for Roads, Streets, Structures and Utilities and applicable TCEQ Rules. Plats of developed property on which no new structures or additional impervious coverage is planned shall be exempt from the provisions of this section.

(i) Stormwater Management System Requirements.

The Commission shall not recommend approval for any plat, plan or subdivision which does not meet the minimum requirements of this ordinance in making adequate provision for control of the quantity of stormwater and/or ground water run-off to the benefit of both future owners of property within the subdivision and other lands within the watershed.

It shall be the responsibility of the subdivider to design and construct a system for the collection and transport of all stormwater run-off flowing onto and generated within the subdivision in accordance with:

A. The requirements of these regulations.

B. The Flood Damage Prevention Ordinance.

C. Good engineering practices.

D. Approved plans.

E. The principles of stormwater law established by the Texas Water Code.

(ii) Basic Design Objectives.

In general the stormwater management system shall be designed and constructed in a manner which promotes the development of a network of both natural and built drainage ways throughout the community so as to:

A. Retain natural flood plains in a condition that minimizes interference with flood water conveyance, flood water storage, aquatic and terrestrial ecosystems and ground and surface water.

B. Reduce exposure of people and property to the flood hazard and nuisance associated with inadequate control of run-off.

C. Systematically reduce the existing level of flood damages.

D. Ensure that corrective works are consistent with overall City goals.

E. Minimize erosion and sedimentation problems and enhance water quality.

F. Protect environmental quality, social well being and economic stability.

G. Plan for both the large flooding events (25 year and 100 year) and the smaller, more frequent flooding (2 year and 10 year) by providing both major and minor drainage systems.

H. Minimize future operational and maintenance expenses.

I. Reduce exposure of public investment in utilities, streets and other public facilities (infrastructure).

J. Minimize the need for rescue and relief efforts associated with flooding and generally undertaken at the expense of the public

K. Acquire and maintain a combination of recreational and open space systems utilizing flood plain lands.

L. Preserve natural drainage patterns and limit the amount of impervious cover so as to prevent erosion, maintain infiltration and recharge of local seeps and springs, and attenuate the harm of contaminants collected and transported by stormwater.

(iii) General Design Requirements.

A. The storm drainage system shall be separate and independent of any sanitary sewer system and its use shall not interfere with the operation and maintenance of road networks or utility systems.

B. Each lot, site and block within the subdivision shall be adequately drained as prescribed in the City's construction standards. Any use of retaining walls or similar construction shall be indicated on the preliminary plan and the city engineer may require construction plans.

C. No subdivision shall be approved which would permit building within a regulatory floodway of any stream or water course. The Commission may, when it deems necessary for the protection of the health, safety or welfare of the present and future population, recommend the subdivision and/or development of any property which lies within a designated regulator flood plain of any stream or water course be prohibited.

D. No lot or building site within a subdivision shall derive sole access to a public street across a waterway unless such access shall be constructed to remain open under 25 year design storm conditions.

E. Areas subject to inundation under design storm conditions shall be indicated with the minimum floor elevation of each lot so affected on a certified copy of the preliminary plan submitted. The Commission may, when it deems necessary for the protection of the health, safety or welfare of the present and future populations, recommend placing restrictions on the subdivision, regarding the design and use of areas within a drainage way. The Council shall not approve any subdivision of land within the floodplain of any stream or water course unless the applicant demonstrates that the subdivision and all development anticipated therein will comply with the requirements of this ordinance and the Flood Damage Prevention Ordinance.

F. Design of all drainage facilities, including streets, inlets, storm sewers, outfall, culverts and ditches, shall conform with the City's Construction Standards and Specification for Roads, Streets, Structures, and Utilities.

G. All facilities shall be designed to intercept, detain and transport the projected run-off from the two (2), ten (10) and twenty-five (25) year frequency storm. Overflow and/or transport provisions shall be provided for one hundred (100) year storms.

H. Projected runoff rates for the design of drainage facilities shall be based on the expected ultimate developed state of the upstream contributing area. Said ultimate developed state shall be based on the maximum intensity allowable under existing zoning as applicable, the City's comprehensive plans, and approved plans within the contributing area.

I. All development establishing impervious cover or otherwise modifying an existing site shall incorporate facilities to prevent any increase in the peak rate of runoff from a two (2), ten (10) and twenty-five (25) year frequency storm. The city engineer may waive this requirement under one or more of the following circumstances:

(1) Approved off-site storage is provided for the required regulation of peak flows and adequate conveyance of storm water flows from the site to the off-site storage facility is demonstrated.

(2) Development of a one (1), two (2) or three (3) family residential structure on any legally platted lot creates no more impervious ground cover than thirty percent (30%) of the gross lot surface area exclusive of any area within the one hundred (100) year flood plain.

(3) Certified engineering data and calculations are presented which demonstrate the absence of adverse impact on all downstream conveyances and property between the downstream property line and the receiving major waterway.

(4) Certified engineering data and calculations are presented which fully describe, explain and justify recommended alternative to detention.

(5) The increase in run-off does not exceed ten percent (10%) of the existing condition runoff up to a maximum increase of five (5) cubic feet per second, and said run-off does not affect adjoining property.

(6) The property is adjacent to a major waterway and in the judgment of the city engineer, waiver of detention requirements will not result in an increase in the peak flood flow of the major waterway.

Waiver of this requirement for any reason shall not relieve the owner of responsibility under civil law to adjacent and downstream property owners.

J. Design of major drainage ways through a subdivision and major structures such as box culverts or bridges across a major drainage channel shall be coordinated with the requirements of Hays County when any portion of the subdivision lies outside the City limits.

K. Drainage Channels.

(1) The limits of the twenty-five (25) year and one hundred (100) year storm event shall be determined for water courses draining fifty (50) or more acres. Calculations for storm events shall utilize generally recognized backwater computational methods and actual field channel and overbank configuration.

(2) No importation of fill material or channel modifications shall be undertaken within the area of the one hundred (100) year flood plain without written approval of the city engineer. Such approval shall be based upon certified engineering data and calculations furnished by the applicant.

(3) All constructed or modified earthen channels shall be limited to areas outside the boundary of subdivision and shall be designed utilizing a side slope of thirty-three percent (33%), or flatter, to allow for future maintenance and promote adequate slope stability. As a minimum, all slopes shall be hydro mulched and seeded with erosion control matting, sodded, or seeded. Prior to lapse of two year warranty period all disturbed areas shall have substantial vegetative growth and ground cover.

L. Streets and Storm Sewer.

(1) All street sections shall be in accordance with City standards. The allowable design drainage capacity for stormwater flow at the gutter shall be no deeper than one inch (1") above the top of the curb.

(2) Depth of flow in streets is to be controlled to allowable levels by modification of crossfall, gradient changes, or the placement of curb inlets, and storm sewers or the use of other appropriate, City Engineer approved, alternatives for streets where ribbon curb is permitted by Article V, Section 5.

M. Bridges and Culverts.

(1) All bridge and culvert structures shall be designed to carry and/or contain the upstream runoff from a twenty-five (25) year storm.

(2) Run-off from a one hundred (100) year storm shall not top the road surface at bridge or culvert crossings for an arterial or thoroughfare crossing and shall not exceed a depth of six (6) inches on a local street crossing.

(3) All bridge and culvert structures shall be designed such that the structural integrity of the roadway shall not be diminished by a twenty-five (25) or one hundred (100) year storm event.

N. Computations, Plans and Construction.

(1) Plans and computations for proposed drainage facilities shall be certified with the seal of the design engineer, and submitted to the city engineer for acceptance prior to approval of construction plans.

(2) Computations for all drainage related design shall be submitted with the plans for review. Data submitted shall include a drainage area map, a summary of methodology employed and resulting data, land use and run-off coefficient assumptions, and other pertinent hydrologic and hydraulic data.

(3) The City shall make such inspections as are deemed necessary to assure proper installation.

(4) Following construction, but prior to acceptance of improvements or issuance of a building permit, the design engineer shall furnish one (1) set of reproducible "RECORD" plans for each project, bearing certification by a licensed professional engineer.

(5) Neither the review nor approval of such plans nor the inspection of the completed work will create any liability on the part of the City.

O. Building Permits and Utility Connections.

(1) Plans submitted for building permits and/or utility connections, other than single family residential or duplex construction and those projects already in compliance with this ordinance, shall include the necessary drainage related facilities designed and provided for in compliance with this ordinance and the City's construction standards.

(2) Plans and design calculations for all drainage facilities shall be submitted to the city engineer for acceptance prior to issuance of any permit within the development or subdivision.

P. Drainage Easements.

(1) General Requirements. Where a subdivision is traversed by a watercourse, drainage way, channel, or stream, or where a detention/filtration facility is required, there shall be provided a storm water easement or drainage right-of-way conforming substantially to the lines of such watercourse or facility, and of such width and construction to contain the design storm and required freeboard. When parking lots or other approved use areas serve a dual function, including detention, those areas shall be designated on the plat as detention areas.

(2) Design Requirements. (a) Where topography or other conditions are such as to make impractical the inclusion of drainage facilities within road rights-of-way, perpetual unobstructed easements at least twenty (20) feet in width for such drainage facilities shall be provided across property outside the road lines and with satisfactory access to the road. Easements shall be indicated on the plat. Drainage easements shall be carried from the road to a natural watercourse or to other drainage facilities.

(b) When a proposed drainage system will carry water across private land outside the subdivision, appropriate drainage rights must be secured and filed of record, documented on the plat, and drawn on the construction plans.

(c) Low-lying lands along watercourses subject to flooding or overflowing during storm periods shall be preserved and retained in their natural state as drainage ways except where modification can be shown to benefit the community and as approved by the Council. All development activity within the regulatory floodplain must comply with City and Federal Emergency Management Agency (FEMA) floodplain management regulations.

(d) All sedimentation, filtration, detention and/or retention basins and related appurtenances shall be situated within a drainage easement. The owners of the tracts upon which are located such easements, appurtenances, and detention facilities shall maintain same and be responsible for their upkeep. Notice of such duty to maintain shall be shown on the plats.

Q. Drainage facilities shall be designed to serve the entire subdivision. For all subdivisions, design of drainage facilities shall be completed with other required construction plans in order to ensure adequate drainage easements and other reservations on the plat.

R. The requirements set forth herein are not intended to be exhaustive and wherever it is necessary to make additional requirements in order to maximize the effectiveness of the drainage plan in question, such requirements shall be made by the Commission. Variances to these requirements may be allowed pursuant to this ordinance only when said variance will not result in drainage related problems sought to be prevented by these regulations.

(iv) Industrial Uses.

A. An applicant proposing any industrial use, as defined in the City Comprehensive Plan or Zoning Ordinance, and which is not completely enclosed within a building or buildings, must provide a pollutant attenuation plan which:

(1) Proposes methods to capture all surface water run-off from developed areas to contain and filter pollutants generated on-site.

(2) Controls dust and other particulate matter generated on-site, to meet the Texas natural Resource Conservation Commission Standards for Urban Areas.

B. The design of storage facilities for hydrocarbon or hazardous substances, including leak detection systems, spill containment areas or other control measures shall meet the following requirements:

(1) Underground Storage Facilities. Facilities for the underground storage of static hydrocarbon or hazardous substances shall be of double walled construction or of an equivalent method approved by the city engineer. Methods for detecting leaks in the wall of the storage facility shall be included in the facility's design and review prior to issuance of appropriate permits for construction.

(2) Above Ground Storage Facilities. Facilities for the above ground storage of static hydrocarbon or hazardous substances shall be constructed within controlled drainage areas that are sized to capture one and one-half (1 1/2) times the storage capacity of the facility and that direct any spillage to a point convenient for collection and recovery. The controlled drainage area shall be constructed of a material suitably impervious to the material being stored.

C. All transport facilities for hydrocarbons and hazardous substances shall be approved by the city engineer.

(v) Minimum Criteria for Issuance of Flood Plain Development Permit. Pursuant to the Flood Damage Prevention Ordinance, as amended from time to time, and similar provisions enforced by Hays County, a Flood Plain Development Permit shall be required such that:

A. Development or alteration of the flood plain shall result in no increase in water surface elevation of the design storm of the waterway.

B. Development or alteration of the flood plain shall not create an erosive water velocity on or off the site. The mean velocity of stream flow at the downstream end of the site after development or alteration shall be no greater than the mean velocity of the stream flow under existing conditions.

C. Development or alteration of the flood plain shall be permitted by equal conveyance on both sides of the natural channel.

D. Relocation or alteration of the natural channel shall not be permitted without an environmental assessment, including a stream rehabilitation proposal.

E. The toe of any fill shall parallel the natural channel to prevent an unbalancing of stream flow in the altered flood plain.

F. To insure maximum accessibility to the flood plain for maintenance and other purposes, and to lessen the probability of slope erosion during periods of high water, maximum slopes of filled area shall not exceed three (3) to one (1) (3:1) for fifty percent (50%) of the length of the fill and six (6) to one (1) (6:1) for the remaining length of the fill. The slope of any excavated area not in rock shall not exceed four (4) to one (1) (4:1). Vertical walls, terracing and other slope treatments will be considered if no unbalancing of stream flow results.

G. Whenever feasible, the integrity of the natural waterway channel will be protected.

H. A landscape plan shall be required, and shall include plans for erosion control of cut and fill slopes, restoration of excavated areas and tree protection where possible, both in and below the fill area. Landscaping should incorporate natural materials (earth, stone, or wood) on cut or fill slopes whenever possible.

I. The effects of existing or proposed public and private improvements shall be used in determining water surface elevations and velocities.

J. Any alteration of the flood plain shall not cause any additional expense in current or projected capital improvements, nor should said alteration cause additional maintenance costs to be incurred by the City.

(c) Minimum Requirements - General. The following establish further general and minimum standards. In the event of any conflict between any of the following and any other requirement of this section, the higher standard shall govern and control.

(i) Drainage Structures - General. Drainage structures shall be constructed in compliance with this ordinance and in such locations and of such size and dimensions to adequately serve the subdivision and associated drainage area. The developer shall be responsible for all costs for the installation of the drainage system required to accommodate the needs of the subdivision being developed, to include the carrying of existing water entering or leaving the subdivision.

(ii) Right-of-Way - General. In new subdivisions, the developer shall provide all the necessary easements and rights-of-way required for drainage structures, including storm sewer and open, paved or rip-rapped channels.

(iii) Storm Sewers and Curb Inlets - General. Storm sewers shall be provided and curb inlets located so as to properly drain all streets and intersections.

(iv) Standards. The design, size, and location of all storm drainage facilities shall equal or exceed the City's minimum construction standards and be approved by the city engineer and director of public works. All storm sewer shall be constructed of reinforced concrete pipe or box.

A. Drainage Ditches. Only open, paved or improved drainage ditches, as accepted by the Commission and Council, shall be constructed across a portion or the entire subdivision being developed.

B. Storm Sewer. Water entering into the streets in excess of what gutters will carry at maximum flow, shall be diverted into storm sewers. Capacity of storm sewers and channels shall be calculated by Manning's Formula or other methods approved by the city engineer or director of public works.

(v) Detention. Except for existing single-family residences on legally platted lots, all subdivisions and development establishing impervious cover or otherwise modifying an existing site shall incorporate facilities to prevent any increase in the peak of runoff from the two (2), ten (10) and twenty-five (25) year frequency storms.

Section 8. Utility Easements. (a) Rear and Side Lots. Each block that does not contain an alley shall contain or have access to a utility easement at the rear of each lot, or at other appropriate locations, reserved for the use of all public utility lines, conduits and equipment. In the case of rear lot locations, the utility easements shall be no less than ten feet (10') in width. In side lot locations, the utility easements shall be no less than five feet (5') in width. Unless abutting an alley, water and wastewater utility easements in the rear are not favored and will not be approved except under special circumstances.

(b) Drainage. Required drainage easements shall allow for a minimum of fifteen feet (15') in width in addition to any width required for a drainage way structure. This easement may be split between drainage way sides but one side (easement) may be no less than ten (10) feet in width unless access and maintenance provisions are provided by other dedicated right-of-way. All public utility easements shall also be dedicated for use as drainage easements.

(c) Utilities. The developer shall arrange with the appropriate utility department and/or company for the payment and/or refund of construction costs of each utility involved.

(d) Easements Abutting Streets. A fifteen foot (15) wide easement abutting the right-of-way of each street shall be dedicated as an easement for utilities, drainage and excavation and/or embankments.

(e) Electrical, Telephone and Other Lines. All electrical, telephone, cable television and similar lines shall be placed underground. Such lines shall be installed in accordance with the regulations and requirements established by each utility or service company, as applicable, and city ordinance. As authorized by Chapt. 212, Tex. Loc. Gov't. Code, the City Council may waive this requirement for good cause, and permit such lines to be installed above ground.

Section 9. Water and Wastewater. (a) Water Mains. Water mains shall be a minimum of eight (8) inches in diameter. Water mains smaller than eight (8) inches may be constructed to serve blocks with no more than six (6) dwelling units, taking into account:

(i) The recommendation of the design engineer for the developer;

(ii) Peak demands for domestic and irrigation use of water;

(iii) Fire protection and hydrant coverage;

(iv) Growth and development possibilities for the area; and

(v) Approval of the city engineer and director of public works.

(b) Sewer Mains. Sewer mains shall be a minimum of eight (8) inches in diameter.

(c) Sewer Clean Outs. Each home or building drain shall be provided with a clean out near the junction of the building drain and building sewer in accordance with the plumbing code. A sewer yard line clean out shall be installed by the subdivider at the junction of each sewer yard line and the City service line.

(d) Construction Period. Water and sewer lines, including short side and long side taps, shall be installed during the construction phase of the subdivision. The subdivider will bring all valves and manholes within the subdivision boundary to grade prior to final acceptance.

(e) Fire Hydrants. Fire hydrants shall be used at the end of cul-de-sacs.

(f) Septic Tanks. (i) No subdivision may be developed for any lots to be served by a septic tank if public sewer service is available within one-quarter mile of any boundary of the tract or tracts of land out of which the subdivision is proposed to be developed.

(ii) No permit shall be issued for the installation of a septic tank(s) on any lot, tract or parcel within the jurisdiction of the City if adequate sewer service is available within five hundred feet (500') of the property line of the lot to be sewered.

(iii) No subdivision of lots within the City, or within the extraterritorial jurisdiction of the City, which depends in whole or in part on septic tanks or a septic tank system shall be approved unless the subdivision qualifies under (f)(i) above and the lots meet the greater of the minimum lot size required by State regulations or the Hays County Rules for On-Site Sewage Facilities, whichever is larger.

Section 10. Sidewalks. (a) Required. Sidewalks are required in residential subdivisions and will be required as appropriate to the area and use in commercial and industrial subdivisions. Sidewalks shall be not less than four (4) feet in width and shall be two (2) feet from curb. Such sidewalks shall be installed and constructed on both sides of each residential street and be situated wholly within the dedicated right-of-way.

(b) Parkways. Parkways shall be excavated, or filled, as required to result in a three (3) to one (1) grade or as detailed on approved construction plans.

(c) Americans With Disabilities. Sidewalks shall conform to the city construction standards and meet all requirements of the *Texas Accessibility Standards*.

Section 11. Alleys. (a) Generally. Alleys need not be provided unless they are recommended by the Commission and approved by the Council. Where alleys are provided the pavement width shall be not less than twenty (20) feet, and in no case shall the right-of-way width of such an alley be less than twenty seven (27) feet.

(b) Alleys and Easement Intersections. Where alleys or utility easements intersect, or turn at right angles, a diagonal of not less than ten feet (10') from the normal intersection of the property or easement line shall be required. The diagonal length of intersections of alleys and/or utility easements at other angles must be approved by the City.

(c) Dead-End Alleys. Dead-end alleys shall not be permitted except if future development provides for the extension of the alleys, in which case temporary turnarounds will be provided.

Section 12. Drive Approaches. Drive approaches, shall be in conformance with standards approved and adopted by the Council from time to time; provided that if no applicable standard has been adopted such approaches shall be designed pursuant to acceptable engineering practices and approved by the city engineer. The City may impose a more restrictive standard than contained in any such standard or design proposal, in conjunction with review of a subdivision plat, if anticipated development under the standards will result in a dangerous or unsafe condition to the public.

Section 13. Street Lights. (a) Street Classification. Street lights shall be placed in accordance with the following placement criteria. Street lights shall be located:

(i) At the intersection of two (2) arterial streets, an arterial and a collector street, and at the intersection of 2 collector streets;

(ii) At any intersection where traffic count is projected to reach seven thousand (7,000) vehicles per day;

(iii) In the turnaround of cul-de-sacs where cul-de-sac length is longer than three hundred feet (300'); and

(iv) Pursuant to a street lighting plan submitted and approved in conjunction with application for subdivision plat approval pursuant to this ordinance; which plan shall, generally, provide not less than one street light for each 500' linear feet of streets in or abutting the subdivision.

(b) Safety Considerations. Street lights shall, additionally, be placed to illuminate street curves, significant topographic conditions, and other safety hazards.

(c) Spacing. Street lights shall be placed in accordance with the following spacing requirements.

(i) Typical spacing of lights shall be one per intersection at the intersections described in subsection (a)(i) above;

(ii) Lights shall be provided along arterial and collector streets, with a maximum spacing between lights of three hundred feet (300');

(iii) If block length is over 600' but less than increments of 300', the light shall be placed in mid-block to the degree practical.

(iv) In a cul-de-sac turnaround, if the cul-de-sac length is longer than three hundred (300) feet.

(v) Street lights shall be placed in the subdivision in compliance with the finally approved lighting plan.

(d) Light Size.

Street Type	Light Size/Lumens
Thoroughfare (heavy traffic)	400w/50,000
Arterial (medium traffic)	250w/27,000
Collector	175w/7,000
(Residential and low traffic)	100w/9,500

(e) Subdivision Lighting Plan. (i) The developer shall submit a street light plan as a part of the final subdivision plat package in conjunction with the utility plans and in conformance with these standards.

(ii) The staff shall review, coordinate with the electric utility, and recommend street lighting plans to the Commission and Council.

(iii) Metal poles shall be required for all street lighting and the developer shall pay all utility company charges for street lighting, e.g. underground, metal poles, special fixtures, charges for electricity, etc. at the final plat phase.

(iii) Installation will be completed during the construction of the other infrastructure and public improvements, or, with City approval, coordinated with building permits issued in the area. Priority shall be given to arterial and collector streets in the subdivision to facilitate circulation; within each block face, when fifty percent (50%) of lots have been permitted, lights shall be installed. The developer shall give security as necessary to assure installation of lighting required but scheduled for future installation. This light installation schedule may be accelerated in accordance with an agreement made with the developer whereby the developer pays the City the full cost of power during the time period necessary to reach this level of permitting.

(iv) The Commission and the Council may disapprove any subdivision where the developer fails to comply with the standards set forth in this Section.

(f) Private Street Lighting. In those instances when the above criteria do not warrant street light placement in a particular location where a property owners association, commercial or industrial property desire additional lighting, the City encourages privately funded and privately maintained lights by neighborhood residents and property owners. All privately funded lights shall be totally owned and maintained by the private property owners or residents. All utilities shall be entirely paid for by the private property owner or residents. The City shall never be obligated to pay for the maintenance or utilities of any privately funded light. Such lighting may be placed within easements where not inconsistent with the easement use, but shall not be placed within dedicated public right-of-way.

Section 14. Park Land Dedication. (a) Definitions. For the purposes of this Section, the following terms, phrases and words shall have the meaning ascribed to them in this subsection.

(i) "Park" means any public park, playground, recreation or open space area, or hike and bike trail including a parking lot within such areas, which is operated, maintained and controlled by the City, and heretofore platted, dedicated, or designated as a public park within the City. Land dedicated for public school land, which contains a park or park land as defined herein shall be considered a park for the purposes of this section but only to the extent of the actual land dedicated for such a park.

(ii) "Neighborhood Park" means a park provided for a variety of outdoor recreational opportunities located within a residential subdivision or within a close proximity or convenient distance of the majority of residences to be served thereby so that the residential subdivision or subdivisions so located shall be the primary beneficiaries of these facilities.

(iii) "Private Park" means a recreation area or open space land within a residential area which are not available for public use or which are intended primarily for exclusive use by residents of the residential area, by members of a homeowners association or other organizations. A private park shall be

considered a park for purposes of this section but only to the extent necessary for planning purposes. A private park does not meet the cash payment nor park land dedication requirements of this section.

(iv) "Residential Area" means any area within a subdivision plat which in whole or in part is platted for the development of dwelling units or residences, whether the same be single-family, multifamily, owner occupied or rental dwelling units and including townhouses, condominiums and apartments.

(v) "Hike and Bike Trail" means a strip of land that is dedicated for a trail or pathway for pedestrian circulation, alternative transportation and recreational uses, that is not less than ten feet (10) in width, and that has installed, or is planned to have installed, certain improvements, including but not limited to an all-weather (concrete or asphalt) trail or pathway that is not less than six feet (6') in width, designed and constructed in compliance with standards and specifications adopted and maintained by the City.

(b) Park Land Fee (i) A parkland fee shall be paid for each residential lot or dwelling unit within the subdivision or development at the time the final plat is submitted to the City for final signature approvals and recording in the public records. The parkland fee shall be uniform and sufficient to acquire land, provide for adjacent streets and utilities, and provide improvements for parks sufficient to serve the number of residents and dwelling units to be located within the development. The parkland fee shall be applicable to residential developments and dwelling units and shall be computed on the basis of five hundred dollars ($500.00) per dwelling unit. The parkland fee shall not apply to developments of fifteen (15) acres or less that are developed for five (5) dwelling units or less, unless such development is a phase, section, or part of a development plan that will include more than fifteen (15) acres or five (5) lots when completed.

(ii) Park land fee payments may be used only for the acquisition or improvement of parks and hike and bike trails located within the City of Kyle. In determining the allocation of funds derived from the payment of park land fees, the Council shall allocate such funds to neighborhood parks and/or hike and bike trails in the same area as the development giving rise to the park land fee, or in close proximity thereto.

(iii) The Council may allocate park land fee funds at its discretion to any park within the City of Kyle after there is a review by the Commission and a finding by the Council that there is a substantial and compelling interest of the community requiring a different allocation than that prescribed in section 14(b)(ii).

(c) Park Land Dedication Instead of Fee. (i) An owner or landowner responsible for payment of the park land fee under this section may be required at the discretion of the city council to meet the requirements of subsection (b) in whole or in part by a park land dedication as set forth in subsection (c)(ii) hereunder.

(ii) Whenever a final plat is submitted to the City for final signatures and filing of record with the county clerk of Hays County for development of a residential area in accordance with this ordinance, or a planned development or other development subject to this ordinance and the comprehensive planning and zoning ordinance of the City, unless earlier waived by the City Council such plat shall contain a clear fee simple dedication of an area of land to the City for park purposes, which area shall equal one (1) acre for each one hundred thirty-three (133) proposed dwelling units, and the dedication by fee or easement of land for hike and bike trails. Except as found appropriate and necessary by the City Council for the hike and bike trail, all dedication of land shall be in a single parcel. The Council and Commission may deem that non-contiguous parcels are permissible in accordance with the regulations set forth herein. Any proposed plat submitted to the City for approval where a park land dedication is being substituted for the required park land fee as provided by this section shall show the area proposed to be dedicated. If a provision of this ordinance for parkland dedication conflicts with a provision for a hike and bike trail, the parkland dedication requirements shall govern and control except when waived or varied by the City Council to provide for hike and bike trails.

A. The Council declares the development of an area smaller than three (3) acres for public park purposes as impractical.

B. No plat showing dedication of less than three (3) acres shall be approved unless the Council, upon recommendation of the Commission, approves a variance to this requirement by resolution.

C. Dedication required by this subsection shall be made by the filing of the final plat clearly showing such park land dedication or contemporaneously by separate instrument unless additional dedication is required subsequent to the filing of the final plat. If the actual number of completed dwelling units exceeds the figure upon which the original dedication is based, such additional dedication shall be required, and shall be made by payment of cash instead of the land amount provided by section 14(b)(i).

(iii) Before any payment of park land fee, the Council must find after review of the Commission and at the public hearing at which the subdivision is considered for final approval, that payment of the park land fee bears a substantial relation to the health, safety, general welfare and morals of the community and that there is not a substantial and compelling interest of the community that would be better served by substituting a park land dedication for the park land fee required of the subdivision. In order to determine whether or not the need or benefit is sufficient to require the dedication, such factors as the size of lots in the subdivision, the economic impact of the subdivision, density of population, the amount of private park land contained in the subdivision, and the amount of open land consumed by the development shall be considered. The director of parks and recreation and the City of Kyle Parks and Recreation Board shall be informed of all new subdivisions, which are submitted for approval and of all existing subdivisions, which are submitted for replatting, expansion, or redevelopment.

A. The Council declares that the creation of a comprehensive hike and bike trail connecting the city's parks, neighborhoods and other areas of interest is a substantial and compelling interest of the community.

B. Land shall be dedicated in fee simple or by easement for hike and bike trails along all creek, natural drainage ways, selected tree lines as provided in the City adopted plan for the hike and bike trail system, unless specifically waived by the City Council after review by the Parks Board and the Commission. Land that is required to be dedicated in fee simple under this section, and that is not within an easement, shall be credited to the park land dedication requirements. Land that is dedicated by easement, or that is within the right of way of any street, drainage or utility easement shall not be credited to the park land dedication requirement. The maximum distance between access points to trails shall be no more than one thousand feet (1,000').

C. Whenever a final plat is filed for development of any retail, commercial or industrial area in accordance with this ordinance, or other comprehensive planning and zoning ordinance of the City, such a plat shall contain a clear dedication by fee simple, or by easement if found appropriate by the City Council, of an area of land to the City for a hike and bike trail, under the same terms, conditions and requirements as are applicable to residential plats.

(d) Prior Dedication. (i) Credit shall be given for payment of park land fees or for park land dedications paid or dedicated pursuant to the existing zoning ordinance or subdivision ordinance of the City at the time a development was accepted by the City.

(ii) If a park land fee or park land dedication requirement arose prior to the passage of this section, that dedication requirement shall be controlled by the ordinance in effect at the time such obligation arose, except that an additional park land fee or an additional park land dedication shall be required if the actual density of the dwelling units constructed on the property is greater than the former assumed density. An additional park land fee or park land dedication shall be determined by the increase in density and shall be based on the ratio set forth in subsection (a) of this section.

(iii) At the discretion of the City, acting through its Council, any former gift of park land to the City, which was not required by any provision of the City Code, the zoning ordinance or other applicable laws, may be credited on a per acre basis toward eventual park land dedication requirements imposed on the donor of such land. The Council shall consider the recommendation of the Commission in exercising its discretion under this section.

(e) Comprehensive Plan Considerations. (i) Land designated in the comprehensive plan as being suitable for development by the City for a major recreational center, park, or other public use, may be reserved for a period of one year after the preliminary plan is approved by the Council if, within two (2) months after such approval, the Council advises the subdivider of its desire to acquire the land or of the interest of another governmental unit to acquire the land, for purchase by the interested governmental authority, at the appraised value of the land at the time

of purchase. A failure by the Council to notify the subdivider shall constitute a waiver of the right to reserve the land. Any waiver of the right to reserve the land shall no longer be effective if the preliminary plat shall expire without adoption of a final plat.

(f) Dedicated Fund. (i) There is hereby established a dedicated fund for the deposit of all sums paid for park land fees. This fund shall be known as the "Park Lands Dedicated Fund". All monies set aside in said Park Lands Dedicated Fund shall be used exclusively for park and recreational improvements in new or existing parks within the City of Kyle.

(ii) The City shall account for all sums paid the Park Lands Fund with reference to the individual plats involved and the contributing developer. Any funds paid for such purposes must be expended by the City within seven (7) years from the date received by the City for acquisition or development of parks within the City of Kyle.

(ii) The Park Lands Dedicated Fund may be placed in a "treasury fund" established by the City, so long as accounting procedures maintain a separate account for the proceeds in a manner allowing for the purposes set forth herein and that assures that such funds will not be disbursed for any purposes not set forth in this ordinance.

(g) Additional Requirements. (i) Any land dedicated to the City under this section must be suitable for recreational purposes, such as for parks, playgrounds, hike and bike trails and usable open space. The following characteristics of proposed area are presumed unsuitable:

A. Any area of which more than twenty percent (20%) is located within the one hundred (100) year flood plain.

B. Any areas of unusable topography or slope which render more than twenty-five percent (25%) of the area unusable for organized recreational activities, or due to unusual circumstances relating to subsoil, slope or topography, the development of the property for park or recreational purposes would be unusually difficult or expensive.

C. The above characteristics of a park land dedication area may be grounds for refusal of any preliminary or final plat.

(ii) Drainage areas may be accepted as a part of a park if the channel is constructed in accordance with the city engineering standards, and if no significant area of the park is cut off from the access by such channel; provided, however, that the developer may provide vehicular access by a bridge or similar structure. The percentage or portion of park land dedication hereunder may include fifty (50) feet on each side of any well-defined creek or waterway subject to the approval of the City.

(iii) Each park must have ready access to an improved public street. The park entrance must be visible to the public.

(iv) Unless provided otherwise herein, an action by the City shall be by the Council, after consideration of the recommendation of the Commission and the Parks and Recreation Board.

Article VI. Development Fronting Interstate 35

Section 1. Definitions. For the purposes of this Article, the following terms, phrases and words shall have the meaning ascribed to them in this section.

(a) "Access" means vehicular access, both automobile and truck.

(b) "Fronting" means a tract or parcel of land that adjoins or abuts the right-of-way of Interstate Highway 35.

Section 2. Administrative Procedures. (a) Approval of Access. No final plat may be approved or building permit issued until it is demonstrated that the Texas Department of Transportation (TxDOT) has approved the access method (i.e. frontage road or ramps) for the property being platted, zoned or permitted.

(b) I-35 Access. (i) An application for approval of a means of access to IH-35 may not be filed until such application has been approved by TxDOT, unless such application specifically provides that the application shall not be effective until such approval is obtained by the applicant. Upon filing of application for approval of means of access to IH-35 by an applicant, the administrator shall place the request on the agenda of the next regular meeting of the Commission; deadlines for filing of these requests shall be the same as for preliminary subdivision plat.

(ii) The Commission shall not finally act upon the application until such time as TxDOT has approved the application, and after arriving at a decision on the request, shall forward its recommendation for action to the Council for action.

(iii) The finding of the Council shall be final.

Section 3. Standards and Specifications. Frontage roads and ramps shall be constructed in accordance with the plans and specifications approved by TxDOT and the City.

Section 4. Frontage Road Right-of-Way. (a) Dedication. The owner of any property developed or subdivided which fronts or touches on Interstate Highway 35 (IH-35), for which sufficient right-of-way does not exist according to TxDOT records, shall be required to dedicate the additional right-of-way required for the construction of frontage roads, not to exceed a width of sixty feet (60'), along the entire frontage of such property.

(b) Traffic Circulation Plan. An owner or developer of property fronting IH-35 desiring to develop, subdivide, or obtain a building permit on said property must submit a plat or development plan to the City for approval. The plat must address the right-of-way for the frontage road, access to IH-35, and internal circulation for the platted property.

(c) Construction. The owner of any property developed or subdivided and which fronts or touches on any portion of IH-35, for which a frontage road has not been constructed, shall be required to construct the frontage road along the entire frontage of such property.

Article VII Miscellaneous

Section 1. Subdivision Ordinance. The Council hereby amends Ordinances No. 296 of the City in its entirety; provided that such ordinances shall remain in force and effect as herein provided with respect to plats submitted prior to the effective date of this ordinance. This ordinance providing comprehensive regulations and standards for the platting of property and development of subdivisions within the City and its extraterritorial jurisdiction shall be in full force and effect from and after the date hereof. This ordinance shall be known as the "Subdivision Ordinance".

Section 2. Severability. If any provision of this ordinance or the application of any provision to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are declared to be severable.

Section 3. Code of Ordinances. It is the intention of the Council that this ordinance shall become a part of the Code of Ordinances of the City of Kyle, Texas, and may be renumbered and codified therein accordingly.

Section 4. Repeal of Conflicting Ordinances. All parts of ordinances in conflict herewith are hereby repealed to the extent of such conflict only. In the event of a conflict or inconsistency between this ordinance and any other code or ordinance of the City, the terms and provisions of the most restrictive ordinance shall govern.

Section 5. Open Meetings. That it is hereby officially found and determined that the meeting at which this ordinance is passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act, Chapt. 551, Loc. Gov't. Code.

Section 6. Effective Date. This ordinance shall be in full force and effect from and after the date of its final passage and adoption in accordance with the provisions of the Kyle City Charter.

PASSED AND APPROVED on First Reading this 04th day of November, 2003.

FINALLY PASSED AND APPROVED on this the 24th day of November, 2003.

ATTEST: **THE CITY OF KYLE, TEXAS**

Signatures on file at City Administrative offices

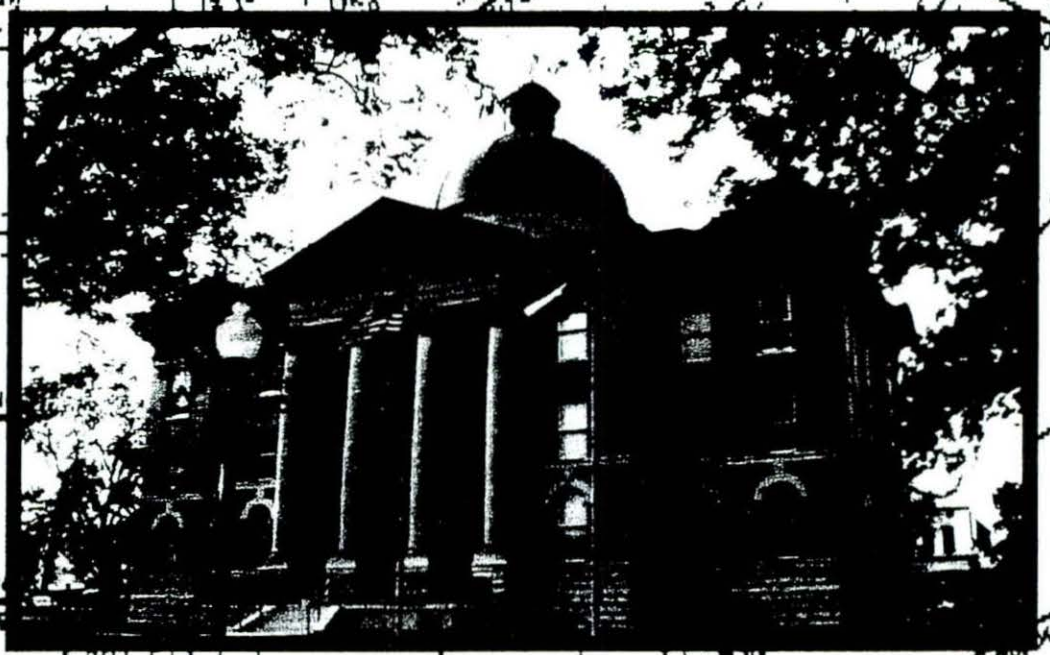
Minerva Falcon, City Secretary

James L. Adkins, Mayor

Exhibit 5

Hays County Subdivision Rules

Hays County, Texas



Subdivision and Development Regulations

Environmental Health Department

1251 Civic Center Loop

San Marcos, TX 78666

(512) 393-2160

www.co.hays.tx.us

HAYS COUNTY

SUBDIVISION AND DEVELOPMENT REGULATIONS

EFFECTIVE DATE: JUNE 3, 1997. AMENDED JUNE3, 2003

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HAYS COUNTY SUBDIVISION AND DEVELOPMENT REGULATIONS

ARTICLE I

1. Preamble and Purpose

1.1 These Subdivision and Development Regulations have been adopted by Order of the Hays County Commissioners Court to provide a framework for the orderly and efficient development of rural and suburban Hays County.

1.2 These Subdivision Regulations have been adopted based on the following findings:

(a) The Commissioners Court of Hays County has the authority to regulate the subdivision process pursuant to Local Government Code, §232.001 et. seq.;

(b) The Commissioners Court of Hays County has been designated by the Texas Commission on Environmental Quality as the authorized agent for the licensing and regulation of on-site sewerage facilities within Hays County and these Regulations are a necessary component of such regulation;

(c) The Commissioners Court of Hays County has the authority and obligation to exercise general control over the roads, highways, bridges and related drainage structures and development within Hays County;

(d) The Commissioners Court of Hays County has been granted the authority and responsibility under the Federal Emergency Management Act to administer floodplain development regulations within the County and to regulate associated development;

(e) The Commissioners Court of Hays County has considered the potential pollution, nuisances and injury to public health that could be caused by the use of private sewerage facilities within the County and has adopted these Regulations to abate or prevent the potential pollution, nuisances or injury to public health;

(f) The Commissioners Court of Hays County has the authority and obligation to protect the public health, safety, morals, or general welfare of the citizens of Hays County as provided in Chapter 232.100 Texas LGC;

(g) These Regulations are enacted to implement the powers conveyed to counties under the laws of the State of Texas, including but not limited to Tex. Rev. Stat. Ann. Art. 2352 (general control over all roads, highways and bridges), Tex. Rev. Stat. Ann. Art. 6702-1 (authority to adopt and implement a system for the laying out, opening, altering and discontinuing of roads), Tex. Rev. Stat. Ann. Art 6626a (regulations of roads and streets and other facilities to control drainage

and storm water runoff within real estate subdivision developments), Tex. Rev. Stat. Ann. Art. 4477-8 (county solid waste disposal systems), Tex. Rev. Stat. Ann. Art. 1443, 1443a and 1436b (regulation of water and gas utility lines within county right-of-way), Tex. Rev. Stat. Ann. Art. 4477-7e (authority to adopt standards for on-site sewerage facilities), Tex. Rev. Stat. Ann. Art. 4477-9a (regulation of public highways for litter control), Tex. Local Gov't Code Ann. Section 232.001, et seq. (authority to adopt and enforce subdivision regulations and require plat approval), Tex. Local Gov't Code Ann. Section 242.001 (authority to regulate subdivisions pursuant to all statutes applicable to counties within the extraterritorial jurisdiction of municipalities), Tex. Health and Safety Code Ann. Sections 366.032 and 368.011 (authority to adopt rules relating to on-site sewerage facilities), Tex. Health and Safety Code Sections 121.003 and 122.001 (authority to enforce laws and appropriate funds necessary to protect public health), Tex. Water Code Ann. Section 16.311, et seq. (authority to set standards for construction within floodplain and to guide development of future development to minimize damage caused by floods), Tex. Water Code Ann. Section 54.2271 (regulation of municipal utility districts), Tex. Water Code 26.032 (authority to adopt rules to prevent pollution or injury to public health arising from use of on-site sewerage facilities), and Tex. Water Code Sections 26.171 and 26.175 (regulation of water quality by counties);

(h) The Commissioners Court has considered the potential burden on landowners and taxpayers of substandard development or poor quality road construction;

(i) Significant portions of Hays County are subject to the Edwards Aquifer Rules of the Texas Commission on Environmental Quality and, where feasible, reference is made to these Rules in these Regulations in order to provide property owners with a consistent framework for development throughout Hays County, but with a recognition that the Texas Commission on Environmental Quality retains the exclusive jurisdiction to enforce and administer the Edwards Aquifer Rules;

(j) These Regulations are enacted to preserve and protect the resources, public health and private property interests of Hays County.

(k) Water Availability requirements are authorized through the Texas Water Code Chapter 35 Sec. 35.019 and based on a finding by the Texas Water Development Board that since 1990 water usage within this priority groundwater management area has exceeded supply.

1.3 The Commissioners Court of Hays County, following public notice, investigation and hearing, has declared and hereby declares these Regulations to be necessary and appropriate to accomplish the purposes and goals enumerated above.

ARTICLE II

2. Definitions. All capitalized terms used in these Regulations shall have the meaning ascribed to them in this Article II.

2.1 Acre - A unit of area equal to 43,560 square feet. When calculating the acreage of any Lot the gross square footage within the Lot shall be used, provided any area within a private roadway easement or an easement for a Shared Access Driveway shall be excluded.

2.2 Applicant - An Owner or its authorized representative seeking approval of a proposed Subdivision pursuant to these Regulations.

2.3 Commissioners Court - The Commissioners Court of Hays County.

2.4 County - Hays County, Texas.

2.5 County Clerk - The County Clerk of Hays County.

2.6 Department - The Hays County Environmental Health Department. The current address of the Department is: 1251 Civic Center Loop, San Marcos, Texas, 78666.

2.7 Development - All land modification activity, including the construction of buildings, roads, paved storage areas, parking lots and other impervious structures or surfaces.

2.8 Director - The Director of the Hays County Environmental Health Department and any successor thereto.

2.9 Edwards Aquifer Recharge Zone - Any area identified as such by the Edwards Aquifer Rules. In the event an Applicant cannot determine with specificity the location of the boundary of the Edwards Aquifer Recharge Zone, the Applicant may submit appropriate maps and other evidence as may be requested by the Department for assistance in such determination from the Department. Any determination by the Department will affect only these Regulations and will not in any manner be binding upon the TCEQ. The Department may require the Applicant to obtain a determination from the TCEQ and any determination by the TCEQ regarding the location of the Recharge Zone will control for purposes of these Regulations. The intent of these Regulations is to coordinate applicable state and local regulations such that the definition of the Edwards Aquifer Recharge Zone under these Regulations shall be identical with the definition found within the Edwards Aquifer Rules.

2.10 Edwards Aquifer Rules - The Regulations promulgated by the Texas Commission on Environmental Quality relating to the Edwards Aquifer, currently set forth in Title 30 Texas Administrative Code Chapter 213, as amended from time to time.

2.11 Final Plat - A map of a proposed Subdivision of land prepared in a form suitable for filing of record with all necessary survey drawings, notes, information, affidavits, dedications and acceptances as required by these Regulations.

2.12 Lot - Any tract to be created by the division of the Original Tract pursuant to the proposed Subdivision application, including the remainder of the Original Tract.

2.13 Original Tract - The original tract of land owned by an Owner prior to the proposed Subdivision.

2.14 Owner - The owner of the land subject to the proposed Subdivision.

2.15 Permitted Street - As defined in Section 7.1 or as approved by the Hays County Commissioners Court for purposes of subdivision, access, or development.

2.16 Phased Development Agreement – An agreement proposed by the Developer for the timely and orderly development process of a large-scale subdivision. This agreement is subject to the review and approval of the Hays County Commissioners Court.

2.17 Preliminary Plan - A map of proposed Subdivision of land showing the general dimensions and boundaries of each Lot, the layout of the proposed streets, drainage improvements, utility infrastructure, if any, easements, and other information required by these Regulations.

2.18 Regulations - The Hays County Subdivision and Development Regulations.

2.19 Road Department - The Hays County Road Department.

2.20 Road Director - The Director of the Hays County Road Department.

2.21 Subdivision - The division of a tract of land situated within Hays County and outside the corporate limits of any municipality into two or more to lay out: (i) a subdivision of the tract, including an addition; (ii) lots; or (iii) streets, alleys, squares, parks, or other parts of the tract intended to be dedicated to public use or for the use of purchasers or owners of lots fronting on or adjacent to the streets, alleys, squares, parks, or other parts.

(a) A division of a tract under this subsection includes a division regardless of whether it is made by using a metes and bounds description in a deed of conveyance, or in a contract for deed or other executory contract to convey, or in a lease (other than agricultural and hunting leases), or by using any other method of a conveyance of an interest in land.

(b) A division of land shall be considered as relating to the laying out of streets, whether public or private, if:

(1) The division occurs prior to the later to occur of: two (2) years from the date of the completion of construction of any street onto which the Lot has frontage or, in the case of public streets, the expiration of the performance or maintenance bond for any such street;

(2) The division of land creates one or more Lots without practical, physical vehicular access onto a Permitted Street or with less than fifty feet (50') of direct frontage onto a Permitted Street or calls for driveways onto Permitted Streets that are spaced fewer than fifty feet (50') apart;

(3) The division of land will affect drainage on, in or adjacent to a public street or any county drainage ditch, swale, culvert of other drainage facility; or

(4) Other circumstances exist which, in the determination of the Director or the Road Director, cause such division of land to be related to the laying out of streets or related to drainage for any street or road to which any Lot has access.

It is the intent of the Commissioners Court of Hays County that the term "subdivision" be interpreted to include all divisions of the land to the fullest extent permitted under the laws of the State of Texas.

2.22 TCEQ Regulated Development - Any development or construction activity that would constitute a Regulated Activity under the Edwards Aquifer Rules (see 30 TAC §213.3), but without regard to the aquifer over which the activity is conducted. If a Lot larger than five acres is restricted by plat note prohibiting (i) further resubdivision of the Lot into lots five acres in size or smaller and (ii) any Development other than the construction of a single-family residence or duplex and associated customary out buildings, such as a barn or garage apartment, then such Development on the Lot shall be considered excluded from the term "TCEQ Regulated Development" for purposes of these Regulations.

ARTICLE III

3. General Subdivision Requirements.

3.1 General Requirements. Any Owner who subdivides a tract of land shall:

(a) Comply in all respects with these regulations; and

(b) Prepare and submit to the Commissioners Court an application for approval or registration of the proposed Subdivision in accordance with the terms and procedures set forth in these regulations.

3.2 Subdivision Approval Process. No Subdivision shall be permitted until the Owner has satisfied each of the following steps in the order indicated:

(a) Approval of Preliminary Plan by the Commissioners Court.

(b) Approval of Final Plat by the Commissioners Court.

(c) Filing of Record Plat with the County Clerk, to be recorded in the Plat Records

of the County.

3.3 Transmittal Materials. All submissions to the Commissioners Court pursuant to these Regulations, including amendments or supplemental materials, shall be delivered to the Department and shall be accompanied by a letter of transmittal indicating:

(a) the name, address and phone number of the Owner and, if different, the developer or applicant;

(b) the name, address and phone number of any person submitting the materials on behalf of the Owner;

(c) the name of the proposed Subdivision;

(d) the size and location of the Original Tract or, if a reference number has previously been assigned, the reference number of the Subdivision application; and

(e) a detailed description of the requested actions.

3.4 Communication with Precinct Commissioner. The Owner or its agent is requested to contact the Commissioner in whose precinct the proposed Subdivision is located prior to the submission of the initial application for approval of the Subdivision.

3.5 Application Materials. Each application for Preliminary Plan or Final Plat shall include the following:

(a) Eight 18" x 24" blue line or photocopies copies of the Preliminary Plan or sixteen 18" x 24" blue line copies of the Final Plat provided that the Department may require up to four additional copies of the Preliminary Plan;

(b) The applicable application fee;

(c) A tax certificate showing that all taxes currently due with respect to the Original Tract have been paid;

(d) A completed application form in the current form promulgated by the Department; and

(e) All other documents or reports required pursuant to these Regulations and any associated bonds or letters of credit.

(f) Any subdivision proposal that is not exempt according to Section 4.1 shall be required to submit a digital drawing file of the subdivision. The format of the digital drawing shall be the ASCII version of a DXF file, and the file may be

submitted to the County on 3.5" diskette, compact disc (CD), or via e-mail (in a compressed format). The digital file shall be projected to fit within the parameters of the Texas Stateplane Coordinate System, South Central Zone, NAD 83, in survey feet. A minimum of two GPS ground control point coordinates of said points shall be identified in the digital file. This paragraph does not constitute a comprehensive list of digital data requirements, and additional information may be obtained from the Environmental Health Department.

(g) Deeds of conveyance to current owner(s).

3.6 Record Plat. Two duplicate 18" x 24" photographic mylars shall be presented to the County Clerk for recording as the Record Plat. All writing and drawings on the Record Plat must be large enough to be easily legible following recording.

3.7 Application Review Periods. The Department review period for an application for a Preliminary Plan or Final Plat shall begin on the first business day after a completed final plat application is submitted and shall end on the first Wednesday following the expiration of fifteen (15) working days thereafter

(a) An application for a Preliminary Plan or Final Plat shall be deemed to be complete for purposes of this Section 3.7 when all of the materials required under Section 3.5 are delivered to the Department in accordance with Section 3.3 together with:

i. for Preliminary Plans, those items required in Article V, and;

ii. for Final Plats, those items required in Article VI.

(b) Final resolution of a plat shall be no later than 60 days from the date of the complete final plat application submittal.

3.8 Technical Review Procedure. Upon receipt of a completed application, the Department shall conduct a technical review of the Application and make a recommendation to the Commissioners Court as to whether the application is in compliance with these Regulations.

(a) In the event the Department determines that the Application is not complete, then the Department shall provide the Applicant with written comments detailing the outstanding or deficient items.

(b) Upon receipt of the Department's written comments, the Applicant shall submit to the Department additional information or a revision to the Application, together with a written response to each comment of the Department. The Applicant may request that the application be forwarded to the Commissioners Court without addressing the Department's comments, in which event the Department will make its recommendation and itemize the deficient or outstanding items for the Commissioners Court.

(c) Upon written request of the Applicant, the Director may extend the Applicant's thirty-day response time to provide supplemental information, but in no event for longer than sixty (60) additional days.

(d) The Department may review any supplemental materials submitted by an Applicant until the first Wednesday following the expiration of fifteen (15) working days after such supplemental materials were submitted to the Department.

(e) In the event the Applicant fails to respond to the Department within the thirty day response period (or the period as extended by the Department), the Department shall return the Application to the Applicant, without a refund of fees paid, and the Applicant will be required to re-file an original application, with applicable fees, for further consideration of the Application.

(f) All Applications whose technical review period expired on or before Wednesday of any week shall be posted by the Department for consideration by the Commissioners Court at the next regularly scheduled meeting of the Commissioners Court. The Department may post an Application for consideration at any time prior to the expiration of the review period if the review process has been completed.

(g) The Department shall forward the results of its technical review and its recommendations with respect to the Application to the Commissioners Court.

3.9 Application Fees. The Applicant shall pay a non-refundable fee in the amount set forth in Appendix 1 of these Regulations together with each Application for a Preliminary Plan and Final Plat approval. Appendix I may be amended from time to time by the Commissioners Court without amending or affecting the remainder of these Regulations.

3.10 Subdivisions within ETJ of a Municipality. Whenever an Original Tract lies within the extraterritorial jurisdiction of a municipality and is subject to the subdivision regulations of such municipality, the applicant should obtain approval of the application from the municipality before obtaining final review by the County. As required by the Texas Property Code, the County Clerk will not accept a Record Plat for recordation unless it has been approved by the County and, with respect to the Municipality, it has either been approved or exempted from the municipality's subdivision regulations. The County Clerk may require written proof of exemption from a municipality's subdivision authority to be filed with the Record Plat. A plat note will be required stating that the subdivision is either exempt or not exempt from the particular city's ETJ ordinances. (See applicable plat note in Appendix II). In the event the land is subject to both municipal subdivision regulations and these Subdivision regulations then the stricter standard shall apply and may be enforced by either the City or the County or both. The applicant bears the burden of establishing to the Commissioners Court that no municipal subdivision approval is required.

3.11 Wastewater and Development Permits. The Department shall issue no On-Site Sewage Facility or development permit on any parcel of land unless that property is in compliance with all the requirements of these Regulations and the Hays County Rules for On-Site Sewerage, except that:

(a) A division of land occurring before June 1, 1984 shall be considered grandfathered;

(b) A complete application for subdivision approval received by the Department prior to the effective date of these Regulations shall be considered solely on the basis of the Regulations in effect at the time the complete application was received by the Department.

3.12 Water Availability Requirements. While these rules are intended to preserve and protect the water resources of Hays County, the Commissioners Court of Hays County does not make any warranty - express, implied or otherwise - that subdivisions that comply with these rules will be able to meet the water needs of those purchasing lots within the subdivision.

Applicability: This section shall apply to all individuals seeking plat approval from the Hays County Commissioners Court.

Exemptions:

(a) All subdivisions of five lots or less in which all lots average at least 2 acres each.
(b) All subdivisions of ten lots or less in which all lots are larger than ten acres.
(c) All subdivisions in which all lots are restricted by plat note to be served only by rainwater collection or surface water sources.
(d) All subdivisions of property for the purpose of conveyance to family members up to the second order of sanguinity in which all lots average at least 2 acres, and in which each lot is to be used only for their personal single family residence

Requirements:

1. Subdivisions to be served by individual private water wells:

- Applicants requesting plat approval shall construct at least two wells (one test well and one monitor well). Use of existing wells will be permitted if the wells fully meet these regulations. Well analyses shall be performed by a State of Texas Registered Professional Engineer or Hydrogeologist, qualified to perform the hydrogeological testing, geophysical well logging and aquifer pump testing. The following information shall be provided to Commissioners Court for each well tested.

(a) Identify the hydrogeologic formation by well driller's log and approved geophysical logging methods. Provide a map and list of all known wells within 1,000 feet of the proposed subdivision boundaries (or a distance where measurable drawdown effects from the proposed subdivision well are

expected). Each well is to be located by latitude and longitude.

(b) Obtain the static water level to the nearest one tenth foot and equate to the mean sea level elevation. Hays County reserves the right to maintain selected monitor well sites for long-term data acquisition of static water levels in order to track regional water level trends. The test and monitor wells shall contain a one inch plug to facilitate possible future water level monitoring.

(c) Perform an aquifer pump test using approved methods of the karst aquifer systems of the Texas Hill Country. The pump test shall be performed prior to any acidization or other flow capacity treatment. The duration of the pump test shall be 24 hours or until the water level has stabilized (less than one tenth foot fluctuations) in the test well for a period exceeding two hours. The constant pumping rate used in the pumping test shall be at least the average rate of pumping for water supply use. Following pumping, water level measurements will be continued in the test and monitor wells until levels recover to their original static levels.

(d) Using information from the aquifer pump test, calculate aquifer properties including transmissivity, hydraulic conductivity, and storage coefficient of the test and monitor wells.

(e) Using aquifer properties and proposed pumping rates for the full subdivision build-out, provide cumulative drawn-down calculations for selected radial distances up to 1,000 feet of the proposed subdivision boundaries, or a distance where measurable draw-down effects at known wells identified in (a) are expected.

(f) The bacterial and chemical analysis of the test well as provided in 30 TAC 230.9.

- Individuals marketing these subdivision lots shall provide each purchaser with a summary of all the above referenced data.

2. Subdivisions to be served by TCEQ permitted public water supplies:

- Individuals proposing to serve a new subdivision by a public water supply system established to serve the new subdivision shall provide to commissioners court the following information:

(a) Certification that the public water supply system has sufficient capacity and acceptable water quality to serve all the proposed development for the subdivision.

(b) A map identifying the service boundaries of the public water supply as authorized in their Certificate of Convenience and Necessity.

(c) A projection of the annual water usage generated by the new subdivision at build-out.

(d) When new wells are being constructed to serve a TCEQ permitted water supply, provide a map and list of all known wells within 1,000 feet of the proposed subdivision boundaries (or a distance where measurable draw-down effects from the proposed subdivision wells are expected).

(e) This subparagraph does not include previously approved public water supplies by TCEQ or expanded CCN's.

3. Subdivisions to be served by an existing public water supply as permitted by TCEQ shall provide:

(a) A letter from the public water supply company certifying that the public water supply has sufficient capacity to serve all the proposed development for the subdivision.

(b) A projection of the annual water usage generated by the new subdivision at full build-out.

ARTICLE IV

4. Exemptions

4.1 Exempted Subdivisions.

a) Exemptions are allowed as defined by Local Government Code 232.0015.

b) Exemptions must have direct access (fee simple) to a permitted road.

4.2 Registration. An Owner whose subdivision is exempt from the platting requirements of these Regulations shall register the division with the County Clerk and submit the following to the County Clerk:

(a) A duplicate copy of the recorded conveyance instrument, with legible metes and bounds description attached thereto;

(b) A survey or sketch (which may be on tax parcel maps or other form approved by the Department) showing the boundaries of the Lots, adjacent roads and adjacent property owners;

(c) An executed registration form in the form promulgated by the Department which shall require the Owner to acknowledge that all Lots remain subject to the on-site wastewater rules and development permit requirements of the County.

(d) An affidavit stating that the owner/subdivider of the land acknowledges that any change to the exemption will require the platting of the property through the Hays County Commissioners Court.

ARTICLE V

5. Preliminary Plan.

5.1 Information. A proposed Preliminary Plan shall include the following:

(a) General Information.

(1) Name of the proposed Subdivision, which shall not be the same or deceptively similar to any other subdivision within the County unless the subdivision is an extension of a pre-existing, contiguous subdivision.

(2) The boundary lines and total acreage of the Original Tract and the Subdivision.

(3) A note stating the total number of Lots within the proposed subdivision and the average size of Lots, and the total number of Lots within the following size categories: 10 acres or larger, larger than 5.0 acres and smaller than 10 acres, 2.00 acres or larger up to 5.00 acres, larger than 1.00 acre and smaller than 2.0 acres and smaller than 1.00 acre.

(4) Approximate acreage and dimensions of each Lot.

(5) The location of any proposed parks, squares, greenbelts, schools or other public use facilities.

(6) Names of adjoining subdivisions or owners of property contiguous to the proposed Subdivision.

(7) Name and address of the surveyor and/or engineer.

(8) Name and address of the Owner, and developer or applicant if not the Owner.

(9) Area map showing general location of Subdivision in relation to major roads, towns, cities or topographic features.

(10) North arrow, scale and date. The scale shall not exceed 1" = 200'.

(11) Boundary lines of any incorporated city and the limit of the extraterritorial jurisdiction of any city.

(12) The location of school district boundaries and a statement clearly indicating in which school district(s) the Subdivision is located. In the event any Lot lies

within more than one school district then the plat shall clearly state the number of acres within the Lot that lies within each school district.

(b) Flood Plain and Drainage Information.

(1) Elevation contours at no greater than ten-foot (10') intervals, based on NGVD '29 datum.

(2) All Special Flood Hazard Areas identified by the most current flood Insurance Rate Maps published by the Federal Emergency Management Agency.

(3) For each Lot containing 100-year floodplain, sufficient additional contours to identify and delineate the 100-year floodplain and regulatory floodway, if any. If base flood elevations have not already been established, they shall be established by a method satisfactory to the Director.

(4) For each subdivision containing 100-year floodplain, at least one benchmark showing NGVD '29 elevation, as well as latitude and longitude.

(5) A drainage plan depicting the anticipated flow of all drainage onto and from the subdivision and showing all major topographic features on or adjacent to the property including all water courses, 100 year floodplain boundaries, ravines, bridges and culverts.

(6) The location and size of all proposed drainage structures, including on-site retention or detention ponds and easements and the impact of lot and street layouts on drainage.

(7) General depiction of the boundary lines of the Edwards Aquifer Recharge Zone, or the Contributing Zone of the Barton Springs Segment of the Edwards Aquifer (as defined in the Rules of Hays County for On-Site Sewage Facilities), if affecting the property, and a statement certified by the surveyor or engineer under his or her professional seal that, to the best of his or her knowledge, the plat accurately reflects the general location (or absence) of the Edwards Aquifer Recharge Zone or the Contributing Zone of the Barton Springs Segment of the Edwards Aquifer.

(8) Depiction of all streams, rivers, ponds, lakes, other surface water features or any Sensitive Features (as defined by the *Texas Commission on Environmental Quality* in 30 Texas Administrative Code §213.3) and a statement certified by the surveyor or engineer under his or her professional seal that, to the best of his or her knowledge, the plat accurately reflects the general location (or absence) of all such features in accordance with the terms of these Regulations.

(c) Street and Right of Way Information.

(1) Location, length and right-of-way widths of all proposed streets and a depiction of how all proposed streets shall connect with previously dedicated, platted or planned streets within the vicinity of the Subdivision.

(2) Location, size and proposed use of all proposed access easements, or Shared Access Driveways, if any.

(3) A statement indicating whether the Applicant shall seek County maintenance of the roads or approval of a homeowner's association for road maintenance or designation of roads as private roads.

(4) The number of feet of frontage of each Lot onto a Permitted Street.

(5) A report calculating the Average Daily Traffic of all roadways prepared in accordance with Section 7.3 below, unless exempted pursuant to Section 7.3(b).

(6) A designation of the classification of each road or street to be constructed or existing streets abutting any Lot (Country Lane, Local Street, Minor Collector, Major Collector, Minor Arterial or Major Arterial), as determined in accordance with Section 7.3 below.

(7) Proposed location of all depth gauges, as required under Article 10, at all road crossings where the 100 year frequency flow or lesser frequency storm event is anticipated to flow over the road surface and any proposed gates or warning devices. Note: the Commissioners Court may require gates or warning devices at such locations.

(d) Water, Wastewater and Utilities Information.

(1) Designation of the entity supplying electric, phone and gas utilities to Lots, or a statement that such utility is not available.

(2) The location of all proposed utility easements and/or infrastructure, including water well sanitary easements, if applicable.

(3) Designation of the water and sewer utility provider for the Subdivision, if known, and the source of the water intended to serve each Lot within the subdivided area (i.e. surface water, ground water from a specified aquifer, etc.), along with the water availability requirements outlined in Section 3.12. The proposed water source is not required to be in service at time of preliminary planning.

(4) Certification that all Lots have been designed in compliance with the Rules of Hays County for On-Site Sewage Facilities, together with all planning and evaluation materials required to determine Lot sizing under the Hays County On-Site Sewage Rules and any request for a variance under the Rules of Hays County for On-Site Sewage Facilities.

5.2 Street Design. A proposed Preliminary Plan shall satisfy the requirements of Article VII relating to design of streets and shall contain a written certification from a Registered Professional Engineer that the location and dimensions of streets as set forth and laid out on the Preliminary Plan are in accordance with these Regulations. This information is not the sealed Construction of Roads and Drainage Improvements plans that are required after approval of preliminary plan.

5.3 Drainage. A proposed preliminary plan shall satisfy the requirements of Article X relating to Drainage and shall contain a written certification from a Registered Professional Engineer stating that the location and approximate sizes of the drainage structure set forth in the preliminary plan are in accordance with the Department's Drainage Design Criteria.

5.4 On-Site Sewage Rules. A proposed preliminary plan shall satisfy the requirements of the Rules of Hays County for On-Site Sewage Systems.

5.5 Approval of Preliminary Plan. The Commissioners Court shall approve a Preliminary Plan if it satisfies each of the requirements set forth in Article V and all other provisions of these Regulations.

5.6 Construction Activities. Approval of a Preliminary Plan does not authorize any construction or Development activities, except as permitted in Section 8.6 below, but merely authorizes the Applicant to proceed with the preparation of a Final Plat.

5.7 No Conveyance of Lots. Conveyance of lots depicted on a Preliminary Plan shall not be permitted until the final plat has been approved and the record plat filed with the County Clerk.

5.8 Expiration. Approval of a Preliminary Plan shall expire and be of no further force and effect in the event a Final Plat for a portion of the Subdivision is not filed within twelve (12) months following the date of the Commissioner's Court approval of the Preliminary Plan.

ARTICLE VI

6. Final and Record Plat

6.1 Information. A proposed Final Plat shall comply with the requirements of the approved Preliminary Plan and shall include the following:

(a) General Information

(1) Bearings and dimensions of the boundary of the Subdivision and all Lots, parks, greenbelts, easements or reserves. Dimensions shall be shown to the nearest

one-hundredth of a foot (0.01') and bearings shall be shown to the nearest one second of angle (01"). The length of the radius and arc of all curves, with bearings and distances of all chords, shall be clearly indicated.

(2) Description of monumentation used to mark all boundary, lot and block corners, and all points of curvature and tangency on street rights-of-way.

(3) Location of original survey line. The subdivision shall be located with respect to an original corner of the original survey of which it is part.

(4) Lot and block numbers for each Lot.

(5) Acreage of all Lots, calculated to the nearest one-hundredth of an acre.

(b) Flood Plain and Drainage Information

(1) For subdivisions containing 100 year floodplain, benchmarks and finished floor elevations of each lot in accordance with the Hays County Flood Damage Prevention Ordinance. (Article VIII)

(2) For each subdivision containing 100 year floodplain, at least one monument containing latitude and longitude and 1929 N.V. datum coordinates.

(c) Street and Right of Way Information

(1) Total length of all streets, to the nearest one-tenth mile, and a declaration as to which category of streets will be constructed, as described in Section 7.7 (paved, public streets to be maintained by the County), Section 7.8 (unpaved, private streets to be maintained by an approved homeowners association) or Section 7.8 (paved, private streets maintained by an approved homeowners association).

(2) Total area of all rights-of-way proposed for dedication.

(3) The items required under Section 6.4 (County Maintained Streets) or Section 6.5 (Homeowner Association Maintained Streets), as applicable.

(4) The following statement shall appear prominently on the Final Plat: "In order to promote safe use of roadways and preserve the conditions of public roadways, no driveway constructed on any lot within this subdivision shall be permitted access onto a publicly dedicated roadway unless (a) a Driveway Permit has been issued by the Road Department of Hays County and (b) the driveway satisfies the minimum spacing requirement for driveways set forth in Sections 7.4 and 7.5 of the Hays County Subdivision Regulations."

(5) Where required, the minimum driveway culvert size for each lot.

(d) Water, Wastewater and Utilities Information

(1) The following statement shall appear prominently on the Final Plat: "No structure in this subdivision shall be occupied until connected to an individual water supply or state-approved community water system. Due to declining water supply, prospective property owners are cautioned by Hays County to question the seller concerning ground water availability. Rain water collection is encouraged and in some areas may offer the best renewable water resource."

(2) The following statement shall appear prominently on the Final Plat: "No structure in this subdivision shall be occupied until connected to a public sewer system or to an on-site wastewater system that has been approved and permitted by the Hays County Environmental Health Department."

(e) Other Plat Notes and Certifications

(1) The following statement shall appear prominently on the plat: "No construction or development within the subdivision may begin until all Hays County Development Permit requirements have been satisfied."

(2) Certifications and Plat Notes set forth in Appendix II of these Regulations, as applicable.

6.2 Standard for Approval. The Commissioners Court shall approve a Final Plat if it satisfies each of the Requirements set forth in Articles VI, VII, VIII, IX and X.

6.3 Approval of a Final Plat. Approval of a Final Plat shall not authorize any construction or Development activities, except as permitted under Section 8.6 below, but merely authorizes the Applicant to proceed with preparation of a Record Plat.

6.4 Additional Requirements for County Maintained Streets. Concurrently with the filing of an application for Final Plat approval, an Applicant seeking to construct streets or drainage improvements that will be accepted by the County for maintenance or to be privately maintained, shall submit the following:

(a) Construction Plans for all streets and drainage improvements within the subdivision and signage plans for all streets;

(b) A certification under the seal of a Professional Engineer that the Construction Plans and pavement designs are in compliance with these Regulations;

(c) The anticipated cost, per linear foot, of each street; and

(d) The total estimated construction cost of all of the streets and drainage improvements proposed to be constructed within the subdivision.

(e) Fiscal security for 100% of the estimated construction costs for roads and drainage improvements, if final approval of the plat is desired prior to the completion of construction of road and drainage improvements.

6.5 Additional Requirements for Streets to be Maintained by a Homeowners Association. Concurrently with the filing of an application for Final Plat approval seeking approval of a homeowners association to maintain the streets within the Subdivision the Applicant shall submit the following:

(a) Ready-for-execution copies of the articles of incorporation and bylaws of the homeowners association; and

(b) The minimum annual assessments that will be imposed upon members of the homeowners association.

6.6 Additional Street Construction Requirements:

In conjunction with the submittal of final platting materials the following information will be considered:

a) Streets to be Constructed After Final Plat. The Road Construction Security required under Section 8.3 with executed articles of incorporation and bylaws for an approved homeowners association, if applicable, together with any modifications made to the Signage Plans or Construction Plans following review by the Department, certified under the seal of a professional engineer to be in compliance with these Regulations and approved by the Road Director; or

b) Streets Constructed Before Final Plat. A certification from the Road Director that all Permitted Streets reflected on the Final Plat have been constructed in accordance with the Regulations and inspected by the Road Director, together with As Built Plans for such streets, and a concurrence letter from the design engineer stating that the constructed streets "are substantially complete and comply with the road and drainage construction standards as established by the Hays County Subdivision & Development Regulations", and a Maintenance Bond described in Section 8.3(c) below, and executed articles of incorporation and bylaws for an approved homeowners association, if applicable;

c) If the Final Plat is approved prior to completion of construction of all Permitted Streets, an acknowledgment that no Development Permit will be issued for any

Lot until completion of sub-grade of the Permitted Street serving the Lot and, if applicable, installation of all underground utilities.

d) By submitting Construction Plans and a Final Plat, the Owner acknowledges that he or she is aware of and will comply with all requirements of Hays County regarding construction and development in effect at the time the Subdivision application was submitted, including:

(1) the requirement regulating the access of private construction vehicles from construction sites onto publicly maintained roadways, requiring the Owner to take certain steps to limit and clean all mud or other debris carried onto the public roadways by such construction vehicles and imposing fines for non-compliance;

(2)The requirement that all construction within County right-of-way, including driveways and drainage improvements and the cutting of any existing roads for installation of utilities, to obtain a permit from the County prior to commencement, to be inspected prior to completion, prohibiting cutting of certain roadways within three (3) years of construction thereof and imposing fines for non-compliance; and

(3) The requirement concerning construction standards for mailboxes installed within the right-of-way of streets and highways and requiring all such mailboxes to be made of collapsible materials, as defined in the ordinance.

6.7 Record Plat. Within twelve (12) months following approval of the Final Plat, the Applicant shall present a Record Plat to the Department for final approval and delivery to the County Judge for execution. The Record Plat shall contain, or be submitted with, the following:

(a) Any Water Pollution Abatement Plan approved by the Texas Commission on Environmental Quality, if the property lies within the Edwards Aquifer Recharge Zone, or evidence that none is required as of the date of the Record Plat (the Department may require a letter from the TCEQ evidencing that no water pollution abatement plan has been issued or is yet required for the division);

(*b*) All items required in Section 3.5 above, including filing fees and tax certificates; and

ARTICLE VII

7. Street Design and Construction.

7.1 Permitted Streets. All streets, whether maintained by the County or a homeowners association, shall be constructed in accordance with these Regulations and shall be classified as one of the two following types of streets (referred to collectively as "Permitted Streets"):

(a) Publicly dedicated, paved and to be maintained by the County and constructed pursuant to Section 7.7;

(b) Private, paved and to be maintained by a Homeowners Association in perpetuity (or until constructed to then-applicable County standards for acceptance of maintenance, and accepted for maintenance by resolution of the Commissioners Court) and constructed pursuant to Section 7.9.

7.2 Dedication to Public. Any dedication to the public shall be accomplished either by deed conveying a fee simple interest or by a dedication on the plat conveying a perpetual right of way easement in the property to the County for public use. No dedication shall be effective until the Record Plat is recorded. In no event shall any private lot extend into a dedicated roadway.

7.3 Design of Public Improvements. All improvements shall be designed and installed so as to provide, to the maximum extent feasible, a logical system of utilities, drainage and streets and to permit continuity of improvements to adjacent properties.

(a) Design Criteria and Construction Standards for Streets. The classification and construction standards for all streets shall be determined according to the Average Daily Traffic anticipated for the streets. The standards for paved streets are summarized on Table 7.3a. The Director shall promulgate rules for calculating Average Daily Traffic, provided that all calculations of Average Daily Traffic shall be based on the maximum number of lots that would be permitted in the Subdivision under the Rules of Hays County for On-Site Sewage Facilities, unless the number of future lots is limited by approved plat note, in which case Average Daily Traffic shall be calculated based on the maximum number of lots permitted under such restrictive covenants.

(b) Incentive for Lots Larger than Five Acres. As an incentive to developers to create lots larger than five acres and to reduce their associated development costs, Country Lane Streets may be constructed, without calculation of the Average Daily Traffic, if all Lots with frontage or access onto the street are (i) larger than five acres in size, (ii) restricted by a plat note limiting development to one single family residence per Lot and prohibiting TCEQ Regulated Development, and (iii) the application is approved by the Road Director.

(c) Incentives for Bicycle Paths and Lanes. If portions of a Local Street or Minor

Collector are set aside and appropriately designated for the use of bicycles (or a separate bike path is constructed parallel to the street), then the amount of right of way dedicated to such bicycle use shall be credited against the width of required shoulders and the Road Director may reduce the estimated Average Daily Traffic per Lot in determining the design criteria for the street served by the bicycle path/lane, in an amount determined appropriate by the Road Director.

(d) Clearance of Right of Way. Upon request by the Owner, the Road Director shall, to the extent it is safe and prudent to do so, permit preservation of trees of greater than 10" in diameter, measured one foot from the ground (or the re-planting of trees by the Owner), within rights of way of streets classified as Country Lanes, Local Streets and Minor Collectors, with greater preservation of trees permitted along streets with the lower design speed. The Owner shall be responsible for affixing reflectors or other safety devices to any trees preserved within the right of way.

7.4 Access to Permitted Streets, Flag Lots. Except with respect to Lots served by Shared Access Driveways, each Lot shall have the minimum direct frontage onto a Permitted Street set forth below and Driveways shall be spaced no closer than the minimum space intervals set forth below, depending on the classification of road onto which the Lot has frontage and the driveway has access:

Road Classification	Minimum Direct Lot Frontage	Minimum Driveway Spacing
Country Lane	30'	50'
Local Street	50'	50'
Minor Collector	100'	75'
Major Collector	150'	120'
Minor Arterial	150'	120'
Major Arterial	150'	120'

(a) Incentive for Qualifying Lots. Qualifying Lots will be exempt from the minimum lot frontage and driveway spacing requirements specified above if approved by the Road Director and Commissioners Court with due regard to safety concerns. A Qualifying Lot is any Lot that (i) is restricted by plat note to development of a single family residence, (ii) has direct access onto a Permitted Street and (iii) satisfies the minimum Lot size requirements set forth in the Rules of Hays County for On-Site Sewage Facilities.

(b) Flag Lots. Flag lots shall generally not be permitted, except if approved by the Commissioners Court as consistent with the intent and spirit of these Regulations. The Director shall advise the Commissioners Court if a proposed Lot constitutes a "flag lot" and the Commissioners Court shall, in reviewing all the circumstances, make the final determination.

7.5 Commercial Driveways. Driveways serving commercial development shall be spaced at the minimum intervals of one hundred fifty feet (150') as set forth in Table 7.3a. Joint-use driveways may be utilized in situations that limit the number of driveway access permits that are issued by either the State of Texas or Hays County to a public road, or where safety concerns provide a satisfactory explanation for its use.

7.6 Shared Access Driveways. Up to one (1) Lot without independent access to a Permitted Street may obtain access to a Permitted Street by means of a Shared Access Driveway if approved by the Commissioners Court. An additional two (2) Lots having independent access to a Permitted Street may also share the use of the Shared Access Driveway. Shared Access Driveways are intended as a means to provide flexibility in the development process, preserve the rural character of the land and avoid excessive infrastructure costs when such costs would provide little or no social benefit. Shared Access Driveways are not intended to serve as a substitute for interior roads. Excessive use of Shared Access Driveways will not be permitted. Any application proposing shared access driveways shall also satisfy the following requirements:

(a) A plat note must be conspicuously displayed on the plat stating:

i. All lots served by a Shared Access Driveway are restricted to one single-family residence per lot and if any other Development of a Dwelling Unit occurs on any of the Lots obtaining access through the Shared Access Driveway, then such new Dwelling Unit must be constructed on a separately platted lot with direct frontage onto and physical access to a Permitted Street prior to construction of the Dwelling Unit. A duplex will not be considered a single family residence for purposed of this sub-paragraph.

ii. The homeowners of the Single Family Residences obtaining access through the Shared Access Driveway shall be solely responsible for all maintenance of the driveway, including maintaining any drainage structures associated with the driveway. The driveway must be maintained at all times in a condition that will permit unencumbered vehicular access by emergency vehicles.

(b) Each of the Lots sharing the use of the Shared Access Driveway shall hold equal, indivisible and unrestricted rights in the Shared Access Driveway, which rights shall be established by recorded easement and the easement shall run with the land of each of the benefited Lots. The easement instrument shall

clearly state each Lot's pro rata responsibility with respect to future maintenance or repairs of the Shared Access Driveway. (Shared Access Driveway Agreement)

(c) The Shared Access Driveway shall be no longer than one quarter mile in length and must have a minimum distance of (a) 200 feet from any other driveway entering onto the Permitted Street and (b) 500 feet from any other Shared Access Driveway.

(d) The postal address of each of the Lots shall be based on the Permitted Street on which the Shared Access Driveway gains access and the mailboxes for each of the Lots shall be located together along the right of way of the Permitted Street.

(e) Up to three (3) Lots not having independent access to a Permitted Street may share a Shared Access Driveway with up to two (2) Lots having independent access to a Permitted Street if all other requirements of this Section 7.6 are met and all Lots using or adjacent to the driveway are larger than five acres in size and restricted by Plat note limiting development to one single family residence per Lot and prohibiting ***TCEQ*** Regulated Development (as defined in Article II).

7.7 Publicly Maintained and Dedicated Paved Streets. Paved streets dedicated to the public shall be required in all Subdivisions except those satisfying the criteria for private streets, as set forth below. All such paved streets shall be designed and constructed in accordance with the specifications set forth in the Hays County Road Design and Construction Specifications (aka, Appendices III & IV). The boundary lines of all Lots fronting onto a publicly dedicated right of way shall be contiguous with the boundary of the right of way.

7.8 Privately Maintained Paved Streets. All private streets shall be designed and constructed in accordance with the standards specified in the Hays County Road Design and Construction Specifications (Appendices III & IV) for paved, publicly dedicated streets. Private streets shall be permitted only within a Subdivision satisfying each of the following criteria:

(a) All Lots within the Subdivision shall have an average size greater than 5 acres in size or the Commissioners Court shall have entered into an approved Development Agreement with the Owner regarding the development of a master-planned community of no fewer than fifty (50) residential lots;

(b) The following note shall be conspicuously displayed on the Plat:

[Owner], by filing this Plat of Record, and all future owners of property within this Subdivision, by purchasing such property, acknowledge and agree that they Hays County shall have no obligation whatsoever to repair or accept

maintenance of the roads shown on this subdivision until and unless [Owner] and/or the _____ Homeowners Association has improved the roadways to the then current standards required by Hays County and the roads have been accepted for maintenance by formal, written action of the County Commissioners Court and the roadway, with all required right of way, has been dedicated by the owners thereof, and accepted by the County, as a public street. [Owner] and all future owners of property within this Subdivision shall look solely to the _____ Homeowners Association for future maintenance and repair of the roads and streets shown on this Subdivision; and

(c) Restrictive covenants establishing a homeowners association, shall be placed on record concurrently with the recording of the Record Plat.

7.9 Permit Required for Construction in Right of Way. No driveway or utility construction, mail boxes, landscaping or any other encroachment into public right-of-way or easements shall be allowed without first obtaining a permit from the Road Department.

ARTICLE VIII

8. Acceptance of Road Maintenance and Development Permits.

8.1 Owner's Maintenance Responsibility. The Owner shall remain responsible for all maintenance and repair of streets within a subdivision until the Commissioners Court, by formal written action or Minute Order, accepts the obligation to maintain and repair such roads. The Commissioners Court's decision to approve a Final Plat or dedication of the right of way for a street shall not be deemed to constitute acceptance of the streets for maintenance.

8.2 County Acceptance of Maintenance. The County shall accept a road or street for maintenance when the following conditions have been satisfied:

(a) The street has been constructed as a Public Permitted Street in accordance with these Regulations, the Record Plat for the road or street has been recorded and the associated right of way has been dedicated to the public pursuant to these Regulations;

(b) The Owner has submitted a written request to the Department. If the Owner is no longer available, i.e. has ceased to transact any business or, in the case of an individual, has died, any person owning property with frontage or access onto the street may submit the written request;

(c) The design engineer has submitted a concurrence letter of substantial completion and compliance, and a set of as-built plans incorporating all changes made during construction, signed and sealed by the engineer of record;

(d) The Hays County Road Director has performed and approved all required

inspections and tests at the completion of each phase of construction of the street, including plasticity index, sub-base and base, tests for compacted density, depth of base and distribution of asphalt (it is the responsibility of the developer to coordinate all inspections and laboratory tests with the Hays County Road Director and not to proceed with construction until proper inspections and tests have been obtained, as required by the Hays County Road Director). Any laboratory tests and test holes shall be at the expense of the developer. In no event will any base be placed on the street until the subgrade has been approved in writing by the Road Director;

(e) The Hays County Road Director has inspected the street no earlier than 30 days prior to the Commissioners Court's acceptance of the maintenance obligation and has submitted to the Commissioners Court an Inspection Report stating that:

(1) the street, in its current condition and with no repairs, upgrades or improvements, is in compliance with the Regulations and all other guidelines in effect at the time of the inspection;

(2) the requirements of Section 10.4 below, regarding construction of drainage structures and driveway drain pipes, has been satisfied; and

(3) the Hays County Road Director recommends acceptance of the street by the Commissioners Court.

(f) One of the following has occurred:

(i) Two (2) years has expired from the date that all streets, drainage (including drain pipes) and other public improvements in the subdivision were first completed and inspected by the Road Department, or

(ii) The Owner has posted with the Department cash, bond or a letter of credit in a form approved by the Department (a "Maintenance Bond") to secure the proper construction and maintenance of the roads prior to County acceptance thereof in an amount equal to 10% of the construction costs of the streets and drainage improvements for a term of two (2) years following acceptance by the County. The Maintenance Bond will also secure the Owner's compliance with Section 6.6.(d) above. Before release of the Maintenance Bond, the Road Director shall again inspect the roads or streets and the Owner shall remedy all deficiencies prior to release of the Maintenance Bond. If the deficiencies are not promptly remedied, the County shall make the repairs and draw on the Maintenance Bond for payment. Note: A Maintenance Bond must be posted, regardless of the date the streets or

roads are accepted by the County, for all streets or roads completed prior to the recording of the Record Plat.

8.3 Performance Bond. This section applies if the Owner desires to submit for approval a Final Plat prior to completion of construction of all Permitted Streets and inspection by the Road Director. The Owner shall continue to be responsible for all other requirements set forth in Section 8.2 above.

(a) With the permission of the Commissioners Court, the Owner shall post a good and sufficient surety bond or letter of credit in an amount equal to 100% of the estimated construction costs of the roads and drainage improvements. The Commissioners Court must individually approve each application to post such a performance bond and the performance bond shall remain in effect until the roads and all associated drainage improvements have been accepted by the County for maintenance pursuant to Section 8.2 above. (also Ref. Section 10.4)

(b) Before release of the performance bond, the Road Department shall inspect the roads and the Owner shall remedy all deficiencies prior to release of the security. If the deficiencies are not properly remedied, the County shall draw on the security to make the necessary repairs.

(c) If the roads and drainage improvements are meant for public maintenance, at the time of the release of the construction security, a maintenance bond in the amount of 10% of the actual cost shall be posted with the County for a period of two (2) years.

8.4 Installation of Utility Lines. All utility lines planned to be constructed under a paved street shall be installed before the street is paved. All utility lines installed under an existing paved street shall be bored to a point at least 4 feet beyond the edge of pavement and must be approved in advance by the Road Director, unless otherwise approved by the Commissioners Court.

8.5 Temporary Construction Erosion Controls. All construction of roads or streets, whether public or private, shall comply with the Temporary Construction Erosion Controls Manual attached to these Regulations as Appendix IV.

8.6 Construction of Roads Prior to Final Plat. Upon approval of a Preliminary Plan, an Owner may apply to the Road Director to commence construction of roads, streets, utilities and drainage structures within the right of way. This application will be granted upon the Road Director's review and approval of the Construction Plans and other materials required in Sections 6.4 or 6.5, as applicable. An Owner wishing to construct road, street or other improvements prior to the approval of a Final Plat shall be required to post a Performance Bond upon approval of the Final Plat satisfying the requirements of Section 8.2(e)(ii) and 8.3(a) above.

8.7 Development Permits. No Development Permit for a Lot shall be issued until the subgrade of the Permitted Street serving the Lot has been completed and, if applicable, installation of all underground utilities.

ARTICLE IX

9. Water and Wastewater Standards.

9.1 Compliance with On-Site Sewage Rules. All Lots must be designed in compliance with the Rules of Hays County for On-Site Sewage Facilities.

ARTICLE X

10. Drainage and Flood Control.

10.1 Stormwater Runoff Discharges. Stormwater runoff from any proposed development may not be released onto adjacent property owners or into any county drainage ditch, swale, easement, culvert or other facility or any such drainage facility associated with an existing road, whether public or private, at a rate greater than when the property was in its undeveloped condition. Discharge calculations shall be based on fully developed conditions. The Director may require the submission of additional materials at the time of the Preliminary or Final Plat application to assure the proposed subdivision will be in compliance with this Section.

(a) Incentive for Lots Larger Than Five Acres. If all Lots in a subdivision are larger than five acres and restricted by plat note limiting future development to one single family residence per Lot and prohibiting TCEQ Regulated Development (as defined in Article II), then such subdivision shall be deemed to be in compliance with this Section 10.1 and no additional materials need be submitted to demonstrate compliance to the Director.

10.2 Sizing of Drainage Facilities. All drainage facilities for residential (single family or duplex residences) subdivisions including ditches, drainage pipes, street curbs, gutter inlets, driveway or road culverts, and storm sewers shall be designed to intercept and transport runoff from the following frequency storm, based upon the classification of Permitted Street affected by the drainage structure, as set forth below.

Classification of Street Affected by Drainage Structure	Storm Frequency
Country Lane	5 year
Local Street	10 year
Minor Collector	15 year
Major Collector	25 year
Minor Arterial	25 year
Major Arterial	25 year

(a) Incentive for Lots Larger than Five Acres. Notwithstanding the preceding requirements, all drainage structures affecting Local Streets or Minor Collectors may be designed based on a five-year storm frequency if all Lots in the subdivision are restricted by plat note limiting future development to one single family residence per Lot and prohibiting TCEQ Regulated Development (as defined in Article II) and the design of such drainage structures is approved by the Director. All drainage construction will, however, be subject to the remainder of this Article 10.

(b) Drainage Facilities for Other Subdivisions. For all drainage facilities serving Lots not intended for use as single family or duplex development, drainage and all drainage facilities shall be designed by a Registered Professional Engineer according to 25-year storm event calculations.

10.3 Conveyance of 100-Year Storm Frequency Flows. In addition to 10.2 above, the drainage system shall be designed to convey all channelized or concentrated flows from a 100 year frequency storm within defined right-of-way or drainage easements, which shall not be narrower than twenty feet (20') in width.

10.4 Completion of Drainage System Prior to Acceptance of Road Maintenance. No streets will be accepted for maintenance by the County until all drainage structures, including drain pipes for all driveways constructed as of the acceptance date, have been (i) installed by the Owner or occupant(s) of the Lot(s) and (ii) inspected and approved by the Road Department.

10.5 Maximum Headwater Elevation for Drainage Crossings. All roads, culverts underneath roads, and bridges shall be designed so that stormwater runoff from the frequency storm event designated below crossing such road or bridge shall not produce a headwater elevation at the roadway greater than 6 inches above the roadway crown elevation, based upon the classification of Permitted Street affected by the drainage structure:

Classification of Street Affected by Drainage Structure	Storm Frequency
Country Lane	25 year
Local Street	25 year
Minor Collector	25 year
Major Collector	100 year
Minor Arterial	100 year
Major Arterial	100 year

(a) Incentive for Lots Larger than Five Acres. Notwithstanding the preceding requirements, all Country Lanes, Local Streets or Minor Collectors, and culverts underneath such roads, may be designed based on a ten-year storm frequency if all Lots in the subdivision are restricted by plat note limiting future development to one single family residence per Lot and prohibiting TCEQ Regulated Development (as defined in Article II) and the design of such drainage structures is approved by the Director. All drainage construction will, however, be subject to the remainder of this Article 10. This incentive shall not apply to bridges.

(b) A permanent depth gauge shall be placed at all road crossings where the 100 year frequency flow or lesser frequency is anticipated to flow over the road surface. The Commissioners Court may require installation of gates or warning devices at all or some of such locations.

(c) All roads and streets shall be designed and constructed to withstand the impact of water being impounded adjacent to and flowing over the road or street.

(d) This Section 10.5 does not apply to driveway culverts.

10.6 Drainage Design Methodology. Computations by a registered professional engineer to support all drainage designs shall be submitted to the Department for review. The methodologies shall be based upon commonly accepted engineering practices used within the area.

(a) All computations of flood plains, culverts, channels, etc. shall be based on fully developed upstream conditions.

(b) A drainage area of 64 acres or greater is required within a contributing watershed to create a "flood plain." For areas of flow with less than 64 acres of contributing area, no flood plain shall be defined; however, any concentrated flow necessitates the dedication of a drainage easement.

10.7 Easements.

(a) All flood plains and concentrated flows for the 100 year storm frequency shall be contained within a dedicated drainage easement or right-of-way, however, studied floodplains may be defined with base flood elevations and established regulatory floodway boundaries without the use of drainage easements.

(b) Development will be allowed within the flood plain or within a drainage easement only on a case by case basis, and in any event any structures constructed within the flood plain must be above the base floor elevation. No development whatsoever will be permitted in the floodway.

ARTICLE XI

11. Revision and Cancellation.

11.1 Revision. The Owner of an existing lot or lots in a platted subdivision may submit an application to revise the portion of the existing plat affecting such Lots, unless prohibited by restrictive covenants or plat notes filed pursuant to these Regulations, by submitting the following to the Department:

(a) Sixteen copies of the proposed revised plat, conforming in all respects to the requirements of these Regulations; or, if submitted by a private homeowner who is not a developer in the subdivision, other materials acceptable to the Director clearly setting forth the desired amendment;

(b) A statement giving the reason for the proposed revision;

(c) A filing fee equal to $200.00, plus $10.00 per affected lot.

(d) Any revision for the purposes of adjusting lot lines, or the consolidation of lots may with the approval of the Precinct Commissioner be subject to Final approval only.

11.2 Review Period. The Department shall have the review period established in Sections 3.7 and 3.8 above.

11.3 Public Notice. After the date the Department posts the resubdivision for consideration by the Commissioners Court, but before the application is considered by the Court, the County shall have delivered or published all notices required by Local Government Code Section 232.009, including:

(a) A notarized publisher's affidavit demonstrating publication of the application in a newspaper of general circulation in the area affected by the resubdivision, including a statement of the time and place at which the Commissioners Court will meet to consider the application and hear protests, if any. As required by Local Government Code Section 232.009, the notice shall be published three (3) times during the period beginning on the 30th day and ending on the 7th day prior to the date of the Commissioners Court hearing; and

(b) Delivery of notice of the application to all owners within the original subdivision by certified or registered mail, return receipt requested.

(c) Any revision for the purposes of lot-line adjustments or the consolidation of lots shall be exempt from the notification requirements.

11.4 Criteria for Approval. The Commissioners Court may approve an application to revise a subdivision upon a finding that:

(a) The revision will not interfere with the established rights of any owner of a part of the subdivided land; or each owner whose rights may be interfered with has agreed to and signed the revised plat; and

(b) The plat as revised conforms to the requirements of the Regulations.

11.5 Cancellation. Any application to cancel an existing plat shall be submitted and considered in accordance with Article 232.008 of the Texas Local Government Code, which establishes, among other things:

(a) The application shall be granted if it is shown that the cancellation of all or a part of the subdivision does not interfere with the established rights of any purchaser who owns any part of the subdivision, or it is shown that the purchaser agrees to the cancellation;

(b) Notice of the application must be published in English in the County for at least three weeks before action is taken on the application;

(c) Upon application of the owners of 75 percent of the property included in the subdivision, phase or identifiable part, the Commissioners Court shall authorize the cancellation upon notice and hearing as required under Local Government Code Article 232.008, provided that if the owners of at least 10 percent of the property affected file written objections with the Commissioners Court, the grant of an order of cancellation is at the discretion of the Commissioners Court; and

(d) Establishing a certain private action for damages against the applicant for

persons who protest unsuccessfully against a cancellation application.

In the event of any conflict or inconsistency between the summary set forth above and the actual terms of Article 232.008 of the Local Government Code, as amended, the terms of the Local Government Code shall control in all respects.

ARTICLE XII

12. Variances.

12.1 Criteria for Variance. The Commissioners Court shall have the authority to grant variances from these Regulations when the public interest or the requirements of justice demands relaxation of the strict requirements of the Rules. Factors to be considered by the Court in evaluating a request for variance shall include:

(a) The actual situation of the property in question in relation to neighboring or similar properties, such that no special privilege not enjoyed by other similarly situated properties may be granted;

(b) Whether strict enforcement of the Regulations would deny the Applicant the privileges or safety of similarly situated property with similarly timed development;

(c) That the granting of the variance will not be detrimental to the public health, safety and welfare, or injurious to other property or will not prevent the orderly subdivision of the land in the area in accordance with these Regulations; and

(d) Whether there are special circumstances of conditions affecting the land or proposed development involved such that strict application of the provisions of these Regulations would deprive the applicant the reasonable use of his land and that failure to approve the variance would result in undue hardship to the applicant. Pecuniary hardship, standing alone, shall not be deemed to constitute undue hardship.

12.2 Application Materials. Any person who wishes to receive a variance should apply to the Department with a list of, and a detailed justification, for each variance requested.

12.3 Discretion to Grant Variances. The decision of the Court whether to grant or deny a variance is at its complete discretion, and will be final.

ARTICLE XIII

13. Enforcement; Penalties.

13.1 Category of Offense. A person commits an offense if the person knowingly or intentionally violates a requirement of these Regulations, including the Road Design and Construction Specifications incorporated into these Regulations, the Rules of Hays County for On-Site Sewage Facilities and any appendices attached to these Regulations. An offense under this provision is a Class B misdemeanor punishable by fine or imprisonment or both.

13.2 Enforcement Actions. At the request of the Commissioners Court, the county attorney or other prosecuting attorney for the County may file an action in a court of competent jurisdiction to:

(a) Enjoin the violation or threatened violation of a requirement established by or adopted by the Commissioners Court under these Regulations; or

(b) Recover damages in an amount adequate for the County to undertake any construction or other activity necessary to bring about compliance with a requirement established by or adopted by the Commissioners Court under these Regulations.

13.3 Enforcement of Plat Notes. The enforcement of plat notes or restrictions is generally the responsibility of the developer and other persons holding a property interest, whether in fee simple or by easement, in the subdivision. Plat notes shall reflect that the County may enforce any plat notes imposed pursuant to the Rules of Hays County for On-Site Sewage Facilities or Sections 6, 7 or 10 of these Regulations, any plat note limiting development to single family residences or prohibiting further resubdivision of the tract in order to qualify for an incentive under these Regulations, any plat note imposed in conjunction with an Average Daily Traffic calculation or in conjunction with a Shared Access Driveway or any plat note affecting County rights of way or drainage or the public health, safety and welfare. Moreover, the Commissioners Court shall have the right and authority through appropriate legal procedures to prohibit the construction or connection of utilities or issuing of permits if the plat notes or restrictions have been violated.

13.4 Severability. In the event any article, appendix, section, paragraph, sentence, clause or phrase of these Regulations shall be declared unconstitutional or invalid by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality or invalidity shall not affect any remaining phrases, clauses, sentences, paragraphs, sections, appendices or articles of these Regulations. It is the express intent of the Hays County Commissioners Court that the articles, appendices, sections, paragraphs, sentences, clauses or phrases of these Regulations be severable.

ORIGINALLY PASSED ON JUNE 3, 1997. AMENDED ON THIS 3rd DAY OF JUNE, 2003

APPROVED:

_____

County Judge

ATTEST:

County Clerk

APPENDIX I
SUBDIVISION FEE SCHEDULE

REVIEW FEE: (Payable to: "Hays County Treasurer")

Preliminary plat with no floodplain $400, plus $50 per lot

Preliminary plat with floodplain $700, plus $50 per lot

Final plat $100

Revised plat & cancellation $200, plus $10 per lot

Variance request $100 per requested variance

Release of easement $100

Flood study review Based on actual review costs

Public notification of resubdivision or replat $200, plus $4.42 per letter & cost of newspaper notification cost, based on actual cost of classified advertisement.

FILING FEE: (Payable to: "Hays County Clerk")

First page $50
Plus Records Management $6
& Security Fee

Each additional page $50

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APPENDIX I
SUBDIVISION FEE SCHEDULE

REVIEW FEE: (Payable to: "Hays County Treasurer")

Preliminary plat with no floodplain	$400, plus $50 per lot
Preliminary plat with floodplain	$700, plus $50 per lot
Final plat	$100
Revised plat & cancellation	$200, plus $10 per lot
Variance request	$100 per requested variance
Release of easement	$100
Flood study review	Based on actual review costs
Public notification of resubdivision Or replat	$200, plus $4.42 per letter & cost of newspaper notification cost, based on actual cost of classified advertisement.

FILING FEE: (Payable to: "Hays County Clerk")

First page	$50
Plus Records Management & Security Fee	$6
Each additional page	$50

APPENDIX II
SUBDIVISION PLAT NOTES

Acknowledgment and certificate of dedication by the Owner, to-wit:

For individual:

STATE OF TEXAS
COUNTY OF HAYS

KNOW ALL MEN BY THESE PRESENTS, That I __OWNER_____, owner of ___DEEDED ACREAGE___ acres of land out the ORIGINAL SURVEY__, Hays County, Texas as conveyed to me by deed dated _____, and recorded in Volume _____, Page _____, Hays County Deed Records, DO HEREBY SUBDIVIDE _____ __Subdivision Acreage__ acres of land out of the __Original Survey,(Note: If the subdivision lies in more than one survey, determine the acreage in each survey and repeat for each original survey within the subdivision) to be known as the __Subdivision Name__, in accordance with the plat shown hereon, subject to any and all easements or restrictions heretofore granted, and do hereby dedicate to the public (or: "owners of the property shown heron" for private streets) the use of the streets and easements easements shown hereon.
WITNESS MY HAND, this the _____day of_____, A.D., 19____.

_____
(Owner's Name) Owner

STATE OF TEXAS
COUNTY OF HAYS

BEFORE ME, the undersigned authority, on this day personally appeared __Owner's Name__ known to me to be person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein stated.
GIVEN UNDER MY HAND AND SEAL OF OFFICE this the _____day of _____, A.D., 19_____.

_____
NOTARY PUBLIC in and for Hays County, Texas

For corporation:

STATE OF TEXAS
COUNTY OF HAYS

KNOW ALL ME BY THESE PRESENTS, That I ___Corporation Name___, a corporation organized and existing under the laws of the State of Texas, with its home address at __Address, City, State__, owner of __Deeded Acreage__ acres of land out of the __Original Survey__, Hays County, Texas as conveyed to it by deed dated _____, and recorded in Volume _____, Page _____, Hays County Deed Records, DOES HEREBY SUBDIVIDE __Subdivision Acreage__ acres of land out of the __Original Survey__, (Note: If the subdivision lies in more than one survey, determine the acreage in each survey and repeat for each original survey within the subdivision) to be known as the __Subdivision Name__, in accordance with the plat shown hereon, subject to any and all easements or restrictions heretofore granted, and do hereby dedicate to the public (or owners of the property shown hereon for private streets) the use of the streets and easements shown hereon.
IN WITNESS WHEREOF the said __Corporation Name__ has caused these presents to be executed by its __Corporate Title__, __Name__, thereunto duly authorized,

_____
(Owner's Name) Owner

STATE OF TEXAS
COUNTY OF HAYS

BEFORE ME, the undersigned authority, on this day personally appeared _____Name__ known to me to be the person whose name is subscribed to the foregoing instrument as __Title__ of __Corporate Name__ and acknowledged to me that he executed the same in such capacity as the act and deed of said corporation for the purposes and considerations therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the _____day of ____, A.D., 19___.

_____
NOTARY PUBLIC in and for Hays County, Texas

Certificate of County Approval, to-wit:

STATE OF TEXAS
COUNTY OF HAYS

I, Lee Carlisle, County Clerk of Hays County, Texas, do hereby certify that on the ___day of ____, A.D., 19___, the Commissioners Court of Hays County, Texas passed an order authorizing the filing for record of this plat, and said order has been duly entered in the minutes of the said Court in Book ____, Page____.

WITNESS MY HAND AND SEAL OF OFFICE this the ___day of_____, A.D., 19___.

_____	_____
JIM POWERS	LEE CARLISLE
COUNTY JUDGE	COUNTY CLERK
HAYS COUNTY, TEXAS	HAYS COUNTY, TEXAS

Certificate of Recording, to-wit:

STATE OF TEXAS
COUNTY OF HAYS

I, Lee Carlisle, County Clerk of Hays County, Texas, do hereby certify that the foregoing instrument of writing with its certificate of authentication was filed for record in my office on the ___day of ____, 19__, at ____o'clock __ a.m., and duly recorded on the ___day of ___, 19__, at ____o'clock __ a.m., in the Plat Records of Hays County, Texas, in Book ___, Page ___.

_____
LEE CARLISLE, COUNTY CLERK
HAYS COUNTY, TEXAS

Sewage Disposal/Individual Water Supply Certification, to-wit:

No structure in this subdivision shall be occupied until connected to an individual water supply or a state-approved community water system. Due to declining water supplies and diminishing water quality, prospective property owners are cautioned by Hays County to question the seller concerning ground water availability. Rain water collection is encouraged and in some areas may offer the best renewable water resource.

No structure in this subdivision shall be occupied until connected to a public sewer system or to an on-site wastewater system which has been approved and permitted by Hays County Environmental Health.

No construction or other development within this subdivision may begin until all

Hays County Development Permit requirements have been met.

_____ _____

Allen G. Walther, Director Date
Hays County Environmental Health
Hays County Floodplain Administrator

SURVEYOR'S NOTES:

[(A) or (NO)] Portion of this subdivision lies within the boundaries of the Edwards Aquifer Recharge Zone.

[(A) or (NO)] Portion of this subdivision lies within the boundaries of the Contributing Zone of the Barton Springs Segment of the Edwards Aquifer.

[(A) or (NO)] Portion of this subdivision lies within the boundaries of any municipality's corporate city limits, or area of extra territorial jurisdiction.

[(A) or (NO)] Portion of this subdivision lies within the boundaries of the 100 year flood plain as delineated on Hays County Community Panel #_____, dated 2/18/1998.

Lot size categories:

A note stating the total number of Lots within the proposed subdivision and the average size of Lots, and the total number of Lots within the following size categories: 10 acres or larger, larger than 5.0 acres and smaller than 10 acres, 2.00 acres or larger up to 5.00 acres, larger than 1.00 acre and smaller than 2.0 acres and smaller than 1.00 acre.

School District plat note:

This subdivision is within the boundaries of the _____ School District.

Road Maintenance Statement:

A statement indicating whether the Applicant shall seek County maintenance of the roads or approval of a homeowner's association for road maintenance or designation of roads as private roads.

Privately maintained paved streets:

[Owner], by filing this Plat of Record, and all future owners of property within this Subdivision, by purchasing such property, acknowledge and agree that they Hays County shall have no obligation whatsoever to repair or accept maintenance of the roads shown on this subdivision until and unless [Owner] and/or the _____ Homeowners Association has improved

the roadways to the then current standards required by Hays County and the roads have been accepted for maintenance by formal, written action of the County Commissioners Court and the roadway, with all required right of way, has been dedicated by the owners thereof, and accepted by the County, as a public street. [Owner] and all future owners of property within this Subdivision shall look solely to the _____ Homeowners Association for future maintenance and repair of the roads and streets shown on this Subdivision;

Driveway Permit Statement:

"In order to promote safe use of roadways and preserve the conditions of public roadways, no driveway constructed on any lot within this subdivision shall be permitted access onto a publicly dedicated roadway unless (a) a Driveway Permit has been issued by the Road Department of Hays County and (b) the driveway satisfies the minimum spacing requirement for driveways set forth in Sections 7.4 and 7.5 of the Hays County Subdivision Regulations."

Minimum driveway culvert size:

When required, lots shall have a minimum driveway culvert size of 18".

Utility notes:

Water utility service will be provided by _____.

Or:

The source of water utility is not known.

Electric utility service will be provided by _____.

Telephone utility service will be provided by _____.

Gas utility service will be provided by _____.

Other possible plat notes:

Qualifying lots:

Residential lots are limited to one single-family residence per Lot and TNRCC Regulated Development is prohibited.

Commercial Wastewater Note:

On-Site Sewage Facilities discharge is limited to 350 gallons per day per acre.

Class I Wastewater System Note:

Lots are limited to the use of Class I on-site sewage facilities.

Shared Access Driveways:

All lots served by a Shared Access Driveway are restricted to one single-family residence per lot and if any other Development of a Dwelling Unit occurs on any of the Lots obtaining access through the Shared Access Driveway, then such new Dwelling Unit must be constructed on a separately platted lot with direct frontage onto and physical access to a Permitted Street prior to construction of the Dwelling Unit. A duplex will not be considered a single-family residence for purposes of this sub-paragraph.

The homeowners of the Single Family Residences obtaining access through the Shared Access Driveway shall be solely responsible for all maintenance of the driveway, including maintaining any drainage structures associated with the driveway. The driveway must be maintained at all times in a condition that will permit unencumbered vehicular access by emergency vehicles.

Water Availability Notes:

Specifically dealing with substandard water quality:
"Due to preliminary water quality reports being in excess of EPA limits for sulfate and total dissolved solids, an alternative treatments of well water may be advisable to meet basic water quality." *This note is only required of subdivisions whose water availability report indicated water quality meeting the criteria found in the statement.*

Standard Water Availability Statement:
While the water availability rules are intended to preserve and protect the water resources of Hays County, the Commissioners Court of Hays County does not make any warranty – express, implied, or otherwise – that subdivision that comply with these rules will be able to meet the water needs of those purchasing lots within the subdivision.

Water Supply Statement:
"[Water Supply Corp.'s name, CCN #], an approved water supply system, has adequate quantity to supply this subdivision and provisions have been made to provide service to each lot in this subdivision in accordance with the policies of the water supply system."

_____ _____

[Water Supply Corp.'s representative] Date

Sanitary control easement statement:
"Sanitary control easements must be contained on individual lots and when necessary pressure cemented to reduce the sanitary control easement radius to 50'.

Subdivisions served by Public Water Supplies, with minimum sized lots :

"All residential lots within this subdivision are restricted from drilling individual water wells."

Notes specific to Preliminary Plats with new roads:

1. A pre-construction meeting is required {when?} with the Hays County Road Department along with any other governmental agency that may have jurisdiction authority.
2. Construction of roadway and drainage improvements may begin once the Hays County Road Department has approved construction plans.
3. Utilities are intended to be (above-ground or below-ground) installed. {If below-ground, utility plans must accompany the Road and Drainage plans to the Hays County Road Department.}

ETJ Exemption Note

This subdivision is within the ETJ of *Municipality*. This subdivision is exempt from the City of _____'s ETJ requirements pursuant to Texas Local Government Code, Chapter 212.004. *(Applicable to proposed subdivisions that meet the criteria for exemption from a municipality's ordinances as outlined in the Texas Local Government Code.)*

APPENDIX III
SPECIFICATIONS
FOR
PAVING AND DRAINAGE IMPROVEMENTS
HAYS COUNTY, TEXAS

EXCAVATION AND SUBGRADE PREPARATION

1.01 DESCRIPTION The work to be performed under this specification will consist of excavation and grading necessary for the preparation of the road-bed subgrade and roadside and drainage ditches, and shall include the removal and satisfactory disposal of all trees, shrubs, brush, rock and other debris within the right-of-way being cleared.

1.02 CONSTRUCTION METHODS After the site of the work has been properly cleared, the excavation and grading may proceed in conformity with the plans and specifications, and as directed by the Road Director.

When required by the plans and specifications, selected materials from the excavation shall be utilized to improve the road-bed, in which case the work shall be performed in such manner and sequence that suitable materials may be selected, removed separately and deposited in the roadway within the limits and to the required elevations.

If unsuitable subgrade material is encountered, this material shall be excavated to a depth as required by the Road Director and suitable material from the project used to construct the roadbed.

Care shall be exercised so as not to disturb the natural ground below the compacted subgrade limits except for the construction of structures, or when so ordered by the Road Director.

The finished grades, slopes and edges of the excavation shall be backfilled where necessary, using select materials thoroughly compacted and dressed off uniformly in a neat and workmanlike manner.

The Contractor shall at all times make ample provisions for completely and readily draining the subgrades and excavation.

1.03 EMBANKMENT Embankments or fills shall be constructed at the locations and to the lines and grades indicated on the drawings, or as established. Materials placed in fills shall be free from all vegetable matter, trash and frozen materials, and stone having a maximum dimension greater than six inches. Fills shall be formed of excavated materials placed in successive layers of such widths and lengths as are suited to the sprinkling and compaction method utilized. Embankments shall be constructed in layers not exceeding six inches in thickness after compaction. The Contractor shall add moisture to or shall dry by aeration, each layer as may be necessary to meet the requirements of this specification for compaction. The addition of moisture to or drying by aeration of, each layer, shall be accompanied with thorough mixing so as to bring all material in each layer to a uniform moisture content. Compaction shall be accomplished with tamping rollers, discs, and pneumatic rollers of approved design. Tamping rollers shall be used except for the final rolling of the completed fill which shall be accomplished by rubber-tired rollers. The rollers, unless otherwise directed, shall be operated at a speed between two and three miles per hour. All soft areas that develop under construction operations shall be scarified, aerated or moistened as required, and

TABLE 7.3
SUMMARY OF HAYS COUNTY ROAD STANDARDS*

Average Daily Traffic (one-way trips)**	**Not more than 100**	**101-1000**	**1001-2500**	**2501-5000**	**5001-15000**	**More than 15000**
Functional Classification	Country Lane	Local Street	Minor Collector	Major Collector	Minor Arterial	Major Arterial
Design Speed	25 mph	25 mph	35 mph	45 mph	55mph	
Number of Lanes	2	2	2	2	4	***All elements***
ROW Width	50'	60'	60'	70'	100'	***including***
Width of Traveled way	18'	20'	22'	24'	48'	***geometric***
Width of Shoulders	2'	4'	5'	6'	8'	***layout and***
Minimum Centerline Radius	200'	300'	375'	675'	975'	***cross-section***
Minimum Tangent Length between Reverse Curves or Compound Curves	50'	100'	150'	300'	500'	***shall be approved***
Minimum Radius for Edge of Pavement at Intersections	25'	25'	25'	25'	25'	***by the***
Intersection Street Angle	80-100	80-100	80-100	80-100	80-100	***Road Director***
Maximum Grade:	11%	11%	10%	9%	8%	***on a case-by-case***
Minimum Street Centerline Offect at Adjacent Intersections	125'	125'	125'	125'	125'	***basis.***
Minimum Stopping Sight Distance	175'	175'	250'	350'	550'	
Minimum Intersection Sight Distance	250'	250'	350'	450'	550'	
Ditch Foreslope Grade	4:01	4:01	5:01	5:01	6:01	
Ditch Backslope Grade	3:01	3:01	4:01	4:01	4:01	
Minimum Cul-de-sac ROW Radius	65'	70'	70'	70'	70'	
Minimum Cul-de-sac Pavement Radius	35'	45'	45'	45'		
Notes:						
1) Any deviation from these standards must be the subject of an approved variance.						
2) Lots that are restricted by plat note to one single-family residence shall be presumed to generate 10 one-way trips per day. Average						
daily traffic for all other lots shall be determined on a case-by-case basis by the Road Director.						
3) Occasional short runs between intersections may exceed the amounts shown, but maximum grades through intersections may not exceed the amounts shown.						
4) The entire side ditch shall be contained entirely within the road right-of-way or a dedicated drainage easement. Guardrails shall be designed in accordance with						
current TXDOT standards.						
5) No cul-de-sac shall have a cross slope that exceeds 6 percent.						
6) Revegetation of disturbed areas within new road rights of way is required.						
required whereever ditch depth exceeds 8'-0" from edge of shoulder to bottom of ditch on Country Lanes and Local streets, 6'-0" from edge						
of shoulder to bottom of ditch on Minor Collectors, and 4'-0" from edge of shoulder to bottom of ditch on Major Collectors and Minor Arterials.						
Individual driveway entrances, if not shown on the approved constructions plans, must be approved by the Road Director. Maximum spacing between commerical						

TABLE 7.3
SUMMARY OF HAYS COUNTY ROAD STANDARDS*

driveways or curb cuts is 150ft. Safety-end treatment required on all driveways. (Minimum 6:1 slope)						
7) All design standards may be modified on a case-by-case basis as each project merits depending upon topography and other pertinent features. This is to include						
possible wider ROWs when designed backslopes will not fit within standard ROW.						
8) Utility construction and design, if intended to be underground, shall comply with USDOT utility guide. The design and installation of utilities needs to be coordinated						
with the Hays County Road Dept.						
9) No road and drainage construction may begin until a set of construction and drainage plans have been approved by the County Road Department.						
10) Seventy-Two (72) hours before construction is to begin a preconstruction meeting is required to be held. Contact the County Road Department for scheduling .						
information.						

Appendix IV
Temporary Erosion Control

Curb Inlets

One or more filter cloth bags containing washed sand or pea gravel can be placed in the gutter leading to the curb inlet or surrounding the inlet to act as small dikes. This will create small detention areas behind each dike that will act as sediment traps. Water will be sloved, temporarily detained, and then finally will flow around the bags into the inlet after dropping much of it's sediment load. The bags must be secured to prevent them from washing into the inlet by nailing them to the pavement or providing a welded wire grid in front of the opening.

Area Inlets

Surround the inlet with reinforced silt fencing or reinforced rock berms. Sediment will be trapped mainly by detention/ sedimentation with some filtration.

Detention Pond Outlets

Reinforced rock berms or reinforced silt fencing should be placed around the outlet on the inside of the pond to enhance sedimentation, especially during low flow events and when the pond is not fully revegetated. Temporary controls preferably should be placed inside the pond outlet rather than outside. If placed outside, a semicircular rock berm or reinforced rock berm should be placed immediately below the outlet headwall.

Revised Order Adopting
Hays County Infrastructure Regulations
For
Manufactured Home Rental Communities

Preamble

A. The Legislature has enacted legislation amending Section 232.007, Local Government Code, Subsection (a) and adding Subsections (c) through (h) enabling Commissioners Courts to adopt requirements for infrastructure regulations for manufactured home rental communities.

B. Due notice was given of a meeting and public hearing to determine whether the Commissioners Court of Hays County, Texas should enact an order establishing infrastructure regulations for manufactured home rental communities.

C. The Commissioners Court of Hays County, Texas finds that these requirements help to insure safe access of fire and emergency vehicles, protect against flood damage to properties and possible loss of life, and insure adequate water and wastewater facilities.

D. The Commissioners Court of Hays County, Texas has considered the matter and deems it appropriate to enact an Order adopting minimum infrastructure regulations for manufactured home rental communities.

Order

A. Construction of a proposed manufactured home rental community may not begin before the infrastructure plan has been approved by the commissioners court.

B. A utility may not provide utility services, including water, sewer, gas, and electric services to a manufactured home rental community subject to infrastructure development plan requirements until the plan is approved by commissioners court.

Hays County
LICENSE AGREEMENT

HAYS COUNTY, a political subdivision of the State of Texas ("COUNTY"), and _____, a Texas non-profit corporation ("Licensee"), enter into this License Agreement ("Agreement") on this the _____ day of _____ 20___, upon the terms and conditions set forth below.

I. PURPOSE OF LICENSE AGREEMENT

The COUNTY grants to Licensee, its successors and assigns, permission to use the licensed property for the following purposes only:

> To allow the installation of landscaping, lighting, fencing, entryway monuments, marketing signage, sidewalks and irrigation into the right-of-way of _____.

The above-described property, hereinafter referred to as the "licensed property," is further described in Exhibit "A" attached to this Agreement and incorporated by reference for all purposes.

The COUNTY makes this grant solely to the extent of its right, title and interest in the licensed property, without any express or implied warranties.

Licensee agrees that all construction and maintenance

permitted by this Agreement shall be done in compliance with all applicable County, State and/or Federal police, traffic, building, health and safety ordinances, laws and regulations existing at the time said construction and maintenance is performed.

II. ANNUAL FEE

The COUNTY, its governing body, and its respective successors and assigns agree that no annual fee shall be assessed for the license and permission herein granted to Licensee.

III. COUNTY'S RIGHTS TO LICENSED PROPERTY

This Agreement is expressly subject and subordinate to the present and future right of the COUNTY, its successors, assigns, lessees, grantees and licensees, to construct, install, establish, maintain, use, operate and renew any public utilities facilities, franchised public utilities, roadways or streets on, beneath or above the surface of the licensed property described in Article I above.

Nothing in this Agreement shall be construed to limit, in any way, the power of the COUNTY to widen, alter or improve the licensed property subject to this Agreement pursuant to official action by the governing body of the COUNTY or its successors. The

COUNTY does, however, agree to give Licensee at least thirty (30) days' written notice of such action and shall

cooperate with Licensee to effect the relocation of Licensee's installations and improvements in the event of such widening, altering or improvement of such street areas and, further, to cooperate with Licensee wherever possible, to effect such widening, altering or improving of such street areas so that Licensee's operations and improvements on the licensed property will not be materially affected thereby.

Notwithstanding any provision in this Agreement to the contrary, the COUNTY retains the right to enter upon the licensed property, at any time and without notice, assuming no obligation to Licensee, to remove any of the licensed improvements or alterations thereof whenever such removal is deemed necessary for: (a) exercising the COUNTY'S rights or duties with respect to the licensed property; (b) protecting persons or property; or (c) the public health or safety with respect to the licensed property.

IV. INSURANCE

Licensee shall, at its sole expense, provide a commercial general liability insurance policy, written by a company acceptable to the COUNTY and licensed to do business in Texas, with a combined single limit of not less than Five Hundred Thousand and No/100 Dollars ($500,000.00), which coverage may be provided in the form of a rider and/or endorsement to a previously existing insurance policy. Such insurance coverage

shall specifically name the COUNTY as co-insured. This insurance coverage shall cover all perils arising from the activities of Licensee, its officers, directors, employees, agents or contractors, relative to this Agreement. Licensee shall be responsible for any deductibles stated in the policy. A true copy of each instrument effecting such coverage shall be delivered to the COUNTY on or before the date Licensee begins construction of Licensee's improvements contemplated in this Agreement.

So long as Licensee is using the licensed property, Licensee shall not cause such insurance to be canceled nor permit such insurance to lapse. All insurance certificates shall include a clause to the effect that the policy shall not be canceled, reduced, restricted or otherwise limited until thirty (30) days after the COUNTY has received written notice as evidenced by a return receipt of registered or certified mail.

V. INDEMNIFICATION

Licensee shall indemnify and hold harmless the COUNTY and its officers, agents and employees against all claims, suits, demands, judgments and expenses, including attorney's fees, or other liability for personal injury, death or damage to any person or property which is proximately caused by Licensee's construction and location of the landscape improvements and the irrigation system, or Licensee's actions or inactions in

maintaining the landscape improvements and irrigation system located on the licensed property. This indemnification

provision, however, shall not apply to any claims, suits, damages, costs, losses or expenses (i) for which the COUNTY shall have been, or is entitled to be compensated by insurance provided under Article IV above, or (ii) which are proximately caused by the negligent or willful acts of the COUNTY, its agents, employees or contractors; provided, however, that for the purposes of the foregoing, the COUNTY'S act of entering into this Agreement shall not be deemed to be a "negligent or willful act."

VI. CONDITIONS

A. Licensee's Responsibilities. Licensee will be responsible for any damage to or relocation of existing facilities. Further, Licensee shall reimburse the COUNTY for all costs of replacing or repairing any property of the COUNTY or of others which was damaged or destroyed as a result of activities authorized under this Agreement by, or on behalf of, Licensee.

B. Maintenance. Licensee shall maintain the licensed property by keeping the area free of debris and litter. Removal of dead or dying plants shall also be handled by Licensee at its expense, as required by the COUNTY; such removal shall be completed within thirty (30) days following receipt of a written request by the COUNTY to do so.

C. Removal or Modification. Licensee agrees that removal or modification of any improvements now existing or to be later replaced shall be at Licensee's expense. Said removal or

modification shall be at Licensee's sole discretion, except where otherwise provided by this Agreement.

D. Default. In the event that Licensee fails to maintain the licensed property or otherwise comply with the terms or conditions as set forth herein, then the COUNTY shall give Licensee written notice thereof, by registered or certified mail, return receipt requested, to the address set forth below. Licensee shall have thirty (30) days from the date of receipt of such notice to take action to remedy the failure complained of and, if Licensee does not satisfactorily remedy the same within the 30-day period, the COUNTY may perform the work or contract for the completion of the work. Licensee agrees to pay, within thirty (30) days of written demand by the COUNTY, all costs and expenses incurred by the COUNTY in completing the work.

VII. COMMENCEMENT: TERMINATION BY ABANDONMENT

This Agreement shall begin with the date set forth in the introductory paragraph of this Agreement, and continue thereafter for so long as the licensed property shall be used for the purposes set forth herein. If Licensee abandons the use of all or any part of the licensed property for such purposes set forth in this Agreement, then this Agreement, as to such portion or

portions abandoned, shall expire and terminate following thirty (30) days' written notice to the Licensee if such abandonment has not been remedied by Licensee within such period; the COUNTY

shall thereafter have the same complete title to the licensed property so abandoned as though this Agreement had never been made and shall have the right to enter on the licensed property and terminate the rights of Licensee, its successors and assigns hereunder. All installations of Licensee not removed shall be deemed property of the COUNTY as of the time abandoned.

VIII. TERMINATION

A. Termination By Licensee. This Agreement may be terminated by Licensee by delivering written notice of termination to the COUNTY not later than thirty (30) days before the effective date of termination. If Licensee so terminates, then it may remove installations that it made from the licensed property within the 30-day notice period. Any installations not removed within said period are agreed to be the property of the COUNTY.

B. Termination By County. This Agreement may be revoked at any time by resolution of the Williamson County Commissioners Court if such revocation is reasonably required by the public interest (as hereinafter set forth), after providing thirty (30) days' written notice to the Licensee.

Subject to prior written notification to Licensee or its successors-in-interest, this Agreement is revocable by the COUNTY

and deemed to be in the public interest if:

1. the licensed improvements, or a portion of them,

interfere with the COUNTY'S right-of-way;

2. use of the licensed property becomes necessary for a public purpose;

3. the licensed improvements, or a portion of them, constitute a danger to the public which the COUNTY deems not to be remediable by alteration or maintenance of such improvements;

4. despite thirty (30) days' written notice to Licensee, maintenance or alteration necessary to alleviate a danger to the public has not been made; or

5. Licensee fails to comply with the terms and conditions of this Agreement including, but not limited to, any insurance requirements specified herein.

If Licensee abandons or fails to maintain the licensed property, and the COUNTY receives no substantive response within thirty (30) days following written notification to Licensee, then the COUNTY may remove and/or replace all licensed improvements.

IX. APPLICATION OF LAW

This Agreement shall be governed by the laws of the State of Texas. If the final judgment of a court of competent jurisdiction invalidates any part of this Agreement, then the remaining parts shall be enforced, to the extent possible, consistent with the intent of the parties as evidenced by this Agreement.

X. VENUE

Venue for all lawsuits concerning this Agreement will be in Williamson County, Texas.

XI. COVENANT RUNNING WITH LAND: WAIVER OF DEFAULT

This License Agreement and all of the covenants herein shall run with the land; therefore, the conditions set forth herein shall inure to and bind each party's successors and assigns. Either party may waive any default of the other at any time, without affecting or impairing any right arising from any subsequent or other default.

XII. ASSIGNMENT

Licensee shall not assign, sublet or transfer its interest in this Agreement without the written consent of the COUNTY, which consent shall not be unreasonably withheld. Subject to the assignee's compliance with the insurance and Security Deposit requirements set forth herein, if any, Licensee shall furnish to the COUNTY a copy of any such assignment or transfer of any of Licensee's rights in this Agreement, including the name, date, address and contact person.

XIII. NOTICES

All notices, demands and requests for delivery of documents or information hereunder shall be in writing and shall be deemed

to have been properly delivered and received as of the time of delivery if personally delivered, as of the time deposited in the mail system if sent by United States certified mail, return receipt requested, and postage prepaid, or as of the time of delivery to Federal Express (or comparable express delivery system) if sent by such method with all costs prepaid. All notices, demands and requests hereunder shall be addressed:

To Licensee At:

with copies to:

And To COUNTY At:

_____

_____

Attention: _____

_____

or to such other addresses which either party may so designate by sending notice as aforesaid.

TERMS AND CONDITIONS ACCEPTED, this the _____ day of _____, 20___.

_____

APPROVED AS TO FORM:

_____
County Attorney

WILLIAMSON COUNTY

By: _____
Name: _____
Title: _____

THE STATE OF TEXAS §
§
COUNTY OF HAYS §

This instrument was acknowledged before me on this the _____ day of _____, 20___, by _____, as _____, _____ of HAYS **COUNTY**, a political subdivision of the state of Texas on behalf of said political subdivision.

_____
NOTARY PUBLIC, State of Texas

LICENSEE:

_____

_____

By:_____

THE STATE OF TEXAS §
§
COUNTY OF HAYS §

This instrument was acknowledged before me on this the _____ day of _____, 20___, by _____, _____, on behalf of said corporation.

_____
NOTARY PUBLIC, State of Texas

SUBDIVISION APPLICATION
for Hays County, Texas

To be submitted with Preliminary Plat
This form must be filled out in its entirety

PROPOSED NAME OF SUBDIVISION: _____

NAME OF PROPERTY OWNER: _____
Address: _____
Telephone No. _____

NAME OF APPLICANT: _____
Address: _____
Telephone No. _____

PERSON TO APPEAR AT COMMISSIONERS COURT: _____

TOTAL ACREAGE OF DEVELOPMENT: _____ TOTAL ACREAGE OF LOTS: _____
INTENDED USE OF LOTS:
Residential: _____ Commercial/Industrial: _____
TOTAL NUMBER OF LOTS: _____ AVERAGE SIZE OF LOTS: _____
NUMBER OF LOTS: Greater than 10 acres _____ Larger than 5, less than 10 _____
Between 2 & 5 acres _____ Between 1 & 2 acres _____
Less than an acre _____

FRONTAGE ON EXISTING ROAD:
COUNTY ROAD: _____
STATE ROAD: _____
PRIVATE ROAD: _____

NEW ROADS IN DEVELOPMENT:
PUBLIC ROADS: _____
PRIVATE ROADS: _____
(A list of proposed road names must be submitted with Preliminary Plat)

LETTER OF CREDIT EXPIRATION DATE: _____
DATE PLAT FILED: _____

PROPERTY ADDRESS/LOCATION: _____
CURRENT LEGAL DESCRIPTION: _____
CURRENT LAND AREA: _____ ACRES
CITY ETJ: _____(no) _____(yes) City Name: _____

IS DEVELOPMENT OVER THE EDWARDS AQUIFER RECHARGE ZONE?
YES: _____ NO: _____

IS THE DEVELOPMENT OVER THE EDWARDS AQUIFER CONTRIBUTING ZONE?
YES: _____ NO: _____

SCHOOL DISTRICT(S): _____

SOURCE OF WATER:

SURFACE WATER:
WATER SUPPLY CORP: _____
PUBLIC WATER SUPPLY: _____
RAINWATER CATCHMENT: _____

GROUND WATER:
PRIVATE WELL: _____
SHARED WELL: _____
WATER SUPPLY CORP: _____

ANTICIPATED WASTEWATER SYSTEM:
CONVENTIONAL SEPTIC SYSTEM: _____
CLASS I PERMITTED SYSTEM: _____
PUBLIC SEWER: _____

UTILITY CHECKLIST

Applicant must take copy of plat to each utility for review and comment. Original signatures required.

ELECTRIC UTILITY: Company Name _____
Approved As-Is: _____ Easement Required: _____
Define Required Easement: _____
Signature: _____ Title: _____

TELEPHONE UTILITY: Company Name: _____
GTE - Jim Bob Simmons (847-5590) SWBell - Al Hedtke (870-6957)
Century - Kerry Lewis (754-5589) Guadalupe Vallley Telephone - Paige Reeves (210-885-4411)
Approved As-Is: _____ Easement Required: _____
Define Required Easement: _____
Signature: _____ Title: _____

WATER UTILITY (If Applicable): Company Name: _____
Approved As-Is: _____ Easement Required: _____
Define Required Easement: _____
Signature: _____ Title: _____

SEWER UTILITY (If Applicable): Company Name: _____
Approved As-Is: _____ Easement Required: _____
Define Required Easement: _____
Signature: _____ Title: _____

TEXAS DEPARTMENT OF TRANSPORTATION (If frontage on state-maintained roadway):
Edward Villalpando, Jr. (353-1061) OR Russell Lenz (328-2256)
Signature: _____ Title: _____

FOR STAFF USE ONLY

Date submitted: _____

Lot Size Designation:
A: (surface water) _____ B: (community) _____ C: (private) _____

This proposed subdivision lies within Hays County Commissioner Precinct #_____.

I hereby acknowledge that I am aware of and approve the submission of the preceding subdivision for placement on the Commissioners Court agenda.

LETTER OF CREDIT

DATE: _____ **RE:** _____
Subdivision Name

TO: HAYS COUNTY JUDGE

IRREVOCABLE LETTER OF CREDIT NO. _____

We hereby establish our irrevocable letter of credit in favor of the County of Hays in the account of **{Name of Developer}**. This letter is effective up to the aggregate amount of $ _____ and **will remain in effect until {Name of Bank} is released or discharged by the County of Hays**. This is your authority to draw the full amount not to exceed $_____.

All drafts are to be marked "Drawn under Letter of Credit No. _____".

This letter of credit is given as assurance that all road construction in **{Subdivision Name}** will be completed to County of Hays specifications.

{Authorized Signature}

RECORDED IN VOLUME ____ PAGE _____ OF THE
OFFICIAL PUBLIC RECORDS OF
HAYS COUNTY, TEXAS.

Each draft so drawn must be marked "Drawn under (name of Bank and # of letter) and be accompanied by (1) the original letter of credit and (2) a signed statement from the Hays County Judge stating that:

"The roads in (name of subdivision) were not completed as defined in the plans and specifications approved by the Hays County Commissioners Court."

BOND NO. _____

PRINCIPAL:	{Developer}
SURETY:	{Bonding Company}
BENEFICIARY:	Hays County Judge Jim Powers Hays County, Texas
SUBDIVISION:	{Subdivision Name as platted}
SUM:	{Amount of construction of road and drainage Improvements in the amount of 100% for Construction and 10 % for maintenance}
DATE:	{Effective Date of the Bond}
EXPIRATION DATE:	{One year for construction; two years for maintenance}

The PRINCIPAL and SURETY, a Corporation authorized to write bonds in the State of Texas, are jointly and severally held and bound unto the BENEFICIARY in the above-stated sum in U.S. currency, an amount fixed by the BENEFICIARY pursuant to Chapter 232 of the Texas Local Government Code.

This Bond is conditioned on the performance of the duties of the PRINCIPAL prior to the Expiration Date to provide for the construction and completion of the street and drainage improvements in the SUBDIVISION, as further described below, to current Hays County Subdivision and Development Regulations (the "Standards") so that the Improvements are performing to the Standards upon the approval of the construction of the Improvements and the acceptance of the public improvements by the Commissioners Court and at the end of the two-year public improvement construction performance period, which commences upon the acceptance.

Partial reductions are not allowed. Upon the acceptance of the Improvements, the Bond will be reduced to ten percent of the cost of the public Improvements. If this Bond is unenforceable as a statutory Bond, the PRINCIPAL and SURETY shall be bound by this contract as a common law obligation.

In lieu of drawing on this BOND, BENEFICIARY, in it sole discretion, may accept a Substitute Bond in the then current amount of the estimated cost of constructing the Improvements in the SUBDIVISION.

DESCRIPTION: {Describe the improvements to be constructed as detailed by the engineer.}

PRINCIPAL

BY _____

Authorized Representative
{Principal}
Principal
{Principal's address}
{City, State, Zip Code}

SURETY

BY _____

Authorized Representative
{Bonding Agent}
Attorney-in-Fact
{Address of agent}
{City, State, Zip Code}

- A certified copy of the Bylaws of the Surety or a Power of Attorney evidencing the authority of the representative to sign this Bond obligation must be provided to the County.

{Notary Public information and seal/signature}

FLOOD DAMAGE PREVENTION ORDINANCE

ARTICLE I

STATUTORY AUTHORIZATION, FINDINGS OF FACT, PURPOSE AND METHODS

SECTION A. STATUTORY AUTHORIZATION

The Legislature of the State of Texas has in TEXAS WATER CODE ANNOTATED Sections 16.313, 16.315, and 16.318 delegated the responsibility of local governmental units to adopt regulations designed to minimize flood losses. Therefore, the Commissioners Court of Hays County, Texas, does ordain as follows:

SECTION B. FINDINGS OF FACT

(1) The flood hazard areas of Hays County are subject to periodic inundation which results in loss of life and property, health and safety hazards, disruption of commerce and governmental services, and extraordinary public expenditures for flood protection and relief, all of which adversely affect the public health, safety and general welfare.

(2) These flood loses are created by cumulative effect of obstructions in floodplains which cause an increase in flood heights and velocities, and by the occupancy flood hazards area by uses vulnerable to floods and hazardous to other lands because they are inadequately elevated, floodproofed or otherwise protected from flood damage.

SECTION C. STATEMENT OF PURPOSE

It is the purpose of this ordinance to promote the public health, safety and general welfare and to minimize public and private losses due to flood conditions in specific areas by provisions designed to:

(1) Protect human life and health;

(2) Enable Hays County to qualify for the National Flood Insurance Program so that property owners may obtain federally subsidized flood insurance for their improvements.

(3) Minimize expenditure of public money for costly flood control projects;

(4) Minimize the need for rescue and relief efforts associated with flooding and generally undertaken at the expense of the general public;

(5) Minimize prolonged business interruptions;

(6) Minimize damage to public facilities and utilities such as water and gas mains, electric, telephone and sewer lines, streets and bridges located in floodplains;

(7) Help maintain a stable tax base by providing for the sound use and development of flood-prone areas in such a manner as to minimize future flood blight areas; and

(8) Protect potential buyers from unknowingly purchasing land and improvements which are unsuited for intended purposes because of flood hazards.

SECTION D. METHODS OF REDUCING FLOOD LOSSES

In order to accomplish its purposes, this ordinance uses the following methods:

(1) Restrict or prohibit uses that are dangerous to health, safety or property in times of flood, or cause excessive increases in flood heights or velocities;

(2) Require that uses vulnerable to floods, including facilities which serve such uses, be protected against flood damage at the time of initial construction;

(3) Control the alteration of natural floodplains, stream channels, and natural protective barriers, which are involved in the accommodation of flood waters;

(4) Control filling, grading, dredging and other development which may increase flood damage;

(5) Prevent or regulate the construction of flood barriers which will unnaturally divert flood waters or which may increase flood hazards to other lands.

SECTION E. ENFORCEMENT AND PENALTIES

Any violation of this Court Order is a Class C Misdemeanor. Each day a violation occurs is a separate offense. The Commissioners Court may file suit for injunctive relief or civil penalties or both for any violation or threatened violation of this Court Order.

ARTICLE 2

DEFINITIONS

Unless specifically defined below, words or phrases used in this ordinance shall be interpreted to give them the meaning they have in common usage and to give this ordinance its most reasonable application.

ALLUVIAL FAN FLOODING - means flooding occurring on the surface of an alluvial fan or similar landform which originates at the apex and is characterized by high-velocity flows; active processes of erosion, sediment transport, and deposition; and unpredictable flow paths.

APEX - means a point on an alluvial fan or similar landform below which the flow path of the major stream that formed the fan becomes unpredictable and alluvial fan flooding can occur.

APPEAL BOARD - means the Hays County Commissioners Court.

AREA OF SHALLOW FLOODING - means a designated AO, AH, or VO zone on a community's Flood Insurance Rate map (FIRM) with a one percent chance or greater annual chance of flooding to an average depth of one to three feet where a clearly defined channel does not exist, where the path of flooding is unpredictable and where velocity flow may be evident. Such flooding is characterized by ponding or sheet flow.

AREA OF SPECIAL FLOOD HAZARD - is the land in the floodplain within a community subject to a one percent or greater chance of flooding in any given year. The area may be designated a Zone A on the Flood Hazard Boundary Map (FHBM). After detailed ratemaking has been completed in preparation for publication of the FIRM, Zone A usually is refined into Zones A, AE, AH, AO, A1-99, VO, VI-2Q, VE, OR V.

BASE FLOOD - means the flood having a one percent chance of being equalled or exceeded in any given year.

BASE FLOOD ELEVATION - is an estimate of the water surface elevation of the Base Flood at a specific location determined by using the best available information.

BASEMENT - means any area of the building having its floor subgrade (below ground level) on all sides.

COUNTY ENGINEER - a Registered Professional Engineer, engaged by Hays County, or his designated agent, to assist the Floodplain Administrator and the Commissioners Court in the administration of all the provisions of these regulations.

CRITICAL FEATURE - means an integral and readily identifiable part of a flood protection system, without which the flood protection provided by the entire system would be compromised.

DEVELOPMENT - means any man-made change in improved and unimproved real estate, including but not limited to buildings or other structures, mining, dredging, filling, grading, paving, excavation or drilling operations or storage of equipment or materials.

ELEVATED BUILDING - means a nonbasement building (i) built, in the case of a building in Zones A1-30, AE, A99, AO, AH, B, C, X, and D, to have the top of the elevated floor, or in the case of a building in Zones V1-30, VE, or V, to have the bottom of the lowest horizontal structure member of the elevated floor elevated above the ground level by means of pilings, columns (posts and piers), or shear walls parallel to the flow of the water and (ii) adequately anchored so as not to impair the structural integrity of the building during a flood of up to the magnitude of the base flood. In the case of Zones A1-30, AE, A, A99, AO, AH, B, C, X, and D, "elevated building" also includes a building elevated by means of fill or solid foundation perimeter walls with openings sufficient to facilitate the unimpeded movement of flood waters. In the case of Zones V1-30, VE, or V, "elevated building" also includes a building otherwise meeting the definition of "elevated building", even though the lower area is enclosed by means of breakaway walls if the breakaway walls met the standards of Section 60.3(e) (5) of the National Flood Insurance Program regulations.

EXISTING CONSTRUCTION - means for the purposes of determining rates, structures for which the "start of construction" commenced before the effective date the FIRM or before January 1, 1975, for FIRMs effective before that date. "Existing construction" may also be referred to as "existing structures".

EXISTING MANUFACTURED HOME PARK OR SUBDIVISION - means a manufactured home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including, at a minimum, the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads) is completed before the effective date of the floodplain management regulations adopted by a community.

EXPANSION TO AN EXISTING MANUFACTURED HOME PARK OR SUBDIVISION - means the preparation of additional site by the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads).

FLOOD OR FLOODING - means a general and temporary condition of partial or complete inundation of normally dry land areas from:

(1) the overflow of inland or tidal waters.
(2) the unusual and rapid accumulation or runoff of surface water from any source.

FLOOD INSURANCE RATE MAP (FIRM) - means an official map of a community, on which the Federal Emergency Management Agency has delineated both the areas of special flood hazards and the risk premium zones applicable to the community.

FLOOD INSURANCE STUDY - is the official report provided by the Federal Emergency Management Agency. The report contains flood profiles, water surface elevation of the base flood, as well as the Flood Boundary-Floodway Map.

FLOODPLAIN OR FLOOD-PRONE AREA - means any land area susceptible to being inundated by water from any source (see definition of flooding).

FLOODPLAIN ADMINISTRATOR - an individual proficient in administrative function appointed by the Commissioners Court of Hays County, or his designated agent, to assist the Commissioners Court in the administration of all the provisions of these regulations.

FLOODPLAIN MANAGEMENT - means the operation of an overall program of corrective and preventive measures for reducing flood damage, including but not limited to emergency preparedness plans, flood control works and floodplain management regulations.

FLOODPLAIN MANAGEMENT REGULATIONS - means zoning ordinances, subdivision regulations, building codes, health regulations, special purpose ordinances (such as a floodplain ordinance, grading ordinance and erosion control ordinance) and other applications of police power. The term describes such state or local regulations, in any combination thereof, which provide standards for the purpose of flood damage prevention and reduction.

FLOOD PROTECTION SYSTEM - means those physical structural works for which funds have been authorized, appropriated, and expended and which have been constructed specifically to modify flooding in order to reduce the extent of the areas within a community subject to a "special flood hazard" and the extent of the depths of associated flooding. Such a system typically includes hurricane tidal barriers, dams, reservoirs, levees or dikes. These specialized flood modifying works are those construction in conformance with sound engineering standards.

FLOOD PROOFING - means any combination of structural and non-structural additions, changes, or adjustments to structures which reduce or eliminate flood damage

to real estate or improved real property, water and sanitary facilities, structures and their contents.

FLOODWAY (REGULATORY FLOODWAY) - means the channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than a designated height.

FUNCTIONALLY DEPENDENT USE - means a use which cannot perform its intended purpose unless it is located or carried out in close proximity to water. The term includes only docking facilities, port facilities that are necessary for the loading and unloading of cargo or passengers, and ship building and ship repair facilities, but does not include long-term storage or related manufacturing facilities.

HIGHEST ADJACENT GRADE - means the highest natural elevation of the ground surface prior to construction next to the proposed walls of a structure.

HISTORIC STRUCTURE - means any structure that is: (a) Listed individually in the National Register of Historic Places (a listing maintained by the Secretary of the Interior as meeting the requirements for individual listing on the National Register;

(b) Certified or preliminary determined by the Secretary of the Interior as contributing to the historical significance of a registered historic district or a district preliminary determined by the Secretary to qualify as a registered historic district;

(c) Individually listed on a state inventory of historic preservation programs which have been approved by the Secretary of Interior; or

(d) Individually listed on a local inventory or historic places in communities with historic preservation programs that have been certified either:

(1) By an approved state program as determined by the Secretary of the Interior or:

(2) Directly by the Secretary of the Interior in states without approved programs.

LEVEE - means a man-made structure, usually an earthen embankment, designed and structured in accordance with sound engineering practices to contain, control, or divert the flow of water so as to provide protection from temporary flooding.

LEVEE SYSTEM - means a flood protection system which consists of a levee, or levees, and associated structures, such as closure and drainage devices, which are constructed and operated in accordance with sound engineering practices.

LOWEST FLOOR - means the lowest floor or the lowest enclosed area (including basement). An unfinished or flood resistant enclosure, usable solely for parking or vehicles, building access or storage in an area other than a basement area is not considered a building's lowest floor; provided that such enclosure is not built so as to render the structure in violation of the applicable non-elevation design requirement of Section 60.3 of the National Flood Insurance Program regulations.

MANUFACTURED HOME - means a structure transportable in one or more sections, which is built on a permanent chassis and is designed for use with or without a permanent foundations when connected to the required utilities. The term "manufactured home" does not include a "recreational vehicle".

MANUFACTURED HOME PARK OR SUBDIVISION - means a parcel (or contiguous parcels) of land divided into two or more manufactured home lot for rent or sale.

MEAN SEA LEVEL - means for purposes of the Nation Flood Insurance Program, the National Geodetic Vertical Datum (NGVD) of 1929 or other datum, to which base flood elevations shown on a community's Flood Insurance Rate Map are referenced.

NEW CONSTRUCTION - means for the purposes of determining insurance rates, structures for which the "start of construction" commenced on or after the effective date of an initial FIRM or after December 31, 1974, whichever is later, and includes any subsequent improvement to such structures. For floodplain management purposes, "new construction" means structures for which the "start of construction" commenced on or after the effective date of a floodplain management regulation adopted by community and includes any subsequent improvements to such structures.

NEW MANUFACTURED HOME PARK OR SUBDIVISION - means a manufactured home park or subdivision for which the construction of facilities for servicing the lots on which the manufactured homes are to be affixed (including at a minimum, the installation of utilities, the construction of streets, and either final site grading or the pouring of concrete pads) is completed on or after the effective date of floodplain management regulations adopted by a community.

RECREATIONAL VEHICLE - means a vehicle which is (i) built on a single chassis; (ii) 400 square feet or less when measured at the largest horizontal projections; (iii) designed to be self-propelled or permanently towable by a light duty truck; and (iv) designed primarily not for use as a permanent dwelling but as temporary living quarters for recreational, camping, travel, or seasonal use.

START OF CONSTRUCTION - (for other than new construction or substantial improvements under the Coastal Barrier Resources Act (Pub. L. 97-348)), includes substantial improvement and means the date the building permit was issued, provided the actual start of construction, repair, reconstruction, rehabilitation, addition,

placement, or other improvement was within 180 days of the permit date. The actual start means either the first placement of permanent construction of a structure on a site, such as the pouring of slab or footings, the installation of piles, the construction of columns, or any work beyond the stage of excavation; or the placement of a manufactured home on a foundation. Permanent construction does not include land preparation, such as clearing grading and filling; nor does it include the installation of streets and/or walkways; not does it include excavation for basement, footings, piers of foundations or the erection of temporary forms; nor does it include the installation on the property of accessory buildings, such as garages or sheds not occupied as dwelling units or not part of the main structure. For a substantial improvement, the actual start of construction means the first alteration of any wall, ceiling, floor, or other structural part of a building, whether or not that alteration affects the external dimensions of the building.

STRUCTURE - means a walled and roofed building, including a gas or liquid storage tank, that is principally above ground, as well as a manufactured home.

SUBSTANTIAL DAMAGE - means damage of any origin sustained by a structure whereby the cost of restoring the structure to its before damaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred.

SUBSTANTIAL IMPROVEMENT - means any reconstruction, rehabilitation, addition, or other improvement of a structure, the cost of which equals or exceeds 50 percent of the market value of the structure before the "start of construction" of the improvement. This includes structures which have incurred "substantial damage", regardless of the actual repair work performed. The term does not, however, include either: (1) Any project for improvement of a structure to correct existing violations of state local health, sanitary, or safety code specifications which have been identified by the local code enforcement official and which are the minimum necessary conditions or (2) Any alteration of a "historic structure", provided that the alteration will not preclude the structure's continued designation as a "historic structure".

VARIANCE - is a grant of relief to a person from the requirement of this ordinance when specific enforcement would result in unnecessary hardship. A variance, therefore, permits construction or development in a manner otherwise prohibited by this ordinance. (For full requirements see Section 60.6 of the National Flood Insurance Program regulations).

VIOLATION - means the failure of a structure or other development to be fully complain with the community's floodplain management regulations. A structure or other development without the elevation certificate, other certifications, or other evidence of compliance required in Section 60.3 (b) (5), (c) (4), (c) (10), (d) (3), (e) (2),

(e) (4), or (e) (5) is presumed to be in violation until such time as that documentation is provided.

WATER SURFACE ELEVATION - means the height, in relation to the National Geodetic Vertical Datum (NGVD) of 1929 (or other datum, where specified), of floods of various magnitudes and frequencies in the floodplains of coastal or riverine areas.

ARTICLE 3

GENERAL PROVISIONS

SECTION A. LANDS TO WHICH THIS ORDINANCE APPLIES

The ordinance shall apply to all areas of special flood hazard within the jurisdiction of Hays County, Texas.

SECTION B. BASIS FOR ESTABLISHMENT THE AREAS OF SPECIAL FLOOD HAZARD

The areas of special flood hazard identified by the Federal Emergency Management Agency in a scientific and engineering report entitled, "The Flood Insurance Study for Hays County, Texas," dated February 18, 1998, with accompanying Flood Insurance Rate Maps and Flood Boundary-Floodway Maps (FIRM and FBFM) and any revisions thereto are hereby adopted by reference and declared to be a part of this ordinance.

SECTION C. ESTABLISHMENT OF DEVELOPMENT PERMIT SYSTEM

A Development Permit System is hereby established to ensure compliance with the provisions of this court order. This system shall require application for a Development Permit by the Person, or their Agent, proposing the development. The issuance of a Class B (Flood Hazard Development) permit shall be for those developments which qualify for such permit and are located on real property associated with flood hazard area. Developments located on real property for which there is no Flood Hazard Area delineated will be given a Class A (Exemption Certificate) permit. The permit shall state that the proposed development is located on real property that does not lie within an identified Flood Hazard Area and that the construction standards contained in this court order are not applicable to the proposed development.

SECTION D. COMPLIANCE

No structure or land in the unincorporated areas of Hays County shall hereafter be located, altered or have its use changed without first applying and qualifying for a Development Permit to be issued by the Floodplain Administrator.

A county-wide application system is a necessary and reasonable action to insure that all necessary permits for development in flood hazard areas have been obtained.

Additional flood plain data may be generated which will improve the accuracy of flood plain boundary identification. Since the County will constantly be aware of map changes and additional data, the responsibility for determining whether a property or development is within a flood hazard area must rest with the Floodplain Administrator. Flood Hazard Boundary Maps published by the Federal Insurance Administration delineate only the major flood prone areas within the County. With a County-wide review procedure, the Floodplain Administrator will be able to make recommendations for construction standards which will minimize or eliminate the possibility of damage from localized drainage problem.

SECTION E. PROMULGATION OF DEVELOPMENT PERMIT APPLICATION FORMS

The Commissioners Court through the Floodplain Administrator will develop and promulgate any/all forms as may be necessary for the implementation of this court order.

SECTION F. ABROGATION AND GREATER RESTRICTIONS

This ordinance is not intended to repeal, abrogate, or impair any existing easements, covenants, or deed restrictions. However, where this ordinance and another conflict or overlap, whichever imposes the more stringent restrictions shall prevail.

SECTION G. INTERPRETATION

In the interpretation and application of this ordinance, all provisions shall be; (1) considered as minimum requirements; (2) liberally construed in favor of the governing body; (3) deemed neither to limit nor repeal any other powers granted under State statutes.

SECTION H. ESTABLISHMENT OF FEES

The Commissioners Court upon the recommendation of the Floodplain Administrator shall establish application fees commensurate with the service rendered by the County.

The Development Permit applicant is required to pay this fee at the time application is made for a Development Permit.

SECTION I. UNRESTRICTED USES OF THE FLOOD HAZARD AREA

The following uses having a low flood-damage potential shall be permitted to the extent that they cause no obstruction of flood flows, are not prohibited by any other court order, and provided that they do not require the construction of structures, placement of fill, alteration of stream channels or storage of materials or equipment.

(1) Other agricultural uses such as general farming, pasture, grazing, outdoor plant nurseries, horticulture, viticulture, sod farming, game farming and fish hatcheries. Categorized under general farming are temporary structures such as animal pens, cribs, temporary crop covers, machinery storage sheds, wells and well installations primarily for stock or crop use, open wire fences such as stranded barbed wire, wire netting, sheep and goat fences and, in general, any type of large opening agricultural fence (breakaway wire gaps should be provided on all fences crossing streams or drainage channels).

(2) Private and public recreational uses such as golf courses, picnic grounds, parks wildlife and nature preserves,, target ranges, hunting and fishing areas, hiking, bike and horseback riding trails.

(3) Residential uses such as lawns, gardens, parking areas, and play areas. Lawn or yard fences such as chain link or wooden privacy fences will not be permitted to cross stream channels or drainage easement unless provisions are made for the unobstructed passage of flood water flows.

SECTION J. RESTRICTED USES OF THE FLOOD HAZARD AREA

Any development in the flood hazard area not classed as an unrestricted use shall be considered a restricted use and shall require a Class B (Flood Hazard Development) Permit.

Agricultural development for which a permit will be required will, for most farms and ranch operations, be limited to residential structures and large permanent barns, shops, poultry facilities and other similar structures which are proposed for construction in the flood hazard area.

Certain uses of the floodplain may not be appropriate, and the Floodplain Administrator shall deem it necessary to restrict or prohibit uses that are dangerous to health, safety of property in times of flood. These uses will include, but will not be limited to, the following:

(1) Hospitals, nursing homes and other facilities where elderly or invalid person reside.

(2) Boarding schools, orphanages and any other facilities where children reside.

(3) Detention facilities, sanitariums and any other facility where movements of persons may be restricted.

(4) Refuge center, disaster relief centers, disaster shelters and any other operation which may be utilized during times of emergency.

SECTION K. WARNING AND DISCLAIMER OR LIABILITY

The degree of flood protection required by this ordinance is considered reasonable e for regulatory purposes and is based on scientific and engineering consideration. On rare occasions greater floods can and will occur and flood heights may be increased by man-made or natural causes. This ordinance does not imply that land outside the areas of special flood hazards or uses permitted within such areas will be free from flooding or flood damages. This ordinance shall not create liability on the part of the community or any official or employee thereof for any flood damages that result from reliance on this ordinance or any administrative decision lawfully made thereunder.

ARTICLE 4

ADMINISTRATION

SECTION A. DESIGNATION OF THE FLOODPLAIN ADMINISTRATOR

The Director of Environmental Health, Allen G. Walther, is hereby appointed the Floodplain Administrator to administer and implement the provisions of this ordinance and other appropriate section of 44 CFR (National Flood Insurance Program Regulations) pertaining to floodplain management.

SECTION B. DUTIES & RESPONSIBILITIES OF THE FLOODPLAIN ADMINISTRATOR

Duties and responsibilities of the Floodplain Administrator shall include, but not be limited to, the following:

(1) Maintain and hold open for public inspection all records pertaining to the provisions of this ordinance.

(2) Review permit application to determine whether proposed building site, including the placement of manufactured homes, will be reasonably safe from flooding.

(3) Review, approve or deny all applications for development permits required by adoption of this ordinance.

(4) Review permits for proposed development to assure that all necessary permits have been obtained from those Federal, State or local governmental agencies (including Section 404 of the Federal Water Pollution Control Act Amendments of 1972, 33 U.S.C. 1334) from which prior approval is required.

(5) Where interpretation is needed as to the exact location of boundaries of the areas of special flood hazards (for example, where there appears to be a conflict between a mapped boundary and actual field conditions) the Floodplain Administrator shall make the necessary interpretations.

(6) Notify, in riverine situations, adjacent communities and the State Coordinating Agency which is The Texas Water Commission, prior to any alteration or relocation of a watercourse, and submit evidence of such notification to the Federal Emergency Management Agency.

(7) Assure that the flood carrying capacity within the altered or relocated portion of any watercourse is maintained.

(8) When base flood elevation data has not been provided in accordance with Article 3, Section B, the Floodplain Administrator shall obtain, review and reasonably utilize any base flood elevation data and floodway data available from a Federal State or other source, in order to administer the provision of Article 5.

(9) When a regulatory floodway has not be designated, the Floodplain Administrator must require that no new construction, substantial improvements, or other development (including fill) shall be permitted within Zones A1-30 and AE on the community's FIRM, unless it is demonstrated that the cumulative effect of the proposed development, when combined with all other existing and anticipated development, will not increase the water surface elevation of the base flood more than one foot at any point within the community.

(10) Under the provisions of 44 CFR Chapter 1, Section 65.12, of the National Flood Insurance Program regulation, a community may approve certain development in Zones A1-30, AE, AH, on the community's FIRM which increases water surface elevation of the base flood by more than one foot,

provided that the community first applies for a conditional FIRM revision through FEMA.

SECTION C. PERMIT PROCEDURES

(1) Application for a Development Permit shall be presented to the Floodplain Administrator on forms furnished by him and shall include, but not be limited to, plans in duplicated drawn to scale showing the location, dimensions, and elevation of proposed landscape alterations, existing and proposed structures, including the placement of manufactured homes, and the location of foregoing in relation to areas of special flood hazard. Additionally, the following information is required:

a. Elevation (in relation to mean sea level), of the lowest (including basement) of all new and substantially improved structures;

b. Elevation in relation to mean sea level to which any nonresidential structure shall be floodproofed;

c. A certificate from a registered professional engineer or architect that the nonresidential floodproofed structure shall meet the floodproofing criteria or Article 5, Section B(2);

d. Description of the extent to which any watercourse or natural drainage will be altered or relocated as a result of proposed development.

e. Maintain a record of all such information in accordance with Article 4, Section (B)(1).

(2) Approval or denial of a Development Permit by the Floodplain Administrator shall be based on all of the provisions of this ordinance and the following relevant factors:

a. The danger to life and property due to flooding or erosion damage;

b. The susceptibility of the proposed facility and its contents to flood damage and the effect of such damage on the individual owner;

c. The danger that materials may be swept onto other lands to the injury of other;

d. the compatibility of the proposed use with existing and anticipated development;

e. The safety of access to the property in times of flood for ordinary and emergency vehicles;

f. The costs of providing governmental services during and after flood conditions including maintenance and repair of streets and bridges, and public utilities and facilities such s sewer, gas, electrical and water system

g. The expected heights, velocity, duration, rate of rise and sediment transport of the flood waters and the effects of wave action, if applicable, expected at the site;

h. The necessity to the facility of a waterfront location, where applicable;

i. The availability of alternative locations, not subject to flooding or erosion damage, for the proposed use;

j. The relationship of the proposed use to the comprehensive plan for that area.

SECTION D. VARIANCE PROCEDURES

(1) The appeal Board as established by the community shall hear and render judgment on requests for variances from the requirements of this ordinance.

(2) The appeal Board shall hear and render judgment on an appeal only when it is alleged there is an error in any requirement, decision, or determination made by the Floodplain Administrator in the enforcement or administration of this ordinance.

(3) Any person or persons aggrieved by the decision of the Appeal Board may appeal such decision in the courts of competent jurisdiction.

(4) The Floodplain Administrator shall maintain a record of all actions involving an appeal and shall report variances to the Federal Emergency Agency upon request.

(5) Variances may be issued for the reconstruction, rehabilitation or restoration of structures listed on the National Register of Historic Places or the State Inventory or remainder of this ordinance.

(6) Variances may be issued for new construction and substantial improvements to be erected on a lot of one-half acre or less in size contiguous to and surrounded by lots with existing structures constructed below the base flood level, providing the relevant factors in Section C(2) of the Article have been

fully considered. As the lot size increases beyond the one-half acre, the technical justification required for issuing the variance increases.

(7) Upon consideration of the factors noted above and the intent of this ordinance, the Appeal Board may attach such conditions to the granting of variances as it deems necessary to further the purpose and objectives of this ordinance (Article 1, Section C).

(8) Variance shall not be issued within any designated floodway if any increase in flood levels during the base flood discharge would result.

(9) Variances may be issued for the repair or rehabilitation of historic structures upon a determination that the proposed repair or rehabilitation will not preclude the structure's continued designation as a historic structure and the variance is the minimum necessary to preserve the historic character and design of the structure.

(10) Prerequisites for granting variances:

a. Variances shall only be issued upon a determination that the variance is the minimum necessary, considering the flood hazard, to afford relief.

b. Variances shall only be issued upon, (i) showing a good and sufficient cause; (ii) a determination that failure to grant the variance would result in exceptional hardship to the applicant, and (iii) a determination that the granting of a variance will not result in increased flood heights, additional threats to public safety, extraordinary public expense, create nuisances, cause fraud on or victimization of the public, or conflict with existing local laws or ordinances.

c. Any applicant to whom a variance is granted shall be given written notice that the structure will be permitted to be built with the lowest floor elevation below the base flood elevation, and that the cost of flood insurance will be commensurate with the increased risk resulting from the reduced lowest floor elevation.

Variances may be issued by a community for new construction and substantial improvements and for other development necessary for the conduct of a functionally dependent use provided that (i) the criteria outlined in Article 4, Section D(1)-(9) are met, and (ii) the structure or other development is protected by methods that minimize flood damages during the base flood and create no additional threats to public safety.

ARTICLE 5

PROVISIONS FOR FLOOD HAZARD REDUCTION

SECTION A. GENERAL STANDARDS

In all areas of special flood hazards the following provisions are required for all new construction and substantial improvements.

(1) All new construction or substantial improvements shall be designed (or modified) and adequately anchored to prevent flotation, collapse or lateral movement of the structure resulting from hydrodynamic and hydrostatic loads, including the effects of buoyancy;

(2) All new construction or substantial improvements shall be constructed by methods and practices that minimize flood damage;

(3) All new construction or substantial improvements shall be constructed with materials resistant to flood damage;

(4) All new construction or substantial improvements shall be constructed with electrical, heating, ventilation, plumbing, and air conditioning equipment and other service facilities that are designed and/or located so as to prevent water from entering or accumulating within the components during conditions of flooding.

(5) All new and replacement sanitary sewage systems shall be designed to minimize or eliminate infiltration of flood waters into the system

(6) New and replacement sanitary systems shall be designed to minimize or eliminate infiltration of flood waters into the system and discharge from the systems into flood waters; and,

(7) On-site waste disposal systems shall be located to avoid impairment floodway, however consideration shall be given to the repair of existing facilities.

SECTION B. SPECIFIC STANDARDS

In all areas of special flood hazards where base flood elevation data has been provided as set forth in (i) Article 3, Section B, (ii) Article 4, Section B(8), or (iii) Article 5, Section C(3), the following provisions are required:

(1) Residential Construction - new construction and substantial improvement of any residential structure shall have the lowest floor (including basement), elevated to or above the base flood elevation. A registered professional engineer, architect, or land surveyor shall submit a certification to the Floodplain Administrator that the standard of this subsection as proposed in Article 4, Section C(1) a., is satisfied.

(2) Nonresidential Construction - New construction and substantial improvements of any commercial, industrial or other nonresidential structure shall either have the lowest floor (including basement) elevated to or above the base flood level or together with attendant utility and sanitary facilities, be designed so that below the base flood level the structure is watertight with walls substantially impermeable to the passage of water and with structural components having the capability of resisting hydrostatic and hydrodynamic loads and effects of buoyancy. A registered professional engineer or architect shall develop and/or review structural design, specifications, and plans for the construction are in accordance with accepted standards of practice as outlined in this subsection. A record of such certification which includes the specific elevation (in relation to mean sea level) to which such structures are floodproofed shall be maintained by the Floodplain Administrator.

(3) Enclosures - new construction and substantial improvements, with fully enclosed areas below the lowest floor that are usable solely for parking of vehicles, building access or storage in an area other than a basement and which are subject to flooding shall be designed to automatically equalize hydrostatic flood forces on exterior walls by allowing for the entry and exit of floodwaters. Designs for meeting the requirement must either be certified by a registered professional engineer or architect or meet or exceed the following minimum criteria:

a. A minimum of two opening having a total net area of not less than one square inch for every square foot of enclosed area subject to flooding shall be provided.

b. The bottom of all openings shall be no higher than one foot above grade.

c. Openings may be equipped with screens, louvers, valves, or other coverings or devices provided that they permit the automatic entry and exit of floodwaters.

(4) Manufactured Homes -

a. Require that all manufactured homes to be placed within Zone A on a community's FHBM or FIRM shall be installed using methods and practices which minimize flood damage. For the purposes of this

requirement, manufactured homes must be elevated and anchored to resist flotation, collapse, or lateral movement. Methods of anchoring may include, but are not limited to, use of over-the-top or frame ties to ground anchors. This requirement is in addition to applicable State and local anchoring requirements for resisting wind forces.

b. Requirement that manufactured homes that are placed or substantially improved within Zones A1-30, AH, and AE on the community's FIRM on sites (i) outside of a manufactured home park or subdivision, (ii) in a new manufactured home park or subdivision, (iii) in an expansion to an existing manufactured home park or subdivision, or (iv) in an existing manufactured home park or subdivision on which a manufactured home has incurred "substantial damage" as a result of a flood, be elevated on a permanent foundation such that the lowest floor or the manufactured home is elevated to or above the base flood elevation and be securely anchored to an adequately anchored foundation system to resist flotation, collapse, and lateral movement.

c. Require that manufactured homes be placed or substantially improved on sites in an existing manufactured home park or subdivision with Zones A1-30, AH and AE on the community's FIRM that are not subject to the provisions of paragraph (4) of this section be elevated so the either:

(i) the lowest floor of the manufactured home is at or above the base flood elevation, or

(ii) the manufactured home chassis is supported by reinforced piers or other foundation elements of at least equivalent strength that are no less than 36 inches in height above grade and be securely anchored to an adequately anchored foundation system to resist flotation, collapse, and lateral movement.

(5) Recreational Vehicles - Require that recreational vehicles place on sites within Zones A1-30, AH, and AE on the community's FIRM either (i) be on the site for fewer than 180 consecutive days, (ii) be fully licensed and ready for highway use, or (iii) meet the permit requirements of Article 4, Section C(1), and the elevation and anchoring requirements for "manufactured homes" in paragraph (4) of this section. A recreational vehicle is ready for highway use if it is on its wheels or jacking system, is attached to the site only quick disconnect type utilities and security devices, and has no permanently attached additions.

SECTION C. STANDARDS FOR SUBDIVISION PROPOSALS

(1) All subdivisions plats of proposed development in the unincorporated area of the County shall be submitted to and approved by the Floodplain Administrator prior to final approval for recording of the plat by the Commissioners Court. Plat specifications and details for submission will be governed by the County Subdivision Regulations and this court order.

(2) All subdivision proposals including the placement of manufactured home parks and subdivisions shall be consistent with Article 1, Section B, C, and D of this ordinance.

(3) All proposals for the development of subdivision including the placement of manufactured home parks and subdivisions shall meet Development Permit requirements of Article 3, Section C; Article 4, Section C; and the provisions of Article 5 of this ordinance.

(4) Base flood elevation data shall be generated by a Registered Professional Engineer employed by the developer for the subdivision proposals and other proposed development including the placement of manufactured home parks, and subdivisions which is greater than 50 lots or 5 acres, whichever is lesser, if not otherwise provided pursuant to Article 3, Section B or Article 4, Section B (8) of this ordinance.

(5) All subdivision plats shall have the Floodplain and Floodway clearly delineated on the plat and where appropriate, shall have lowest floor elevations for all lots located within Flood Hazards Areas.

(6) All subdivision proposals including the placement of manufactured home parks and subdivisions shall have adequate drainage provided to reduce exposure to flood hazards and lots shall be shaped and sized so as to provide adequate building space.

(7) All subdivision proposals including the placement of manufactured home parks and subdivisions shall have public utilities and facilities such as sewer, gas electrical and water systems located and constructed to minimize or eliminate flood damage.

(8) The developer, builder, seller, or agent shall inform in writing, to each prospective buyer or subdivision lots located in Flood Hazard Areas that such property is in a Flood Hazard Area and that a County Development Permit will be required for any development placed on the property.

(9) All subdivision proposals which include land which is encroached by areas of special flood hazard mush include the placement of a permanent benchmark indicating mean sea level elevation. The benchmark must be located within the property which is to be subdivided, and must be indicated on the subdivision plat.

SECTION D. STANDARDS FOR AREAS OF SHALLOW FLOODING (AO/AH ZONES)

Located within the areas of special flood hazard established in Article 3, Section B, are areas designated as shallow flooding. These areas have special flood hazards associated with base flood depths of 1 to 3 feet where a clearly defined channel does not exist and where the path of flooding is unpredictable and where velocity flow may be evident. Such flooding is characterized by ponding or sheet flow; therefore, the following provisions apply:

(1) All new construction and substantial improvements of residential structures have the lowest floor (including basement) elevated above the highest adjacent grade at least as high as the depth number specified in feet on the community's FIRM (at least two feet if no depth number is specified).

(2) All new construction and substantial improvements of non-residential structures;

(i) have the lowest floor (including basement) elevated above the highest adjacent grade at lease as high as the depth number specified in feet on the community's FIRM (at least two feet if no depth number is specified),or ;

(ii) together with attendant utility and sanitary facilities be designed so that below the base flood level the structure is watertight with walls substantially impermeable to the passage of water and with structural components having the capability of resisting hydrostatic and hydrodynamic loads of effects of buoyancy.

(3) A registered professional engineer or architect shall submit a certification to the Floodplain Administrator that the standards of this Section, as proposed in Article 4, Section C (1)a., are satisfied.

(4) Require within Zones AH or AO adequate drainage paths around structures on slopes, to guide flood water around and away from proposed structures.

SECTION E. FLOODWAYS

Floodways - located within areas of special flood hazard established in Article 3, Section B, are areas designated as floodways. Since the floodway is an extreme hazardous area due to the velocity of flood waters which carry debris, potential projectiles and erosions potential, the following provisions shall apply;

(1) Encroachments are prohibited, including fill, new construction, substantial improvements and other development within the adopted regulatory floodway unless it has been demonstrated through hydrologic and hydraulic analysis performed in accordance with standard engineering practice that the proposed encroachment would not result in any increase in flood levels within the community during the occurrence of the base flood discharge.

(2) If Article 5, Section E (1) above is satisfied, all new construction and substantial improvements shall comply with all applicable flood hazard reduction provisions of Article 5.

(3) Under the provisions of 44 CFR Chapter 1, Section 65.12, of the National Flood Insurance Regulations, a community may permit encroachments within the adopted regulatory floodway that would result in an increase in base flood elevations, provided that the community first applies for a conditional FIRM and floodway revision through FEMA.

CERTIFICATION

It is hereby found and declared by Hays County Commissioners Court that severe flooding has occurred in the past within its jurisdiction and will certainly occur within the future; that flooding is likely to result in infliction of serious personal injury or death, and is likely to result in substantial injury or destruction of property within its jurisdiction; in order to effectively comply with minimum standards for coverage under the National Flood Insurance Program; and in order to effectively remedy the situation described herein, it is necessary that this ordinance become effective immediately.

Therefore, an emergency is hereby declared to exist, and this ordinance, being necessary for the immediate preservation of the public peace, health and safety, shall be in full force and effect from and after its passage and approval.

APPROVED: _____
Eddy Etheredge, Hays County Judge

PASSED: January 13, 1998

I, the undersigned, _____, do hereby certify that the above is a true and correct copy of an ordinance duly adopted by the Hays County Commissioners Court, at a regular meeting duly convened on January 13, 1998 .

_____
(Hays County Clerk)

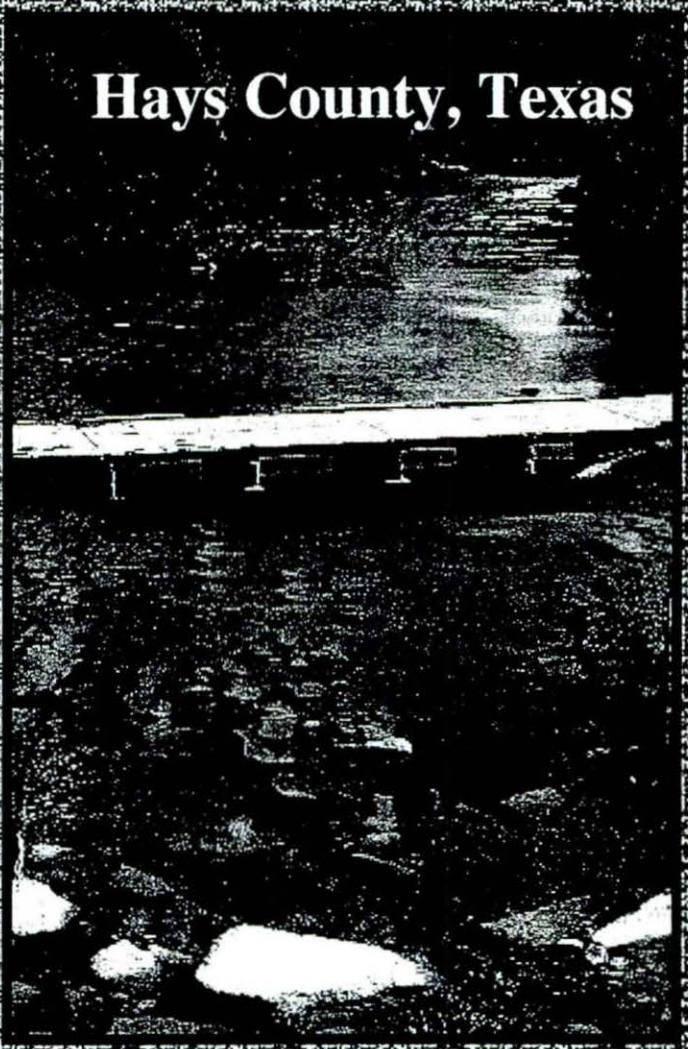
Exhibit 6

Rules for On-Site Sewage Facilities

Hays County Environmental Health Department

Rules for On-Site Sewage Facilities

Hays County, Texas



Hays County Environmental Health Department
1251 Civic Center Loop
San Marcos, Texas 78666
(512) 353-4351
Allen Walther, Director

ORDER ADOPTING RULES OF

HAYS COUNTY, TEXAS

FOR ON-SITE SEWAGE

FACILITIES

EFFECTIVE DATE: August 29, 1997

ORDER ADOPTING RULES OF HAYS COUNTY, TEXAS
FOR ON-SITE SEWAGE FACILITIES

PREAMBLE

A. The Texas Natural Resource Conservation Commission has established Design Criteria for on-site sewage facilities to provide the citizens of Texas with adequate public health protection and a minimum of environmental pollution; and

B. The Legislature has enacted legislation, codified as Texas Health and Safety Code, Chapter 366, which authorizes a local government to regulate the use of on-site sewage disposal facilities in its jurisdiction in order to abate or prevent pollution, or injury to public health arising out of the use of on-site sewage facilities; and

C. Due notice was given of a meeting and public hearing to determine whether the Commissioners Court of Hays County, Texas, should enact an order controlling or prohibiting the installation or use of on-site sewage facilities in the County of Hays, Texas; and

D. Said meeting and public hearing were held in accordance with the notice thereof, and the evidence and argument there presented were considered by the Commissioners Court of Hays County, Texas; and

E. The Commissioners Court of Hays County, Texas, finds that the use of on-site sewage facilities in Hays County, Texas, is causing or may cause pollution, and is injuring or may injure the public health; and

F. The Commissioners Court of Hays County finds that the Texas Natural Resource Conservation Commission has identified the Edwards Aquifer as being one of the most sensitive aquifers in Texas to groundwater pollution; and

G. The Commissioners Court of Hays County, Texas, finds that soil conditions in those portions of Hays County situated over the Recharge Zone of the Edwards Aquifer are generally porous limestone susceptible to rapid transportation of pollutants and therefore, in order to protect the public health, safety and welfare of the residents of Hays County, additional protective measures are appropriate and necessary for the use of on-site sewage systems within those portions of Hays County; and

H. The Commissioners Court of Hays County finds that portions of Hays County within the Contributing Zone of the Barton Springs Segment of the Edwards Aquifer and other areas in western Hays County have been designated by the Texas Natural Resource Conservation Commission as within the "Hill Country Critical Area" (now a Priority Groundwater Management Area) pursuant to Chapter 35 of the Texas Water Code and 30 Texas Administrative Code ("TAC") §294.24; and

I. The Commissioners Court of Hays County finds that the United States Fish and Wildlife Service has described the Contributing Zone of the Barton Springs Segment of the Edwards

Aquifer as a porous limestone, karst aquifer that is heavily influenced by the introduction of pollutants into its recharge features; and

J. The Commissioners Court of Hays County finds that the Texas Natural Resource Conservation Commission, for the stated purpose of protecting existing and potential uses of groundwater, has implemented special protective regulations for the Recharge Zone of the Edwards Aquifer under the Edwards Aquifer Rules promulgated as Chapter 213 of the Texas Administrative Code; and

K. The Commissioners Court of Hays County finds that soils within the Glen Rose Formation within the Contributing Zone of the Barton Springs Segment of the Edwards Aquifer have been described as highly variable, stony and fragile systems easily subject to degradation and that the Glen Rose Formation is characterized by a stair-step topography with alternating hard limestone/dolomite beds and soft marly beds which is highly susceptible to lateral discharge of groundwater through seeps directly into creeks and other bodies of surface water; and

L. The Commissioners Court of Hays County, Texas, upon public hearings, has received public comment from a broad spectrum of residents of Hays County seeking more stringent protective measures for the use of on-site sewage facilities in rural areas of Hays County including those areas within the Recharge Zone of the Edwards Aquifer and the Contributing Zone of the Barton Springs Segment of the Edwards Aquifer; and

M. The Commissioners Court of Hays County finds that protecting water resources is vital to human health and that virtually all residents within Hays County depend solely upon groundwater for their drinking water; and

N. The Commissioners Court of Hays County adopts Section 10 of these Rules as water availability requirements pursuant to Section 35.019 of the Texas Water Code and finds that these Rules are necessary to prevent current or projected water use in the county from exceeding the safe sustainable yield of the county's water supply; and

O. The Commissioners Court of Hays County finds that the population of Hays County has grown at an average annual rate of approximately five percent (5%) since 1990 and it is expected that similar or faster growth rates will be experienced in the future with much of this growth occurring within the unincorporated areas of Hays County; and

P. The Commissioners Court of Hays County finds that all or most of the projected future growth within the unincorporated areas of Hays County is expected to rely on on-site sewage facilities and to obtain drinking water from groundwater and that more stringent regulations of on-site sewage facilities within the Recharge Zone of the Edwards Aquifer, the Contributing Zone of the Barton Springs Segment of the Edwards Aquifer and those portions of Hays County within the Hill Country Priority Groundwater Management Area are necessary and appropriate to avert public health hazards resulting from such increased use of on-site sewage facilities; and

Q. The Commissioners Court of Hays County, Texas, has considered the matter and

deems it appropriate to enact an Order adopting Rules regulating on-site sewage facilities to abate or prevent pollution, or injury to public health in Hays County, Texas.

ORDER

NOW, THEREFORE, BE IT ORDERED BY THE COMMISSIONERS COURT OF HAYS COUNTY, TEXAS:

SECTION 1. THAT the matters and facts recited in the preamble hereof are hereby found and determined to be true and correct;

SECTION 2. THAT the use of on-site sewage facilities in Hays County, Texas is causing or may cause pollution or is injuring or may injure the public health;

SECTION 3. THAT an Order for Hays County, Texas, BE adopted entitled "On-Site Sewage Disposal," which shall read as follows:

AN ORDER ENTITLED ON-SITE SEWAGE DISPOSAL

SECTION 4. CONFLICTS.

All Orders or parts of the Orders of Hays County, Texas, not consistent with or in conflict with the provisions of this Order are hereby repealed.

SECTION 5. ADOPTING CHAPTER 366.

The County of Hays, Texas, clearly understands the technical criteria, legal requirements, and administrative procedures and duties associated with regulating on-site sewage facilities, does adopt and will fully enforce Chapter 366 of the Texas Health and Safety Code.

SECTION 6. AREA OF JURISDICTION.

(a) The Rules shall apply to all the area lying in Hays County, Texas, except for the area regulated under an existing Rule and the areas within incorporated cities.

(b) These Rules shall apply to those incorporated cities or towns that have executed intergovernmental contracts with Hays County, Texas.

SECTION 7.

Any structure discharging sewage into an on-site sewage facility within the jurisdictional area of Hays County, Texas must comply with the Rules adopted in Sections 8 and 10 of this Order.

SECTION 8. ON-SITE SEWAGE FACILITY RULES ADOPTED.

The Rules ("Design Criteria For On-Site Sewage Facilities," Texas Administrative Code 30 TAC 285.1-285.91), attached hereto, promulgated by the Texas Natural Resource Conservation Commission for on-site sewage systems are hereby adopted, and all officials and employees of Hays County, Texas, having duties under said Rules are authorized to perform such duties as are required of them under said Rules.

SECTION 9. INCORPORATION BY REFERENCE.

The Design Criteria (30 TAC 285.1-285.91) and all future amendments and revisions thereto are incorporated by reference and are thus made a part of these Rules. A copy of the current Design Criteria is attached to these Rules.

SECTION 10. AMENDMENTS.

The County of Hays, Texas, wishing to adopt more stringent Rules for its On-Site Sewage Facility Order understands that the more stringent conflicting local Rule shall take precedence over the corresponding Texas Natural Resource Conservation Commission requirements if local rules provide greater public health and safety protection. Listed below are the more stringent Rules adopted by Hays County, Texas:

10.1 Facility Planning

(a) Land Planning and Site Evaluation. All of the terms and provisions of 30 TAC Section 285.4 are incorporated within the Rules of Hays County except as expressly amended below.

(1) RESIDENTIAL LOT SIZING

(A) **Platted or unplatted Lots served by Surface Water or Rainwater Collection Systems.** Lots used for Single Family Residences platted or created after the Effective Date of these Rules and served by a Surface Water or Rainwater Collection System shall have surface areas of at least the acreage designated in Table 10.1(A).

(B) **Platted or unplatted Lots served by Public Water Wells.** Lots used for Single Family Residences platted or created after the Effective Date of these Rules and served by a Public Water Well shall have surface areas of at least the acreage designated in Table 10.1(B).

(C) **Platted or unplatted Lots served by Private Wells or other water systems.** Lots used for Single Family Residences platted or created after the Effective Date of these Rules and served by a Private Well or any water system other than those described in 10.1(A) or 10.1(B) above shall have surface areas of at least the acreage designated in Table 10.1(C).

(2) CERTAIN MULTI-UNIT RESIDENTIAL DEVELOPMENTS SERVED BY A

CENTRAL SEWAGE COLLECTION SYSTEM FOR ON-SITE DISPOSAL.

Non-Single Family residential developments with four or fewer living units, such as duplexes, may utilize lots smaller than stated in paragraphs (1)(A), (1)(B) and (1)(C) of this Section provided:

(A) Site Specific Materials, addressing either a central system or individual systems, and Site Evaluation Materials are submitted to the Department and approved by the Commissioners Court.

(B) There are no more than two living units per each minimum lot acreage that would be applicable under Tables 10.1(A), 10.1(B) or 10.1(C); provided that in no event shall lot acreage be lower than permitted under Chapter 366 of the Texas Health and Safety Code or other applicable State law.

(3) APARTMENTS, CONDOMINIUMS, INSTITUTIONAL USES OR NON-RESIDENTIAL (BUSINESS, COMMERCIAL OR INDUSTRIAL).

Platted or unplatted Lots used for apartment or condominium complexes with more than four (4) units, institutional uses or non-residential uses, including office, commercial or industrial uses producing domestic wastewater shall:

(A) Be sized and designed pursuant to a sewage disposal plan submitted to the Director and approved by the Commissioners Court, which shall be based upon approved Site Specific Materials and Site Evaluation Materials; and

(B) Have a surface acreage of at least one (1) acre for each living unit equivalent (LUE) per day. A Living Unit Equivalent is defined as three hundred and fifty (350) gallons of sewage per day.

(b) Averaging. The minimum acreage requirements set forth in Tables 10.1(A), 10.1(B) and 10.1(C) may be obtained by averaging the size of all Lots within a platted development so long as the only Lots with acreage exceeding the minimum set forth in such table that may be included in the averaging calculation shall be: (i) Lots reserved by plat note for use as a publicly dedicated and accepted park, or a private greenbelt in which all owners or residents of the subdivision hold an equal, unrestricted and indivisible right of access and use, or (ii) Lots larger than five acres restricted by a plat note prohibiting all development other than one Single Family Residence or other development excluded from the term "Regulated Activities" under the Edwards Aquifer Rules of the TNRCC (30 TAC Chapter 313), but without regard to the aquifer over which the development occurs. Only platted development may take advantage of these averaging provisions.

(1) Notwithstanding the averaging allowed above or anything else to the contrary in this Paragraph 10, no on-site sewage facility shall be permitted on any Lot smaller than the minimum lot size permitted under Chapter 366 of the Texas Health and Safety Code and the Regulations promulgated thereunder (30 TAC Chapter 285).

10.2 Minimum Required Separation Distances for On-Site Sewage Facilities.

(a) The minimum separation distances set forth in Table X of the Rules for soil absorption systems, unlined ET Beds and soil irrigation spray areas for Lots created or platted after the Effective Date of these Rules are supplemented as follows:

1.	Barton Creek, Bear Creek, Blanco River, Cottonwood Creek, Cypress Creek, Little Bear Creek, Lone Man Creek, Long Branch, Onion Creek, Purgatory Creek, Roy Creek, San Marcos River, Sink Creek, Smith Creek, Willow Creek, and Wilson Creek (measured from the bank at average pool height):	150'
2.	Property lines:	20'
3.	Vegetable gardens or orchards:	20'

10.3 Water Well Sanitary Easements.

Individual Lots in which a Private Well is to be located shall provide, within the boundary of each Lot, an area with a one hundred (100) foot radius around the well in which no on-site sewage facility may be located. This area shall be designated as a private water well sanitary control easement. Applicants seeking subdivision approval from Hays County may, upon application for preliminary plat approval, apply for an exemption from the requirement that the 100-foot sanitary easement be located within the boundaries of the Lot if the easement is clearly depicted on the plat and the location is approved by the Commissioners Court. Public Water Wells shall comply with the sanitary control easements required under 30 TAC Chapter 290, as amended.

10.4 Cluster and Innovative Development

Cluster development and innovative development, such as "planned unit development" style developments, are encouraged and will be considered on a case by case basis, upon the submission of the following with a preliminary plat application for subdivision approval:

1. Site Evaluation Materials demonstrating that such a cluster or innovative development is appropriate in light of lot sizes, soil or other conditions;
2. Site Specific Materials;
3. Site Plan to be recorded with Record Plat, which shall state the future development of the Property shall be in accordance with the Site Plan. The Site Plan shall designate the type of development permitted on each Lot, the location of buildings, paved areas, green belts and on-site sewage facilities (including drainage fields) on each Lot; and
4. All other materials required under Sections 285.6 and 285.30 of the Rules, as applicable.

The Commissioners Court may approve an application for cluster or innovative development permitting minimum lot acreage below those required in 10.1(a) above upon a finding that the proposed development will provide equivalent protection of the public health and environment as

development in accordance with this Section 10 and the remainder of these Rules.

10.5 Variances.

Requests for variances from these Rules shall be considered in accordance with the criteria specified in Section 285.3(c) of the Rules and the following additional criteria:

(a) Only lots platted in accordance with the Hays County Subdivision and Development Regulations or legally in existence prior to the Effective Date of these Rules will be eligible for a variance; and

(b) Site Specific Materials and Site Evaluation Materials must be submitted with the preliminary plat application for each Lot for which a variance is sought, with detailed soil profile analysis of the proposed absorption field site demonstrating soil characteristics that meet or exceed the criteria for suitable soils set forth in Table V of the Rules.

The Commissioners Court shall have discretion to approve or deny an application for a variance and may approve an application for a variance only upon a finding that (a) development pursuant to the proposed variance will provide equivalent protection of the public health and environment as development in strict accordance with these Rules, including Paragraph 10, and (b) that there are special circumstances or conditions affecting the land involved such that strict application of the provisions of these Rules would deprive the applicant the reasonable use of his land and that failure to approve the variance would result in undue hardship to the applicant. Pecuniary hardship, standing alone, shall not be deemed to constitute undue hardship.

10.6 Permitting Procedures and Additional Requirements

The Hays County Commissioners Court may from time to time adopt local procedural requirements for applications, permitting and inspection procedures for On-Site Sewage Facilities.

10.7 Amendment to Section 285.34(b)(2) (Pump Tank Sizing)

Pump tanks shall be sized for *one day of flow* above the alarm-on level. (Amended portion in italics).

Comment: This more stringent standard affords a greater level of public health protection by assuring that households will be able to continue using their wastewater facilities for up to one day following a system failure. Hays County is a rural area served by a limited number of wastewater pumping services and it is unrealistic to expect that pumps can be repaired or replaced sooner than one day after a failure.

10.8 Amendment to Section 285.33(a)(1)(A) Criteria for Sewage Disposal System Excavations

Comment: This more stringent standard is adopted to prevent excessive deviation in longer trenches, which would contribute to surface failures at the lowest elevation of the trench.

The bottom of the excavation shall be not less than 18 inches in width and level to within one inch over each 25 feet of excavation, *but in no event shall there be more than two inches of fall over the entire length of the excavation.* (Amended portion in italics).

10.9 Amendment to Section 285.33 (a)(1)(B) (Porous Media)

Chipped tires or iron slag are not a permitted medium.

Comment: Unacceptable levels of iron bacteria have been detected in approximately seventy percent (70%) of wells in Hays County. Hays County has no shortage of gravel for drainfield media and thus there is less need for alternative media.

10.10 Amendment to Section 285.7 (Additional Requirements for Surface Irrigation Systems)

The following requirements are imposed in addition to those set forth in Section 285.7 for an On-Site Sewage Facility utilizing surface irrigation:

(a) Licenses to operate an On-Site Sewage Facility utilizing surface irrigation shall be valid for two years.

(b) Surface irrigation shall be limited to sprinkler application only.

(c) All On-Site Sewage Facilities utilizing surface irrigation shall be designed to facilitate periodic sampling.

(d) Effluent discharge lines shall be equipped with a 100 mesh or smaller filter.

Comment: This more stringent standard affords a greater level of public health protection by assuring that excessive levels of solids in effluent, which may be an indication of inadequate treatment, will be filtered and more quickly detected.

10.11 Miscellaneous

(a) A permit will be required for all On-Site Sewage Facilities, regardless of the size of the lot or acreage onto which it is installed.

(b) Construction of an On-Site Sewage Facility must be commenced within 12 months and completed within 16 months of the date of the application for a permit.

(c) French drains used to support and protect On-Site Sewage Facilities shall be upgradient of the On-Site Sewage Facility and shall be designed by a registered engineer to prevent stormwater drainage from entering into the On-Site Sewage Facility. An applicant desiring to install a french drain must demonstrate that its use will afford a greater level of public health by diverting

stormwater away from the On-Site Sewage Facility.

(d) Effluent holding tanks shall be authorized only for temporary use for 90 days, with one 90 day renewal. The permittee must provide metered water usage and pumping manifests.

(e) Property owners requesting certification of existing systems will be required to submit a pumping report to the Department in a form acceptable to the Department containing at least the following information: (i) verification that the septic tank has been pumped within the previous three years; and (ii) the tank capacity and depth of sludge, provided that pumping reports performed prior to the effective dates of these Rules will not be required to identify tank capacity and depth of sludge. Upon review of the pumping report, the Department, upon approval by the Commissioners Court, may require that the septic system be upgraded to satisfy current technical requirements (other than minimum lot acreage) prior to certification.

10.12 Definitions.

The following terms shall have the meanings ascribed to them below when used in this Order or the attached Tables:

Conventional Septic System - On or off site sewerage facilities including septic tanks, sewage holding tanks, chemical toilets, treatment tanks and all other such facilities and systems other than Public Sewer Systems and Permitted Class I On-Site Wastewater Systems.

Contributing Zone of the Barton Springs Segment of the Edwards Aquifer - Any land within the watersheds of Barton, Onion, Slaughter, Williamson, Bear and Little Bear Creeks. In the event an Applicant cannot determine with specificity the location of the boundary of the Contributing Zone of the Barton Springs Segment of the Edwards Aquifer, the Applicant may submit appropriate maps and other evidence as may be requested by the Department for assistance in such determination from the Department.

Department - The Hays County Environmental Health Department.

Edwards Aquifer Recharge Zone - Any area identified as such by the Edwards Aquifer Rules. In the event an Applicant cannot determine with specificity the location of the boundary of the Edwards Aquifer Recharge Zone, the Applicant may submit appropriate maps and other evidence as may be requested by the Department for assistance in such determination from the Department. Any determination by the Department will affect only these Regulations and will not in any manner be binding upon the TNRCC. The Department may require the Applicant to obtain a determination from the TNRCC and any determination by the TNRCC regarding the location of the Recharge Zone will control for purposes of these Regulations. The intent of these Regulations is to coordinate applicable state and local regulations such that the definition of the Edwards Aquifer Recharge Zone under these Regulations shall be identical with the definition found within the Edwards Aquifer Rules.

Edwards Aquifer Rules - The Regulations promulgated by the Texas Natural Resource Conservation Commission relating to the Edwards Aquifer, currently set forth in Title 30 Texas

Administrative Code Chapter 213, as amended from time to time.

Permitted Class I On-Site Wastewater System - An on-site system of sewage treatment other than a septic tank producing no more than 5,000 gallons of sewage per day, which has been licensed by the Department, utilizing advanced treatment processes to produce Class I effluent (as defined in National Sanitation Foundation Testing Standard 40) and designed to encourage the reuse of wastewater for irrigation on the premises. A collective off-site system for cluster development may also be approved by the Department on a case by case basis in accordance with the Rules.

Private Well - Any water well other than a Public Water Well.

Public Sewer System - Any public or private sewerage system for the collection of sewage that flows into a treatment and disposal system that is regulated pursuant to the rules of the Texas Natural Resource Conservation Commission and Chapter 26 of the Texas Water Code.

Public Water Well - A water well providing piped water for human consumption with a potential to serve to at least 15 service connections on a year-round basis or serving at least 25 individuals on a year-round basis. This definition includes all wells defined as a "Community Water System" or a "Public Water System" under Chapter 290 of the Texas Administrative Code.

Rainfall Collection System - An individual potable water supply system approved by the Department and having rainwater as its source and having a capacity sufficient to provide all of the domestic water requirements other than irrigation for development on the Lot. The Department may approve rainfall collection systems using a well for emergency/back-up domestic water requirements on a case by case basis.

Single Family Residence - Any habitable structure constructed on, or brought to, its site and occupied by members of a family, including but not limited to manufactured homes situated on leased space.

Site Evaluation Materials - The site evaluation materials described in Section 285.30 of the Rules.

Site Specific Materials - The facility planning materials described in Sections 285.4 of the Rules and, if applicable, Sections 285.5, 285.6, 285.7 and 285.40 of the Rules.

Surface Water - Water from streams, rivers or lakes or other bodies of water above the surface of the ground and obtained without pumping or extracting underground water. Water that is obtained from groundwater or other underground sources through wells, pumps or other means designed to accelerate natural flows from such underground source and which is then stored in a surface reservoir shall not be considered surface water. In the event any water supply system relies primarily on surface water, with reliance upon groundwater only for back-up supplies or a small percentage of the total water supplied, the Commissioners Court may, on a case by case basis, approve an application to consider such water supply system as qualifying as a Surface Water system under these Rules.

SECTION 11. DUTIES AND POWERS.

The Director of the Environmental Health Department of Hays County, Texas, and any individuals approved pursuant to the succeeding sentence, are herewith declared the designated representative(s) for the enforcement of the Rules within the jurisdictional area of Hays County. The appointed individual(s) must be approved and certified by the Texas Natural Resource Conservation Commission before assuming the duties and responsibilities of the Designated Representative of Hays County.

SECTION 12. COLLECTION OF FEES.

All fees collected for permits and/or inspections shall be made payable to the Hays County Treasurer.

SECTION 13. APPEALS.

Persons aggrieved by an action or decision of the designated representative may appeal such action or decision to the Commissioners Court of Hays County, Texas.

SECTION 14. PENALTIES.

This Order adopts and incorporates all applicable penalty provisions related to on-site sewage facilities, including, but not limited to, those found in Chapters 341 and 366 of the Texas Health and Safety Code, Chapter 26 of the Texas Water Code and 30 TAC Chapter 285.

A person commits an offense if the person violates a requirement of these Rules. An offense under this provision is a Class C misdemeanor punishable by fine.

At the request of the Commissioners Court, the county attorney or other prosecuting attorney for the County may file an action in a court of competent jurisdiction seek one or all of the following:

(a) Enjoin the violation or threatened violation of a requirement established by or adopted by the Commissioners Court under these Regulations; and

(b) Seek civil or criminal penalties as provided by law; and

(c) Take all actions or seek any penalty authorized under law, including the penalties and enforcement provisions of Chapters 341 and 366 of the Texas Health and Safety Code, Chapter 26 of the Texas Water Code and 30 TAC Chapter 285.

SECTION 15. SEVERABILITY.

It is hereby declared to be the intention of the Commissioners Court of Hays County, Texas,

that the phrases, clauses, sentences, paragraphs, and sections of this Order are severable, and if any phrase, clause, sentence, paragraph, or section of this Order should be declared unconstitutional by the valid judgment or decree of any court of competent jurisdiction, such unconstitutionality shall not affect any of the remaining phrases, clauses, sentences, paragraph, or sections of this Order, since the same would have been enacted by the Commissioners Court without incorporation in this Order of such unconstitutional phrases, clause, sentence, paragraph or section.

SECTION 16. RELINQUISHMENT OF ORDER.

If the Commissioners Court of Hays County, Texas, decides that it no longer wishes to regulate on-site sewage facilities in it areas of jurisdiction, the Commissioners Court shall follow the procedures outlined below:

(a) The Commissioners Court shall inform the Texas Natural Resource Conservation Commission by certified mail at least thirty (30) days before the published date of the public hearing notice that it wishes to relinquish its On-Site Sewage Facility Order.

(b) The authorized agent shall post the required public notice in a newspaper regularly published or circulated in the area of jurisdiction at least thirty (30) days prior to the anticipated date of action by the authorized agent.

(c) The authorized agent shall send a copy of the public notice, a publisher's affidavit of public notice, and a certified copy of the minutes to the Texas Natural Resource Conservation Commission.

(d) The executive director shall process the request for relinquishment and may issue an order relinquishing the authority to regulate OSSF's within the authorized agent's jurisdiction or may refer the request to relinquish to the Commission.

(e) Prior to issuance of a relinquishment order the local governmental entity and the executive director shall determine the exact date the authorized agent would surrender its authorized agent designation to the executive director.

SECTION 17. EFFECTIVE DATE.

This Order shall be in full force and effect from and after its date of approval as required by law and upon the approval of the Texas Natural Resource Conservation Commission.

AND IT IS SO ORDERED:

PASSED AND APPROVED THIS _____ DAY OF AUGUST, 1997.

APPROVED:

_____

County Judge

ATTEST:

_____

County Clerk

MINIMUM LOT SIZING - HAYS COUNTY RULES TABLES 10.1 (A,B, & C) - EFFECTIVE 8-29-97

WASTEWATER APPLICATION	LOT LOCATION	A. Surface Water or Rainwater Collection Minimum Lot Size	B. Public Well Water Supply Minimum Lot Size	C. Private Well Water Supply or Any Source Other Than (A) or (B)
Public Sewer	Within Edwards Aquifer Recharge Zone	None	0.75 acres	0.75 acres
	Within Contributing Zone of Barton Springs Segment of the Edwards Aquifer	None	0.5 acres	0.5 acres
	All Other Areas	None	None	0.25 acres
Permitted Class - I Wastewater Systems	Within Edwards Aquifer Recharge Zone	1.5 acres	2.5 acres	3 acres
	Within Contributing Zone of Barton Springs Segment of the Edwards Aquifer	1 acres	1.5 acres	2 acres
	All Other Areas	0.5 acres	1 acre	1.5 acres
Conventional Septic	Within Edwards Aquifer Recharge Zone	2 acres	4.5 acres	5 acres
	Within Contributing Zone of Barton Springs Segment of the Edwards Aquifer	1.5 acres	2.5 acres	3 acres
	All Other Areas	1 acres	1.5 acres	2 acres

ADDITIONAL RULES

Setbacks: Barton, Bear, Cottonwood, Cypress, Little Bear, Lone Man
Onion, Purgatory, Roy, Sink, Smith, Willow, & Wilson Creeks

Blanco River, Long Branch, & San Marcos River	150'
Property Lines, vegetable gardens, & orchards	20'

Pump Tanks: Sized for one day flow above alarm level

Excavations: No less than 18" wide, level with 1" fall over each 25', no more than 2" fall over entire length.

FEE SCHEDULE

SERVICE DESCRIPTION	$ COST
DEVELOPMENT PERMIT APPLICATION	
Single Family Residence (SFR)	$ 200
Commercial Non - SFR	$ 400
FLOODPLAIN DEVELOPMENT PERMIT (SFR)	
Class "A"	$ 35
Class "B"	$ 150
FLOODPLAIN DEVELOPMENT PERMIT (NON - SFR)	
Class "A"	$ 35
Class "B"	$ 150 + $.10/ sq.ft. of Building Space
DESIGN REVIEW FEE	
Single Family Residence	$ 100
Commercial Non - SFR	$ 150
CERTIFICATION	$ 125 + $9 Lab fee for water well cert
Well Only	$ 50 + $ 9
SITE VISIT (PERC TEST/ SOIL PROFILE ANALYSIS)	$ 75
REINSPECTION FEE	$ 50
DAY CARE INSPECTION	$ 25
FOOD HANDLER CERTIFICATION	$ 10

EFFLUENT LOADING REQUIREMENTS BY SOIL CLASSIFICATION

SOIL CLASS	Ra - GAL/ AREA/ DAY
Ia	> 0.50
Ib	0.38
II	0.25
III	0.20
IV	0.10

SEPTIC TANK MINIMUM LIQUID CAPACITY

Determine wastewater usage rate **(Q)**, calculate minimum septic tank volume **(V)**.

- Q - WASTEWATER USAGE RATE (Gal/Day)	■ V - ■ MINIMUM TANK VOLUME ■ (Gal)
Q <= 250	V = 750
251<= Q => 350	V = 1000
351 <= Q =>500	V = 1250
501 <= Q =>1000	V = 2.5 * Q
Q => 1001	V = 1750 + 0.75 * Q

S.D.W. WASTEWATER USAGE RATE

S.F.D. #BEDROOMS / S.F.	**USAGE RATE GPD W/O** Water saving devices	**USAGE RATE GPD With** Water saving devices
2 BR - <1500 S.F.	225	180
3 BR - < 2500 S.F.	300	240
4 BR - < 3500 S.F.	375	300
5 BR - < 4500 S.F.	450	360
6 BR - < 5500 S.F.	525	420
>5500 S.F., each additional 1500 s.f. increment thereof	75	60
Mobile Home (1-2 BR) (each additional BR)	225 75	180 60

LIVING UNIT EQUIVALENT (LUE)

2-4-97 Texas State Rules - 400 GAL PER ½ ACRES PER DAY

8-29-97 Hays County Rules - 350 GAL PER 1 ACRE PER DAY

OTHER FACILITY WASTEWATER USAGE RATES

TYPE OF FACILITY	USAGE RATE - GPD W/O Water saving devices	USAGE RATE GPD WITH Water saving devices
Condo, Townhouse with 1-2 BR	225	180
each additional BR	75	60
Country Clubs (per member)	25	20
Apartment houses (per BR)	125	100
Boarding schools (per room capacity)	50	40
Day care centers (per child w/ kitchen)	25	20
(per child w/o kitchen)	15	12
Factories (per person per shift)	15	12
Hospitals (per bed)	200	160
Hotels and motels (per bed)	75	60
Nursing homes (per bed)	100	80
Laundries (self service per machine)	250	200
Lounges (bar and tables per person)	10	8
Movie theaters (per seat)	5	4
Office building (no food - showers/occupant)	5	4
(with food service per occupant)	10	
Parks (with bathhouse per person)	15	12
(w/o bathhouse per person)	10	
Restaurants (per seat)	35	28
(fast food)	15	
Schools (w/ food service & gym per student)	25	20
(w/o food service)	15	
Service stations (per vehicle)	10	8
Stores (per washroom)	200	160
Swimming pool bathhouse (per person)	10	8
Travel trailer / RV parks (per space)	50	40
Vet clinic (per animal)	10	8
Construction sites (per worker)	50	40
Youth camps (per camper)	30	24

CRITERIA FOR STANDARD SUBSURFACE DISPOSAL METHODS

FACTORS	SUITABLE	UNSUITABLE
Topography	Slopes 0-30%	Slopes greater than 30% Complex slopes
Subsoil Texture	Soil Class Ib, II, III Sandy Soils, Loamy Soils	Soil class Ia & IV Clayey soils (Except for pumped effluent systems in Class IV soils)
Subsoil Structure	Class Ib & II Structure not Significant	Platy structure Fractured rock. Massive clayey soil
Soil Depth	Suitable soils greater than 24 inches below bottom of excavation	Suitable or provisionally suitable soil less than 24 inches below excavation bottom
Restrictive Horizon	No resrictive horizon within 24 inches of the bottom of the proposed excavation	Restrictive horizon within 24 inches of the bottom of the proposed excavation bottom
Groundwater	No indication of groundwater within 24 inches of the bottom of the proposed excavation	Drainage mottles within 24 inches of the bottom of the proposed excavation
Flood Hazard	No flooding potential	Areas located in the regulatory floodway. Depressional areas without adequate drainage
Other		Fill material. Potential health hazards or groundwater contamination

OSSF EXCAVATION LENGTH - 3 FOOT WIDE TRENCHES PER SOIL CLASS

Daily sewage Flow (Q)	CLASS Ib	CLASS II	CLASS III	**Daily sewage Flow (Q)**	CLASS Ib	CLASS II	CLASS III
100	53	80	100	**325**	171	260	325
125	66	100	125	**350**	184	280	350
150	79	120	150	**375**	197	300	375
175	92	140	175	**400**	211	320	400
200	105	160	200	**425**	224	340	425
225	118	180	225	**450**	237	360	450
250	132	200	250	**475**	250	380	475
275	145	220	275	**500**	263	400	500
300	158	240	300				

MINIMUM SEPARATION DISTANCES FOR ON-SITE SEWAGE FACILITIES

TO

FROM	Sewage Treatment or Holding Tanks	Soil Absorption Systems & Unlined ET Beds	Lined ET Beds	Sewer Pipe with Watertight joints	Surface Irrigation (Spray Area)	Drip Irrigation
Public Water wells	50	150	150	50	150	150
Public Water Supply Lines	10	10	10	10	10	10
Private Water Well	50	100	50	20	100	100
Private Water Well (pressure Cemented or grouted to 100' or Watertable)	50	50	50	20	50	50
Streams, Ponds, Lakes, Rivers, (Measured from Normal Pool Elevation and Water Level): Salt Water Bodies (High Tide Only)	50	**75,** (Secondary Treatment & Disinfection) **-50**	50	20	50	**25** when Ra <= 0.1 **75** when Ra > 0.1
Foundations, Buildings, Surface Improvements, Property Lines, Easements, Swimming Pools, & Other Structures	5	5	5	5	None/ Property Lines- **10** Swimming Pools - **25**	None/ Property Lines - 5
Sharp Slopes, Breaks	0 special support may be required for zero separation	25	5	10	25	**10** when Ra <= 0.1 **25** when Ra > 0.1
Edwards Aquifer Recharge Features	50	150	50	50	150	**100** when Ra <= 0.1 **150** when Ra > 0.1

EQUATIONS

SIZING TYPE	EQUATION	NOTES
GENERAL	A = Q / Ra	
BED	A = (L*W) + 2 (L+W)	
TRENCH	L = A / (W+2)	
ET SIZING	A = 1.6 Q / Ret	Ret = 0.14
LEACHING CHAMBERS	L = 0.6 A (W+2)	
SPRAY	A = Q / Ri	Ri = 0.064

WHERE:

A = Surface area in square feet
Q = Daily wastewater usage
L = Length of excavation
W = Width of excavation
Ra = Rate of application - efffluent to soil
Ret = Rate of evapotranspiration locally
Ri = Effluent loading rate in gal / sq. ft. / day

AUTHORIZED PIPE

SDR35 3" OR 4"
ASTM F405 4"
ASTM F810 3" or 4"
ASTM 2729
SCH40

CONVERSIONS
1 ACRE = 43,560 SQ. FT.
1 MILE = 5280 FT

SOIL TEXTURE

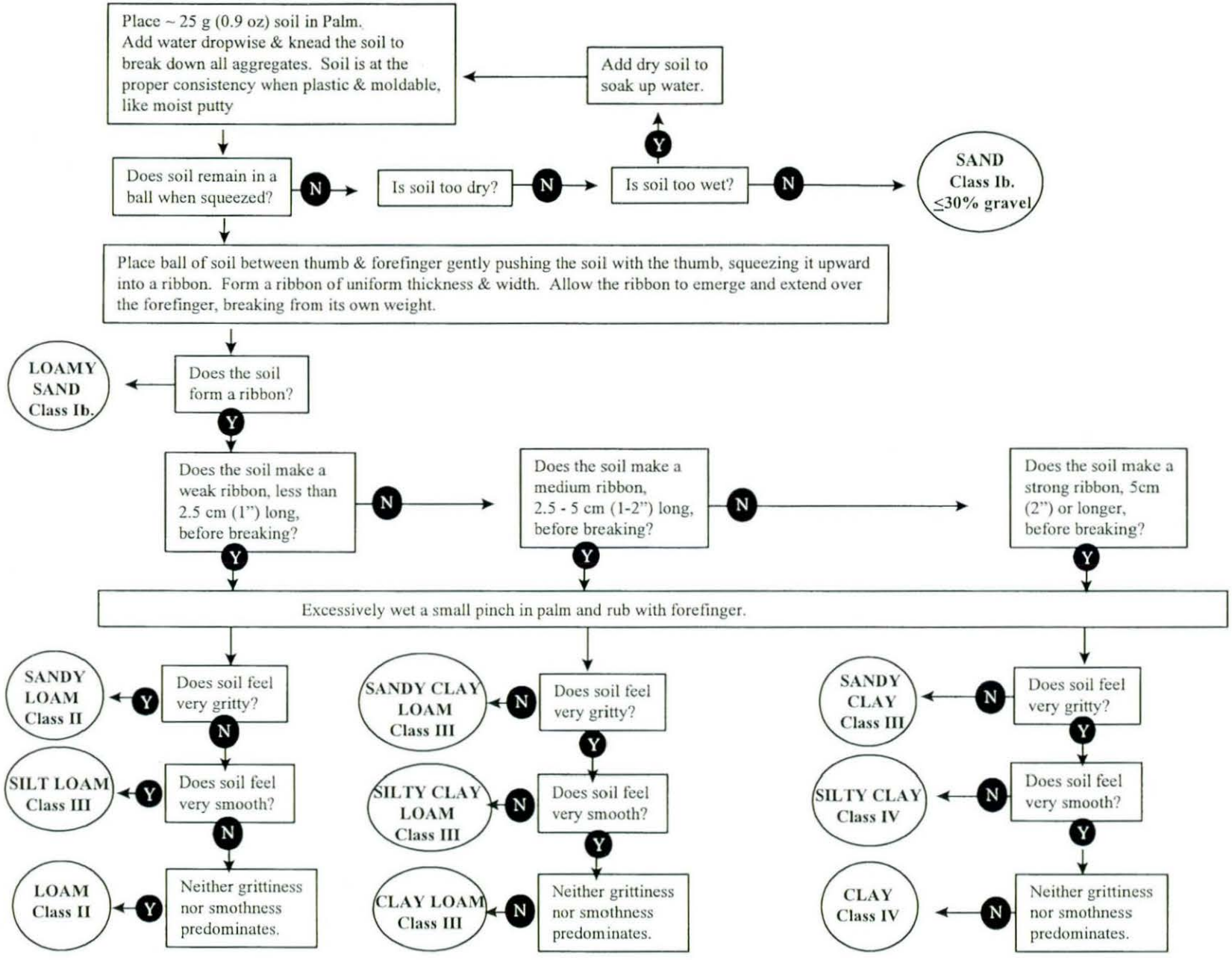


Exhibit 7

Edwards Aquifer Rules

SUBCHAPTER A: EDWARDS AQUIFER IN MEDINA, BEXAR, COMAL, KINNEY, UVALDE, HAYS, TRAVIS, AND WILLIAMSON COUNTIES
§§213.1 - 213.14
Effective September 1, 2003

§213.1. Purpose.

The purpose of this chapter is to regulate activities having the potential for polluting the Edwards Aquifer and hydrologically connected surface streams in order to protect existing and potential uses of groundwater and maintain Texas Surface Water Quality Standards. The activities addressed are those that pose a threat to water quality.

(1) Consistent with §26.401 of the Water Code, the goal of this chapter is the existing quality of groundwater not be degraded, consistent with the protection of public health and welfare, the propagation and protection of terrestrial and aquatic life, the protection of the environment, the operation of existing industries, and the maintenance and enhancement of the long-term economic health of the state.

(2) Nothing in this chapter is intended to restrict the powers of the commission or any other governmental entity to prevent, correct, or curtail activities that result or may result in pollution of the Edwards Aquifer or hydrologically connected surface waters. In addition to the rules of the commission, an applicant may also be required to comply with local ordinances and regulations providing for the protection of water quality.

(3) The executive director shall review and act on an application subject to this chapter. The applicant or a person affected may file with the chief clerk a motion for reconsideration, under §50.39(b)-(f) of this title (relating to Motion for Reconsideration), of the executive director's final action on an Edwards Aquifer protection plan, modification to a plan, or exception.

Adopted December 4, 1996 Effective December 27, 1996

§213.2. Applicability and Person or Entity Required to Apply.

These rules specifically apply to the Edwards Aquifer and are not intended to be applied to any other aquifers in the state of Texas. Unless otherwise provided under this chapter, the owner of an existing or proposed site, such as a residential or commercial development, sewage collection system, or aboveground or underground storage tank facility for static hydrocarbons or hazardous substances, who proposes new or additional regulated activities under this chapter, must file and receive executive director approval of all appropriate applications prior to commencement of construction of new or additional regulated activities.

Adopted December 4, 1996 Effective December 27, 1996

§213.3. Definitions.

The following words and terms, when used in this chapter, have the following meanings.

(1) **Abandoned well** - A well that has not been used for six consecutive months. A well is considered to be in use in the following cases:

(A) a non-deteriorated well which contains the casing, pump and pump column in good condition; or

(B) a non-deteriorated well which has been properly capped.

(2) **Aboveground storage tank facility** - The site, tract, or other area where one or more aboveground storage tank systems are located, including all adjoining contiguous land and associated improvements.

(3) **Aboveground storage tank system** - A non-vehicular device (including any associated piping) that is made of nonearthen materials; located on or above the ground surface, or on or above the surface of the floor of a structure below ground, such as a mineworking, basement, or vault; and designed to contain an accumulation of static hydrocarbons or hazardous substances.

(4) **Appropriate regional office** - For regulated activities covered by this chapter and located in Hays, Travis, and Williamson counties, the appropriate regional office is Region 11, located in Austin, Texas. For regulated activities covered by this chapter and located in Kinney, Uvalde, Medina, Bexar, and Comal counties, the appropriate regional office is Region 13, located in San Antonio, Texas.

(5) **Best management practices (BMPs)** - A schedule of activities, prohibitions, practices, maintenance procedures, and other management practices to prevent or reduce the pollution of water in the state. BMPs also include treatment requirements, operating procedures, and practices to control site runoff, spillage or leaks, sludge or waste disposal, or drainage from raw material storage. BMPs are those measures that are reasonable and necessary to protect groundwater and surface water quality, as provided in technical guidance prepared by the executive director or other BMPs which are technically justified based upon studies and other information that are generally relied upon by professionals in the environmental protection field and are supported by existing or proposed performance monitoring studies, including, but not limited to, EPA, American Society of Civil Engineers, and Water Environment Research Foundation guidance.

(6) **Capped well** - A well that is closed or capped with a covering capable of preventing surface pollutants from entering the well. The cap must be able to sustain a weight of at least 400 pounds. The cap must not be easily removed by hand.

(7) **Commencement of construction** - The initial disturbance of soils associated with clearing, grading, or excavating activities or other construction or regulated activities.

(8) **Edwards Aquifer** - That portion of an arcuate belt of porous, waterbearing, predominantly carbonate rocks known as the Edwards (Balcones Fault Zone) Aquifer trending from west to east to northeast in Kinney, Uvalde, Medina, Bexar, Comal, Hays, Travis, and Williamson Counties; and composed of the Salmon Peak Limestone, McKnight Formation, West Nueces Formation, Devil's River Limestone, Person Formation, Kainer Formation, Edwards Group, and Georgetown Formation. The permeable aquifer units generally overlie the less-permeable Glen Rose Formation to the south, overlie the less-permeable Comanche Peak and Walnut formations north of the Colorado River, and underlie the less-permeable Del Rio Clay regionally.

(9) **Edwards Aquifer protection plan** - A general term which includes water pollution abatement plan, organized sewage collection system plan, underground storage tank facility plan, aboveground storage tank facility plan, or a modification or exception granted by the executive director.

(10) **Edwards Aquifer protection plan holder** - Person who is responsible for compliance with an approved water pollution abatement plan, organized sewage collection system plan, underground storage tank facility plan, aboveground storage tank facility plan, or a modification or exception granted by the executive director.

(11) **Feedlot/concentrated animal feeding operation** - A concentrated, confined livestock or poultry facility operated for meat, milk or egg production, growing, stabling, or housing, in pens or houses wherein livestock or poultry are fed at the place of confinement and crop or forage growing or production of feed is not sustained in the area of confinement.

(12) **Geologic or manmade features** – Features including but not limited to closed depressions, sinkholes, caves, faults, fractures, bedding plane surfaces, interconnected vugs, reef deposits, wells, borings, and excavations.

(13) **Geologic assessment** - A report which is prepared by a geologist describing site-specific geology.

(14) **Geologist** - A Texas licensed professional geoscientist who has training and experience in groundwater hydrology and related fields that enable that individual to make sound professional judgments regarding the identification of sensitive features located in the recharge zone or transition zone.

(15) **Groundwater conservation district** - Any groundwater district created by the Texas Legislature or the commission under the Texas Water Code, Chapter 36, as a groundwater conservation district to conserve, preserve, and protect the waters of an underground water reservoir.

(16) **Hazardous substance** - Any substance designated as such by the administrator of the EPA under the Comprehensive Environmental Response, Compensation, and Liability Act; regulated in accordance with the Federal Water Pollution Control Act, Chapter 311; or any solid waste, or other substance that is designated to be hazardous by the commission, in accordance with Texas Water Code, §26.263 or Texas Health and Safety Code, §361.003.

(17) **Impervious cover** - Impermeable surfaces, such as pavement or rooftops, which prevent the infiltration of water into the soil. Rainwater collection systems for domestic water supplies are not considered impervious cover.

(18) **Industrial wastewater discharge** - Any category of wastewater except:

(A) those that are primarily domestic in composition; or

(B) those emanating from feedlot/concentrated animal feeding operations.

(19) **Injection well** - An injection well as defined under Chapter 331 of this title (relating to Underground Injection Control).

(20) **Land application system** - A wastewater disposal system designed not to discharge wastewater into a surface drainage way.

(21) **Licensed professional geoscientist** - A geoscientist who maintains a current license through the Texas Board of Professional Geoscientists in accordance with its requirements for professional practice.

(22) **Organized sewage collection system** - Any public or private sewerage system for the collection and conveyance of sewage to a treatment and disposal system that is regulated in accordance with rules of the commission and provisions of Texas Water Code, Chapter 26. A system may include lift stations, force mains, gravity lines, and any other appurtenance necessary for conveying wastewater from a generating facility to a treatment plant.

(23) **Permanent best management practices** - Best management practices used to prevent and control pollution from regulated activities after construction is complete.

(24) **Pollution** - The alteration of the physical, thermal, chemical, or biological quality of, or the contamination of, any water in the state that renders the water harmful, detrimental, or injurious to humans, animal life, vegetation, or property, or to public health, safety, or welfare, or impairs the usefulness of the public enjoyment of the waters for any lawful or reasonable purpose.

(25) **Private sewage facilities** - On-site sewage facilities as defined under Chapter 285 of this title (relating to On-Site Sewage Facilities).

(26) **Private service lateral** - A wastewater line extending from the building drain to an existing private or public sewage collection system or other place of disposal that provides service to one single-family residence or building, with the operation and maintenance as the sole responsibility of the tenant or owner of the building. A wastewater line extending from the convergence of private service laterals from more than one single-family residence or building is considered a sewage collection system.

(27) **Recharge zone** - Generally, that area where the stratigraphic units constituting the Edwards Aquifer crop out, including the outcrops of other geologic formations in proximity to the Edwards Aquifer, where caves, sinkholes, faults, fractures, or other permeable features would create a potential for recharge of surface waters into the Edwards Aquifer. The recharge zone is identified as that area designated as such on official maps located in the appropriate regional office and groundwater conservation districts.

(28) **Regulated activity** -

(A) Any construction-related or post-construction activity on the recharge zone of the Edwards Aquifer having the potential for polluting the Edwards Aquifer and hydrologically connected surface streams. These activities include, but are not limited to:

(i) construction of buildings, utility stations, utility lines, roads, highways, or railroads;

(ii) clearing, excavation, or any other activities that alter or disturb the topographic, geologic, or existing recharge characteristics of a site;

(iii) any installation of aboveground or underground storage tank facilities on the recharge or transition zone of the Edwards Aquifer; or

(iv) any other activities that may pose a potential for contaminating the Edwards Aquifer and hydrologically connected surface streams.

(B) Regulated activity does not include:

(i) clearing of vegetation without soil disturbance;

(ii) agricultural activities, except feedlots/concentrated animal feeding operations which are regulated under Chapter 321 of this title (relating to Control of Certain Activities by Rule);

(iii) activities associated with the exploration, development, and production of oil, gas, or geothermal resources under the jurisdiction of the Railroad Commission of Texas;

(iv) routine maintenance of existing structures that does not involve additional site disturbance, such as, but not limited to:

(I) the resurfacing of existing paved roads, parking lots, sidewalks, or other development-related impervious surfaces; and

(II) the building of fences, or other similar activities in which:

(-a-) there is little or no potential for contaminating groundwater; or

(-b-) there is little or no change to the topographic, geologic, or existing sensitive features; or

(v) construction of single-family residences on lots that are larger than five acres, where no more than one single-family residence is located on each lot.

(29) **Sensitive feature** - Permeable geologic or manmade feature located on the recharge zone or transition zone where:

(A) a potential for hydraulic interconnectedness between the surface and the Edwards Aquifer exists; and

(B) rapid infiltration to the subsurface may occur.

(30) **Sewage holding tank** - A tank or other containment structure used to receive and store sewage until its ultimate disposal in an approved treatment facility.

(31) **Site** - The entire area included within the legal boundaries of the property described in the application. Regulated activities on a site that is located partially on the recharge zone and transition zone, where the natural drainage in the transition zone flows back to the recharge zone, will be treated as if the entire site is located on the recharge zone.

(32) **Static hydrocarbon** - A hydrocarbon which is liquid at atmospheric pressure and 20 degrees centigrade.

(33) **Stub out** - A wye, tee, or other manufactured appurtenance placed in a sewage collection system providing a location for a future extension of the collection system.

(34) **Temporary best management practices** - Best management practices used to prevent and control pollution from regulated activities during construction.

(35) **Tertiary containment** - A containment method by which an additional wall or barrier is installed outside of the secondary storage vessel (e.g., tank or piping) or other secondary barrier in a manner designed to prevent a release from migrating beyond the tertiary wall or barrier before the release can be detected. Tertiary containment systems include, but are not limited to, impervious liners and vaults surrounding a secondary tank and/or piping system, or equivalent triple wall tank or piping system as approved by the executive director.

(36) **Transition zone** - That area where geologic formations crop out in proximity to and south and southeast of the recharge zone and where faults, fractures, and other geologic features present a possible avenue for recharge of surface water to the Edwards Aquifer, including portions of the Del Rio Clay, Buda Limestone, Eagle Ford Group, Austin Chalk, Pecan Gap Chalk, and Anacacho Limestone. The transition zone is identified as that area designated as such on official maps located in the appropriate regional office and groundwater conservation districts.

(37) **Underground storage tank facility** - The site, tract, or other defined area where one or more underground storage tank systems are located, including all contiguous land and associated improvements.

(38) **Underground storage tank system** - Any one or combination of underground tanks and any connecting underground pipes used to contain an accumulation of regulated substances, the volume of which, including the volume of the connecting underground pipes, is 10% or more beneath the surface of the ground.

(39) **Well** - A bored, drilled, or driven shaft, or an artificial opening in the ground made by digging, jetting, or some other method, where the depth of the well is greater than its largest surface dimension. A well is not a surface pit, surface excavation, or natural depression.

Adopted July 23, 2003 Effective September 1, 2003

§213.4. Application Processing and Approval.

(a) Approval by the executive director.

(1) No person may commence the construction of any regulated activity until an Edwards Aquifer protection plan or modifications to the plan as required by §213.5 of this title (relating to Required Edwards Aquifer Protection Plans, Notification, and Exemptions) or exception under §213.9 of this title (relating to Exceptions) has been filed with the appropriate regional office, and the application has been reviewed and approved by the executive director.

(2) The appropriate regional office shall provide copies of applications to affected incorporated cities, groundwater conservation districts, and counties in which the proposed regulated activity will be located. These copies will be distributed within five days of the application being determined to be administratively complete. Any person may file comments within 30 days of the date

the application is mailed to local governmental entities. The executive director shall review all comments that are timely filed.

(3) A complete application for approval, as described in this section, must be submitted with the appropriate fee as specified in §213.12 of this title (relating to Application Fees).

(4) Projects in progress and the effective date of this rule.

(A) For areas designated as recharge zone or transition zone on official maps prior to the effective date of this rule, and for which this designation did not change on the effective date of this rule, all Edwards Aquifer protection plans submitted to the executive director, on or after the effective date of the rule, will be reviewed under all the provisions of the subchapter in effect on the date the plan is submitted.

(B) For areas not designated as recharge zone on official maps prior to the effective date of this rule, regulated activities will be considered to have commenced construction and will not be subject to this subchapter if, on the effective date of the rule, all federal, state, and local approvals or permits required to begin physical construction have been obtained, and if either on-site construction directly related to the development has begun or construction commences within six months of the effective date of the rule.

(C) Regulated activities in areas designated as transition zone on official maps prior to the effective date of this rule and designated as recharge zone on the effective date of this rule will be regulated as transition zone activities if, on the effective date of the rule, all federal, state, and local approvals or permits required to begin physical construction have been obtained, and if either on-site construction directly related to the development has begun or construction commences within six months of the effective date of the rule.

(D) The effective date of the amendments to §§213.3 - 213.10 is June 1, 1999.

(5) Assumption of program by local government.

(A) A local governmental entity may assume the rights, duties, and responsibilities to review and either approve or deny Edwards Aquifer protection plan applications within its boundaries and monitor and enforce compliance with plans if the local government obtains certification from the executive director.

(B) In order to obtain certification, the local government must demonstrate:

(i) it has a water quality protection program equal to or more stringent than the rules contained in this chapter, including but not limited to a program that:

(I) regulates activities covered under this chapter, and

(II) has performance standards equal to or more protective of water quality;

(ii) it has adopted ordinances or has other enforceable means sufficient to enforce the program throughout the local governmental entities jurisdiction; and

(iii) it has adequate resources to implement and enforce the program.

(C) Upon approval of a request for certification under this section, the executive director shall enter into an agreement with the local governmental entity to provide for the terms and conditions of program assumption, including executive director oversight. Nothing in a certification or agreement shall affect the commission's ability to enforce its water quality protection rules or applicable state law.

(D) An agreement under subparagraph (C) of this paragraph shall not provide for the payment of fees required by this chapter to the local entity; rather, fees shall be paid to the commission for continued proper oversight and enforcement. Nor shall such agreement provide for partial assumption of the program unless expressly authorized by the commission.

(E) Certification shall be for a term not to exceed five years, subject to renewal.

(F) Upon written notice, certification may be revoked or suspended by the executive director if the local entity does not meet the terms and conditions of the agreement provided under subparagraph (D) of this paragraph or fails to meet the criteria for certification provided under subparagraph (B) of this paragraph.

(G) A decision by the executive director under this section is not subject to appeal to the commission.

(b) Contents of Application.

(1) Forms provided by the executive director. Applications for approval filed under this chapter must be made on forms provided by or approved by the executive director. Each application for approval must, at a minimum, include the following:

(A) name of the development, subdivision, or facility for which the application is submitted;

(B) a narrative description of the location of the project or facility for which the application is submitted, presenting sufficient detail and clarity so that the project site and its boundaries can be located during a field inspection;

(C) name, address, and telephone number of the owner or any other person signing the application; and

(D) information needed to determine the appropriate fee under §213.14 of this title (relating to Fee Schedule) for the following plan types:

(i) for water pollution abatement plans and modifications to plans, the total acreage of the site where regulated activities will occur;

(ii) for organized sewage collection system plans and modifications to plans, the total linear footage of all collection system lines; or

(iii) for static hydrocarbon and hazardous substance storage in underground or permanent aboveground storage tank facility plans, the total number of tanks or piping systems.

(2) Additional information. Each application must also include the following information, as applicable:

(A) for water pollution abatement plans, the information required under §213.5(b) of this title;

(B) for organized sewage collection system plans, the information required under §213.5(c) of this title;

(C) for static hydrocarbon and hazardous substance storage in underground storage tank systems, the information required under §213.5(d) of this title;

(D) for static hydrocarbon and hazardous substance storage in aboveground storage tank systems, the information required under §213.5(e) of this title; and

(E) any other pertinent information related to the application which the executive director may require.

(c) Application submittal.

(1) Submit one original and one copy for the executive director's review and additional copies as needed for each affected incorporated city, groundwater conservation district, and county in which the proposed regulated activities will be located. The copies must be submitted to the appropriate regional office.

(2) Only owners, their authorized agent(s), or those persons having the right to possess and control the property which is the subject of the Edwards Aquifer protection plan may submit the plan for review and approval by the executive director.

(d) Signatories to Applications.

(1) Required Signature. All applications must be signed as follows.

(A) For a corporation, a principal executive officer (president, vice-president, or a duly authorized representative) must sign the application. A representative must submit written proof of the authorization.

(B) For a partnership, a general partner must sign the application.

(C) For a political entity such as a municipality, state, federal or other public agency, either a principal executive officer or a duly authorized representative must sign the application. A representative must submit written proof of the authorization.

(D) For an individual or sole proprietorship, the individual or sole proprietor must sign the application.

(2) Proof of Authorization to Sign. The executive director requires written proof of authorization for any person signing an application.

(e) Executive director review. The executive director must complete the review of an application within 90 days after determining that it is administratively complete. The executive director must declare that the application is administratively complete or deficient within 30 days of receipt by the appropriate regional office. Grounds for a deficient application include, but are not limited to, failure to pay all applicable application fees.

(f) Additional provisions. As a condition of approval, the executive director may impose additional provisions deemed necessary to protect the Edwards Aquifer from pollution. The executive director may conditionally approve an Edwards Aquifer protection plan or impose special conditions on the approval of a plan.

(g) Deed recordation.

(1) The applicant must record in the deed records of the county in which the property is located that the property is subject to an approved Edwards Aquifer protection plan within 30 days of receiving written approval of:

(A) a water pollution abatement plan;

(B) an aboveground storage tank plan;

(C) an underground storage tank plan;

(D) modifications to any of these plans for a proposed regulated activity; or

(E) an exception.

(2) A description of the property boundaries which is covered by the Edwards Aquifer protection plan shall be recorded in the county deed records.

(3) Within 60 days of receiving written approval of an Edwards Aquifer protection plan, the applicant must submit, to the appropriate regional office, proof of recordation of notice in the county deed records, with the volume and page number(s) of the county record.

(4) The construction of a public street or highway is exempt from all deed recordation requirements.

(h) Term of approval. The executive director's approval of an Edwards Aquifer protection plan will expire two years after the date of initial issuance, unless prior to the expiration date, substantial construction related to the approved plan has commenced. For purposes of this subsection, substantial construction means more than ten percent of total construction has commenced. If a written request for an extension is filed under the provisions of this subsection, the approved plan will continue in effect until the executive director makes a determination on the request for an extension.

(1) A written request for an extension must be received not earlier than 60 days prior to the expiration date of an approved Edwards Aquifer protection plan or a previously approved extension. Requests for extensions are subject to fees outlined in §213.13 of this title (relating to Fees Related to Requests For Extensions).

(2) An executive director's approved extension will expire six months after the original expiration date of the approved Edwards Aquifer protection plan or a previously approved extension unless prior to the expiration date, commencement of construction, repair, or replacement related to the approved plan has occurred.

(3) An Edwards Aquifer protection plan approval or extension will expire and no extension will be granted if more than 50 percent of the total construction has not been completed within ten years from the initial approval of a plan. A new Edwards Aquifer protection plan must be submitted to the appropriate regional office with the appropriate fees for review and approval by the executive director prior to commencing any additional regulated activities.

(4) Any requests for extensions received by the executive director after the expiration date of an approved Edwards Aquifer protection plan or a previously approved extension will not be

accepted. A new application for the purposes of this chapter must be submitted to the appropriate regional office with the appropriate fees for the review and approval by the executive director.

(5) An extension will not be granted if the proposed regulated activity or approved plan for the regulated activity(ies) under this chapter has changed from the regulated activity(ies) approved by the executive director.

(i) Legal transfer of property. Upon legal transfer of property, sewage collection systems, force mains, lift stations, underground storage tank system, or aboveground storage tank system, the new owner(s) is required to comply with all terms of the approved Edwards Aquifer protection plan. If the new owner intends to commence any new regulated activity on the site, a new Edwards Aquifer protection plan that specifically addresses the new activity must be submitted to the executive director. Approval of the plan for the new regulated activity by the executive director is required prior to commencement of the new regulated activity.

(j) Modification of previously approved plans. The holder of any approved Edwards Aquifer protection plan must notify the appropriate regional office in writing and obtain approval from the executive director prior to initiating any of the following:

(1) any physical or operational modification of any water pollution abatement structure(s), including but not limited to ponds, dams, berms, sewage treatment plants, and diversionary structures;

(2) any change in the nature or character of the regulated activity from that which was originally approved or a change which would significantly impact the ability of the plan to prevent pollution of the Edwards Aquifer;

(3) any development of land previously identified as undeveloped in the original water pollution abatement plan;

(4) any physical modification of the approved organized sewage collection system;

(5) any physical modification of the approved underground storage tank system; or

(6) any physical modification of the approved aboveground storage tank system.

(k) Compliance. The holder of the approved or conditionally approved Edwards Aquifer protection plan is responsible for compliance with this chapter and any special conditions of the approved plan through all phases of plan implementation. Failure to comply with any condition of the executive director's approval is a violation of this rule and is subject to administrative rule or orders and penalties as provided under §213.10 of this title (relating to Enforcement). Such violations may also be subject to civil penalties and injunction.

§213.5. Required Edwards Aquifer Protection Plans, Notification, and Exemptions.

(a) Required plans. A plan must be submitted for the following, as appropriate:

(1) a water pollution abatement plan under subsection (b) of this section to conduct regulated activities on the recharge zone not covered by subsections (c), (d), or (e) of this section;

(2) an organized sewage collection system plan under subsection (c) of this section for rehabilitation or construction related to existing or new organized sewage collection systems on the recharge zone;

(3) an underground storage tank facility plan for static hydrocarbon and hazardous substance storage under subsection (d) of this section for the construction or rehabilitation of an underground storage tank system; including tanks, piping, and related systems located on the recharge zone or transition zone; and

(4) an aboveground storage tank facility plan for static hydrocarbon and hazardous substance storage under subsection (e) of this section for the construction or rehabilitation of an aboveground storage tank system; including tanks, piping, and related systems, for the storage of hydrocarbon or hazardous substance located on the recharge zone or transition zone.

(b) Water pollution abatement plan. A water pollution abatement plan must contain the following information.

(1) Application. The information required under §213.4 of this title (relating to Application Processing and Approval) is part of the plan and must be filed with the executive director at the appropriate regional office.

(2) Site location.

(A) Location data and maps must include a legible road map with directions, including mileage, which would enable the executive director to locate the site for inspection.

(B) A general location map must include:

(i) the site location on a copy (or spliced composite of copies, if necessary) of an official recharge zone map(s) with quadrangle name(s) and recharge and transition zone boundaries clearly labeled; and

(ii) a drainage plan, shown on the recharge zone map, indicating all paths of drainage from the site.

(C) A site plan with a minimum scale of one inch to 400 feet must show:

(i) the 100-year floodplain boundaries (if applicable);

(ii) the layout of the development showing existing and finished contours as appropriate, but not greater than ten-foot contour intervals;

(iii) the location of all known wells (including, but not limited to, water wells, oil wells, and unplugged and abandoned wells);

(iv) the location of any sensitive feature on the site of the proposed regulated activity as identified in the geologic assessment under paragraph (3) of this subsection;

(v) the drainage patterns and approximate slopes anticipated after major grading activities;

(vi) areas of soil disturbance and areas which will not be disturbed;

(vii) locations of major structural and nonstructural controls identified in the technical report;

(viii) locations where stabilization practices are expected to occur;

(ix) surface waters (including wetlands); and

(x) locations where stormwater discharges to a surface water or a sensitive feature.

(3) Geologic assessment. For all regulated activities, the applicant must submit a geologic assessment report prepared by a geologist describing the site-specific geology. The report must identify all potential pathways for contaminant movement to the Edwards Aquifer. Single-family residential subdivisions constructed on less than ten acres are exempt from this requirement. The geologic assessment report must be signed, sealed, and dated by the geologist preparing the report.

(A) The geologic assessment must include a geologic map, at site-plan scale, illustrating:

(i) the outcrop of surface geologic units; and

(ii) all geologic and manmade features, specifically identifying:

(I) caves;

(II) sinkholes;

(III) faults;

(IV) permeable fractures;

(V) solution zones;

(VI) surface streams; and

(VII) other sensitive features.

(B) The geologic assessment must contain a stratigraphic column showing, at a minimum, formations, members, and thicknesses.

(C) The geologic assessment must contain a description and evaluation of all geologic and manmade features, on forms provided by, or approved by, the executive director. The assessment must determine which of these features are sensitive features. The assessment must include:

(i) the identification of each geologic or manmade feature, with a cross-reference to the site-plan map coordinates; and

(ii) the type of geologic or manmade feature including, but not limited to:

(I) sinkholes;

(II) caves;

(III) faults;

(IV) wells;

(V) surface streams; or

(VI) potentially permeable fractures and solution zones.

(D) The geologic assessment must contain a narrative assessment of site-specific geology. The assessment must detail the potential for fluid movement to the Edwards Aquifer and include a discussion of the stratigraphy, structure, and karstic characteristics of the site.

(E) The geologic assessment must contain a narrative description of soil units and a soil profile, including thickness and hydrologic characteristics.

(4) Technical report.

(A) The technical report must address the following issues.

(i) The report must describe the nature of the regulated activity (such as residential, commercial, industrial, or utility), including:

(I) the size of the site in acres;

(II) the projected population for the site;

(III) the amount and type of impervious cover expected after construction is complete, such as paved surface or roofing;

(IV) the amount of surface expected to be occupied by parking lots; and

(V) other factors that could affect surface water and groundwater quality.

(ii) The report must describe the volume and character of wastewater expected to be produced. Wastewater generated at a site should be characterized as either domestic or industrial, or if commingled, by approximate percentages of each type.

(iii) The report must describe the volume and character of stormwater runoff expected to occur. Estimates of stormwater runoff quality and quantity should be based on area and type of impervious cover, as described in clause (i) of this subparagraph. An estimate of the runoff coefficient of the site for both the pre-construction and post-construction conditions should be included in the report.

(iv) The report must describe any activities or processes which may be a potential source of contamination.

(v) The report must describe the intended sequence of major activities which disturb soils for major portions of the site (e.g., grubbing, excavation, grading, utilities and infrastructure installation).

(vi) The report must contain estimates of the total area of the site that is expected to be disturbed by excavation, grading, or other activities.

(vii) The report must contain the name of the receiving water(s) at or near the site which will be disturbed or which will receive discharges from disturbed areas of the project.

(B) The technical report must describe the temporary best management practices (BMPs) and measures that will be used during and after construction. The technical report must clearly describe for each major activity identified in subparagraph (A)(v) of this paragraph appropriate control measures and the general timing (or sequence) during the construction process that the measures will be implemented.

(i) BMPs and measures must prevent pollution of surface water, groundwater, or storm water that originates upgradient from the site and flows across the site as provided under this paragraph.

(ii) BMPs and measures must prevent pollution of surface water or groundwater that originates on-site or flows off site, including pollution caused by contaminated stormwater runoff from the site as provided under this paragraph.

(iii) BMPs and measures must prevent pollutants from entering surface streams, sensitive features, or the aquifer as provided under this paragraph.

(iv) To the maximum extent practicable, BMPs and measures must maintain flow to naturally-occurring sensitive features identified in either the geologic assessment, executive director review, or during excavation, blasting, or construction.

(I) The temporary sealing of a naturally-occurring sensitive feature which accepts recharge to the Edwards Aquifer as a temporary pollution abatement measure during active construction should be avoided.

(II) A request to temporarily seal must include a justification as to why no reasonable and practicable alternative exists. The request will be evaluated by the executive director on a case-by-case basis.

(v) Temporary BMPs and measures must meet the requirements contained in subparagraph (D)(i) of this paragraph.

(vi) The report must include a plan for the inspection of temporary BMPs and measures and for their timely maintenance, repair, and, if necessary, retrofit.

(vii) Temporary sediment pond or basin construction plans and design calculations for a proposed temporary BMP or measure must be prepared by or under the direct supervision of a Texas licensed professional engineer. All construction plans and design information must be signed, sealed, and dated by the Texas licensed professional engineer.

(viii) Pilot-scale field testing (including water quality monitoring) may be required for BMPs that are not contained in technical guidance recognized by, or prepared by, the executive director.

(ix) The construction-phase BMPs for erosion and sediment controls should be designed to retain sediment on site to the extent practicable.

(x) All control measures must be properly selected, installed, and maintained in accordance with the manufacturers specifications and good engineering practices. If periodic inspections by the applicant or the executive director, or other information indicates a control has been used inappropriately, or incorrectly, the applicant must replace or modify the control for site situations.

(xi) If sediment escapes the construction site, off-site accumulations of sediment must be removed at a frequency sufficient to minimize off-site impacts to water quality (e.g., fugitive sediment in street being washed into surface streams or sensitive features by the next rain).

(xii) Sediment must be removed from sediment traps or sedimentation ponds not later than when design capacity has been reduced by 50%.

(xiii) Litter, construction debris, and construction chemicals exposed to storm water shall be prevented from becoming a pollutant source for storm water discharges (e.g., screening outfalls, picked up daily).

(C) The technical report must describe the permanent BMPs and measures that will be used during and after construction is completed.

(i) BMPs and measures must prevent pollution of surface water, groundwater, or storm water that originates upgradient from the site and flows across the site.

(ii) BMPs and measures must prevent pollution of surface water or groundwater that originates on-site or flows off the site, including pollution caused by contaminated storm water runoff from the site.

(iii) BMPs and measures must prevent pollutants from entering surface streams, sensitive features, or the aquifer.

(iv) To the extent practicable, BMPs and measures must maintain flow to naturally occurring sensitive features identified in either the geologic assessment, executive director review, or during excavation, blasting, or construction.

(I) The permanent sealing of, or diversion of, flow from a naturally occurring sensitive feature that accepts recharge to the Edwards Aquifer as a permanent pollution abatement measure should be avoided.

(II) A request to seal a naturally occurring sensitive feature must include a justification as to why no reasonable and practicable alternative exists. The request will be evaluated by the executive director on a case-by-case basis.

(v) Permanent BMPs and measures must meet the requirements contained in subparagraph (D)(ii) of this paragraph.

(vi) Construction plans and design calculations for the proposed permanent BMPs and measures must be prepared by, or under the direct supervision of, a Texas licensed professional engineer. All construction plans and design information must be signed, sealed, and dated by the Texas licensed professional engineer.

(vii) The technical report must include a plan for the inspection of the permanent BMPs and measures and for their timely inspection, maintenance, repair, and, if necessary, retrofit. The plan must be prepared and certified by the engineer designing the permanent BMPs and measures. The plan must be signed by the owner or responsible party.

(viii) Pilot-scale field testing (including water quality monitoring) may be required for BMPs that are not contained in technical guidance recognized by, or prepared by, the executive director.

(I) When pilot-scale field testing of an innovative technology (including water quality monitoring) is required, only one pilot site will be approved.

(II) No additional approvals will be granted until the pilot study is complete and the applicant demonstrates adequate protection of the Edwards Aquifer.

(III) If the innovative technology demonstrates adequate protection of the Edwards Aquifer, additional units may be approved for use as permanent pollution abatement measures on the Edwards Aquifer recharge zone.

(IV) If the innovative technology demonstrates inadequate protection of the Edwards Aquifer, a retrofit of the pollution abatement measure may be required to achieve compliance with requirements under subparagraph (D) of this paragraph and no additional units will be approved for use on the Edwards Aquifer recharge zone.

(D) Requirements for BMPs and measures.

(i) Temporary BMPs.

(I) The technical report must include a description of interim and permanent stabilization practices for the site, including a schedule of when the practices will be implemented. Stabilization practices may include, but are not limited to: establishment of temporary vegetation, establishment of permanent vegetation, mulching, geotextiles, sod stabilization, vegetative buffer strips, protection of trees, preservation of mature vegetation, and other appropriate measures.

(-a-) The following records shall be maintained and made available to the executive director upon request: the dates when major grading activities occur; the dates when construction activities temporarily or permanently cease on a portion of the site; and the dates when stabilization measures are initiated.

(-b-) Stabilization measures shall be initiated as soon as practicable in portions of the site where construction activities have temporarily or permanently ceased, but in no case more than 14 days after the construction activity in that portion of the site has temporarily or permanently ceased. Where the initiation of stabilization measures by the 14th day after construction activity temporary or permanently cease is precluded by weather conditions, stabilization measures shall be initiated as soon as practicable. Where construction activity on a portion of the site is temporarily ceased, and earth disturbing activities will be resumed within 21 days, temporary stabilization measures do not have to be initiated on that portion of site. In areas experiencing droughts where the initiation of stabilization measures by the 14th day after construction activity has temporarily or permanently ceased is precluded by seasonal arid conditions, stabilization measures shall be initiated as soon as practicable.

(II) The technical report must include a description of structural practices to divert flows from exposed soils, store flows, or otherwise limit runoff and the discharge of pollutants from exposed areas of the site to the degree attainable. Structural practices may include, but are not limited to: silt fences, earth dikes, drainage swales, sediment traps, checks dams, subsurface drains, pipe slope drains, level spreaders, storm drain inlet protection, rock outlet protection, reinforced soil retaining systems, gabions, and sediment basins. Placement of structural practices in floodplains should be avoided to the degree attainable.

(-a-) For common drainage locations that serve an area with ten or more acres disturbed at one time, a sediment basin that provides storage for a calculated volume of runoff from a two-year, 24-hour storm from each disturbed acre drained, or equivalent control measures, shall be provided where attainable until final stabilization of the site. Where no such calculation has been performed, a sediment basin providing 3,600 cubic feet of storage per acre drained, or equivalent control measures, shall be provided where attainable until final stabilization of the site. When computing the number of acres draining into a common location it is not necessary to include flows from off-site areas and flows from on-site areas that are either undisturbed or have undergone final stabilization where such flows are diverted around both the disturbed area and the sediment basin.

(-b-) In determining whether installing a sediment basin is attainable, the applicant may consider factors such as site soils, slope, and available area on site. For drainage locations which serve ten or more disturbed acres at one time and where a sediment basin or equivalent controls is not attainable, smaller sediment basins and/or sediment traps should be used. Where neither the sediment basin nor equivalent controls are attainable due to site limitations, silt fences, vegetative buffer strips, or equivalent sediment controls are required for all down slope boundaries of the construction area and for those side slope boundaries deemed appropriate as dictated by individual site conditions. The executive director encourages the use of a combination of sediment and erosion control measures in order to achieve maximum pollutant removal.

(-c-) For drainage locations serving less than ten acres, smaller sediment basins and/or sediment traps should be used. At a minimum, silt fences, vegetative buffer strips, or equivalent sediment controls are required for all down slope boundaries (and for those side slope boundaries deemed appropriate as dictated by individual site conditions) of the construction area unless a sediment basin providing storage for a calculated volume of runoff from a two-year, 24- hour storm or 3,600 cubic feet of storage per acre drained is provided. The executive director encourages the use of a combination of sediment and erosion control measures in order to achieve maximum pollutant removal.

(ii) Permanent BMPs and measures.

(I) BMPs and measures must be implemented to control the discharge of pollution from regulated activities after the completion of construction. These practices and measures must be designed, constructed, operated, and maintained to insure that 80% of the incremental increase in the annual mass loading of total suspended solids from the site caused by the regulated activity is removed. These quantities must be calculated in accordance with technical guidance prepared or accepted by the executive director.

(II) Owners of permanent BMPs and measures must insure that the BMPs and measures are constructed and function as designed. A Texas licensed professional engineer must certify in writing that the permanent BMPs or measures were constructed as designed. The certification letter must be submitted to the appropriate regional office within 30 days of site completion.

(III) Where a site is used for low density single-family residential development and has 20% or less impervious cover, other permanent BMPs are not required. This exemption from permanent BMPs must be recorded in the county deed records, with a notice that if the percent impervious cover increases above 20% or land use changes, the exemption for the whole site as described in the property boundaries required by §213.4(g) of this title, may no longer apply and the property owner must notify the appropriate regional office of these changes.

(IV) The executive director may waive the requirement for other permanent BMPs for multi-family residential developments, schools, or small business sites

where 20% or less impervious cover is used at the site. This exemption from permanent BMPs must be recorded in the county deed records, with a notice that if the percent impervious cover increases above 20% or land use changes, the exemption for the whole site as described in the property boundaries required by §213.4(g) of this title, may no longer apply and the property owner must notify the appropriate regional office of these changes.

(E) The technical report must describe measures that will be used to avoid or minimize surface stream contamination and changes in the way in which water enters a stream as a result of the construction and development. The measures should address the following:

(i) increased stream flashing;

(ii) the creation of stronger flows and in-stream velocities; or

(iii) other in-stream effects caused by the regulated activity which increase erosion that results in water quality degradation.

(F) The technical report must describe the method of wastewater disposal from the site.

(i) If wastewater is to be disposed of by conveyance to a sewage treatment plant for treatment and disposal, the existing or proposed treatment facility must be identified.

(ii) If wastewater is to be disposed of by an on-site sewage facility, the application must include a written statement from the appropriate authorized agent, stating that the site is suitable for the use of private sewage facilities and will meet the special requirements for on-site sewage facilities located on the Edwards Aquifer recharge zone as specified under Chapter 285 of this title (relating to On-Site Sewage Facilities), or identifying those areas that are not suitable.

(G) The technical report must describe the measures that will be used to contain any spill of hydrocarbons or hazardous substances such as on a roadway or from a pipeline or from temporary aboveground storage of 250 gallons or more.

(i) Temporary storage facilities are those used on site for less than one year.

(ii) Temporary aboveground storage tank systems of 250 gallons or more cumulative storage capacity must be located a minimum horizontal distance of 150 feet from any domestic, industrial, irrigation, or public water supply well, or other sensitive feature.

(5) Responsibility for maintenance of permanent BMPs and measures after construction is complete.

(A) The applicant shall be responsible for maintaining the permanent BMPs after construction until such time as the maintenance obligation is either assumed in writing by another entity having ownership or control of the property (such as without limitation, an owner's association, a new property owner or lessee, a district, or municipality) or the ownership of the property is transferred to the entity. Such entity shall then be responsible for maintenance until another entity assumes such obligations in writing or ownership is transferred.

(B) A copy of the transfer of responsibility must be filed with the executive director at the appropriate regional office within 30 days of the transfer.

(C) This paragraph applies to:

(i) multiple single-family residential developments, multi-family residential; and

(ii) non-residential developments such as commercial, industrial, institutional, schools, and other sites where regulated activities occur.

(c) Organized sewage collection systems.

(1) No person may commence rehabilitation or construction related to an existing or new organized sewage collection system on the recharge zone, until final design plans, specifications, and an engineering report, as specified in Chapter 317 of this title (relating to Design Criteria for Sewerage Systems) and appropriate special requirements of this section, have been filed with and approved by the executive director.

(2) General design of sewage collection systems. Design of new sewage collection systems on the recharge zone must comply with Chapter 317 of this title.

(3) Special requirements for sewage collection systems. In addition to the requirements in paragraph (2) of this subsection, sewage collection systems on the recharge zone must meet the following special requirements.

(A) Manhole rehabilitation or construction. All manholes rehabilitated or constructed after March 21, 1990, must be watertight, with watertight rings and covers and must be constructed and tested to meet the requirements of §317.2(c)(5)(H) of this title (relating to Sewage Collection System).

(B) Piping for gravity and pressurized collection systems. Compliance with the following is required, unless local regulations dictate more stringent standards:

(i) for gravity collection systems, all PVC pipe must have a Standard Dimension Ratio (SDR) of 35 or less and meet the requirements of §317.2(a) - (c)(4) of this title; and

(ii) for all pressurized sewer systems, all PVC pipe must have a minimum working pressure rating of 150 pounds per square inch and meet the requirements of §317.2(d)(2) - (4) and §317.3(d)(5) - (7) of this title (relating to Sewage Collection System and Lift Stations).

(C) Lift station design. Lift stations must be designed and constructed to ensure that bypassing of any sewage does not occur. All lift stations must be designed to meet the requirements of §317.2(d) and §317.3 of this title. A lift station application must include final construction plans and a design report prepared by or under the direct supervision of a Texas licensed professional engineer. All design information must be signed, sealed, and dated by a Texas licensed professional engineer.

(D) Certification of new sewage collection system lines by a Texas licensed professional engineer. Owners of sewage collection systems must insure that all new gravity sewer system lines having a diameter greater than or equal to six inches and all new force mains are tested for leakage following construction. Such lines must be certified by a Texas licensed professional engineer to meet the appropriate requirements of §317.2 of this title. The engineer must retain copies of all test results which must be made available to the executive director upon request. The engineer must certify in writing that all wastewater lines have passed all required testing to the appropriate regional office within 30 days of test completion and prior to use of the new collection system. Following the completion of the new sewer lines and manholes, they must be tested every five years thereafter in accordance with subparagraph (E) of this paragraph.

(E) Testing of existing sewer lines. Owners of sewage collection systems must insure that all existing sewer lines having a diameter greater than or equal to six inches, including private service laterals, manholes, and connections, are tested to determine types and locations of structural damage and defects such as offsets, open joints, or cracked or crushed lines that would allow exfiltration to occur. Existing manholes and lift station wet wells must be tested using methods for new structures which are approved by the executive director.

(i) Testing of all sewage collection systems must be conducted every five years after being put into use. Any sewage collection system in place as of March 21, 1990 must have commenced and completed the first round of five-year testing. Every five years, existing sewage collection systems must be tested to determine types and locations of structural damage and defects such as offsets, open joints, or cracked or crushed lines that would allow exfiltration to occur. These test results must be certified by a Texas licensed professional engineer. The test results must be retained by the plan holder for five years and made available to the executive director upon request. The use of one of the following methods will satisfy the requirements for the five-year testing of existing sewer lines.

(I) In-place deflection testing must meet the requirements of §317.2(a)(4)(C) of this title. No pipe shall exceed a deflection rate of 5.0%.

(II) Internal line inspections, using a color television camera to verify that the lines are free of structural damage such as offsets, open joints, or cracked or crushed lines, that would allow exfiltration to occur, are acceptable. The use of black and white television equipment may be used following demonstration to the executive director that an acceptable inspection can be performed as provided in subclause (IV) of this clause.

(III) In-line smoke testing is acceptable only for the testing of private service laterals.

(IV) Testing methods other than those listed in this subsection must be approved by the executive director prior to initiating the sewer line testing.

(ii) Except as otherwise provided in an enforcement order of the commission, as soon as possible, but at least within one year of detecting defects, repairs to the sewage collection system must be completed by the system's owner. However, all leakage must be immediately contained to prevent any discharge to water in the state or pollution of the Edwards Aquifer whether necessary repairs have been completed or not. Leakage is a violation of Texas Water Code, §26.121 and these rules are not intended to excuse such unlawful discharge of waste into or adjacent to water in the state. All repairs must be certified by a Texas licensed professional engineer. Repairs must be tested within 45 days of completion using the methods described in clause (i) of this subparagraph. Results must be submitted to the appropriate regional office within 30 days of testing.

(F) Blasting for sewer line excavation. Blasting for sewer line excavation must be done in accordance with appropriate criteria established by the National Fire Protection Association. Should such blasting result in damage to an existing or newly completed sewer line or any of its appurtenances, the owner of the sewer system and appurtenances must repair and retest the damaged sewer line and its appurtenances immediately. The use of sand for pipe embedment or backfill in blasted rock is prohibited.

(G) Sewer line stub outs. New collection system lines must be constructed with stub outs for the connection of anticipated extensions. The location of such stub outs must be marked on the ground such that their location can be easily determined at the time of connection of the proposed extensions. All stub outs must be sealed with a manufactured cap to prevent leakage. Extensions that were not anticipated at the time of original construction or that are to be connected to an existing sewer line not furnished with stub outs must be connected using a manufactured saddle in accordance with accepted plumbing techniques.

(i) Main line stub outs. Manholes must be placed at the end of all sewer lines that will be extended at a future date, as specified in §317.2(c)(5) of this title. If the main line is to be extended within one year, a variance to allow the use of a stub out until the line is extended will be considered on a case-by-case basis. At the time of original construction, new stub outs must be constructed sufficiently to extend beyond the end of the street pavement. Stub outs that were not

anticipated at the time of original construction must enter the manhole using a bored or drilled hole. Chiseling or hammering to enter a manhole is prohibited.

(ii) Private service lateral stub outs. Such stub outs must be manufactured using wyes or tees that are compatible in size and material with both the sewer line and the extension. Private service lateral stub outs that were not anticipated at the time of original construction must be connected using a manufactured saddle in accordance with accepted plumbing techniques.

(H) Locating sewer lines within a five-year floodplain. Sewer lines may not be located within the five-year floodplain of a drainageway, unless an exemption is granted by the executive director. If the applicant demonstrates to the executive director that such location is unavoidable, and the area is subject to inundation and stream velocities which could cause erosion and scouring of backfill, the trench must be capped with concrete to prevent scouring of backfill, or the sewer lines must be encased in concrete. All concrete must have a minimum thickness of six inches.

(I) Inspection of private service lateral connections. After installing and prior to covering and connecting a private service lateral to an organized sewage collection system, a Texas licensed professional engineer, Texas registered sanitarian, or appropriate city inspector must inspect the private service lateral and the connection to the collection system and certify that construction conforms with the applicable provisions of this subsection and local plumbing codes. Private service laterals may only be connected to approved sewage collection systems.

(J) Embedment materials. Embedment materials must meet the specification for bedding contained in §317.2(a)(5) of this title.

(K) Sewer lines bridging caverns or other sensitive features. Sewer lines that bridge caverns or sensitive features must be constructed in a manner that will maintain the structural integrity of the line. When such geologic features are encountered during construction, the location and extent of those features must be assessed by a geologist and must be reported to the appropriate regional office in writing within two working days of discovery. Notification and inspection must comply with the requirements under subsection (f) of this section.

(L) Erosion and sedimentation control. A temporary erosion and sedimentation control plan must be included with all construction plans. All temporary erosion and sedimentation controls must be installed prior to construction, must be maintained during construction, and must be removed when sufficient vegetation is established to control the erosion and sedimentation and the construction area is stabilized.

(M) Alternative sewage collection systems. The executive director may approve an alternative procedure which is technically justified; signed, sealed, and dated by a Texas licensed professional engineer indicating equivalent environmental protection; and which complies with the requirements of §317.2(d) of this title.

(N) Required corrective action. Notwithstanding compliance with the requirements of subparagraphs (A) - (M) of this paragraph, sewage collection systems must operate in a manner that will not cause pollution of the Edwards Aquifer. Any failure must be corrected in a manner satisfactory to the executive director.

(4) Contents of organized sewage collection system plan.

(A) Application. For organized sewage collection systems, the information required under §213.4 of this title must be filed with the executive director at the appropriate regional office.

(B) Narrative description of proposed organized sewage collection system. A narrative report must include, at a minimum, a geographic description and anticipated type of development within the sewage collection system service area.

(C) Geologic assessment. A geologic assessment, as described in subsection (b)(3) of this section, must be performed by a geologist along the path of the proposed sewer line(s), plus 50 feet on each side of the proposed sewer line(s). The geologic assessment report must be signed, sealed, and dated by the geologist preparing the report.

(D) Technical report. For an organized sewage collection system, a technical report must be submitted on forms provided by, or approved by, the executive director. The technical report must contain the information requested in the following subsections of this section: (b)(4)(A)(ii) and (iv), (B), (D)(i), (F)(i), and (G). A technical report for a water pollution abatement plan submitted under subsection (b) of this section satisfies this requirement, provided it properly addresses the proposed sewage collection system.

(E) Plans and specifications. Plans and specifications addressing all the requirements in paragraphs (2) and (3) of this subsection, must include at a minimum:

(i) a map showing the location of the organized sewage collection system layout in relation to recharge zone boundaries;

(ii) a map showing the location of the organized sewage collection system layout overlaid by topographic contour lines, using a contour interval of not greater than ten feet, and showing the area within both the five-year floodplain and the 100-year floodplain of any drainage way;

(iii) construction documents prepared by, or under the supervision of, a Texas licensed professional engineer, which have also been signed, sealed, and dated by that Texas licensed professional engineer, at a minimum, must include:

(I) plan and profile views of the collection system;

(II) construction details of collection system components;

(III) specifications for all collection system components; and

(IV) proposed pollution abatement measures for sensitive features identified along the path of the proposed sewer line.

(d) Static hydrocarbon and hazardous substance storage in underground storage tanks system.

(1) Standards for underground storage tank systems. New or replacement systems for the underground storage of static hydrocarbons or hazardous substances must be of double-walled or an equivalent method approved by the executive director. Methods for detecting leaks in the inside wall of a double-walled system must be included in the facility's design and construction. The leak detection system must provide continuous monitoring of the system and must be capable of immediately alerting the system's owner of possible leakages.

(A) Installation. All underground hydrocarbon and hazardous substance storage tank systems must be installed by a person possessing a valid certificate of registration in accordance with the requirements of Chapter 334, Subchapter I of this title (relating to Underground Storage Tank On-Site Supervisor Licensing and Contractor Registration).

(B) Siting. Any new underground hydrocarbon and hazardous substance storage tank system that does not incorporate a method for tertiary containment must be located a minimum horizontal distance of 150 feet from any domestic, industrial, or irrigation well, or other sensitive feature as determined under the geologic assessment at the time of construction or replacement under paragraph (2)(C) of this subsection or the tankhold inspection under subsection (f)(2)(B) of this section. This method of tertiary containment also applies to the placement of a tank system within 150 feet of a public water supply well without a sanitary control easement of 150 feet as defined in §290.41(c)(1)(F) of this title (relating to Water Sources).

(2) Contents of an underground storage tank facility plan. An underground storage tank facility plan must, at a minimum, contain the following information.

(A) Application. The information required under §213.4 of this title must be filed with the executive director at the appropriate regional office.

(B) Site location map. A site location map as specified in subsection (b)(2) of this section including a legible road map, a general location map, and a site plan, must be submitted as part of the plan.

(C) Geologic assessment. For all facilities located on either the recharge zone or transition zone, a geologic assessment prepared by a geologist, as described in subsection

(b)(3) of this section, must be submitted for the site. The geologic assessment report must be signed, sealed, and dated by the geologist preparing the report.

(D) Technical report. For all facilities, located on either the recharge zone or transition zone, a technical report must be submitted on forms provided by, or approved by, the executive director. The technical report must contain the information requested in subsection (b)(4)(B) and (C) and (5) of this section. A technical report for a water pollution abatement plan submitted under subsection (b) of this section satisfies this requirement, provided it properly addresses the proposed underground storage tank facility.

(e) Static hydrocarbon and hazardous substance storage in an aboveground storage tank facility.

(1) Design standards. Systems used for the temporary and permanent aboveground storage of static hydrocarbon and hazardous substance must be constructed within controlled drainage areas that are sized to capture one and one-half (1-1/2) times the storage capacity of the system. The controlled drainage area must be constructed of, and in a material impervious to, the substance(s) being stored, and must direct spills to a convenient point for collections and recovery. Any spills from storage tank facilities must be removed from the controlled drainage area for disposal within 24 hours of the spill.

(2) Contents of an aboveground storage tank facility plan. A permanent aboveground storage tank facility plan must contain, at a minimum, the following information.

(A) Application. For an aboveground storage tank facility, the information required under §213.4 of this title must be filed with the executive director at the appropriate regional office.

(B) Site location map. A site location map as specified in subsection (b)(2) of this section, including a legible road map, a general location map, and a site plan, must be submitted as part of the plan for a permanent facility.

(C) Geologic assessment. For all facilities located on either the recharge zone or transition zone, a geologic assessment prepared by a geologist, as described in subsection (b)(3) of this section, must be submitted for the area containing the aboveground storage tank system. The geologic assessment report must be signed, sealed, and dated by the geologist preparing the report.

(D) Technical report. For all facilities located on either the recharge zone or transition zone, a technical report must be submitted on forms provided by, or approved by, the executive director. The technical report must contain the information requested in subsection (b)(4)(B) and (C) and (5) of this section. A technical report for a water pollution abatement plan submitted

under subsection (b) of this section satisfies this requirement, provided it properly addresses the proposed aboveground storage tank facility.

(3) A description of measures that will be used to contain any spill of hydrocarbons or hazardous substances from temporary storage of 250 gallons or more must be included with the plan unless described under subsection (b)(4)(G) of this section. Any new temporary aboveground hydrocarbon and hazardous substance storage tank system must be located a minimum horizontal distance of 150 feet from any domestic, industrial, irrigation, or public water supply well, or other sensitive feature.

(4) Exemptions from this section.

(A) Equipment used to transmit electricity that utilizes oil for insulation or cooling purposes, including transformers and oil circuit breakers, are exempt from this subsection. Construction of supporting structures is a regulated activity for which a water pollution abatement plan under subsection (a)(1) of this section is required.

(B) Permanent storage facilities with a cumulative storage capacity of less than 500 gallons are exempt from this section.

(f) Notification and inspection.

(1) The applicant must provide written notification of intent to commence construction, replacement, or rehabilitation. Notification must be given to the appropriate regional office no later than 48 hours prior to commencement of the regulated activity.

(A) Written notification must include:

(i) the date on which the regulated activity will commence;

(ii) the name of the approved plan for the regulated activity; and

(iii) the name of the prime contractor and the name and telephone number of the contact person.

(B) The executive director will use the notification to determine if the applicant is eligible for an extension of an approved plan. Construction will not be considered to have commenced until written notification is received by the appropriate regional office.

(2) If any sensitive feature is discovered during construction, replacement, or rehabilitation, all regulated activities near the sensitive feature must be suspended immediately.

(A) The holder of an approved Edwards Aquifer protection plan must immediately notify the appropriate regional office of any sensitive features encountered during construction. This notice must be given before continuing construction.

(B) Regulated activities near the sensitive feature may not proceed until the executive director has reviewed a geologic assessment report prepared by a geologist that consists of information required under subsection (b)(3)(C) and (D) of this section for the sensitive feature and has reviewed and approved the methods proposed to protect the sensitive feature and the Edwards Aquifer from potentially adverse impacts to water quality. The geologic assessment report must be signed, sealed, and dated by the geologist preparing the report.

(C) The holder of an approved sewage collection system plan, must meet the following.

(i) Upon completion of any lift station excavation, a geologist must certify that the excavation has been inspected for the presence of sensitive features. The certification must be signed, sealed, and dated by the geologist preparing the certification. Certification that the excavation has been inspected must be submitted to the appropriate regional office.

(I) Further activities may not proceed until the executive director has reviewed and approved the methods proposed to protect any sensitive feature and the Edwards Aquifer from potentially adverse impacts to water quality from the lift station.

(II) Construction may continue if the geologist certifies that no sensitive feature or features were present.

(ii) The applicant must submit a plan for ensuring the structural integrity of the sewer line or for modifying the proposed collection system alignment around the feature. The plan must be certified by a Texas licensed professional engineer. These plans must be submitted to the appropriate regional office for review and approval.

(D) For an approved underground storage tank facility plan, a geologist must certify that a completed tankhold excavation has been inspected for the presence of sensitive features. The certification must be signed, sealed, and dated by the geologist preparing the certification.

(i) Certification that the tankhold excavation has been inspected must be submitted to the appropriate regional office.

(ii) If a sensitive feature is discovered, the applicant must propose methods to protect the feature and the Edwards Aquifer from potentially adverse impacts to water quality from the underground storage tank system. Installation activities may not proceed until the executive director has reviewed and approved the proposed methods. The protection methods must be consistent with subsection (d)(1)(B) of this section.

(iii) Construction may continue if the geologist certifies that no sensitive feature or features were present.

(3) The executive director must review methods or plans proposed to protect sensitive features and the Edwards Aquifer from potentially adverse impacts to water quality. This review will be completed within one week of receiving a method or plan. Regulated activities near the sensitive feature may not continue until the executive director has approved the proposed methods or plans.

(g) On-site sewerage systems. On-site sewerage systems located on the recharge zone are subject to §285.40 of this title (relating to OSSFs on the Recharge Zone of the Edwards Aquifer) and other applicable provisions contained in Chapter 285 of this title. Systems must be designed, installed, maintained, repaired, and replaced in accordance with Chapter 285 of this title.

(h) Exemption.

(1) Regulated activities exempt from the Edwards Aquifer protection plan application requirements under this section are:

(A) the installation of natural gas lines;

(B) the installation of telephone lines;

(C) the installation of electric lines;

(D) the installation of water lines;

(E) the installation of other utility lines which are not designed to carry and will not carry the following:

(i) pollutants;

(ii) storm water runoff;

(iii) sewage effluent; or

(iv) treated effluent from a wastewater treatment facility.

(2) An individual land owner who seeks to construct his/her own single-family residence or associated residential structures on the site is exempt from the Edwards Aquifer protection plan application requirements under this section, provided that he/she does not exceed 20% impervious cover on the site.

(3) Temporary erosion and sedimentation controls are required to be installed and maintained for exempted activities on the recharge zone.

(4) All temporary erosion and sedimentation controls:

(A) must meet the requirements contained in subsection (b)(4)(D)(i) of this section;

(B) must be installed prior to construction;

(C) must be maintained during construction; and

(D) may be removed only when vegetation is established and the construction area is stabilized.

(5) The executive director may monitor storm water discharges from these projects to evaluate the adequacy of the temporary erosion and sedimentation control measures. Additional protection will be required if the executive director determines that these controls are inadequate to protect water quality.

Adopted July 23, 2003 Effective September 1, 2003

§213.6. Wastewater Treatment and Disposal Systems.

(a) General.

(1) New industrial and municipal wastewater discharges into or adjacent to water in the state that would create additional pollutant loading are prohibited on the recharge zone.

(2) Increases in existing discharges into or adjacent to water in the state that would increase or add new pollutant loading are prohibited on the recharge zone.

(3) Existing permits may be renewed for the same discharge volumes and with the same conditions and authorizations specified in the permit. Permits will not be renewed if the facility becomes non-compliant, as defined in Chapter 70 of this title (relating to Enforcement).

(4) New land application wastewater treatment plants located on the recharge zone must be designed, constructed, and operated such that there are no bypasses of the treatment facilities or any discharges of untreated or partially treated wastewater.

(5) Design of wastewater treatment plants must be in accordance with Chapter 317 of this title (relating to Design Criteria for Sewerage Systems).

(b) Land application systems.

(1) Except for licensed private sewage facilities, land application systems that rely on percolation for wastewater disposal are prohibited on the recharge zone.

(2) Wastewater disposal systems for disposal of wastewater on the recharge zone utilizing land application methods, such as evaporation or irrigation, will be considered on a case-by-case basis. At a minimum, those systems must attain secondary treatment as defined in Chapter 309 of this title (relating to Effluent Limitations).

(3) Existing permits may be renewed for the same discharge volumes and with the same conditions and authorizations specified in the permit unless the facility becomes non-compliant, as defined in Chapter 70 of this title (relating to Enforcement).

(c) Discharge upstream from the recharge zone.

(1) All new or increased discharges of treated wastewater into or adjacent to water in the state, other than industrial wastewater discharges, within zero to five (0 to 5) miles upstream from the recharge zone, at a minimum, shall achieve the following level of effluent treatment:

(A) five milligrams per liter of carbonaceous biochemical oxygen demand, based on a 30-day average;

(B) five milligrams per liter of total suspended solids, based on a 30-day average;

(C) two milligrams per liter of ammonia nitrogen, based on a 30-day average; and

(D) one milligram per liter of phosphorus, based on a 30-day average.

(2) All new or increased discharges into or adjacent to water in the state, other than industrial wastewater discharges, more than five miles but within ten miles upstream from the recharge zone and any other discharges that the agency determines may affect the Edwards Aquifer, at a minimum, must achieve the level of effluent treatment for 2N based on a 30-day average as set out in Table 1 of Chapter 309 of this title. More stringent treatment or more frequent monitoring may be required on a case-by-case basis.

(3) All discharges, other than industrial wastewater discharges, more than five (5) miles upstream from the recharge zone which enter the main stem or a tributary of Segment 1428 of the Colorado River, or Segment 1427, main stem Onion Creek, or a tributary of Onion Creek must comply with §311.43 of this title (relating to Effluent Requirements for All Tributaries of Segment 1428 of the Colorado River and Segment 1427, Onion Creek, and Its Tributaries, of the Colorado

River Basin), and to §311.44 of this title (relating to Disinfection). More stringent treatment or more frequent monitoring may be required on a case-by-case basis.

(4) Any existing permitted industrial wastewater discharges within zero to ten (0 to 10) miles upstream of the recharge zone must, at all times, discharge effluent in accordance with permitted limits. Any application for new industrial wastewater discharge permits for facilities zero to ten (0 to 10) miles upstream of the recharge zone will be considered on a case-by-case basis, in accordance with appropriate discharge limits applicable to that industrial activity and with consideration of its proximity to the recharge zone.

Adopted September 23, 1998 Effective June 1, 1999

§213.7. Plugging of Abandoned Wells and Borings.

(a) All identified abandoned water wells, including injection, dewatering, and monitoring wells must be plugged pursuant to requirements of the Texas Department of Licensing and Regulation under 16 TAC Chapter 76 (relating to Licensing and Regulation of Water Well Drillers and Water Well Pump Installers) and all other locally applicable rules, as appropriate.

(b) Abandoned injection wells must be closed under the requirements of Chapter 331 of this title (relating to Underground Injection Control).

(c) All borings with depths greater than or equal to 20 feet must be plugged with a non-shrink grout from the bottom of the hole to within three (3) feet of the surface. The remainder of the hole must be backfilled with cuttings from the boring or gravel. All borings less than 20 feet must be backfilled with cuttings from the boring or gravel. All borings must be backfilled or plugged within four (4) days of completion of the drilling operation. Voids may be filled with gravel.

Adopted September 23, 1998 Effective June 1, 1999

§213.8. Prohibited Activities.

(a) Recharge zone. The following activities are prohibited on the recharge zone:

(1) waste disposal wells regulated under Chapter 331 of this title (relating to Underground Injection Control);

(2) new feedlot/concentrated animal feeding operations regulated under Chapter 321 of this title (relating to Control of Certain Activities by Rule);

(3) land disposal of Class I wastes, as defined in §335.1 of this title (relating to Definitions);

(4) the use of a sewage holding tank as part of an organized sewage collection systems (lift stations approved by the executive director are not prohibited);

(5) new municipal solid waste landfill facilities required to meet and comply with Type I standards which are defined in §330.41(b), (c), and (d) of this title (relating to Types of Municipal Solid Waste Facilities); and

(6) new municipal and industrial wastewater discharges into or adjacent to water in the state that would create additional pollutant loading.

(b) Transition zone. The following activities are prohibited on the transition zone:

(1) waste disposal wells regulated under Chapter 331 of this title;

(2) land disposal of Class I wastes, as defined in §335.1 of this title; and

(3) new municipal solid waste landfill facilities required to meet and comply with Type I standards which are defined in §330.41(b), (c), and (d) of this title.

(c) Additional prohibitions. For applications submitted on or after September 1, 2001, injection wells that transect or terminate in the Edwards Aquifer, as defined in §331.19 of this title (relating to Injection Into or Through the Edwards Aquifer), are prohibited except as provided by §331.19 of this title.

Adopted October 10, 2002 Effective November 3, 2002

§213.9. Exceptions.

(a) Granting of exceptions. Exceptions to any substantive provision of this chapter related to the protection of water quality may be granted by the executive director if the requestor can demonstrate equivalent water quality protection for the Edwards Aquifer. No exception will be granted for a prohibited activity. Prior approval under this section must be obtained from the executive director for the exception to be authorized.

(b) Procedure for requesting an exception. A person requesting an exception to the provisions of this chapter relating to the protection of water quality must file an original and three copies of a written request with the executive director at the appropriate regional office stating in detail:

(1) the name, address, and telephone numbers of the requestor;

(2) site and project name and location;

(3) the nature of the exception requested;

(4) the justification for granting the exception as described in (a) of this section; and

(5) any other pertinent information that the executive director requests.

(c) Fees related to requests for exceptions. A person submitting an application for an exception, as described in this section, must pay $250 for each exception request. The fee is due and payable at the time the exception request is filed, and should be submitted as described in §213.12 of this title (relating to Application Fees). If the exception request fee is not submitted in the correct amount, the executive director is not required to consider the exception request until the correct fee is submitted.

Adopted September 23, 1998 Effective June 1, 1999

§213.10. Enforcement.

Liability for penalties may result and may subject a noncompliant person to enforcement proceedings initiated by the executive director if there is failure to comply with:

(1) any provision of this chapter,

(2) an approved or conditionally approved Edwards Aquifer protection plan, or

(3) any applicable regulation or order of the commission issued pursuant to this chapter and in accordance with Chapter 26 and other relevant provisions of the Texas Water Code or Texas Health and Safety Code.

Adopted September 23, 1998 Effective June 1, 1999

§213.11. Groundwater Conservation Districts.

The commission recognizes the authorities, powers, and duties of special-purpose districts, created by the Texas Legislature or by the commission under Chapter 36 of the Texas Water Code, as groundwater conservation districts to conserve, prevent waste, and protect the quality of ground water. In order to foster cooperation with local governments, the commission encourages districts to assist it in the administration of this chapter by carrying out the following functions within the areal extent of their geographic jurisdiction which includes the recharge zone or transition zone:

(1) cooperating with licensing authorities in carrying out the provisions of this chapter,

(2) conducting such geologic investigations as are necessary to provide updated information to the executive director regarding the official maps of the recharge zone and transition zone,

(3) monitoring the quality of water in the Edwards Aquifer, and

(4) maintaining maps of regulated activities on the recharge or transition zone.

Adopted December 4, 1996 Effective December 27, 1996

§213.12. Application Fees.

The person submitting an application for approval or modification of any plan under this chapter must pay an application fee in the amount set forth in §213.14 of this title (relating to Fee Schedule). The fee is due and payable at the time the application is filed. The fee must be sent to the appropriate regional office or the cashier in the Austin Office of the agency, accompanied by an Edwards Aquifer Fee Application Form, provided by the executive director. Application fees must be paid by check or money order, payable to the "Texas Natural Resource Conservation Commission." If the application fee is not submitted in the correct amount, the executive director is not required to consider the application until the correct fee is submitted.

Adopted December 4, 1996 Effective December 27, 1996

§213.13. Fees Related to Requests for Extensions.

The person submitting an application for an extension of an approval of any plan under this chapter must pay $100 for each extension request. The fee is due and payable at the time the extension request is filed, and should be submitted as described in §213.12 of this title (relating to Application Fees). If the extension fee is not submitted in the correct amount, the executive director is not required to consider the extension request until the correct fee is submitted. The extension request must be submitted to the appropriate regional office and must include a copy of the Edwards Aquifer protection plan and approval letter that is the subject of the extension request.

Adopted December 4, 1996 Effective December 27, 1996

§213.14. Fee Schedule.

(a) Water Pollution Abatement Plans. For water pollution abatement plans and modifications to those plans, the application fee shall be based on the classification and total acreage of the site where regulated activities will occur as specified in Table 1.

Table 1

CLASSIFICATION/NUMBER OF ACRES	FEE
One single-family residential dwelling on less than 5 acres	$500
Multiple single-family residential dwellings and parks	
Less than 5 acres	$1,000
5 to less than 10 acres	$2,000
10 acres to less than 50 acres	$3,000
50 acres or more	$5,000
Non-residential (Commercial, industrial, institutional, multi-family residential, schools, and other sites where regulated activities will occur)	
Less than 1 acre	$2,000
1 to less than 5 acres	$3,000
5 to less than 10 acres	$4,000
10 acres or more	$5,000

(b) Organized sewage collection systems. For sewage collection system plans and modifications, the application fee shall be based on the total number of linear feet of all lines for which approval is sought. The fee shall be $.50 per linear foot, with a minimum fee of $500 and a maximum fee of $5,000.

(c) Underground and aboveground storage tank facilities. For underground or permanent aboveground storage tank system facility plans and modifications, the application fee shall be based on the number of tanks or piping systems for which approval is sought. The fee shall be $500 per tank or piping system, with a minimum fee of $500 and a maximum fee of $5,000.

SUBCHAPTER B: CONTRIBUTING ZONE TO THE EDWARDS AQUIFER IN MEDINA, BEXAR, COMAL, KINNEY, UVALDE, HAYS, TRAVIS, AND WILLIAMSON COUNTIES §§213.20 - 213.28

Effective July 19, 2002

§213.20. Purpose.

(a) The purpose of this subchapter is to regulate activities in the contributing zone to the Edwards Aquifer having the potential for polluting surface streams which recharge the Edwards Aquifer and to protect existing and potential beneficial uses of groundwater in the Edwards Aquifer.

(b) Nothing in this subchapter is intended to restrict the powers of the commission or any other governmental entity to prevent, correct, or curtail activities in the contributing zone that result or may result in pollution of the Edwards Aquifer or hydrologically connected surface waters. These rules are not exclusive and other rules also apply. In addition to the rules of the commission, EPA NPDES general permits for Storm Water Discharges from Construction Activities and local ordinances and regulations providing for the protection of water quality may also apply to activities in the contributing zone.

(c) The executive director must review and act on contributing zone plans subject to this subchapter. The applicant or other person may file with the chief clerk a motion for reconsideration, under §50.39(b)-(f) of this title (relating to Motion for Reconsideration), of the executive director's final action on a contributing zone plan or modification to a plan.

Adopted September 23, 1998 Effective June 1, 1999

§213.21. Applicability and Person or Entity Required to Apply.

(a) These rules apply only to the contributing zone as defined in §213.22 of this title (relating to Definitions) of the Edwards Aquifer. These rules are not intended to be applied to any other contributing zones for any other aquifers in the state of Texas.

(b) These rules apply only to regulated activities disturbing at least five acres, or regulated activities disturbing less than five acres which are part of a larger common plan of development or sale with the potential to disturb cumulatively five or more acres.

(c) Areas identified as contributing zone within the transition zone described by definition §213.22(2) of this title and delineated on the official recharge and transition zone maps of the agency as provided by §213.3(25) and (34) of this title (relating to Definitions), respectively, are subject to both the requirements of this subchapter governing the contributing zone and to the provisions of §213.5(a)(3)and (4); 213.5(d), (e), and (f) of this title (relating to Prohibited Activities); 213.7 of this

title (relating to Required Edwards Aquifer Protection Plans, Notification, and Exemptions); and 213.8(b) of this title (relating to Prohibited Activities) which govern activities in the transition zone.

(d) Unless otherwise provided under this subchapter, executive director approval of a contributing zone plan must be obtained prior to beginning construction of a new or additional regulated activity.

(e) Regulated activities are allowed to be conducted under this subchapter only by applicants who have a letter of contributing zone plan approval issued by the executive director. This letter is issued under §213.23 of this title (relating to Plan Processing and Approval).

(f) Regulated activities will be considered to have commenced construction and not subject to this subchapter if, on the effective date of the rule, all federal, state, and local approvals or permits required to begin physical construction have been obtained, and if either on-site construction directly related to the development has begun or construction commences within six months of the effective date of the rule.

(g) Assumption of program by local government.

(1) A local governmental entity may assume the rights, duties, and responsibilities to review and either approve or deny contributing zone protection plan applications within its boundaries and monitor and enforce compliance with plans if the local government obtains certification from the executive director.

(2) In order to obtain certification, the local government must demonstrate:

(A) it has a water quality protection program equal to or more stringent than the rules contained in this subchapter, including but not limited to a program that:

(i) regulates activities covered under this chapter, and

(ii) has performance standards equal to or more protective of water quality;

(B) it has adopted ordinances or has other enforceable means sufficient to enforce the program throughout the local governmental entities jurisdiction; and

(C) it has adequate resources to implement and enforce the program.

(3) Upon approval of a request for certification under this subsection, the executive director shall enter into an agreement with the local governmental entity to provide for the terms and conditions of program assumption, including executive director oversight. Nothing in a certification or

agreement shall affect the commission's ability to enforce its water quality protection rules or applicable state law.

(4) An agreement under paragraph (3) of this subsection shall not provide for the payment of fees required by this chapter to the local entity; rather, fees shall be paid to the commission. Nor shall such agreement provide for partial assumption of the program unless expressly authorized by the commission.

(5) Certification shall be for a term not to exceed five years, subject to renewal.

(6) Upon written notice, certification may be revoked or suspended by the executive director if the local entity does not meet the terms and conditions of the agreement provided under paragraph (4) of this subsection or fails to meet the criteria for certification provided under paragraph (2) of this subsection.

(7) A decision by the executive director under this subsection is not subject to appeal to the commission.

(h) The effective date of this subchapter is June 1, 1999.

Adopted September 23, 1998 Effective June 1, 1999

§213.22. Definitions.

The definitions in Texas Water Code, §§26.001, 26.263, and 26.342 and in §213.3 of this title (relating to Definitions) apply to this subchapter. Those definitions have the same meaning unless the context in which they are used clearly indicates otherwise, or those definitions are inconsistent with the definitions listed in this section.

(1) **Best Management Practices (BMPs)** - Schedule of activities, prohibitions of practices, maintenance procedures, and other management practices to prevent or reduce the discharge of pollutants to the Edwards Aquifer and hydrologically connected surface streams. BMPs also include treatment requirements, operating procedures, and practices to control plant site runoff, spillage or leaks, sludge or waste disposal, or drainage from raw material storage.

(2) **Contributing zone** - The area or watershed where runoff from precipitation flows downgradient to the recharge zone of the Edwards Aquifer. The contributing zone is illustrated on Contributing Zone (Southern Part) for the Edwards Aquifer and Contributing Zone (Northern Part) for the Edwards Aquifer. The contributing zone is located upstream (upgradient) and generally north and northwest of the recharge zone for the following counties:

Figure 1a: §213.22. Contributing Zone (Southern Part) for the Edwards Aquifer

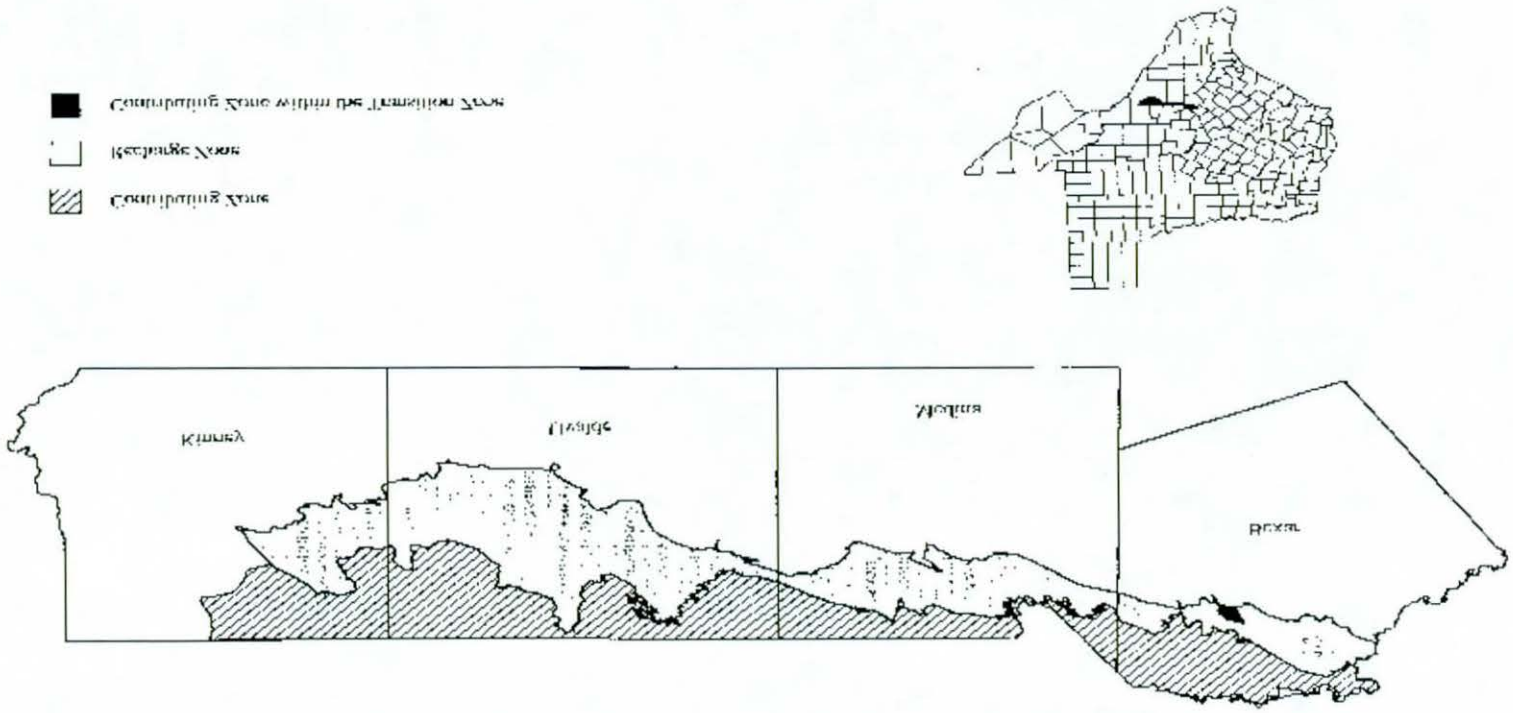
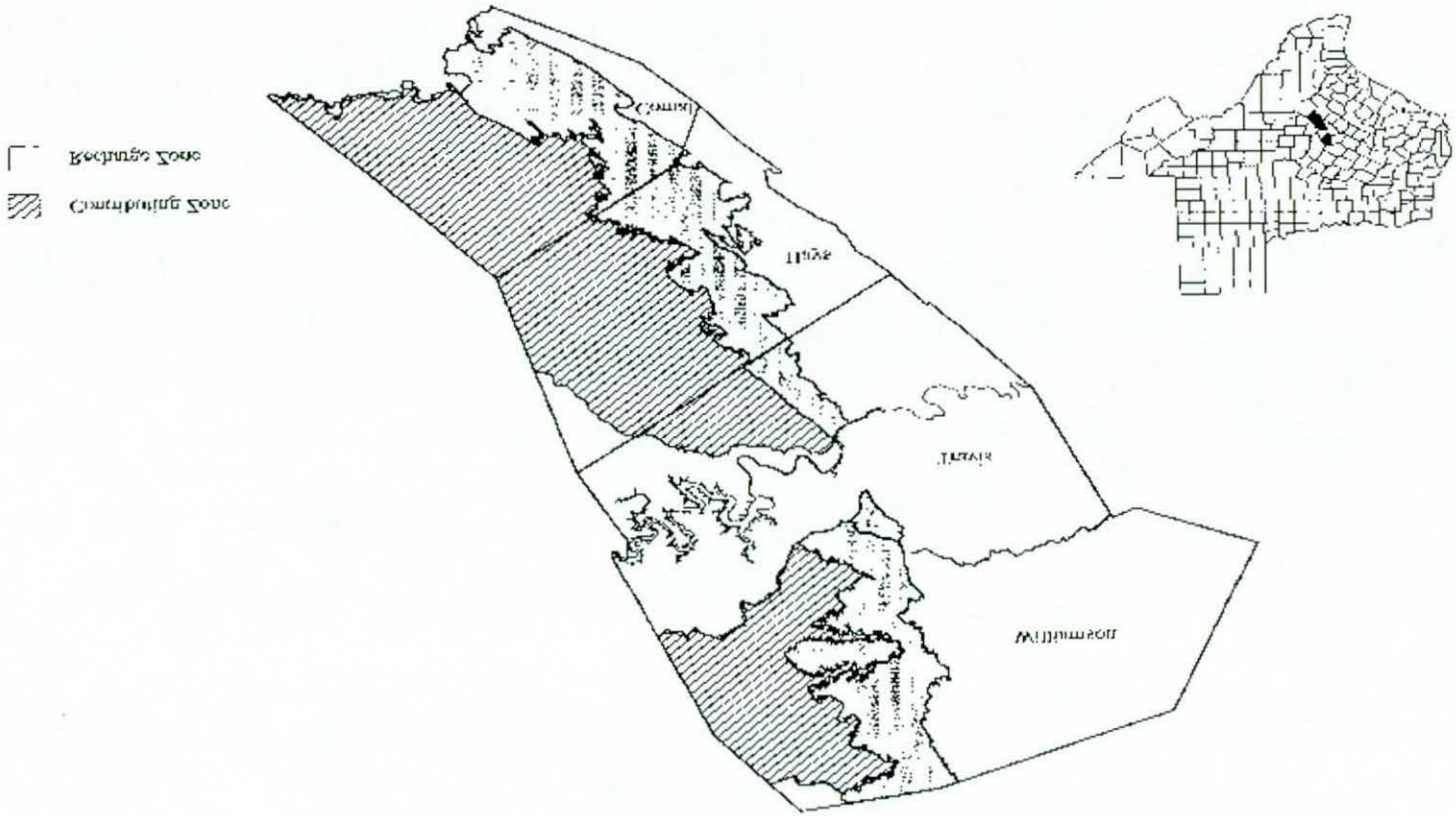


Figure 1b: §213.22. Contributing Zone (Northern Part) for the Edwards Aquifer.



(A) all areas within Kinney County, except the area within the watershed draining to Segment 2304 of the Rio Grande Basin;

(B) all areas within Uvalde, Medina, Bexar, and Comal Counties;

(C) all areas within Hays and Travis Counties, except the area within the watersheds draining to the Colorado River above a point 1.3 miles upstream from Tom Miller Dam, Lake Austin at the confluence of Barrow Brook Cove, Segment 1403 of the Colorado River Basin; and

(D) all areas within Williamson County, except the area within the watersheds draining to the Lampasas River above the dam at Stillhouse Hollow reservoir, Segment 1216 of the Brazos River Basin.

(3) **Contributing zone within the transition zone** - The area or watershed where runoff from precipitation flows downgradient to the recharge zone of the Edwards Aquifer. The contributing zone within the transition zone is depicted in detail on the official recharge and transition zones maps of the agency as provided for in §213.3(25) and (34) of this title (relating to Definitions), respectively. The contributing zone within the transition zone is located downstream (downgradient) and generally south and southeast of the recharge zone and includes specifically those areas where stratigraphic units not included in the Edwards Aquifer crop out at topographically higher elevations and drain to stream courses where stratigraphic units of the Edwards Aquifer crop out and are mapped as recharge zone.

(4) **EPA National Pollutant Discharge Elimination System general permits for storm water discharges from construction activities (EPA NPDES general permits)** - United States Environmental Protection Agency national pollutant discharge elimination system general permits for storm water discharges from construction activities in Region 6 as reissued in the July 6, 1998 issue of the *Federal Register* (63 FR 36489-36519).

(5) **NOI** - Notice of intent required by the EPA NPDES general permits for storm water discharges from construction activities.

(6) **Regulated activity** -

(A) Any construction or post-construction activity occurring on the contributing zone of the Edwards Aquifer that has the potential for contributing pollution to surface streams that enter the Edwards Aquifer recharge zone.

(i) These activities include construction or installation of:

(I) buildings;

(II) utility stations;

(III) utility lines;

(IV) underground and aboveground storage tank systems;

(V) roads;

(VI) highways; or

(VII) railroads.

(ii) Clearing, excavation, or other activities which alter or disturb the topographic or existing stormwater runoff characteristics of a site are regulated activities.

(iii) Any other activities that pose a potential for contaminating stormwater runoff are regulated activities.

(B) "Regulated activity" does not include:

(i) the clearing of vegetation without soil disturbance;

(ii) agricultural activities, except feedlots/concentrated animal feeding operations which are regulated under Chapter 321 of this title (relating to Control of Certain Activities by Rule);

(iii) activities associated with the exploration, development, and production of oil or gas or geothermal resources under the jurisdiction of the Railroad Commission of Texas;

(iv) routine maintenance of existing structures that does not involve site disturbance such as but not limited to:

(I) the resurfacing of existing paved roads, parking lots, sidewalks, or other development-related impervious surfaces, and

(II) the building of fences, or other similar activities which present little or no potential for contaminating hydrologically-connected surface water;

(v) routine maintenance that involves little or no change to the topographic or geologic features; or

(vi) construction of single-family residences on lots that are larger than five acres, where no more than one single-family residence is located on each lot.

(7) **Site** - The entire area within the legal boundaries of the property described in the application. Regulated activities on a site located partially on the recharge zone and the contributing zone must be treated as if the entire site is located on the recharge zone, subject to requirements under Subchapter A of this chapter.

Adopted September 23, 1998 Effective June 1, 1999

§213.23. Plan Processing and Approval.

(a) Approval by executive director.

(1) No person may begin the construction of any regulated activity until a contributing zone plan or modification to a plan as required by §213.21 of this title (relating to Applicability and Persons or Entity Required to Apply) has been:

(A) filed with the appropriate regional office, and

(B) the application has been reviewed and approval letter issued by the executive director.

(2) The appropriate regional office shall provide copies of applications to affected incorporated cities, groundwater conservation districts, and counties in which the proposed regulated activity will be located. These copies will be distributed within five days of the application being determined to be administratively complete. Any person may file comments within 30 days of the date the application is mailed to local governmental entities. The executive director shall review all comments that are timely filed.

(3) A complete application for approval of a contributing zone plan, as described in this section, must be submitted with a copy of the notice of intent and the appropriate fee as specified in §213.27 of this title (relating to Contributing Zone Plan Application and Exception Fees). The application may be submitted to the executive director for approval prior to the submittal of the notice of intent to the EPA.

(b) Contents of application. Applications for contributing zone plan approval filed under this subchapter must be made on forms provided by or approved by the executive director. Each application must, at a minimum, include the following:

(1) the name of the development, subdivision, or facility for which the application is submitted and the name, address, and telephone number of the owner or any other persons signing the application;

(2) a narrative description of the location of the project or facility for which the application is submitted, presenting sufficient detail and clarity so that the project site and its boundaries can be located during a field inspection;

(3) a technical report as described under §213.24 of this title must accompany the application for plan approval; and

(4) any additional information needed by the executive director for plan approval.

(c) Submission of application.

(1) Submit one original and one copy for the executive director's review and additional copies as needed for each affected incorporated city, groundwater conservation district, and county in which the proposed regulated activities will be located. The copies must be submitted to the appropriate regional office.

(2) Only the following may submit an application for review and approval by the executive director:

(A) owner(s);

(B) the owner(s)' authorized agent(s); or

(C) those persons having the right to possess and control the property which is the subject of the contributing zone plan.

(d) Signatories to applications. All applications must be signed as specified under §213.4(d)(1) of this title (relating to Required Signature). The executive director requires written proof of authorization for any person signing an application.

(e) Executive director review. The executive director must complete the review of an application within 90 days after determining that it is administratively complete. The executive director must declare that the application is administratively complete or deficient within 30 days of receipt by the appropriate regional office. Grounds for a deficient application include, but are not limited to, failure to include all information listed in this section and failure to pay all applicable application fees.

(f) Additional provisions. As a condition of contributing zone plan approval, the executive director may impose additional provisions necessary to protect the Edwards Aquifer from pollution. The executive director may conditionally approve a contributing zone plan or impose special conditions on the approval of a contributing zone plan. Upon inspection, the executive director may require the applicant to take additional measures if the activities do not conform to an approved plan or the plan did not address all potential sources of pollution as required by these rules.

(g) Term of approval. The executive director's approval of a contributing zone plan will expire two years after the date of initial issuance, unless prior to the expiration date, substantial construction related to the approved plan has commenced. For purposes of this subsection, substantial construction is where more than ten percent of total construction has commenced. If a written request for an extension is filed under the provisions of this subsection, the approved plan continues in effect until the executive director acts on the request for an extension.

(1) A written request for an extension must be received not earlier than 60 days prior to the expiration date of an approved contributing zone plan or a previously approved extension. Requests for extensions are subject to fees outlined in §213.28 of this title (relating to Fees Related to Requests For Contributing Zone Plan Approval Extension).

(2) An executive director's approved extension will expire six months after the original expiration date of the approved contributing zone plan or a previously approved extension unless prior to the expiration date, commencement of construction, repair, or replacement related to the approved plan has occurred.

(3) A plan approval will expire and no extension will be granted if less than 50 percent of the total construction has been completed within ten years from the initial approval of a plan. A new plan must be submitted to the appropriate regional office with the appropriate fees for review and approval by the executive director prior to commencing any additional regulated activities.

(4) Any requests for extensions received by the executive director after the expiration date of an approved contributing zone plan or a previously approved extension will not be accepted. A new application for the purposes of this subchapter must be submitted to the appropriate regional office with the appropriate fees for the review and approval by the executive director.

(5) An extension will not be granted if the proposed regulated activity under an approved plan has changed.

(h) Legal transfer of property. Upon legal transfer of property, the new owner(s) is required to comply with all terms of the approved contributing zone plan. If the new owner intends to commence any new regulated activity on the site, a new application for plan approval for the new activity must be filed with and approved by the executive director beforehand.

(i) Modification of a previously approved plan. The holder of any approved contributing zone plan letter must notify the appropriate regional office in writing and obtain approval from the executive director prior to initiating any of the following:

(1) any physical or operational modification of any best management practices or structure(s), including but not limited to temporary or permanent ponds, dams, berms, silt fences, and diversionary structures;

(2) any change in the nature or character of the regulated activity from that which was originally approved;

(3) a change that would significantly impact the ability to prevent pollution of the Edwards Aquifer and hydrologically connected surface water; or

(4) any development of land previously identified in a contributing zone plan as undeveloped.

(j) Compliance. The holder of the approved or conditionally approved contributing zone plan letter is responsible for compliance with this subchapter and the approved plan. The holder is also responsible for any special conditions of an approved plan through all phases of plan implementation. Failure to comply with any rule or condition of the executive director's approval is a violation of this rule and is subject to administrative orders and penalties as provided under §213.25 of this title (relating to Enforcement). Such violations may also be subject to civil penalties and injunction.

(k) Responsibility for maintenance of permanent best management practices (BMPs) and measures after construction is complete.

(1) The applicant shall be responsible for maintaining the permanent BMPs after construction until such time as the maintenance obligation is either assumed in writing by another entity having ownership or control of the property (such as without limitation, an owner's association, a new property owner or lessee, a district, or municipality) or the ownership of the property is transferred to the entity. Such entity shall then be responsible for maintenance until another entity assumes such obligations in writing or ownership is transferred.

(2) A copy of the transfer of responsibility must be filed with the executive director at the appropriate regional office within 30 days of the assumption of the obligation or the transfer of ownership.

(3) This section applies to:

(A) multiple single-family residential developments, multi-family residential, and

(B) non-residential developments such as commercial, industrial, institutional, schools, and other sites where regulated activities occur.

Adopted June 26, 2002 Effective July 19, 2002

§213.24. Technical Report.

For all regulated activities, a technical report must accompany the application for contributing zone plan approval. The report must address the following issues. The site description, controls, maintenance, and inspection requirements for the storm water pollution prevention plan (SWPPP) developed under the EPA NPDES general permits for stormwater discharges may be submitted to fulfill paragraphs (1) - (5) of this section of the technical report, providing the following requirements are met.

(1) The report must contain a location map and the site plan.

(A) The location map must be a legible road map with directions, including mileage, which would enable the executive director to locate the site for inspection.

(B) The site plan must be drawn at a minimum scale of 1 inch to 400 feet. The site plan must show:

(i) the 100-year floodplain boundaries (if applicable);

(ii) the layout of the development, and existing and finished contours at appropriate, but not greater than ten foot contour intervals; and

(iii) a drainage plan showing all paths of drainage from the site to surface streams;

(iv) the drainage patterns and approximate slopes anticipated after major grading activities;

(v) areas of soil disturbance and areas which will not be disturbed;

(vi) locations of major structural and nonstructural controls identified in the technical report;

(vii) locations where stabilization practices are expected to occur;

(viii) surface waters (including wetlands); and

(ix) locations where stormwater discharges to a surface water.

(2) The report must describe the nature of the regulated activity (such as residential, commercial, industrial, or utility), including:

(A) the size of the site in acres;

(B) the projected population for the site;

(C) the amount and type of impervious cover expected after construction is complete, such as paved surface or roofing;

(D) the amount of surface area expected to be occupied by parking lots; and

(E) other factors that could affect the surface water quality;

(3) The report must describe the volume and character of stormwater runoff expected to occur. Estimates of stormwater runoff quality and quantity should be based on area and type of impervious cover, as described in paragraph (2)(C) of this section. An estimate of the runoff coefficient of the site for both the pre-construction and post-construction conditions should be included in the report.

(4) The report must describe any activities or processes which may be a potential source of contamination and must provide the following information:

(A) the intended sequence of major activities which disturb soils for major portions of the site (e.g., grubbing, excavation, grading, utilities, and infrastructure installation);

(B) estimates of the total area of the site that is expected to be disturbed by excavation, grading, or other activities;

(C) a site map indicating the following: approximate slopes anticipated after major grading activities; areas of soil disturbance; areas which will not be disturbed; locations of major structural and nonstructural controls identified in the technical report; locations where stabilization practices are expected to occur; surface waters (including wetlands); and locations where stormwater discharges to a surface water;

(D) location and description of any discharge associated with industrial activity other than construction; and

(E) the name of the receiving water(s) at or near the site which will be disturbed or which will receive discharges from disturbed areas of the project.

(5) The report must describe the temporary best management practices (BMPs) and measures that will be used during construction. The technical report must clearly describe for each major activity identified in paragraph (4) of this section appropriate control measures and the general timing (or sequence) during the construction process when the measures will be implemented. The storm water pollution prevention plan (SWPPP) developed under the EPA NPDES general permits for stormwater discharges may be submitted to fulfill this part of the technical report providing the following requirements are met.

(A) BMPs and measures must prevent pollution of surface water or stormwater that originates upgradient from the site and flows across the site.

(B) BMPs and measures must prevent pollution of surface water that originates on-site or flows off the site, including pollution caused by contaminated stormwater runoff from the site.

(C) A plan for the inspection of the temporary best management practices and measures and for their timely inspection, maintenance, repair, and, if necessary, retrofit must be included in the report.

(D) BMPs and measures must meet the requirements contained in §213.5(b)(4)(D)(i) of this title.

(E) Temporary sediment pond or basin construction plans and design calculation for a proposed temporary BMP or measure must be prepared by or under the direct supervision of a Texas licensed professional engineer. All construction plans and design information must be signed, sealed, and dated by the Texas licensed professional engineer.

(F) The construction-phase erosion and sediment controls should be designed to retain sediment on site to the extent practicable.

(G) All control measures must be properly selected, installed, and maintained in accordance with the manufacturers specifications and good engineering practices. If periodic inspections by the applicant or the executive director or other information indicates a control has been used inappropriately, or incorrectly, the applicant must replace or modify the control for site situations.

(H) If sediment escapes the construction site, off-site accumulations of sediment must be removed at a frequency sufficient to minimize offsite impacts (e.g., fugitive sediment in street could be washed into surface streams or sensitive features by the next rain).

(I) Sediment must be removed from sediment traps or sedimentation ponds when design capacity has been reduced by 50 percent.

(J) Litter, construction debris, and construction chemicals exposed to stormwater shall be prevented from becoming a pollutant source for stormwater discharges (e.g., screening outfalls, picked up daily).

(6) The report must describe the permanent best management practices (BMPs) and measures that will be used after construction.

(A) BMPs and measures must prevent pollution of surface water or stormwater originating on-site or upgradient from the site and flows across the site.

(B) BMPs and measures must prevent pollution of surface water downgradient of the site, including pollution caused by contaminated stormwater runoff from the site.

(C) BMPs and measures must meet the requirements contained in §213.5(b)(4)(D)(ii) of this title.

(i) Construction plans and design calculations for the proposed permanent BMPs and measures must be prepared by or under the direct supervision of a Texas Licensed Professional Engineer. All construction plans and design information must be signed, sealed, and dated by the Texas Licensed Professional Engineer.

(ii) The technical report must contain a plan for the inspection of the permanent BMPs and measures and for their timely inspection, maintenance, repair, and, if necessary, retrofit, if requirements contained in §213.5(b)(4)(D) of this title are not being met. This plan must be prepared by the engineer designing the permanent BMPs and measures and signed by the owner or responsible party.

(iii) Pilot-scale field testing (including water quality monitoring) may be required for permanent BMPs and measures that are not contained in technical guidance recognized by or prepared by the executive director.

(I) When pilot-scale field testing of an innovative technology (including water quality monitoring) is required, only one pilot site will be approved.

(II) No additional approvals will be granted until the pilot study is complete and the applicant demonstrates adequate protection of surface water that enters the recharges zone of the Edwards Aquifer.

(III) If the innovative technology demonstrates adequate protection, additional units may be approved for use as permanent BMPs and measures on the contributing zone.

(IV) If the innovative technology demonstrates inadequate protection of surface streams which enter the recharge zone of the Edwards Aquifer, a retrofit of the permanent BMP may be required to achieve compliance with §213.5(b)(4)(D) of this title and no additional units will be approved for use on the contributing zone.

(7) The technical report must describe the measures that will to be taken to avoid or minimize surface stream contamination or changes in the way in which water enters a stream as a result of construction and development. The measures should address the following:

(A) increased stream flashing,

(B) the creation of stronger flows and in-stream velocities, and

(C) other in-stream effects caused by the regulated activity which increase erosion that results in water quality degradation.

(8) The technical report must describe the method of disposal of wastewater from the site.

(A) If wastewater is to be disposed of by conveyance to a sewage treatment plant for treatment and disposal, the existing or proposed treatment facility must be identified.

(B) If wastewater is to be disposed of by an on-site sewage facility, the application must be accompanied by a written statement from the appropriate authorized agent, stating that the site is suitable for the use of private sewage facilities and will meet or exceed the requirements for on-site sewage facilities as specified under Chapter 285 of this title (relating to On-site Sewage Facilities), or identifying those areas that are not suitable.

(C) If wastewater is to be discharged in the contributing zone, requirements under §213.6(c) of this title (relating to Wastewater Treatment and Disposal Systems) must be satisfied.

(9) The technical report must describe the measures that will be used to contain any spill of static hydrocarbons or hazardous substances such as on a roadway or from a pipeline or temporary aboveground storage of 250 gallons or more.

(A) Temporary storage facilities are those used on site for less than one year.

(B) Temporary aboveground storage tank systems of 250 gallons or more cumulative storage capacity must be located a minimum horizontal distance of 150 feet from the five year floodplain of any stream drainage.

(10) The technical report must indicate the placement of permanent aboveground storage tank facilities. Permanent aboveground storage tank facilities for static hydrocarbon and hazardous substances with cumulative storage capacity of 500 gallons or greater must be constructed and spills removed using the standards contained in §213.5(e)(1) of this title.

(11) Exemption.

(A) Regulated activities exempt from the Contributing Zone plan application requirements under this section are:

(i) the installation of underground utilities, including:

(I) storm and sanitary sewage lines;

(II) natural gas lines;

(III) telephone lines;

(IV) electric lines; and

(V) water lines; and

(ii) the installation of underground tanks for the storage of static hydrocarbon and hazardous substances.

(B) An individual land owner who seeks to construct his/her own single-family residence or associated residential structures on the site is exempt from the contributing zone plan application requirements under this subchapter, provided that he/she does not exceed 20 percent impervious cover on the site.

(C) Temporary erosion and sedimentation controls are required to be installed and maintained for exempted activities on the contributing zone. All temporary erosion and sedimentation controls must meet the requirements contained in paragraph (5) of this section, must be installed prior to construction, must be maintained during construction, and may be removed only when vegetation is established and the construction area is stabilized. This subparagraph does not apply to single family residences on a site greater than 5 acres or on a site less than 5 acres and not a part of a common plan of development or sale with the potential to disturb cumulatively five or more acres.

(D) The executive director may monitor stormwater discharges from these projects to evaluate the adequacy of the temporary erosion and sedimentation control measures. Additional protection will be required if the executive director determines that these controls are inadequate to protect water quality.

Adopted September 23, 1998 Effective June 1, 1999

§213.25. Enforcement.

Liability for penalties may result and may subject a noncompliant person to enforcement proceedings initiated by the executive director if there is failure to comply with:

(1) any provision of this subchapter,

(2) an approved or conditionally approved contributing zone plan or letter, or

(3) any applicable regulation or order of the commission issued pursuant to this chapter and in accordance with Chapter 26 and other relevant provisions of the Texas Water Code or Texas Health and Safety Code.

Adopted September 23, 1998 Effective June 1, 1999

§213.26. Exceptions.

(a) Granting of exceptions. Exceptions to any substantive provision of this subchapter related to the protection of water quality may be granted by the executive director if the requestor can demonstrate equivalent water quality protection for surface streams which enter the recharge zone of the Edwards Aquifer. Prior approval under this section must be obtained from the executive director for the exception to be authorized.

(b) Procedure for requesting an exception. A person requesting an exception to the provisions of this subchapter relating to the protection of water quality must file an original and one copy of a written request with the executive director at the appropriate regional office stating in detail:

(1) the name, address, and telephone numbers of the requestor;

(2) site and project name and location;

(3) the nature of the exception requested;

(4) the justification for granting the exception as described in subsection (a) of this section; and

(5) any other pertinent information that the executive director requests.

(c) Fees related to requests for exceptions. A complete application for an exception, as described in this section, must be submitted with the appropriate fee as specified in §213.28 of this title (relating to Contributing Zone Plan Application and Exception Fees). If the exception request fee is not submitted in the correct amount, the executive director is not required to consider the exception request until the correct fee is submitted.

Adopted September 23, 1998 Effective June 1, 1999

§213.27. Contributing Zone Plan Application and Exception Fees.

The person submitting an application for approval or modification of any contributing zone plan or exception under this subchapter must pay an application fee of $250. The fee is due and payable at the time the application is filed. The fee must be sent to either the appropriate regional office or the cashier in the agency headquarters located in Austin, accompanied by an Edwards Aquifer

Contributing Zone Fee Application Form, provided by the executive director. Application fees must be paid by check or money order, payable to the "Texas Natural Resource Conservation Commission." If the application fee is not submitted in the correct amount, the executive director is not required to consider the application until the correct fee is submitted.

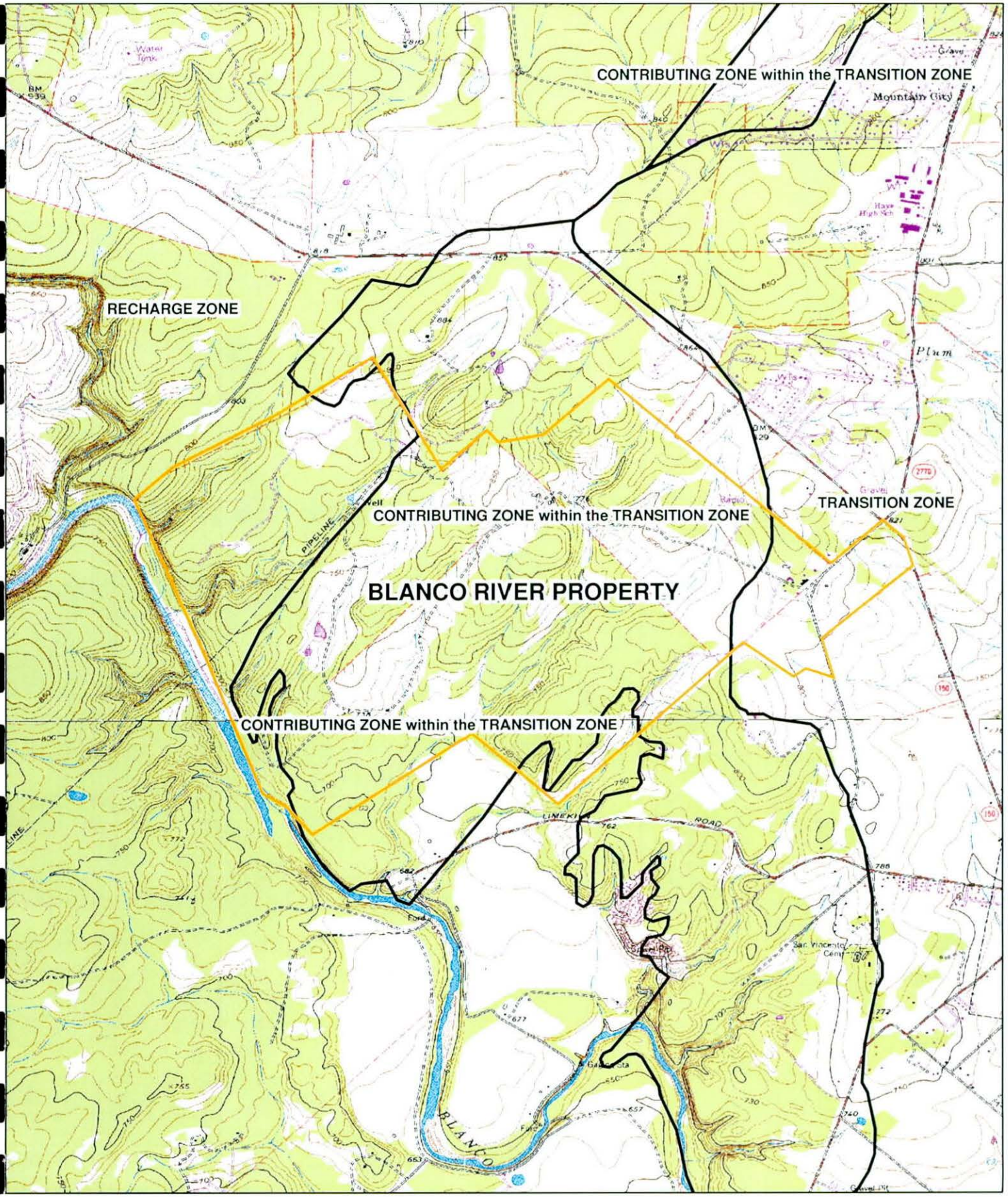
Adopted September 23, 1998 Effective June 1, 1999

§213.28. Fees Related to Requests for Contributing Zone Plan Approval Extension.

The person submitting an application for an extension of an approval of any contributing zone plan under this subchapter must pay $100 for each extension request. The fee is due and payable at the time the extension request is filed, and should be submitted as described in §213.27 of this title (relating to Contributing Zone Plan Application and Exception Fees). If the extension fee is not submitted in the correct amount, the executive director is not required to consider the extension request until the correct fee is submitted. The extension request must be submitted to the appropriate regional office and must include a copy of the contributing zone plan application and approval letter that is the subject of the extension request.

Adopted September 23, 1998 Effective June 1, 1999

Exhibit 8 - Edwards Aquifer Regulatory Zones Map



Stanley Consultants INC

N

Legend

Blanco River Property

Regulatory Zones

0 0.5 1 Miles

1 inch equals 0.50 mile

File No. 155382 (5)

Hays County

Limited Due Diligence Study

Date Filed: 2-14-06

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED

DATE 5/21/07 pf

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 the Permanent School Fund acquisition of approximately 1,980 acres of land out of the Caleb W. Baker, Seaborn Berry, John Cooper, William Dunbar, Thomas C. Snailm and Samuel Pharass Surveys, Hays County, Texas.

ITEM NUMBER: 23 ATTACHMENTS: 3

ACTION: Level III DATE OF MEETING: July 19, 2005

INFORMATION: _____ PRESENTER (S): Bo Tanner

Authority
Under Texas Natural Resources Code Subchapter I, 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
Staff has identified a tract of land in Kyle, a small town approximately 10 miles south of Austin, which upon preliminary analysis offers potential for purchase by the Permanent School Fund for addition to the surface portfolio. The tract is on the western edge of a high growth community, with the special feature of 1.5 miles of frontage along the Blanco River. The property will be acquired with the intention of holding for future development as a residential subdivision. It will be managed for recreational and agriculture uses on an interim basis.

Background
The site under consideration has been in the seller's ownership since 1949. This tract is the remaining portion of a larger ranching estate that over the past few years has had portions sold as growth occurs. The tract is located on the western edge of Kyle, a town that lies approximately 10 miles south of Austin along IH-35. Over the past four years, the area has experienced tremendous residential market activity as a result of overall growth trends in the Central Texas area, particularly along the IH-35 corridor between Austin and San Antonio. This market has been appealing because of the affordable costs of housing, and its convenience to Austin and San Marcos, and even San Antonio. The tract is accessed from Old Stage Coach Road (County Road 136) off of Highways 2770 from Buda and 150, which is the primary exit off of IH 35 into Kyle. The broader area is also experiencing increased commercial development activity, particularly in Buda, just north of Kyle. The Buda activity has been influenced by the opening of a Cabella's Store and ancillary retail/commercial projects planned. The property is described on the attachment along with a location map.

Analysis
The proposed transaction anticipates that the tract would be acquired and leased for recreational and agricultural uses initially. GLO Asset Inspections staff has done a preliminary review of the property and indicates that there appears to be good hunting potential based on the habitat for wildlife, and

grazing should be adequate. This site will require skilled site planning to determine the optimum approach to utilize the river frontage and topography of the site to enhance the overall development. During due diligence, in addition to the standard survey, environmental site assessment and appraisal analysis; we have also obtained an engineering consultant that specializes in tracts with similar environmental features. In addition, we are investigating opportunities to acquire an adjoining parcel or parcels to create improved access into the tract. The site planning; subdivision and initial tract development would be facilitated through an agreement with a master developer; to be detailed after the tract is acquired. Subsequently, disposition may occur through a combination of sealed bid and direct sales. The investment objective for this acquisition is an overall annual return rate of 8% to 10% with a hold time of approximately 7 to 10 years, assuming a phased sale of large tracts.

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: June 30, 2005

By:

Anita E. Dabney

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:

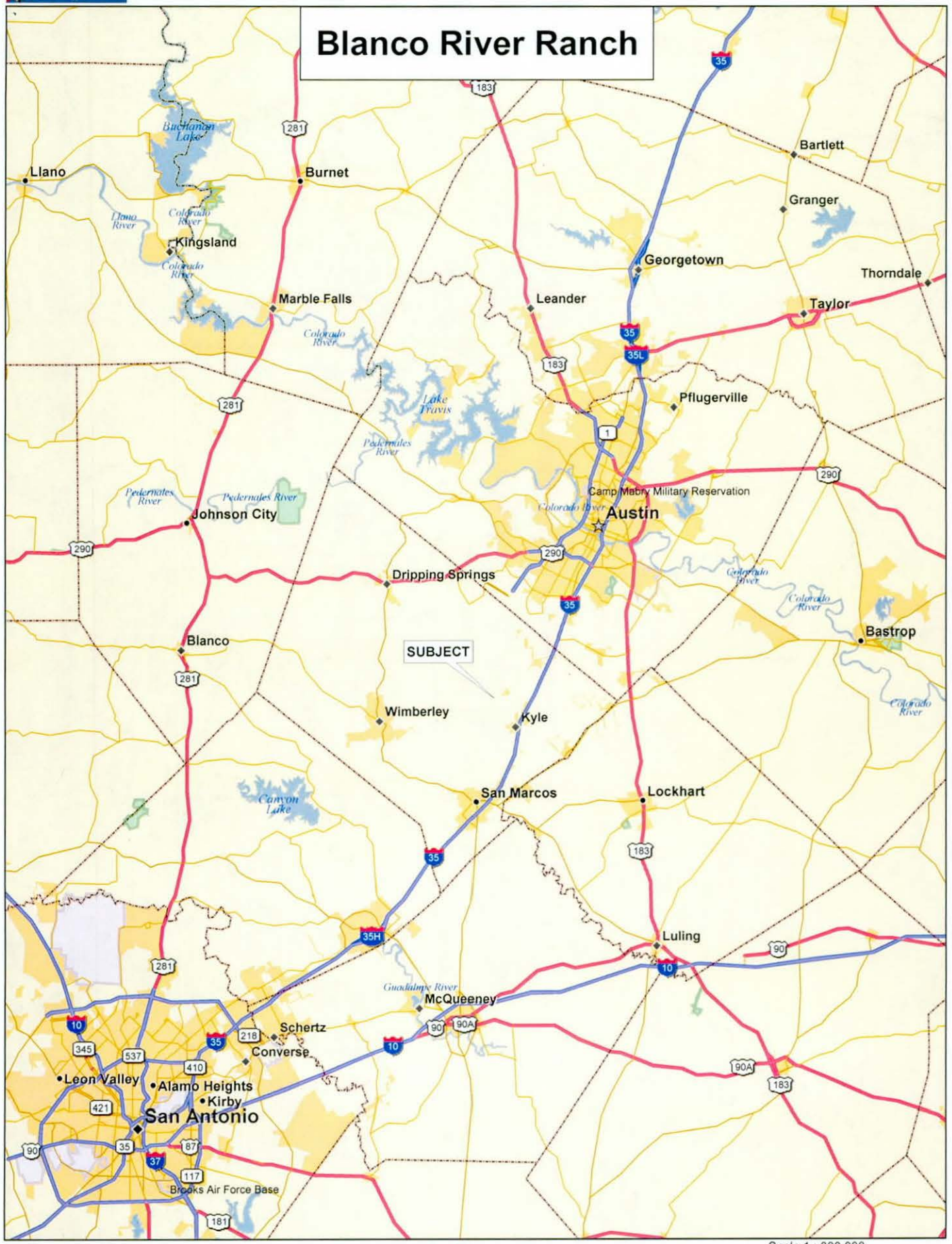
JERRY E. PATTERSON
Commissioner of the General Land Office and
Chairman of the Board

DATE: 26 Jul 05

PROPERTY SUMMARY

Name:	**Blanco River Ranch**
Location:	Old Stage Coach Road & Blanco River Ranch, just south of FM 150 Kyle, Hays County, Texas Approximately 5 miles west of IH 35
Size:	Approximately 1980 acres.
Legal:	Approximately 1927.67 acres and 55.73 acres of land out of the Caleb W. Baker, Seaborn Berry, John Cooper, William Dunbar, Thomas C. Snailm and Samuel Pharass Surveys, Hays, County, Texas
Zoning:	Kyle ETJ
Topography:	Gently sloping, with elevations ranging from 850 to 650 feet, with several drainage channels throughout the property. The western portion of the property is located within the Edwards Aquifer Recharge Zone, which is protected by State Regulations. There is a variety of diverse vegetation typical to the eastern Hill Country terrain and soils.
Frontage:	Along Old Stage Coach Road (County Road 136). Approximately 1.5 acres along the Blanco River.
Utilities:	Available, water and sewer approximately 1000' from the site; capacity expansion will be required.
Encumbrances:	Flood plain area along River frontage; Recharge Zone regulations on development.
Proposed Use:	Hold for future residential subdivision development; with hunting and agricultural lease as interim use for site management, maintenance & security.
Comments:	Property is in the Hays County Independent School District. The immediate area has experienced steady new development activity over the past five years, including new residential subdivisions, east, and north of the tract. The Kyle population has experienced growth of 33% during that time. Seller is a family corporation that has owned the property for over 50 years.

Blanco River Ranch



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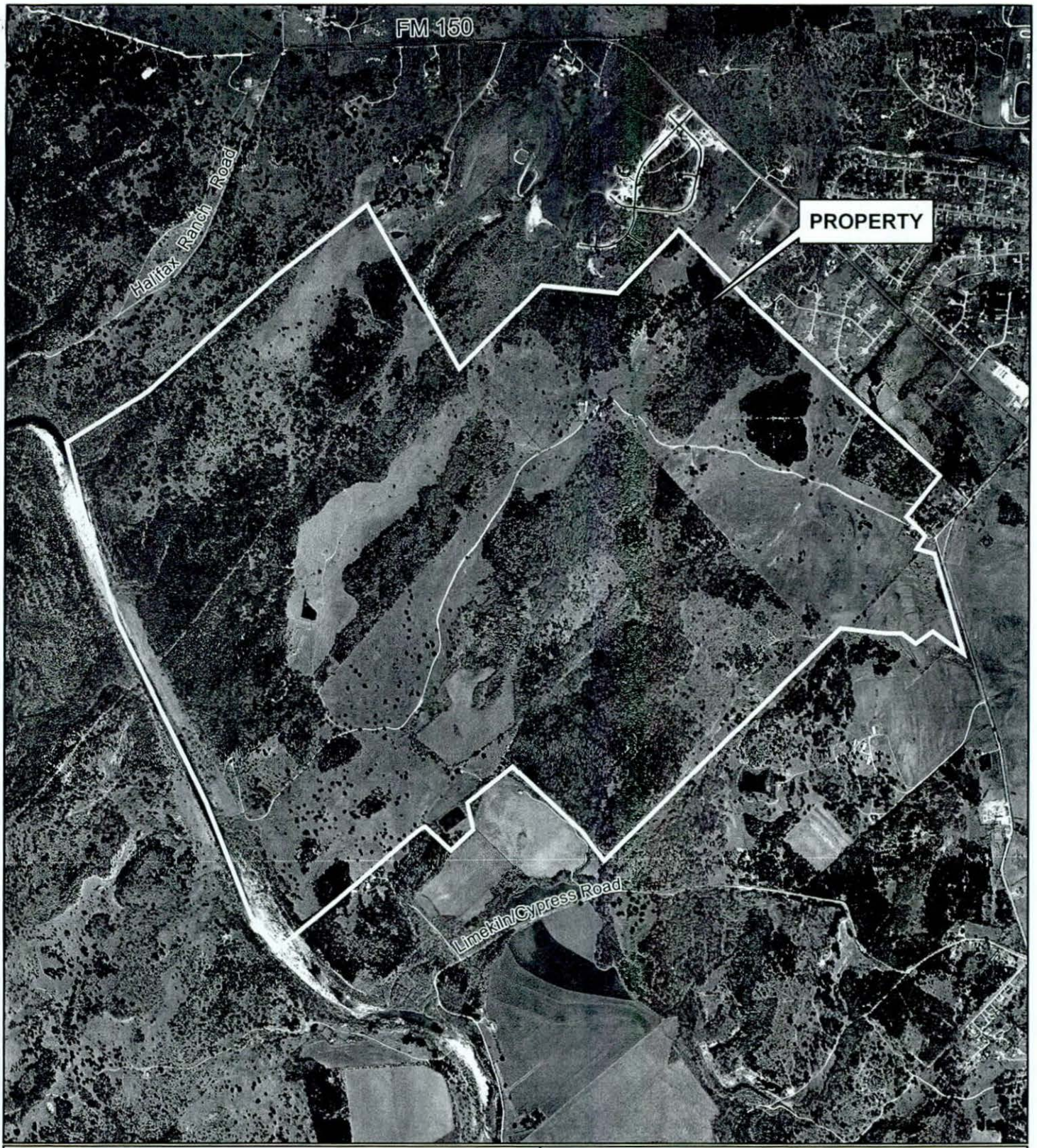
www.delorme.com

TN
MN (5.4°E)

Scale 1 : 800,000
1" = 12.63 mi
Data Zoom 8-0



LEGEND

SUBJECT PROPERTY BOUNDARY (APPROXIMATE)

SCALE

0 500 1,000 2,000 3,000 4,000 Feet

N W E S

FIGURE 2
SITE PLAN and VICINITY MAP
BLANCO RIVER TRACT
HAYS COUNTY, TEXAS

TCB | AECOM

PROJECT NO. 052322319.0001 | **DATE: JUNE 2005**

E:\Phase I ESAs\General Land Office\Blanco\GIS\figure2_aerial.mxd

Note: Turner Collie & Braden does not warrant the accuracy of this map, either to scale, accuracy or completeness. Source: CAPCO orthophotograph dated 2002.

(6)

File No. 155382

Hays County

SLB Memo: Funding

Date Filed: 2-14-06

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED
DATE 5/21/07

MINUTES
SCHOOL LAND BOARD MEETING
AND
OIL AND GAS LEASE SALE
TUESDAY, JULY 19, 2005

The School Land Board of the State of Texas met on Tuesday, July 19, 2005 at 10:00 A.M. in Room 1-111 and Room 5-101 of the William B. Travis Building, Austin, Texas, with the following members present: Larry Laine, Deputy Land Commissioner and Chief Clerk of the General Land Office; David Herrmann and Todd Barth, 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, Tony Williams, Julie Fielder, Jessica Dodge, Michael Lemonds, Ana Cortinas, Professional Services Division; Bo Tanner, Susan Biles, Anita Dabney, Hal Croft, Bob Hewgley, Jeff Boudreau, Laura Rogers, Clay Chenault, Leslie Johnson, Vince Franco, Burton Minton, Jim Rose, Chris Palmer, Curtis McAdams, Asset Management Division; Louis Renaud, Robert Hatter, Peter Boone, Daryl Morgan, Jesse Arellano, Tracey Throckmorton, Bill Farr, Ferrel Taylor, Jim Irwin, George Martin, Pat Rogers, Mary Silva, Ronald Widmayer, Linda Anderson, Carl Bonn, Jonathan Painter, Valerie Ellison, Beverly Boyd, Energy Resources Division; Tom Cengel, Wendell Smith, Charles Richards, Noelle Letteri, Bob Moreland, Dwain Rogers, T. R. Thompson, Crystal Gobble, Valera Kothmann, Anh Bishop, Legal Services Division; Ed Dorotik, Internal Audit Division; David Little, Communications Division, Shundra Williams, Erica Ureste, Gloria Martinez, Carol Bowser, Ben Wesley, Bob Brennan, Robert Barron, Information Systems Division, Jeffee Martinez-Vargas, Office of the Attorney General.

Also in attendance were Kyle Ann Strange and R. D. Cotten representing Cotten Oil Properties, Orange, Texas; Ken Treaccar and John W. Plappert representing Brigham Oil and Gas, L.P., Austin, Texas; Ross C. Hoff, Victoria, Texas; Steve Holzheauser, Austin, Texas; Mike Newport representing Meagher Oil and Gas, Houston, Texas; Larry Lydick representing Petrus Exploration, LLC, Fort Worth, Texas; Justin Matthews representing Nowlin Investments, Crosby, Texas; Robert Ebeier representing Range Resources, Fort Worth, Texas; Brad Glasscock representing Bass Enterprises Production Co., Fort Worth, Texas; Dennis F. Sharp, Houston, Texas; Jeff Lester representing Seismic Exchange, Inc., Houston, Texas; Diane Beckstead representing Griffith Land Services, Houston, Texas; Bud Gholson representing Davis Petroleum Corp., Houston, Texas; Tom Hill, Midland, Texas; Buddy Hearne representing Petro-Hunt LLC, Dallas, Texas; Wynn Hollis representing Santos USA Corp., Houston, Texas; Tim Cashon representing Tempest Energy, Dallas, Texas.

Larry Laine chaired the meeting in the absence of Chairman Patterson.

Mr. Laine called the meeting to order at 10:03 A.M.

Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve the minutes from the June 21, 2005 School Land Board Meeting. Motion carried unanimously.

Robert Hatter presented information on Item No. 2, opening, consideration and action on bids received for the July 19, 2005 oil, gas and other minerals lease sale. Mr. Hatter announced that internal audit would open the bid box and once the bid opening was final, the bids would be brought before the Board for approval.

Peter Boone presented information on Item No. 3, consideration and action on pooling applications. Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 3-A, an application by EOG Resources, Inc., Higinio Gutierrez, Jr. Lease, State Lease: MF104946, Zapata 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. 3-B, an application by Victoria Operating, Inc., Janssen Yegua Gas Unit No. 1, a part of Cabeza Creek is being pooled pursuant to Texas Natural Resources Code §52.076, DeWitt and Karnes Counties, 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. 3-C, an application by Denbury Onshore, LLC, Dean-State Unit, State Lease: MF103086, Parker 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. 3-D, an application by Anadarko E&P Company, LP, Walther-Keck Unit Well No. 1, State Leases: MF094919 and MF095042, Fayette County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – D**. Motion carried unanimously.

The Board reconsidered Item No. 3-D with an amendment to staff's recommendation that includes an effective date of December 11, 2004. Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve the amendment to Item No. 3-D. Motion carried unanimously.

Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 3-E, an application by Anadarko E&P Company, LP, Schultz-Moerbe Well No. 1 RE, State Leases: MF094919 and MF095958, Fayette 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. 3-F, an application by Anadarko E&P Company, LP, Reformation & Expansion of the SVEC OL Unit No. 1, State Lease: MF095094, Fayette 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. 3-G, an application by Royal Production Company, Inc., State Tract 898-S Temporary Unit No. 1, State Leases: MF104715, MF104846 and MF104847, Nueces County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – G**. Motion carried unanimously.

Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 3-H, an application by Esenjay Petroleum Corporation, Amended Dietze Gas Unit, a part of Coleto Creek is being pooled pursuant to Texas Natural Resources Code §52.076, Goliad and Victoria Counties, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – H**. Motion carried unanimously.

Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 3-I, an application by Esenjay Petroleum Corporation, McAdams Gas Unit, a part of Coleto Creek is being pooled pursuant to Texas Natural Resources Code §52.076, Goliad and Victoria Counties, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – I**. Motion carried unanimously.

Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 3-J, an application by Antero Resources I, LP, Railhead Lease, State Lease: MF105250, Tarrant County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – J**. Motion carried unanimously.

Peter Boone presented information on Item No. 4, A-I, consideration and action on highway rights-of-way: **A.** JPF Land Services, Inc., 37.371 ac. along St. Hwy 59 & Old Hwy 35 in the V. Micheli Sur., A-900., Nacogdoches County; **B.** Joint Resources Co., 12.259 ac. along St. Hwy. 287 in the Benjamin Thomas Sur., A-1497, Tarrant County; **C.** Reichmann Petroleum Corp., 25.61 ac. along St. Hwy. 377 in the S. Graham Sur., A-468, J. Gazaway Sur., A-481, J. Davis Sur., A-325, T. White Sur., A-1384, J. Gazaway Sur., A-479 and S. Chambers Sur., A-308, Tarrant County; **D.** EOG Resources, Inc., 14.42 ac. along St. Hwy. 213 in Sec. 348, Blk. 43, H&TC Ry. Co. Sur., Lipscomb County; **E.** Caskids Operations Co., 2.89 ac. along St. Hwy. 72 & Dock St. in the C. Martinez Sur., A-6, Karnes County; **F.** Jamex, Inc., 12.95 ac. along St. Hwy. 90-A in the A. Henderson Sur., A-631, Colorado County; **G.** Keystone Exploration, Ltd., 4.20 ac. along St. Hwy. 81 in the A. F. Albright Sur., A-1849 and the J. Hibbins Sur., A-638, Tarrant County; **H.** Carrizo Oil & Gas, 1.60 ac. along Pemberton Rd. in the M.A. Freeman Sur., A-458, Parker County; **I.** J. Charles Hollimon, Ltd., .72 ac. along Benbow Rd. in the Raphael Rios Sur., A-283, Victoria County. Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 4 according to staff's recommendation, a copy of which is attached hereto as **Exhibit – K**. Motion carried unanimously.

Tony Williams presented information on Item No. 5, consideration and action on applications for Coastal Easements on Coastal Public Lands. Item No. 5-A was pulled from the docket prior to the meeting.

Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 5-B, an amendment, CE20010198, Galveston Bay Foundation, Offatt Bayou and West Bay, Galveston 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. 6, consideration and action on applications for Commercial Easements on Coastal Public Lands. Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 6-A, a new application, LC20010028, R L Eldridge Construction, Sabine Pass, Jefferson County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – M**. Motion carried unanimously.

Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 6-B, a new application, LC20030012, Hugh R. and Linda D. Koch, Arroyo Colorado, Cameron County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – N**. Motion carried unanimously.

Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 6-C, a new application, LC20050032, Marsha Lynne Gamel-Nelson, Arroyo Colorado, Cameron County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – O**. Motion carried unanimously.

Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 6-D, a new application, LC20050033, Cliff & Caryl Helmin Schmid, Caney Creek, Matagorda County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – P**. Motion carried unanimously.

Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 6-E, a new application, LC20050034, Seahorse Development Company, State Tract 1, Drum Bay, Brazoria County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – Q**. Motion carried unanimously.

Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 6, F-I, all renewals: **F.** LC940046, Michael Ivic, State Tract 353, Dickinson Bay, Galveston County; **G.** LC940048, Gastian's Pier, Inc., Dickinson Bayou, Galveston County; **H.** LC940065, Kiva Construction & Engineering Inc. Double Bayou, West Fork, Chambers County; **I.** LC980027, Rowan Companies, State Tract 2, Sabine Pass, Jefferson County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – R**. Motion carried unanimously.

Tony Williams presented information on Item No. 7, consideration and action on applications for Coastal Leases on Coastal Public Lands. Motion was made by Mr.

Herrmann and seconded by Mr. Barth to approve Item No. 7, A & B, both new applications: **A.** CL20040008, Texas Parks & Wildlife Department, Aransas River & Copano Bay, Refugio County; **B.** CL20050010, Texas Parks & Wildlife Department, Tres Palacios River, Matagorda County. Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 7, A & B according to staff's recommendation, a copy of which is attached hereto as **Exhibit – S**. Motion carried unanimously.

Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 7-C, a renewal, CL900011, Town of Bayside, Copano Bay, Refugio County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – T**. Motion carried unanimously.

Bridget Brundrett presented information on Item No. 8, consideration and action on applications for Cabin Permits on Coastal Public Lands. Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 8-A, a renewal, PC1030, Ross C. Hoff, San Antonio Bay, Calhoun County, according to staff's recommendation and including a provision for immediate termination of the permit if the holder is not in compliance by January 1, 2005. Staff's memo to the Board is attached hereto as **Exhibit – U**. Motion carried unanimously.

Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 8, B – D, all amendments: **B.** PC1063, David J. Haddad, Laguna Madre, Kleberg County; **C.** PC1217, Milton Peel, Laguna Madre, Kenedy County; **D.** PC1457, Jack L. Tucker, Laguna Madre, Kleberg County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – V**. Motion carried unanimously.

Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 8, E – I, all transfers: **E.** PC1078, Greg Catlett, Laguna Madre, Kleberg County; **F.** PC1096, Harry Layton, Laguna Madre, Kleberg County; **G.** PC1104, Dennis Rion, Laguna Madre, Kleberg County; **H.** PC1132, George Urias, Laguna Madre, Kleberg County; **I.** PC1164, Chet Freeman, Laguna Madre, Kleberg County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – W**. Motion carried unanimously.

T. R. Thompson presented information on Item No. 9, consideration and possible action regarding the implementation of SB1044 authorization to bulkhead and fill certain coastal lands. Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 9 according to staff's recommendation, a copy of which is attached hereto as **Exhibit – X**. Motion carried unanimously.

Item No. 10 was pulled from the docket prior to the meeting.

Clay Chenault presented information on Item No. 11, consideration and possible action on an application to purchase Permanent School Fund land by direct cash sale, File No. 149506, 267.7 acres, Section 138, Block 3, D. & P. Railway Company Survey, Presidio County, by KTW Properties, LLC of 901 Begonia Road, Celebration, Florida

34747. Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 11 according to staff's recommendation, a copy of which is attached hereto as **Exhibit – Y**. Motion carried unanimously.

Bo Tanner presented information on Item No. 12, consideration and possible action on the establishment of an ethics policy pursuant to section 51.408 Natural Resources Code. Item No. 12 required no action by the Board. Therefore, no action was taken.

The School Land Board entered into Closed Session at 11:10 A.M. pursuant to Chapter 551, Subchapter D, Texas Government Code Section 551.07, relating to Item No. **13,** consideration and possible action on the disposition of Permanent School Fund land by direct cash sale, File No. 155242, 2.09 acres out of the Outlot 55, Division B, City of Austin, Travis County; Item No. **14**, consideration and possible action on the disposition of approximately 3.0 acres of Permanent School Fund land, being Lot 1, A-AAA Mini-Storage Subdivision, City of San Antonio, Bexar County, Texas. SF #154648 (Red Land Road Tract); Item No. **15**, consideration and possible action on the disposition of approximately 2.0 acres of Permanent School Fund land, out of New City Block 10865, Justo Esquedo Survey, No. 100, San Antonio, Bexar County, Texas out of SF 155253 (Military Crossing); Item No. **16**, consideration and possible action on the disposition of approximately $\pm$ 34.89 acres of Permanent School Fund land, Basefile Number: 155275, being Lots 1C & 1D, Westland Business Park, Harris County, Texas; Item No. **17**, consideration and possible action on funding for PSF acquisition of approximately 18.9005 acres of land out of Reserve A of the Oakbrook Park Subdivision, in the Joel Wheaton Survey, Abstract 80, Houston, Harris County, Texas; Item No. **18**, consideration and possible action on a proposed land trade between the PSF and the Texas Parks and Wildlife Department of approximately 25,000 acres of land in Brewster, Presidio, Freestone, Marion and Harrison Counties, Texas; Item No. **19**, consideration and possible action on the Permanent School Fund acquisition of the surface estate only of approximately 1983 acres of land out of the Stephen Wilson Survey, Abst. 1676, D. Muhlinghaus Survey, Abst. 1082, the J. W. Haynes Survey, Abst. 787, the J. M. Mulinghaus Survey, Abst. 1157, John H. Bostick Survey, Abst. 195, the J. S. Fosters Survey, Abst. 547, John R. Leath Survey, Abst. 962, the Juan Jose Albrirado Survey, Abst. 4, the B. F. Pace Survey, Abst. 1254 and the John Korticky Survey, Abst. 914, Tarrant County, Texas and waiver of the 1.5% acquisition fee; Item No. **20**, consideration and possible action on the Permanent School Fund acquisition of the surface estate only of approximately 2968 acres of land out of the J. Morris Survey, Abst. 347, H. Weyers Survey, Abst. 580, W. Harper Survey, Abst. 258, W. R. Carey Survey, Abst. 85, R. Disney Survey, Abst. 144, C. W. Egery Survey, Abst. 169 and J. Elliott Survey, Abst. 170, Hood County, Texas and waiver of the 1.5% acquisition fee; Item No. **21**, Consideration and possible action on proposed contract for PSF acquisition of approximately 748 Acres Morris May Survey, Abstract 807, the J.S. Collard Survey, Abstract 297, the Alexander White Survey, Abstract 1406, and the Victor Gailor Survey, Abstract 452, Denton County, Texas, and waiver of the 1.5% acquisition fee; Item No. **22**, consideration and possible action on proposed contract for PSF acquisition of approximately 51 Acres James Wharton Survey, Abstract 871, City of Houston, Harris

County, Texas, and waiver of the 1.5% acquisition fee; Item No. **23**, consideration and possible action on funding for the Permanent School Fund acquisition of approximately 1,980 acres of land out of the Caleb W. Baker, Seaborn Berry, John Cooper, William Dunbar, Thomas C. Snailm and Samuel Pharass Surveys, Hays County, Texas; Item No. **24**, consideration and possible action on funding for the PSF acquisition of approximately 21.57 acres out of the Henry Warnell Survey No. 20, Abstract No. 793 and the Joseph Burleson Survey No. 10, Abstract No. 62, Austin, Travis County, Texas; Item No. **25**, consideration and possible action on a request to modify terms of an existing option contract (sale), A. G. McMath Survey #298, El Paso County, Texas; Item No. **26**, consideration and possible action on the Purchase and Sale contract of approximately 2,043.96 acres out of the Jane Wilkins One League Grant, Abstract no. 96 and the Jesse H. Cartwright One League Grant, Abstract No. 16, Ft. Bend County, Texas, File Numbers 155080, 155238; Item No. **27**, Consideration and possible action on the acquisition of 383.777 acres in three separate parcels: 168.937 and 38.44 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 and possible action regarding pending or contemplated litigation and/or settlement offers, or to seek or receive attorney advice or counsel.

Item No. 28 was pulled from the docket prior to the meeting.

The School Land Board reconvened into Open Session at 12:15 P.M. No action was taken during Closed Session.

Robert Hatter announced the high bids received for the July 19, 2005 oil, gas and other minerals lease sale. Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve all high bids that met the minimum, according to staff's recommendation. A copy of the high bids received is attached hereto as **Exhibit – Z**. Motion carried unanimously.

Item No. 13 required no action by the Board. Therefore, no action was taken.

Bo Tanner presented information on Item No. 14, consideration and possible action on the disposition of approximately 3.0 acres of Permanent School Fund land, being Lot 1, A-AAA Mini-Storage Subdivision, City of San Antonio, Bexar County, Texas. SF #154648 (Red Land Road Tract). Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 14 according to staff's recommendation. Staff recommended that the School Land Board authorize the Land Commissioner to negotiate and execute a contract to sell containing the terms and conditions presented. Motion carried unanimously.

Bo Tanner presented information on Item No. 15, consideration and possible action on the disposition of approximately 2.0 acres of Permanent School Fund land, out of New City Block 10865, Justo Esquedo Survey, No. 100, San Antonio, Bexar County, Texas out of SF 155253 (Military Crossing). Motion was made by Mr. Herrmann and

seconded by Mr. Barth to approve Item No. 15 according to staff's recommendation. Staff recommended that the School Land Board authorize the Land Commissioner to negotiate and execute a contract to sell containing the terms and conditions presented, with closing to occur upon satisfactory completion of the contractual terms. Motion carried unanimously.

Bo Tanner presented information on Item No. 16, consideration and possible action on the disposition of approximately ± 34.89 acres of Permanent School Fund land, Basefile Number: 155275, being Lots 1C & 1D, Westland Business Park, Harris County, Texas. Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 16 according to staff's recommendation. Staff recommended that the School Land Board give preliminary approval for contract negotiations related to the sale of this 34.89 acre site funding based on a negotiated price producing a minimum IRR of 100%. Motion carried unanimously.

Bo Tanner presented information on Item No. 17, consideration and possible action on funding for PSF acquisition of approximately 18.9005 acres of land out of Reserve A of the Oakbrook Park Subdivision, in the Joel Wheaton Survey, Abstract 80, Houston, Harris County, Texas. Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 17 according to staff's recommendation. Staff recommended that the School Land Board authorize the funding to acquire this site 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. 18, consideration and possible action on a proposed land trade between the PSF and the Texas Parks and Wildlife Department of approximately 25,000 acres of land in Brewster, Presidio, Freestone, Marion and Harrison Counties, Texas. Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 18 according to staff's recommendation. Staff recommended that the School Land Board authorize the Land Commissioner to execute a memorandum of understanding to complete the trade as described. Motion carried unanimously.

Bo Tanner presented information on Item No. 19, consideration and possible action on the Permanent School Fund acquisition of the surface estate only of approximately 1983 acres of land out of the Stephen Wilson Survey, Abst. 1676, D. Muhlinghaus Survey, Abst. 1082, the J. W. Haynes Survey, Abst. 787, the J. M. Mulinghaus Survey, Abst. 1157, John H. Bostick Survey, Abst. 195, the J. S. Fosters Survey, Abst. 547, John R. Leath Survey, Abst. 962, the Juan Jose Albrirado Survey, Abst. 4, the B. F. Pace Survey, Abst. 1254 and the John Korticky Survey, Abst. 914, Tarrant County, Texas and waiver of the 1.5% acquisition fee. Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 19 according to staff's recommendation. Staff recommended that the School Land Board authorize the Land Commissioner to negotiate and execute a contract to purchase the site as described, waiver of the 1.5% acquisition fee. This contract is subject to appraisal, survey, due diligence and other contractual terms and conditions. Motion carried unanimously.

Bo Tanner presented information on Item No. 20, consideration and possible action on the Permanent School Fund acquisition of the surface estate only of approximately 2968 acres of land out of the J. Morris Survey, Abst. 347, H. Weyers Survey, Abst. 580, W. Harper Survey, Abst. 258, W. R. Carey Survey, Abst. 85, R. Disney Survey, Abst. 144, C. W. Egery Survey, Abst. 169 and J. Elliott Survey, Abst. 170, Hood County, Texas and waiver of the 1.5% acquisition fee. Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 20 according to staff's recommendation. Staff recommended that the School Land Board authorize the Land Commissioner to negotiate and execute a contract to purchase the site as described and waive the 1.5% acquisition fee. This contract is subject to appraisal, survey, due diligence and other contractual terms and conditions. Motion carried unanimously.

Bo Tanner presented information on Item No. 21, consideration and possible action on proposed contract for PSF acquisition of approximately 748 Acres Morris May Survey, Abstract 807, the J.S. Collard Survey, Abstract 297, the Alexander White Survey, Abstract 1406, and the Victor Gailor Survey, Abstract 452, Denton County, Texas, and waiver of the 1.5% acquisition fee. Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 21 according to staff's recommendation. Staff recommended that the School Land Board authorize the Land Commissioner to negotiate and execute a contract for purchase and waive the 1.5% acquisition fee subject to a Feasibility period whereby further research will be conducted with aid of an acceptable appraisal, survey and title conveyance.

Item No. 22 required no action by the Board. Therefore, no action was taken.

Bo Tanner presented information on Item No. 23, consideration and possible action on funding for the Permanent School Fund acquisition of approximately 1,980 acres of land out of the Caleb W. Baker, Seaborn Berry, John Cooper, William Dunbar, Thomas C. Snailm and Samuel Pharass Surveys, Hays County, Texas. Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 23 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 associate 1.5% acquisition fee; subject to final appraisal and any remaining items to be satisfied in accordance with contractual terms and conditions. Motion carried unanimously.

Bo Tanner presented information on Item No. 24, consideration and possible action on funding for the PSF acquisition of approximately 21.57 acres out of the Henry Warnell Survey No. 20, Abstract No. 793 and the Joseph Burleson Survey No. 10, Abstract No. 62, Austin, Travis County, Texas. Motion was made by Mr. Herrmann and seconded by Mr. Barth to approve Item No. 24 according to staff's recommendation. Staff recommended that the School Land Board authorize the final funding of $3,800,000 for the purchase of this asset, subject to the completion of a boundary survey. Motion carried unanimously.

Bo Tanner presented information on Item No. 25, consideration and possible action on a request to modify terms of an existing option contract (sale), A. G. McMath Survey #298, El Paso County, Texas. Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 25 according to staff's recommendation. Staff recommended that the School Land Board extend the closing date for the final take down under the current contract to sell, to September 1, 2005. Motion carried unanimously.

Bo Tanner presented information on Item No. 26, consideration and possible action on the Purchase and Sale contract of approximately 2,043.96 acres out of the Jane Wilkins One League Grant, Abstract no. 96 and the Jesse H. Cartwright One League Grant, Abstract No. 16, Ft. Bend County, Texas, File Numbers 155080, 155238. Motion was made by Mr. Barth and seconded by Mr. Herrmann to approve Item No. 26 according to staff's recommendation. Staff recommended that the original bid amount be reduced by $891,715.59 to account the right-of-way reservation, for a net purchase price of $46,346,284.41 subject to the final survey. Motion carried unanimously.

Bo Tanner presented information on Item No. 27, consideration and possible action on the acquisition of 383.777 acres in three separate parcels: 168.937 and 38.44 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. Herrmann and seconded by Mr. Barth to approve Item No. 27 according to staff's recommendation. Staff recommended that the School Land Board authorize the Land Commissioner to negotiate and execute a Contract for Purchase with Ridge Property Trust for the acquisition of the 207.377 acre Synergy Park East and the 176.4 acre Synergy Park West for an amount not to exceed the appraised value plus an interest in the third party purchase contract. Motion carried unanimously.

There being no further business before the School Land Board, the meeting was adjourned at 12:39 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

File No. 155382 (7)

Hays County

SLB Minutes-Funding

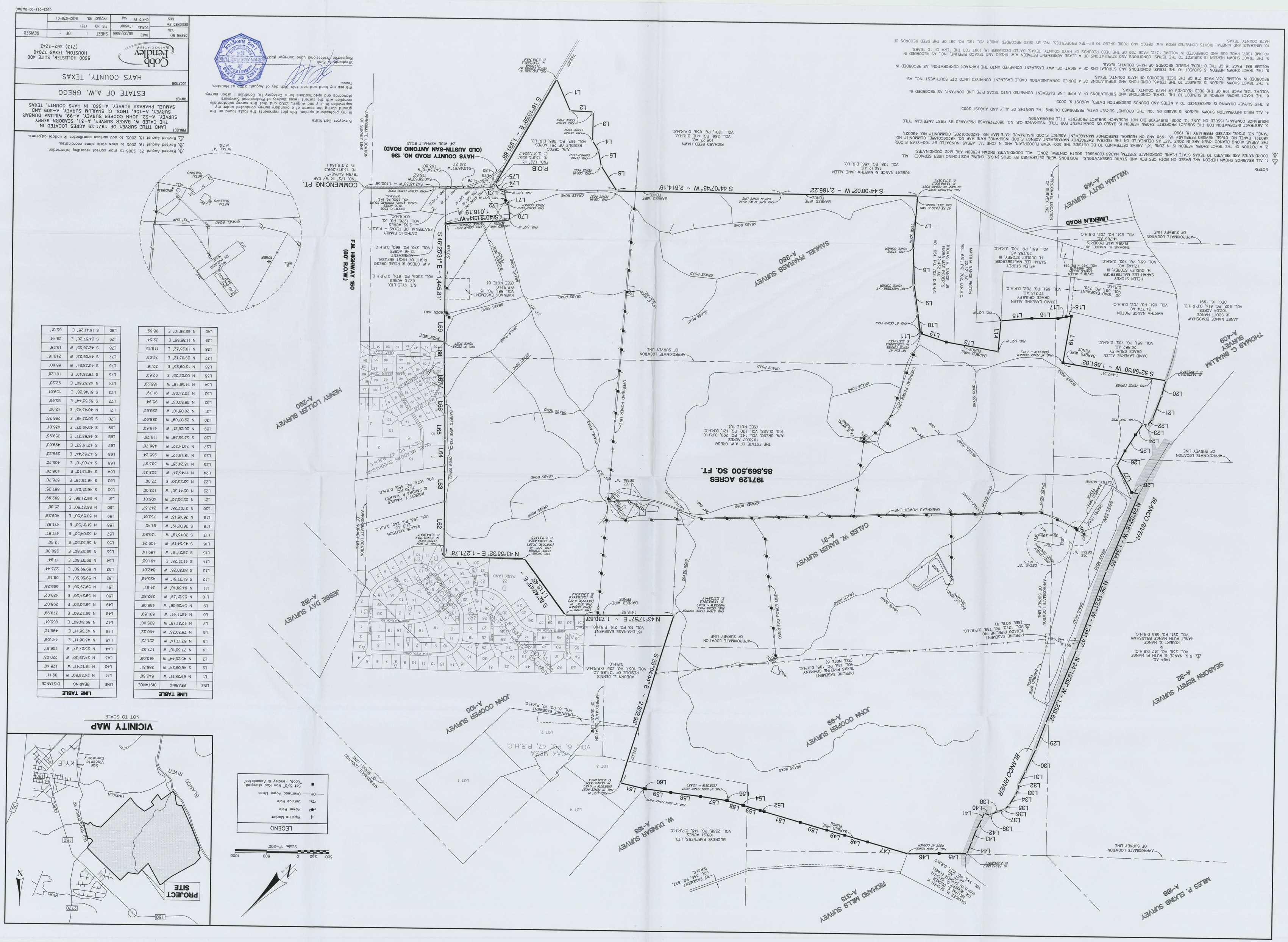
Date Filed: 2-14-06

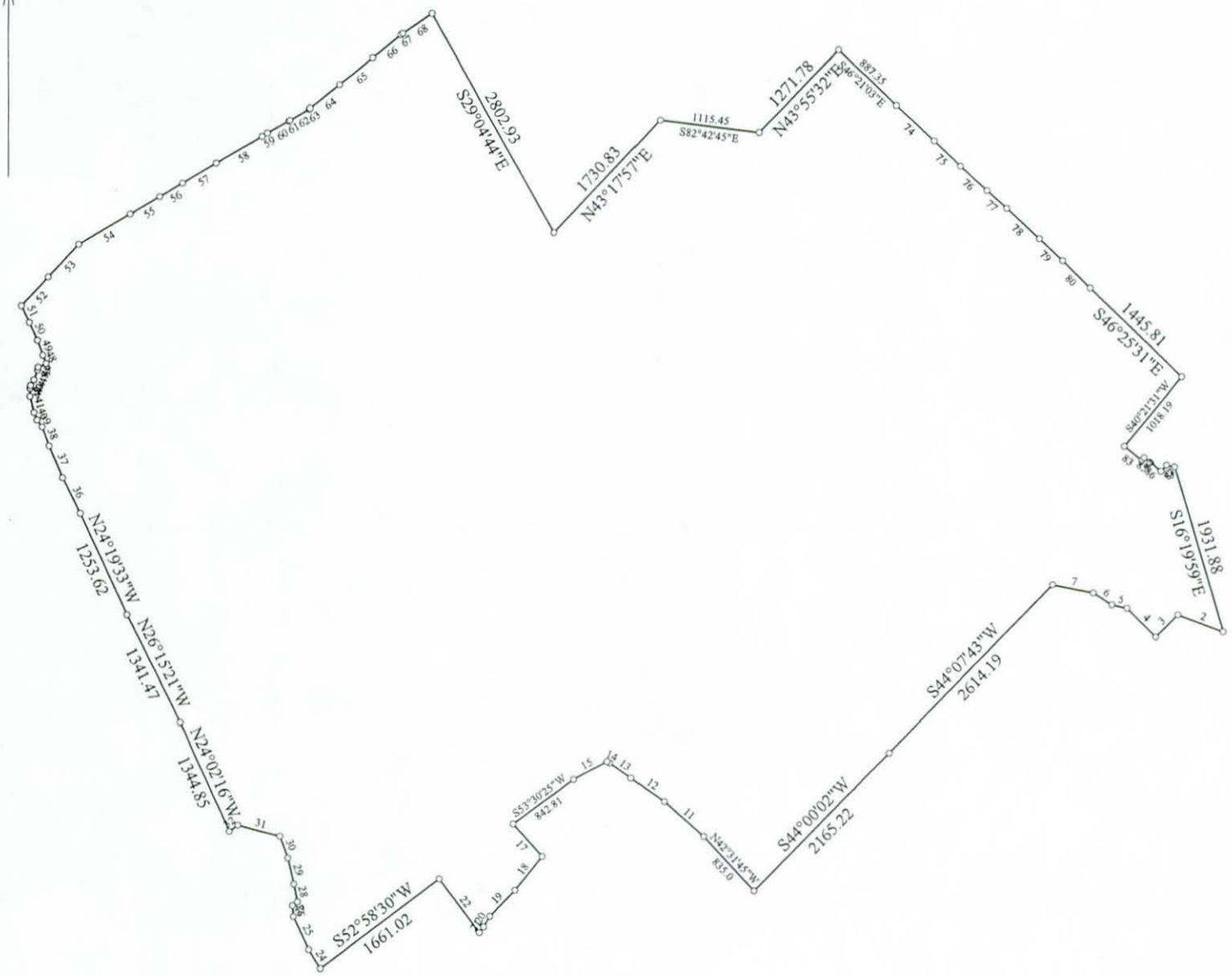
Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED

DATE 5/21/07


19712.9 ACRES
85,869,500 SQ. FT.
THE ESTATE OF A.W. GREGG
A.W. GREGG VOL. 143, PG. 290, D.R.H.C.
F.D. GLASS, VOL. 130, PG. 121, D.R.H.C.
(SEE NOTE 10)
F.M. HIGHWAY 150
(80' R.O.W.)
HAYS COUNTY ROAD NO. 136
(OLD AUSTIN-SAN ANTONIO ROAD)
24' WIDE ASPHALT ROAD
COMMENCING PT.
P.O.B.
S 16°19'59" E ~ 1,931.88'
N 43°55'32" E ~ 1,271.78'
N 43°31'57" E ~ 1,730.83'
S 29°04'44" E ~ 2,862.93'
S 44°07'43" W ~ 2,614.19'
S 44°07'02" W ~ 2,166.22'
S 40°21'31" W ~ 1,018.19'
S 46°25'31" E ~ 1,445.81'
S 52°58'30" W ~ 1,661.02'
N 24°02'16" W ~ 1,344.85'
N 26°15'21" W ~ 1,341.47'
N 24°19'23" W ~ 1,253.62'
S 89°42'45" E ~ 1,115.45'
SAMUEL PHARASS SURVEY A-380
WILLIAM DUTY SURVEY A-49
THOMAS C. SWALM SURVEY A-409
CALEB W. BAKER SURVEY A-31
SEAGORN BERRY SURVEY A-32
JOHN COOPER SURVEY A-99
JOHN COOPER SURVEY A-100
HENRY LOLLER SURVEY A-280
JESSE DAY SURVEY A-162
W. DUNAWAY SURVEY A-166
PICKAPAD MILLS SURVEY A-313
MILES P. EATONS SURVEY A-188
LIMEKILN ROAD
BLANCO RIVER
LEGEND
Power Pole
Service Pole
Overhead Power Lines
Set 5/8" Iron Rod stamped "Cobb, Fendley & Associates"
Scale: 1"=500'
VICINITY MAP
NOT TO SCALE
PROJECT SITE
KYLE
LINEKILN
OLD STAGECOACH RD
BLANCO RIVER
LEGEND
LINE TABLE
LINE TABLE
LAND TITLE SURVEY OF 197.129 ACRES LOCATED IN THE CALEB W. BAKER SURVEY, A-31, SEAGORN BERRY SURVEY, A-156, THOS. C. SWALLUM SURVEY, A-409 AND SAMUEL PHARASS SURVEY, A-380, IN HAYS COUNTY, TEXAS
ESTATE OF A.W. GREGG
HAYS COUNTY, TEXAS
Cobb Fendley & Associates
5300 HOLLISTER, SUITE 400
HOUSTON, TEXAS 77040
(713) 462-3242
DRAWN BY: VJA
DESIGNED BY: KCS
CHK'D BY: SJF
DATE: 08/22/2005
SCALE: 1"=500'
PROJECT NO. 0402-070-01
SHEET 1 OF 1
F.B. NO. 1721
REVISED
0502-014-00-04.DWG



Title:		Date: 08-22-2005
Scale: 1 inch = 1800 feet	File:	

OK 8/22/05
CBT
Revision 2
8/19/05

Data and Deed Call Listing of File:

Tract 1: 1971.285 Acres: 85869163 Sq Feet: Closure = s46.0031e 0.05 Feet: Precision =1/981753: Perimeter = 44868 Feet

001=S16.1959E 1931.88
002=n69.2811w 542.50
003=s46.0624w 356.81
004=N45.2844W 460.09
005=N77.3818W 177.53
006=N57.1714W 251.72
007=N78.3033W 468.22
008=S44.0743W 2614.19
009=S44.0002W 2165.22
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018=S38.2119W 489.14
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021=S36.0219W 81.45
022=N36.4513W 753.61
023=S52.5830W 1661.02
024=N31.0728W 247.37
025=N25.3532W 406.01
026=N05.4130W 123.0
027=N52.2330E 72.0
028=N11.4534W 203.32
029=N13.2425W 303.61
030=N18.4922W 265.24
031=N75.1422W 486.70
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071=S82.4245E 1115.45
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080=S45.4907E 436.01
081=S46.2531E 1445.81
082=S40.2131W 1018.19
083=S50.2348E 255.73
084=N40.4343E 42.90
085=S52.5244E 85.65
086=S51.4628E 159.01
087=N43.5350E 92.20
088=S78.2649E 101.28

DESCRIPTION OF A TRACT OF LAND CONTAINING 1971.29 ACRES (85,869,500 SQUARE FEET) SITUATED IN THE CALEB W. BAKER SURVEY, A-31, SEABORN BERRY SURVEY A-32, JOHN COOPER SURVEY, A-99, WILLIAM DUNBAR SURVEY, A-156, THOS. C. SNAILUM SURVEY, A-409 AND THE SAMUEL PHARASS SURVEY, A-360 SURVEY, HAYS COUNTY, TEXAS

Being a tract of land containing 1971.29 acres (85,869,500 square feet) situated in the Caleb W. Baker Survey, A-31, the Seaborn Berry Survey, A-32, the John Cooper Survey, A-99, the William Dunbar Survey, A-156, the Thos. C. Snailum Survey, A-409 and the Samuel Pharass Survey, A-360 in Hays County, Texas, and also being all of called 1938.67-acre tract as conveyed unto A.W. Gregg by deed recorded in Volume 142, Page 290 of the Deed Records of Hays County, Texas, and being all of the residue of a 251-acre tract as conveyed unto A.W. Gregg by deed recorded in Volume 167, Page 365 of the Deed Records of Hays County, Texas. Said 1971.29-acre tract being more particularly described by metes and bounds as follows:

COMMENCING FOR REFERENCE at a found 1/2-inch iron rod with cap marked "Byrn Survey" located at the south end of a cutback for the intersection of the north line of Hays County Road No. 136 (Old Austin-San Antonio Road) (undefined width) and the west right-of-way line of FM150 (80 feet wide) for a southeast corner of a 10.00-acre tract as conveyed unto Robert C. Edge by deed recorded in Volume 2305, Page 645 of the Official Public Records of Hays County, Texas;

THENCE South 43° 45' 38" West with the north line of said County Road No. 136 and the south line of said 10.00-acre tract, a distance of 1100.56 feet to a found cedar fence corner post for the southwest corner of said 10.00-acre tract and the southeast corner of a 2.62-acre tract as conveyed unto Catholic Family Fraternal of Texas – K.J.Z.T. by deed recorded in Volume 1276, Page 32 of the Official Public Records of Hays County, Texas;

THENCE South 40° 38' 53" West continuing with the north line of said County Road No. 136 and the south line of said 2.62-acre tract, a distance of 176.82 feet to a found 8-inch fence post for the southeast corner of said 1938.67-acre tract, for the southwest corner of said 2.62-acre tract and for the southeast corner of a 12.46-acre tract as described in instrument "Right of First Refusal Agreement" between A.W. Gregg and Robie Gregg and children recorded in Volume 370, Page 660 of the Deed Records of Hays County, Texas;

THENCE continuing with the north line of said County Road No. 136, the south line of said 1938.67-acre tract and the south line of said 12.46-acre tract, the following courses and distances;

South 43° 34' 16" West, a distance of 163.80 feet to a point;
South 43° 45' 57" West, a distance of 231.21 feet to a found 1/2-inch iron rod;
South 43° 38' 54" West, a distance of 85.60 feet to a found 1/2-inch iron rod;
South 44° 06' 23" West, a distance of 243.16 feet to a stone fence corner;
South 42° 38' 55" West, a distance of 19.28 feet to a point;

THENCE South 24° 57' 26" East continuing with the west line of said County Road No.136 and the east line of the residue of said 251-acre tract, a distance of 29.44 feet to a point;

THENCE South 16° 41' 25" East continuing with the west line of said County Road No. 136 and the east line of the residue of said 251-acre tract, a distance of 65.01 feet to a found 1/2-inch iron rod for a southeast corner of said tract herein described and for the **POINT OF BEGINNING**;

1) THENCE South 16° 19' 59" East, a distance of 1931.88 feet to a found 60d nail at a fence post for a corner of said tract herein described, for the south corner of the residue of said 251-acre tract and for the east corner of a 195.27-acre tract as conveyed unto Robert Reed Hawn by deed recorded in Volume 266, Page 410 of the Deed Records of Hays County, Texas, and in by deed recorded in Volume 1201, Page 659 of the Official Public Records of Hays County, Texas;

THENCE in a northwesterly direction with the west line of the residue of said 251-acre tract and the east line of said 195.27-acre tract the following courses and distances (calls 2 through 7);

2) North 69° 28' 11" West, a distance of 542.50 feet to a cedar fence post for an angle point in the south line of said tract herein described;

3) South 46° 06' 24" West, a distance of 356.81 feet to a cedar fence post for an angle point in the south line of said tract herein described;

4) North 45° 28' 44" West, a distance of 460.09 feet to a cedar fence post for an angle point in the south line of said tract herein described;

5) North 77° 38' 18" West, a distance of 177.53 feet to a cedar fence post for an angle point in the south line of said tract herein described;

6) North 57° 17' 14" West, a distance of 251.72 feet to a cedar fence post for an angle point in the south line of said tract herein described;

7) North 78° 30' 33" West, a distance of 468.22 feet to cedar fence post located in the south line of said 1938.67-acre tract for an angle point in the south line of said tract herein described and for the northeast corner of said 195.27-acre tract;

8) THENCE South 44° 07' 43" West with the south line of said 1938.67-acre tract and the north line of said 195.27-acre tract, a distance of 2614.19 feet to found 5/8-inch iron rod with aluminum cap for an angle point in the south line of said tract herein described for the northwest corner of said 195.27-acre tract and the north corner of a 260.12-acre tract as conveyed unto Robert Nance and Martha Jane Allen by deed recorded in Volume 135, Page 456 of the Deed Records of Hays County, Texas;

9) THENCE South 44° 00' 02" West continuing with the south line of said 1938.67-acre tract and the north line of said 260.12-acre tract, a distance of 2165.22 feet to railroad spike at the base of an old cedar fence post for a corner in the south line of said tract herein described for the southeast corner of a 32.432-acre tract as conveyed unto Thomas H. Nance, Jr., and Flora Mae Roberts by deed recorded in Volume 651, Page 702 of the Deed Records of Hays County, Texas;

10) THENCE North 42° 31' 45" West with a west line of said 1938.67-acre tract and the east line of said 32.432-acre tract, at 73 feet pass a twin trunk Oak tree, continuing for a total distance of 835.00 feet to the end of a rock wall/stone fence for an angle point in a west line of said tract herein described;

11) THENCE North 48° 11' 44" West with a west line of said 1938.67-acre tract and the east line of said 32.432-acre tract, a distance of 591.59 feet to a 16-inch Hackberry tree in the fence line for an angle point in a west line of said tract herein described;

12) THENCE North 54° 28' 06" West with a west line of said 1938.67-acre tract and the east line of said 32.432-acre tract, a distance of 455.05 feet to 6-inch cedar fence post for an angle point in a west line of said tract herein described;

13) THENCE North 53° 21' 39" West with a west line of said 1938.67-acre tract and the east line of said 32.432-acre tract, a distance of 292.80 feet to 6-inch cedar fence post for an angle point in a west line of said tract herein described;

14) THENCE North 64° 39' 18" West with a west line of said 1938.67-acre tract and the east line of said 32.432-acre tract, a distance of 34.87 feet to an 18-inch Elm tree in the fence line for a corner in the south line of said tract herein described for the northeast corner of said 32.432-acre tract and for an interior corner of said 1938.67-acre tract;

THENCE with a south line of said 1938.67-acre tract, the following courses and distances (calls 15 through 23);

15) South 61° 37' 51" West with the north line of said 32.432-acre tract, a distance of 426.48 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" located in the north line of a 22.421-acre tract as conveyed unto Martha Nance Picton by deed recorded in Volume 651, Page 702 of the Hays County, Texas, for an angle point in the south line of said tract herein described;

16) South 53° 30' 25" West with the north line of a 22.421-acre tract, a distance of 842.81 feet to a found 1/2-inch iron rod for a corner in the south line of said tract herein described and for the northwest corner of said 22.421-acre tract;

17) South 41° 21' 25" East with the west line of said 22.421-acre tract, a distance of 491.62 feet to a found 1/2-inch iron rod located in the north line of a 17.313-acre tract as conveyed unto David Laverne Allen and Grace Crumley by deed recorded in Volume 651, Page 702 of the Deed Records of Hays County, Texas, for a corner in the south line of said tract herein described;

18) South 38° 21' 19" West with the north line of said 17.313-acre tract, a distance of 489.14 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the south line of said tract herein described;

19) South 43° 54' 19" West, with the north line of said 17.313-acre tract, a distance of 409.24 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the south line of said tract herein described;

20) South 30° 15' 19" West with the north line of said 17.313-acre tract, a distance of 133.80 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the south line of said tract herein described;

21) South 36° 02' 19" West with the north line of said 17.313-acre tract, a distance of 81.45 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" located in the east line of a 29.882-acre tract as conveyed unto David Laverne Allen and Grace Crumley by deed recorded in Volume 651, Page 702 of the Deed Records of Hays County, Texas, for an angle point in the south line of said tract herein described;

22) North 36° 45' 13" West with the east line of said 29.882-acre tract, a distance of 753.61 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the south line of said tract herein described from which an 8-inch cedar fence post bears North 36° 44' West, a distance of 1.25 feet;

23) South 52° 58' 30" West with the north line of said 29.882-acre tract, at 1442.51 feet pass a fence corner, continuing for a total distance of 1661.02 feet to point located in the center of the east channel of the Blanco River and in the east line of a 102.04-acre tract as conveyed unto Janet Nance Bradshaw and Robert Scott Nance by deed recorded in Volume 902, Page 614 of the Official Public Records of Hays County, Texas, for the southwest corner of said tract described;

THENCE in a northwesterly direction with the east line of the 102.04-acre tract and the west line of said 1938.67-acre tract, the following courses and distances (calls 24 through 32);

24) North 31° 07' 28" West, with the centerline of said east channel of the Blanco River, a distance of 247.37 feet to an angle point in the west line of said tract herein described;

25) North 25° 35' 32" West, with the centerline of said east channel of the Blanco River, a distance of 406.01 feet to an angle point in the west line of said tract herein described;

26) North 05° 41' 30" West, a distance of 123.00 feet to a point located on the east bank of the east channel of the Blanco River for an angle point in the west line of said tract herein described;

27) North 52° 23' 30" East, a distance of 72.00 feet to an Oak tree in fence line for an angle point in the west line of said tract herein described;

28) North 11° 45' 34" West with a barbed wire fence, a distance of 203.32 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the west line of said tract herein described;

29) North 13° 24' 25" West with a barbed wire fence, a distance of 303.61 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the west line of said tract herein described;

30) North 18° 49' 22" West with a barbed wire fence, a distance of 265.24 feet to a cedar fence post for an angle point in the west line of said tract herein described;

31) North 75° 14' 22" West, a distance of 486.70 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the west line of said tract herein described;

32) South 53° 35' 58" West, a distance of 119.76 feet to point located in the center of the Blanco River for a corner in the west line of said tract herein described and for the northeast corner of said 102.04-acre tract;

THENCE in a northwesterly direction with the meanders of the centerline of the Blanco River, the west line of said 1938.67-acre tract and the east line of a tract of land as conveyed unto Exekial Nance by deed recorded in Volume C, Page 487 of the Deed Records of Hays County, Texas, the following courses and distances (calls 33 through 51);

33) North 24° 02' 16" West, a distance of 1344.85 feet to an angle point in the west line of said tract herein described;

34) North 26° 15' 21" West, a distance of 1341.47 feet to an angle point in the west line of said tract herein described;

35) North 24° 19' 33" West, a distance of 1253.62 feet to an angle point in the west line of said tract herein described;

36) North 26° 26' 21" West, a distance of 445.60 feet to an angle point in the west line of said tract herein described;

37) North 22° 07' 09" West, a distance of 388.02 feet to an angle point in the west line of said tract herein described;

38) North 20° 08' 10" West, a distance of 228.62 feet to an angle point in the west line of said tract herein described;

39) North 35° 50' 03" West, a distance of 95.94 feet to an angle point in the west line of said tract herein described;

40) North 20° 34' 03" West, a distance of 91.79 feet to an angle point in the west line of said tract herein described;

41) North 14° 59' 48" West, a distance of 185.29 feet to an angle point in the west line of said tract herein described;

42) North 00° 02' 25" East, a distance of 92.60 feet to an angle point in the west line of said tract herein described;

43) North 12° 09' 25" East, a distance of 32.16 feet to an angle point in the west line of said tract herein described;

44) North 29° 03' 12" East, distance of 72.03 feet to an angle point in the west line of said tract herein described;

45) North 19° 26' 32" East, a distance of 118.15 feet to an angle point in the west line of said tract herein described;

46) North 11° 55' 55" East, a distance of 32.54 feet to an angle point in the west line of said tract herein described;

47) North 65° 36' 10" East, a distance of 98.62 feet to an angle point in the west line of said tract herein described;

48) North 24° 23' 50" West, a distance of 99.11 feet to an angle point in the west line of said tract herein described;

49) North 19° 12' 41" West, a distance of 178.40 feet to an angle point in the west line of said tract herein described;

50) North 24° 39' 30" West, a distance of 220.03 feet to an angle point in the west line of said tract herein described;

51) North 25° 27' 37" West, a distance of 206.51 feet to a point located in the south line of a 24.52-acre tract as conveyed unto Charles M. Decker, III, William S. Decker, Dr. Robert D. Decker and Marilyn Decker Elwell by deed recorded in Volume 345, Page 837 of the Deed Records of Hays County, Texas, for the northwest corner of said tract herein described;

52) THENCE North 43° 08' 11" East with the north line of said 1938.67-acre tract and the south line of said 24.52-acre tract, a distance of 441.09 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the north line of said tract herein described;

53) THENCE North 42° 38' 11" East continuing with the north line of said 1938.67-acre tract and the south line of said 24.52-acre tract, a distance of 496.12 feet to a 2-inch iron pipe fence corner for an angle point in the north line of said tract herein described;

THENCE in a northeasterly direction with a fence line, with the north line of said 1938.67-acre tract and with the south line of a 108.21-acre tract as conveyed unto Buckeye Partners, Ltd. By deed recorded in Volume 2238, Page 145 of the Official Public Records of Hays County, Texas, the following courses and distances (calls 54 through 66);

54) North 59° 34' 50" East, a distance of 665.61 feet to an angle point in the north line of said tract herein described;

55) North 59° 27' 50" East, a distance of 379.99 feet to an angle point in the north line of said tract herein described;

56) North 58° 50' 50" East, a distance of 298.07 feet to an angle point in the north line of said tract herein described;

57) North 59° 24' 50" East, a distance of 439.02 feet to an angle point in the north line of said tract herein described;

58) North 59° 39' 50" East, a distance of 595.25 feet to an angle point in the north line of said tract herein described;

59) North 59° 56' 50" East, a distance of 68.18 feet to an angle point in the north line of said tract herein described;

60) North 59° 59' 50" East, a distance of 273.44 feet to an angle point in the north line of said tract herein described;

61) North 59° 37' 50" East, a distance of 267.94 feet to an angle point in the north line of said tract herein described;

62) North 56° 33' 50" East, a distance of 13.30 feet to an angle point in the north line of said tract herein described;

63) North 52° 04' 50" East, a distance of 417.87 feet to an angle point in the north line of said tract herein described;

64) North 51° 01' 50" East, a distance of 471.83 feet to an angle point in the north line of said tract herein described;

65) North 50° 59' 50" East, a distance of 409.28 feet to an angle point in the north line of said tract herein described;

66) North 56° 27' 50" East, a distance of 25.80 feet to 2-inch iron pipe fence corner for an angle point in the north line of said tract herein described for the southeast corner of said 108.21-acre tract and the west corner of Lot 2 of Oak Mesa, a subdivision plat recorded in Volume 6, Page 47 of the Plat Records of Hays County, Texas;

67) THENCE North 56° 24' 56" East continuing with the north line of said 1938.67-acre tract and a south line of said Lot 2, a distance of 392.99 feet to a found 1/2-inch iron rod for a corner in the north line of said tract herein described from which an 8-inch fence post bears North 88° 53' West, a distance of 1.4 feet;

68) THENCE South 29° 04' 44" East with an east line of said 1938.67-acre tract and the west line of said Lot 2 and Lot 1 of said Oak Mesa, at 932.02 feet passing the south line of said Lot 1 and the north line of the residue of a 134.86 acre tract as conveyed unto Auburn E. Dennis by deed recorded in Volume 1057, Page 225 of the Deed Records of Hays County, Texas, continuing for a total distance of 2802.93 feet to a point located in the centerline of a stone fence for a corner in the north line of said tract herein described from which a cedar fence post bears North 00° 28' West, a distance of 5.2 feet;

69) THENCE North 43° 17' 57" East with a north line of said 1938.67-acre tract and the south line of the residue of said 134.86-acre tract, at 1415.62 feet passing the southwest corner of Lot 31 of Arroyo Ranch, Section Two, a subdivision plat recorded in Volume 10, Page 219 of the Plat Records of Hays County, Texas, continuing for a total distance of 1730.83 feet to point located in the centerline of a stone fence for an angle point in the north line of said tract herein described from which a found 5/8-inch iron rod bears South 54° 29' West, a distance of 8.7 feet;

70) THENCE South 82° 42' 45" East continuing with a north line of said 1938.67-acre tract and the south line of said Arroyo Ranch, Section Two, a distance of 1115.45 feet to point located in the centerline of a stone fence for an angle point in the north line of said tract herein described from which a found 1/2-inch iron rod bears South 88° 50' West, a distance of 37.6 feet;

71) THENCE North 43° 55' 32" East continuing with the north line of said 1938.67-acre tract and the south line of said Arroyo Ranch, Section Two, a distance of 1271.78 feet to a 2-inch iron pipe fence corner for an angle point in the north line of said tract herein described for an interior corner of Arroyo Ranch, Section One, a subdivision plat recorded in Volume 10, Page 179 of the Plat Records of Hays County, Texas;

THENCE with the east line of said 1938.67-acre tract, the following courses and distances (call 72 through 80);

72) South 46° 21' 03" East, at 185.13 feet passing the south line of said Arroyo Ranch, Section One, and the north line of a 21.3-acre tract as conveyed unto Sallye Knutson by deed recorded in Volume 353, Page 240 of the Deed Records of Hays County, Texas, continuing for a total distance of 887.35 feet to an angle point in the east line of said tract herein described for the southwest corner of said 21.3-acre tract and the northwest corner of a 21.30-acre tract as conveyed unto Robert T. Walker and Sandra F. Walker by deed recorded in Volume 1976, Page 458 of the Official Public Records of Hays County, Texas;

73) South 46° 29' 25" East with the west line of said 21.30-acre tract, a distance of 578.70 feet to an angle point in the east line of said tract herein described for the southwest corner of said 21.30-acre tract and the northwest corner of Quail Meadows Subdivision, a subdivision plat recorded in Volume 7, Page 47 of the Plat Records of Hays County, Texas;

74) South 46° 13' 10" East with the west line of said Quail Meadows Subdivision, a distance of 408.76 feet to an angle point in the east line of said tract herein described;

75) South 47° 03' 10" East continuing with the west line of said Quail Meadows Subdivision, a distance of 405.20 feet to an angle point in the east line of said tract herein described;

76) South 47° 52' 44" East continuing with the west line of said Quail Meadows Subdivision, a distance of 296.23 feet to an angle point in the east line of said tract herein described;

77) South 47° 19' 33" East continuing with the west line of said Quail Meadows Subdivision, a distance of 499.63 feet to a found 6-inch cedar fence post for an angle point in the east line of said tract herein described, for the southwest corner of said Quail Meadows Subdivision and for the northwest corner of said 62.10-acre tract;

78) South 46° 53' 37" East with the west line of said 62.10-acre tract, a distance of 359.95 feet to an angle point in the east line of said tract herein described;

79) South 45° 49' 07" East continuing with the west line of said 62.10-acre tract, a distance of 436.01 feet to an angle point in the east line of said tract herein described;

80) South 46° 25' 31" East continuing with the west line of said 62.10-acre tract, a distance of 1445.81 feet to a found cedar fence post for corner of said tract herein described and for the northeast corner of said 12.46-acre tract;

81) THENCE South 40° 21' 31" West with the north line of said 12.46-acre tract, a distance of 1018.19 feet to a found 1/2-inch iron rod for a corner of said tract herein described and for the northwest corner of said 12.46-acre tract;

82) THENCE South 50° 23' 48" East with the west line of said 12.46-acre tract, at 96.71 feet pass a cedar fence post, continuing for a total distance of 255.73 feet to a cedar fence post for an angle point in the south line of said tract herein described;

83) THENCE North 40° 43' 43" East with the west line of said 12.46-acre tract, a distance of 42.90 feet to a cedar fence post for an angle point in the south line of said tract herein described;

84) THENCE South 52° 52' 44" East with the west line of said 12.46-acre tract, a distance of 85.65 feet to a found 1/2-inch iron rod for an angle point in the south line of said tract herein described;

85) THENCE South 51° 46' 28" East with the west line of said 12.46-acre tract, a distance of 159.01 feet to a found 1/2-inch iron rod for a corner of said tract herein described;

86) THENCE North 43° 53' 50" East with the south line of said 12.46-acre tract, a distance of 92.20 feet to a found 1/2-inch iron rod for an angle point in the south line of said tract herein described;

87) THENCE South 78° 26' 49" East with the south line of said 12.46-acre tract, a distance of 101.28 feet to the **POINT OF BEGINNING** and containing 1971.29 acres (85,869,500 square feet) of land, more or less.

Note: This metes and bounds description is referenced to a survey drawing prepared by Cobb, Fendley & Associates, Inc. dated August 9, 2005.

Cobb, Fendley & Associates, Inc.
5300 Hollister, Suite 400
Houston, Texas 77040
Ph. 713-462-3242

Job No. 0402-070-01

August 9, 2005

STATE OF TEXAS
REGISTERED
STEPHANIE ANNE FUNK
5375
PROFESSIONAL
LAND SURVEYOR

File No. 155382 (8)

Hays County

Survey, FIELD Notes, CLOSURE SKETCH

Date Filed: 2-17-06

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED
DATE 5/16/07
CKM

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 - 5-3215

GSC PO # _____ Date 08/23/2005

Program/Division	Requestor	Phone Number	Date Initiated
Asset Management	Dewayne Naumann	512-463-5102	08/23/2005

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 **REQUESTED BY:** ☐ GLO ☐ Vendor

DUE TO: ☐ Extra Task(s) ☐ High Bids ☐ Weather delay ☐ Factors Beyond Control ☐ Other (Explain) _____

OUTSOURCING: Y ☐ ☐ No **CONTRACT WORKFORCE:** ☐ Yes ☐ No **WORK PRODUCT** ☐ Yes ☐ No

Vendor I.D.	20-1621063	(Legal Approval)	Date
Vendor Name	Texas United Title, Inc.	Suggested Vendor:	
		Contact Person:	A.J. Waight, Jr.
Address	1600 West Business 380	Phone Number:	512-306-0122
City/State	Decatur, Texas 76234 Zip 78746-5776	Fax Number:	512-306-0837

DT PCC	Fund	Approp.	Comptroller	GLO	PCA	Amount	BUDGET ANPS ENTRY	By:	Date:
9	13	13002	7345	4300	31003	$23,965,349.65			8/23/5

Notes/Comments: Please deliver to Requestor., PLEASE RUSH - CLOSING 8/24

Item	Commodity Code	Description of Product/Service (Class 998 Item 84)	Quantity	UOM	Unit Price	Estimated Cost
1		Purchase of 1,971.29 acres out of the Caleb W. Baker, Sur., A-31,	1	ea	$23,965,349.65	$23,965,349.65
		Seaborn Berry Sur., A-32, John Cooper Sur., A-99, William Dunbar				$0.00
		Sur., A-156, Thos. C. Snailum Sur., A-409, Samuel Pharass Sur.,				$0.00
		A-360, Hays County, Texas.				$0.00
						$0.00
		"Blanco River Ranch" - Anita Dabney				$0.00
						$0.00
					Additional Page Total:	$0.00
Contract Dates:	From:	To:			Total:	$23,965,349.65

RECEIVED AUG 23 2005 ACCOUNTS PAYABLE

SIGNATURES/APPROVALS:

Director	Date	IS - Technology/Computer related	Date
Deputy - $1,000 and over	8/23/05 Date	PIO - Publications related	Date
Budget-Funds Available ☐ Yes ☐ No	8/23/5 Date	Chief Clerk - $5,000 and over	8/23/05 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 8/23/05 Order/Begin Date 8/23/05 Due/End Date 8/31/05

Type Purchase: SPC Processed by: HR Date: 8/23/05 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 51.402
- ☐ 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

TREASURY WARRANT NO.
109281161

109281161 AUGUST 24, 2005

082305 0044 305 9CGP5660 12016210630 000
PAYING AGENCY: 512-463-5189 GENERAL LAND OFFICE

PAY TWENTY THREE MILLION NINE HUNDRED SIXTY FIVE THOUSAND THREE HUNDRED FORTY NINE DOLLARS AND 65/100 $23,965,349.65

TO THE ORDER OF
TEXAS UNITED TITLE INC
1600 WEST BUSINESS 380
DECATUR, TX 76234-3281

VOID AFTER
08/31/2007

Carole Keeton Strayhorn

[redacted] ⑈109281161⑈

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 - 5-2877

GSC PO # _____ Date 07/07/2005

Program/Division	Requestor	Phone Number	Date Initiated
Asset Management	Dewayne Naumann	512-463-5102	07/07/2005

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.	74-1379947 3 000	(Legal Approval)	Date
Vendor Name	KY-TEX Properties, L.P.	Suggested Vendor:	
		Contact Person:	Doug Young
Address	1259 Old Stagecoach Road	Phone Number:	512-478-4651
City/State	Kyle, Texas Zip 78640-9428	Fax Number:	

DT PCC	Fund	Approp.	Comptroller	GLO	PCA	Amount
9	13	13002	7346	4300	31003	$50.00

BUDGET ANPS ENTRY BY: Date: 7/12

Notes/Comments: Please deliver to Requestor.

Item	Commodity Code	Description of Product/Service (Class 998 Item 84)	Quantity	UOM	Unit Price	Estimated Cost
1		Independent Consideration	1	ea	$50.00	$50.00
		1982.4 Acres, Hays County (AED)				$0.00
						$0.00
						$0.00
						$0.00
						$0.00
						$0.00
					Additional Page Total:	$0.00
Contract Dates:	From:	To:			Total:	$50.00

2005 JUL 12 PM 2:44 GENERAL LAND OFFICE PURCHASING

RECEIVED JUL 14 2005 ACCOUNTS PAYABLE

SIGNATURES/APPROVALS:

Director	Date	IS - Technology/Computer related	Date
Deputy - $1,000 and over	7/8/05 Date	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 7/14/05 Order/Begin Date 7/14/05 Due/End Date 8/31/05

Type Purchase: SP Processed by: HR Date: 7/14/05 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
☐ 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

TREASURY WARRANT NO.

108951021

108951021 JULY 15, 2005

071405 0044 305 9CGP4918 17413799473 000
PAYING AGENCY: 512-463-5189 GENERAL LAND OFFICE

PAY FIFTY DOLLARS AND 00/100 $50.00

TO THE ORDER OF

KY-TEX PROPERTIES LP
1259 OLD STAGECOACH ROAD
KYLE, TX 78640-9428

VOID AFTER
08/31/2007

Carole Keeton Strayhorn

[redacted] ⑈108951021⑈

GLO Contract No. 05-172

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 ☐ MOI ☐ 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. ~~88415200428~~ 17413585112 (Legal Approval) MM Date 1-10-05

Vendor Name	Turner, Collie & Braden, Inc.	Suggested Vendor:	
		Contact Person:	Doug Zarker / PATRICIA MATTHEWS
Address	400 West 15th Street, Suite 500	Phone Number:	512-472-4519
City/State	Austin, TX Zip 78701	Fax Number:	512-472-7519

5757 Woodway Dr, Tx 77057

DT PCC	Fund	Approp.	Comptroller	GLO	PCA	Amount
9	007	28984	7346 7252		11791	
	008	130D2	7346		31722	

BUDGET ANPS ENTRY ☑ By [illegible] Date

Notes/Comments:
REQ #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				$0.00
		numbers				$0.00
						$0.00
						$0.00
						$0.00
						$0.00
						$0.00
					Additional Page Total:	$0.00
					Total:	

Contract Dates: From: effective date To: 08/31/2005

SIGNATURES/APPROVALS:

Director	Date	IS - Technology/Computer related	Date
Deputy - $1,000 and over [signature]	Date 1/4/05	PIO - Publications related	Date
Budget-Funds Available ☑ Yes ☐ No [signature]	Date 1/6/05	Chief Clerk - $5,000 and over	Date

PURCHASING/ACCOUNTS PAYABLE USE

HUB VENDOR ☐ Yes ☐ No	**RECYCLED PRODUCT**	**Posted on Market Place:** ☐ Y ☐ N	Type Purchase: PRO
☐ Black ☐ Asian ☐ Woman	☐ E-1 Recycled-content	VCID _____ REPERS _____	Processed by: DF
☐ Hispanic ☐ Native American	☐ E-2 Remanufactured	Order/Begin Date / Due/End Date	Date:
	☐ E-3 Env. Sensitive		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
☐ TRAINING-TX. Gov. Code, Title 6, Subtitle B, Section 656.044
☐ PURCHASE OF LAND-Nat. Res. Code, Section 51.4
☐ 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

TCB | AECOM

317-6-0217

5-58

Turner Collie & Braden
400 West 15th Street, Suite 500, Austin, Texas 78701
T 512.472.4519 F 512.472.7519 www.tcb.aecom.com

RECEIVED
JAN 23 2006
ACCOUNTS PAYABLE

January 13, 2005

Ms. Sharon Clark
Texas General Land Office
Stephen F. Austin Bldg.
1700 North Congress Ave.
Austin, Texas 78701

Client No:	4313
TCB Job No:	52804383
Bill No.	1
Invoice No.	10010548

FOR PROFESSIONAL SERVICES

Phase I ESA

Contract No. 05-172-WO-07 Work 6/24/05 - 7/13/05

TASK DESCRIPTION	BUDGET	% COMP	EARNED TO DATE	PREV. BILLED	THIS INVOICE
Blanco River Tract	$3,750.00	100%	$3,750.00	$0.00	$3,750.00
TOTAL CONTRACT AMOUNT	$3,750.00		$3,750.00	$0.00	
TOTAL AMOUNT THIS INVOICE					**$3,750.00**

This invoice is certified true and correct to the best of my knowledge.

Very truly yours,

Doug Zarker, P.G.
Geologist

OK to pay
J. Clark
1/26/06

GLO Contract No. 05-280

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 - 5-28625

GSC PO # _____ Date _____

Program/Division	Requestor	Phone Number	Date Initiated
Asset Mgmt./Real Estate	Sharon Clark	475-1401	07/07/2005

Justification for Purchase:

Determine the potential for developing 2,000 +- acres in Hays County on the Blanco River as a residential subdivision.

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.	14213207583	(Legal Approval)	Date 6-28-05
Vendor Name	Stanley Consultants, Inc.	Suggested Vendor:	
		Contact Person:	(Contract: M. Shawn Fleming) SC: Kevin Kettleshe K
Address	9130 Jollyville Road., Suite 150	Phone Number:	231-1449
City/State	Austin, TX Zip 78759	Fax Number:	231-1455

DT PCC	Fund	Approp.	Comptroller	GLO	PCA	Amount	BUDGET ANPS ENTRY	By:	Date:
	013	13002	~~4370~~ 7346		~~31722~~	~~$23,500.00~~	Notes/Comments:		
					31003	$14,275.00	~~RUSH - PLEASE REQUEST ALL SIGNATURE BEFORE SENDING TO VENDOR. Thank you.~~		

Item	Commodity Code	Description of Product/Service Class Item	Quantity	UOM	Unit Price	Estimated Cost
		Determine potential for developing 2,000 acres on Blanco River				$23,500.00
						$0.00
						$0.00
						$0.00
						$0.00
						$0.00
						$0.00
					Additional Page Total:	$0.00
					Total:	~~$23,500.00~~ $14,275.00

Contract Dates: From: effective date To: [redacted] 7/29/05

SIGNATURES/APPROVALS:

Director	Date	IS - Technology/Computer related	Date
Deputy - $1,000 and over	7/7/05 Date	PIO - Publications related	Date
Budget-Funds Available ☐ Yes ☐ No	Date	Chief Clerk - $5,000 and over For Larry Laine	8 July 05 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: 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
☐ 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

Stanley Consultants INC

5-2865

August 31, 2005
Project No: 18520.01.00
Invoice No: 0069514

Total This Invoice
$14,275.00

Texas General Land Office
P O Box 12873
Austin TX 78711-2873

Attention: Sharon Clark

For: Contract No. 05-280
Blanco River Project

Professional Services for the period ending July 29, 2005

Fee

Total Fee	14,275.00			
Percent Complete	100.00	Total Earned	14,275.00	
		Previous Fee Billing	0.00	
		Current Fee Billing	14,275.00	
		Total Fee		**14,275.00**

Total This Invoice $14,275.00

If you have any questions regarding this invoice, please contact Kevin Kadlecek at (512) 231-1449 or Lori at (563) 264-6295.

OK to pay J. Clark 9/15/05

GLO Contract No. 05-288

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 - 5-3180

GSC PO # _____ Date _____

Program/Division	Requestor	Phone Number	Date Initiated
Asset Mgmt./Real Estate	Sharon Clark	475-1401	07/11/2005

Justification for Purchase:

Develop a conceptual land plan depicting a potential development scenario for the property. Conduct an environmental asset inventory which will be incorprated into the land plan.

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: Y ☐ ☐ No **CONTRACT WORKFORCE:** ☐ Yes ☐ No **WORK PRODUCT** ☐ Yes ☐ No

Vendor I.D.	14213207583	(Legal Approval)	JC Date 8-11-05
Vendor Name	Stanley Consultants, Inc.	Suggested Vendor:	
		Contact Person:	(Contract: M. Shawn Fleming) SC: Kevin
Address	9130 Jollyville Road., Suite 150	Phone Number:	231-1449
City/State	Austin, TX Zip 78759	Fax Number:	231-1455

DT PCC	Fund	Approp.	Comptroller	GLO	PCA	Amount	BUDGET ANPS ENTRY	By:	Date:
			4376		31722	$9,225.00			

Notes/Comments:
RUSH - PLEASE REQUEST LLL SIGNATURE BEFORE SENDING TO VENDOR. Thank you.

2005 AUG 11 PM 1:03 GENERAL LAND OFFICE PURCHASING

Item	Commodity Code	Description of Product/Service Class Item	Quantity	UOM	Unit Price	Estimated Cost
		Determine potential for developing 2,000 acres on Blanco River				$9,225.00
						$0.00
						$0.00
						$0.00
						$0.00
						$0.00
						$0.00
					Additional Page Total:	$0.00
					Total:	$9,225.00

Contract Dates: From: effective date To: 08/31/2005

SIGNATURES/APPROVALS:

Director	Date	[redacted]	[redacted]
SP Biles Deputy - $1,000 and over	8/11/05 Date	[redacted]	[redacted]
KEL FOR G.H. 8-11-05 Budget-Funds Available ☑ Yes ☐ No	Date	8/11/05 [redacted]	[redacted]

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: _____ 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 51.402
- ☐ 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

05- 3180

Stanley Consultants INC

September 30, 2005
Project No: 18520.02.00
Invoice No: 0070817

Total This Invoice
$9,225.00

Texas General Land Office
P O Box 12873
Austin TX 78711-2873

Attention: Sharon Clark

For: Contract No. 05-288
Blanco River Project Phase 2

Professional Services for the period ending August 31, 2005

Fee

Total Fee	9,225.00			
Percent Complete	100.00	Total Earned	9,225.00	
		Previous Fee Billing	0.00	
		Current Fee Billing	9,225.00	
		Total Fee		**9,225.00**

Total This Invoice **$9,225.00**

If you have any questions regarding this invoice, please contact Kevin Kadlecek at (512) 231-1449 or Lori at (563) 264-6295.

ok to pay
J. Clark
10/4/05

Cobb, Fendley & Associates, Inc.
5300 Hollister, Suite 400
Houston, Texas 77040-6131
(713) 462-3242

ORIGINAL

August 18, 2005

Invoice No: 0220250

Texas General Land Office
Ms. Sharon Clark
1700 North Congress Avenue, 7th Floor
Austin TX 78701

Project: 0402-070-01 FM2270 at FM150, Hays County

Boundary survey of 1940 acres located west of IH35 in Kyle, Hays County, Texas.

Invoice for period ending August 14, 2005

Fee

Total Fee	43,450.00			
Percent Complete	100.00	Total Earned	43,450.00	
		Previous Fee Billing	0.00	
		Current Fee Billing	43,450.00	
		Total Fee		**43,450.00**

Total this invoice **$43,450.00**

OK to pay
J. Clark
8/23/05

PAYMENT DUE UPON RECEIPT. PLEASE INCLUDE INVOICE NUMBER WITH PAYMENT.

Cobb, Fendley & Associates, Inc.
5300 Hollister, Suite 400
Houston, Texas 77040-6131
(713) 462-3242

ORIGINAL

August 18, 2005

Invoice No: 0220252

Texas General Land Office
Ms. Sharon Clark
1700 North Congress Avenue, 7th Floor
Austin, TX 78701-1495

Project: 0402-070-02 FM2270 at FM150, Hays County

GLO Contract No. 05-084, Work Order No. 05-084-WO-02

Boundary survey of 1940 acres located west of IH35 in Kyle, Hays County, Texas

Invoice for period ending August 14, 2005

Fee

Total Fee	12,550.00			
Percent Complete	35.8566	Total Earned	4,500.00	
		Previous Fee Billing	0.00	
		Current Fee Billing	4,500.00	
		Total Fee		**4,500.00**

Total this invoice **$4,500.00**

OK to pay
S. Clark
8/23/05

PAYMENT DUE UPON RECEIPT. PLEASE INCLUDE INVOICE NUMBER WITH PAYMENT.

GLO Contract No. 05-084

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 0553 0154

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.	7421928791	(Legal Approval) MM	Date 8/5/04
Vendor Name	Cobb, Fendley & Associates, Inc.	Suggested Vendor:	
		Contact Person:	Stephanie A. Funk
Address	5300 Hollister, Suite 400	Phone Number:	(713) 462-3242
City/State	Houston, TX Zip 77040	Fax Number:	(713) 462-3262

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	7/19/04 Date	IS - Technology/Computer related	Date
Deputy - $1,000 and over	7/16/04 Date	PIO - Publications related	Date
Budget-Funds Available ☑ Yes ☐ No	Date	Chief Clerk - $5,000 and over	Date

JUL 7 2004

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: D7 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
☐ 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. 8/03

(9)

File No. 155382

Hays County

Purchase Requisitions

Date Filed: 2-14-06

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED
DATE 5/21/07 pf

REAL ESTATE SERVICES

atrium

REAL ESTATE SERVICES
atrium

August 23, 2005

Mr. Buster Renfrow
Associate Chief Appraiser
Texas General Land Office
1700 N. Congress Ave., Room 111
Austin, TX 78701

RE: The 1,971.29 acre tract along the west side of Stagecoach Drive, south of FM 150, Hays County, Texas also known as Blanco River Ranch

Dear Mr. Renfrow:

This letter serves as an addendum to the appraisal of the tract along the west side of Stagecoach Drive, south of FM 150, Hays County, Texas (also known as Blanco River Ranch). The original report has an effective date of June 6, 2005 and a report date of July 1, 2005. This addendum letter may only be used conjunction with the original report and cannot stand alone as an independent document.

As stated in the original report, the subject property is currently owned by KY-TEX Properties. We have recently been provided additional information by the Texas General Land Office regarding the subject property. This information, which we were not aware of at the time of the original report, seems to impact the value that was estimated at that time. This new information illustrates the size of the property according to the final survey (please see attachments).

According to available information in the original appraisal report, the subject property contained 1,951 acres. The final survey shows the actual acreage to be 1,971.29 acres.

MARKET VALUE ESTIMATE - The market value of fee simple interest in the subject property as of June 6, 2005 was $25,363,000.

2305 Hancock Drive, Austin, TX 78756 | 512.453.7407 | Fx: 512.453.1606 | www.atriumrealestate.com

After consideration of the recently received new information, it is our opinion that the per acre value stated in the original report will remain the same at $13,000/acre. Therefore, the revised market value estimate for the 1,971.29 acres is as follows:

TWENTY FIVE MILLION SIX HUNDRED TWENTY SIX THOUSAND SEVEN HUNDRED SEVENTY DOLLARS ($25,626,770)

Atrium Real Estate Services appreciates the opportunity to be of service to you and the 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

Lory R. Johnson, MAI
President
Texas Certified Appraiser #TX-1321640-G

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

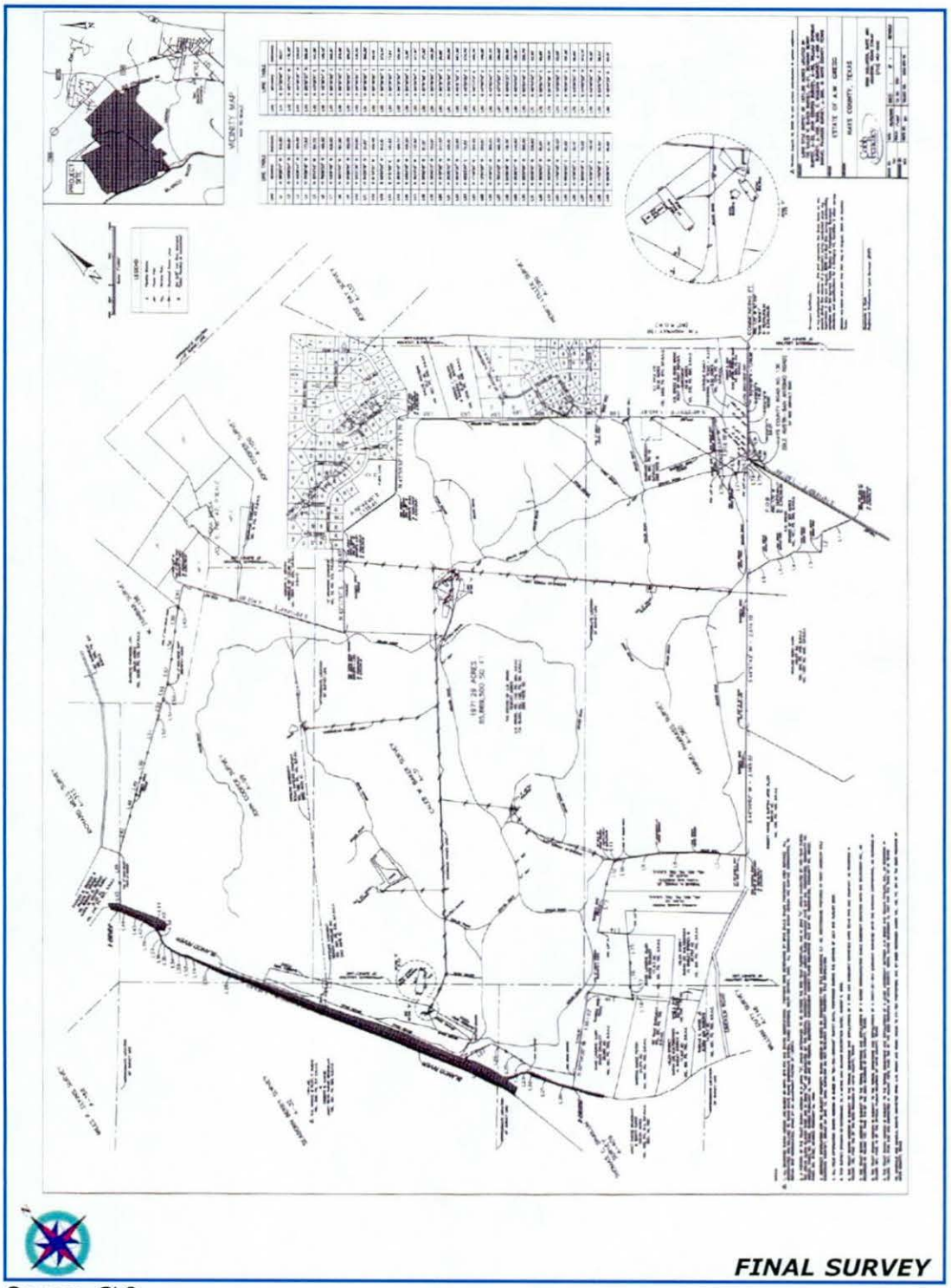
EDUCATION

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.



FINAL SURVEY

Source: GLO

COMPLETE APPRAISAL IN A SUMMARY REPORT

of 1,951 acres located at the
west side of Old Stagecoach Road, south of FM
150, 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:
June 6, 2005

REAL ESTATE SERVICES
atrium

July 1, 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 1,951 acres located at the west side of Old Stagecoach Road, south of FM 150, 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 June 6, 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 June 6, 2005, was as follows:

Twenty Five Million Three Hundred Sixty Three Thousand Dollars
($25,363,000)

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.

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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, general information, and an on-site inspection. 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

Lory R. Johnson, MAI
President
Texas Certified Appraiser #TX-1321640-G

Date Signed: July 1, 2005

Ryan Wyatt

Ryan H. Wyatt
Appraiser
Texas Certified Appraiser #TX-1333170-TRAINEE

Date Signed: July 1, 2005

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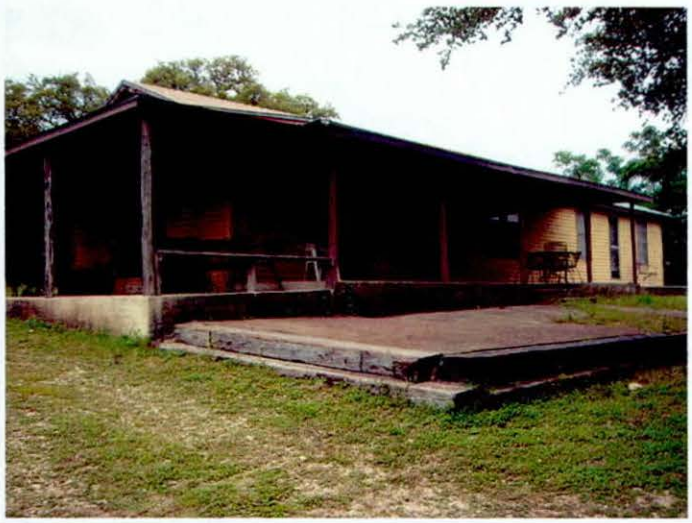
ENGAGEMENT LETTER

INTRODUCTION

SUBJECT PROPERTY PHOTOGRAPHS



View of hunting lodge from interior of property

Date photo taken:
6/06/05

View of one room fishing lodge from interior of property

Date photo taken:
6/06/05

View of barn from interior of property

Date photo taken:
6/06/05

SUBJECT PROPERTY PHOTOGRAPHS

View of Blanco River frontage along western property boundary

Date photo taken:
6/06/05

View of Blanco River frontage along western property boundary

Date photo taken:
6/06/05

Interior view of property near Blanco River frontage

Date photo taken:
6/06/05

SUBJECT PROPERTY PHOTOGRAPHS

Interior view of property near Blanco River frontage

Date photo taken:
6/06/05

Interior view of subject property from the hunting lodge

Date photo taken:
6/06/05

View of stock tank from fishing lodge area

Date photo taken:
6/06/05

SUBJECT PROPERTY PHOTOGRAPHS

Interior view of property

Date photo taken:
6/06/05

Interior view of property

Date photo taken:
6/06/05

Interior view of property

Date photo taken:
6/06/05

SUBJECT PROPERTY PHOTOGRAPHS

Interior view of property

Date photo taken:
6/06/05

View of frontage along Old Stagecoach Road (facing south)

Date photo taken:
6/06/05

View of frontage along Old Stagecoach Road (facing north)

Date photo taken:
6/06/05

EXECUTIVE SUMMARY

Location of Property:	West side of Old Stagecoach Road, south of FM 150, Hays County, Texas
Map Reference:	Mapsco Map Page: 4C/87F
Parcel ID Number:	R12722, R12734, R12735, R13400, R13845, R16899, R16954, R16955, R16956, & R17719
Property Rights Appraised:	Fee simple
Site Data:	
Size:	1,951 acres
Zoning:	2 mile ETJ (ETJ)
Utilities:	Electricity and water. Public wastewater is not currently available.
Shape:	Irregular
Easements:	No adverse easements noted.
Topography:	Rolling
Floodplain:	Based on available maps, ±15% of the site is in the flood plain.
Improvements:	One hunting lodge and a single room fishing lodge.
Highest and Best Use:	Residential development
Type of Appraisal:	Complete Appraisal in a Summary Report
Effective Date of the Appraisal:	June 6, 2005
Date of the Report:	July 1, 2005
Value Estimate:	$25,363,000

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 June 6, 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, general information, and an on-site inspection. 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 Hays and Travis County markets. 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 improved with one hunting lodge and a single room fishing lodge and various barns and other small buildings. However, the improvements are serving an interim use and do not contribute value to the property.

In the analysis of the subject property the Cost Approach, Sales Comparison Approach, and Income Capitalization Approach were considered. As the property is effectively vacant land only (improvements do not contribute value), 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.

1,951 acres of land out of the Caleb W. Baker Survey, the Seaborn Berry Survey, the John Cooper Survey, the William Dunbar Survey, the Thomas C. Snailm Survey, and the Samuel Pharass Survey, 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 KY-TEX Properties, and was conveyed to the current owner on August 1, 1960 from A.W. Gregg and Robie Gregg, as recorded in Vol. 185, Pg. 391 of the Hays County Deed records. A portion of this property (195.27 acres) was sold from KY-TEX Properties to Ralph S. Fuller and Katharine L. Fuller on September 20, 1963 as recorded in Vol. 197, Pg. 632 of the Hays County Deed Records. Additionally, 12.00 acres was surveyed as an out parcel on July 18, 1991. It is our understanding that the property is under contract for $12,000 an acre.

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. This property is under an agricultural exemption.

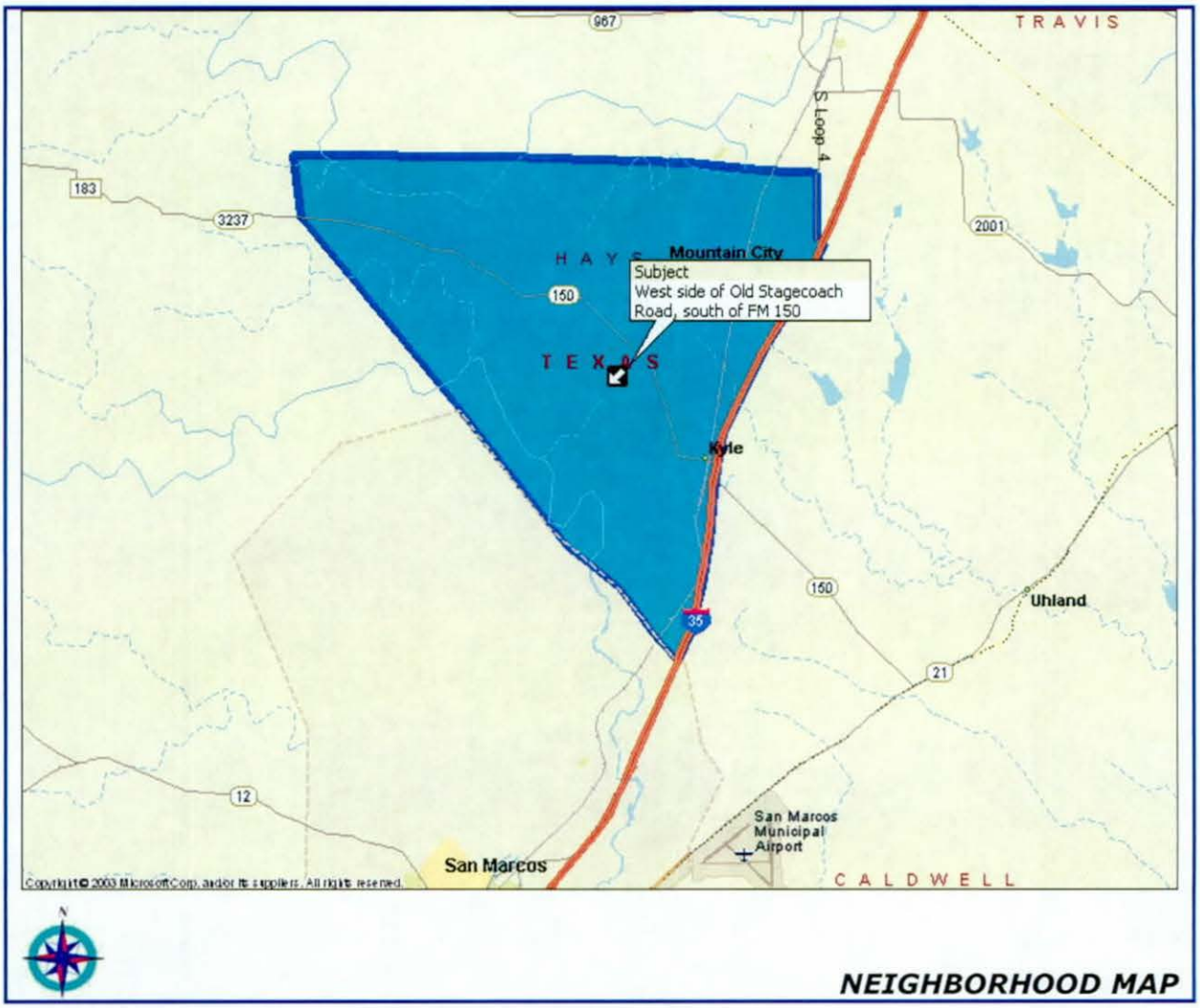
Jurisdiction	2004 Rate	2005 Rate
Hays County	$0.3920	$0.3920
Hays County CISD	$1.7945	$1.7945
Special Road	$0.0710	$0.0710
Hays County ESD #5	$0.0450	$0.0450
Totals	$2.3025	$2.3025*

*Tax rates for 2005 have not yet been set.

TCAD: R12722, R12734, R12735, R13400, R13845, R16899, R16954, R16955, R16956, & R17719					
Year	Land	Improvements	Total Assessed Value	Tax Rate/$100	Total Taxes
2005	$6,125,280	$36,360	$6,161,640	$2.3025*	$141,872
2004	$6,125,280	$36,360	$6,161,640	$2.3025*	$141,872

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 Old Stagecoach Road, south of FM 150, Hays County, Texas. The subject is situated northwest of the City of Kyle. The subject market area is considered to be bounded by a line connecting FM 150 and CR 132 on the north, Loop 4 and Interstate Highway 35 to the east, the San Marcos City Limits line to FM 150 to the south, and FM 150 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 eastern most portion of the neighborhood is considered to be approximately 70% - 75% built-up while the balance of the neighborhood is approximately 25% - 30% built up being much more rural in nature.

The neighborhood is accessed by Interstate Highway 35, FM 150, Loop 4, and FM 2770. Interstate Highway 35, Loop 4, and FM 2770 traverse the area in a north/south direction. FM 150 traverses the area in an east/west direction. The Interstate Highway 35 corridor has been an engine of growth in the subject neighborhood, with a large number of retail and community commercial developments being completed along the corridor. Secondary carriers have seen increases in residential development. FM 150 provides linkage from the subject to Interstate Highway 35.

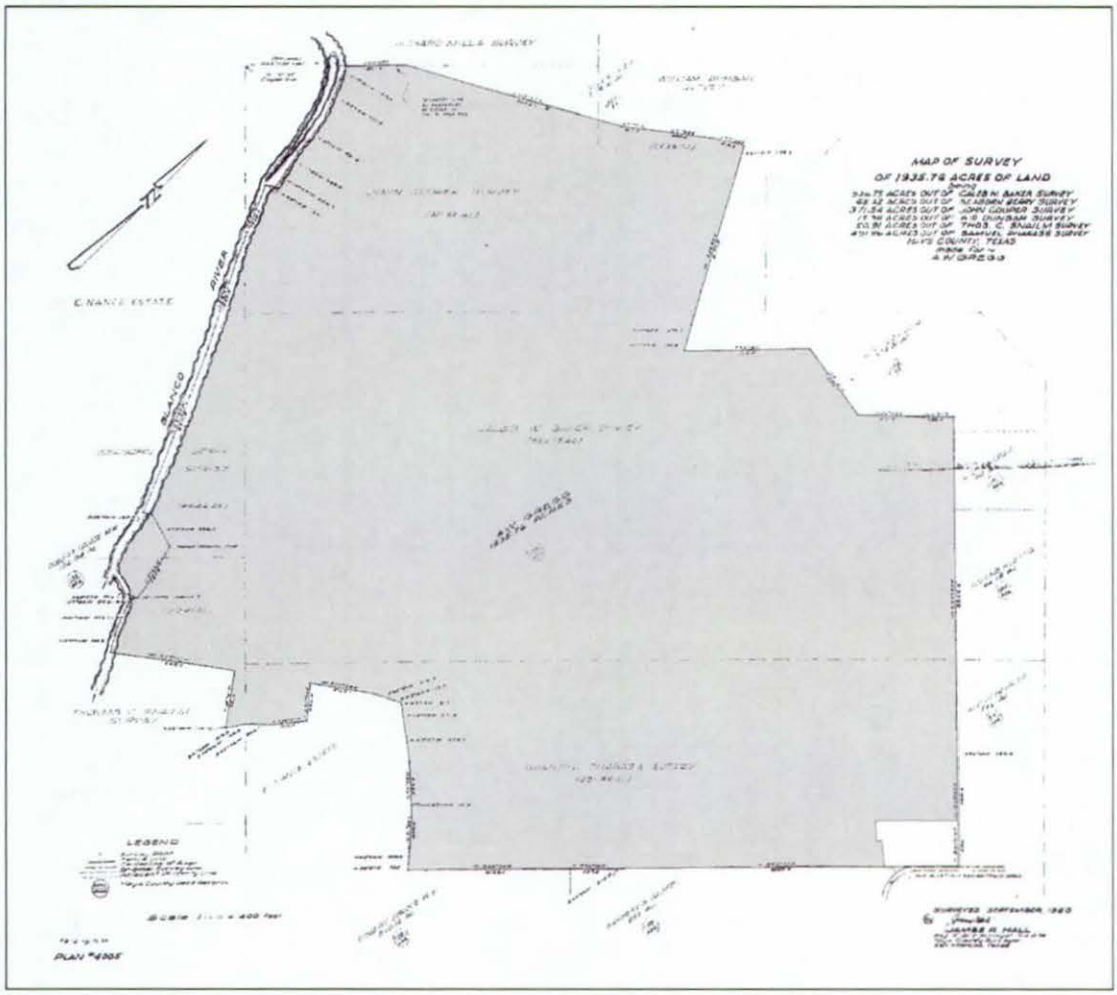
NEIGHBORHOOD ANALYSIS

Overall, land uses within the neighborhood are somewhat varied, with commercial developments including convenience stores, gas stations, restaurants/fast food, office buildings, retail centers and banks along the main thoroughfares. Cabela's opened a 185,000 SF retail store just north of the neighborhood at the junction of IH-35 and Loop 4 which is expected to employ as many as 500 people and will anchor a 126 acre development. The Plum Creek Subdivision is located in the north central portion of the neighborhood. Single family housing is mostly along secondary carriers, while recent commercial development is concentrated along primary thoroughfares. Currently there is a significant amount of vacant land in the western portions of the neighborhood. Kyle's general central location and ease of access to Austin and San Antonio via IH-35 have increased its appeal as a single family development area and numerous subdivisions have sprouted over the past few years. As Austin continues to spread south, growth in Kyle has accelerated.

Municipal utilities are available throughout the neighborhood and include water, electricity, telephone service, and wastewater. Private septic systems are used where public wastewater service is not available.

In conclusion, the neighborhood could be characterized as primarily commercial along main thoroughfares with residential development along secondary carriers. Commercial development is expected to continue along Interstate Highway 35. Residential development is expected to remain strong along secondary carriers. Residential development and increasing flows of traffic will fuel demand for community commercial and retail development along major thoroughfares. 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, Interstate Highway 35, the desirability of the neighborhood and the availability of suitable development sites.

AERIAL PHOTOGRAPH



PLAT MAP

SITE DESCRIPTION AND ANALYSIS

Location:	West side of Old Stagecoach Road, south of FM 150, Hays County, Texas
Map Reference:	Mapsco Map Page: 4C/87F
Size:	1,951 acres
Shape:	Irregular
Frontage:	Old Stagecoach Road: ±1,880 feet Blanco River: ±7,405 feet Old Stagecoach Road in the vicinity of the subject is a two lane, asphalt paved major thoroughfare.
Access/Visibility:	The subject site is accessible from Old Stagecoach Road and is afforded minimal visibility from this roadway.
Topography:	The tract is rolling.
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 48209C0120 E and 48209C0185 E, Hays County, dated February 18, 1998 as supplied by the Federal Emergency Management Agency. The subject appears to be located within 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, ±15% of the site is within the flood plain.
Utilities:	Electricity and water. Public wastewater is not currently available. Electricity is provided by the Pedernales Electric Cooperative. Water can be provided from the City of Kyle. Public wastewater is not currently available.
Additional Public Services:	Fire, police and emergency medical services are provided by the Hays County.
Zoning:	2 mile ETJ. The subject property is located outside city limits, and therefore does not subscribe to any zoning regulations.
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 improved with one hunting lodge and a single room fishing lodge as well as several barns and small sheds. However, as stated earlier, the improvements are serving as an interim use. The property is currently fenced and being used in an agricultural capacity.
Surrounding Properties:	The property is surrounded by single family residences and vacant land to the north, Old Stagecoach Road and vacant land to the east, the Blanco River to the south, and vacant land 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 Old Stagecoach Road, south of FM 150, Hays County, Texas. It contains 1,951 acres with ±1,880 feet of frontage on Old Stagecoach Road and ±7,405 feet of frontage on the Blanco River. The site is rolling. According to available maps, ±15% of the site is within the flood plain. The site has electricity and water. Public wastewater is not currently available.

Therefore, from a physical standpoint, it appears that there are no major constraints to development.

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 ETJ, 2 mile ETJ. The subject property is located outside city limits, and therefore does not subscribe to any zoning regulations.

[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 residential development due to its lack of 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 Kyle ETJ. In this instance, a residential development would be considered compatible with the surrounding development, as these types of users already exist in the subject's area. Therefore, a residential 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 residential 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.

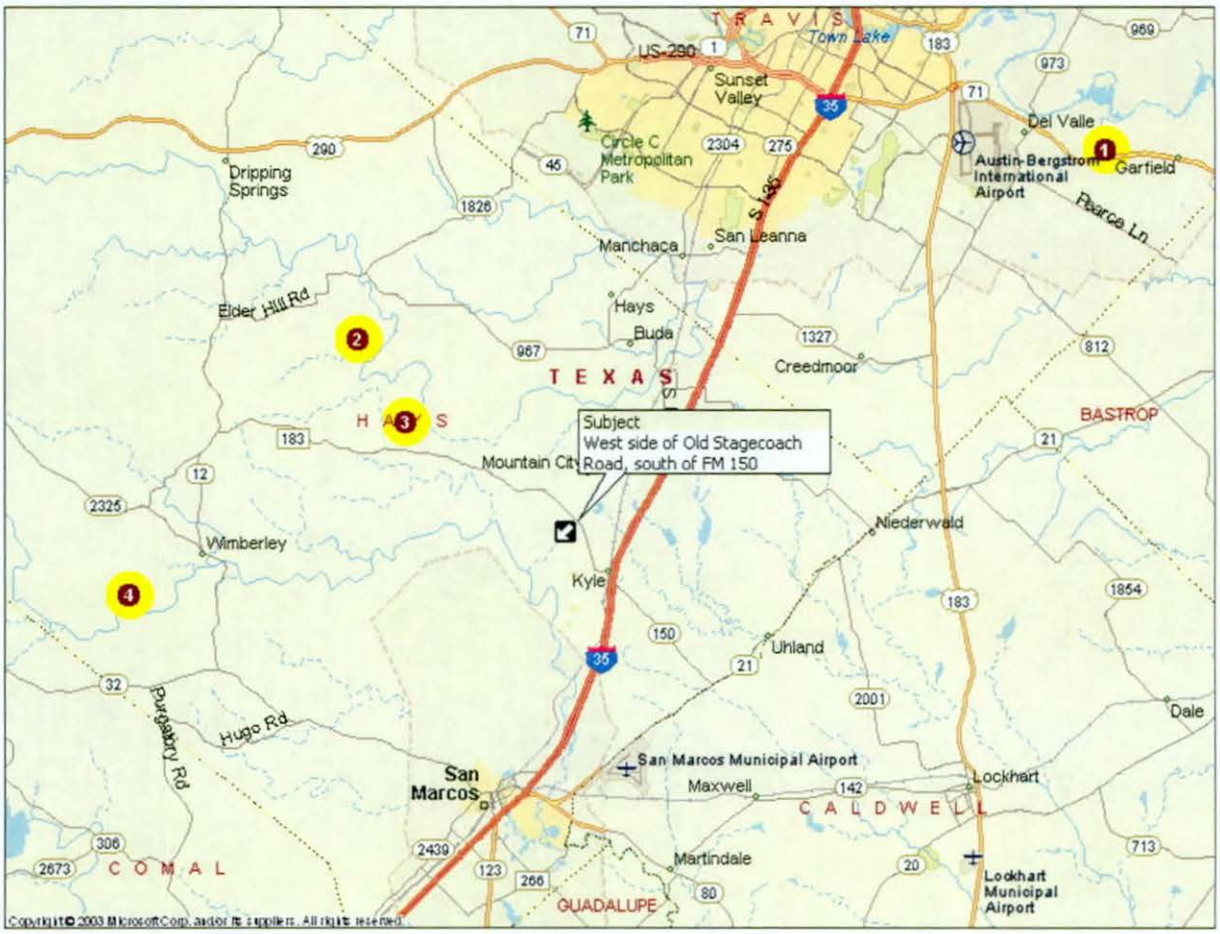
THE SALES COMPARISON APPROACH

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 acre 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 research included searching for vacant land tracts that exhibited similar characteristics. We searched for large acre ranch tracts near developing areas while also considering similar utility situations and river frontage. Although there were recent sales of smaller tracts closed to the subject, these sales were omitted due to their significant size differences. Included on the following page is a summary of the documented land sales that have been used in estimating the value of the subject. These sales are considered to be the best available comparable sales. A location map has also been included.



LAND SALES MAP

LAND SALES SUMMARY					
#	LOCATION	DATE OF SALE	$/ACRE	LAND SIZE (ACRES)	ZONING
1	NWC of Highway 71 and Dr. Scott Drive, Travis County, Texas	1/12/05	$18,544	417.930	ETJ
2	East side of FM 150, south of FM 1826, Hays County, Texas	01/28/04	$14,001	117.510	None
3	East side of FM 150 West, north of FM 3237, Hays County, Texas	09/19/02	$12,000	350.000	None
4	South side of CR 179 at River Road, Hays County, Texas	03/21/02	$10,109	405.582	None
Subject	West side of Old Stagecoach Road, south of FM 150, Hays County, Texas			1,951 acres	ETJ

Source: Atrium Real Estate Services 7/2005

LAND SALE NO. 1

Property Identification

Record ID	561
Property Type	Residential
Address	NWC of Highway 71 and Dr. Scott Drive, Austin, Travis County, Texas
Tax ID	03-2341-0111-0000 & 03-2341-0112-0000

Sale Data

Grantor	S.R. Scott Family Limited Partnership
Grantee	MAK Marshall Ranch, LP
Sale Date	January 12, 2005
Deed Book/Page	2005006637
Marketing Time	Not disclosed
Financing	Cash to seller
Deed Reviewed	5/05, RHW; Date Inspected: 5/11/05, LRJ/RHW
Verification	Greg Blackburn, CB Richard Ellis, (512) 499-4910, May 11, 2005; Confirmed by RHW
Sale Price	$7,750,000

Land Data

Zoning	ETJ
Topography	Rolling
Utilities	All utilities available
Shape	Irregular
Flood Info	±10% lies within the 100 year flood plain
Easements	No adverse easements
Improvements	Vacant at time of sale
Intended/Current Use	Single Family Subdivision/Vacant

Land Size Information

Gross Land Size	417.930 Acres or 18,205,031 SF
Front Footage	Highway 71 - 1,970 feet; Dr. Scott Drive - 3,650 feet

Indicators

Sale Price/Gross Acre	$18,544
Sale Price/Gross SF	$0.43

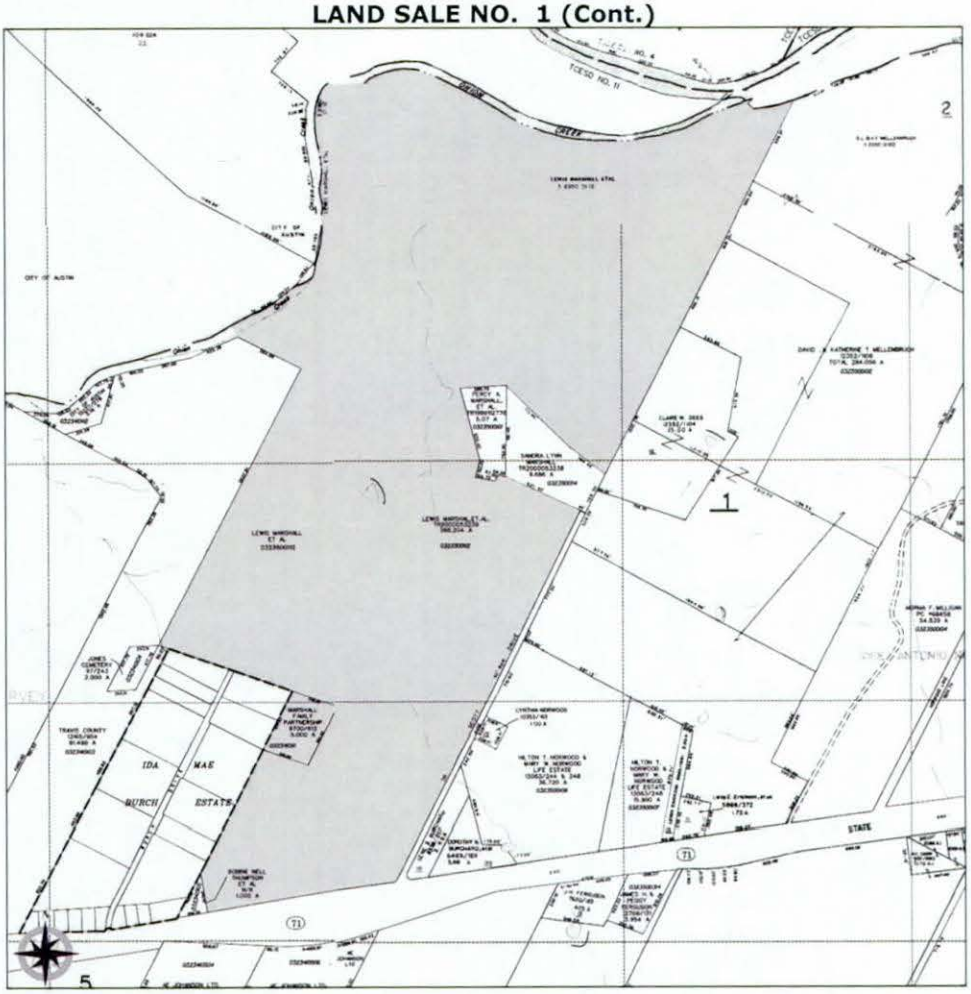
Legal Description

417.93 acres of land, more or less, a portion of the said Jose Antonio Navarro Seven League Grant, Abstract No. 18, Travis County, Texas.

Remarks

The property was purchased for development of a single family residential subdivision. Prior to the purchase, the property was used as ranch land. The property contains significant frontage along Onion Creek.

LAND SALE NO. 1 (Cont.)



LAND SALE NO. 2

Property Identification

Record ID	450
Property Type	Residential
Address	East side of FM 150, south of FM 1826, Hays County, Texas
Tax ID	R103006
Map Page/Grid	3B/46

Sale Data

Grantor	Saber Ventures, LP
Grantee	Damian C. Mandola and Trina M. Mandola
Sale Date	January 28, 2004
Deed Book/Page	2406/685
Marketing Time	±297 days
Financing	Cash to seller
Deed Reviewed	1/05, CLC; Date Inspected: 1/04/05, LRJ/RHW
Verification	William Maddux, Ranches and Rivers Realty, (512) 263-2244, January 5, 2005; Confirmed by RHW
Sale Price	$1,645,280

Land Data

Zoning	None
Topography	Rolling
Utilities	Electricity
Shape	Irregular
Flood Info	±10 % in the flood plain
Easements	No adverse easements
Improvements	Vacant at time of sale
Intended/Current Use	Investment/Same

Land Size Information

Gross Land Size	117.510 Acres or 5,118,736 SF
Front Footage	FM 150 - 345 feet

Indicators

Sale Price/Gross Acre	$14,001
Sale Price/Gross SF	$0.32

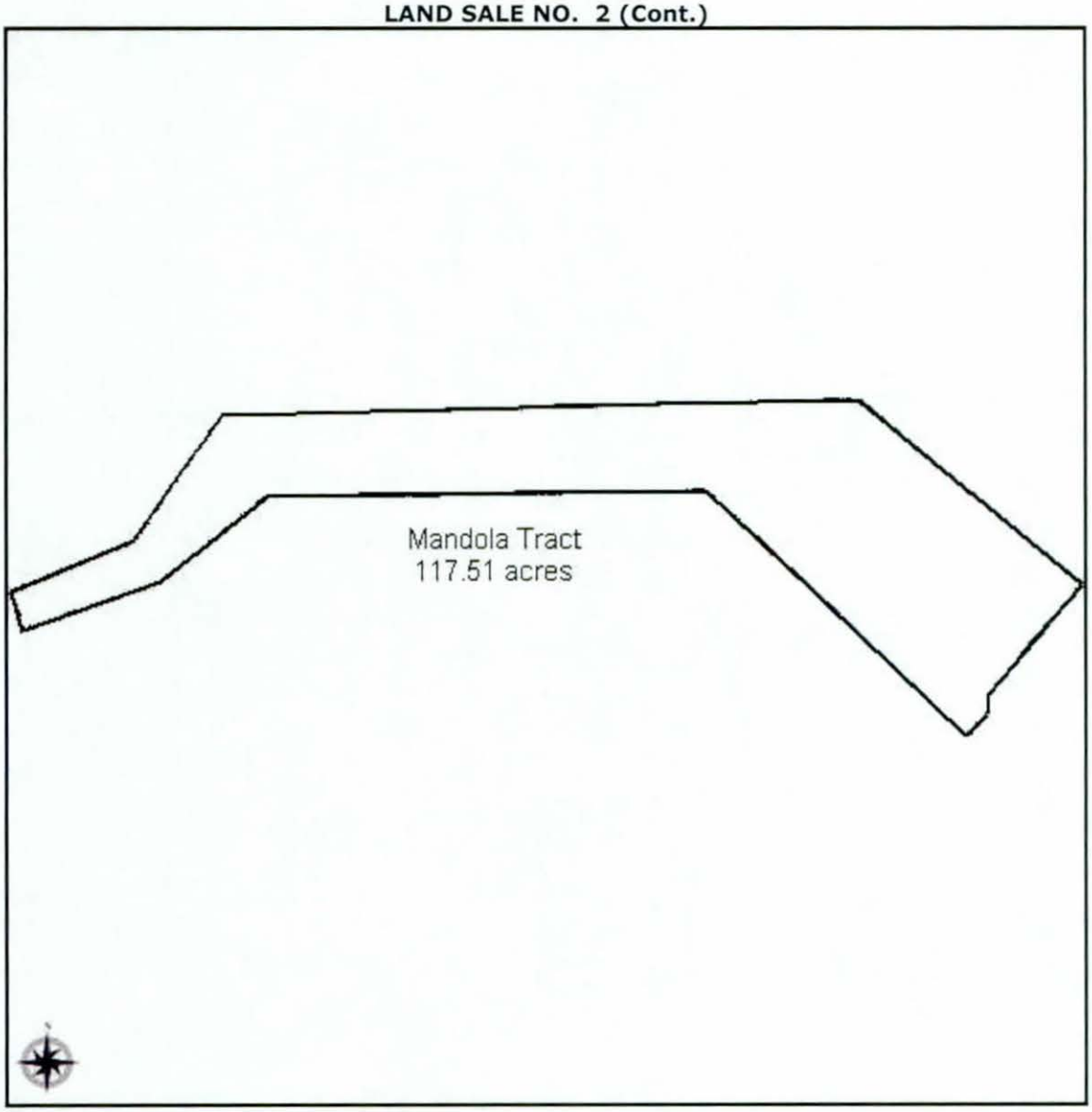
Legal Description

117.51 acres of land, more or less, out of the William Barret Travis Survey, Abstract 15, Hays County, Texas

Remarks

The property contains approximately 1,300 feet of frontage along Onion Creek. The property has large cypress tress and approximately 20 acres of coastal Bermuda.

LAND SALE NO. 2 (Cont.)



LAND SALE NO. 3

Property Identification

Record ID	388
Property Type	Residential
Address	East side of FM 150 West, approximately one mile north of FM 3237, Hays County, Texas
Tax ID	R11647
Map Page/Grid	3C/H-59

Sale Data

Grantor	Wilding, L.P.
Grantee	Timothy M. and Melinda A. Hallmark
Sale Date	June 19, 2002
Deed Book/Page	2023/561
Marketing Time	< 12 months
Financing	Cash to seller
Deed Reviewed	06/02, JGJ; Date Inspected: 06/2002, LRJ/JGJ
Verification	Becky Adkins, (281) 578-3100, June 2, 2002; Review of Sales Contract, June 2, 2002; Confirmed by JGJ
Sale Price	$4,200,000

Land Data

Zoning	N/A, Unzoned
Topography	Gently rolling
Utilities	Electricity, phone
Shape	Irregular
Flood Info	+/- 10% in the flood plain
Easements	No adverse easements noted
Improvements	Two single family residences
Intended/Current Use	Investment/Investment

Land Size Information

Gross Land Size	350.000 Acres or 15,246,000 SF
Front Footage	1500 ft FM 150

Indicators

Sale Price/Gross Acre	$12,000
Sale Price/Gross SF	$0.28

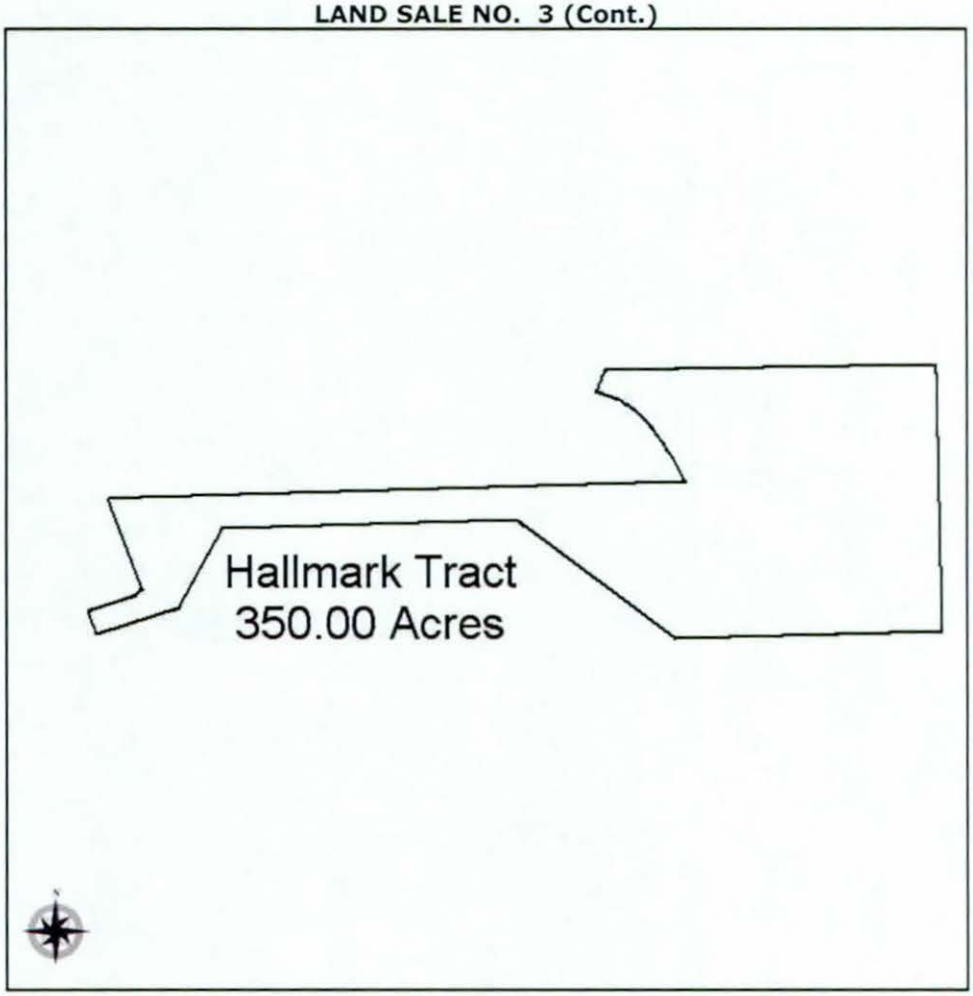
Legal Description

+/- 350 acres, more or less, out of the William Barrett Travis Survey, Hays County, Texas

Remarks

Property was purchased by buyer after they sold a 599.94 acre tract also in Hays County. Property was purchased to hold as an investment for ultimate development into a single family residential subdivision. Water service is only available from water wells currently and sewer service would have to be from septic systems. Property did not sell with any entitlements in place. The property contains frontage along Onion Creek.

LAND SALE NO. 3 (Cont.)



LAND SALE NO. 4

Property Identification

Record ID	390
Property Type	Residential
Address	South side of CR 179 at River Road, Hays County, Texas
Tax ID	R15406, R15407, R15408, and R15409
Map Page/Grid	82T

Sale Data

Grantor	Filson Bates Tapp, Felix Cowan Tapp, Jay Bartell Tapp, et al
Grantee	Charles T. and Susanne B. McCord
Sale Date	March 21, 2002
Deed Book/Page	1973/478
Marketing Time	< 12 months
Financing	Cash to seller
Deed Reviewed	06/02, JGJ; Date Inspected: 06/2002, LRJ/JGJ
Verification	Becky Adkins, (281) 578-3100, June 2, 2002; Review of Sales Contract, June 2, 2002; Confirmed by JGJ
Sale Price	$4,100,000

Land Data

Zoning	N/A, Unzoned
Topography	Gently rolling
Utilities	Electricity, phone, water well
Shape	Irregular
Flood Info	+/- 10% in the flood plain
Easements	No adverse easements noted
Improvements	Three single family residences and outbuildings
Intended/Current Use	Investment/Investment

Land Size Information

Gross Land Size	405.582 Acres or 17,667,152 SF
Front Footage	1000 ft Wayside Drive (CR 179); 4000 ft River Road; 1200 ft Blanco River

Indicators

Sale Price/Gross Acre	$10,109
Sale Price/Gross SF	$0.23

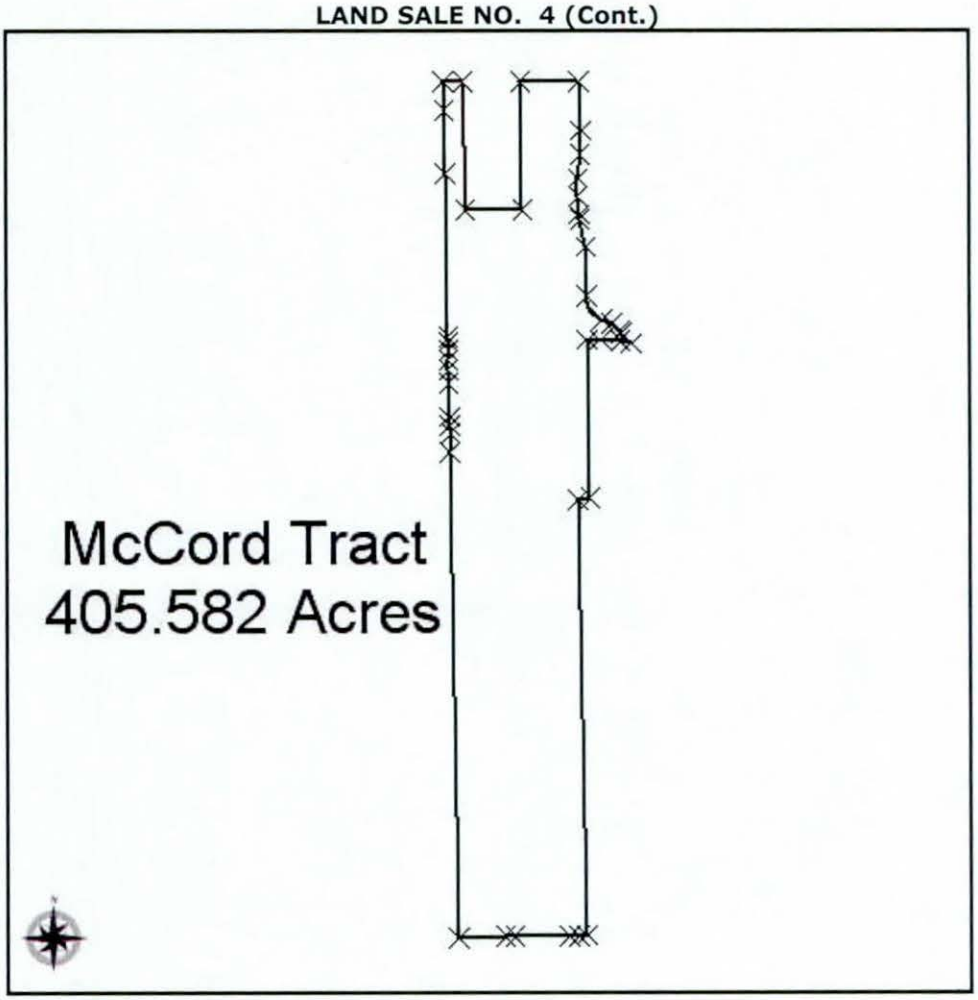
Legal Description

+/- 405.582 acres, more or less, out of the James Hughes Survey, Abstract No. 241, Hays County, Texas

Remarks

Property is located about three miles southwest of Wimberley and was purchased as an investment. At the time of sale, no entitlements were in place and due to the location; water service would likely be from wells with sewer service from septic systems. The property contains frontage along the Blanco River.

LAND SALE NO. 4 (Cont.)



LAND SALES SUMMARY					
#	LOCATION	DATE OF SALE	$/ACRE	SIZE (ACRES)	COMMENTS
1	NWC of Highway 71 and Dr. Scott Drive, Travis County, Texas	1/12/05	$18,544	417.930	The property was purchased for development of a single family residential subdivision. Prior to the purchase, the property was used as ranch land. The property contains significant frontage along Onion Creek.
2	East side of FM 150, south of FM 1826, Hays County, Texas	01/28/04	$14,001	117.510	The property contains approximately 1,300 feet of frontage along Onion Creek. The property has large cypress tress and approximately 20 acres of coastal Bermuda.
3	East side of FM 150 West, north of FM 3237, Hays County, Texas	09/19/02	$12,000	350.000	Property was purchased by buyer after they sold a 599.94 acre tract also in Hays County. Property was purchased to hold as an investment for ultimate development into a single family residential subdivision. Water service is only available from water wells currently and sewer service would have to be from septic systems. Property did not sell with any entitlements in place. The property contains frontage along Onion Creek.
4	South side of CR 179 at River Road, Hays County, Texas	03/21/02	$10,109	405.582	Property is located about three miles southwest of Wimberley and was purchased as an investment. At the time of sale, no entitlements were in place and due to the location; water service would likely be from wells with sewer service from septic systems. The property contains frontage along the Blanco River.
Subject	West side of Old Stagecoach Road, south of FM 150, Hays County, Texas			1,951 acres	A large acreage tract, rolling with ±15% of the site within the 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 adjustment 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 03/21/02 to 1/12/05. The subject neighborhood is experiencing growth and new development over the past few years. Redevelopment of large acreage tracts into residential subdivisions is positively impacting the residential 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 subject property is located at the west side of Old Stagecoach Road, south of FM 150, Hays County, Texas. The following Table summarizes the location ratings:

LOCATION RATINGS		
Sale	Location	Rating
1	NWC of Highway 71 and Dr. Scott Drive, Travis County, Texas	Superior
2	East side of FM 150, south of FM 1826, Hays County, Texas	Sl Inferior
3	East side of FM 150 West, north of FM 3237, Hays County, Texas	Sl Inferior
4	South side of CR 179 at River Road, Hays County, Texas	Inferior
Subject	West side of Old Stagecoach Road, south of FM 150, 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 1,951 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	417.930	Superior/2.0
2	117.510	Far Superior/4.0
3	350.000	Superior/2.5
4	405.582	Superior/2.5
Subject	1,951 acres	------

Topography/Flood Plain: The subject is rolling topography, has ±15% flood plain. All of the comparable sales had similar flood plain/topography and therefore, no adjustments were considered necessary.

Utilities: The subject is currently provided electricity and water. Public wastewater is not currently available However, the subject is considered to have limited access to public water. Sale 1 has access to all utilities and is therefore considered superior to the subject. As such, Sale 1 has been adjusted 10% for this characteristic. Sale 2, Sale 3, and Sale 4 do not have access to public water or wastewater. Considering the minimal access of public wastewater to the subject, these sales have not been adjusted. No other adjustments for utilities were considered necessary.

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/acre	$18,544	$14,001	$12,000	$10,109
Property Rights Conveyed	0%	0%	0%	0%
Adjusted $/acre	$18,544	$14,001	$12,000	$10,109
Conditions of Sale/Financing	0%	0%	0%	0%
Adjusted $/acre	$18,544	$14,001	$12,000	$10,109
Date of Sale	1/12/2005	1/28/2004	6/19/2002	3/21/2002
Market Conditions/Time	+3%	+8%	+15%	+17%
Adjusted $/acre	$19,100	$15,121	$13,800	$11,828
Location Adjustment	-20%	+10%	+10%	+20%
Physical Adjustment				
Size adjustment	-10%	-20%	-15%	-15%
Flood Plain/Topo adj	0%	0%	0%	0%
Utilities adjustment	-10%	0%	0%	0%
Other Adjustment	0%	0%	0%	0%
Net Location & Physical Characteristics Adjustment	-40%	-10%	-5%	+5%
Adjusted $/acre	**$11,460**	**$13,609**	**$13,110**	**$12,419**

Reconciliation and Value Estimate

In estimating the fee simple value of the subject via this approach, five closed sales were considered. These data were analyzed and adjusted, suggesting a value estimate for the subject property between $11,460/acre and $13,609/acre. The following outlines our estimate of the market value of the fee simple interest in the subject property, as vacant:

1,951 acres x $13,000/acre = $25,363,000

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 June 6, 2005, was as follows:

Twenty Five Million Three Hundred Sixty Three Thousand Dollars
($25,363,000)

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 1, 2005

TO: Lory Johnson, MAI, Atrium Real Estate Services

FROM: Buster Renfrow, Associate Chief Appraiser BR

SUBJECT: Appraisal of 1,951 acres of land out of the Caleb W. Baker Survey, Seaborn Berry Survey, John Cooper Survey, William Dunbar Survey, Thomas C. Snailm Survey, and Samuel Pharass Survey, Hays County, Texas; aka Blanco River Ranch

Attached is additional 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. To obtain access to the property for an inspection please contact Mike Schroeder at 512-306-000 or 512-699-4477. The Texas General Land Office is in negotiations to purchase the subject tract. Should the property go under contract during the appraisal process I will forward the appropriate documents.

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 Four Thousand Dollars ( ). The completed appraisal report is due on or before close of business on July 5, 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 **#5406**. Please reference the Project ID# in your appraisal and on the invoice.

Please feel free to call me (512-463-5072) or Mark McAnally (512-463-5231) with any questions.

File No. 155382 (10)

Hays County

Appraisal

Date Filed: 2-14-06

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED
DATE 5/21/07

NON-FOREIGN AFFIDAVIT--ENTITY

I hereby certify this to be a true and correct copy of the original document.
By: D. Wm
Texas United Title, Inc

Date: August 24, 2005.

Transferor: Ky-Tex Properties, L.P., A Texas Limited Partnership

Transferor's Office Address: 1259 N. Old Stagecoach Road
Kyle, Texas 78640

Transferor's U.S. Taxpayer Identification Number: [redacted]

Transferee: State of Texas, for the use and benefit of the Permanent School fund

Property:

Being a tract of land containing 1971.29 acres (85,869,500 square feet) situated in the Caleb W. Baker Survey, A-31, the Seaborn Berry Survey, A-32, the John Cooper Survey, A-99, the William Dunbar Survey, A-156, the Thos. C. Snailum Survey, A-409 and the Samuel Pharass Survey, A-360 in Hays County, Texas, and also being all of 1938.67 acre tract as conveyed unto A.W. Gregg by deed recorded in Volume 142, Page 290 of the Deed Records of Hays County, Texas, and being all of the residue of a 251 acre tract as conveyed unto A.W. Gregg by deed recorded in Volume 167, Page 365 of the Deed Records of Hays County, Texas. Said 1971.29 acre tract being more particularly described by metes and bounds in the attached Exhibit "A", incorporated herein for all purposes.

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform Transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by Transferor, I certify, on behalf of Transferor, that the contents of this Affidavit are true.

Transferor is not a foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Internal Revenue Code and Income Tax Regulations).

Transferor understands that this certification may be disclosed to the Internal Revenue Service by Transferee and that any false statement contained in this Affidavit could be punished by fine, imprisonment, or both.

Under penalties of perjury, I declare that I have examined this Affidavit and, to the best of my knowledge and belief, it is true, correct, and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

Ky-Tex Properties, L.P., a Texas Limited Partnership

By: A.W. Gregg Jr.
A.W. Gregg, Jr.
Its: General Partner

STATE OF TEXAS §
§
COUNTY OF TRAVIS §

This instrument was acknowledged before me on August 24, 2005, by A.W. Gregg, Jr., General Partner of Ky-Tex Properties, L.P., a Texas Limited Partnership, on behalf of said limited partnership.

NOTARY PUBLIC STATE OF TEXAS
D. KING
MY COMMISSION EXPIRES
July 31, 2008

D King
Notary Public in and for the State of Texas

DESCRIPTION OF A TRACT OF LAND CONTAINING 1971.29 ACRES (85,869,500 SQUARE FEET) SITUATED IN THE CALEB W. BAKER SURVEY, A-31, SEABORN BERRY SURVEY A-32, JOHN COOPER SURVEY, A-99, WILLIAM DUNBAR SURVEY, A-156, THOS. C. SNAILUM SURVEY, A-409 AND THE SAMUEL PHARASS SURVEY, A-360 SURVEY, HAYS COUNTY, TEXAS

Being a tract of land containing 1971.29 acres (85,869,500 square feet) situated in the Caleb W. Baker Survey, A-31, the Seaborn Berry Survey, A-32, the John Cooper Survey, A-99, the William Dunbar Survey, A-156, the Thos. C. Snailum Survey, A-409 and the Samuel Pharass Survey, A-360 in Hays County, Texas, and also being all of called 1938.67-acre tract as conveyed unto A.W. Gregg by deed recorded in Volume 142, Page 290 of the Deed Records of Hays County, Texas, and being all of the residue of a 251-acre tract as conveyed unto A.W. Gregg by deed recorded in Volume 167, Page 365 of the Deed Records of Hays County, Texas. Said 1971.29-acre tract being more particularly described by metes and bounds as follows:

COMMENCING FOR REFERENCE at a found 1/2-inch iron rod with cap marked "Byrn Survey" located at the south end of a cutback for the intersection of the north line of Hays County Road No. 136 (Old Austin-San Antonio Road) (undefined width) and the west right-of-way line of FM150 (80 feet wide) for a southeast corner of a 10.00-acre tract as conveyed unto Robert C. Edge by deed recorded in Volume 2305, Page 645 of the Official Public Records of Hays County, Texas;

THENCE South 43° 45' 38" West with the north line of said County Road No. 136 and the south line of said 10.00-acre tract, a distance of 1100.56 feet to a found cedar fence corner post for the southwest corner of said 10.00-acre tract and the southeast corner of a 2.62-acre tract as conveyed unto Catholic Family Fraternal of Texas – K.J.Z.T. by deed recorded in Volume 1276, Page 32 of the Official Public Records of Hays County, Texas;

THENCE South 40° 38' 53" West continuing with the north line of said County Road No. 136 and the south line of said 2.62-acre tract, a distance of 176.82 feet to a found 8-inch fence post for the southeast corner of said 1938.67-acre tract, for the southwest corner of said 2.62-acre tract and for the southeast corner of a 12.46-acre tract as described in instrument "Right of First Refusal Agreement" between A.W. Gregg and Robie Gregg and children recorded in Volume 370, Page 660 of the Deed Records of Hays County, Texas;

THENCE continuing with the north line of said County Road No. 136, the south line of said 1938.67-acre tract and the south line of said 12.46-acre tract, the following courses and distances;

South 43° 34' 16" West, a distance of 163.80 feet to a point;
South 43° 45' 57" West, a distance of 231.21 feet to a found 1/2-inch iron rod;
South 43° 38' 54" West, a distance of 85.60 feet to a found 1/2-inch iron rod;
South 44° 06' 23" West, a distance of 243.16 feet to a stone fence corner;
South 42° 38' 55" West, a distance of 19.28 feet to a point;

THENCE South 24° 57' 26" East continuing with the west line of said County Road No.136 and the east line of the residue of said 251-acre tract, a distance of 29.44 feet to a point;

THENCE South 16° 41' 25" East continuing with the west line of said County Road No. 136 and the east line of the residue of said 251-acre tract, a distance of 65.01 feet to a found 1/2-inch iron rod for a southeast corner of said tract herein described and for the **POINT OF BEGINNING**;

1) THENCE South 16° 19' 59" East, a distance of 1931.88 feet to a found 60d nail at a fence post for a corner of said tract herein described, for the south corner of the residue of said 251-acre tract and for the east corner of a 195.27-acre tract as conveyed unto Robert Reed Hawn by deed recorded in Volume 266, Page 410 of the Deed Records of Hays County, Texas, and in by deed recorded in Volume 1201, Page 659 of the Official Public Records of Hays County, Texas;

EXHIBIT
tabbies
A

THENCE in a northwesterly direction with the west line of the residue of said 251-acre tract and the east line of said 195.27-acre tract the following courses and distances (calls 2 through 7);

2) North 69° 28' 11" West, a distance of 542.50 feet to a cedar fence post for an angle point in the south line of said tract herein described;

3) South 46° 06' 24" West, a distance of 356.81 feet to a cedar fence post for an angle point in the south line of said tract herein described;

4) North 45° 28' 44" West, a distance of 460.09 feet to a cedar fence post for an angle point in the south line of said tract herein described;

5) North 77° 38' 18" West, a distance of 177.53 feet to a cedar fence post for an angle point in the south line of said tract herein described;

6) North 57° 17' 14" West, a distance of 251.72 feet to a cedar fence post for an angle point in the south line of said tract herein described;

7) North 78° 30' 33" West, a distance of 468.22 feet to cedar fence post located in the south line of said 1938.67-acre tract for an angle point in the south line of said tract herein described and for the northeast corner of said 195.27-acre tract;

8) THENCE South 44° 07' 43" West with the south line of said 1938.67-acre tract and the north line of said 195.27-acre tract, a distance of 2614.19 feet to found 5/8-inch iron rod with aluminum cap for an angle point in the south line of said tract herein described for the northwest corner of said 195.27-acre tract and the north corner of a 260.12-acre tract as conveyed unto Robert Nance and Martha Jane Allen by deed recorded in Volume 135, Page 456 of the Deed Records of Hays County, Texas;

9) THENCE South 44° 00' 02" West continuing with the south line of said 1938.67-acre tract and the north line of said 260.12-acre tract, a distance of 2165.22 feet to railroad spike at the base of an old cedar fence post for a corner in the south line of said tract herein described for the southeast corner of a 32.432-acre tract as conveyed unto Thomas H. Nance, Jr., and Flora Mae Roberts by deed recorded in Volume 651, Page 702 of the Deed Records of Hays County, Texas;

10) THENCE North 42° 31' 45" West with a west line of said 1938.67-acre tract and the east line of said 32.432-acre tract, at 73 feet pass a twin trunk Oak tree, continuing for a total distance of 835.00 feet to the end of a rock wall/stone fence for an angle point in a west line of said tract herein described;

11) THENCE North 48° 11' 44" West with a west line of said 1938.67-acre tract and the east line of said 32.432-acre tract, a distance of 591.59 feet to a 16-inch Hackberry tree in the fence line for an angle point in a west line of said tract herein described;

12) THENCE North 54° 28' 06" West with a west line of said 1938.67-acre tract and the east line of said 32.432-acre tract, a distance of 455.05 feet to 6-inch cedar fence post for an angle point in a west line of said tract herein described;

13) THENCE North 53° 21' 39" West with a west line of said 1938.67-acre tract and the east line of said 32.432-acre tract, a distance of 292.80 feet to 6-inch cedar fence post for an angle point in a west line of said tract herein described;

14) THENCE North 64° 39' 18" West with a west line of said 1938.67-acre tract and the east line of said 32.432-acre tract, a distance of 34.87 feet to an 18-inch Elm tree in the fence line for a corner in the south line of said tract herein described for the northeast corner of said 32.432-acre tract and for an interior corner of said 1938.67-acre tract;

THENCE with a south line of said 1938.67-acre tract, the following courses and distances (calls 15 through 23);

15) South 61° 37' 51" West with the north line of said 32.432-acre tract, a distance of 426.48 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" located in the north line of a 22.421-acre tract as conveyed unto Martha Nance Picton by deed recorded in Volume 651, Page 702 of the Hays County, Texas, for an angle point in the south line of said tract herein described;

16) South 53° 30' 25" West with the north line of a 22.421-acre tract, a distance of 842.81 feet to a found 1/2-inch iron rod for a corner in the south line of said tract herein described and for the northwest corner of said 22.421-acre tract;

17) South 41° 21' 25" East with the west line of said 22.421-acre tract, a distance of 491.62 feet to a found 1/2-inch iron rod located in the north line of a 17.313-acre tract as conveyed unto David Laverne Allen and Grace Crumley by deed recorded in Volume 651, Page 702 of the Deed Records of Hays County, Texas, for a corner in the south line of said tract herein described;

18) South 38° 21' 19" West with the north line of said 17.313-acre tract, a distance of 489.14 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the south line of said tract herein described;

19) South 43° 54' 19" West, with the north line of said 17.313-acre tract, a distance of 409.24 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the south line of said tract herein described;

20) South 30° 15' 19" West with the north line of said 17.313-acre tract, a distance of 133.80 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the south line of said tract herein described;

21) South 36° 02' 19" West with the north line of said 17.313-acre tract, a distance of 81.45 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" located in the east line of a 29.882-acre tract as conveyed unto David Laverne Allen and Grace Crumley by deed recorded in Volume 651, Page 702 of the Deed Records of Hays County, Texas, for an angle point in the south line of said tract herein described;

22) North 36° 45' 13" West with the east line of said 29.882-acre tract, a distance of 753.61 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the south line of said tract herein described from which an 8-inch cedar fence post bears North 36° 44' West, a distance of 1.25 feet;

23) South 52° 58' 30" West with the north line of said 29.882-acre tract, at 1442.51 feet pass a fence corner, continuing for a total distance of 1661.02 feet to point located in the center of the east channel of the Blanco River and in the east line of a 102.04-acre tract as conveyed unto Janet Nance Bradshaw and Robert Scott Nance by deed recorded in Volume 902, Page 614 of the Official Public Records of Hays County, Texas, for the southwest corner of said tract described;

THENCE in a northwesterly direction with the east line of the 102.04-acre tract and the west line of said 1938.67-acre tract, the following courses and distances (calls 24 through 32);

24) North 31° 07' 28" West, with the centerline of said east channel of the Blanco River, a distance of 247.37 feet to an angle point in the west line of said tract herein described;

25) North 25° 35' 32" West, with the centerline of said east channel of the Blanco River, a distance of 406.01 feet to an angle point in the west line of said tract herein described;

26) North 05° 41' 30" West, a distance of 123.00 feet to a point located on the east bank of the east channel of the Blanco River for an angle point in the west line of said tract herein described;

27) North 52° 23' 30" East, a distance of 72.00 feet to an Oak tree in fence line for an angle point in the west line of said tract herein described;

28) North 11° 45' 34" West with a barbed wire fence, a distance of 203.32 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the west line of said tract herein described;

29) North 13° 24' 25" West with a barbed wire fence, a distance of 303.61 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the west line of said tract herein described;

30) North 18° 49' 22" West with a barbed wire fence, a distance of 265.24 feet to a cedar fence post for an angle point in the west line of said tract herein described;

31) North 75° 14' 22" West, a distance of 486.70 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the west line of said tract herein described;

32) South 53° 35' 58" West, a distance of 119.76 feet to point located in the center of the Blanco River for a corner in the west line of said tract herein described and for the northeast corner of said 102.04-acre tract;

THENCE in a northwesterly direction with the meanders of the centerline of the Blanco River, the west line of said 1938.67-acre tract and the east line of a tract of land as conveyed unto Exekial Nance by deed recorded in Volume C, Page 487 of the Deed Records of Hays County, Texas, the following courses and distances (calls 33 through 51);

33) North 24° 02' 16" West, a distance of 1344.85 feet to an angle point in the west line of said tract herein described;

34) North 26° 15' 21" West, a distance of 1341.47 feet to an angle point in the west line of said tract herein described;

35) North 24° 19' 33" West, a distance of 1253.62 feet to an angle point in the west line of said tract herein described;

36) North 26° 26' 21" West, a distance of 445.60 feet to an angle point in the west line of said tract herein described;

37) North 22° 07' 09" West, a distance of 388.02 feet to an angle point in the west line of said tract herein described;

38) North 20° 08' 10" West, a distance of 228.62 feet to an angle point in the west line of said tract herein described;

39) North 35° 50' 03" West, a distance of 95.94 feet to an angle point in the west line of said tract herein described;

40) North 20° 34' 03" West, a distance of 91.79 feet to an angle point in the west line of said tract herein described;

41) North 14° 59' 48" West, a distance of 185.29 feet to an angle point in the west line of said tract herein described;

42) North 00° 02' 25" East, a distance of 92.60 feet to an angle point in the west line of said tract herein described;

43) North 12° 09' 25" East, a distance of 32.16 feet to an angle point in the west line of said tract herein described;

44) North 29° 03' 12" East, distance of 72.03 feet to an angle point in the west line of said tract herein described;

45) North 19° 26' 32" East, a distance of 118.15 feet to an angle point in the west line of said tract herein described;

46) North 11° 55' 55" East, a distance of 32.54 feet to an angle point in the west line of said tract herein described;

47) North 65° 36' 10" East, a distance of 98.62 feet to an angle point in the west line of said tract herein described;

48) North 24° 23' 50" West, a distance of 99.11 feet to an angle point in the west line of said tract herein described;

49) North 19° 12' 41" West, a distance of 178.40 feet to an angle point in the west line of said tract herein described;

50) North 24° 39' 30" West, a distance of 220.03 feet to an angle point in the west line of said tract herein described;

51) North 25° 27' 37" West, a distance of 206.51 feet to a point located in the south line of a 24.52-acre tract as conveyed unto Charles M. Decker, III, William S. Decker, Dr. Robert D. Decker and Marilyn Decker Elwell by deed recorded in Volume 345, Page 837 of the Deed Records of Hays County, Texas, for the northwest corner of said tract herein described;

52) THENCE North 43° 08' 11" East with the north line of said 1938.67-acre tract and the south line of said 24.52-acre tract, a distance of 441.09 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the north line of said tract herein described;

53) THENCE North 42° 38' 11" East continuing with the north line of said 1938.67-acre tract and the south line of said 24.52-acre tract, a distance of 496.12 feet to a 2-inch iron pipe fence corner for an angle point in the north line of said tract herein described;

THENCE in a northeasterly direction with a fence line, with the north line of said 1938.67-acre tract and with the south line of a 108.21-acre tract as conveyed unto Buckeye Partners, Ltd. By deed recorded in Volume 2238, Page 145 of the Official Public Records of Hays County, Texas, the following courses and distances (calls 54 through 66);

54) North 59° 34' 50" East, a distance of 665.61 feet to an angle point in the north line of said tract herein described;

55) North 59° 27' 50" East, a distance of 379.99 feet to an angle point in the north line of said tract herein described;

56) North 58° 50' 50" East, a distance of 298.07 feet to an angle point in the north line of said tract herein described;

57) North 59° 24' 50" East, a distance of 439.02 feet to an angle point in the north line of said tract herein described;

58) North 59° 39' 50" East, a distance of 595.25 feet to an angle point in the north line of said tract herein described;

59) North 59° 56' 50" East, a distance of 68.18 feet to an angle point in the north line of said tract herein described;

60) North 59° 59' 50" East, a distance of 273.44 feet to an angle point in the north line of said tract herein described;

61) North 59° 37' 50" East, a distance of 267.94 feet to an angle point in the north line of said tract herein described;

62) North 56° 33' 50" East, a distance of 13.30 feet to an angle point in the north line of said tract herein described;

63) North 52° 04' 50" East, a distance of 417.87 feet to an angle point in the north line of said tract herein described;

64) North 51° 01' 50" East, a distance of 471.83 feet to an angle point in the north line of said tract herein described;

65) North 50° 59' 50" East, a distance of 409.28 feet to an angle point in the north line of said tract herein described;

66) North 56° 27' 50" East, a distance of 25.80 feet to 2-inch iron pipe fence corner for an angle point in the north line of said tract herein described for the southeast corner of said 108.21-acre tract and the west corner of Lot 2 of Oak Mesa, a subdivision plat recorded in Volume 6, Page 47 of the Plat Records of Hays County, Texas;

67) THENCE North 56° 24' 56" East continuing with the north line of said 1938.67-acre tract and a south line of said Lot 2, a distance of 392.99 feet to a found 1/2-inch iron rod for a corner in the north line of said tract herein described from which an 8-inch fence post bears North 88° 53' West, a distance of 1.4 feet;

68) THENCE South 29° 04' 44" East with an east line of said 1938.67-acre tract and the west line of said Lot 2 and Lot 1 of said Oak Mesa, at 932.02 feet passing the south line of said Lot 1 and the north line of the residue of a 134.86 acre tract as conveyed unto Auburn E. Dennis by deed recorded in Volume 1057, Page 225 of the Deed Records of Hays County, Texas, continuing for a total distance of 2802.93 feet to a point located in the centerline of a stone fence for a corner in the north line of said tract herein described from which a cedar fence post bears North 00° 28' West, a distance of 5.2 feet;

69) THENCE North 43° 17' 57" East with a north line of said 1938.67-acre tract and the south line of the residue of said 134.86-acre tract, at 1415.62 feet passing the southwest corner of Lot 31 of Arroyo Ranch, Section Two, a subdivision plat recorded in Volume 10, Page 219 of the Plat Records of Hays County, Texas, continuing for a total distance of 1730.83 feet to point located in the centerline of a stone fence for an angle point in the north line of said tract herein described from which a found 5/8-inch iron rod bears South 54° 29' West, a distance of 8.7 feet;

70) THENCE South 82° 42' 45" East continuing with a north line of said 1938.67-acre tract and the south line of said Arroyo Ranch, Section Two, a distance of 1115.45 feet to point located in the centerline of a stone fence for an angle point in the north line of said tract herein described from which a found 1/2-inch iron rod bears South 88° 50' West, a distance of 37.6 feet;

71) THENCE North 43° 55' 32" East continuing with the north line of said 1938.67-acre tract and the south line of said Arroyo Ranch, Section Two, a distance of 1271.78 feet to a 2-inch iron pipe fence corner for an angle point in the north line of said tract herein described for an interior corner of Arroyo Ranch, Section One, a subdivision plat recorded in Volume 10, Page 179 of the Plat Records of Hays County, Texas;

THENCE with the east line of said 1938.67-acre tract, the following courses and distances (call 72 through 80);

72) South 46° 21' 03" East, at 185.13 feet passing the south line of said Arroyo Ranch, Section One, and the north line of a 21.3-acre tract as conveyed unto Sallye Knutson by deed recorded in Volume 353, Page 240 of the Deed Records of Hays County, Texas, continuing for a total distance of 887.35 feet to an angle point in the east line of said tract herein described for the southwest corner of said 21.3-acre tract and the northwest corner of a 21.30-acre tract as conveyed unto Robert T. Walker and Sandra F. Walker by deed recorded in Volume 1976, Page 458 of the Official Public Records of Hays County, Texas;

73) South 46° 29' 25" East with the west line of said 21.30-acre tract, a distance of 578.70 feet to an angle point in the east line of said tract herein described for the southwest corner of said 21.30-acre tract and the northwest corner of Quail Meadows Subdivision, a subdivision plat recorded in Volume 7, Page 47 of the Plat Records of Hays County, Texas;

74) South 46° 13' 10" East with the west line of said Quail Meadows Subdivision, a distance of 408.76 feet to an angle point in the east line of said tract herein described;

75) South 47° 03' 10" East continuing with the west line of said Quail Meadows Subdivision, a distance of 405.20 feet to an angle point in the east line of said tract herein described;

76) South 47° 52' 44" East continuing with the west line of said Quail Meadows Subdivision, a distance of 296.23 feet to an angle point in the east line of said tract herein described;

77) South 47° 19' 33" East continuing with the west line of said Quail Meadows Subdivision, a distance of 499.63 feet to a found 6-inch cedar fence post for an angle point in the east line of said tract herein described, for the southwest corner of said Quail Meadows Subdivision and for the northwest corner of said 62.10-acre tract;

78) South 46° 53' 37" East with the west line of said 62.10-acre tract, a distance of 359.95 feet to an angle point in the east line of said tract herein described;

79) South 45° 49' 07" East continuing with the west line of said 62.10-acre tract, a distance of 436.01 feet to an angle point in the east line of said tract herein described;

80) South 46° 25' 31" East continuing with the west line of said 62.10-acre tract, a distance of 1445.81 feet to a found cedar fence post for corner of said tract herein described and for the northeast corner of said 12.46-acre tract;

81) THENCE South 40° 21' 31" West with the north line of said 12.46-acre tract, a distance of 1018.19 feet to a found 1/2-inch iron rod for a corner of said tract herein described and for the northwest corner of said 12.46-acre tract;

82) THENCE South 50° 23' 48" East with the west line of said 12.46-acre tract, at 96.71 feet pass a cedar fence post, continuing for a total distance of 255.73 feet to a cedar fence post for an angle point in the south line of said tract herein described;

83) THENCE North 40° 43' 43" East with the west line of said 12.46-acre tract, a distance of 42.90 feet to a cedar fence post for an angle point in the south line of said tract herein described;

84) THENCE South 52° 52' 44" East with the west line of said 12.46-acre tract, a distance of 85.65 feet to a found 1/2-inch iron rod for an angle point in the south line of said tract herein described;

85) THENCE South 51° 46' 28" East with the west line of said 12.46-acre tract, a distance of 159.01 feet to a found 1/2-inch iron rod for a corner of said tract herein described;

86) THENCE North 43° 53' 50" East with the south line of said 12.46-acre tract, a distance of 92.20 feet to a found 1/2-inch iron rod for an angle point in the south line of said tract herein described;

87) THENCE South 78° 26' 49" East with the south line of said 12.46-acre tract, a distance of 101.28 feet to the **POINT OF BEGINNING** and containing 1971.29 acres (85,869,500 square feet) of land, more or less.

Note: This metes and bounds description is referenced to a survey drawing prepared by Cobb, Fendley & Associates, Inc. dated August 9, 2005.

Cobb, Fendley & Associates, Inc.
5300 Hollister, Suite 400
Houston, Texas 77040
Ph. 713-462-3242

Job No. 0402-070-01

August 9, 2005

(11)

File No. 155382

Hays County

Non Foreign Affadavit

Date Filed: 2-14-06

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED
DATE 5/21/07

AMENDMENT
CONTRACT TO PURCHASE BLANCO RIVER RANCH
1982.4 ACRES HAYS COUNTY (KY-TEX PROPERTIES, L.P.)

This Amendment ("Amendment") to Contract to Purchase Blanco River Ranch1982.4 Acres Hays County (Ky-Tex Properties, L.P.) (the "Contract") amends that certain contract entered into by Ky-Tex Properties, L.P. as Seller ("Seller") and The State of Texas, for the use and benefit of the Permanent School Fund as Buyer ("Buyer") effective June 21, 2005.

Buyer hereby waives its right to any option to purchase the approximate 12 acre tract referred in paragraph 12.3.1 of the Contract, and releases Seller of any obligation to arrange for the owner of such 12 acre tract to provide any such option to purchase such 12 acre tract.

SELLER:

Ky-Tex Properties, L.P.

By: A.W. Gregg Jr.
A.W. Gregg, Jr.

Date: 8/24/05

BUYER:

STATE OF TEXAS FOR THE USE AND BENEFIT OF THE PERMANENT SCHOOL FUND

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

Date: 24 Aug 05

Approved:

Contents	
Legal	
Deputy	
General Counsel	
Executive	

File No. 155382 (12)

Hays County

Amendment to Contract

Date Filed: 2-14-06

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED
DATE 5/21/07

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 0508767CDDK	7. Loan Number	8. Mortgage Ins Case Number

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 ** 1700 N. Congress Avenue, Room 720 Austin, TX 78701	Ky-Tex Properties, L.P., a Texas limited partnership 1259 North Old Stagecoach Road Kyle, TX 78640-9428	,

G. Property Location	H. Settlement Agent Name	
1971.29 acres of land, Hays County, Texas , TX	Texas United Title, Inc. 1600 West Business 380 Decatur, TX 76234 Tax ID: 20-1621063	
	Place of Settlement Texas United Title, Inc. 901 S. Mo Pac Expressway Building 1, Suite 520 Austin, TX 78746-5776	I. Settlement Date 8/24/2005 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	$23,655,480.00	401. Contract Sales Price	$23,655,480.00
102. Personal Property		402. Personal Property	
103. Settlement Charges to borrower	$367,819.65	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. HOA/Condo Assessments		408. HOA/Condo Assessments	
109. School property taxes		409. School property taxes	
110. Other taxes		410. Other taxes	
111. All taxes		411. All taxes	
112.		412.	
113.		413.	
114.		414.	
115.		415.	
116.		416.	
120. Gross Amount Due From Borrower	$24,023,299.65	**420. Gross Amount Due to Seller**	$23,655,480.00
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)	$447,989.70
203. Existing loan(s) taken subject to		503. Existing Loan(s) Taken Subject to	
204. Commitment fee		504. Payoff of first mortgage loan	
205.		505. Payoff of second mortgage loan	
206. Survey Credit from Seller	$47,950.00	506. Survey Credit to Purchaser	$47,950.00
207. Credit per Grazing Lease	$10,000.00	507. Credit for Grazing Lease	$10,000.00
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. HOA/Condo Assessments		512. HOA/Condo Assessments	
213. School property taxes		513. School property taxes	
214. Other taxes		514. Other taxes	
215. All taxes		515. All taxes	
216. Tax Exempt		516.	
217.		517.	
218.		518.	
219.		519.	
220. Total Paid By/For Borrower	$57,950.00	**520. Total Reduction Amount Due Seller**	$505,939.70
300. Cash At Settlement From/To Borrower		**600. Cash At Settlement To/From Seller**	
301. Gross Amount due from borrower (line 120)	$24,023,299.65	601. Gross Amount due to seller (line 420)	$23,655,480.00
302. Less amounts paid by/for borrower (line 220)	$57,950.00	602. Less reductions in amt. due seller (line 520)	$505,939.70
303. Cash From Borrower	$23,965,349.65	**603. Cash To Seller**	$23,149,540.30

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.

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 $23,655,480.00 @3 % = $709,664.40				
Division of Commission (line 700) as follows:				
701. $354,832.20	to Mike Schroeder			
702. $236,554.80	to CB Richard Ellis			
703. Commission Paid at Settlement			$354,832.20	$354,832.20
704. The following persons, $118,277.40	to Bob Chambers			
705. corporation s received a portion	to			
706. of the real estate commission amount	to			
707. shown above:	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 @ $0/day				
902. Mortgage Insurance Premium for months	to			
903. Hazard Insurance Premium for years	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. HOA/Condo Assessments	months @	per month		
1006. School property taxes	months @	per month		
1007. Other taxes	months @	per month		
1008. All taxes	months @	per month		
1011. Aggregate Adjustment				
1100. Title Charges				
1101. n	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:)				
1108. Title insurance	to Texas United Title - Premium		$12,657.45	$84,383.00
(includes above items numbers: Independence Title/Thomas Buckle)				
1109. Lender's coverage	$0.00/$0.00			
1110. Owner's coverage	$23,655,480.00/$97,040.45			
1111. Escrow fee	to Texas United Title, Inc.		$250.00	$250.00
1112. State of Texas Policy Guaranty Fee	to State of Texas Guaranty Fee		$0.00	$1.00
1200. Government Recording and Transfer Charges				
1201. Recording Fees Deed $40.00 ; Mortgage ; Rel		to Texas United Title - Recording	$40.00	
1202. City/county tax/stamps Deed ; Mortgage		to		
1203. State tax/stamps Deed ; Mortgage		to		
1204. Tax certificates	to Texas United Title FBO DataTrace			$43.30
1205. Recording Grazing Lease/Easements	to Texas United Title		$40.00	$40.00
1300. Additional Settlement Charges				
1301. Survey	to General Land Office			
1302. Pest Inspection	to			
1303. Estimated Taxes (Sec 12.5 of Contract)	to Hays County Tax Collector			$5,108.91
1304. Estimated Taxes 1/1/05-8/26/05	to Hays County Tax Collector			$3,331.29
1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)			$367,819.65	$447,989.70

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.

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
DEWAYNE D. NAUMANN, CLOSING MANAGER

Ky-Tex Properties, L.P., a Texas limited partnership

By: _____
A.W. Gregg, Jr.
Its: General Partner

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.

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.

D. Klay

Settlement Agent

8/24/05

Date

(13)

File No. 155382

Hays County

Settlement Statement

Date Filed: 2-14-06

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED
DATE 5/21/07

Texas Real-Tax Services, Ltd.
707 Crystal Creek Drive, Austin, TX 78746
Phone 512-328-0428 Fax 512-328-1608

Additional Properties Sheet

TITLE COMPANY **INDEPENDENCE TITLE** GF# **0504970-ARB** CLOSER **PLT**
OWNER **KY-TEX PROPERTIES** Mailing Addr.
BUYER **THE STATE OF TEXAS** Property Addr.
LEGAL DESCRIPTION **1926.21 ACRES & 55.73 ACRES BAKER, COOPER, DUNBAR SNAILN, BERRY & PHARASS SURVEY**

Legal	County Account	Jurisdiction	Year	Base Tax	With PI	Amount Valid Through With PI
50.11 Acres	10-0409-0002-00000-2	HAYS ISD	2004	56.17	PAID	
T.C.Snailn A- 409	R17719	HAYS CO	2004	12.27	PAID	
05 Prop Value-166190		SO FIRE	2004	3.13	PAID	
AG-2830		ROAD	2004	2.22	PAID	
14.73 Acres	10-0156-0003-00000-2	HAYS ISD	2004	17.59	PAID	
W.Dunbar A- 156	R13845	HAYS CO	2004	3.84	PAID	
05 Prop Value-		HAYS ESD # 5	2004	.44	PAID	
MKT-48850		ROAD	2004	.70	PAID	
AG- 1050						
345.58 Acres	10-0099-0001-00000-2	HAYS ISD	2004	393.90	PAID	
J.Cooper A- 99	R13400	HAYS CO	2004	86.05	PAID	
05 Prop Value-		HAYS ESD# 5	2004	9.88	PAID	
MKT- 1146150		ROAD	2004	15.58	PAID	
AG- 20590						
.25 Acres	10-0032-0002-00000-2	HAYS ISD	2004	667.38	PAID	
S.Berry A-32	R12735	HAYS CO	2004	145.79	PAID	
05 Prop Value- 37190		HAYS ESD #5	2004	16.74	PAID	
		ROAD	2004	26.40	PAID	
65.43 ACRES	10-0032-0001-00000-2	HAYS ISD	2004	75.90	PAID	
S. BERRY A-32	R12734	HAYS CO	2004	16.58	PAID	
05 Prop Value-		HAYS ESD #5	2004	1.90	PAID	
MKT-217010		ROAD	2004	3.00	PAID	
AG-4190						

NOTES / COMMENTS:

Agricultual exemption on this property. If land use changes additonal taxes will be due. Please contact our office prior to closing for total amount due. TRT will only be responsible for tract covered unless a copy of Schedule A and Current field notes are provided.

Texas Real-Tax Services, Ltd.
707 Crystal Creek Drive, Austin, TX 78746
Phone 512-328-0428 Fax 512-328-1608

Additional Properties Sheet

TITLE COMPANY **INDEPENDENCE TITLE** GF# **0504970-ARB** CLOSER **PLT**
OWNER **KY-TEX PROPERTIES** Mailing Addr.
BUYER **THE STATE OF TEXAS** Property Addr.
LEGAL DESCRIPTION **1926.21 ACRES & 55.73 ACRES BAKER, COOPER, DUNBAR SNAILN, BERRY & PHARASS SURVEY**

Legal	County Account	Jurisdiction	Year	Base Tax	Amount Valid Through With PI	With PI
926.24 Acres	10-0031-0004-00000-2	HAYS ISD	2004	1108.64	PAID	
C.W.Baker A- 31	R12722	HAYS CO	2004	242.18	PAID	
05 Prop Value		HAYS ESD # 5	2004	27.80	PAID	
MKT-2194260		ROAD	2004	43.86	PAID	
AG- 65950						
.50 Acres	10-0361-0097-00000-2	HAYS ISD	2004	968.31	PAID	
J.Pharass A-361	R17020	HAYS CO	2004	211.52	PAID	
05 Prop Value-		KYLE CITY	2004	154.92	PAID	
54080		HAYS ESD #5	2004	3.52	PAID	
		ROAD	2004	38.31	PAID	
125.427 Acres	10-0361-0051-00000-2	HAYS ISD	2004	140.51	PAID	
J.Pharass A-361	R16956	HAYS CO	2004	30.69	PAID	
05 Prop Value-		HAYS ESD #5	2004	3.52	PAID	
MKT-415990		ROAD	2004	5.56	PAID	
AG-7090						
301.33 Acres	10-0361-0050-00000-2	HAYS ISD	2004	337.36	PAID	
J.Pharass A-361	R16955	HAYS CO	2004	73.70	PAID	
05 Prop Value-		HAYS ESD # 5	2004	8.46	PAID	
MKT-999390		ROAD	2004	13.35	PAID	
AG-17030						
46.50 Acres	10-0361-0049-00000-2	HAYS ISD	2004	147.33	PAID	
J.Pharass A- 361	R16954	HAYS CO	2004	32.19	PAID	
05 Prop Value-		HAYS ESD # 5	2004	3.69	PAID	
MKT-159910		ROAD	2004	5.83	PAID	
AG-3730						
LAND- 5330						

NOTES / COMMENTS:

Agricultual exemption on this property. If land use changes additonal taxes will be due. Please contact our office prior to closing for total amount due. TRT will only be responsible for tract covered unless a copy of Schedule A and Current field notes are provided.

Texas Real-Tax Services, Ltd.
707 Crystal Creek Drive, Austin, TX 78746
Phone 512-328-0428 Fax 512-328-1608

Additional Properties Sheet

TITLE COMPANY **INDEPENDENCE TITLE** GF# **0504970-ARB** CLOSER **PLT**
OWNER **KY-TEX PROPERTIES** Mailing Addr.
BUYER **THE STATE OF TEXAS** Property Addr.
LEGAL DESCRIPTION **1926.21 ACRES & 55.73 ACRES BAKER, COOPER, DUNBAR SNAILN, BERRY & PHARASS SURVEY**

Legal	County Account	Jurisdiction	Year	Base Tax	With PI	Amount Valid Through With PI
282.40 Acres	10-0360-0004-00000-2	HAYS ISD	2004	316.19	PAID	
S.Pharass A-360	R16899	HAYS CO	2004	69.07	PAID	
05 Prop Value		HAYS ESD #5	2004	7.93	PAID	
MKT-936610		ROAD	2004	12.51	PAID	
AG-15960						

NOTES / COMMENTS:

Agricultual exemption on this property. If land use changes additonal taxes will be due. Please contact our office prior to closing for total amount due. TRT will only be responsible for tract covered unless a copy of Schedule A and Current field notes are provided.

(14)

File No. 155382

Hays County

Tax Rate Sheet

Date Filed: 2-14-06

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED
DATE 5/21/07 pf

The State of Texas

Austin, Texas

SURFACE LEASE SL20050033

(GRAZING/HUNTING)

STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF HAYS §

This Surface Lease SL20050033, (the "Lease"), is granted by virtue of the authority granted in Section 51.121, et seq., TEX. NAT. RES. CODE ANN. (Vernon), 31 TEX. ADMIN. CODE § 13 (Land Resources), et seq., and all other applicable statutes and rules, as the same may be amended from time to time, and is subject to all applicable regulations promulgated from time to time.

ARTICLE I. PARTIES

1.01. In consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the STATE OF TEXAS, acting by and through the Commissioner of the General Land Office, on behalf of the Permanent School Fund ("Lessor"), hereby grants to KY-TEX Properties, L.P., whose address is 1259 North Old Stagecoach Road, Kyle, Texas 78640-9428, phone number (512) 268-3431, ("Lessee"), the right to use the surface estate of certain Permanent School Fund land (the "Leased Premises") for the purposes identified in Article V. below.

ARTICLE II. PREMISES

2.01. The Leased Premises is described below and further described or depicted on Exhibits attached hereto and collectively incorporated by reference for all purposes:

> Being 1,971.29 acres out of the Caleb W. Baker Survey, Seaborn Berry Survey, John Cooper Survey, William Dunbar Survey, Thomas C. Snailum Survey, and John Pharass and Samuel Pharass Survey, Hays County, Texas, more particularly described in Exhibit A and Exhibit B attached hereto and made a part hereof.

2.02. **LESSEE HAS INSPECTED THE PHYSICAL AND TOPOGRAPHIC CONDITION OF THE LEASED PREMISES AND ACCEPTS SAME "AS IS" IN ITS EXISTING CONDITION. LESSEE IS NOT RELYING ON ANY REPRESENTATION OR WARRANTY OF LESSOR REGARDING ANY ASPECT OF THE PREMISES, BUT IS RELYING ON LESSEE'S OWN INSPECTION OF THE PREMISES. LESSOR DISCLAIMS ANY AND ALL WARRANTIES OF HABITABILITY, MERCHANTABILITY, SUITABILITY, FITNESS FOR ANY PURPOSE, AND ANY OTHER WARRANTY WHATSOEVER NOT EXPRESSLY SET FORTH IN THIS LEASE. LESSOR AND LESSEE HEREBY AGREE AND ACKNOWLEDGE THAT THE USE OF THE TERMS "GRANT" AND/OR "CONVEY" IN NO WAY IMPLIES THAT THIS LEASE OR THE LEASED PREMISES ARE FREE OF LIENS, ENCUMBRANCES AND/OR PRIOR RIGHTS. LESSEE IS HEREBY PUT ON NOTICE THAT ANY PRIOR GRANT AND/OR ENCUMBRANCES MAY BE OF RECORD AND LESSEE IS ADVISED TO EXAMINE ALL RECORDS OF LESSOR AND THE COUNTY IN WHICH THE LEASED PREMISES ARE LOCATED. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE EXPIRATION OR EARLIER TERMINATION OF THIS LEASE.**

ARTICLE III. TERM

3.01. This Surface Lease SL20050033 is for a minimum term of five (5) months, commencing on the date of closing of the sale transaction to the Permanent School Fund, ("effective date") and terminating five (5) months from the Effective Date, unless earlier terminated as provided herein. Renewal of this agreement is at the sole discretion of Lessor, and no right to renew is implied or provided for herein.

ARTICLE IV. CONSIDERATION AND TAXES

4.01. A. As consideration ("Consideration") for the granting of this Lease, Lessee shall pay rent ("Rent") to Lessor (payable to the Commissioner of the General Land Office at Austin, Texas): the sum of **Ten Thousand And 00/100 Dollars ($10,000.00).**

B. Consideration for this Lease shall be payable in one (1) installment, in advance, of **Ten Thousand And 00/100 Dollars ($10,000.00).** Consideration shall be paid upon the execution hereof.

C. Past due Rent and other past due payments shall bear interest from maturity at the rate of ten percent (10%) per annum from the date when due until actually paid, as provided in Section 51.301, TEX. NAT. RES. CODE ANN. (Vernon). Failure of Lessee to make a payment on or before the date the same becomes due shall, at Lessor's option, make all payments due and payable immediately.

4.02. Lessor is exempt from taxation. If any taxes are levied on Lessee's interest under this Lease, or if any other taxes or assessments are appropriately levied against the Leased Premises, Lessee shall pay such taxes and assessments not less than five (5) days prior to the date of delinquency thereof directly to the taxing authority. Lessee may in good faith and at its sole cost contest any such taxes or assessments, and shall be obligated to pay the contested amount only if and when finally determined to be owed. **LESSEE AGREES TO AND SHALL INDEMNIFY AND HOLD LESSOR HARMLESS FROM AND AGAINST ANY SUCH TAXES AND ASSESSMENTS LEVIED DURING THE TERM OF THIS LEASE. THIS INDEMNIFICATION SHALL SURVIVE EXPIRATION OR EARLIER TERMINATION OF THIS LEASE.**

4.03. Lessee shall pay all utility charges for electricity, heat, water, gas, and telephone, and the like used on and about the Leased Premises.

4.04. Pursuant to Chapter 9 of the Texas Business and Commerce Code, Lessee grants to Lessor a security interest to secure payment of all Consideration. This security interest attaches to all crops raised on the Leased Premises and all proceeds from the sale of those crops, and on all presently living and subsequently acquired or born livestock on the Leased Premises owned by Lessee, and all proceeds from the sale of such livestock.

ARTICLE V. USE OF THE PREMISES

5.01. The Leased Premises may be used by Lessee solely for Grazing, Hunting and for no other purpose. Except to the extent that modification is reasonably necessary for Lessee's authorized use, the Leased Premises are to remain in their current topographical condition during the term of the Lease. Lessee is specifically prohibited from modifying the premises in any manner, and from using or allowing the use by others of the Leased Premises for any other purpose, including, but not limited to, mining, hauling, or otherwise removing rock, sand, gravel, aggregate, or other such materials, without Lessor's prior express written approval.

5.02. The carrying capacity for grazing under this Lease shall be 85 animal units for the Leased Premises. Lessee may not exceed this rate without Lessor's prior express written approval.

5.03. Lessee shall not use or permit the use of the Leased Premises for any illegal purpose. Lessee and its officers, employees, agents and invitees will comply with, all applicable federal, State and local laws, ordinances and rules concerning the use of the Leased Premises.

5.04. Lessor reserves the exclusive right to grant easements, rights-of way and/or other permits authorizing use of the Leased Premises, provided (except in the instance of mineral development as provided in Section 5.06 below) such use does not unreasonably interfere with Lessee's use thereof. Any purported grant of an easement, right-of-way, permit or other license by Lessee shall be void unless specifically authorized in this Lease or by Lessor's prior express written approval.

5.05. Lessor reserves the right to enter upon the Leased Premises at any time with or without prior notice to Lessee to inspect the condition thereof and/or take action authorized by this Lease. Lessee shall provide Lessor with keys or combinations to all locks which may limit access to the Leased Premises.

5.06. Lessor reserves unto itself all of the oil, gas, and other minerals, all gas thermal resources, and all water and water rights in, on, under, or associated with the Leased Premises; provided, however, that Lessee is permitted to use such waters located on the Leased Premises, to the extent and in an amount ordinarily and reasonably necessary, for the purpose of watering Lessee's permitted livestock and/or wildlife. The Leased Premises are subject to prospecting, production and development of oil, gas and other minerals and other materials of commercial value by Lessor, its lessees, permittees, licensees or other agents, assigns or representatives. Lessee shall not interfere with such use of the Leased Premises and shall allow any lessee, permit holder, licensee or other agent, assignee or representative of the State and/or the School Land Board the right of ingress and egress over, across and through, and the use of the Leased Premises for any and all purposes authorized by State.

5.07. Lessee may not charge State's authorized lessees, permit holders, licensees or other agents, assigns or representatives surface damages, or any other fee, for use of the Leased Premises, provided, however, the foregoing shall not limit the liability of any person or entity to Lessee for damages caused to property owned by Lessee.

5.08. Lessor reserves the right to use Natural Resources Conservation Service and/or the Texas Parks and Wildlife personnel and their field office technical guides (standards and specifications) for all range and wildlife conservation and/or ranch improvement programs and practices.

5.09. A. No construction, land modifications or excavation, or permanent property improvements may be allowed or undertaken without Lessor's prior express written consent. Lessee may not maintain or allow any nuisances or public hazards on the Leased Premises, and shall be under a duty to abate or remove any activity or property constituting or contributing to a hazard or nuisance.

B. Existing improvements and improvements for which Lessor awards credit or grants to Lessee are and shall remain the property of Lessor. Regardless of ownership, Lessee shall properly maintain all existing improvements and all improvements placed or constructed on the Leased Premises, provided that no improvement owned by Lessor may be altered or modified without Lessor's prior express written consent.

C. Lessee shall submit a map or description showing and describing any new improvements and their location on the Leased Premises.

5.10. Lessee shall take all reasonable precautions to suppress and prevent the uncontrolled spread of fire and shall not purposely attempt to burn any part of the Leased Premises without prior approval of Lessor.

5.11. Lessee shall not commit waste and shall keep all improvements and land in reasonably neat condition.

5.12. Hunting on the Leased Premises is allowed only to the extent described elsewhere in this Lease. Lessee shall adhere to the Texas Parks and Wildlife Department's rules and regulations for Hays County.

ARTICLE VI. ASSIGNMENTS

6.01. Lessee shall not assign or sublease the Leased Premises or the rights granted herein, in whole or part, to any third party for any purpose without the prior written consent of Lessor, which may be granted or denied in Lessor's sole discretion. Any unauthorized assignment or sublease shall be void and of no effect and such assignment or sublease shall not relieve Lessee of any liability for any obligation, covenant, or condition of this Lease. This provision and the prohibition against assignment and subleasing contained herein shall survive expiration or earlier termination of this Lease. For purposes of this Lease, an assignment is any transfer, including by operation of law, to another of all or part of the property, interest or rights herein granted.

ARTICLE VII. PROTECTION OF HISTORICAL RESOURCES

7.01. **LESSEE IS EXPRESSLY PLACED ON NOTICE OF THE NATIONAL HISTORICAL PRESERVATION ACT OF 1966, (PB-89-66, 80 STATUTE 915; §470) AND THE ANTIQUITIES CODE OF TEXAS, CHAPTER 191, TEX. NAT. RES. CODE ANN. (VERNON). IN THE EVENT THAT ANY SITE, OBJECT, LOCATION, ARTIFACT OR OTHER**

FEATURE OF ARCHEOLOGICAL, SCIENTIFIC, EDUCATIONAL, CULTURAL OR HISTORIC INTEREST IS ENCOUNTERED DURING ANY ACTIVITY ON THE LEASED PREMISES, LESSEE WILL IMMEDIATELY CEASE SUCH ACTIVITIES AND WILL IMMEDIATELY NOTIFY LESSOR AND THE TEXAS HISTORICAL COMMISSION, P O BOX 12276, AUSTIN, TEXAS 78711, SO THAT ADEQUATE MEASURES MAY BE UNDERTAKEN TO PROTECT OR RECOVER SUCH DISCOVERIES OR FINDINGS, AS APPROPRIATE.

ARTICLE VIII. INDEMNITY

8.01. **LESSEE SHALL BE FULLY LIABLE AND RESPONSIBLE FOR ANY DAMAGE, OF ANY NATURE, ARISING OR RESULTING FROM ITS OWN ACTS OR OMISSIONS RELATED TO ITS EXERCISE OF THE RIGHTS GRANTED HEREIN. LESSEE AGREES TO AND SHALL INDEMNIFY AND HOLD LESSOR, LESSOR'S OFFICERS, AGENTS, AND EMPLOYEES, HARMLESS FROM AND AGAINST CLAIMS, SUIT, COSTS, LIABILITY OR DAMAGES OF ANY KIND, INCLUDING STRICT LIABILITY CLAIMS, WITHOUT LIMIT AND WITHOUT REGARD TO CAUSE OF THE DAMAGES OR THE NEGLIGENCE OF ANY PARTY, EXCEPT FOR THE CONSEQUENCES OF THE NEGLIGENT ACTS OR WILLFUL MISCONDUCT OF LESSOR, LESSOR'S OFFICERS, AGENTS, EMPLOYEES, OR INVITEES, ARISING DIRECTLY OR INDIRECTLY FROM LESSEE'S USE OF THE LEASED PREMISES (OR ANY ADJACENT OR CONTIGUOUS PSF LAND) OR FROM ANY BREACH BY LESSEE OF THE TERMS, COVENANTS OR CONDITIONS CONTAINED HEREIN. THE PROVISIONS OF THIS SECTION SHALL SURVIVE EXPIRATION OR EARLIER TERMINATION OF THIS LEASE.**

ARTICLE IX. DEFAULT, TERMINATION AND EXPIRATION

9.01. If, following 30 days prior written notice from Lessor specifying a default or breach, Lessee fails to pay any money due hereunder or is in breach of any term or condition of this Lease, Lessor shall have the right, at its option and its sole discretion, to terminate this Lease and all rights inuring to Lessee herein by sending written notice of such termination to Lessee in accordance with ARTICLE XI of this Lease. Upon sending of such written notice, this Lease shall automatically terminate and all rights granted herein to Lessee shall revert to Lessor. Such termination shall not prejudice the rights of Lessor to collect any money due or to seek recovery on any claim arising hereunder.

9.02. If Lessee fails to remove its personal property from the Leased Premises within the time specified in Section 9.01. above, or if Lessee fails to remove improvements placed or constructed on the Leased Premises by or on behalf of Lessee pursuant to a notice by Lessor to remove those improvements pursuant to Section 9.01. above, then Lessor may, at its sole option, remove and dispose of such property (with no obligation to sell or otherwise maintain such property in accordance with the Uniform Commercial Code), at Lessee's sole cost and expense, or Lessor may elect to own such property by filing a notice of such election pursuant to Section 51.302, et seq., TEX. NAT. RES. CODE ANN. (Vernon). If Lessor elects to remove Lessee's property and dispose of it pursuant to this section, then in such an event Lessee shall be obligated to reimburse Lessor for the reasonable costs of such removal and disposal within ten (10) days of Lessor's demand for reimbursement. **THE TERMS OF THIS SECTION SHALL SURVIVE EXPIRATION OR EARLIER TERMINATION OF THIS LEASE.**

9.03. The Leased Premises are subject to sale or trade. Lessor reserves the right to permit entry by prospective or actual buyers. In the event the Leased Premises are sold or traded, Lessor may terminate this Lease upon sixty (60) days written notice to Lessee; provided, however, that no termination on account of a trade or sale of the Property may occur before January 1, 2006. Upon conveyance or award of the Leased Premises to a party acquiring the Leased Premises by sale or trade, this Lease shall automatically terminate unless otherwise agreed

in writing by such party and Lessee. Regardless of whether the Leased Premises are offered for sale or trade, Lessee shall have no preference right to purchase the Leased Premises or to renew or extend this Lease.

9.04. Lessor reserves the right to remove from this Lease such acreage as Lessor may determine necessary for purposes other than those described herein, in which event this Lease shall be canceled as to the part so removed by Lessor and Rent shall be prorated on the remaining acreage.

ARTICLE X. HOLDOVER

10.01. If Lessee holds over and continues in possession of the Leased Premises after expiration or earlier termination of this Agreement, Lessee will be deemed to be occupying the Leased Premises on the basis of a month-to-month tenancy subject to all of the terms and conditions of this Lease, except that as liquidated damages by reason of such holding over, the amounts payable by Lessee under this Lease shall be increased such that the Consideration payable under Section 4.01 of this Lease and any other sums payable hereunder shall be one hundred fifty percent (150%) of the amount payable to Lessor by Lessee for the applicable period immediately preceding the first day of the holdover period. Lessee acknowledges that in the event it holds over, Lessor's actual damages will be difficult, if not impossible, to ascertain, and the liquidated damages herein agreed to be paid are reasonable in amount and are payable in lieu of actual damages and are not a penalty. Lessee further acknowledges that acceptance of hold over Consideration does not imply Lessor's consent to hold over.

10.02. The tenancy from month-to-month described in Section 10.01 of this Lease may be terminated by either party upon thirty (30) days written notice to the other.

10.03. The Consideration due after notice of termination has been given is to be calculated according to Section 10.01 hereinabove on a pro rata basis. If upon notice of termination by Lessor, Lessee pays Consideration in excess of the amount due and payable and Lessor accepts such payment, the acceptance of such payment will not operate as a waiver by Lessor of the notice of termination unless such waiver is in writing and signed by Lessor. Any such excess amounts paid by Lessee and accepted by Lessor shall be promptly refunded by Lessor after deducting therefrom any amounts owed to Lessor.

ARTICLE XI. NOTICE

11.01. Any notice which may or shall be given under the terms of this Lease shall be in writing and shall be either delivered by hand, by facsimile, or sent by United States first class mail, adequate postage prepaid, if for Lessor to Deputy Commissioner, Asset Inspection, addressed to his attention, 1700 North Congress Avenue, Austin, Texas 78701-1495, FAX: (512) 463-5304, and if for Lessee, to: KY-TEX Properties, L.P. 1259 Old Stagecoach Road , Kyle, Texas 78640-9428, with copy to Lessee's Attorney: Doug Young, Scanlan, Buckle & Young, P.C., 602 West 11th Street, Austin, Texas 78701. Any party's address may be changed from time to time by such party by giving notice as provided above, except that the Leased Premises may not be used by Lessee as the sole notice address. No change of address of either party shall be binding on the other party until notice of such change of address is given as herein provided.

11.02. For purposes of the calculation of various time periods referred to in this Lease, notice delivered by hand shall be deemed received when delivered to the place for giving notice to a party referred to above. Notice mailed in the manner provided above shall be deemed completed upon the earlier to occur of (i) actual receipt as indicated on the signed return receipt, or (ii) three (3) days after posting as herein provided.

ARTICLE XII. INFORMATIONAL REQUIREMENTS

12.01. A. Lessee shall provide written notice to Lessor of any change in Lessee's name, address, corporate structure, legal status or any other information relevant to this Agreement.

B. Lessee shall provide to Lessor any other information reasonably requested by Lessor in writing within fifteen (15) days following such request or such other time period approved by Lessor (such approval not to be unreasonably withheld).

ARTICLE XIII. MISCELLANEOUS PROVISIONS

13.01. With respect to terminology in this Lease, each number (singular or plural) shall include all numbers, and each gender (male, female or neuter) shall include all genders. If any provision of this Lease shall ever be held to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions of the Lease, but such other provisions shall continue in full force and effect.

13.02. The titles of the Articles in this Lease shall have no effect and shall neither limit nor amplify the provisions of the Lease itself. This Lease shall be binding upon and shall accrue to the benefit of Lessor, its successors and assigns, and Lessee, Lessee's successors and assigns (or heirs, executors, administrators and assigns, as the case may be); however, this clause does not constitute a consent by Lessor to any assignment by Lessee.

13.03. Neither acceptance of Consideration (or any portion thereof) or any other sums payable by Lessee hereunder (or any portion thereof) to Lessor nor failure by Lessor to complain of any action, non-action or default of Lessee shall constitute a waiver as to any breach of any covenant or condition of Lessee contained herein nor a waiver of any of Lessor's rights hereunder. Waiver by Lessor of any right for any default of Lessee shall not constitute a waiver of any right for either a prior or subsequent default of the same obligation or for any prior or subsequent default of any other obligation. No right or remedy of Lessor hereunder or covenant, duty or obligation of Lessee hereunder shall be deemed waived by Lessor unless such waiver be in writing, signed by a duly authorized representative of Lessor. Nothing herein shall constitute a waiver of Lessor's sovereign immunity.

13.04. No provision of this Lease shall be construed in such a way as to constitute Lessor and Lessee joint ventures or partners or to make Lessee the agent of Lessor or make Lessor liable for the debts of Lessee.

13.05. In all instances where Lessee is required hereunder to pay any sum or do any act at a particular indicated time or within an indicated period, it is understood that time is of the essence.

13.06. Under no circumstances whatsoever shall Lessor ever be liable hereunder for consequential damages or special damages. The terms of this Lease shall only be binding on Lessor during the period of its ownership of the Leased Premises, and in the event of the transfer of such ownership interest, Lessor shall thereupon be released and discharged from all covenants and obligations thereafter accruing, but such covenants and obligations shall be binding during the Lease term upon each new owner for the duration of such owner's ownership.

13.07. All monetary obligations of Lessor and Lessee (including, without limitation, any monetary obligation for damages for any breach of the respective covenants, duties or obligations of either party hereunder) are performable exclusively in Austin, Travis County, Texas.

13.08. Lessee's obligations to pay Consideration and to perform Lessee's other covenants and duties under this Lease constitute independent, unconditional obligations. Lessee waives and relinquishes all rights which Lessee might have to claim any nature of lien against Lessor and the Leased Premises, or withhold or deduct from or offset against any Consideration or other sums provided hereunder to be paid to Lessor by Lessee. Lessee waives and relinquishes any right to assert, either as a claim or as a defense, that Lessor is bound to perform or is liable for the nonperformance of any implied covenant or implied duty of the Lessor not expressly set forth in this Lease.

ARTICLE XIV. FILING

14.01. Lessee shall, at its sole cost and expense, record this Lease in the Hays County Real Property Records and provide a file-marked copy to Lessor within 60 days after this Lease is executed by all parties.

ARTICLE XV. ENTIRE AGREEMENT

15.01. This Lease, including any exhibits to the same, constitutes the entire agreement between Lessor and Lessee, no prior or contemporaneous written or oral promises or representations shall be binding. The submission of this Lease for examination by Lessee or Lessor and/or execution thereof by the Lessee or Lessor does not constitute a reservation of or option for the Leased Premises and this Lease shall become effective only upon execution of all parties hereto and delivery of a fully executed counterpart thereof by Lessor to the Lessee.

15.02 This Lease shall not be amended, changed or extended except by written instrument signed by both parties thereto.

IN TESTIMONY WHEREOF witness my hand and Seal of Office.

LESSOR:
THE STATE OF TEXAS

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

Date: 24 AUG 2005

LESSEE:
KY-TEX Properties, L. P.

By: _____
A.W. GREGG JR GP
(Printed Name)

Date: 8/24/05

APPROVED:
Contents: NGP
Legal: ~~ac~~
Deputy: ~~pj~~
Executive: eebylc

ACKNOWLEDGMENT

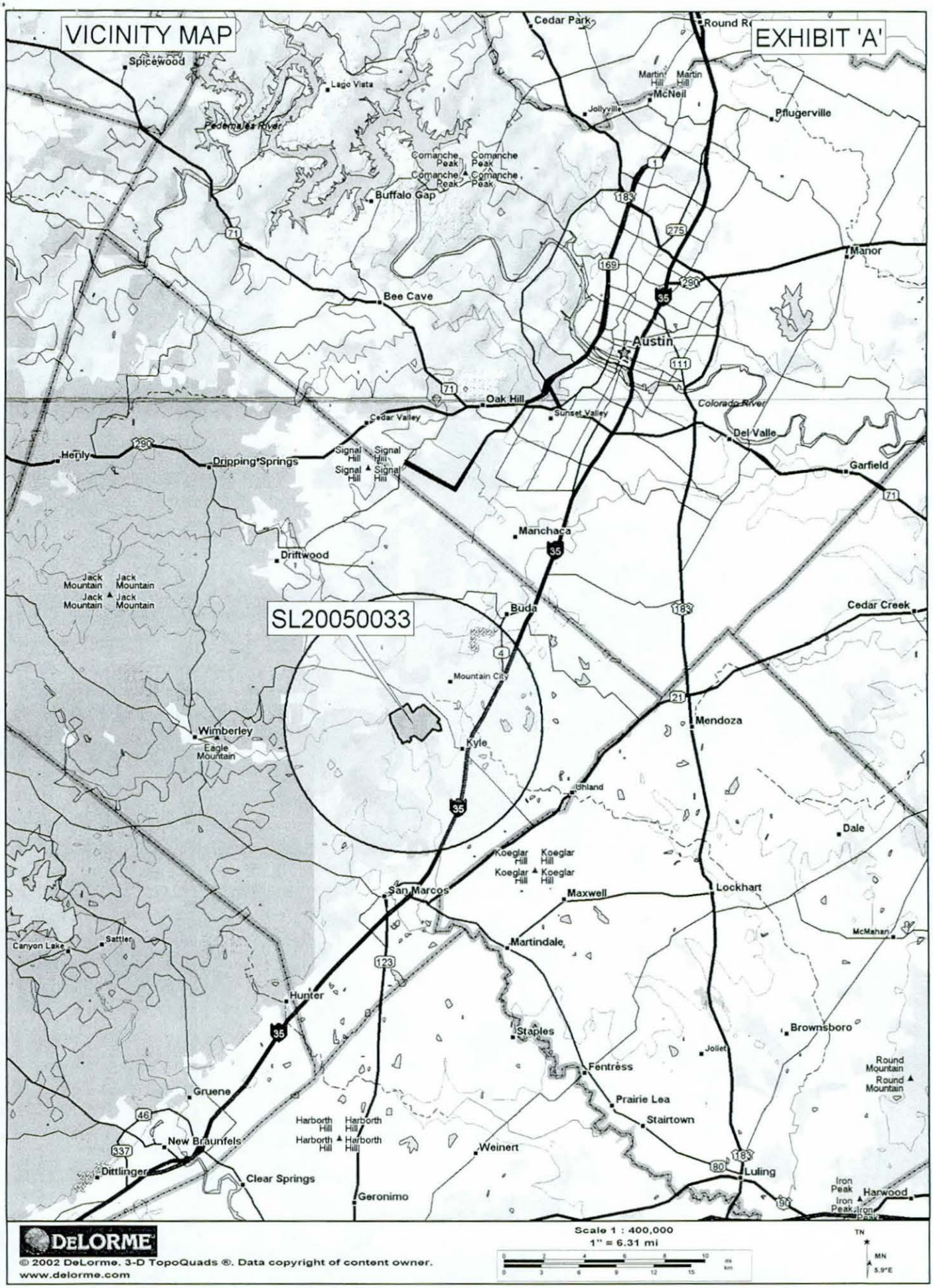
STATE OF Texas §
§
COUNTY OF ~~HAYS~~ Travis § dll

This instrument was acknowledged before me on the 24th day of August, 2005, by A.W. Gregg, Sr. General Partner of Ky-Tex Properties, L.P.* on behalf of said entity.
* a Texas General Partnership

D. King
Notary Public, State of _____

D. KING
MY COMMISSION EXPIRES
July 31, 2008

My commission expires: _____


VICINITY MAP
EXHIBIT 'A'
SL20050033
Spicewood
Lago Vista
Pedernales River
Cedar Park
Round Rock
Martin Hill
Martin Hill
McNeil
Jollyville
Pflugerville
Comanche Peak
Comanche Peak
Comanche Peak
Comanche Peak
Buffalo Gap
Manor
Bee Cave
Austin
Oak Hill
Sunset Valley
Colorado River
Cedar Valley
Del Valle
Henly
Dripping Springs
Signal Hill
Signal Hill
Signal Hill
Signal Hill
Garfield
Manchaca
Driftwood
Jack Mountain
Jack Mountain
Jack Mountain
Jack Mountain
Buda
Cedar Creek
Mountain City
Mendoza
Wimberley
Eagle Mountain
Kyle
Uhland
Dale
Koeglar Hill
Koeglar Hill
Koeglar Hill
Koeglar Hill
San Marcos
Maxwell
Lockhart
McMahan
Canyon Lake
Sattler
Martindale
Hunter
Staples
Brownsboro
Jollet
Fentress
Round Mountain
Round Mountain
Gruene
Prairie Lea
Stairtown
Harborth Hill
Harborth Hill
Harborth Hill
Harborth Hill
New Braunfels
Weinert
Dittlinger
Clear Springs
Luling
Geronimo
Iron Peak
Iron Peak
Harwood
DeLORME
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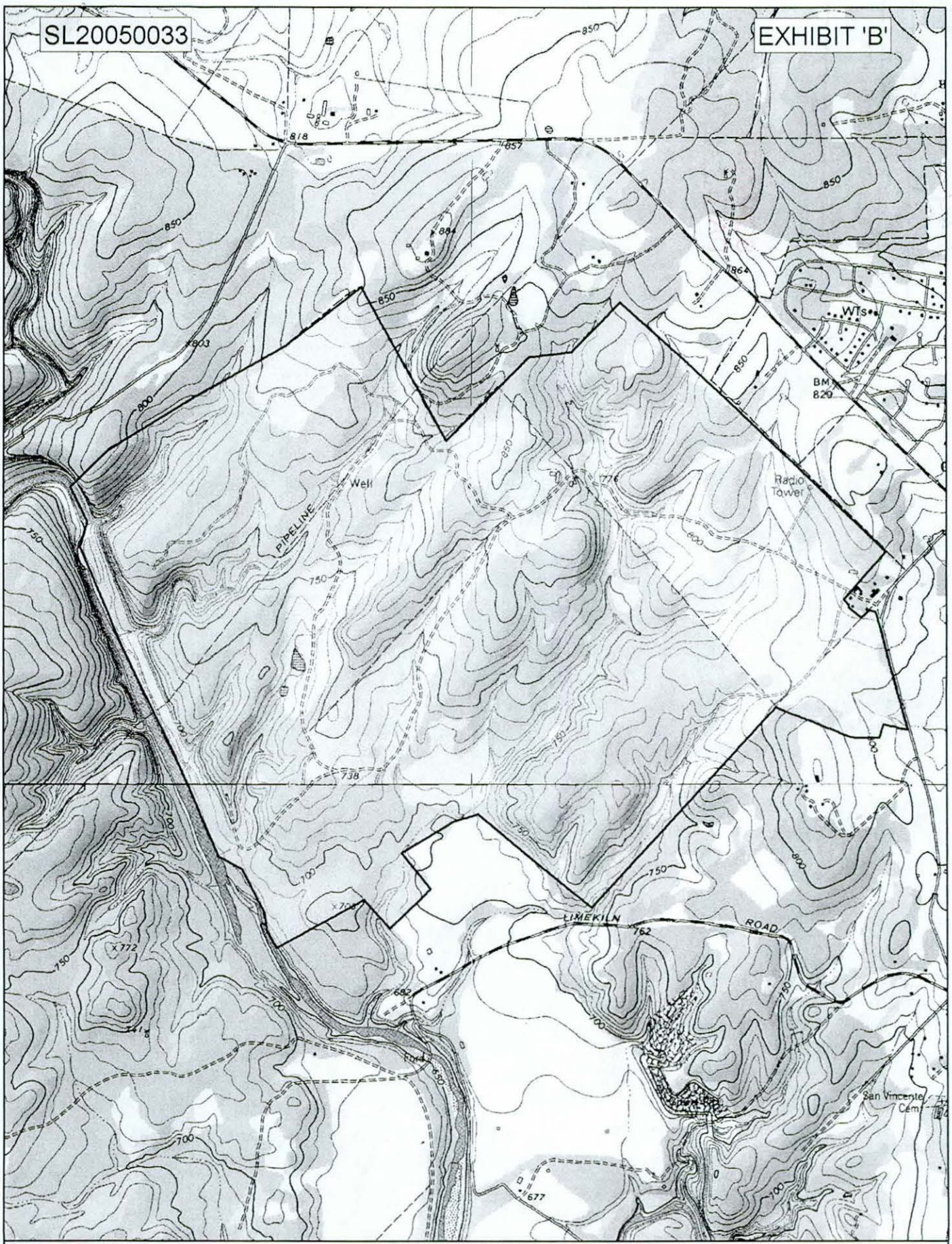
www.delorme.com
Scale 1 : 400,000
1" = 6.31 mi
TN
MN
5.9°E

SL20050033

EXHIBIT 'B'



DeLORME

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www.delorme.com

Scale 1 : 25,000

1" = 2080 ft

TN

MN

5.9°E

(15)

File No. 155382

Hays County

Surface Lease

Date Filed: 2-14-06

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED
DATE 5/21/07

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.

GENERAL WARRANTY DEED

Date: August 24, 2005

Grantor: Ky-Tex Properties, L.P., a Texas Limited Partnership

Grantor's Mailing Address: 1259 North Old Stagecoach Road
Kyle, Texas 78640

Grantee: The State of Texas, for the use and benefit of the Permanent School Fund

Grantee's Mailing Address: 1700 North Congress Avenue, Room 720
Austin, Texas 78701

Consideration: Ten and no/100ths Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which is acknowledged.

Property (including any improvements):

Being a tract of land containing 1971.29 acres (85,869,500 square feet) situated in the Caleb W. Baker Survey, A-31, the Seaborn Berry Survey, A-32, the John Cooper Survey, A-99, the William Dunbar Survey, A-156, the Thos. C. Snailum Survey, A-409 and the Samuel Pharass Survey, A-360 in Hays County, Texas, and also being all of 1938.67 acre tract as conveyed unto A.W. Gregg by deed recorded in Volume 142, Page 290 of the Deed Records of Hays County, Texas, and being all of the residue of a 251 acre tract as conveyed unto A.W. Gregg by deed recorded in Volume 167, Page 365 of the Deed Records of Hays County, Texas. Said 1971.29 acre tract being more particularly described by metes and bounds in the attached Exhibit "A", incorporated herein for all purposes.

Reservations from and Exceptions to Conveyance and Warranty:

1. Easement to the Texas Pipe Line Company recorded in Volume 138, Page 195, Deed Records, Hays county, Texas, for pipe line, and as shown on survey dated August 9, 2005 prepared by Stephanie Ann Funk, Registered Professional Land Surveyor No. 5375;

2. Easement to GTE Southwest Incorporated recorded in Volume 737, Page 716, Deed Records, Hays County, Texas, for communication cable appurtenances, and as noted on survey dated August 9, 2005 prepared by Stephanie Ann Funk, Registered Professional Land Surveyor No. 5375 ;

3. Easement to Karnack corporation recorded in Volume 881, Page 15, Official Public Records, Hays County, Texas, for tower and related facilities, and as shown on survey dated August 9, 2005 prepared by Stephanie Ann Funk, Registered Professional Land Surveyor No. 5375;

4. Terms conditions and stipulations in Lease Agreement recorded in Volume 141, Page 444, Deed Records, Hays County, Texas, between F.D. Glass, Jr. Lessor, and The Texas Pipe Line Company, Lessee;

5. Terms conditions and stipulations in Lease Agreement recorded in Volume 1367, Page 638, as corrected in Volume 1372, Page 759 Official Public Records, Hays county, Texas between A.W. Gregg, Lessor, and Texas Pipeline, Inc. (Successor to The Texas Pipe Line Company), Lessee, and as shown on survey dated August 9, 2005 prepared by Stephanie Ann Funk, Registered Professional Land Surveyor No. 5375;

6. Terms, conditions and stipulations in Ordinance No. 199 (ETJ of City of Kyle) recorded in Volume 565, Page 838, Real Property Records, Hays County, Texas

7. Mineral and/or royalty interest, recorded in Volume 110, Page 89, Deed Records, Hays County, Texas

8. Portions of the Property lying within Blanco River as shown on survey dated August 9, 2005 prepared by Stephanie Ann Funk, Registered Professional Land Surveyor No. 5375

9. Location of overhead electric lines, power poles and service poles as shown on survey dated August 9, 2005 prepared by Stephanie Ann Funk, Registered Professional Land Surveyor No. 5375

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 the property to Grantee, Grantee's heirs, executors, administrators, successors, and/or assigns forever. Grantor binds Grantor and Grantor's heirs, executors, administrators, and successors to warrant and forever defend all and 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.

When the context requires, singular nouns and pronouns include the plural.

Ky-Tex Properties, L.P., a Texas Limited Partnership

By: _____
A. W. Gregg, Jr., Its General Partner

ACKNOWLEDGMENT

STATE OF TEXAS §
§
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 24th day of August, 2005 by A.W. Gregg, Jr. on behalf of Ky-Tex Properties, L.P. for the consideration stated and in the capacity indicated.

D. KING
MY COMMISSION EXPIRES
July 31, 2008

_____
Notary Public In and For
The State of Texas

AFTER RECORDING RETURN TO:

Texas United Title, Inc.
901 S. MoPac Expressway
Building 1, Suite 520
Austin, Texas 78746-5776

Bk Vol Pg
05024823 OPR 2755 823

DESCRIPTION OF A TRACT OF LAND CONTAINING 1971.29 ACRES (85,869,500 SQUARE FEET) SITUATED IN THE CALEB W. BAKER SURVEY, A-31, SEABORN BERRY SURVEY A-32, JOHN COOPER SURVEY, A-99, WILLIAM DUNBAR SURVEY, A-156, THOS. C. SNAILUM SURVEY, A-409 AND THE SAMUEL PHARASS SURVEY, A-360 SURVEY, HAYS COUNTY, TEXAS

Being a tract of land containing 1971.29 acres (85,869,500 square feet) situated in the Caleb W. Baker Survey, A-31, the Seaborn Berry Survey, A-32, the John Cooper Survey, A-99, the William Dunbar Survey, A-156, the Thos. C. Snailum Survey, A-409 and the Samuel Pharass Survey, A-360 in Hays County, Texas, and also being all of called 1938.67-acre tract as conveyed unto A.W. Gregg by deed recorded in Volume 142, Page 290 of the Deed Records of Hays County, Texas, and being all of the residue of a 251-acre tract as conveyed unto A.W. Gregg by deed recorded in Volume 167, Page 365 of the Deed Records of Hays County, Texas. Said 1971.29-acre tract being more particularly described by metes and bounds as follows:

COMMENCING FOR REFERENCE at a found 1/2-inch iron rod with cap marked "Byrn Survey" located at the south end of a cutback for the intersection of the north line of Hays County Road No. 136 (Old Austin-San Antonio Road) (undefined width) and the west right-of-way line of FM150 (80 feet wide) for a southeast corner of a 10.00-acre tract as conveyed unto Robert C. Edge by deed recorded in Volume 2305, Page 645 of the Official Public Records of Hays County, Texas;

THENCE South 43° 45' 38" West with the north line of said County Road No. 136 and the south line of said 10.00-acre tract, a distance of 1100.56 feet to a found cedar fence corner post for the southwest corner of said 10.00-acre tract and the southeast corner of a 2.62-acre tract as conveyed unto Catholic Family Fraternal of Texas – K.J.Z.T. by deed recorded in Volume 1276, Page 32 of the Official Public Records of Hays County, Texas;

THENCE South 40° 38' 53" West continuing with the north line of said County Road No. 136 and the south line of said 2.62-acre tract, a distance of 176.82 feet to a found 8-inch fence post for the southeast corner of said 1938.67-acre tract, for the southwest corner of said 2.62-acre tract and for the southeast corner of a 12.46-acre tract as described in instrument "Right of First Refusal Agreement" between A.W. Gregg and Robie Gregg and children recorded in Volume 370, Page 660 of the Deed Records of Hays County, Texas;

THENCE continuing with the north line of said County Road No. 136, the south line of said 1938.67-acre tract and the south line of said 12.46-acre tract, the following courses and distances;

South 43° 34' 16" West, a distance of 163.80 feet to a point;
South 43° 45' 57" West, a distance of 231.21 feet to a found 1/2-inch iron rod;
South 43° 38' 54" West, a distance of 85.60 feet to a found 1/2-inch iron rod;
South 44° 06' 23" West, a distance of 243.16 feet to a stone fence corner;
South 42° 38' 55" West, a distance of 19.28 feet to a point;

THENCE South 24° 57' 26" East continuing with the west line of said County Road No.136 and the east line of the residue of said 251-acre tract, a distance of 29.44 feet to a point;

THENCE South 16° 41' 25" East continuing with the west line of said County Road No. 136 and the east line of the residue of said 251-acre tract, a distance of 65.01 feet to a found 1/2-inch iron rod for a southeast corner of said tract herein described and for the **POINT OF BEGINNING**;

1) THENCE South 16° 19' 59" East, a distance of 1931.88 feet to a found 60d nail at a fence post for a corner of said tract herein described, for the south corner of the residue of said 251-acre tract and for the east corner of a 195.27-acre tract as conveyed unto Robert Reed Hawn by deed recorded in Volume 266, Page 410 of the Deed Records of Hays County, Texas, and in by deed recorded in Volume 1201, Page 659 of the Official Public Records of Hays County, Texas;

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THENCE in a northwesterly direction with the west line of the residue of said 251-acre tract and the east line of said 195.27-acre tract the following courses and distances (calls 2 through 7);

2) North 69° 28' 11" West, a distance of 542.50 feet to a cedar fence post for an angle point in the south line of said tract herein described;

3) South 46° 06' 24" West, a distance of 356.81 feet to a cedar fence post for an angle point in the south line of said tract herein described;

4) North 45° 28' 44" West, a distance of 460.09 feet to a cedar fence post for an angle point in the south line of said tract herein described;

5) North 77° 38' 18" West, a distance of 177.53 feet to a cedar fence post for an angle point in the south line of said tract herein described;

6) North 57° 17' 14" West, a distance of 251.72 feet to a cedar fence post for an angle point in the south line of said tract herein described;

7) North 78° 30' 33" West, a distance of 468.22 feet to cedar fence post located in the south line of said 1938.67-acre tract for an angle point in the south line of said tract herein described and for the northeast corner of said 195.27-acre tract;

8) THENCE South 44° 07' 43" West with the south line of said 1938.67-acre tract and the north line of said 195.27-acre tract, a distance of 2614.19 feet to found 5/8-inch iron rod with aluminum cap for an angle point in the south line of said tract herein described for the northwest corner of said 195.27-acre tract and the north corner of a 260.12-acre tract as conveyed unto Robert Nance and Martha Jane Allen by deed recorded in Volume 135, Page 456 of the Deed Records of Hays County, Texas;

9) THENCE South 44° 00' 02" West continuing with the south line of said 1938.67-acre tract and the north line of said 260.12-acre tract, a distance of 2165.22 feet to railroad spike at the base of an old cedar fence post for a corner in the south line of said tract herein described for the southeast corner of a 32.432-acre tract as conveyed unto Thomas H. Nance, Jr., and Flora Mae Roberts by deed recorded in Volume 651, Page 702 of the Deed Records of Hays County, Texas;

10) THENCE North 42° 31' 45" West with a west line of said 1938.67-acre tract and the east line of said 32.432-acre tract, at 73 feet pass a twin trunk Oak tree, continuing for a total distance of 835.00 feet to the end of a rock wall/stone fence for an angle point in a west line of said tract herein described;

11) THENCE North 48° 11' 44" West with a west line of said 1938.67-acre tract and the east line of said 32.432-acre tract, a distance of 591.59 feet to a 16-inch Hackberry tree in the fence line for an angle point in a west line of said tract herein described;

12) THENCE North 54° 28' 06" West with a west line of said 1938.67-acre tract and the east line of said 32.432-acre tract, a distance of 455.05 feet to 6-inch cedar fence post for an angle point in a west line of said tract herein described;

13) THENCE North 53° 21' 39" West with a west line of said 1938.67-acre tract and the east line of said 32.432-acre tract, a distance of 292.80 feet to 6-inch cedar fence post for an angle point in a west line of said tract herein described;

14) THENCE North 64° 39' 18" West with a west line of said 1938.67-acre tract and the east line of said 32.432-acre tract, a distance of 34.87 feet to an 18-inch Elm tree in the fence line for a corner in the south line of said tract herein described for the northeast corner of said 32.432-acre tract and for an interior corner of said 1938.67-acre tract;

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THENCE with a south line of said 1938.67-acre tract, the following courses and distances (calls 15 through 23);

15) South 61° 37' 51" West with the north line of said 32.432-acre tract, a distance of 426.48 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" located in the north line of a 22.421-acre tract as conveyed unto Martha Nance Picton by deed recorded in Volume 651, Page 702 of the Hays County, Texas, for an angle point in the south line of said tract herein described;

16) South 53° 30' 25" West with the north line of a 22.421-acre tract, a distance of 842.81 feet to a found 1/2-inch iron rod for a corner in the south line of said tract herein described and for the northwest corner of said 22.421-acre tract;

17) South 41° 21' 25" East with the west line of said 22.421-acre tract, a distance of 491.62 feet to a found 1/2-inch iron rod located in the north line of a 17.313-acre tract as conveyed unto David Laverne Allen and Grace Crumley by deed recorded in Volume 651, Page 702 of the Deed Records of Hays County, Texas, for a corner in the south line of said tract herein described;

18) South 38° 21' 19" West with the north line of said 17.313-acre tract, a distance of 489.14 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the south line of said tract herein described;

19) South 43° 54' 19" West, with the north line of said 17.313-acre tract, a distance of 409.24 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the south line of said tract herein described;

20) South 30° 15' 19" West with the north line of said 17.313-acre tract, a distance of 133.80 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the south line of said tract herein described;

21) South 36° 02' 19" West with the north line of said 17.313-acre tract, a distance of 81.45 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" located in the east line of a 29.882-acre tract as conveyed unto David Laverne Allen and Grace Crumley by deed recorded in Volume 651, Page 702 of the Deed Records of Hays County, Texas, for an angle point in the south line of said tract herein described;

22) North 36° 45' 13" West with the east line of said 29.882-acre tract, a distance of 753.61 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the south line of said tract herein described from which an 8-inch cedar fence post bears North 36° 44' West, a distance of 1.25 feet;

23) South 52° 58' 30" West with the north line of said 29.882-acre tract, at 1442.51 feet pass a fence corner, continuing for a total distance of 1661.02 feet to point located in the center of the east channel of the Blanco River and in the east line of a 102.04-acre tract as conveyed unto Janet Nance Bradshaw and Robert Scott Nance by deed recorded in Volume 902, Page 614 of the Official Public Records of Hays County, Texas, for the southwest corner of said tract described;

THENCE in a northwesterly direction with the east line of the 102.04-acre tract and the west line of said 1938.67-acre tract, the following courses and distances (calls 24 through 32);

24) North 31° 07' 28" West, with the centerline of said east channel of the Blanco River, a distance of 247.37 feet to an angle point in the west line of said tract herein described;

25) North 25° 35' 32" West, with the centerline of said east channel of the Blanco River, a distance of 406.01 feet to an angle point in the west line of said tract herein described;

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26) North 05° 41' 30" West, a distance of 123.00 feet to a point located on the east bank of the east channel of the Blanco River for an angle point in the west line of said tract herein described;

27) North 52° 23' 30" East, a distance of 72.00 feet to an Oak tree in fence line for an angle point in the west line of said tract herein described;

28) North 11° 45' 34" West with a barbed wire fence, a distance of 203.32 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the west line of said tract herein described;

29) North 13° 24' 25" West with a barbed wire fence, a distance of 303.61 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the west line of said tract herein described;

30) North 18° 49' 22" West with a barbed wire fence, a distance of 265.24 feet to a cedar fence post for an angle point in the west line of said tract herein described;

31) North 75° 14' 22" West, a distance of 486.70 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the west line of said tract herein described;

32) South 53° 35' 58" West, a distance of 119.76 feet to point located in the center of the Blanco River for a corner in the west line of said tract herein described and for the northeast corner of said 102.04-acre tract;

THENCE in a northwesterly direction with the meanders of the centerline of the Blanco River, the west line of said 1938.67-acre tract and the east line of a tract of land as conveyed unto Exekial Nance by deed recorded in Volume C, Page 487 of the Deed Records of Hays County, Texas, the following courses and distances (calls 33 through 51);

33) North 24° 02' 16" West, a distance of 1344.85 feet to an angle point in the west line of said tract herein described;

34) North 26° 15' 21" West, a distance of 1341.47 feet to an angle point in the west line of said tract herein described;

35) North 24° 19' 33" West, a distance of 1253.62 feet to an angle point in the west line of said tract herein described;

36) North 26° 26' 21" West, a distance of 445.60 feet to an angle point in the west line of said tract herein described;

37) North 22° 07' 09" West, a distance of 388.02 feet to an angle point in the west line of said tract herein described;

38) North 20° 08' 10" West, a distance of 228.62 feet to an angle point in the west line of said tract herein described;

39) North 35° 50' 03" West, a distance of 95.94 feet to an angle point in the west line of said tract herein described;

40) North 20° 34' 03" West, a distance of 91.79 feet to an angle point in the west line of said tract herein described;

41) North 14° 59' 48" West, a distance of 185.29 feet to an angle point in the west line of said tract herein described;

42) North 00° 02' 25" East, a distance of 92.60 feet to an angle point in the west line of said tract herein described;

43) North 12° 09' 25" East, a distance of 32.16 feet to an angle point in the west line of said tract herein described;

44) North 29° 03' 12" East, distance of 72.03 feet to an angle point in the west line of said tract herein described;

45) North 19° 26' 32" East, a distance of 118.15 feet to an angle point in the west line of said tract herein described;

46) North 11° 55' 55" East, a distance of 32.54 feet to an angle point in the west line of said tract herein described;

47) North 65° 36' 10" East, a distance of 98.62 feet to an angle point in the west line of said tract herein described;

48) North 24° 23' 50" West, a distance of 99.11 feet to an angle point in the west line of said tract herein described;

49) North 19° 12' 41" West, a distance of 178.40 feet to an angle point in the west line of said tract herein described;

50) North 24° 39' 30" West, a distance of 220.03 feet to an angle point in the west line of said tract herein described;

51) North 25° 27' 37" West, a distance of 206.51 feet to a point located in the south line of a 24.52-acre tract as conveyed unto Charles M. Decker, III, William S. Decker, Dr. Robert D. Decker and Marilyn Decker Elwell by deed recorded in Volume 345, Page 837 of the Deed Records of Hays County, Texas, for the northwest corner of said tract herein described;

52) THENCE North 43° 08' 11" East with the north line of said 1938.67-acre tract and the south line of said 24.52-acre tract, a distance of 441.09 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the north line of said tract herein described;

53) THENCE North 42° 38' 11" East continuing with the north line of said 1938.67-acre tract and the south line of said 24.52-acre tract, a distance of 496.12 feet to a 2-inch iron pipe fence corner for an angle point in the north line of said tract herein described;

THENCE in a northeasterly direction with a fence line, with the north line of said 1938.67-acre tract and with the south line of a 108.21-acre tract as conveyed unto Buckeye Partners, Ltd. By deed recorded in Volume 2238, Page 145 of the Official Public Records of Hays County, Texas, the following courses and distances (calls 54 through 66);

54) North 59° 34' 50" East, a distance of 665.61 feet to an angle point in the north line of said tract herein described;

55) North 59° 27' 50" East, a distance of 379.99 feet to an angle point in the north line of said tract herein described;

56) North 58° 50' 50" East, a distance of 298.07 feet to an angle point in the north line of said tract herein described;

57) North 59° 24' 50" East, a distance of 439.02 feet to an angle point in the north line of said tract herein described;

58) North 59° 39' 50" East, a distance of 595.25 feet to an angle point in the north line of said tract herein described;

59) North 59° 56' 50" East, a distance of 68.18 feet to an angle point in the north line of said tract herein described;

60) North 59° 59' 50" East, a distance of 273.44 feet to an angle point in the north line of said tract herein described;

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61) North 59° 37' 50" East, a distance of 267.94 feet to an angle point in the north line of said tract herein described;

62) North 56° 33' 50" East, a distance of 13.30 feet to an angle point in the north line of said tract herein described;

63) North 52° 04' 50" East, a distance of 417.87 feet to an angle point in the north line of said tract herein described;

64) North 51° 01' 50" East, a distance of 471.83 feet to an angle point in the north line of said tract herein described;

65) North 50° 59' 50" East, a distance of 409.28 feet to an angle point in the north line of said tract herein described;

66) North 56° 27' 50" East, a distance of 25.80 feet to 2-inch iron pipe fence corner for an angle point in the north line of said tract herein described for the southeast corner of said 108.21-acre tract and the west corner of Lot 2 of Oak Mesa, a subdivision plat recorded in Volume 6, Page 47 of the Plat Records of Hays County, Texas;

67) THENCE North 56° 24' 56" East continuing with the north line of said 1938.67-acre tract and a south line of said Lot 2, a distance of 392.99 feet to a found 1/2-inch iron rod for a corner in the north line of said tract herein described from which an 8-inch fence post bears North 88° 53' West, a distance of 1.4 feet;

68) THENCE South 29° 04' 44" East with an east line of said 1938.67-acre tract and the west line of said Lot 2 and Lot 1 of said Oak Mesa, at 932.02 feet passing the south line of said Lot 1 and the north line of the residue of a 134.86 acre tract as conveyed unto Auburn E. Dennis by deed recorded in Volume 1057, Page 225 of the Deed Records of Hays County, Texas, continuing for a total distance of 2802.93 feet to a point located in the centerline of a stone fence for a corner in the north line of said tract herein described from which a cedar fence post bears North 00° 28' West, a distance of 5.2 feet;

69) THENCE North 43° 17' 57" East with a north line of said 1938.67-acre tract and the south line of the residue of said 134.86-acre tract, at 1415.62 feet passing the southwest corner of Lot 31 of Arroyo Ranch, Section Two, a subdivision plat recorded in Volume 10, Page 219 of the Plat Records of Hays County, Texas, continuing for a total distance of 1730.83 feet to point located in the centerline of a stone fence for an angle point in the north line of said tract herein described from which a found 5/8-inch iron rod bears South 54° 29' West, a distance of 8.7 feet;

70) THENCE South 82° 42' 45" East continuing with a north line of said 1938.67-acre tract and the south line of said Arroyo Ranch, Section Two, a distance of 1115.45 feet to point located in the centerline of a stone fence for an angle point in the north line of said tract herein described from which a found 1/2-inch iron rod bears South 88° 50' West, a distance of 37.6 feet;

71) THENCE North 43° 55' 32" East continuing with the north line of said 1938.67-acre tract and the south line of said Arroyo Ranch, Section Two, a distance of 1271.78 feet to a 2-inch iron pipe fence corner for an angle point in the north line of said tract herein described for an interior corner of Arroyo Ranch, Section One, a subdivision plat recorded in Volume 10, Page 179 of the Plat Records of Hays County, Texas;

THENCE with the east line of said 1938.67-acre tract, the following courses and distances (call 72 through 80);

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72) South 46° 21' 03" East, at 185.13 feet passing the south line of said Arroyo Ranch, Section One, and the north line of a 21.3-acre tract as conveyed unto Sallye Knutson by deed recorded in Volume 353, Page 240 of the Deed Records of Hays County, Texas, continuing for a total distance of 887.35 feet to an angle point in the east line of said tract herein described for the southwest corner of said 21.3-acre tract and the northwest corner of a 21.30-acre tract as conveyed unto Robert T. Walker and Sandra F. Walker by deed recorded in Volume 1976, Page 458 of the Official Public Records of Hays County, Texas;

73) South 46° 29' 25" East with the west line of said 21.30-acre tract, a distance of 578.70 feet to an angle point in the east line of said tract herein described for the southwest corner of said 21.30-acre tract and the northwest corner of Quail Meadows Subdivision, a subdivision plat recorded in Volume 7, Page 47 of the Plat Records of Hays County, Texas;

74) South 46° 13' 10" East with the west line of said Quail Meadows Subdivision, a distance of 408.76 feet to an angle point in the east line of said tract herein described;

75) South 47° 03' 10" East continuing with the west line of said Quail Meadows Subdivision, a distance of 405.20 feet to an angle point in the east line of said tract herein described;

76) South 47° 52' 44" East continuing with the west line of said Quail Meadows Subdivision, a distance of 296.23 feet to an angle point in the east line of said tract herein described;

77) South 47° 19' 33" East continuing with the west line of said Quail Meadows Subdivision, a distance of 499.63 feet to a found 6-inch cedar fence post for an angle point in the east line of said tract herein described, for the southwest corner of said Quail Meadows Subdivision and for the northwest corner of said 62.10-acre tract;

78) South 46° 53' 37" East with the west line of said 62.10-acre tract, a distance of 359.95 feet to an angle point in the east line of said tract herein described;

79) South 45° 49' 07" East continuing with the west line of said 62.10-acre tract, a distance of 436.01 feet to an angle point in the east line of said tract herein described;

80) South 46° 25' 31" East continuing with the west line of said 62.10-acre tract, a distance of 1445.81 feet to a found cedar fence post for corner of said tract herein described and for the northeast corner of said 12.46-acre tract;

81) THENCE South 40° 21' 31" West with the north line of said 12.46-acre tract, a distance of 1018.19 feet to a found 1/2-inch iron rod for a corner of said tract herein described and for the northwest corner of said 12.46-acre tract;

82) THENCE South 50° 23' 48" East with the west line of said 12.46-acre tract, at 96.71 feet pass a cedar fence post, continuing for a total distance of 255.73 feet to a cedar fence post for an angle point in the south line of said tract herein described;

83) THENCE North 40° 43' 43" East with the west line of said 12.46-acre tract, a distance of 42.90 feet to a cedar fence post for an angle point in the south line of said tract herein described;

84) THENCE South 52° 52' 44" East with the west line of said 12.46-acre tract, a distance of 85.65 feet to a found 1/2-inch iron rod for an angle point in the south line of said tract herein described;

85) THENCE South 51° 46' 28" East with the west line of said 12.46-acre tract, a distance of 159.01 feet to a found 1/2-inch iron rod for a corner of said tract herein described;

86) THENCE North 43° 53' 50" East with the south line of said 12.46-acre tract, a distance of 92.20 feet to a found 1/2-inch iron rod for an angle point in the south line of said tract herein described;

87) THENCE South 78° 26' 49" East with the south line of said 12.46-acre tract, a distance of 101.28 feet to the **POINT OF BEGINNING** and containing 1971.29 acres (85,869,500 square feet) of land, more or less.

Note: This metes and bounds description is referenced to a survey drawing prepared by Cobb, Fendley & Associates, Inc. dated August 9, 2005.

Cobb, Fendley & Associates, Inc.
5300 Hollister, Suite 400
Houston, Texas 77040
Ph. 713-462-3242

Job No. 0402-070-01

August 9, 2005

Filed for Record in:
Hays County
On: Aug 25,2005 at 11:08A
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Amount: 34.00
Receipt Number - 131559
By,
Rose Robinson, Deputy
Lee Carlisle, County Clerk
Hays County

File No. 155382 (16)

Hays County

Deed-Recorded

Date Filed: 2-14-06

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED
DATE 4/16/07 pf

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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.

EASEMENT AGREEMENT FOR ACCESS

Date: August 24, 2005

Grantor: A.W. Gregg, Jr.

Grantor's Mailing Address: 1259 North Old Stagecoach Road
Kyle, Texas 78640-9428

Grantee: State of Texas, for the use and benefit of the Permanent School Fund

Grantee's Mailing Address: 1700 N. Congress Avenue, Austin, Travis County, Texas 78701
Attn: Deputy Commissioner , Asset Management Division

Dominant Estate Property: Approximately 1971.29 acres of land out of the the Caleb W. Baker Survey, Seaborn Berry Survey, John Cooper Survey, William Dunbar Survey, Thomas C. Snailm Survey and Samuel Pharass Survey, Hays County, Texas and is more particularly described on Exhibit A, attached hereto and incorporated herein for all purposes.

Easement Property: The existing gravel (12 foot) and asphalt (10 foot) road on the twelve (12) acre parcel (the "Subservient Estate Property") shown on the plat of survey prepared by David C. Williamson, attached hereto as Exhibit B and incorporated herein for all purposes.

Easement Purpose: Subject to the equal right of use of the Easement Property by the owners of the Subservient Estate Property for access to the Subservient Estate Property, and further subject to the equal right of use of the Easement Property by the owner of the property benefited in that Easement Deed of even date herewith pursuant to which Grantor conveyed an easement across the Easement Property to Robie Lynn Gregg, the Easement Property shall be used for providing free and uninterrupted pedestrian and vehicular ingress to and egress from the Dominant Estate Property, to and from the public road shown on Exhibit B at the northeast end of the Easement Property

Consideration: The sum of TEN AND NO/100 DOLLARS ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Grantor.

Grant of Easement: Grantor, for the Consideration above stated, grants, sells, and conveys to Grantee and Grantee's heirs, successors, and assigns a non-exclusive easement over, on, and across the Easement Property for the Easement Purpose and for the benefit of the

Dominant Estate Property, together with all and singular the rights and appurtenances thereto in any way belonging (collectively, the "Easement"), to have and to hold the Easement to Grantee and Grantee's heirs, successors, and assigns for the duration of this Easement. Grantor binds Grantor and Grantor's heirs, successors, and assigns to warrant and forever defend the title to the Easement in Grantee and Grantee's heirs, successors, and assigns against every person whomsoever lawfully claiming or to claim the Easement or any part thereof.

Terms and Conditions: The following terms and conditions apply to the Easement granted by this agreement:

1. *Character of Easement.* The Easement is appurtenant to and runs with all or any portion of the Dominant Estate Property, whether or not the Easement is referenced or described in any conveyance of all or such portion of the Dominant Estate Property. The Easement is nonexclusive and irrevocable. The Easement is for the benefit of Grantee and Grantee's heirs, successors, and assigns who at any time own the Dominant Estate Property or any interest in the Dominant Estate Property (as applicable, the "Holder").

2. *Duration of Easement.* The duration of the Easement shall be until the completion of the development of the Dominant Estate pursuant to a development plan or until the completion of a road on the Dominant Estate that connects Hays County Road No. 136 directly to any part of the existing gravel road that is an extension across the Dominant Estate from the gravel road constituting a part of the Easement Property. Beginning on the date one year after execution of this Easement Agreement for Access by Grantor the use of the Easement, until terminated as provided above, shall be restricted to pedestrian, passenger vehicle, and light truck use. Grantee, or Grantee's heirs, successors, or assigns, as applicable, will execute any document in recordable form reasonably necessary to evidence the termination of the Easement upon the occurrence of an event resulting in the expiration of the duration of the Easement as provided in this paragraph 2.

3. *Reservation of Rights*. 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 that do not interfere with or interrupt the use or enjoyment of the Easement by Holder for the Easement Purposes.

5. *Improvement and Maintenance of Easement Property.* Holder shall have no obligation to improve or maintain the Easement Property, except as such may be required as a result of Holder's gross negligence or willful acts. Holder has the right to eliminate any encroachments into the Easement Property. The owners of the Easement Property shall not interfere with the use of the Easement Property by the Holder.

6. *Equitable Rights of Enforcement.* This Easement and limitations or termination thereof according to the terms of this Easement Agreement for Access may be enforced by restraining orders and injunctions (temporary or permanent) prohibiting interference and/or commanding compliance. Restraining orders and injunctions will be obtainable on proof of the existence of interference or threatened interference, the failure to limit use as provided herein, or

the failure to execute any document as provided herein, without the necessity of proof of inadequacy of legal remedies or irreparable harm, and will be obtainable only by the parties to or those benefited by this agreement; provided, however, that the act of obtaining an injunction or restraining order will not be deemed to be an election of remedies or a waiver of any other rights or remedies available at law or in equity.

7. *Attorney's Fees*. If either party retains an attorney to enforce this agreement, the party prevailing in litigation is entitled to recover reasonable attorney's fees and court and other costs.

8. *Binding Effect.* This agreement binds and inures to the benefit of the parties and their respective heirs, successors, and permitted assigns.

9. *Choice of Law.* This agreement will be construed under the laws of the state of Texas, without regard to choice-of-law rules of any jurisdiction. Venue is in the county or counties in which the Easement Property is located.

10. *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 will be construed together and will constitute one and the same instrument.

11. *Waiver of Default.* It is not a waiver of or consent to default if the nondefaulting party fails to declare immediately a default or delays in taking any action. Pursuit of any remedies set forth in this agreement does not preclude pursuit of other remedies in this agreement or provided by law.

12. *Further Assurances.* Each signatory party agrees to execute and deliver any additional documents and instruments and to perform any additional acts necessary or appropriate to perform the terms, provisions, and conditions of this agreement and all transactions contemplated by this agreement.

13. *Integration*. This agreement contains the complete agreement of the parties and cannot be varied except by written agreement of the parties. The parties agree that there are no oral agreements, representations, or warranties that are not expressly set forth in this agreement.

14. *Legal Construction.* If any provision in this agreement is for any reason unenforceable, to the extent the unenforceability does not destroy the basis of the bargain among the parties, the unenforceability will not affect any other provision hereof, and this agreement will be construed as if the unenforceable provision had never been a part of the agreement. Whenever context requires, the singular will include the plural and neuter include the masculine or feminine gender, and vice versa. Article and section headings in this agreement are for reference only and are not intended to restrict or define the text of any section. This agreement will not be construed more or less favorably between the parties by reason of authorship or origin of language.

15. *Notices.* Any notice required or permitted under this agreement must be in

writing. Any notice required by this agreement will be deemed to be delivered (whether actually received or not) when deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the address shown in this agreement. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile transmission, or other commercially reasonable means and will be effective when actually received. 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 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" mean calendar days. Business days exclude Saturdays, Sundays, and legal public holidays. If the date for performance of any obligation falls on a Saturday, Sunday, or legal public holiday, the date for performance will be the next following regular business day.

GRANTOR:

A.W. Gregg, Jr.

GRANTEE:

STATE OF TEXAS FOR THE USE AND BENEFIT OF THE PERMANENT SCHOOL FUND

By: _____
Jerry E. Patterson, Commissioner of the General Land Office and Chairman of the School Land Board

Approved:

Contents	
Legal	
Deputy	
General Counsel	
Executive	

ACKNOWLEDGMENT

STATE OF TEXAS §
§
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 24th day of August 2005 by A.W. Gregg, Jr.

D. King
Notary Public In and For
The State of Texas

D. KING
MY COMMISSION EXPIRES
July 31, 2008

My Commission Expires: _____

Type or Print Name of Notary

AFTER RECORDING RETURN TO:

General Land Office
Attn: Dewayne Naumann
!700 N. Congress Avenue, Suite 720
Austin, Texas 78701-1495

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DESCRIPTION OF A TRACT OF LAND CONTAINING 1971.29 ACRES (85,869,500 SQUARE FEET) SITUATED IN THE CALEB W. BAKER SURVEY, A-31, SEABORN BERRY SURVEY A-32, JOHN COOPER SURVEY, A-99, WILLIAM DUNBAR SURVEY, A-156, THOS. C. SNAILUM SURVEY, A-409 AND THE SAMUEL PHARASS SURVEY, A-360 SURVEY, HAYS COUNTY, TEXAS

Being a tract of land containing 1971.29 acres (85,869,500 square feet) situated in the Caleb W. Baker Survey, A-31, the Seaborn Berry Survey, A-32, the John Cooper Survey, A-99, the William Dunbar Survey, A-156, the Thos. C. Snailum Survey, A-409 and the Samuel Pharass Survey, A-360 in Hays County, Texas, and also being all of called 1938.67-acre tract as conveyed unto A.W. Gregg by deed recorded in Volume 142, Page 290 of the Deed Records of Hays County, Texas, and being all of the residue of a 251-acre tract as conveyed unto A.W. Gregg by deed recorded in Volume 167, Page 365 of the Deed Records of Hays County, Texas. Said 1971.29-acre tract being more particularly described by metes and bounds as follows:

COMMENCING FOR REFERENCE at a found 1/2-inch iron rod with cap marked "Byrn Survey" located at the south end of a cutback for the intersection of the north line of Hays County Road No. 136 (Old Austin-San Antonio Road) (undefined width) and the west right-of-way line of FM150 (80 feet wide) for a southeast corner of a 10.00-acre tract as conveyed unto Robert C. Edge by deed recorded in Volume 2305, Page 645 of the Official Public Records of Hays County, Texas;

THENCE South 43° 45' 38" West with the north line of said County Road No. 136 and the south line of said 10.00-acre tract, a distance of 1100.56 feet to a found cedar fence corner post for the southwest corner of said 10.00-acre tract and the southeast corner of a 2.62-acre tract as conveyed unto Catholic Family Fraternal of Texas – K.J.Z.T. by deed recorded in Volume 1276, Page 32 of the Official Public Records of Hays County, Texas;

THENCE South 40° 38' 53" West continuing with the north line of said County Road No. 136 and the south line of said 2.62-acre tract, a distance of 176.82 feet to a found 8-inch fence post for the southeast corner of said 1938.67-acre tract, for the southwest corner of said 2.62-acre tract and for the southeast corner of a 12.46-acre tract as described in instrument "Right of First Refusal Agreement" between A.W. Gregg and Robie Gregg and children recorded in Volume 370, Page 660 of the Deed Records of Hays County, Texas;

THENCE continuing with the north line of said County Road No. 136, the south line of said 1938.67-acre tract and the south line of said 12.46-acre tract, the following courses and distances;

South 43° 34' 16" West, a distance of 163.80 feet to a point;
South 43° 45' 57" West, a distance of 231.21 feet to a found 1/2-inch iron rod;
South 43° 38' 54" West, a distance of 85.60 feet to a found 1/2-inch iron rod;
South 44° 06' 23" West, a distance of 243.16 feet to a stone fence corner;
South 42° 38' 55" West, a distance of 19.28 feet to a point;

THENCE South 24° 57' 26" East continuing with the west line of said County Road No.136 and the east line of the residue of said 251-acre tract, a distance of 29.44 feet to a point;

THENCE South 16° 41' 25" East continuing with the west line of said County Road No. 136 and the east line of the residue of said 251-acre tract, a distance of 65.01 feet to a found 1/2-inch iron rod for a southeast corner of said tract herein described and for the **POINT OF BEGINNING**;

1) THENCE South 16° 19' 59" East, a distance of 1931.88 feet to a found 60d nail at a fence post for a corner of said tract herein described, for the south corner of the residue of said 251-acre tract and for the east corner of a 195.27-acre tract as conveyed unto Robert Reed Hawn by deed recorded in Volume 266, Page 410 of the Deed Records of Hays County, Texas, and in by deed recorded in Volume 1201, Page 659 of the Official Public Records of Hays County, Texas;

EXHIBIT A

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THENCE in a northwesterly direction with the west line of the residue of said 251-acre tract and the east line of said 195.27-acre tract the following courses and distances (calls 2 through 7);

2) North 69° 28' 11" West, a distance of 542.50 feet to a cedar fence post for an angle point in the south line of said tract herein described;

3) South 46° 06' 24" West, a distance of 356.81 feet to a cedar fence post for an angle point in the south line of said tract herein described;

4) North 45° 28' 44" West, a distance of 460.09 feet to a cedar fence post for an angle point in the south line of said tract herein described;

5) North 77° 38' 18" West, a distance of 177.53 feet to a cedar fence post for an angle point in the south line of said tract herein described;

6) North 57° 17' 14" West, a distance of 251.72 feet to a cedar fence post for an angle point in the south line of said tract herein described;

7) North 78° 30' 33" West, a distance of 468.22 feet to cedar fence post located in the south line of said 1938.67-acre tract for an angle point in the south line of said tract herein described and for the northeast corner of said 195.27-acre tract;

8) THENCE South 44° 07' 43" West with the south line of said 1938.67-acre tract and the north line of said 195.27-acre tract, a distance of 2614.19 feet to found 5/8-inch iron rod with aluminum cap for an angle point in the south line of said tract herein described for the northwest corner of said 195.27-acre tract and the north corner of a 260.12-acre tract as conveyed unto Robert Nance and Martha Jane Allen by deed recorded in Volume 135, Page 456 of the Deed Records of Hays County, Texas;

9) THENCE South 44° 00' 02" West continuing with the south line of said 1938.67-acre tract and the north line of said 260.12-acre tract, a distance of 2165.22 feet to railroad spike at the base of an old cedar fence post for a corner in the south line of said tract herein described for the southeast corner of a 32.432-acre tract as conveyed unto Thomas H. Nance, Jr., and Flora Mae Roberts by deed recorded in Volume 651, Page 702 of the Deed Records of Hays County, Texas;

10) THENCE North 42° 31' 45" West with a west line of said 1938.67-acre tract and the east line of said 32.432-acre tract, at 73 feet pass a twin trunk Oak tree, continuing for a total distance of 835.00 feet to the end of a rock wall/stone fence for an angle point in a west line of said tract herein described;

11) THENCE North 48° 11' 44" West with a west line of said 1938.67-acre tract and the east line of said 32.432-acre tract, a distance of 591.59 feet to a 16-inch Hackberry tree in the fence line for an angle point in a west line of said tract herein described;

12) THENCE North 54° 28' 06" West with a west line of said 1938.67-acre tract and the east line of said 32.432-acre tract, a distance of 455.05 feet to 6-inch cedar fence post for an angle point in a west line of said tract herein described;

13) THENCE North 53° 21' 39" West with a west line of said 1938.67-acre tract and the east line of said 32.432-acre tract, a distance of 292.80 feet to 6-inch cedar fence post for an angle point in a west line of said tract herein described;

14) THENCE North 64° 39' 18" West with a west line of said 1938.67-acre tract and the east line of said 32.432-acre tract, a distance of 34.87 feet to an 18-inch Elm tree in the fence line for a corner in the south line of said tract herein described for the northeast corner of said 32.432-acre tract and for an interior corner of said 1938.67-acre tract;

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THENCE with a south line of said 1938.67-acre tract, the following courses and distances (calls 15 through 23);

15) South 61° 37' 51" West with the north line of said 32.432-acre tract, a distance of 426.48 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" located in the north line of a 22.421-acre tract as conveyed unto Martha Nance Picton by deed recorded in Volume 651, Page 702 of the Hays County, Texas, for an angle point in the south line of said tract herein described;

16) South 53° 30' 25" West with the north line of a 22.421-acre tract, a distance of 842.81 feet to a found 1/2-inch iron rod for a corner in the south line of said tract herein described and for the northwest corner of said 22.421-acre tract;

17) South 41° 21' 25" East with the west line of said 22.421-acre tract, a distance of 491.62 feet to a found 1/2-inch iron rod located in the north line of a 17.313-acre tract as conveyed unto David Laverne Allen and Grace Crumley by deed recorded in Volume 651, Page 702 of the Deed Records of Hays County, Texas, for a corner in the south line of said tract herein described;

18) South 38° 21' 19" West with the north line of said 17.313-acre tract, a distance of 489.14 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the south line of said tract herein described;

19) South 43° 54' 19" West, with the north line of said 17.313-acre tract, a distance of 409.24 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the south line of said tract herein described;

20) South 30° 15' 19" West with the north line of said 17.313-acre tract, a distance of 133.80 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the south line of said tract herein described;

21) South 36° 02' 19" West with the north line of said 17.313-acre tract, a distance of 81.45 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" located in the east line of a 29.882-acre tract as conveyed unto David Laverne Allen and Grace Crumley by deed recorded in Volume 651, Page 702 of the Deed Records of Hays County, Texas, for an angle point in the south line of said tract herein described;

22) North 36° 45' 13" West with the east line of said 29.882-acre tract, a distance of 753.61 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the south line of said tract herein described from which an 8-inch cedar fence post bears North 36° 44' West, a distance of 1.25 feet;

23) South 52° 58' 30" West with the north line of said 29.882-acre tract, at 1442.51 feet pass a fence corner, continuing for a total distance of 1661.02 feet to point located in the center of the east channel of the Blanco River and in the east line of a 102.04-acre tract as conveyed unto Janet Nance Bradshaw and Robert Scott Nance by deed recorded in Volume 902, Page 614 of the Official Public Records of Hays County, Texas, for the southwest corner of said tract described;

THENCE in a northwesterly direction with the east line of the 102.04-acre tract and the west line of said 1938.67-acre tract, the following courses and distances (calls 24 through 32);

24) North 31° 07' 28" West, with the centerline of said east channel of the Blanco River, a distance of 247.37 feet to an angle point in the west line of said tract herein described;

25) North 25° 35' 32" West, with the centerline of said east channel of the Blanco River, a distance of 406.01 feet to an angle point in the west line of said tract herein described;

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26) North 05° 41' 30" West, a distance of 123.00 feet to a point located on the east bank of the east channel of the Blanco River for an angle point in the west line of said tract herein described;

27) North 52° 23' 30" East, a distance of 72.00 feet to an Oak tree in fence line for an angle point in the west line of said tract herein described;

28) North 11° 45' 34" West with a barbed wire fence, a distance of 203.32 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the west line of said tract herein described;

29) North 13° 24' 25" West with a barbed wire fence, a distance of 303.61 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the west line of said tract herein described;

30) North 18° 49' 22" West with a barbed wire fence, a distance of 265.24 feet to a cedar fence post for an angle point in the west line of said tract herein described;

31) North 75° 14' 22" West, a distance of 486.70 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the west line of said tract herein described;

32) South 53° 35' 58" West, a distance of 119.76 feet to point located in the center of the Blanco River for a corner in the west line of said tract herein described and for the northeast corner of said 102.04-acre tract;

THENCE in a northwesterly direction with the meanders of the centerline of the Blanco River, the west line of said 1938.67-acre tract and the east line of a tract of land as conveyed unto Exekial Nance by deed recorded in Volume C, Page 487 of the Deed Records of Hays County, Texas, the following courses and distances (calls 33 through 51);

33) North 24° 02' 16" West, a distance of 1344.85 feet to an angle point in the west line of said tract herein described;

34) North 26° 15' 21" West, a distance of 1341.47 feet to an angle point in the west line of said tract herein described;

35) North 24° 19' 33" West, a distance of 1253.62 feet to an angle point in the west line of said tract herein described;

36) North 26° 26' 21" West, a distance of 445.60 feet to an angle point in the west line of said tract herein described;

37) North 22° 07' 09" West, a distance of 388.02 feet to an angle point in the west line of said tract herein described;

38) North 20° 08' 10" West, a distance of 228.62 feet to an angle point in the west line of said tract herein described;

39) North 35° 50' 03" West, a distance of 95.94 feet to an angle point in the west line of said tract herein described;

40) North 20° 34' 03" West, a distance of 91.79 feet to an angle point in the west line of said tract herein described;

41) North 14° 59' 48" West, a distance of 185.29 feet to an angle point in the west line of said tract herein described;

42) North 00° 02' 25" East, a distance of 92.60 feet to an angle point in the west line of said tract herein described;

43) North 12° 09' 25" East, a distance of 32.16 feet to an angle point in the west line of said tract herein described;

44) North 29° 03' 12" East, distance of 72.03 feet to an angle point in the west line of said tract herein described;

45) North 19° 26' 32" East, a distance of 118.15 feet to an angle point in the west line of said tract herein described;

46) North 11° 55' 55" East, a distance of 32.54 feet to an angle point in the west line of said tract herein described;

47) North 65° 36' 10" East, a distance of 98.62 feet to an angle point in the west line of said tract herein described;

48) North 24° 23' 50" West, a distance of 99.11 feet to an angle point in the west line of said tract herein described;

49) North 19° 12' 41" West, a distance of 178.40 feet to an angle point in the west line of said tract herein described;

50) North 24° 39' 30" West, a distance of 220.03 feet to an angle point in the west line of said tract herein described;

51) North 25° 27' 37" West, a distance of 206.51 feet to a point located in the south line of a 24.52-acre tract as conveyed unto Charles M. Decker, III, William S. Decker, Dr. Robert D. Decker and Marilyn Decker Elwell by deed recorded in Volume 345, Page 837 of the Deed Records of Hays County, Texas, for the northwest corner of said tract herein described;

52) THENCE North 43° 08' 11" East with the north line of said 1938.67-acre tract and the south line of said 24.52-acre tract, a distance of 441.09 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the north line of said tract herein described;

53) THENCE North 42° 38' 11" East continuing with the north line of said 1938.67-acre tract and the south line of said 24.52-acre tract, a distance of 496.12 feet to a 2-inch iron pipe fence corner for an angle point in the north line of said tract herein described;

THENCE in a northeasterly direction with a fence line, with the north line of said 1938.67-acre tract and with the south line of a 108.21-acre tract as conveyed unto Buckeye Partners, Ltd. By deed recorded in Volume 2238, Page 145 of the Official Public Records of Hays County, Texas, the following courses and distances (calls 54 through 66);

54) North 59° 34' 50" East, a distance of 665.61 feet to an angle point in the north line of said tract herein described;

55) North 59° 27' 50" East, a distance of 379.99 feet to an angle point in the north line of said tract herein described;

56) North 58° 50' 50" East, a distance of 298.07 feet to an angle point in the north line of said tract herein described;

57) North 59° 24' 50" East, a distance of 439.02 feet to an angle point in the north line of said tract herein described;

58) North 59° 39' 50" East, a distance of 595.25 feet to an angle point in the north line of said tract herein described;

59) North 59° 56' 50" East, a distance of 68.18 feet to an angle point in the north line of said tract herein described;

60) North 59° 59' 50" East, a distance of 273.44 feet to an angle point in the north line of said tract herein described;

61) North 59° 37' 50" East, a distance of 267.94 feet to an angle point in the north line of said tract herein described;

62) North 56° 33' 50" East, a distance of 13.30 feet to an angle point in the north line of said tract herein described;

63) North 52° 04' 50" East, a distance of 417.87 feet to an angle point in the north line of said tract herein described;

64) North 51° 01' 50" East, a distance of 471.83 feet to an angle point in the north line of said tract herein described;

65) North 50° 59' 50" East, a distance of 409.28 feet to an angle point in the north line of said tract herein described;

66) North 56° 27' 50" East, a distance of 25.80 feet to 2-inch iron pipe fence corner for an angle point in the north line of said tract herein described for the southeast corner of said 108.21-acre tract and the west corner of Lot 2 of Oak Mesa, a subdivision plat recorded in Volume 6, Page 47 of the Plat Records of Hays County, Texas;

67) THENCE North 56° 24' 56" East continuing with the north line of said 1938.67-acre tract and a south line of said Lot 2, a distance of 392.99 feet to a found 1/2-inch iron rod for a corner in the north line of said tract herein described from which an 8-inch fence post bears North 88° 53' West, a distance of 1.4 feet;

68) THENCE South 29° 04' 44" East with an east line of said 1938.67-acre tract and the west line of said Lot 2 and Lot 1 of said Oak Mesa, at 932.02 feet passing the south line of said Lot 1 and the north line of the residue of a 134.86 acre tract as conveyed unto Auburn E. Dennis by deed recorded in Volume 1057, Page 225 of the Deed Records of Hays County, Texas, continuing for a total distance of 2802.93 feet to a point located in the centerline of a stone fence for a corner in the north line of said tract herein described from which a cedar fence post bears North 00° 28' West, a distance of 5.2 feet;

69) THENCE North 43° 17' 57" East with a north line of said 1938.67-acre tract and the south line of the residue of said 134.86-acre tract, at 1415.62 feet passing the southwest corner of Lot 31 of Arroyo Ranch, Section Two, a subdivision plat recorded in Volume 10, Page 219 of the Plat Records of Hays County, Texas, continuing for a total distance of 1730.83 feet to point located in the centerline of a stone fence for an angle point in the north line of said tract herein described from which a found 5/8-inch iron rod bears South 54° 29' West, a distance of 8.7 feet;

70) THENCE South 82° 42' 45" East continuing with a north line of said 1938.67-acre tract and the south line of said Arroyo Ranch, Section Two, a distance of 1115.45 feet to point located in the centerline of a stone fence for an angle point in the north line of said tract herein described from which a found 1/2-inch iron rod bears South 88° 50' West, a distance of 37.6 feet;

71) THENCE North 43° 55' 32" East continuing with the north line of said 1938.67-acre tract and the south line of said Arroyo Ranch, Section Two, a distance of 1271.78 feet to a 2-inch iron pipe fence corner for an angle point in the north line of said tract herein described for an interior corner of Arroyo Ranch, Section One, a subdivision plat recorded in Volume 10, Page 179 of the Plat Records of Hays County, Texas;

THENCE with the east line of said 1938.67-acre tract, the following courses and distances (call 72 through 80);

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72) South 46° 21' 03" East, at 185.13 feet passing the south line of said Arroyo Ranch, Section One, and the north line of a 21.3-acre tract as conveyed unto Sallye Knutson by deed recorded in Volume 353, Page 240 of the Deed Records of Hays County, Texas, continuing for a total distance of 887.35 feet to an angle point in the east line of said tract herein described for the southwest corner of said 21.3-acre tract and the northwest corner of a 21.30-acre tract as conveyed unto Robert T. Walker and Sandra F. Walker by deed recorded in Volume 1976, Page 458 of the Official Public Records of Hays County, Texas;

73) South 46° 29' 25" East with the west line of said 21.30-acre tract, a distance of 578.70 feet to an angle point in the east line of said tract herein described for the southwest corner of said 21.30-acre tract and the northwest corner of Quail Meadows Subdivision, a subdivision plat recorded in Volume 7, Page 47 of the Plat Records of Hays County, Texas;

74) South 46° 13' 10" East with the west line of said Quail Meadows Subdivision, a distance of 408.76 feet to an angle point in the east line of said tract herein described;

75) South 47° 03' 10" East continuing with the west line of said Quail Meadows Subdivision, a distance of 405.20 feet to an angle point in the east line of said tract herein described;

76) South 47° 52' 44" East continuing with the west line of said Quail Meadows Subdivision, a distance of 296.23 feet to an angle point in the east line of said tract herein described;

77) South 47° 19' 33" East continuing with the west line of said Quail Meadows Subdivision, a distance of 499.63 feet to a found 6-inch cedar fence post for an angle point in the east line of said tract herein described, for the southwest corner of said Quail Meadows Subdivision and for the northwest corner of said 62.10-acre tract;

78) South 46° 53' 37" East with the west line of said 62.10-acre tract, a distance of 359.95 feet to an angle point in the east line of said tract herein described;

79) South 45° 49' 07" East continuing with the west line of said 62.10-acre tract, a distance of 436.01 feet to an angle point in the east line of said tract herein described;

80) South 46° 25' 31" East continuing with the west line of said 62.10-acre tract, a distance of 1445.81 feet to a found cedar fence post for corner of said tract herein described and for the northeast corner of said 12.46-acre tract;

81) THENCE South 40° 21' 31" West with the north line of said 12.46-acre tract, a distance of 1018.19 feet to a found 1/2-inch iron rod for a corner of said tract herein described and for the northwest corner of said 12.46-acre tract;

82) THENCE South 50° 23' 48" East with the west line of said 12.46-acre tract, at 96.71 feet pass a cedar fence post, continuing for a total distance of 255.73 feet to a cedar fence post for an angle point in the south line of said tract herein described;

83) THENCE North 40° 43' 43" East with the west line of said 12.46-acre tract, a distance of 42.90 feet to a cedar fence post for an angle point in the south line of said tract herein described;

84) THENCE South 52° 52' 44" East with the west line of said 12.46-acre tract, a distance of 85.65 feet to a found 1/2-inch iron rod for an angle point in the south line of said tract herein described;

85) THENCE South 51° 46' 28" East with the west line of said 12.46-acre tract, a distance of 159.01 feet to a found 1/2-inch iron rod for a corner of said tract herein described;

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86) THENCE North 43° 53' 50" East with the south line of said 12.46-acre tract, a distance of 92.20 feet to a found 1/2-inch iron rod for an angle point in the south line of said tract herein described;

87) THENCE South 78° 26' 49" East with the south line of said 12.46-acre tract, a distance of 101.28 feet to the **POINT OF BEGINNING** and containing 1971.29 acres (85,869,500 square feet) of land, more or less.

Note: This metes and bounds description is referenced to a survey drawing prepared by Cobb, Fendley & Associates, Inc. dated August 9, 2005.

Cobb, Fendley & Associates, Inc.
5300 Hollister, Suite 400
Houston, Texas 77040
Ph. 713-462-3242

Job No. 0402-070-01

August 9, 2005

TEXAS UNITED TITLE, INC.
901 S. Mopac Expwy
Bldg. 1, Suite 540
Austin, Texas 78746

ORIGINAL SCALE
1" = 50'

Bk 05024825 OPR Vol 2755 Pg 848-A

S 43° 51' 28" E 558.91'

S 45° 35' 57" W 163.70'

S 46° 08' 08" E 250.09'

12.00 ± AC.

10.63 ± AC.

1.37 ± AC.

N 49° 00' 20" E 236.38'

S 45° 47' 22" W 231.21'

HAYS COUNTY ROAD NO. 136

A. W. GREGG ET UX TO MARY E. KINSALA (1.75 AC.) 2/4/82

WATER WELLS

WATER TANKS

FRAME BUILDING

N 47° 04' 46" W 263.54'

S 45° 40' 19" W 85.60'

ROCK WALL

F. D. GLASS, JR. TO A. W. GREGG (1938.67 AC.) 10/22/48

A. W. GREGG TO KY-TEX PROPERTIES, INC. (1938.67 AC.) 8/1/60

N 42° 24' 04" E 1023.77'

TIN SHED

OLD ROADBED - POSSIBLY ABANDONED

S 46° 07' 48" W 243.16'

FRAME BUILDING

TIN SHED

FRAME BUILDING

TRACT 2-0.15 AC.

ROCK WALL

S 44° 40' 20" W 19.26'

S 22° 56' 01" E 29.44'

S 14° 23' 38" E 64.76'

10' ASPHALT ROAD

12' GRAVEL ROAD

11.90 ± AC. 0.10 ± AC.

N 76° 24' 39" W 100.97'

ERNEST R. GRIFFIN TO A. W. GREGG (251 AC.) 2/28/51

A. W. GREGG ET UX TO BOBIE LYNN ROBINSON (TRACT 1-0.72 AC.) 2/4/82

A. W. GREGG TO KY-TEX PROPERTIES, INC. (251 AC.) 8/1/60

S 45° 51' 22" W 92.25'

S 42° 03' 56" W 43.52'

N 50° 29' 17" W 85.77'

N 49° 44' 48" W 159.02'

N 48° 21' 23" W 256.09'

GDS HESSLER, JR. & EDWARDS HESSLER TO ALSTON E. FRANKE ET UX (2.42 AC.) 8/19/71

SURVEYOR'S NOTES

1. FENCES MEANDER.
2. BEARINGS, DISTANCES, AND AREAS IN PARENTHESES ARE FROM RECOR INFORMATION.
3. THIS TRACT MAY BE SUBJECT TO A 10 FOOT WIDE EASEMENT CONVEYE A DEED FROM A. W. GREGG TO GTE SOUTHWEST INCORPORATED DATED MAY 11, 1988 AND RECORDED IN VOLUME 737, PAGE 714 OF THE HAYS COUNTY DEED RECORDS. THIS INSTRUMENT DOES NOT STATE A LOCATION, EXCEPT THAT IT IS TO BE CENTERED ON THE CABLE AS INSTALLED.
4. THIS TRACT IS SUBJECT TO INGRESS AND EGRESS RIGHTS CONVEYED EASEMENT FROM KY-TEX PROPERTIES, INC TO THE L&J CO. DATED 6/ AND RECORDED IN VOLUME 874, PAGE 669 AND AMENDED IN VOLUME 8 PAGE 890 OF THE HAYS COUNTY REAL PROPERTY RECORDS.
5. ACCORDING TO THE H. U. D. FEDERAL INSURANCE ADMINISTRATION FL HAZARD BOUNDARY MAP NO. 480321 0005 A, THIS TRACT IS NOT WITH ZONE "A" (A SPECIAL FLOOD HAZARD).

LEGEND

- 1/2" IRON ROD FOUND
- 1/2" IRON ROD SET
- UTILITY POLE AND LINE
- FENCE POST
- FENCE LINE
- HAYS COUNTY DEED OR REAL PROPERTY RECORDS

I HEREBY STATE TO THE BEST OF MY SKILL AND KNOWLEDGE: THAT THIS PLAT IS TRUE AND CORRECT ACCORDING TO AN ACTUAL SURVEY MADE ON THE GROUND OF THE TRACT SHOWN HEREON DURING JULY, 1991.

DAVID C. WILLIAMSON, R.P.L.S. No. 4190

STATE OF TEXAS REGISTERED DAVID C. WILLIAMSON 4190 PROFESSIONAL LAND SURVEYOR

GREGG, A. W.
JULY 18, 1991
EVERETT, BRYANT
EVERETT, BRYANT

EXHIBIT B

BYRN & ASSOCIATES INC.
ENGINEERS SURVEYORS

PLAT OF A SURVEY OF

(17)

File No. 155382

Hays County

Easement Agreement-Recorded

Date Filed: 2-14-06

Jerry E. Patterson, Commissioner

By Isabel Alfaro

SCANNED
DATE 5/21/07

Bk Vol Ps
05024825 OPR 2755 848 -B

Filed for Record in:
Hays County
On: Aug 25, 2005 at 11:08A
Document Number: 05024825
Amount: 40.00
Receipt Number - 131559
By,
Rose Robinson, Deputy

Lee Carlisle, County Clerk
Hays County

First American Title Insurance Company

096955 O **OWNER POLICY OF TITLE INSURANCE**

Issued by

FIRST AMERICAN TITLE INSURANCE COMPANY

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, FIRST AMERICAN TITLE INSURANCE COMPANY, a California 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 HEREOF, the FIRST AMERICAN TITLE INSURANCE COMPANY has caused this policy to be executed by its President under the seal of the Company, but this policy is to be valid only when it bears an authorized countersignature, as of the date set forth in Schedule A.

FIRST AMERICAN TITLE INSURANCE COMPANY INCORPORATED SEPTEMBER 24 1968 CALIFORNIA

ATTEST

Mark R Arnesen

Secretary,

First American Title Insurance Company

BY Gary L Kermott 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 or (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 title 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.

OWNER POLICY OF TITLE INSURANCE

SCHEDULE A

H01:209-0-34739
G.F. No. **0508767CDDK**

Policy No. **096955-O**

Amount of Insurance: **$23,655,480.00**

Premium: **$97,040.45**

Date of Policy: **August 25, 2005, 11:08 am**

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:

BEING a tract of land containing 1971.29 acres (85,869,500 square feet) situated in the Caleb W. Baker Survey, A-31, the Seaborn Berry Survey, A-32, the John Cooper Survey, A-99, the William Dunbar Survey, A-156, the Thos. C. Snailum Survey, A-409 and the Samuel Pharass Survey, A-360 in Hays County, Texas, and also being all of 1938.67 acre tract as conveyed unto A. W. Gregg by deed recorded in volume 142, Page 290 of the Deed Records of Hays County, Texas, and being all of the residue of a 251-acre tract as conveyed unto A. W. Gregg by deed recorded in Volume 167, Page 365 of the Deed Records of Hays County, Texas. Said 1971.29 acre tract being more particularly described by metes and bounds as follows:

COMMENCING FOR REFERENCE at a found 1/2-inch iron rod with cap marked "Byrn Survey" located at the south end of a cutback for the intersection of the north line of Hays County Road No. 136 (Old Austin-San Antonio Road) (undefined width) and the west right-of-way line of FM 150 (80 feet width) for a southeast corner of a 10.00 acre tract as conveyed unto Robert C. Edge by deed recorded in Volume 2305, Page 645 of the Official Public Records of Hays County, Texas;

THENCE South 43 degrees 45 minutes 38 seconds West with the north line of said County Road No. 136 and the south line of said 10.00 acre tract, a distance of 1100.56 feet to a found cedar fence corner post for the southwest corner of said 10.00 acre tract and the southeast corner of a 2.62 acre tract as conveyed unto Catholic Family Fraternal of Texas - K.J.Z.T. by deed recorded in Volume 1276, Page 32 of the Official Public Records of Hays County, Texas;

THENCE South 40 degrees 38 minutes 53 seconds West continuing with the north line of said County Road No. 136 and the south line of said 2.62 acre tract, a distance of 176.82 feet to a found 8-inch fence post for the southeast corner of said 1938.67 acre tract, for the southwest corner of said 2.62 acre tract and for the southeast corner of a 12.46 acre tract as described in instrument "Right of First Refusal Agreement" between A. W. Gregg and Robie Gregg and children recorded in Volume 370, Page 660 of the Deed Records of Hays County, Texas;

THENCE continuing with the north line of said County Road No. 136, the south line of said 1938.67 acre tract and the south line of said 12.46 acre tract, the following courses and distances;

South 43 degrees 34 minutes 16 seconds West, a distance of 163.80 feet to a point;
South 43 degrees 45 minutes 57 seconds West, a distance of 231.21 feet to a found 1/2-inch iron rod;
South 43 degrees 38 minutes 54 seconds West, a distance of 85.60 feet to a found 1/2-inch iron rod;
South 44 degrees 06 minutes 23 seconds West, a distance of 243.16 feet to a stone fence corner;

South 42 degrees 38 minutes 55 seconds West, a distance of 19.28 feet to a point;

THENCE South 24 degrees 57 minutes 26 seconds East continuing with the west line of said County Road No. 136 and the east line of the residue of said 251-acre tract, a distance of 29.44 feet to a point;

THENCE South 16 degrees 41 minutes 25 seconds East continuing with the west line of said County Road No. 136 and the east line of the residue of said 251 acre tract, a distance of 65.01 feet to a found 1/2-inch iron rod for a southeast corner of said tract herein described and for the POINT OF BEGINNING;

1) THENCE South 16 degrees 19 minutes 59 seconds East, a distance of 1931.88 feet to a found 60d nail at a fence post for a corner of said tract herein described, for the south corner of the residue of said 251 acre tract and for the east corner of a 195.27 acre tract as conveyed unto Robert Reed Hawn by deed recorded in Volume 266, Page 410 of the Deed Records of Hays County, Texas, and in by deed recorded in Volume 1201, Page 659 of the Official Public Records of Hays County, Texas;

THENCE in a northwesterly direction with the west line of the residue of said 251 acre tract and the east line of said 195.27 acre tract the following courses and distances (calls 2 through 7);

2) North 69 degrees 28 minutes 11 seconds West, a distance of 542.50 feet to a cedar fence post for an angle point in the south line of said tract herein described;

3) South 46 degrees 06 minutes 24 seconds West, a distance of 356.81 feet to a cedar fence post for an angle point in south line of said tract herein described;

4) North 45 degrees 28 minutes 44 seconds West, a distance of 460.09 feet to a cedar fence post for an angle point in the south line of said tract herein described;

5) North 77 degrees 38 minutes 18 seconds West, a distance of 177.53 feet to a cedar fence post of an angle point in the south line of said tract herein described;

6) North 57 degrees 17 minutes 14 seconds West, a distance of 251.72 feet to a cedar fence post for an angle point in the south line of said tract herein described;

7) North 78 degrees 30 minutes 33 seconds West, a distance of 468.22 feet to a cedar fence post located in the south line of said 1938.67 acre tract for an angle point in the south line of said tract herein described and for the northeast corner of said 195.27 acre tract;

8) THENCE South 44 degrees 07 minutes 43 seconds West with the south line of said 1938.67 acre tract and the north line of said 195.27 acre tract, a distance of 2614.19 feet to a found 5/8-inch iron rod with aluminum cap for an angle point in the south line of said tract herein described for the northwest corner of said 195.27 acre tract and the north corner of a 260.12 acre tract as conveyed unto Robert Nance and Martha Jane allen by deed recorded in volume 135, Page 456 of the Deed Records of Hays County, Texas;

9) THENCE South 44 degrees 00 minutes 02 seconds West continuing with the south line of said 1938.67 acre tract and the north line of said 260.12 acre tract, a distance of 2165.22 feet to railroad spike at the base of an old cedar fence post for a corner in the south line of said tract herein described for the southeast corner of a 32.432 acre tract as conveyed unto Thomas H. Nance, Jr., and Flora Mae Roberts by deed recorded in Volume 651, Page 702 of the Deed Records of Hays County, Texas;

10) THENCE North 42 degrees 31 minutes 45 seconds West with a west line of said 1938.67 acre tract and the east line of said 32.432 acre tract, at 73 feet pass a twin trunk Oak tree, continuing for a total distance of 835.00 feet to the end of a rock wall/stone fence for an angle point in a west line of said tract herein described;

11) THENCE North 48 degrees 11 minutes 44 seconds West with a west line of said 1938.67 acre tract and the east

line of said 32.432 acre tract, a distance of 591.59 feet to a 16-inch Hackberry tree in the fence line for an angle point in a west line of said tract herein described;

12) THENCE North 54 degrees 28 minutes 06 seconds West with a west line of said 1938.67 acre tract and the east line of said 32.432 acre tract, a distance of 455.05 feet to 6-inch cedar fence post for an angle post n a west line of said tract herein described;

13) THENCE North 53 degrees 21 minutes 39 seconds West with a west line of said 1938.67 acre tract and the east line of said 32.432 acre tract, a distance of 292.80 feet to a 6-inch cedar fence post for an angle point in a west line of said tract herein described;

14) THENCE North 64 degrees 39 minutes 18 seconds West with a west line of said 1938.67 acre tract and the east line of said 32.432 acre tract, a distance of 34.87 feet to an 18-inch Elm tree in the fence line for a corner in the south line of said tract herein described for the northeast corner of said 32.432 acre tract and for an interior corner of said 1938.67 acre tract;

THENCE with a south line of said 1938.67 acre tract, the following courses and distances (calls 15 through 23);

15) South 61 degrees 37 minutes 51 seconds West with the north line of said 32.432 acre tract, a distance of 426.248 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" located in the north line of a 22.421 acre tract as conveyed unto Martha Nance Picton by deed recorded in Volume 651, Page 702 of the Hays County, Texas, for an angle point in the south line of said tract herein described;

16) South 53 degrees 30 minutes 25 seconds West with the north line of a 22.421 acre tract, a distance of 842.81 feet to a found 1/2-inch iron rod for a corner in the south line of said tract herein described and for the northwest corner of said 22.421 acre tract;

17) South 41 degrees 21 minutes 25 seconds East with the west line of said 22.421 acre tract, a distance of 491.62 feet to a found 1/2-inch iron rod located in the north line of 17.313 acre tract as conveyed unto David Laverne Allen and Grace Crumley by deed recorded in Volume 651, Page 702 of the Deed Records of Hays County, Texas, for a corner in the south line of said tract herein described;

18) South 38 degrees 21 minutes 19 seconds West with the north line of said 17.313 acre tract, a distance of 489.14 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the south line of said tract herein described;

19) South 43 degrees 54 minutes 19 seconds West, with the north line of said 17.313 acre tract, a distance of 409.24 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the south line of said tract herein described;

20) South 30 degrees 15 minutes 19 seconds West with the north line of said 17.313 acre tract, a distance of 133.80 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the south line of said tract herein described;

21) South 36 degrees 02 minutes 19 seconds West with the north line of said 17.313 acre tract, a distance of 81.45 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" located in the east line of a 29.882 acre tract as conveyed unto David Laverne Allen and Grace Crumley by deed recorded in Volume 651, Page 702 of the Deed Records of Hays County, Texas, for an angle point in the south line of said tract herein described;

22) North 36 degrees 45 minutes 13 seconds West with the east line of said 29.882 acre tract, a distance of 753.61 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the south line of said tract herein described from which an 8-inch cedar fence post bears North 36 degrees 44 minutes West, a distance of 1.25 feet;

22) South 52 degrees 58 minutes 30 seconds West with the north line of said 29.882 acre tract, at 1442.51 feet pass a fence corner, continuing for a total distance of 1661.02 feet to a point located in the center of the east channel of the Blanco River and in the east line of a 102.04 acre tract as conveyed unto Janet Nance Bradshaw and Robert Scott Nance by deed recorded in Volume 902, Page 614 of the Official Public Records of Hays County, Texas, for the southwest corner of said tract described;

THENCE in a northwesterly direction with the east line of the 102.04 acre tract and the west line of said 1938.67 acre tract, the following courses and distances (calls 24 through 32);

24) North 31 degrees 07 minutes 28 seconds West, with the centerline of said east channel of the Blanco River, a distance of 247.37 feet to an angle point in the west line of said tract herein described;

25) North 25 degrees 35 minutes 32 seconds West, with the centerline of said east channel of the Blanco River, a distance of 406.01 feet to an angle point in the west line of said tract herein described;

26) North 05 degrees 41 minutes 30 seconds West, a distance of 123.00 feet to a point located on the east bank of the est channel of the Blanco River for an angle point in the west line of said tract herein described;

27) North 52 degrees 23 minutes 30 seconds East, a distance of 72.00 feet to an Oak tree in fence line for an angle point in the west line of said tract herein described;

28) North 11 degrees 45 minutes 34 seconds West with a barbed wire fence, a distance of 203.32 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the west line of said tract herein described;

29) North 13 degrees 24 minutes 25 seconds West with a barbed wire fence, a distance of 303.61 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the west line of said tract herein described;

30) North 18 degrees 49 minutes 22 seconds West with a barbed wire fence, a distance of 265.24 feet to a cedar fence post for an angle point in the west line of said tract herein described;

31) North 75 degrees 14 minutes 22 seconds West, a distance of 486.70 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the west line of said tract herein described;

33) South 53 degrees 35 minutes 58 seconds West, a distance of 119.76 feet to point located in the center of the Blanco River for a corner in the west line of said tract herein described and for the northeast corner of said 102.04 acre tract;

THENCE in a northwesterly direction with the meanders of the centerline of the Blanco River, the west line of said 1938.67 acre tract and the east line of a tract of land as conveyed unto Exekial Nance by deed recorded in Volume C, Page 487 of the Deed Records of Hays County, Texas, the following courses and distances (calls 33 through 51);

33) North 24 degrees 02 minutes 16 seconds West, a distance of 1344.85 feet to an angle point in the west line of said tract herein described;

34) North 26 degrees 15 minutes 21 seconds West, a distance of 1341.57 feet to an angle point in the west line of said tract herein described;

35) North 24 degrees 19 minutes 33 seconds West, a distance of 1253.62 feet to an angle point in the west line of said tract herein described;

36) North 26 degrees 26 minutes 21 seconds West, a distance of 445.60 feet to an angle point in the west line of said tract herein described;

37) North 22 degrees 07 minutes 09 seconds West, a distance of 388.02 feet to an angle point in the west line of said tract herein described;

38) North 20 degrees 08 minutes 10 seconds West, a distance of 228.62 feet to an angle point in the west line of said tract herein described;

39) North 35 degrees 50 minutes 03 seconds West, a distance of 95.94 feet to an angle point in the west line of said tract herein described;

40) North 20 degrees 34 minutes 03 seconds West, a distance of 91.79 feet to an angle point in the west line of said tract herein described;

41) North 14 degrees 59 minutes 48 seconds West, a distance of 185.29 feet to an angle point in the west line of said tract herein described;

42) North 00 degrees 02 minutes 25 seconds East, a distance of 92.60 feet to an angle point in the west line of said tract herein described;

43) North 12 degrees 09 minutes 25 seconds East, a distance of 32.16 feet to an angle point in the west line of said tract herein described;

44) North 29 degrees 03 minutes 12 seconds East, distance of 72.03 feet to an angle point in the west line of said tract herein described;

45) North 19 degrees 26 minutes 32 seconds East, a distance of 118.15 feet to an angle point in the west line of said tract herein described;

46) North 11 degrees 55 minutes 55 seconds East, a distance of 32.54 feet to an angle point in the west line of said tract herein described;

47) North 65 degrees 36 minutes 10 seconds East, a distance of 98.62 feet to an angle point in the west line of said tract herein described;

48) North 24 degrees 23 minutes 50 seconds West, a distance of 99.11 feet to an angle point in the west line of said tract herein described;

49) North 19 degrees 12 minutes 41 seconds West, a distance of 178.40 feet to an angle point in the west line of said tract herein described;

50) North 24 degrees 39 minutes 30 seconds West, a distance of 220.03 feet to an angle point in the west line of said tract herein described;

51) North 25 degrees 27 minutes 37 seconds West, a distance of 206.51 feet to a point located in the south line of a 24.52 acre tract as conveyed unto Charles M. Decker, III, William S. Decker, Dr. Robert D. Decker and Marilyn Decker Elwell by deed recorded in Volume 345, Page 837 of the Deed Records of Hays County, Texas, for the northwest corner of said tract herein described;

52) THENCE North 43 degrees 08 minutes 11 seconds East with the north line of said 1938.67 acre tract and the south line of said 24.52 acre tract, a distance of 441.09 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the north line of said tract herein described;

53) THENCE North 42 degrees 38 minutes 11 seconds East continuing with the north line of said 1938.67 acre tract and the south line of said 24.52 acre tract, a distance of 496.12 feet to a 2-inch iron pipe fence corner for an angle

point in the north line of said tract herein described;

THENCE in a northeasterly direction with a fence line, with the north line of said 1938.67 acre tract and with the south line of a 108.21 acre tract as conveyed unto Buckeye Partners, Ltd. by deed recorded in Volume 2238, page 145 of the Official Public Records of Hays County, Texas, the following courses and distances (calls 54 through 66);

54) North 59 degrees 34 minutes 50 seconds East, a distance of 665.61 feet to an angle point in the north line of said tract herein described;

55) North 59 degrees 27 minutes 50 seconds East, a distance of 379.99 feet to an angle point in the north line of said tract herein described;

56) North 58 degrees 50 minutes 50 seconds East, a distance of 298.07 feet to an angle point in the north line of said tract herein described;

57) North 59 degrees 24 minutes 50 seconds East, a distance of 439.02 feet to an angle point in the north line of said tract herein described;

58) North 59 degrees 39 minutes 50 seconds East, a distance of 595.25 feet to an angle point in the north line of said tract herein described;

59) North 59 degrees 56 minutes 50 seconds East, a distance of 68.18 feet to an angle point in the north line of said tract herein described;

60) North 59 degrees 59 minutes 50 seconds East, a distance of 273.44 feet to an angle point in the north line of said tract herein described;

61) North 59 degrees 37 minutes 50 seconds East, a distance of 267.94 feet to an angle point in the north line of said tract herein described;

62) North 56 degrees 33 minutes 50 seconds East, a distance of 13.30 feet to an angle point in the north line of said tract herein described;

63) North 52 degrees 04 minutes 50 seconds East, a distance of 417.87 feet to an angle point in the north line of said tract herein described;

64) North 51 degrees 01 minutes 50 seconds East, a distance of 471.83 feet to an angle point in the north line of said tract herein described;

65) North 50 degrees 59 minutes 50 seconds East, a distance of 409.28 feet to an angle point in the north line of said tract herein described;

66) North 56 degrees 27 minutes 50 seconds East, a distance of 25.80 feet to a 2-inch iron pipe fence corner for an angle point in the north line of said tract herein described for the southeast corner of said 108.21 acre tract and the west corner of Lot 2 of Oak Mesa

67) THENCE North 56 degrees 24 minutes 56 seconds East continuing with the north line of said 1938.67 acre tract and a south line of said Lot 2, a distance of 392.99 feet to a found 1/2-inch iron rod for corner in the north line of said tract herein described from which an 8-inch fence post fence bears North 88 degrees 53 minutes West, a distance of 1.4 feet;

68) THENCE South 29 degrees 04 minutes 44 seconds East with an east line of said 1938.67 acre tract and the west line of said Lot 2 and Lot 1 of said Oak Mesa, at 932.02 feet passing the south line of said Lot 1 and the north line of the residue of a 134.86 acre tract as conveyed unto Auburn E. Dennis by deed recorded in Volume 1057, Page 225 of

the Deed Records of Hays County, Texas, continuing for a total distance of 2802.93 feet to a point located in the centerline of a stone fence for a corner in the north line of said tract herein described from which a cedar fence post bears North 00 degrees 28 minutes West, a distance of 5.2 feet;

69) THENCE North 43 degrees 17 minutes 57 seconds East with a north line of said 1938.67 acre tract and the south line of the residue of said 134.86 acre tract, at 1415.62 feet passing the southwest corner of Lot 31 of Arroyo Ranch, Section Two, a subdivision plat recorded in volume 10, Page 219 of the Plat Records of Hays County, Texas, continuing for a total distance of 1730.83 feet to point located in the centerline of a stone fence for an angle point in the north line of said tract herein described from which a found 5/8-inch iron rod bears South 54 degrees 29 minutes West, a distance of 8.7 feet;

70) THENCE South 82 degrees 42 minutes 45 seconds East continuing with a north line of said 1938.67 acre tract and the south line of said Arroyo Ranch, Section Two, a distance of 1115.45 feet to a point located in the centerline of a stone fence for an angle point in the north line of said tract herein described from which a found 1/2-inch iron rod bears South 88 degrees 50 minutes West, a distance of 37.6 feet;

71) THENCE North 43 degrees 55 minutes 32 seconds East continuing with the north line of said 1938.67 acre tract and the south line of said Arroyo Ranch, Section Two, a distance of 1271.78 feet to a 2-inch iron pipe fence corner for an angle point in the north line of said tract herein described for an interior corner of Arroyo Ranch, Section One, a subdivision plat recorded in Volume 10, Page 179 of the Plat Records of Hays County, Texas;

THENCE with the east line of said 1938.67 acre tract, the following courses and distances (call 72 through 80);

72) South 46 degrees 21 minutes 03 seconds East, at 185.13 feet passing the south line of said Arroyo Ranch, Section One, and the north line of a 21.3 acre tract as conveyed unto Sallye Knutson by deed recorded in volume 353, Page 240 of the Deed Records of Hays County, Texas, continuing for a total distance of 887.35 feet to an angle point in the east line of said tract herein described for the southwest corner of said 21.3 acre tract and the northwest corner of a 21.30 acre tract as conveyed unto Robert T. Walker and Sandra F. Walker by deed recorded in volume 1976, Page 458 of the Official Public Records of Hays County, Texas;

73) South 46 degrees 29 minutes 25 seconds East with the west line of said 21.30 acre tract, a distance of 578.70 feet to an angle point in the east line of said tract herein described for the southwest corner of said 21.30 acre tract and the northwest corner of Quail meadows Subdivision, a subdivision plat recorded in Volume 7, Page 47 of the Plat Records of Hays County, Texas;

74) South 46 degrees 13 minutes 10 seconds East with the west line of said Quail Meadows Subdivision, a distance of 408.76 feet to an angle point in the east line of said tract herein described;

75) South 47 degrees 03 minutes 10 seconds East continuing with the west line of said Quail Meadows Subdivision, a distance of 405.20 feet to an angle point in the east line of said tract herein described;

76) South 47 degrees 52 minutes 44 seconds East continuing with the west line of said Quail Meadows Subdivision, a distance of 296.23 feet to an angle point in the east line of said tract herein described;

77) South 47 degrees 19 minutes 33 seconds East continuing with the west line of said Quail Meadows Subdivision, a distance of 499.63 feet to a found 6-inch cedar fence post for an angle point in the east line of said tract herein described, for the southwest corner of said Quail Meadows Subdivision and for the northwest corner of said 62.10 acre tract;

78) South 46 degrees 53 minutes 37 seconds East with the west line of said 62.10 acre tract, a distance of 359.95 feet to an angle point in the east line of said tract herein described;

79) South 45 degrees 49 minutes 07 seconds East continuing with the west line of said 62.10 acre tract, a distance of 436.01 feet to an angle point in the east line of said tract herein described;

80) South 46 degrees 25 minutes 31 seconds East continuing with the west line of said 62.10 acre tract, a distance of 1445.81 feet to a found cedar fence post for corner of said tract herein described and for the northeast corner of said 12.46 acre tract;

81) THENCE South 40 degrees 21 minutes 31 seconds West with the north line of said 12.46 acre tract, a distance of 1018.19 feet to a found 1/2-inch iron rod for a corner of said tract herein described and for the northwest corner of said 12.46 acre tract;

82) THENCE South 50 degrees 23 minutes 48 seconds East with the west line of said 12.46 acre tract, at 96.71 feet pass a cedar fence post, continuing for a total distance of 255.73 feet to a cedar fence post for an angle point in the south line of said tract herein described;

83) THENCE North 40 degrees 43 minutes 43 seconds East with the west line of said 12.46 acre tract, a distance of 42.90 feet to a cedar fence post for an angle point in the south line of said tract herein described;

84) THENCE South 52 degrees 52 minutes 44 seconds East with the west line of said 12.46 acre tract, a distance of 85.65 feet to a found 1/2-inch iron rod for an angle point in the south line of said tract herein described;

85) THENCE South 51 degrees 46 minutes 28 seconds East with the west line of said 12.46 acre tract, a distance of 159.01 feet to a found 1/2-inch iron rod for a corner of said tract herein described;

86) THENCE North 43 degrees 53 minutes 50 seconds East with the south line of said 12.46 acre tract, a distance of 92.20 feet to a found 1/2-inch iron rod for an angle point in the south line of said tract herein described;

87) THENCE South 78 degrees 26 minutes 49 seconds East with the south line of said 12.46 acre tract, a distance of 101.28 feet to the POINT OF BEGINNING and containing 1971.29 acres (85,869,500 square feet) of land, more or less.

NOTE: 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.

OWNER POLICY OF TITLE INSURANCE

SCHEDULE B

G.F. No. **0508767CDDK**

Policy No. **096955-O**

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

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.

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 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. Rights of parties in possession.

   b. Rights of tenants in possession under unrecorded leases or rental agreements.

   c. Easement to the Texas Pipe Line Company recorded in Volume 138, Page 195, Deed Records, Hays County, Texas, for pipe line, and as shown on survey dated August 9, 2005, prepared by Stephanie Ann Funk, Registered Professional Land Surveyor No. 5375.

d. **Easement to GTE Southwest Incorporated recorded in Volume 737, Page 716, Real Property Records, Hays County, Texas, for communication cable and appurtenances, and as noted on survey dated August 9, 2005, prepared by Stephanie Ann Funk, Registered Professional Land Surveyor No. 5375.**

e. **Easement to Karnack Corporation recorded in Volume 881, Page 15, Official Public Records, Hays County, Texas, for tower and related facilities, and as shown on survey dated August 9, 2005, prepared by Stephanie Ann Funk, Registered Professional Land Surveyor No. 5375.**

f. **Terms, conditions and stipulations in Lease Agreement recorded in Volume 141, Page 444, Deed Records, Hays County, Texas, between F. D. Glass, Jr., Lessor, and The Texas Pipe Line Company, Lessee.**

g. **Terms, conditions and stipulations in Lease Agreement recorded in Volume 1367, Page 638, as corrected in Volume 1372, Page 759, Official Public Records, Hays County, Texas, between A. W. Gregg, Lessor, and Texaco Pipeline, Inc., (successor to The Texas Pipe LIne Company), as Lessee, and as shown on survey dated August 9, 2005, prepared by Stephanie Ann Funk, Registered Professional Land Surveyor No. 5375.**

h. **Terms, conditions and stipulations in Ordinance No. 199 (ETJ of City of Kyle) recorded in Volume 565, Page 838, Real Property Records, Hays County, Texas.**

i. **Mineral and/or royalty interest, as to Tract 2, recorded in Volume 110, Page 89, Deed Records, Hays County, Texas.**

Title to said interest not checked subsequent to date of aforementioned instrument. If a T-19 is to be issued, as to this item, paragraph 3 (b) is deleted therefrom.

j. **No liability is assumed by reason of that portion of subject property lying within Blanco River, as shown on survey dated August 9, 2005, prepared by Stephanie Ann Funk, Registered Professional Land Surveyor No. 5375.**

k. **Location of overhead electric lines, power poles and service poles as shown on survey dated August 9, 2005, prepared by Stephanie Ann Funk, Registered Professional Land Surveyor No. 5375.**

l. **Road and Access Easement to Robie Lynn Robinson, dated August 24, 2005, executed by A.W. Gregg, Jr., recorded in Volume 2755, Page 831, of the Deed Records of Hays County, Texas.**

m. **Access Easement to State of Texas, for the use and benefit of the Permanent School Fund, dated August 24, 2005, executed by A.W. Gregg, Jr., recorded in Volume 2755, Page 835, of the Deed Records of Hays County, Texas.**

n. **Terms, conditions and stipulations of Lease Agreement between the State of Texas, acting by and through the Commissioner of the General Land Office, on behalf of the Permanent School Fund, as lessor, and KY-TEX Properties, L.P., as Lessee, dated August 24, 2005, filed for record August 25, 2005, recorded in Volume 2755, Page 849, of the Deed Records of Hays County, Texas.**

First American Title Company of California
By:
Texas United Title, Inc.

By _____
Authorized Countersignature

(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) in 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.

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; or

(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 the 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 or 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, any 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 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 the Company at: First American Title Insurance Company, 1500 S. Dairy Ashford, Suite 300, Houston, TX 77077.

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 149104, Austin, TX 78714-9104, Fax No. (512) 305-7426. This notice of complaint procedure is for information only and does not become a part or condition of this policy.

File No. 155382

Date Filed: 3-14-07

Jerry E. Patterson, Commissioner

By

Clerk

(18)

Owner Policy

ISSUED BY:

SCANNED
DATE 5/21/07

Texas United Title, Inc.
1600 West Business 380
Decatur, TX 76234
(940) 627-7180 FAX: (940) 627-6857

First American Title Insurance Company

1500 South Dairy Ashford, Suite 300
Houston, Texas (77077)
(281) 588-2200
Wats Line: 1-800-347-7826

FOR INFORMATION, OR TO MAKE A COMPLAINT, CALL: 1-800-347-7826

LAND ACQUISITION CHECKLIST
Documents that go in new Archive School File

File No.: 155382 Property Name: Blanco River Ranch

Date: 2/14/06 County: Hays Acres: 1,971.29

Project Manager: A. Dabney 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 ✓

Updated 12/19/05

(19)

File No. 155382

Hays County

Land Acquisition Checklist

Date Filed: 2-14-06

Jerry E. Patterson, Commissioner

By Isabel Alfaro

ARCHIVE FILE ROUTING CHECKLIST
ASSET MANAGEMENT DIVISION

New File No.: 155382 Old File No.: —

New Control No.: 18-1063 Old Control No.: —

County: Hays Acres: 1,971.29

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	2/14/06	IA.
	Endorse/Review Old File Jacket	—	—
	Update/Review Record GLOBase & PSF Land	2/14/06	IA
	Index Archive File Routing Checklist	3/13/07	IA
	Transfer File to Archives & Records	3/13/07	IA
SURVEYING:			
Ben Thomson	Endorse Old File Jacket Acreage	N/A	CBT
	Endorse Field Notes	N/A	
	Assign Abstract Number, if applicable	N/A	1/31/07
	Note Abstract Number on File Jacket	N/A	
	Complete Abstract Supplement Sheet	N/A	CBT
Doug Howard	Update County Map	N/A	JBK
	Update ~~School Land Register~~	1-29-2007	JBK
	Update State Fee Map	N/A	JBK
GIS:			
Jeff Perkins	Update Tobin OTLS	2-6-07	JDP
ENERGY:			
Jesse Arellano	Update Mineral Map	N/A	
ASSET INSPECTIONS:			
Ned Polk	Leases Canceled	N/A	CCK
	ME(s) Converted to Perpetual	N/A	CCK
	Endorse New File Jacket		

File No. 155 382 (20)

Hays County

ARCHIVE FILE ROUTING CHECKLIST

Date Filed: 3-13-07

Jerry E. Patterson, Commissioner

By Isabel Alfaro

$ REMITTANCE DISTRIBUTION - DO NOT FILE $

Name	Remittance Description					Fiscal Year	Register Number	Amount
	Refer	Type	Mo	Day	Year			
LANDAMERICA COMMON ASSET INSP/MGMT (00)(C)	157	C	11	15	2007	2008	005473	50.00

File Number	GLA	Amount	File Number	GLA	Amount
155382	3746003	$25.00	Escrow/Independent Consideration on Non-closed PSF sale (Blanco River)		
155462	3746003	$25.00	Escrow/Independent Consideration on Non-closed PSF sale (Arabian Ranch)		
Contract terminated on April 29, 2008. Purchaser - Masonwood Properties, Inc ($38,995,740.00)					

CASH/MM00002

5/2/08 - CO x 33726

Escrow No. 2519002755 Check Date: 11/14/2007 Check No. 9303

DESCRIPTION	CODE	AMOUNT
Independent Consideration per contract		$50.00
	Check Total	$50.00

Seller/Buyer: The State of Texas / Masonwood Properties, Inc.
Property Address: , TX
Tax Parcel ID:

THIS CHECK IS VOID WITHOUT A BLUE & GREEN BORDER AND BACKGROUND PLUS A KNIGHT & FINGERPRINT WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW

Escrow Account
LandAmerica Commonwealth Title of Austin
1717 W. Sixth Street, Suite 100
Austin TX 78703
512-481-9560

Compass Bank
TX

NO. 9303

FILE NUMBER	DATE	AMOUNT
2519002755	11/14/2007	$50.00

PAY FIFTY AND 00/100 DOLLARS

ESCROW ACCOUNT
VOID OVER 180 DAYS

TO THE ORDER OF
The State of Texas
P.O. Box 12873
Austin, TX 78711

AUTHORIZED SIGNATURE

AUTHORIZED SIGNATURE

Memo:

SIGNATURE AREA CONTAINS A KNIGHT & FINGERPRINT CHECK WORDING

⑈0000009303⑈ ⑆113010547⑆ 1642768 3⑈

ABSENCE OF PINK U.S. PATENT NUMBERS UNDER SIGNATURE INDICATES CHECK IS FRAUDULENT. PATENT NUMBERS ARE PRINTED WITH HEAT SENSITIVE INK & WILL DISAPPEAR WHEN BLOWING OR RUBBING

LandAmerica
Commercial Services

LandAmerica Financial Group, Inc.
1717 West 6th Street, Suite 100
Austin, TX 78703
phone: 512 481-9560 fax: 512 481-9570

Via U.S. Postal Service

November 14, 2007

Candy Owens
Texas General Land Office
P.O. Box 12873
Austin, Texas 78711

RE: GF# 2519002755
The State of Texas ("Seller")
Masonwood Properties, Inc. ("Purchaser")
2,166.43 acres in Hays County, Texas ("Property")

In connection with the above referenced transaction, enclosed please find the a check in the amount of $50.00, representing the Independent Consideration due to Seller as per the contract.

If you should have any questions or need any assistance, please feel free to contact our office.

Sincerely,

Deborah Wilson
Commercial Escrow Coordinator
/dw
enc.

M&H
McLEAN & HOWARD, L.L.P.

1004 Mopac Circle
Suite 100
Austin, TX. 78746
phone512.328.2008
fax512.328.2409
www.mcleanhowardlaw.com

April 29, 2008 BLANCO

Mr. Jerry E. Patterson
Texas General Land Office
c/o Deputy Commissioner of Asset Management
Stephen F. Austin Building
1700 North Congress Avenue, Suite 720
Austin, Texas 78701

Via Hand Delivery

Hal
cc: JP
Warnick
Shawn

RE: Contract to Sell (the "Contract") by and between The State of Texas, by and through Jerry E. Patterson, Commissioner of the Texas General Land Office and Chairman of the School Land Board ("Seller") and Masonwood Properties, Inc. ("Buyer") for the sale and purchase of +1,971.29 acres (Tract 1) and 195.14 acres (Tract 2) located in Hays County, Texas (the "Property")

Dear Mr. Patterson:

Please be advised that under Section 7.1 of the Contract, Buyer has elected to terminate the Contract in its entirety during the Feasibility Period and receive a refund of all of its Earnest Money.

We are sending a copy of this letter to the title company so that they may release the Earnest Money to Buyer as provided in the Contract.

Thank you for your time and attention to this matter.

Sincerely,

William P. McLean

Enclosure

cc: Terri Nassour – *via facsimile 481-9570*
S. Shawn Jamail – *via CMRRR*
Jim Meredith

Z:\Open Files\Masonwood Properties, Inc - File No. 1030\GLO Tract - No. 034\Ltr. termination 042508.doc

INSTRUCTIONS AND RELEASE
(Earnest Money)

Date:	April 30, 2008
Date of Contract:	November 1, 2007
Property Address:	Hays County, TX
Buyer:	Masonwood Properties, Inc. 1004 MoPac Circle, Suite 200 Austin, TX 78746
Seller:	The State of Texas P.O. Box 12873 Austin, TX 78711
Escrow Agent:	LandAmerica Commonwealth Title of Austin, Inc.
Earnest Money Deposit:	$500,000.00

1. Seller and Buyer state that the referenced Contract is of no further force and effect, and hereby authorize Escrow Agent to pay the Earnest Money Deposit in the following manner:

   ☐ Pay all to Seller.

   ☒ Pay all to Buyer plus interest

   ☐ Pay $ _____ to Buyer and $ _____ to Seller.

   ☐ Pay as follows:

   $ _____ to _____

   $ _____ to _____

   $ _____ to _____

   $ _____ to _____

2. We understand that unless and until Escrow Agent has received identical instructions from all parties, it will continue to hold said escrowed funds under the terms of the Agreement until such time as they become eligible for escheat to the State.

Signatures:	**Date Signed:**
Buyers:	
Sellers: THE STATE OF TEXAS FOR THE USE AND BENEFIT OF THE PERMANENT SCHOOL FUND ACTING BY AND THROUGH JERRY E. PATTERSON, COMMISSIONER OF THE TEXAS GENERAL LAND OFFICE BY: _____ **Hal Croft, Deputy Commissioner**	May 2, 2008

APPROVED:
Contents
Legal

INSTRUCTIONS AND RELEASE
(Earnest Money)

Date: April 30, 2008

Date of Contract:

Property Address: Hays County, TX

Buyer: Masonwood Properties, Inc.
1004 MoPac Circle, Suite 200
Austin, TX 78746

Seller: The State of Texas
P.O. Box 12873
Austin, TX 78711

Escrow Agent: LandAmerica Commonwealth Title of Austin, Inc.

Earnest Money Deposit: $500,000.00

1. Seller and Buyer state that the referenced Contract is of no further force and effect, and hereby authorize Escrow Agent to pay the Earnest Money Deposit in the following manner:

   ☐ Pay all to Seller.

   ☒ Pay all to Buyer plus interest

   ☐ Pay $ _____ to Buyer and $ _____ to Seller.

   ☐ Pay as follows:

   $ _____ to _____

   $ _____ to _____

   $ _____ to _____

   $ _____ to _____

2. We understand that unless and until Escrow Agent has received identical instructions from all parties, it will continue to hold said escrowed funds under the terms of the Agreement until such time as they become eligible for escheat to the State.

	Signatures:	Date Signed:
Buyers:		
		5/9/08
Sellers:		

From: "Harrah, Christi" <CHarrah@Landam.com>
To: "Candy Owens" <Candy.Owens@GLO.STATE.TX.US>
CC: "Nassour, Terri" <TNassour@LANDAM.com>
Date: 5/2/2008 9:51 AM
Subject: RE: FW: Earnest Money Release

Good Morning,

The wire for release of earnest money with interest was released this morning. If I can be of additional assistance, please do not hesitate to contact me.

Thank you.

Christi Harrah, Escrow Assistant
Phone: 512-481-9560 Fax: 512-481-9570
1717 West 6th Street, Suite 100, Austin, TX 78703

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http://www.lawyerstitleie.com/CS-Austin-TX/Index.html

-----Original Message-----
From: Candy Owens [mailto:Candy.Owens@GLO.STATE.TX.US]
Sent: Friday, May 02, 2008 7:22 AM
To: Nassour, Terri
Subject: RE: FW: Earnest Money Release

Here you go - Please advise by email when the money is released.

Thank you so much for all your time and efforts on this deal! ~ Candy

Candy Owens
Closing Manager
Asset Management
Texas General Land Office
PHONE: (512) 463-3726
FAX: (512) 463-5098

>>> "Nassour, Terri" <TNassour@Landam.com> 5/1/2008 1:53 PM >>>
Email is fine.

-----Original Message-----
From: Candy Owens [mailto:Candy.Owens@GLO.STATE.TX.US]
Sent: Thursday, May 01, 2008 1:52 PM
To: Nassour, Terri
Subject: Re: FW: Earnest Money Release

Not a problem...it is going through the signature process - should have no later than tomorrow. Do you require an original from us or will an email version be sufficient?

Many thanks, Candy

Candy Owens
Closing Manager
Asset Management
Texas General Land Office
PHONE: (512) 463-3726
FAX: (512) 463-5098

>>> "Nassour, Terri" <TNassour@Landam.com> 5/1/2008 1:21 PM >>>
Candy,
I hate to bug you but I'm getting numerous calls on releasing this earnest money.
Can you give me an update from your side?

thanks,

Terri Talley Nassour, Vice President
Phone: 512-481-9560 Fax: 512-481-9570
1717 West 6th Street, Suite 100, Austin, TX 78703

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http://www.lawyerstitleie.com/CS-Austin-TX/Index.html
<http://www.lawyerstitleie.com/CS-Austin-TX/Index.html>

From: Deborah Roberts [mailto:deborah@mwptx.com]
Sent: Thursday, May 01, 2008 1:16 PM
To: Nassour, Terri
Subject: Earnest Money Release

Terri,

Attached is the executed release of earnest money. Please let me know if you need anything additional.

Thank you,

Deborah

From: helpdesk@mwptx.com [mailto:helpdesk@mwptx.com]
Sent: Thursday, May 01, 2008 1:18 PM
To: Deborah Roberts
Subject: Attached Image

(21)

File No. 155382

HAYS County

DISTRIBUTION SLIP

Date Filed: 12-1-08

Jerry E. Patterson, Commissioner

By Susan Fluschke

COMMITMENT FOR TITLE INSURANCE

SCHEDULE A

Effective Date: **July 21, 2005, 8:00 am** G.F. No. or File No. **0508767CDDK**

Commitment No. _____ issued: **August 3, 2005, 8:00 am**
(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: **$23,655,480.00**
   PROPOSED INSURED: **The State of Texas ****

   (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:
   Ky-Tex Properties, L.P.

4. Legal description of the land:
   BEING a tract of land containing 1971.29 acres (85,869,500 square feet) situated in the Caleb W. Baker Survey, A-31, the Seaborn Berry Survey, A-32, the John Cooper Survey, A-99, the William Dunbar Survey, A-156, the Thos. C. Snailum Survey, A-409 and the Samuel Pharass Survey, A-360 in Hays County, Texas, and also being all of 1938.67 acre tract as conveyed unto A. W. Gregg by deed recorded in volume 142, Page 290 of the Deed Records of Hays County, Texas, and being all of the residue of a 251-acre tract as conveyed unto A. W. Gregg by deed recorded in Volume 167, Page 365 of the Deed Records of Hays County, Texas. Said 1971.29 acre tract being more particularly described by metes and bounds as follows:

   COMMENCING FOR REFERENCE at a found 1/2-inch iron rod with cap marked "Byrn Survey" located at the south end of a cutback for the intersection of the north line of Hays County Road No. 136 (Old Austin-San Antonio Road) (undefined width) and the west right-of-way line of FM 150 (80 feet width) for a southeast corner of a 10.00 acre tract as conveyed unto Robert C. Edge by deed recorded in Volume 2305, Page 645 of the Official Public Records of Hays County, Texas;

   THENCE South 43 degrees 45 minutes 38 seconds West with the north line of said County Road No. 136 and the south line of said 10.00 acre tract, a distance of 1100.56 feet to a found cedar fence corner post for the southwest corner of said 10.00 acre tract and the southeast corner of a 2.62 acre tract as conveyed unto Catholic Family Fraternal of Texas - K.J.Z.T. by deed recorded in Volume 1276, Page 32 of the Official Public Records of Hays County, Texas;

THENCE South 40 degrees 38 minutes 53 seconds West continuing with the north line of said County Road No. 136 and the south line of said 2.62 acre tract, a distance of 176.82 feet to a found 8-inch fence post for the southeast corner of said 1938.67 acre tract, for the southwest corner of said 2.62 acre tract and for the southeast corner of a 12.46 acre tract as described in instrument "Right of First Refusal Agreement" between A. W. Gregg and Robie Gregg and children recorded in Volume 370, Page 660 of the Deed Records of Hays County, Texas;

THENCE continuing with the north line of said County Road No. 136, the south line of said 1938.67 acre tract and the south line of said 12.46 acre tract, the following courses and distances;

South 43 degrees 34 minutes 16 seconds West, a distance of 163.80 feet to a point;
South 43 degrees 45 minutes 57 seconds West, a distance of 231.21 feet to a found 1/2-inch iron rod;
South 43 degrees 38 minutes 54 seconds West, a distance of 85.60 feet to a found 1/2-inch iron rod;
South 44 degrees 06 minutes 23 seconds West, a distance of 243.16 feet to a stone fence corner;
South 42 degrees 38 minutes 55 seconds West, a distance of 19.28 feet to a point;

THENCE South 24 degrees 57 minutes 26 seconds East continuing with the west line of said County Road No. 136 and the east line of the residue of said 251-acre tract, a distance of 29.44 feet to a point;

THENCE South 16 degrees 41 minutes 25 seconds East continuing with the west line of said County Road No. 136 and the east line of the residue of said 251 acre tract, a distance of 65.01 feet to a found 1/2-inch iron rod for a southeast corner of said tract herein described and for the POINT OF BEGINNING;

1) THENCE South 16 degrees 19 minutes 59 seconds East, a distance of 1931.88 feet to a found 60d nail at a fence post for a corner of said tract herein described, for the south corner of the residue of said 251 acre tract and for the east corner of a 195.27 acre tract as conveyed unto Robert Reed Hawn by deed recorded in Volume 266, Page 410 of the Deed Records of Hays County, Texas, and in by deed recorded in Volume 1201, Page 659 of the Official Public Records of Hays County, Texas;

THENCE in a northwesterly direction with the west line of the residue of said 251 acre tract and the east line of said 195.27 acre tract the following courses and distances (calls 2 through 7);

2) North 69 degrees 28 minutes 11 seconds West, a distance of 542.50 feet to a cedar fence post for an angle point in the south line of said tract herein described;

3) South 46 degrees 06 minutes 24 seconds West, a distance of 356.81 feet to a cedar fence post for an angle point in south line of said tract herein described;

4) North 45 degrees 28 minutes 44 seconds West, a distance of 460.09 feet to a cedar fence post for an angle point in the south line of said tract herein described;

5) North 77 degrees 38 minutes 18 seconds West, a distance of 177.53 feet to a cedar fence post of an angle point in the south line of said tract herein described;

6) North 57 degrees 17 minutes 14 seconds West, a distance of 251.72 feet to a cedar fence post for an angle point in the south line of said tract herein described;

7) North 78 degrees 30 minutes 33 seconds West, a distance of 468.22 feet to a cedar fence post located in the south line of said 1938.67 acre tract for an angle point in the south line of said tract herein described and for the northeast corner of said 195.27 acre tract;

8) THENCE South 44 degrees 07 minutes 43 seconds West with the south line of said 1938.67 acre tract and the north line of said 195.27 acre tract, a distance of 2614.19 feet to a found 5/8-inch iron rod with aluminum cap for an angle point in the south line of said tract herein described for the northwest corner of said 195.27 acre tract and the north corner of a 260.12 acre tract as conveyed unto Robert Nance and Martha Jane allen by deed recorded in

volume 135, Page 456 of the Deed Records of Hays County, Texas;

9) THENCE South 44 degrees 00 minutes 02 seconds West continuing with the south line of said 1938.67 acre tract and the north line of said 260.12 acre tract, a distance of 2165.22 feet to railroad spike at the base of an old cedar fence post for a corner in the south line of said tract herein described for the southeast corner of a 32.432 acre tract as conveyed unto Thomas H. Nance, Jr., and Flora Mae Roberts by deed recorded in Volume 651, Page 702 of the Deed Records of Hays County, Texas;

10) THENCE North 42 degrees 31 minutes 45 seconds West with a west line of said 1938.67 acre tract and the east line of said 32.432 acre tract, at 73 feet pass a twin trunk Oak tree, continuing for a total distance of 835.00 feet to the end of a rock wall/stone fence for an angle point in a west line of said tract herein described;

11) THENCE North 48 degrees 11 minutes 44 seconds West with a west line of said 1938.67 acre tract and the east line of said 32.432 acre tract, a distance of 591.59 feet to a 16-inch Hackberry tree in the fence line for an angle point in a west line of said tract herein described;

12) THENCE North 54 degrees 28 minutes 06 seconds West with a west line of said 1938.67 acre tract and the east line of said 32.432 acre tract, a distance of 455.05 feet to 6-inch cedar fence post for an angle post n a west line of said tract herein described;

13) THENCE North 53 degrees 21 minutes 39 seconds West with a west line of said 1938.67 acre tract and the east line of said 32.432 acre tract, a distance of 292.80 feet to a 6-inch cedar fence post for an angle point in a west line of said tract herein described;

14) THENCE North 64 degrees 39 minutes 18 seconds West with a west line of said 1938.67 acre tract and the east line of said 32.432 acre tract, a distance of 34.87 feet to an 18-inch Elm tree in the fence line for a corner in the south line of said tract herein described for the northeast corner of said 32.432 acre tract and for an interior corner of said 1938.67 acre tract;

THENCE with a south line of said 1938.67 acre tract, the following courses and distances (calls 15 through 23);

15) South 61 degrees 37 minutes 51 seconds West with the north line of said 32.432 acre tract, a distance of 426.248 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" located in the north line of a 22.421 acre tract as conveyed unto Martha Nance Picton by deed recorded in Volume 651, Page 702 of the Hays County, Texas, for an angle point in the south line of said tract herein described;

16) South 53 degrees 30 minutes 25 seconds West with the north line of a 22.421 acre tract, a distance of 842.81 feet to a found 1/2-inch iron rod for a corner in the south line of said tract herein described and for the northwest corner of said 22.421 acre tract;

17) South 41 degrees 21 minutes 25 seconds East with the west line of said 22.421 acre tract, a distance of 491.62 feet to a found 1/2-inch iron rod located in the north line of 17.313 acre tract as conveyed unto David Laverne Allen and Grace Crumley by deed recorded in Volume 651, Page 702 of the Deed Records of Hays County, Texas, for a corner in the south line of said tract herein described;

18) South 38 degrees 21 minutes 19 seconds West with the north line of said 17.313 acre tract, a distance of 489.14 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the south line of said tract herein described;

19) South 43 degrees 54 minutes 19 seconds West, with the north line of said 17.313 acre tract, a distance of 409.24 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the south line of said tract herein described;

20) South 30 degrees 15 minutes 19 seconds West with the north line of said 17.313 acre tract, a distance of 133.80 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the south line of

said tract herein described;

21) South 36 degrees 02 minutes 19 seconds West with the north line of said 17.313 acre tract, a distance of 81.45 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" located in the east line of a 29.882 acre tract as conveyed unto David Laverne Allen and Grace Crumley by deed recorded in Volume 651, Page 702 of the Deed Records of Hays County, Texas, for an angle point in the south line of said tract herein described;

22) North 36 degrees 45 minutes 13 seconds West with the east line of said 29.882 acre tract, a distance of 753.61 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the south line of said tract herein described from which an 8-inch cedar fence post bears North 36 degrees 44 minutes West, a distance of 1.25 feet;

22) South 52 degrees 58 minutes 30 seconds West with the north line of said 29.882 acre tract, at 1442.51 feet pass a fence corner, continuing for a total distance of 1661.02 feet to a point located in the center of the east channel of the Blanco River and in the east line of a 102.04 acre tract as conveyed unto Janet Nance Bradshaw and Robert Scott Nance by deed recorded in Volume 902, Page 614 of the Official Public Records of Hays County, Texas, for the southwest corner of said tract described;

THENCE in a northwesterly direction with the east line of the 102.04 acre tract and the west line of said 1938.67 acre tract, the following courses and distances (calls 24 through 32);

24) North 31 degrees 07 minutes 28 seconds West, with the centerline of said east channel of the Blanco River, a distance of 247.37 feet to an angle point in the west line of said tract herein described;

25) North 25 degrees 35 minutes 32 seconds West, with the centerline of said east channel of the Blanco River, a distance of 406.01 feet to an angle point in the west line of said tract herein described;

26) North 05 degrees 41 minutes 30 seconds West, a distance of 123.00 feet to a point located on the east bank of the est channel of the Blanco River for an angle point in the west line of said tract herein described;

27) North 52 degrees 23 minutes 30 seconds East, a distance of 72.00 feet to an Oak tree in fence line for an angle point in the west line of said tract herein described;

28) North 11 degrees 45 minutes 34 seconds West with a barbed wire fence, a distance of 203.32 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the west line of said tract herein described;

29) North 13 degrees 24 minutes 25 seconds West with a barbed wire fence, a distance of 303.61 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the west line of said tract herein described;

30) North 18 degrees 49 minutes 22 seconds West with a barbed wire fence, a distance of 265.24 feet to a cedar fence post for an angle point in the west line of said tract herein described;

31) North 75 degrees 14 minutes 22 seconds West, a distance of 486.70 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the west line of said tract herein described;

33) South 53 degrees 35 minutes 58 seconds West, a distance of 119.76 feet to point located in the center of the Blanco River for a corner in the west line of said tract herein described and for the northeast corner of said 102.04 acre tract;

THENCE in a northwesterly direction with the meanders of the centerline of the Blanco River, the west line of said 1938.67 acre tract and the east line of a tract of land as conveyed unto Exekial Nance by deed recorded in Volume C, Page 487 of the Deed Records of Hays County, Texas, the following courses and distances (calls 33 through 51);

33) North 24 degrees 02 minutes 16 seconds West, a distance of 1344.85 feet to an angle point in the west line of said tract herein described;

34) North 26 degrees 15 minutes 21 seconds West, a distance of 1341.57 feet to an angle point in the west line of said tract herein described;

35) North 24 degrees 19 minutes 33 seconds West, a distance of 1253.62 feet to an angle point in the west line of said tract herein described;

36) North 26 degrees 26 minutes 21 seconds West, a distance of 445.60 feet to an angle point in the west line of said tract herein described;

37) North 22 degrees 07 minutes 09 seconds West, a distance of 388.02 feet to an angle point in the west line of said tract herein described;

38) North 20 degrees 08 minutes 10 seconds West, a distance of 228.62 feet to an angle point in the west line of said tract herein described;

39) North 35 degrees 50 minutes 03 seconds West, a distance of 95.94 feet to an angle point in the west line of said tract herein described;

40) North 20 degrees 34 minutes 03 seconds West, a distance of 91.79 feet to an angle point in the west line of said tract herein described;

41) North 14 degrees 59 minutes 48 seconds West, a distance of 185.29 feet to an angle point in the west line of said tract herein described;

42) North 00 degrees 02 minutes 25 seconds East, a distance of 92.60 feet to an angle point in the west line of said tract herein described;

43) North 12 degrees 09 minutes 25 seconds East, a distance of 32.16 feet to an angle point in the west line of said tract herein described;

44) North 29 degrees 03 minutes 12 seconds East, distance of 72.03 feet to an angle point in the west line of said tract herein described;

45) North 19 degrees 26 minutes 32 seconds East, a distance of 118.15 feet to an angle point in the west line of said tract herein described;

46) North 11 degrees 55 minutes 55 seconds East, a distance of 32.54 feet to an angle point in the west line of said tract herein described;

47) North 65 degrees 36 minutes 10 seconds East, a distance of 98.62 feet to an angle point in the west line of said tract herein described;

48) North 24 degrees 23 minutes 50 seconds West, a distance of 99.11 feet to an angle point in the west line of said tract herein described;

49) North 19 degrees 12 minutes 41 seconds West, a distance of 178.40 feet to an angle point in the west line of said tract herein described;

50) North 24 degrees 39 minutes 30 seconds West, a distance of 220.03 feet to an angle point in the west line of said tract herein described;

51) North 25 degrees 27 minutes 37 seconds West, a distance of 206.51 feet to a point located in the south line of a

24.52 acre tract as conveyed unto Charles M. Decker, III, William S. Decker, Dr. Robert D. Decker and Marilyn Decker Elwell by deed recorded in Volume 345, Page 837 of the Deed Records of Hays County, Texas, for the northwest corner of said tract herein described;

52) THENCE North 43 degrees 08 minutes 11 seconds East with the north line of said 1938.67 acre tract and the south line of said 24.52 acre tract, a distance of 441.09 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the north line of said tract herein described;

53) THENCE North 42 degrees 38 minutes 11 seconds East continuing with the north line of said 1938.67 acre tract and the south line of said 24.52 acre tract, a distance of 496.12 feet to a 2-inch iron pipe fence corner for an angle point in the north line of said tract herein described;

THENCE in a northeasterly direction with a fence line, with the north line of said 1938.67 acre tract and with the south line of a 108.21 acre tract as conveyed unto Buckeye Partners, Ltd. by deed recorded in Volume 2238, page 145 of the Official Public Records of Hays County, Texas, the following courses and distances (calls 54 through 66);

54) North 59 degrees 34 minutes 50 seconds East, a distance of 665.61 feet to an angle point in the north line of said tract herein described;

55) North 59 degrees 27 minutes 50 seconds East, a distance of 379.99 feet to an angle point in the north line of said tract herein described;

56) North 58 degrees 50 minutes 50 seconds East, a distance of 298.07 feet to an angle point in the north line of said tract herein described;

57) North 59 degrees 24 minutes 50 seconds East, a distance of 439.02 feet to an angle point in the north line of said tract herein described;

58) North 59 degrees 39 minutes 50 seconds East, a distance of 595.25 feet to an angle point in the north line of said tract herein described;

59) North 59 degrees 56 minutes 50 seconds East, a distance of 68.18 feet to an angle point in the north line of said tract herein described;

60) North 59 degrees 59 minutes 50 seconds East, a distance of 273.44 feet to an angle point in the north line of said tract herein described;

61) North 59 degrees 37 minutes 50 seconds East, a distance of 267.94 feet to an angle point in the north line of said tract herein described;

62) North 56 degrees 33 minutes 50 seconds East, a distance of 13.30 feet to an angle point in the north line of said tract herein described;

63) North 52 degrees 04 minutes 50 seconds East, a distance of 417.87 feet to an angle point in the north line of said tract herein described;

64) North 51 degrees 01 minutes 50 seconds East, a distance of 471.83 feet to an angle point in the north line of said tract herein described;

65) North 50 degrees 59 minutes 50 seconds East, a distance of 409.28 feet to an angle point in the north line of said tract herein described;

66) North 56 degrees 27 minutes 50 seconds East, a distance of 25.80 feet to a 2-inch iron pipe fence corner for an angle point in the north line of said tract herein described for the southeast corner of said 108.21 acre tract and the west corner of Lot 2 of Oak Mesa

67) THENCE North 56 degrees 24 minutes 56 seconds East continuing with the north line of said 1938.67 acre tract and a south line of said Lot 2, a distance of 392.99 feet to a found 1/2-inch iron rod for corner in the north line of said tract herein described from which an 8-inch fence post fence bears North 88 degrees 53 minutes West, a distance of 1.4 feet;

68) THENCE South 29 degrees 04 minutes 44 seconds East with an east line of said 1938.67 acre tract and the west line of said Lot 2 and Lot 1 of said Oak Mesa, at 932.02 feet passing the south line of said Lot 1 and the north line of the residue of a 134.86 acre tract as conveyed unto Auburn E. Dennis by deed recorded in Volume 1057, Page 225 of the Deed Records of Hays County, Texas, continuing for a total distance of 2802.93 feet to a point located in the centerline of a stone fence for a corner in the north line of said tract herein described from which a cedar fence post bears North 00 degrees 28 minutes West, a distance of 5.2 feet;

69) THENCE North 43 degrees 17 minutes 57 seconds East with a north line of said 1938.67 acre tract and the south line of the residue of said 134.86 acre tract, at 1415.62 feet passing the southwest corner of Lot 31 of Arroyo Ranch, Section Two, a subdivision plat recorded in volume 10, Page 219 of the Plat Records of Hays County, Texas, continuing for a total distance of 1730.83 feet to point located in the centerline of a stone fence for an angle point in the north line of said tract herein described from which a found 5/8-inch iron rod bears South 54 degrees 29 minutes West, a distance of 8.7 feet;

70) THENCE South 82 degrees 42 minutes 45 seconds East continuing with a north line of said 1938.67 acre tract and the south line of said Arroyo Ranch, Section Two, a distance of 1115.45 feet to a point located in the centerline of a stone fence for an angle point in the north line of said tract herein described from which a found 1/2-inch iron rod bears South 88 degrees 50 minutes West, a distance of 37.6 feet;

71) THENCE North 43 degrees 55 minutes 32 seconds East continuing with the north line of said 1938.67 acre tract and the south line of said Arroyo Ranch, Section Two, a distance of 1271.78 feet to a 2-inch iron pipe fence corner for an angle point in the north line of said tract herein described for an interior corner of Arroyo Ranch, Section One, a subdivision plat recorded in Volume 10, Page 179 of the Plat Records of Hays County, Texas;

THENCE with the east line of said 1938.67 acre tract, the following courses and distances (call 72 through 80);

72) South 46 degrees 21 minutes 03 seconds East, at 185.13 feet passing the south line of said Arroyo Ranch, Section One, and the north line of a 21.3 acre tract as conveyed unto Sallye Knutson by deed recorded in volume 353, Page 240 of the Deed Records of Hays County, Texas, continuing for a total distance of 887.35 feet to an angle point in the east line of said tract herein described for the southwest corner of said 21.3 acre tract and the northwest corner of a 21.30 acre tract as conveyed unto Robert T. Walker and Sandra F. Walker by deed recorded in volume 1976, Page 458 of the Official Public Records of Hays County, Texas;

73) South 46 degrees 29 minutes 25 seconds East with the west line of said 21.30 acre tract, a distance of 578.70 feet to an angle point in the east line of said tract herein described for the southwest corner of said 21.30 acre tract and the northwest corner of Quail meadows Subdivision, a subdivision plat recorded in Volume 7, Page 47 of the Plat Records of Hays County, Texas;

74) South 46 degrees 13 minutes 10 seconds East with the west line of said Quail Meadows Subdivision, a distance of 408.76 feet to an angle point in the east line of said tract herein described;

75) South 47 degrees 03 minutes 10 seconds East continuing with the west line of said Quail Meadows Subdivision, a distance of 405.20 feet to an angle point in the east line of said tract herein described;

76) South 47 degrees 52 minutes 44 seconds East continuing with the west line of said Quail Meadows Subdivision, a distance of 296.23 feet to an angle point in the east line of said tract herein described;

77) South 47 degrees 19 minutes 33 seconds East continuing with the west line of said Quail Meadows Subdivision, a distance of 499.63 feet to a found 6-inch cedar fence post for an angle point in the east line of said tract herein

described, for the southwest corner of said Quail Meadows Subdivision and for the northwest corner of said 62.10 acre tract;

78) South 46 degrees 53 minutes 37 seconds East with the west line of said 62.10 acre tract, a distance of 359.95 feet to an angle point in the east line of said tract herein described;

79) South 45 degrees 49 minutes 07 seconds East continuing with the west line of said 62.10 acre tract, a distance of 436.01 feet to an angle point in the east line of said tract herein described;

80) South 46 degrees 25 minutes 31 seconds East continuing with the west line of said 62.10 acre tract, a distance of 1445.81 feet to a found cedar fence post for corner of said tract herein described and for the northeast corner of said 12.46 acre tract;

81) THENCE South 40 degrees 21 minutes 31 seconds West with the north line of said 12.46 acre tract, a distance of 1018.19 feet to a found 1/2-inch iron rod for a corner of said tract herein described and for the northwest corner of said 12.46 acre tract;

82) THENCE South 50 degrees 23 minutes 48 seconds East with the west line of said 12.46 acre tract, at 96.71 feet pass a cedar fence post, continuing for a total distance of 255.73 feet to a cedar fence post for an angle point in the south line of said tract herein described;

83) THENCE North 40 degrees 43 minutes 43 seconds East with the west line of said 12.46 acre tract, a distance of 42.90 feet to a cedar fence post for an angle point in the south line of said tract herein described;

84) THENCE South 52 degrees 52 minutes 44 seconds East with the west line of said 12.46 acre tract, a distance of 85.65 feet to a found 1/2-inch iron rod for an angle point in the south line of said tract herein described;

85) THENCE South 51 degrees 46 minutes 28 seconds East with the west line of said 12.46 acre tract, a distance of 159.01 feet to a found 1/2-inch iron rod for a corner of said tract herein described;

86) THENCE North 43 degrees 53 minutes 50 seconds East with the south line of said 12.46 acre tract, a distance of 92.20 feet to a found 1/2-inch iron rod for an angle point in the south line of said tract herein described;

87) THENCE South 78 degrees 26 minutes 49 seconds East with the south line of said 12.46 acre tract, a distance of 101.28 feet to the POINT OF BEGINNING and containing 1971.29 acres (85,869,500 square feet) of land, more or less.

NOTE: 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.

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

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 _____ 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. **Rights of parties in possession. (Owner Title Policy)**

b. **Rights of tenants in possession under unrecorded leases or rental agreements.**

c. **Easement to the Texas Pipe Line Company recorded in Volume 138, Page 195, Deed Records, Hays County, Texas, for pipe line, and as shown on survey dated August 9, 2005, prepared by Stephanie Ann Funk, Registered Professional Land Surveyor No. 5375.**

d. **Easement to GTE Southwest Incorporated recorded in Volume 737, Page 716, Real Property Records, Hays County, Texas, for communication cable and appurtenances, and as noted on survey dated August 9, 2005, prepared by Stephanie Ann Funk, Registered Professional Land Surveyor No. 5375.**

e. **Easement to Karnack Corporation recorded in Volume 881, Page 15, Official Public Records, Hays County, Texas, for tower and related facilities, and as shown on survey dated August 9, 2005, prepared by Stephanie Ann Funk, Registered Professional Land Surveyor No. 5375.**

f. **Terms, conditions and stipulations in Lease Agreement recorded in Volume 141, Page 444, Deed Records, Hays County, Texas, between F. D. Glass, Jr., Lessor, and The Texas Pipe Line Company, Lessee.**

g. **Terms, conditions and stipulations in Lease Agreement recorded in Volume 1367, Page 638, as corrected in Volume 1372, Page 759, Official Public Records, Hays County, Texas, between A. W. Gregg, Lessor, and Texaco Pipeline, Inc., (successor to The Texas Pipe LIne Company), as Lessee, and as shown on survey dated August 9, 2005, prepared by Stephanie Ann Funk, Registered Professional Land Surveyor No. 5375.**

h. **Terms, conditions and stipulations in Ordinance No. 199 (ETJ of City of Kyle) recorded in Volume 565, Page 838, Real Property Records, Hays County, Texas.**

i. **Mineral and/or royalty interest, as to Tract 2, recorded in volume 110, Page 89, Deed Records, Hays County, Texas.**

Title to said interest not checked subsequent to date of aforementioned instrument. If a T-19 is to be issued, as to this item, paragraph 3 (b) is deleted therefrom.

j. **No liability is assumed by reason of that portion of subject property lying within Blanco River, as shown on survey dated August 9, 2005, prepared by Stephanie Ann Funk, Registered Professional Land Surveyor No. 5375.**

k. **Location of overhead electric lines, power poles and service poles as shown on survey dated August 9, 2005, prepared by Stephanie Ann Funk, Registered Professional Land Surveyor No. 5375.**

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. **We find no outstanding liens of record affecting the subject property. Company requires lien affidavit.**

6. **Company requires verification from the Office of the Secretary of State of Texas that Ky-Tex Properties, Inc. is in existence, and from the Comptroller of State of Texas that it is in good standing.**

7. **Company must be furnished a properly executed corporate resolution in recordable form of the Board of Directors of Ky-Tex Properties, Inc. authorizing the proposed transaction and establishing authority of the officers to act on behalf of the corporation.**

8. **Encroachment of barbed wire fence over easement(s) shown on survey dated August 9, 2005, prepared by Stephanie Ann Funk, Registered Professional Land Surveyor No. 5375. HOLD HARMLESS AGREEMENT REQUIRED.**

9. **Survey has been reviewed and is acceptable to Company and upon payment of all the expenses in connection with the survey and the applicable premium, if any, Item 2 of Schedule B will be deleted except for "shortages in area", subject to any additional exceptions revealed by the survey. (OTP & MTP)**

10. **Article 9.39A of the Texas Insurance Code requires certified checks, cashier's checks, cash or wire transfers for all transactions that involve the payment of $1,500.00 or more. Title Company must require compliance with Article 9.39A (Procedural Rule 27)**

NOTICE: The title insurance policy being issued to you contains an arbitration provision. 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. If you are the purchaser in the transaction and elect deletion of the arbitration provision, a form will be presented to you at closing for execution. If you are the lender in the transaction and desire deletion of the Arbitration provision, please inform us through your Loan Closing Instructions. APPLIES TO MORTGAGEE POLICY ONLY.

Countersigned
Texas United Title, Inc.

By_____

COMMITMENT FOR TITLE INSURANCE

SCHEDULE D

G.F. No. or File No. **0508767CDDK** Effective Date: **July 21, 2005, 8:00 am**

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

First American Title Insurance Company, a California Corporation

DIRECTORS:

D.P. Kennedy, Parker S. Kennedy, Gary J. Beban, J. David Chatham, William G. Davis, James L. Doti, Lewis W. Douglas, Jr., Paul B. Fay, Jr., Frank E. O'Bryan, Roslyn B. Payne, D. Van Skilling, Herbert B. Tasker and Virginia M. Ueberroth

OFFICERS:

Chairman of the Board and Chief Executive Officer: Parker S. Kennedy; **President:** Craig I. DeRoy; **Senior or Executive Vice President and Chief Financial Officer:** Thomas A. Klemens; **Executive Vice President and Chief Operating Officer:** Dennis .J. Gilmore; **Executive Vice President Lender Services:** Curt A. Caspersen; **Executive Vice President, Technology:** John M. Hollenbeck; **Executive Vice President, Title Insurance and Services:** Gary L. Kermott; **Senior Vice President and General Counsel:** Kenneth D. DeGiorgio; **Senior Vice President and Chief Information Officer:** Roger S. Hull; **Senior Vice President and National Litigation Counsel:** Timothy P. Sullivan; **Vice President, Secretary and Corporate Counsel:** Mark R. Amesen; **Vice President, Corporate Communications:** Jo Etta Bandy; **Vice President Regulatory and Special Counsel:** James J. Dufficy; **Vice President and Controller:** Paul W. Knutson

2. Owners:

Mercury Companies, Inc. - 100%
Whose owners owning more than 10% of the shares are:
Louise Hauptman Trust - 30.03%
Paul F. Hauptman Trust - 30.03%
The First American Corp. - 15.17%

Officers, Directors and Managers:

Randy N. Eskelson	**President/CEO**
Sandee K. Chadwick	**Vice President**

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	**$97,040.45**
Mortgagee Policy	**$0.00**
Total	**$97,040.45**

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 leerio cuidadosamente y entendario 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) 347-7826** 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) 347-7826** 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

First American Title Company of California

Premium Amount 1	Rate Rules 2	Property Type 3	County Code 4	Liability at Reissue Rate 5	6	7	8
$97,040.45	**1000** **0500**	**2**	**2628**				

Sale B Copies

THE STATE OF TEXAS
COUNTY OF HAYS

Before me, the undersigned authority, on this day personally appeared Corinne Huettig, a spinster, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 16th day of April, 1947.

(SEAL) /signed/ L.L. Carter

Notary Public in and for Hays County, Texas

Filed for record May 21, A.D. 1947 at 1:00 o'clock P.M.

Recorded May 27, A.D. 1947 at 11:00 o'clock A.M.

Sarah Reed

SARAH REED, COUNTY CLERK HAYS COUNTY, TEXAS

---oOo---

KNOW ALL MEN BY THESE PRESENTS: That I, F. D. Glass Jr. a widower of the postoffice of Austin, in the State of Texas, for and in consideration of Two Hundred Five and no/100 Dollars, cash in hand paid, receipt of which is hereby acknowledged, do hereby grant and convey unto THE TEXAS PIPE LINE COMPANY, a corporation of Texas, the right to lay, operate and maintain a pipe line for the transportation of oil, gas, petroleum products, or any other material or substance which can be transported through a pipe line, or any one or more of such substances, the grantee selecting the route, upon, over and through the following described land, situated in the County of Hays in the State of Texas:

All of that certain tract or parcel of land, being parts of the C.W. Baker Survey, Abst. 31; the S. Berry Survey, Abst. 32; the John Cooper Survey, and the W. Dunbar Survey, in Hays County, Texas, containing 744.03 acres, and being the same land described as the first Tract in that certain deed dated the 7th day of June, 1944, from J. H. Thornton, et ux, to F.D. Glass, Jr. and recorded in Vol. 130, Page 121, of the Deed Records of Hays County, Texas, to which said deed and the record thereof reference is here made for further description.

Also the right to lay, operate, and maintain, adjacent to and parallel with the first a second pipe line; and the grantee at any and all reasonable times shall have the right of ingress/to and egress from such pipe lines and may remove the same in whole or in part at will.

TO HAVE AND TO HOLD the said easements unto said THE TEXAS PIPE LINE COMPANY its successors and assigns, so long as such structures are maintained.

And by the acceptance hereof the grantee agrees to bury such pipe lines so that they will not interfere with the cultivation of the land, and also to pay and and all damages to crops, fences and land which may be suffered from the construction, operation or maintenance of such pipe lines.

It is also understood and acknowledged by the grantor or grantors that the person securing this grant is without authority to make any agreement in regard to the subject matter hereof which is not expressed herein and that no such agreement will be binding on the grantee.

IN WITNESS Whereof, this instrument is signed on this the 10th day of April, 1947.

Witnesses: /signed/ F.D. Glass, Jr.

/signed/ C. H. Bass

$.55 U. S. Federal Documentary Stamps.

THE STATE OF TEXAS

Jr., a widower, 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 purposes and consideration therein expressed.

Given under my hand and seal of office this 10th day of April, 1947.

(SEAL) /signed/ T.M. Tynes

Notary Public in and for Travis County, Texas.

Filed for record May 21, A.D. 1947 at 1:00 o'clock P.M.

Recorded May 27, A.D. 1947 at 11:15 o'clock A.M.

SARAH REED, COUNTY CLERK HAYS COUNTY, TEXAS

---oOo---

KNOW ALL MEN BY THESE PRESENTS: That I, D.E. Mitchell, a bachelor of the postoffice of San Marcos, in the State of Texas, for and in consideration of Seventy Five and 50/100 Dollars, cash in hand paid, receipt of which is hereby acknowledged, do hereby grant and convey unto THE TEXAS PIPE LINE COMPANY, a corporation of Texas, the right to lay, operate, and maintain a pipe line for the transportation of oil, gas, petroleum, products, or any other material or substance which can be transported through a pipe line, or any one or more of such substances, the grantee selecting the route, upon, over and through the following described land, situated in the County of Hays in the State of Texas:

All of that certain tract orparcel of land containing approximately 2019.1 acres more or less, being what is known as the Krueger place in Hays County, Texas, and being the same land described in that certain deed dated the 22nd day of April, 1922, from C.C. Mitchell and wife, Mrs. Katie Mitchell to D.E. Mitchell, recorded in Vol. 83, Page 222 of the Deed Records of Hays County, Texas, except approximately the North East one-half of said tract which was conveyed by D.E. Mitchell to Mrs. Katie Mitchell by deed dated the 11th day of August, 1930, and recorded in Vol. 201, Page 97 of the Deed Records of Hays County, Texas, to which said deeds and the records thereof reference is here made for further description.

Also the right to lay, operate, and maintain, adjacent to and parallel with the first, a second pipe line; and the grantee at any and all reasonable times shall have the right of ingress to and egress from such pipe lines and may remove the same in whole or in part at will.

TO HAVE AND TO HOLD the said easements unto said THE TEXAS PIPE LINE COMPANY, its successors and assigns so long as such structures are maintained.

And by the acceptance hereof the grantee agrees to bury such pipe lines sothat they will not interfere with the cultivation of the land, and also to pay any and all damages to crops, fences and land which may be suffered from the construction, operation or maintenance of such pipe lines.

It is also understood and acknowledged by the grantor or grantors that the person securing this grant is without authority to make any agreement in regard to the subject matter hereof which is not expressed herein and that no such agreement will be binding on the grantee.

IN WITNESS WHEREOF, this instrument is signed on this the 15th day of April, 1947.

Witnesses: /signed/ D.E. Mitchell

/signed/ C.H. Bass

THE STATE OF TEXAS

COUNTY OF HAYS

Before me, the undersigned authority, on this day personally appeared D.E. Mitchell,

GRANTOR: A. W. GREGG

MC 800660
ED-165-A (REV -88)

GRANTEE: GTE SOUTHWEST INCORPORATED
P.O.BOX 3158
BRYAN, TX 77805

Ref.

737/716

THE STATE OF TEXAS
COUNTY OF HAYS

EASEMENT & RIGHT-OF-WAY

KNOW ALL MEN BY THESE PRESENTS:

267133

EXCHANGE KYLE-5444

ORDER NO. 6E1528

That I, A. W. GREGG

of the County of HAYS and State aforesaid, for and in consideration of the sum of

One & 00/100 Dollars ($ 1.00) to Me in hand paid by GTE Southwest Incorporated, a Delaware corporation, the receipt of which is hereby acknowledged and confessed, have this day granted and conveyed and do, by these presents, grant and convey unto GTE Southwest Incorporated, its successors and assigns, an easement Ten feet in width, to construct, place, operate, inspect, maintain, repair, replace and remove such buried communication cable as Grantee may from time to time require, consisting of buried cable, markers and necessary fixtures and appurtenances, over, across, under and upon the following described property to wit:

A portion of that certain tract or parcel of land containing 1938.67 acres out of the C. W. BAKER, S. BERRY, JOHN COOPER, W. DUNBAR, T. C. SNAILM and SMAUEL PHARASS SURVEYS, HAYS COUNTY, STATE OF TEXAS, said tract being more particularly described in a Deed from F. D. GLASS JR., to A. W. GREGG dated 22 October 1948, recorded in Volume 142 at Page 270 ofthe Deed Records, County and State aforesaid.

An easement ten (10) feet in width, said easement being five feet each side of a centerline, said centerline being the line formed by the placement of buried and/or aerial telephone cable upon, under and over the aforesaid tract of land.

FILED
HAYS COUNTY, TEXAS
'88 JUN 20 AM 11 30
COUNTY CLERK

Situated in HAYS County, State of TEXAS, and the Grantor(s) recognizes the general course of said line, as above described, is based upon preliminary survey only, and Grantor(s) hereby agree(s) that the easement hereby granted shall apply to the actual location of said line where constructed.

Grantor covenants for himself, his successors and assigns, not to place or maintain any building or structure on said easement.

Grantor grants to the Grantee the right of ingress and egress over my (~~&E~~) adjacent lands to or from said right of way for the purpose of inspecting, maintaining, constructing, reconstructing, operating and removing its buried communication cable and associated appurtenances over, under, across and upon the above described property, and the right to place markers and other devices to support or mark said construction where necessary.

The Grantor also agrees to include the right to relocate said buried communication cable on said premises to conform to any future highway relocation, widening or improvement.

The Grantor acknowledges that the consideration recited above includes compensation for any and all damages to the surface or grass or crops located thereon resulting from original construction by Grantee. Should Grantee or its agents or employees, subsequent to original installation of communication facilities within the easement described above, have occasion to enter upon the premises to perform maintenance upon such facilities, Grantee agrees to pay Grantor the actual cash value of that portion of crops destroyed to the course of performance of such maintenance; and Grantor agrees to receive such amount in full discharge of any claim for damages which might have been advanced.

TO HAVE AND TO HOLD the above described easement and rights unto the said Grantee, its successors and assigns, until said line shall be abandoned.

And I (~~We~~) do hereby bind myself (~~ourselves~~), my (~~our~~) legal representatives, to warrant and forever defend, all and singular the above described easement and rights unto the said Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

EXECUTED this 11 day of May, 19 88

A. W. GREGG

Real Property Records
Hays County Texas

DOC# A10

~~CERTIFICATE OF ACKNOWLEDGMENT FOR INDIVIDUALS~~

737 717

THE STATE OF TEXAS
County of HAYS

BEFORE ME, the undersigned authority, on this day personally appeared A. W. GREGG

known to me to be the person (s) whose name (s) is (are) subscribed to the foregoing instrument, and acknowledged to me that He executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 11th day of May A. D. 19 88

Notary Public Hays County, Texas
NAME TYPED Kobie Lynn Robinson
MY COMMISSION EXPIRES February 23, 1989

THE STATE OF
County

EASEMENT AND
RIGHT OF WAY

FROM

TO

GTE Southwest Incorporated

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

JUN 2 0 1988

COUNTY CLERK
HAYS COUNTY, TEXAS

STATE OF
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 in Book of the Deed Records of said County, at page

Given under my hand and seal of office this day of 19

County Clerk County,
by Deputy.

CERTIFICATE OF ACKNOWLEDGMENT FOR INDIVIDUALS

THE STATE OF
County of

BEFORE ME, the undersigned authority, on this day personally appeared

known to me to be the person (s) whose name (s) 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,
NAME TYPED
MY COMMISSION EXPIRES

CORPORATION ACKNOWLEDGMENT

THE STATE OF
County of

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared

known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said a corporation, and that he executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the day of A. D. 19

(SEAL)

Notary Public in and for County,
NAME TYPED
MY COMMISSION EXPIRES

881 · 015

PERPETUAL EASEMENT
AND
RIGHT-OF-WAY

309430

THE STATE OF TEXAS I
I KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF HAYS I

That Ky-Tex Properties, Inc., a Texas Corporation, acting by and through its President, A.W. Gregg, Jr., herein called "Grantor", whether one or more, of the County of Hays, State of Texas, for and in consideration of the sum of Ten and No/100 Dollars ($10.00) and other good and valuable consideration to Grantor paid by the Karnack Corporation, a Texas corporation, herein called "Grantee", the receipt and sufficiency of which is hereby acknowledged, has Granted, Sold and Conveyed, and by these presents does Grant, Sell and Convey unto Grantee, easements for the purpose of constructing, maintaining, operating, repairing, replacing, inspecting and removing a tower and related facilities and equipment of all types and character, for the purpose of receving, originating transmitting and broadcasting electronic, radio, television, microwave and satellite signals, of all types and character, and all necessary or desirable appurtenances on, over, under and across the Property described in Exhibit "A" attached hereto and incorporated herein by reference for all purposes, together with the right:

(i) of ingress and egress through existing gates, and other gates which may be constructed and maintained by Grantee, at Grantee's sole discretion, and ingress and egress on, over and across the Property described in Exhibit "A" and "B" attached hereto for the purpose of constructing, maintaining, operating, repairing, replacing, inspecting, removing, and supplying electrical power and telephone service to, said tower and related facilities, equipment and appurtenances as provided herein;

(ii) to assign this easement, or any part thereof or any interest therein, and/or rights granted hereunder, so that each

OFFICIAL PUBLIC RECORDS
Hays County, Texas

assignee or owner shall have the full rights and privileges herein granted to be owned in common or severally;

(iii) to remove from said Property described in Exhibits "A" and "B" attached hereto, any tree or trees and parts thereof, or other obstructions, which endanger or may interfere with the safety, use or efficiency of said tower, facilities, equipment, appurtenances and electric power and telephone lines;

(iv) to construct, maintain, operate, repair, replace, inspect and remove any and all poles, wires, cables, guys and anchors on, over, under and across the Property described in Exhibits "A" and "B" attached hereto, at such locations as Grantee or its successors or assigns, may deem necessary or appropriate in order to supply electrical power and telephone to, and signal transmission to and from, said tower, facilities, equipment and appurtenances; and

(v) the right, but not the obligation, to construct, repair or maintain any existing roadways or other raodways which Grantee, in its or their discretion, may desire to construct on or over the Property described in Exhibits "A" and "B" attached hereto for ingress and egress purposes to said tower, facilities, equipment and appurtenances.

TO HAVE AND TO HOLD the above described easements and rights unto the Grantee, its successors and assigns, until all of said tower, facilities, equipment and appurtenances shall have been removed or abandoned. Grantor binds Grantor and the heirs, legal representatives, successors and assigns of Grantor to warrant and forever defend all and singular the above described easement and rights unto the Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof. This grant shall terminate upon the earlier to happen of the following: (i) the permanent removal by Grantee of the tower, facilities, equipment and appurtenances mentioned above or (ii) the cessation of use of the above Property by Grantee and its successors and assigns, for the above stated purposes for six consecutive months, unless such cessation was caused by forces or events beyond the control of Grantee.

Grantee, by acceptance of this grant agrees to reimburse Grantor for all additional personal property taxes, if any, which are assessed against Grantor by virtue of the installation by Grantee of the above referenced tower and facilities.

Grantee agrees to reimburse Grantor for any loss or damage to personal property directly caused by Grantee, its employees, agents and assigns in its or their use of the Property. In addition, Grantee shall indemnify and hold harmless Grantor from and against any loss, cost, damage, claim or expense incurred by or asserted against Grantor because of the Property by Grantee. Grantor agrees to promptly notify Grantee at the address stated below in the event Grantor incurs any loss of or damage to personal property or incurs or has asserted against Grantor any such loss, cost, damage, claim or expense; and Grantee shall have a reasonable amount of time in which to comply with the obligations of this paragraph.

As further compensation for this lease Grantee shall provide full cable television service, free of charge, to A.W. Gregg and his relatives at their single family dwellings at their present locations on the property described in Exhibits "A" and "B", during the term of this agreement or for so long as Lessee is authorized to deliver such service.

Upon termination of this easement and right-of-way, Grantee shall remove said tower, facilities, equipment and appurtenances from the Property described in Exhibits "A" and "B" attached hereto in a reasonable amount of time.

This grant of easement and rights shall be binding upon and inure to the benefit of the parties hereto, their heirs, legal representatives, successors and assigns.

EXECUTED this 26th day of MAY, 1988.

Ky-Tex Properties, Inc.

By: A.W. Gregg Jr.
A.W. GREGG, Jr., President

Attest: Mary G. Kinsala

Karnack Corporation

By: Frank Wawak
Frank Wawak

Attest: [illegible]

THE STATE OF TEXAS

COUNTY OF HAYS

BEFORE ME, the undersigned authority, on this day personally appeared A.W. GREGG, JR., 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 purposes and consideration therein expressed.

GIVEN UNDER MY HAND and seal of office on this the 26th day of May, 1988.

Debbie Lyons
Notary Public in and for
Hays County, Texas

8-5-89
My Commission Expires:

THE STATE OF TEXAS

COUNTY OF HAYS

BEFORE ME, the undersigned authority, on this day personally appeared, FRANK WAWAK, 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 purposes and consideration therein expressed.

GIVEN UNDER MY HAND and seal of office on this the 1st day of June, 1988.

Pamela Landrum
Notary Public in and for
Hays County, Texas
Pamela Landrum

2-10-91
My Commission Expires:

EXHIBIT "A"

Partial field Notes from survey by James R. Hall September 1960. These are updated and corrected from deed of trust dated 12-18-57; recorded vol.88-pp. 474-481 Deed Records of Hays County.

BEGINNING at a fence post on the Northwest line of Old Austin Road and the East corner of this tract;

THENCE with fence along the Southwest line of the lands of Hessler, Robert Skinner, Mose January, and M. Rogers, N-44° - 54'W 556.1 feet;

THENCE N-45° - 33'W 729.2 feet;

THENCE N 46° - 20'W 149.7 feet to the place of beginning of this easement;

THENCE S-43° -40'W 390 feet;

THENCE N-46° - 20'W 330 feet;

THENCE N-43° 40'E 390 feet;

THENCE S-46° - 20'E 330 feet to the place of beginning.

EXHIBIT "B" 881 · 020

TRACT II: 1088.60 acres of land, being 5.37 acres out of the T. C. Snailm Survey, 31.68 acres out of the S. Berry Survey, 500.20 acres out of the S. Pharass Survey, and 551.35 acres out of the C. W. Baker Survey described as follows:

BEGINNING at a stake in fence corner for the West corner of a tract of land owned by Charles Thiele and the North corner of a tract owned by R. G. Nance;

THENCE with fence for said Thiele's Northwest line North 45° 05' East 5313.4 feet to a fence post on Northwest line of Old Austin Road for the East corner of this tract;

THENCE with fence along the Southwest line of the lands of Hesler, Robert Skinner, Mose January and M. Rogers, North 45° 40' West 5880.3 feet to a stake and stone mound for corner from which a live oak 5" in diameter marked X bears South 31° 40' West 40.5 feet and a live oak 3" in diameter in fence corner bears South 52° 25' East 5.3 feet;

THENCE with fence for said Rogers Southeast line South 44° 57' West 1273.8 feet to a corner in old stone fence;

THENCE South 45° 00' East 463.00 feet with the Northeast line of a tract owned by D. A. Nance to the East corner of same;

THENCE with the Southeast line of said D. A. Nance tract, South 44° 40' West 9467.7 feet to a point in the center of Blanco River for the South corner of said D. A. Nance tract and the West corner of this tract;

THENCE down the center of said Blanco River, South 23° 00' East 768.4 feet to the most Northwest corner of what is known as the Nance Mill tract;

THENCE with the Northeast line of said Mill tract and the East bank of the Blanco River as follows: N. 55° 00' E. 120.0 feet to a stake in the mouth of a branch on the East side of said river;

THENCE 73° 50' East 486.7 feet to a two pronged hackberry 8" in diameter;

THENCE with fence South 16° 10' East 286.0 feet to a stake and mound in said fence for the West corner of E. Nance homestead tract;

THENCE with the Northwest line of said homestead tract North 54° 10' East 2754.0 feet to a forked elm 18" in diameter at butt in corner of field fence for the North corner of said homestead tract;

THENCE with fence for Northeast line of said homestead tract as follows: S. 50° 35' E. 201.5 feet to angle in fence; S. 48° 20' E. 472.1 feet to angle in fence; S. 47° 35' E. 545.4 feet to a stake and mound; N. 62° 20' E. 537.6 feet to a stake in drainage ditch; S. 52° 20' E. 273.9 feet with said drainage ditch to a stake; S. 49° 30' E. 1056.0 feet with drainage ditch and fence to N.W. end of stone fence S. 41° 35' E. 835.0 feet with said stone fence to a fence post at the S. E. end of same for the E. corner of said homestead tract in the N. W. line of said R. G. Nance tract;

THENCE with fence for the N. W. line of said R. G. Nance tract N. 45° 00' E. 2166.1 feet to the PLACE OF BEGINNING.

Being the same land described in a deed of trust from E. Nance and wife to M. H. Gossett, Trustee, dated March 21, 1922, recorded in Volume W. pages 158-163, Deed of Trust Records of Hayes County, Texas.

141/444

Given under my hand and seal of office this 14th day of July, 1948.

/signed/ Sarah Reed
County Clerk in and for Hays County, Texas

(SEAL)

Filed for record on July 15, A. D. 1948 at 2:25 o'clock P. M.

Recorded on July 20, A. D. 1948 at 2:50 o'clock P. M.

Sarah Reed
SARAH REED, COUNTY CLERK, HAYS COUNTY, TEXAS

----oOo----

STATE OF TEXAS }
COUNTY OF HAYS }

THIS AGREEMENT made and entered into by and between F. D. Glass, Jr., hereinafter called Lessor, and The Texas Pipe Line Company, a corporation, with offices in Houston, Texas, hereinafter called Lessee,

W I T N E S S E T H :

Lessor hereby leases to lessee, for a term of Twenty (20) years from and after June 15th, 1948, the following described tract of land in Hays County, Texas, subject to the terms and conditions herein set forth:

A tract or parcel of land containing 64 square feet or 0.0015 acre, more or less, out of the F. D. Glass, Jr., lands located in the Caler W. Baker Survey, Hays County, Texas, more particularly described as follows:

Beginning at a point on an existing T.T.P.L. 6" products pipe line, known as Engineer's Station 5382/41, from which point the centerline of the Blanco River bears along said existing pipe line, Southwesterly 591 feet; thence, N. 43 deg. 58' W., 4 feet to a point for the West corner of this tract; thence N. 46 deg. 02' E., 8 feet to a point for North corner; thence S. 43 deg. 58' E., 8 feet to the East corner; thence S. 46 deg. 02' W., 8 feet to the South corner of this tract; thence N. 43 deg. 58' W., 4 feet to the place of beginning.

1. Lessee agrees to pay to lessor the sum of $200.00 as rental for the full term of this lease, receipt of which is hereby acknowledged.
2. Said property is to be used by lessee for the erection of a valve box site, and such other appurtenances as may be necessary for said purpose.
3. Lessee shall have the right to terminate this agreement at and of the first year or any subsequent year, upon thirty (30) days prior written notice to lessor.
4. Lessee shall have the right to remove any property placed on the demised premises by lessee during the term of this lease or any extension or renewal hereof. Dessee is hereby given full right of ingress to and egress from the above described property over other lands of lessor.
5. Lessor hereby grants unto lessee the right and option to renew and extend this lease for an additional period of 20 years, upon the same terms, covenants and conditions as in this agreement contained. Notice of lessee's election to exercise said option shall be sufficient if deposited in the U. S. Mail, postage prepaid, addressed to lessor, at least thirty (30) days prior to the expiration of the primary term of this lease.

EXECUTED this the 22 day of June, 1948, A. D.

/signed/ F. D. Glass, Jr.
Lessors

Attest:

G. J. Roe
Secretary

THE TEXAS PIPE LINE COMPANY

by J. W. Emison, Vice-president
Lessee

Description Approved

A. R. Cherer

known to me to be the person whose name subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 22 day of June, 1948, A. D.

/signed/ T. B. Tynes
Notary Public in and for Travis County,
State of Texas.

(SEAL)

Form Approved

JJO
John J. O'Keefe

Filed for record on July 17, A. D. 1948 at9:00 o'clock A.M.

Recordd on July 20, A. D. 1948 at 3:20 o'clock P. M.

SARAH REED, COUNTY CLERK, HAYS COUNTY, TEXAS

----oOo----

STATE OF TEXAS |
COUNTY OF HAYS | KNOW ALL MEN BY THESE PRESENTS:

THAT I, JA WAHRMUND, owning and occupying other property in Bexar County, Texas, as my homestead, of the County of Bexar State of Texas for and in consideration of the sum of $10.00 and other good and valuable consideration to me in hand paid by BURTON R. WILSON and wife, MARCIA WILSON, the receipt of which is hereby acknowledged and confessed; And the further consideration of the execution and delivery by the Grantees herein of one certain promissory note, of even date herewith, in the principal sum of $1,260.00, payable to the order of the Grantor in monthly installments of $39.00 each, including interest at the rate of 5% per annum, from each of which installments the accrued interest shall be first deducted and the remainder applied to the payment of the principal, the first installment being due and payable on the 29th day of July, 1948, and a like installment being due and payable on the 29th day of each succeeding calendar month thereafter until said note, both principal and interest, is fully paid; said note containing the usual clauses as to acceleration of maturity and 10% attorney's fees, and being additionally secured by a deed of trust to CHAS. H. JACKSON, Jr., Trustee.

The makers of said note reserve the right to make additional payments on the principal thereof on any installment payment date. have GRANTED, SOLD and CONVEYED, and by these presents do GRANT, SELL and CONVEY unto the said BURTON R. WILSON and wife, MARCIA WILSON, of the County of Harris, in the State of Texas all that certain land, lying, situated and being in the County of Hays State of Texas, more particularly described as follows, to-wit:

All of Lot Forty-five (45), EXCEPT the West 10 feet thereof conveyed to N. R. Wall by deed dated June 22, 1948, and all of Lot Forty-six (46), in FLITEACRES, out of the H. G. Pannell Survey # 70, Hays County, Texas

Current taxes assumed.

67372-s

This conveyance is with the restrictions and upon the following covenants and conditions:

1. There shall be no further subdivision of this property and not less than one platted lot shall be used as a residential building plot.

2. No structure shall be erected, placed or permitted to remain on any residential building plot other than a single family dwelling and garage, well house and similar appurtenant outbuildings, each dwelling shall contain at lease 500 sq. ft. floor area including screened porches and shall be constructed of new materials only unless the undersigned expressly approve the used materials to be used, and all improvements shall be of permanent construction and no trailer houses or

~~HC 9721251 2 pgs~~

HC 9721251 3 pgs

(3) 11.00
10

SURFACE LEASE

1367 638

THE STATE OF TEXAS §
§
COUNTY OF HAYS §

THIS AGREEMENT made and entered into by and between A. W. Gregg, hereinafter called "Lessor", and Texaco Pipeline Inc. (successor in interest to The Texas Pipe Line Company by corporate merger) with offices in Houston, Texas, hereinafter called "Lessee",

WITNESSETH:

Lessor hereby leases to Lessee, for a term of ten (10) years from and after December 15, 1997, the following described tract of land in Hays County, Texas, subject to the terms and conditions herein set forth:

> A tract or parcel of land containing 64 square feet or 0.0015 acre, more or less located in the Caler W. Baker Survey, Hays County, Texas, more particularly described as follows:
>
> BEGINNING at a point on an existing T.P.L.I. 6" products pipeline, known as Engineer's Station 5382 + 41, from which point the centerline of the Blanco River bears along said existing pipeline, Southwesterly 591 feet; THENCE N. 43 deg. 58 min. W., 4 feet to a point for the West corner of this tract; THENCE N. 46 deg. 02 min. E, 8 feet to a point for North corner; THENCE S. 43 deg. 58 min. E., 8 feet to the East corner; Thence S. 46 deg. 02 min. W., 8 feet to the South corner of this tract; THENCE N. 43 deg. 58 min. W., 4 feet to the PLACE OF BEGINNING.

1. Lessee agrees to pay to Lessor the sum of $250.00 as rental for the full term of this lease, the receipt of which is hereby acknowledged.

2. Said property is to be used by Lessee for the erection of a valve box site, and such appurtenances as may be necessary for said purpose.

3. Lessee shall have the right to terminate this agreement at and of the first year or any subsequent year, upon thirty (30) days prior written notice to Lessor

4. Lessee shall have the right to remove any property placed on the demised premises by Lessee during the term of this lease or any extension or renewal thereof. Lessee is hereby given full right of ingress to and egress from the above described property over lands of Lessor.

5. Lessor hereby grants unto Lessee the right and option to renew and extend this lease for an additional period of 20 years, upon the same terms and conditions as in this agreement

contained. Notice of Lessee's election to exercise said option shall be sufficient if deposited in the U. S. Mail, postage prepaid, addressed to Lessor, at least thirty (30) days prior to the expiration of the primary term of this lease.

EXECUTED this the 15TH day of December, 1997.

A. W. Gregg SS # 455-66-8171
Lessor

ATTEST:

Asst. Secretary

TEXACO PIPELINE INC.

By:_____
E. R. Murray
Executive Vice President

ACKNOWLEDGRMENTS ATTACHED

THE STATE OF TEXAS §
§
COUNTY OF HAYS §

BEFORE ME, the undersigned authority, on this day personally appeared A. W. GREGG, 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 purposes and consideration therein expressed.

GIVEN under my hand and seal of office this 15TH day of Dec., 1997.

My Commission Expires:
1-6-99
(SEAL)

SYLVIA FLORES
Notary Public, State of Texas
My Commission Expires
JAN 6, 1999

Notary Public in and for
HAYS County, Texas

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority on this day personally appeared E.R. MURRAY, Executive Vice President of Texaco Pipeline Inc., a corporation, known to me to be the person and officer whose name subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act and deed of said corporation for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN under my hand and seal of office this _____day of _____,1997.

My Commission Expires:

_____
(SEAL)

_____
Notary Public in and for
Harris County, Texas

Return to:
TEXACO PIPELINE INC.
P.O. BOX 4565
HOUSTON, TEXAS 77210-4565

1367 640

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

12-19-97 03:02 PM 9721251
LACKEY $11.00
MARGIE T VILLALPANDO, County Clerk
HAYS COUNTY

~~HC 9721251 2 pgs~~

HC 9721251 3 pgs

(5) 11.00 #234

1372/759

SURFACE LEASE

~~1367 633~~

THE STATE OF TEXAS §
§
COUNTY OF HAYS §

1372 759

THIS AGREEMENT made and entered into by and between A W. Gregg, hereinafter called "Lessor", and Texaco Pipeline Inc (successor in interest to The Texas Pipe Line Company by corporate merger) with offices in Houston, Texas, hereinafter called "Lessee",

WITNESSETH:

Lessor hereby leases to Lessee, for a term of ten (10) years from and after December 15, 1997, the following described tract of land in Hays County, Texas, subject to the terms and conditions herein set forth:

> A tract or parcel of land containing 64 square feet or 0 0015 acre, more or less located in the Caler W. Baker Survey, Hays County, Texas, more particularly described as follows:
>
> BEGINNING at a point on an existing T.P.L.I. 6" products pipeline, known as Engineer's Station 5382 + 41, from which point the centerline of the Blanco River bears along said existing pipeline, Southwesterly 591 feet; THENCE N. 43 deg. 58 min W., 4 feet to a point for the West corner of this tract; THENCE N. 46 deg. 02 min E, 8 feet to a point for North corner; THENCE S 43 deg. 58 min E., 8 feet to the East corner; Thence S 46 deg 02 min W., 8 feet to the South corner of this tract; THENCE N 43 deg. 58 min. W., 4 feet to the PLACE OF BEGINNING.

1. Lessee agrees to pay to Lessor the sum of $250.00 as rental for the full term of this lease, the receipt of which is hereby acknowledged

2 Said property is to be used by Lessee for the erection of a valve box site, and such appurtenances as may be necessary for said purpose.

3. Lessee shall have the right to terminate this agreement at and of the first year or any subsequent year, upon thirty (30) days prior written notice to Lessor

4. Lessee shall have the right to remove any property placed on the demised premises by Lessee during the term of this lease or any extension or renewal thereof. Lessee is hereby given full right of ingress to and egress from the above described property over lands of Lessor.

5 Lessor hereby grants unto Lessee the right and option to renew and extend this lease for an additional period of 20 years, upon the same terms and conditions as in this agreement

HC 9800565 3 pgs

contained. Notice of Lessee's election to exercise said option shall be sufficient if deposited in the U. S. Mail, postage prepaid, addressed to Lessor, at least thirty (30) days prior to the expiration of the primary term of this lease.

EXECUTED this the 15TH day of December, 1997.

A. W. Gregg S.S. # 455-66-8171
Lessor

ATTEST:
R M Lab
Asst. Secretary

TEXACO PIPELINE INC.
By: E.R. Murray
E. R. Murray
Executive Vice President

ACKNOWLEDGRMENTS ATTACHED

THE STATE OF TEXAS §
§
COUNTY OF HAYS §

BEFORE ME, the undersigned authority, on this day personally appeared A. W. GREGG, 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 purposes and consideration therein expressed.

GIVEN under my hand and seal of office this 15TH day of Dec., 1997

My Commission Expires:
1-6-99
(SEAL)

SYLVIA FLORES
Notary Public, State of Texas
My Commission Expires
JAN 6, 1999

Sylvia Flores
Notary Public in and for
HAYS County, Texas

THE STATE OF TEXAS §
§
COUNTY OF HARRIS §

BEFORE ME, the undersigned authority on this day personally appeared E.R. MURRAY, Executive Vice President of Texaco Pipeline Inc., a corporation, known to me to be the person and officer whose name subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act and deed of said corporation for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN under my hand and seal of office this 6th day of January, 1998.

My Commission Expires:
7/30/2000
(SEAL)

Beverly Gayle Hickman
Notary Public in and for
Harris County, Texas

BEVERLY GAYLE HICKMAN
Notary Public, State of Texas
My Commission Expires 07-30-2000

Return to:
TEXACO PIPELINE INC.
P.O. BOX 4565
HOUSTON, TEXAS 77210-4565

1367 640

1372 761

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

12-19-97 03:02 PM 9721251
LACKEY $11.00
MARGIE T VILLALPANDO, County Clerk
HAYS COUNTY

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

1-12-98 02:43 PM 9800565
LYNN $11.00
MARGIE T VILLALPANDO, County Clerk
HAYS COUNTY

00000565 838 (1696x2800x2 tiff)

3100
Ch3496

220509

ORDINANCE NO. 199

565 838

GRANTING AND ORDAINING EXTRATERRITORIAL JURISDICTION STATUS OF THE CITY OF KYLE, HAYS COUNTY, TEXAS TO THE REAL PROPERTY OF A. W. GREGG, A. W. GREGG, JR., AS PRESIDENT OF KY-TEX PROPERTIES, INC., A. W. GREGG, JR., INDIVIDUALLY, AUDREY OSWALT, MARY G. KINSALA, AND ROBIE LYNN ROBINSON, AS THEIR INTERESTS MAY APPEAR; AND GRANTING TO THE INHABITANTS THEROF AND THE SAID PROPERTY ALL THE RIGHTS AND PRIVILEGES OF EXTRATERRITORIAL JURISDICTION AND BINDING THE INHABITANTS AND PROPERTY TO THE ACTS, ORDINANCES, RESOLUTIONS, AND REGULATIONS APPLICABLE TO THE STATUS OF EXTRATERRITORIAL JURISDICTION.

WHEREAS, A. W. Gregg, A. W. Gregg, Jr., as President of Ky-Tex Properties, Inc., A. W. Gregg, Jr., individually, Audrey Oswalt, Mary G. Kinsala, and Robie Lynn Robinson, as their interests may appear, own real property which is contiguous to real property presently within the extraterritorial jurisdiction of the City of Kyle, Hays County, Texas; and

WHEREAS, the said A. W. Gregg, A. W. Gregg, Jr., as President of Ky-Tex Properties, Inc., A. W. Gregg, Jr., individually, Audrey Oswalt, Mary G. Kinsala, and Robie Lynn Robinson have petitioned the City of Kyle for extraterritorial jurisdiction as evidenced by the documents dated (respectively) June 26, 1985, June 25, 1985, June 25, 1985, June 25, 1985, June 25, 1985, June 25, 1985, attached hereto as Exhibits "A", "B", "C", "D", "E", and "F". The description of the property owned by A. W. Gregg, A. W. Gregg, Jr., as President of Ky-Tex Properties, Inc., and A. W. Gregg, Jr., individually, Audrey Oswalt, Mary G. Kinsala, and Robie Lynn Robinson, as their interests may appear, which is to be granted extraterritorial jurisdiction by the City of Kyle, is as follows, to wit:

All those certain tracts and parcels of land located in Hays County, Texas, described in and conveyed by Deed from F. D. Glass, Jr., to A. W. Gregg, dated October 22, 1948, filed for record with the County Clerk of Hays County, Texas, under File No. 15911, and recorded in Volume 142, Page 290, Deed Records of Hays County, Texas, and being all those lands described in and conveyed by Deed dated June 7, 1944, from J. N. Thornton and wife, Mrs. Bessie Thornton, to F. D. Glass, Jr., recorded in Volume 130, Page 121, of the Deed Records of said County, consisting of and described as follows:

First Tract: 744-31/100 acres, consisting of 350 acres out of the C.W.Baker Survey, Pat. No. 82, Vol. 1,Abst. No. 31; 34 acres out of the S. Berry Survey, Abstract No. 32; 345.58 acres out of the John Cooper Survey, Pat. No. 584, Vol. 7; and 14.73 acres out of the W. Dunbar Survey, Pat. No. 29, Vol. 16, described as:

BEGINNING at a point in the center of the Blanco River for the W corner of this tract and the S. corner of a tract owned by M. W. Rogers;

THENCE down the center of said river with its meanders as follows: S. 19-40' E 156.4 feet, S. 22-15' E. 577.8 ft; S 6-05' E. 521.8 ft; S. 11-25' E. 285.5 ft; S 10-45' E. 256 ft; S. 49-15' W. 155.2 ft; S. 23-10' E. 1028.2 ft; S 26-20' E. 1232.8 ft; S 23-00' E. 1543 ft, to a point in the center of said river for the S. corner of this tract and the W. corner of a tract owned by E. Nance.

(continued on page 2 of Ordinance.)

Real Property Records
Hays County Texas

00000565 839 (1696x2800x2 tiff)

THENCE N 44-40' E. 9467.7 ft. to the E. corner of this tract;

505 839

THENCE N 45-00' W. 463 ft. to a corner in old stone fence for said M. W. Rogers S.E. line;

THENCE with said stone fence and Rogers S. line, N. 81-45' W. 1115 ft. to a corner in stone fence;

THENCE with fence for Rogers S. W. line S. 44-15' W. 1729.5 ft. to corner in stone fence;

THENCE with fence for Rogers W. line, N. 28-05' W. 2773.8 ft. to a fence post for most Northern corner of this tract;

THENCE with fence for Rogers S. E. line as follows: S. 57-00' W. 406 ft. S. 52-30' W. 1360.9 ft.; S. 60-25' W. 2953.7 ft; S. 43-35' W. 852.1 ft. to the PLACE OF BEGINNING;

being the same lands conveyed to D. A. Nance and E. Nance, et al, by Partition Deed dated 25th day of February, 1922, recorded in Vol. 83, Pages 93-97, Deed Records of said County, and also conveyed by and described in the Deed of Trust from D. A. Nance and wife to M. H. Gossett, Trustee, dated March 21, 1922, recorded in Vol. "W", Pages 170-175, Deed of Trust Records of said County.

Second tract: 1088-60/100 acres of land, being 5.37 acres out of the T. C. Snail Survey, Pat. No. 51, Vol. 6; 31.68 acres out of the S. Berry Survey, Pat No. 82, Vol. 1; 500.20 acres out of the S. Pharass Survey, Pat. No. 81, Vol. 1; and 551.35 acres out of the C. W. Baker Survey, Pat. No. 82, Vol. 1, described as:

BEGINNING at a stake in fence corner for the W. Corner of a tract of land owned by Charles Thiele and the N. corner of a tract owned by R. G. Nance;

THENCE with fence for said Thiele's N.W. line, N. 45-05' E. 5313.4 feet to a fence post on the N.W. line of old Austin road for the E. corner of this tract;

THENCE with fence, along the S. W. line of the lands of Heeler, Robert Skinner, Mose January, and M. Rogers, N. 45-40' W. 5880.3 ft. to a stake and stone mound for corner from which a live oak 5" in dia. marked X bears S. 31-40' W. 40.5 ft, and a live oak 3" in dia. in fence corner bears S. 52-35' E. 5.3 ft.

THENCE with fence for said Rogers S. E. line S. 44.57' W. 1273.8 ft. to a corner in old stone fence;

THENCE S 45-00' E. 463.0 ft. with the N. E. line of a tract owned by D. A. Nance to the E. corner of same;

THENCE with the S. E. line of said D. A. Nance tract, S 44-40' W. 9467.7 ft. to a point in the center of the Blanco River, for the S. corner of said D. A. Nance tract, and the W. corner of this tract;

THENCE down the center of said Blanco River, S. 23-00' E. 768.4 ft. to the most N.W. corner of what is known as the Nance Mill tract;

THENCE with the N.E. line of said Mill Tract, and the E. bank of the Blanco River, as follows: N. 55-00' E. 120.0 ft. to a stake in the mouth of a branch on the E. side of said river;

THENCE S. 73-50' E 486.7 ft to a two pronged Hackberry 8" in dia.

THENCE with fence, S. 16-10' E. 286.0 ft. to a stake and mound in said fence for the W. corner of E. Nance Homestead tract;

THENCE with the N.W. line of said Homestead tract, N. 54-10' E. 2754.0 ft. to a forked elm 18" in dia. at butt in corner of field fence for the N. corner of said Homestead tract;

THENCE with fence for N.E. line of said Homestead tract, as follows: S 50-35' E 201.5 ft. to angle in fence; S 48-20' E 472.1 ft. to angle in fence; S. 47-35' E. 545.4 ft. to a stake and mound; N. 62-20' E 537.6 ft. to a stake in drainage ditch; S 52-20' E 273.9 ft. with said drainage ditch to a stake; |continued on next page (3)|...

00000565 840 (1696x2800x2 tiff)

(continued from page 2) ...S 49-30' E. 1056.0 ft. with drainage ditch and fence to N.W. end of stone fence, S 41-35' E 835 ft. with said stone fence to a fence post and the S. E. end of said for the E. corner of Homestead tract in the N. W. line of said R. G. Nance tract;

THENCE with fence for the N. W. line of said R. G. Nance tract, N 45-00' E 2166.1 ft to the PLACE OF BEGINNING, containing 1088.60/100 acres of land;

502 840

Being the same land conveyed to E. Nance by D. A. Nance, et al; by Partition Deed dated the 25th day of February 1922, and then shown of record in Volume 83, Pages 93-97 of the Deed Records of said Count; and also conveyed by and described in a Deed of Trust from E. Nance and wife, to M. H. Gossett, Trustees, dated March 21, 1922, recorded in Vol. "W" Pages 158-163, Deed of Trust Records of said County.

Third tract: 90.64 acres of land, consisting of 41.44 acres out of the T. C. Snail Survey; 11.85 acres out of the Samuel Pharass Survey; and 37.35 acres out of the C. W. Baker Survey; described as:

BEGINNING at a forked Elm 18" in dia. in fence corner for the N. corner of this tract;

THENCE S 54-10' W 2754.0 ft. to a stake in fence line on the E. bank of the Blanco River;

THENCE with said fence on the E. bank of said river, as follows: S 16-10' E 14.0 ft. to fence post an angle; S. 11-40' E. 468.4 ft. to a live oak 14" in dia. for corner;

THENCE S 53-35' W. 72.0 ft. to a water elm 24" in dia. on W. bank of E. Channel of said river;

THENCE S 4-30' E 184.9 ft. to a point in the center of the E. Channel of said Blanco River;

THENCE with the center of the Blanco River, S. 28-35' E. 600.0 ft. to a point for the S. corner of this tract;

THENCE N. 54-10' E. 3837.8 ft to a point in the edge of a field;

THENCE along the edge of said field, S. 63-50' W. 478.5 ft. to a stake and stone mound;

THENCE N 47-35' W. 545.4 ft. to corner in old rock fence along the S. side of another field;

THENCE with rock and wire fence along field, N. 48-20' W. 472.1 feet to angle in same;

THENCE with fence, along field N. 50-35' W. 201.6 ft. to the PLACE OF BEGINNING, containing 90.64 acres of land, according to survey made on the ground by S. W. Minot, County Surveyor, February 8, 1922;

Being the same lands described in Deed of Trust from E. Nance and wife, to C. D. Wallace, Trustee, dated May ast, 1924, and recorded in Deed of Trust Records of said County in Volume "Z", at Pages 113-115.

Fourth tract: 15.12 acres of land, comprising 3.3 acres out of the T. C. Snail Survey and 11.82 acres out of the Samuel Pharass Survey and described as

BEGINNING at a stake in the line between the E. Nance 200 acres tract, and the 90.64 acres tract immediately above described as "Third Tract", which stake is South 54 degrees 10 minutes West, 1255.4 feet from the North corner of the 90.64 acres tract;

THENCE S 38 deg. 15 minutes E. 499 ft. to a stake for the E. corner of the tract herein described;

THENCE S 33 deg. 35 min. W. 330 ft. to a stake at angle in S.E. line;

THENCE S 46 deg. 10 min. W 749 ft. to a stake for the S. corner of the tract herein described;

(continued on page 4 of Ordinance.)

00000565 841 (1696x2800x2 tiff)

[continued from page 3]
THENCE N 35 deg. 45 min. W. at 173 ft. live Oak 24" in dia. in all 708 ft. to a stake in said line between said 90.64 acres tract and said 200 acres tract, a stake for the W. corner of the tract herein described;

THENCE with said division line between 200 acres and 90.64 acres, N. 54 degrees 10 minutes E. 1029 feet to the PLACE OF BEGINNING, containing 15.12 acres, according to survey made on the ground by S. W. Minot, July 3, 1929.

565 841

* * * *

All those certain pieces or parcels of land situated in Hays County, Texas, described as First Tract and Second Tract, to-wit:

First Tract: Being Fifteen (15) acres of land out of the Charles Conally 56.19 acre tract, situated in Hays County, Texas, and being out of the John Pharass Survey, Abstract 361;

BEGINNING at the S. E. corner of the said Charles Conally 65.19 acre tract, said corner being in the West Right-of Way line of Farm Road 1078;

THENCE S. 63 deg. 01' W. 1464.6 ft. with the Southeast fence line of said 56.19 acre tract;

THENCE N. 9 deg. 53' W. 464.7 ft. with an existing fence to a corner post;

THENCE N. 62 deg. 28' E. 1410 ft. across said 56.19 acre tract to a point in the West Right-of-Way line of Farm Road 1078;

THENCE S. 17 deg. 01' E. 465 ft. with the West Righ-of-Way line of Farm Road, to the PLACE OF BEGINNING;

Being part of the same tract of land conveyed to Charles Conally by C. J. Borchert, et ux, by deed dated October 13, 1905, recorded in Vol. 48, pages 588-590, Hays County Deed Records; and by deed from Burns A. Conally, et ux to Chas. Conally dated November 8, 1948 and recorded in Vol. 142, pages 347-348, of the Hays County Deed Records. Said Fifteen (15) acre tract is identified as Tract No. Nine (9), on a map or plat of the Conally property and made part of the Judgment in Cause No. 7351, styled Ella Conally Vs. Bettie Tafts, et al, in the 22nd Judicial District Court of Hays County, Texas, as recorded in Vol. O, pages 190-194, of the Civil Minutes of said Court.

Second tract: Being 6.89 acres of land out of the Charles Conally 56.19 acre tract situated in Hays County, Texas out of the John Pharass Survey, Abstract 361;

BEGINNING at a point in the West line of Farm Road 1078, said point being S. 17 deg. 01' E. 866.7 ft. from the N.E. corner of said Charles Conally 56.19 acre tract;

THENCE S. 17 deg. 01' E. 190 ft. with the West Right-of-Way line of Farm Road 1078 to a point;

THENCE S. 62 deg. 28' W. 1579.6 ft. across said 56.19 acre tract to the West fence line of said 56.19 acre tract;

THENCE N. 17 deg. 02' W. 190 ft. with said West fence line to a point;

THENCE N. 62 deg. 28' E. 1579.6 ft. across the said 56.19 acre tract to the PLACE OF BEGINNING;

Being part of the same tract of land conveyed to Charles Conally by C. J. Borchert, et ux, by deed dated October 13, 1905, recorded in Volume 48, pages 588-590, Hays County Deed Records; and by deed from Burns A. Conally, et ux, to Chas. Conally, dated November 8, 1948, recorded in Vol. 142, pages 347-348, Hays County Deed Records. Said 6.89 acre tract is identified as Tract No. Eight (8), on the map aforesaid.

* * * *

00000565 842 (1696x2800x2 tiff)

565 842

Field note description of a survey of 1.13 acres of land in the John Pharass Survey Abstract 361, Hays County, Texas, being a portion of that tract conveyed by J. C. Carpenter to Charles Kennedy by Deed dated November 2, 1906 and recorded in Volume 51, Page 466, 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 northwesterly corner of this tract, the northwesterly corner of the Kennedy tract, the southwest corner of that 98 acre tract conveyed by J. C. Carpenter to C. J. Borchert by deed dated January 30, 1901 and recorded in Volume 40, page 502 of the Hays County Deed Records, the Southwest corner of that 4.78 acre tract conveyed by Barbarita Mata to Sebastian Albarado by deed dated November 29, 1924 and recorded in Volume 88, Page 509 of the Hays County Deed Records and on a Southeasterly line of that 135.78 acre tract conveyed by Franklin Jordan to Ky-Tex Properties, Inc., by deed dated November 17, 1972 and recorded in Volume 254, Page 848 of the Hays County Deed Records;

THENCE leaving the Ky-Tex 135.78 acre tract with a south line of the Borchert 98 acre tract and the Albarado 4.78 acre tract and a north line of the Kennedy tract as fenced N 86° 58' E 384.83 feet to a 5" live oak tree for the north corner of this tract, pass at 305 feet an overhead utility line;

THENCE leaving the Borchert 98 acre tract and the Albarado 4.78 acre tract S 12° 43' E 9.81 feet to an iron rod set for the Easternmost corner of this tract on the North line of a county road known as the extension of West Center Street (a public street in the city of Kyle, Texas);

THENCE following the northerly line of said county road the following four courses:
(1) S 72° 18' W 262.00 feet to an iron rod set under an overhead telephone line,
(2) S 65° 28' W 178.61 feet to an iron rod set under an overhead telephone line,
(3) S 61° 36' W 132.45 feet to an iron rod set under an overhead telephone line, an
(4) S 55° 34' W 336.11 feet to an iron rod set under an overhead telephone line on the northwest line of the Kennedy tract;

THENCE leaving the north line of said county road with the northwest line of the Kennedy tract N 46° 38' E 576.78 feet to the PLACE OF BEGINNING as shown on plat number 518-1-c prepared for Ky-Tex Properties, Inc., by James E. Byrn and Associates. There are contained within these metes and bounds 1.13 acres as surveyed on the ground during January 1978 by Darrel Sutton, Registered Public Surveyor, No. 1927, an associate of James E. Byrn and Associates, San Marcos, Texas.

* * * *

135.78 acres of land, 109.78 acres being a portion of the John Pharass Survey # 13, Abstract #361, and 26.00 acres being a portion of the Samuel Pharass Survey #14, Abstract #360, in Hays County, Texas said 135.78 acre tract being a portion of that 67½ acre tract designated as First Tract and a portion of a 206½ acre tract designated as Second Tract, as conveyed in a deed from Bernard Kuhn, et ux, to Franklin Jordan and Wife, Bernice T. Jordan, as recorded in Volume 202, Page 412, Hays County Deed Records, and a one-half interest in said tracts as conveyed in a deed from Franklin Jordan and wife, Bernice T. Jordan, to Arthur C. Jordan as recorded in Volume 223, Page 574, Hays County Deed Records, as surveyed for Franklin JOrdan and Arthur C. Jordan by Forrest B. Scott, Registered Public Surveyor, Austin, Texas. Said 135.78 acres of land being described more particularly by metes and bounds as follows:

BEGINNING at an iron stake at corner of fence for the Southwest corner of that 206½ acre tract of land designated as Second Tract in a deed from Bernard Kuhn, et ux, to Franklin Jordan and wife, Bernice T. Jordan, as recorded in Volume 202, Page 412, Hays County Deed Records;

THENCE with the Northwest line of said 206½ acre Second Tract, as found fenced and used upon the ground, courses numbering 1-6 inclusive, as follows:
(1) N. 50° 32' E.1588.94 feet to an iron stake;
(2) N. 50° 33' E. 420.55 feet to an iron stake;
(3) N. 27° 18' E. 50.08 feet to an iron stake;
(4) S. 41° 53' E. 40.20 feet to an iron stake;
(5) N. 50° 32' E.1572.07 feet to an iron stake;
(6) N. 52° 07' E. 21.98 feet to an iron stake;

(continued on page 6 of Ordinance.)

00000565 843 (1696x2800x2 tiff)

[continued from page 5]

THENCE S. 48° 29' E. 46.62 feet to an iron stake in the West line of the Old San Marcos-Austin Road;

THENCE with the West lines of the Old San Marcos-Austin Road, as fenced and used upon the ground, courses numbering 1-6 inclusive as follows:

(1) S. 14° 41' E. 382.58 feet to an iron stake;
(2) S. 6° 00' E. 1097.20 feet to an iron stake;
(3) S. 2° 01' W. 136.75 feet to an iron stake;
(4) S. 18° 01' W. 577.80 feet to an iron stake;
(5) S. 9° 24' E. 40.97 feet to an iron stake;
(6) S. 16° 30' E. 1287.26 feet to an iron stake;

THENCE S. 58° 27' W. 11.41 feet to an iron stake in the Northeast line of West Center Street;

THENCE with the Northeast line of West Center Street, as found fenced and used upon the ground, N. 64° 44' W. 468.06 feet to an iron stake found;

THENCE with a fence, N. 21° 09' E. 218.92 feet to an iron stake found at corner of fence;

THENCE continuing with a fence, N. 74° 32' W. 682.19 feet to an iron stake at corner of fence;

THENCE continuting with the meanders of a fence, courses numbering 1-8 inclusive, as follows:

(1) S. 47° 08' W. 427.34 feet to an iron stake;
(2) S. 61° 35' W. 97.82 feet to a 60d nail in a 28 inch live Oak tree;
(3) S. 49° 40' W. 370.90 feet to an iron stake;
(4) S. 53° 29' W. 14.52 feet to an iron stake;
(5) S. 61° 13' W. 166.97 feet to an iron stake;
(6) S. 69° 49' W. 74.91 feet to an iron stake;
(7) N. 68° 09' W. 96.92 feet to an iron stake;
(8) N. 62° 31' W. 79.55 feet to an iron stake found in the Northeast line of the Kyle-Nance Road;

THENCE with the Northeast lines of the Kyle-Nance Road, as fenced and used upon the gound, courses numbering 1-6 inclusive, as follows:

(1) N. 47° 40' W. 145.23 feet to an iron stake found;
(2) N. 45° 55' W. 437.52 feet to an iron stake found;
(3) N. 14° 47' W. 516.59 feet to an iron stake found;
(4) N. 33° 12' W. 48.34 feet to an iron stake found;
(5) N. 54° 55' W. 49.91 feet to an iron stake found;
(6) N. 78° 24' W. 477.09 feet to an iron stake at corner of fence;

THENCE continuing with said fence, N. 39° 15' W. 155.86 feet to the PLACE OF BEGINNING, containing 135.78 acres of land, surveyed November 3, 1972.

* * * *

7.38 acres of land being a portion of the John Pharass Survey #13, Abstract 361, in Hays County, Texas, said 7.38 acre tract being a portion of that 67¼ acre tract designated as First Tract and a portion of a 206½ acre tract designated as Second Tract as conveyed in a deed from Bernard Kuhn, et ux, to Franklin Jordan and wife, Bernice T. Jordan, as recorded in Volume 202, Page 412, Hays County Deed Records, and a one-half interest in said tracts as conveyed in a deed from Franklin Jordan and wife, Bernice T. Jordan, to Arthur C. Jordan as recorded in Volume 223, Page 574, Hays Coundy Deed Records, as surveyed for Franklin Jordan and Arthur C. Jordan by Forrest B. Scott, Registered Public Surveyor, Austin, Texas. Said 7.38 acres of land being described more particularly by metes and bounds as follows:

BEGINNING at an iron stake for the Southwest corner of the herein described tract, and from said beginning iron stake an iron stake at the Southeast corner of that 135.78 acre tract this day surveyed for Franklin Jordan and Arthur C. Jordan bears S. 13° 43' E. 1040.31;

(continued on page 7 of Ordinance.)

00000565 844 (1696x2800x2 tiff)

[continued from page 6]

THENCE with the East lines of the Old San Marcos-Austin Road, courses numbering 1-6 inclusive, as follows:

(1) N. 16° 11' W. 173.46 feet to an iron stake;
(2) N. 12° 44' W. 68.37 feet to an iron stake;
(3) N. 6° 32' W. 50.48 feet to an iron stake;
(4) N. 5° 53' E. 52.18 feet to an iron stake;
(5) N. 18° 00' E. 562.54 feet to an iron stake;
(6) N. 4° 54' W. 163.07 feet to an iron stake found at the Northwest corner of the herein described tract;

565 844

THENCE with a fence, S. 62° 37' E. 327.30 feet to an iron stake at corner of fence;

THENCE continuing with said fence, S. 0° 25' W. 677.33 feet to an iron stake at corner of fence;

THENCE continuing with said fence, S. 61° 45' W. 433.59 feet to the PLACE OF BEGINNING, containing 7.38 acres of land, surveyed November 3, 1972.

* * * *

All that certain lot, tract or parcel of land located and being in Hays County, Texas and described by metes and bounds as follows, to-wit:

BEGINNING at a stake at the base of a corner fence post in the north line of the Kyle-Nance road, same being the most southeastern corner of the 67.5 acre tract hereinafter mentioned in the conveyance from Mrs. Clara Schnautz, et al, to B. Kuhn;

THENCE with the northern line of said Kyle-Nance Road north 80° 10' W. 1340.0 feet to a point in the center of the Old San Marcos-Austin or Mountain City Road;

THENCE North 17° 50' West 1068.6 feet with the center line of the Old Mountain City Road to a point which is in line with a fence for an 8.2 acre trap lying on the east side of said road;

THENCE North 60° 25' East in line with and along said fence, 458.0 feet to a fence post and rock mound for corner;

THENCE North 0° 55' West 668.0 feet to an iron pipe in field for corner;

THENCE North 64° 05' West 353.6 feet to a point in the center of Old San Marcos-Austin or-Mountain City Road;

THENCE North 7° 24' West along center of said road 1017.9 feet to a point in the center of road;

THENCE North 70° East along old fence line 2222.5 feet to a stake at base of corner fence post for corner in the West line of the Kyle-Hays City Road;

THENCE South 17° East 1451.2 feet along the West line of the Kyle-Hays City Road to the Northeast corner of Connally's 40.0 acre tract;

THENCE South 70° W. 1576.0' along the northeast line of said Connally's 40.0 acre tract to a corner fence post for corner;

THENCE South 16° East 1264.0 feet along the West line of said Connally's 40.0 acre tract to a stake at corner fence post for corner;

THENCE North 62° 30' East 169.7 feet to a stake at corner fence post for corner;

THENCE South 10° East 1014.0 feet to the PLACE OF BEGINNING, containing 123.60 acres of land.

* * * *

One Hundred Fifty-six and 35/100 (156.35) acres of land, be it more or less, a part of the Samuel and John Pharass Surveys, in Hays County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at the NE corner of a survey made for Thomas N. Nance;

THENCE with said Survey S. 70 degrees W. 796 varas to a stone mound near the Austin, Road;

THENCE N. 10 degrees W. 1008 varas;

THENCE N. 26 degrees E. 735 varas;

THENCE S. 45 degrees E. 328 varas to Martin Corner;

THENCE S. 16 degrees E. with the Martin line 1135 varas to the PLACE OF BEGINNING, containing 156.35 acres of land, together with all improvements thereon situated.

* * * *

Twenty (20) acres of land, more or less, a part of the Samuel Pharass Survey in said Hays County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at the N.E. corner of a 256-1/2 acre tract sold by C. C. Mitchell to A. A. and C. P. Harris, October 27, 1880;

THENCE S. 70 degrees W. (var 8-1/2 E) 796 varas to rock mound and fence;

THENCE S. 16 degrees E. 156-3/5 varas to rock mound;

THENCE S. 70 degrees E. (Var.8 1/4) 796 varas to rock mound and fence;

THENCE N. 16 degrees W. 156-3/5 varas to the PLACE OF BEGINNING, "varas 9-3/4 E. except where specified", and being the identical property conveyed to Ernest R. Griffin by Joseph Smith and wife, Alice Smith, by deed dated January 9, 1951.

* * * *

All of the following described real estate situated in Hays County, Texas, about 1-1/2 miles Southwest of the town of Kyle, Texas containing 49.62 acres, more or less, and consisting of the following surveys and parts of surveys, to-wit:

Being entirely out of the Z. Hinton Survey No. 12, enclosing two tracts of land consisting of what was formerly called a 36 acre tract and a 14 acre tract, and being that identical property heretofore described in and conveyed by a deed, dated October 30, 1905, now of record in Vol. 49, pages 7-10, Hays County Deed Records, wherein G. A. Smith was grantor and R. A. Rowland was grantee, and being more particularly described by metes and bounds as follows, to-wit:

BEGINNING at an iron pipe for the East corner of this tract being conveyed, same being the East corner of the original 36 acre tract, a point in the County Road. This beginning point bears N. 45° W. 441.2 varas, S. 45! W. 482.0 varas from the North corner of the J. W. Williams Survey No. 11. The North corner of the J. W. Williams Survey No. 11 bears S. 45! E. 85.0 varas from the West corner of the J. Jones Survey, same being a reintrant corner of the Z. Hinton Survey No. 12;

THENCE N. 45° W. 303.7 varas along the County Road to an iron pipe for corner;

THENCE S. 45° W. 773.5 varas along an old fence line to an iron pipe in the North East line of a County Road;

THENCE along the North East line of said road S. 45° E. 102.0 varas to an iron pipe for the South corner of what was formerly called the 14 acre tract, and also the South corner of the 100 acre tract sold to O. Groos by deed from Curren Kyle;

(Continued on page 9 of Ordinance.)

00000565 846 (1696x2800x2 tiff)

[continued from page 8]

THENCE S. 45° W. along the fence and South East line of County Road 194.0 varas to an iron pipe for corner;

THENCE S. 45° W. 215.0 varas along the North east line of said County Road to an iron pipe for corner, from which a 30" L.O. bears S. 43° E. 45.5 varas, marked with an old X;

THENCE N. 44° 15' E. 925.0 varas to an angle in fence;

THENCE N. 44° E. 42.0 varas to the PLACE OF BEGINNING, and being that identical property surveyed on the ground on the 22nd day of September, 1954, by T. A. Breeze, State Licensed Hays County Land Surveyor.

Each and all of the written instruments herein mentioned and the respective records thereof, are here referred to and made a part hereof for all pertinent, legal and descriptive purposes.

* * * *

5 acres of land, more or less, situated near the town of Kyle, Hays County, Texas, and being the most Southeastern 5 acres of 20 acres out of the Z. Hinton and Samuel Pharess Surveys conveyed by Charles Conally and wife, Ella Conally, to the grantor, Charles Smith, by deed dated October 13, 1949, and being recorded in Volume 150 on pages 139-140 of the Hays County Deed Records, and described by metes and bounds as follows:

BEGINNING at the E. or S.E. corner of said 20 acre tract in the S.W. line of the Kyle-Driftwood Road (formerly known as Old Mountain City and Buda Road);

THENCE N. 18° W. with the line of said road 44 varas for corner;

THENCE S. 62-1/2° W. 506 varas to a point in the S.W. line of said 20 acre tract for corner;

THENCE S. 18° W. 44.6 varas with the S.W. line of said 20 acre tract to the S. or S.W. corner thereof;

THENCE N. 62-1/2° E. with the S.E. line of said 20 acre tract 506 varas to the PLACE OF BEGINNING.

WHEREAS, the City of Kyle desires to grant the extraterritorial jurisdictional status requested;

Now, therefore, be it ORDAINED by the City of Kyle, Hays County, Texas:

THAT the property described herein is hereby GRANTED extraterritorial jurisdiction status and the extraterritorial jurisdiction boundary limits are hereby extended to include the property described, and the same shall hereinafter be included within the extraterritorial jurisdiction of the said City of Kyle, and the inhabitants and property shall hereinafter be entitled to all rights and privileges of extraterritorial status and shall be bound by the acts, ordinances, resolutions and regulations of said City applicable to extraterritorial status.

PASSED BY AN AFFIRMATIVE VOTE OF ALL MEMBERS OF THE CITY COUNCIL, this the 15th day of October, 1985.

APPROVED:

W. J. Dwyer, Mayor

ATTEST:

Merle D. Wilkins, City Secretary

565 846

00000565 847 (1696x2800x2 tiff)

To the Mayor and City Council
City of Kyle, Texas
P. O. Box 40
Kyle, Texas 78640

565 847

Re: Extra-territorial Jurisdiction Status

Gentlemen:

I am the owner of property adjacent to property presently within the extra-territorial jurisdiction of the City of Kyle, Texas.

It is my desire that this property be included within the extra-territorial jurisdiction of the City of Kyle; therefore, please accept this letter as a formal request under (Art. 970a, Sec. 3(c) Vernon's Texas Civil Statutes) that the property described by metes and bounds in the exhibit attached hereto and made a part hereof be granted extra-territorial jurisdiction status of the City of Kyle by this Honorable body.

Sincerely,

A. W. Gregg
Owner

THE STATE OF TEXAS I
COUNTY OF HAYS I

BEFORE ME, a Notary Public, on this day personally appeared A. W. Gregg, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that (s)he executed the same for the purposes therein expressed.

GIVEN under my hand and seal of office this 26 thday of June, A.D. 1985.

Notary Public
in and for Hays County, Texas.
My Commission expires 3-25-86

Exhibit "A"

00000565 848 (1696x2800x2 tiff)

565 848

To the Mayor and City Council
City of Kyle, Texas
P. O. Box 40
Kyle, Texas 78640

Re: Extra-territorial Jurisdiction Status

Gentlemen:

I am the owner of property adjacent to property presently within the extra-territorial jurisdiction of the City of Kyle, Texas.

It is my desire that this property be included within the extra-territorial jurisdiction of the City of Kyle; therefore, please accept this letter as a formal request under (Art. 970a, Sec. 3(c) Vernon's Texas Civil Statutes) that the property described by metes and bounds in the exhibit attached hereto and made a part hereof be granted extra-territorial jurisdiction status of the City of Kyle by this Honorable body.

Sincerely,

Ky-Tex Properties, Inc.

A. W. Gregg Jr. President
Owner

THE STATE OF TEXAS I
COUNTY OF HAYS I

BEFORE ME, a Notary Public, on this day personally appeared A. W. Gregg Jr. President Ky-Tex Properties, Inc., known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that (s)he executed the same for the purposes therein expressed.

GIVEN under my hand and seal of office this 25 th day of June, A.D. 1985

Tom A. Haley
Notary Public
in and for Hays County, Texas
My Commission expires 8-25-86

Exhibit "B"

00000565 849 (1696x2800x2 tiff)

To the Mayor and City Council
City of Kyle, Texas
P. O. Box 40
Kyle, Texas 78640

Re: Extra-territorial Jurisdiction Status

Gentlemen:

I am the owner of property adjacent to property presently within the extra-territorial jurisdiction of the City of Kyle, Texas.

It is my desire that this property be included within the extra-territorial jurisdiction of the City of Kyle; therefore, please accept this letter as a formal request under (Art. 970a, Sec. 3(c) Vernon's Texas Civil Statutes) that the property described by metes and bounds in the exhibit attached hereto and made a part hereof be granted extra-territorial jurisdiction status of the City of Kyle by this Honorable body.

Sincerely,

Owner

THE STATE OF TEXAS I
COUNTY OF HAYS I

BEFORE ME, a Notary Public, on this day personally appeared A. W. Grace Jr., _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that (s)he executed the same for the purposes therein expressed.

GIVEN under my hand and seal of office this 25 th day of June, A.D. 1985.

Notary Public
in and for Hays County, Texas.
My Commission expires 3-25-86

Exhibit "C"

00000565 850 (1696x2800x2 tiff)

565 850

To the Mayor and City Council
City of Kyle, Texas
P. O. Box 40
Kyle, Texas 78640

Re: Extra-territorial Jurisdiction Status

Gentlemen:

I am the owner of property adjacent to property presently within the extra-territorial jurisdiction of the City of Kyle, Texas.

It is my desire that this property be included within the extra-territorial jurisdiction of the City of Kyle; therefore, please accept this letter as a formal request under (Art. 970a, Sec. 3(c) Vernon's Texas Civil Statutes) that the property described by metes and bounds in the exhibit attached hereto and made a part hereof be granted extra-territorial jurisdiction status of the City of Kyle by this Honorable body.

Sincerely,

Audrey Oswalt
Owner

THE STATE OF TEXAS I
COUNTY OF HAYS I

BEFORE ME, a Notary Public, on this day personally appeared Audrey Oswalt, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that (s)he executed the same for the purposes therein expressed.

GIVEN under my hand and seal of office this 25 th day of June, A.D. 1985

Tom O. Kyle
Notary Public
in and for Hays County, Texas.
My Commission expires 7-25-86

Exhibit "D"

00000565 851 (1696x2800x2 tiff)

SUL 851.

To the Mayor and City Council
City of Kyle, Texas
P. O. Box 40
Kyle, Texas 78640

Re: Extra-territorial Jurisdiction Status

Gentlemen:

I am the owner of property adjacent to property presently within the extra-territorial jurisdiction of the City of Kyle, Texas.

It is my desire that this property be included within the extra-territorial jurisdiction of the City of Kyle; therefore, please accept this letter as a formal request under (Art. 970a, Sec. 3(c) Vernon's Texas Civil Statutes) that the property described by metes and bounds in the exhibit attached hereto and made a part hereof be granted extra-territorial jurisdiction status of the City of Kyle by this Honorable body.

Sincerely,

Mary G. Kinsala
Owner

THE STATE OF TEXAS I
COUNTY OF HAYS I

BEFORE ME, a Notary Public, on this day personally appeared Mary G. Kinsala, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that (s)he executed the same for the purposes therein expressed

GIVEN under my hand and seal of office this 25 th day of June, A.D 1985.

Tom O. Kelly
Notary Public
in and for Hays County, Texas
My Commission expires 3-25-86

Exhibit "E"

00000565 852 (1696x2800x2 tiff)

565 852

To the Mayor and City Council
City of Kyle, Texas
P. O. Box 40
Kyle, Texas 78640

Re: Extra-territorial Jurisdiction Status

Gentlemen:

I am the owner of property adjacent to property presently within the extra-territorial jurisdiction of the City of Kyle, Texas.

It is my desire that this property be included within the extra-territorial jurisdiction of the City of Kyle; therefore, please accept this letter as a formal request under (Art. 970a, Sec. 3(c) Vernon's Texas Civil Statutes) that the property described by metes and bounds in the exhibit attached hereto and made a part hereof be granted extra-territorial jurisdiction status of the City of Kyle by this Honorable body.

Sincerely,

Robie Lynn Robinson
Owner

THE STATE OF TEXAS I
COUNTY OF HAYS I

BEFORE ME, a Notary Public, on this day personally appeared Robie Lynn Robinson, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that (s)he executed the same for the purposes therein expressed

GIVEN under my hand and seal of office this 25th day of June, A.D 1985.

Tom O. Walker
Notary Public
in and for Hays County, Texas.
My Commission expires 3-25-86

Exhibit "F"

00000565 853 (1696x2800x2 tiff)

565 853

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 Official Public Records of Hays County, Texas, as stamped hereon by me

DEC 4 1985

COUNTY CLERK
HAYS COUNTY, TEXAS

I, H. D. Cornelius, Assistant Secretary of The Federal Land Bank of Houston, hereby certify that the above and foregoing is a true and correct copy of the original resolution adopted by the Executive Committee of The Federal Land Bank of Houston, at its office in the City of Houston on the 25th day of July 1935, and that the above resolution is now of record at Page____ Book____ of the Minutes of the Executive Committee of said The Federal Land Bank of Houston.

IN WITNESS THEREOF I hereunto sign my name and affix the seal of said Bank, this the 25th day of July A.D. 1935.

H. D. Cornelius
Assistant Secretary

(SEAL)

GENERAL WARRANTY DEED

STATE OF TEXAS |
COUNTY OF HARRIS | KNOW ALL MEN BY THESE PRESENTS:

That, The Federal Land Bank of Houston, a corporation organized under the laws of the United States of America, acting herein by and through John V. Van DeMark, its Vice-President, and H. D. Cornelius, its Ass't. Secretary, by virtue of a resulution adopted by the Executive Committee of said Bank at its meeting held in the office of said Bank in the City of Houston, Harris County, Texas, on the 25th day of July, 1935, for and in consideration of the sum of SEVEN HUNDRED FIFTY AND NO/100 Dollars cash ($750.00) to it in hand paid by LeRoy Hill, the receipt of which is hereby acknowledged; and the execution by the said LeRoy Hill of his one promissory Vendor's Lien note in the principal sum of THREE THOUSAND and NO/100 ($3,000.00) DOLLARS, dated July 25, 1935, payable to the order of The Federal Land Bank of Houston, at Houston, Harris County, Texas, said note bearing interest from JULY 25, 1935, until maturity at the rate of 5% per annum, the principal and interest being payable on the amortization plan in twenty (20) annual amortization installments, the first installment being in the sum of $268.23, and the succeeding nineteen installments being in the sum of $240.73 each, the first annual amortization installment falling due and payable on or before OCTOBER 1, 1938, and a successive, regular, annual amortization installment falling due and payable on or before the 1st day of October of each and every year thereafter until said note has been fully paid, both principal and interest; said note being in the usual and customary form, providing for accelerating maturity of principal and accrued interest in the event of default in the payment thereof according to its tenor and effect, and further containing the usual and customary 10% Attorney's fee clause;

HAS GRANTED, SOLD AND CONVEYED, and by these presents does GRANT, SELL AND CONVEY unto the said LeRoy Hill of Hays County, Texas, all that certain tract, or tracts or parcel of land situated in Hays County, State of Texas, to-wit:

Portions of the 1/4 League Surveys in the names of John Pharass and Samuel Pharass, Abstracts Nos. 361 and 360, respectively;

BEGINNING at a stone mound from which a post oak bears South 19°

THENCE North 16 West 847 varas to a stone mound;

THENCE North 44 East 1630 varas to a corner on old San Antonio, Road, 30 feet South of Nance pasture fence, and 30 feet East of the field fence of this 251 acre tract, more or less;

THENCE South 16 East 1008 varas to a stone mound for corner in middle of said road;

THENCE South 49° West with Etheridge's pasture fence 1554 varas to the place of BEGINNING, containing 251 acres of land, more or less;

AND BEING the same land described in a certain deed of trust executed by Chas. Thiele and wife, Amalie Thiele, to M. H. Gossett, Trustee, dated May 24, 1922, recorded in Vol. W, page 269, Deed of Trust and Mortgage Records of Hays County, Texas, reference to which is hereby made for all legal purposes;

SAVE AND EXCEPT an undivided one-sixteenth (1/16th) interest in and to all of the oil, gas and all other minerals in, to, on and under and that may be produced from the land herein conveyed, to be paid or delivered unto said Bank from royalty oil, gas and / or other minerals FOREVER. In the event oil, gas, and / or other minerals are produced from said land, then said Bank shall receive a full one-sixteenth (1/16th) portion thereof to be paid or delivered unto said Bank free of cost to it.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said LeRoy Hill, his heirs and assibns, forever; and,

THE FEDERAL LAND BANK OF HOUSTON does bind itself, its successors and assigns to WARRANT and FOREVER DEFEND all and singular the said premises unto the said LeRoy Hill, his heirs and assigns, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof.

IT IS STIPULATED AND AGREED that a vendor's lien is retained against the above described property, premises and improvements, until the above described purchase money indebtedness and all interest thereon have been paid in full, according to the face, tenor, effect and reading of the above described note or notes, when this deed shall become absolute. The above described note or notes are also secured by a Deed of Trust of even date herewith, executed by the Grantee or Grantees herein to A. C. Williams, Trustee, for the use and benefit of The Federal Land Bank of Houston, and it is agreed that a release of the vendor's lien or a release of the Deed of Trust lien by The Federal Land Bank of Houston shall operate to discharge both of these liens.

IT IS EXPRESSLY UNDERSTOOD AND AGREED that the general warranty hereinabove set out is subject to a Rental Contract in connection with the crops to be grown upon the land hereinabove described during the year 1935, expiring December 1, 1935. IT IS FURTHER EXPRESSLY UNDERSTOOD AND AGREED that, without recourse upon or unto The Federal Land Bank of Houston, all rentals due under said lease contract shall be paid to and collected direct by Grantee herein, LeRoy Hill.

IT IS EXPRESSLY UNDERSTOOD AND AGREED that Grantor, The Federal Land Bank of Houston, warrants the payment of all taxes upon the land hereinabove described down through and including the year 1934. All taxes for the year 1935 are to be paid by Grantee, LeRoy Hill.

IN WITNESS WHEREOF, The Federal Land Bank of Houston has caused these presents

A.D. 1935.

THE FEDERAL LAND BANK OF HOUSTON,

(SEAL) By John V. Van DeMark, Vice-President.

Executed and Attested:

H. D. Cornelius - Assistant Secretary

$4.00 Documentary Stamps

STATE OF TEXAS |
COUNTY OF HARRIS |

Before me, the undersigned authority, on this day personally appeared John V. Van DeMark, Vice-President and H. D. Cornelius, Assistant Secretary, of The Federal Land Bank of Houston, a corporation, known to me to be the persons whose names are subscribed to the foregoing instrument of writing, and acknowledged to me that they exdouted the same as the act and deed of said The Federal Land Bank of Houston, for the purposes and consideration therein expressed and in the capacities therein stated.

Given under my hand and seal of office, this the 25th day of July A.D. 1935.

Leland J. Kozar

(SEAL) Notary Public in and for Harris County, Texas

Filed for record August 1, A.D., 1935 at 2 o'clock P. M.
Recorded August 1, A.D., 1935 at 4 o'clock P. M.

Bernice D. Cadzy
CLERK COUNTY COURT, HAYS COUNTY, TEXAS

-----oOo-----

STATE OF TEXAS |
COUNTY OF HAYS | KNOW ALL MEN BY THESE PRESENTS:

That we, Henry G. Shands and his wife, Janie H. Shands, of Hays County, Texas, for and in consideration of the sum of FIFTEEN HUNDRED DOLLARS ($1,500.), paid to us in cash by Mrs. Beatrice Whitesides out of her sole and separate property and estate, the receipt of which is by us here fully acknowledged and confessed, have GRANTED, SOLD and CONVEYED, and by these presents do GRANT, SELL and CONVEY, unto the said Mrs. Beatrice Whitesides, the wife of H. V. Whitesides, of Hays County, Texas, for and as her sole and separate property and estate, all that certain real property situated in the City of San Marcos, in Hays County, Texas, being a part of lots Nos.

(22)

File No. 155382

HAYS County

TITLE COMMITMENT

Date Filed: 8-19-10

Jerry E. Patterson, Commissioner

By Susan Fluschke

Limited Due Diligence Study - Phase II
Proposed Development Concept
and
Preliminary Environmental Asset Inventory
Gregg Ranch
Hays County, Texas

August 2005

Prepared for:

Texas General Land Office
Jerry Patterson, Commissioner

Stanley Consultants
A Stanley Group Company
Engineering, Environmental and Construction Services Worldwide

Plateau
Land & Wildlife Management

Ridley Project Management

Stanley Consultants INC.

A Stanley Group Company
Engineering, Environmental and Construction Services - Worldwide

August 31, 2005

Mr. Bob Hewgley
Director of Real Estate
Asset Management
Real Estate Division
Texas General Land Office
P.O. Box 12873
Austin, Texas 78711-2873

Re: Limited Due Diligence Study – Phase II
Gregg Ranch; Hays County, Texas
GLO Contract No. 05-288

Dear Mr. Hewgley:

The findings of Phase II of the Limited Due Diligence Study for KY-TEX Properties, L.P. site located near Kyle, Texas, now referred to as Gregg Ranch, are presented in the enclosed report. This report presents the results of the preliminary environmental asset inventory as well as a proposed development concept scenario. The proposed development concept identified in this phase of the investigation as being appropriate for this property is consistent with a "conservation development" approach. We have identified areas within the property that should be excluded from development in order to preserve natural features, floodplain, steep slopes and potential wildlife habitat. Under this scenario, approximately 50% of the property remains as suitable areas for potential development.

We believe that the information presented in the report is complementary to the Real Estate Division's mission of achieving a balance between return on investment and being a steward of the State's natural resources. On behalf of Plateau Land and Wildlife Management and Ridley Project Management, we appreciate the opportunity to work with you and your staff and we look forward to working with the General Land Office on subsequent phases of this project including securing entitlements and refining the conceptual land plan.

Sincerely,

Stanley Consultants, Inc.

Kevin R. Kadlecek

Kevin R. Kadlecek, P.E.
Project Principal

Enclosure

Cc: Mr. Mike Ridley
Mr. David Braun
Mr. Shawn Fleming

Rec'd S. Clark 8/31/05

9130 Jollyville Road, Suite 150 • Austin, TX 78759-7474 • phone 512.231.1449 • fax 512.231.1455
email: info@stanleygroup.com • internet: www.stanleygroup.com

Preliminary Environmental Asset Inventory

Gregg Ranch
Hays County, Texas

Plateau Wildlife Management

Preliminary Environmental Asset Inventory

Introduction

Plateau Land & Wildlife Management (Plateau) was subcontracted by Stanley Consultants to complete the environmental asset inventory portion of the Phase II study. Results from the inventory were to include custom aerial mapping, topographical mapping, soils mapping and descriptions, aerial habitat analysis, potential endangered species habitat analysis, hydrologic mapping, slope and aspect mapping, oral history of prior land uses, and preliminary analysis of conservation development potential. Three site visits were conducted in August of 2005 in the effort to gather information for the inventory. In addition, Plateau discussed the property's current and historic use with A.W. Gregg who has at least 50 years of personal knowledge concerning the land use of the subject tract.

Property Description

The irregularly shaped property is located just west of Kyle, Texas in east-central Hays County. The property is bordered to the south by an approximately 1.5 mile stretch of the Blanco River which flows in a southeasterly direction. The general slope of the tract is in a southerly and southwesterly direction. Five sizable drainages are present on the property, each draining into the Blanco River. Gentle slopes dominant the property with steep slopes confined to a small stretch of the Blanco River and portions of several drainages. The high point of the property, 850 ft MSL, occurs near the northwest boundary while the low point of 670 ft MSL occur along the Blanco River. In addition to the river, water is available at two small ponds (see photographs exhibit). At least two working wells were observed though several more may be present. The property has internal and perimeter fencing for livestock grazing. The fencing divides the pasture into three grazing pastures. Neighboring properties are largely open rangeland with the exception of homes and developments to the north and northeast. Approximately 300 acres in the western portion of the property are in the recharge zone of the Edwards Aquifer while the rest of the property is in the artesian zone.

Prior Use of Land

During the 1950s and 1960s, sheep, goats, and cattle were grazed together on nearly the entire property. Since the 1970s, the landowners have engaged in a cow-calf livestock operation. During this time, the stocking rate averaged approximately one animal unit (1,000 pound cow with or w/out calf) per 29 acres, a moderate stocking rate for this site. Friends and family of the landowners have hunted white-tailed deer for the past several decades though serious population control has not been conducted.

Habitat Description

The property has a wide variety of habitats due to its large size, current and past management practices, and varying edaphic, topographic, and hydrologic features. One of the most influential factors affecting the property's wildlife value is the moderate stocking rate which has been maintained on the property for several decades resulting in a fairly diverse, abundant herbaceous plant layer. The rotational system that has been employed (3 pastures, 1 herd) is preferable to continuous, year-round grazing. Many working ranches in this portion of the Edwards Plateau have historically been overgrazed resulting in erosion, low plant diversity, and dominance of undesirable, unpalatable plants. As is typical with large, grazed pastures with varying soil types, plant communities, and single water sources, some areas show evidence of overgrazing while others were less utilized by cattle. Based on vegetative composition analysis and the early to mid-seral stage of most of the herbaceous vegetation, the range condition of the property as a whole would be classified as "fair." A property with this rating may have higher wildlife diversity than properties rated in "good" or "excellent" condition, depending on vegetation characteristics and other factors.

The tract's premier feature is the Blanco River frontage. An approximately one-half mile section of the riparian zone on the upper part of the river has been completely deferred from livestock grazing resulting a very lush, diverse, plant community. Several seeps are present along the steep, rocky outcrops. Woody plants present in this undisturbed riparian area include bald cypress (*Taxodium distichum*), cedar elm (*Ulmus crassifolia*), sugar hackberry (*Celtis laevigata*), pecan (*Carya illinoiensis*), live oak (*Quercus fssiformis*), Spanish oak (*Quercus bucklei*), red mulberry (*Morus rubra*), osage orange (*Maclura pomifera*), Mexican buckeye (*Ungnadia speciosa)*, Texas ash (*Fraxinus texensis*), sycamore (*Platanus occidentalis*), possumhaw (*Illex decidua*), black walnut (*Juglans nigra*), Mexican plum (*Prunus mexicana*), box elder (*Acer negundo*), American beautyberry (*Callicarpa Americana*), and chinaberry (*Melia azerderach*). The healthy herbaceous layer consisted of Virgninia wildrye (*Elymus Virginiana*), inland sea-oats (*Chasmanthium latifolium*), switchgrass (*Panicum virgata*), and snow on the mountain (*Euphorbia marginata*). The diversity and abundance of food and cover sources along with the proximity to water make this portion of the property extremely valuable to wildlife.

A flat "bench" area exists along the other mile of river frontage. Soils here are productive and this area has been grazed up to the river's edge. This bench contains several groves of pecan trees and a wide variety of woody plants along the river edge including Mexican plum, black walnut, sycamore, sugar hackberry, Texas ash, and chinaberry. The herbaceous plant community on the bench includes bermudagrass (*Cynodon dactylon*, which appears to have been planted, though previous land manager could not verify), snow on the mountain, Mexican hat (*Ratibida ranuncularis*), golden-rod (*Solidago canadensis*), and silverleaf nightshade (Solanum elaeagnifolium). Though this portion was actively being grazed, little erosion due to livestock trampling was observed.

The upland areas consist of three different habitat types: savannas (canopy cover 10-25% - approximately 500 acres or 26% of uplands), oak/mesquite/juniper parklands (25-75% canopy cover – approximately 400 acres or 21% of uplands), and woodlands (canopy cover > 75% - approximately 1050 acres or 54% of uplands). Both shrub and tree savannas are present. Shrub savannas are defined as fields with widely scattered shrubs covering 10-25% of the ground while tree savannas have trees as the woody plant component instead of shrubs. Looking at the attached aerial maps, it is clear where past mechanical brush treatments have occurred. These cleared areas range in size from 6 to 140 acres. Most of the transitional areas between savannas and woodlands are abrupt, while transitions involving parklands are less severe. Most of the savanna edges are relatively straight resulting in reduced edge effect compared with more irregular-shaped edges. The relative proportions of open areas, moderately wooded areas, and wooded areas and their distribution over the property results in an excellent mix of habitats for wildlife.

The aerial photograph used in this study does not give a clear indication of the amount of woody plant regrowth occurring in the previously cleared areas. Some of these areas have remained very open while others have been infested with regrowth mesquite (*Prosopis glandulosa*). These infested areas are still classified as "savannas" for the purposes of this study, as these stands most likely will (and should) be cleared and turned into true savannas. In some places, the regrowth mesquite has achieved a canopy cover of over 70%. Two large savannas run parallel to each other through the west-central part of the property.

Based on the stage of woody plant regrowth in these savanna areas, the large-scale mechanical brush treatments occurred between 20-50 years ago. In areas with shallow soils, Ashe juniper (*Juniperus asheii*), brasil (*Condalia hookeri*), persimmon (*Diospyros texana*), and agarita (*Berberis trifoliata*) are the main woody plant species invading cleared areas while mesquite is the primary invader in deeper soil sites.

The herbaceous plant community in the open areas is largely a function of soil type and proximity to established travel routes. Some of the rockier soils located away from established travel routes and water sources had large amounts of little bluestem (*Schizachyrium scoparium*), a plant indicative of healthy range conditions. The deeper soils had a mix of Mexican hat (*Ratibida columnifera*), western ragweed (*Ambrosia psilotachya*), croton (*Croton monanthogynus*), silver bluestem (*Bothriochloa laguroides*), broomweed (*Gutierrezia amoena*), Virginia wildrye, King Ranch bluestem (*Bothriochloa ischaemum*), buffalograss (*Buchloe dactyloides*), and some little bluestem. Overgrazed areas had few grass plants present, but had large amounts of unpalatable forbs including Lindheimer senna (*Senna lindheimeri*), mealy sage (*Salvia farinacea)*, western ragweed, and broomweed.

The mixed-species woodland consisted of varying combinations of juniper, live oak, mesquite and cedar elm, though scattered Spanish oak, sugar hackberry, and escarpment black cherry (*Prunus serotina var. eximia,* found in shaded, mesic areas) were also present. Common shrubs in the woodland habitat type include agarita, persimmon, and

elbowbush (*Foresteria pubescens*). Where canopy covers are high, the herbaceous layer is limited due to competition for sunlight and water, though cedar sedge and Virginia wildrye were common under canopies.

Though not as abundant as savannas or woodland habitats, parklands were present in at least four sizable areas (see attached maps). Canopy cover ranged from 25% to 75% but averaged close to 50%. Like the woodlands, mature juniper, live oak, mesquite and cedar elm were present along with scattered Spanish oak and sugar hackberry. Woody plants tended to occur in mottes, separated by open spaces. The shrub layer consisted of persimmon, agarita, brasil, tickle tongue (*Zanthoxylum hirsutum)*, and wafer ash (*Ptelea trifoliate*). Herbaceous plants were similar to those found in savannas.

Soils

At least 13 soil types are present on the subject property. The most dominant soil components are Comfort-rock outcrop complex, 1 to 8 percent slopes, Real gravelly loam, 1 to 8 percent slopes, and Rumple-comfort association, 1 to 8 percent slopes.

Map Unit: AuB - Austin-Castephen complex, 1 to 3 percent slopes

This map unit is in the Texas Blackland Prairie, Northern Part (proposed) Major Land Resource Area. Austin soils make up 60 percent of the map unit. The depth to a restrictive feature is 20 to 40 inches to a bedrock (paralithic). It is well drained. The slowest soil permeability within a depth of 60 inches is moderately slow. Available water capacity to a depth of 60 inches is low, and shrink swell potential is moderate. Annual flooding is none, and annual ponding is none. The minimum depth to a water table is greater than 6 feet. The maximum calcium carbonate equivalent within a depth of 40 inches is 70 percent. In the profile, there are no saline horizons, and there are no sodic horizons. It is nonirrigated land capability subclass 3e.

Typical Profile:
0 to 11 inches; moderately alkaline silty clay
11 to 24 inches; moderately alkaline silty clay
24 to 34 inches; bedrock

Castephen soils make up 30 percent of the map unit. The depth to a restrictive feature is 8 to 20 inches to a bedrock (paralithic). It is well drained. The slowest soil permeability within a depth of 60 inches is moderate. Available water capacity to a depth of 60 inches is very low, and shrink swell potential is moderate. Annual flooding is none, and annual ponding is none. The minimum depth to a water table is greater than 6 feet. The maximum calcium carbonate equivalent within a depth of 40 inches is 70 percent. In the profile, there are no saline horizons, and there are no sodic horizons. It is nonirrigated land capability subclass 4s.

Typical Profile:
0 to 18 inches; moderately alkaline silty clay loam
18 to 20 inches; bedrock

Deep and very deep heavy clayey uplands with slopes of 0 to 5 percent; dense clayey subsoils; reaction is moderately alkaline throughout; high natural fertility; seasonally wet or droughty; very high to high water holding capacity but fair plant-soil-moisture relationship; medium to high production potential. Very shallow and shallow clayey uplands less than 20 inches thick; medium natural fertility; droughty very low to low water holding capacity with poor plant-soil-moisture relationship; low production potential.

This soil is classified in the Clay Loam PE 44-64 ecological site. Climax vegetation includes big and little bluestem, indiangrass, switchgrass, wildrye, and sideoats grama; with Maximillian sunflower, Engelmanndaisy, penstemon, gayfeather, sundrops, and other forbs. Pecan, hackberry, elm, oaks, bumelia, and sumac are sparse inhabitants.

This soil is also classified in the Chalky Ridge PE 44-64 ecological site. Climax vegetation is little bluestem, indiangrass, big bluestem, sideoats grama, and tall dropseeds; with forbs such as Engelmanndaisy, Maximillian sunflower, gayfeathers, and bundleflowers. Hackberry, elm, live oak, and osageorange are sparsely present.

Map Unit: BoB - Boerne fine sandy loam, 1 to 3 percent slopes, rarely flooded

This map unit is in the Edwards Plateau, Eastern Part (proposed) Major Land Resource Area. Boerne soils make up 90 percent of the map unit. The depth to a restrictive feature is greater than 60 inches. It is well drained. The slowest soil permeability within a depth of 60 inches is moderately rapid. Available water capacity to a depth of 60 inches is moderate, and shrink swell potential is low. Annual flooding is rare, and annual ponding is none. The minimum depth to a water table is greater than 6 feet. The maximum calcium carbonate equivalent within a depth of 40 inches is 75 percent. In the profile, there are no saline horizons, and there are no sodic horizons. It is nonirrigated land capability subclass 2e.

Typical Profile:
0 to 17 inches; moderately alkaline fine sandy loam
17 to 41 inches; moderately alkaline fine sandy loam
41 to 65 inches; moderately alkaline fine sandy loam

Deep and very deep, loamy bottomlands with friable loamy subsoils; may overflow; medium natural fertility; medium to high water holding capacity with

good plant- soil-moisture relationship; high production potential. This soil is classified in the Loamy Bottomland PE 44+ ecological site. Climax vegetation includes eastern gamagrass, switchgrass, little bluestem, Virginia wildrye, blood ragweed, hairy ruellia, hairy tubetongue, aster, Maximillian sunflower, and white crownbeard; with pecan, elm, cypress, oak, and ash.

Map Unit: CaC3 - Castephen clay loam, 3 to 5 percent slopes, eroded

This map unit is in the Texas Blackland Prairie, Northern Part (proposed) Major Land Resource Area. Castephen soils make up 85 percent of the map unit. The depth to a restrictive feature is 8 to 20 inches to a bedrock (paralithic). It is well drained. The slowest soil permeability within a depth of 60 inches is moderate. Available water capacity to a depth of 60 inches is very low, and shrink swell potential is moderate. Annual flooding is none, and annual ponding is none. The minimum depth to a water table is greater than 6 feet. The maximum calcium carbonate equivalent within a depth of 40 inches is 70 percent. In the profile, there are no saline horizons, and there are no sodic horizons. It is nonirrigated land capability subclass 4e.

Typical Profile:
0 to 16 inches; moderately alkaline clay loam
16 to 20 inches; bedrock

Very shallow and shallow clayey uplands less than 20 inches thick; medium natural fertility; droughty very low to low water holding capacity with poor plant-soil-moisture relationship; low production potential. This soil type is in the Chalky Ridge PE 44-64 ecological site. Climax vegetation is little bluestem, indiangrass, big bluestem, sideoats grama, and tall dropseeds; with forbs such as Engelmanndaisy, Maximillian sunflower, gayfeathers, and bundleflowers. Hackberry, elm, live oak, and osageorange are sparsely present.

Map Unit: DoC - Doss silty clay, 1 to 5 percent slopes

This map unit is in the Edwards Plateau, Eastern Part (proposed) Major Land Resource Area. Doss soils make up 85 percent of the map unit. The depth to a restrictive feature is 11 to 20 inches to a bedrock (paralithic). It is well drained. The slowest soil permeability within a depth of 60 inches is moderately slow. Available water capacity to a depth of 60 inches is very low, and shrink swell potential is moderate. Annual flooding is none, and annual ponding is none. The minimum depth to a water table is greater than 6 feet. The maximum calcium carbonate equivalent within a depth of 40 inches is 70 percent. In the profile, there are no saline horizons, and there are no sodic horizons. It is nonirrigated land capability subclass 4e.

Typical Profile:
0 to 18 inches; moderately alkaline silty clay
18 to 24 inches; bedrock

Very shallow and shallow clayey uplands less than 20 inches thick; medium natural fertility; droughty very low to low water holding capacity with poor plant-soil-moisture relationship; low production potential. This soil is classified in the Shallow PE 44+ ecological site. Climax vegetation is big and little bluestems, indiangrass, sideoats and tall gramas, cane bluestem, plains lovegrass, Maximillian sunflower, bushsunflower, Engelmanndaisy, orange zexmenia, daleas, gayfeather, sundrops, penstemon, heath aster, prairieclover, prairie bluets, and bundleflower, with scattered live oak.

Map Unit: CrD - Comfort-rock outcrop complex, 1 to 8 percent slopes

This map unit is in the Edwards Plateau, Eastern Part (proposed) Major Land Resource Area. Comfort soils make up 70 percent of the map unit. The depth to a restrictive feature is 9 to 20 inches to a bedrock (lithic). It is well drained. The slowest soil permeability within a depth of 60 inches is slow. Available water capacity to a depth of 60 inches is very low, and shrink swell potential is high. Annual flooding is none, and annual ponding is none. The minimum depth to a water table is greater than 6 feet. The maximum calcium carbonate equivalent within a depth of 40 inches is 20 percent. In the profile, there are no saline horizons, and there are no sodic horizons. It is nonirrigated land capability subclass 6s.

Typical Profile:
0 to 6 inches; slightly alkaline extremely stony clay
6 to 13 inches; slightly alkaline extremely stony clay
13 to 20 inches; bedrock

Rock Outcrop, a non-soil area, makes up 15 percent of the map unit. The depth to a restrictive feature is 0 to 2 inches to a bedrock (lithic). It is nonirrigated land capability subclass 8s.

Typical Profile:
0 to 80 inches; bedrock

This soil is classified in the Low Stony Hill PE 44+ ecological site. Climax vegetation is live oak, shin oak, sumac, kidneywood; with little bluestem, indiangrass, sideoats grama, fall witchgrass, wildrye, sprangletop, orange zexmenia, sagewort, dalea, woollywhite, bushsunflower, snoutbean, sundrop, and Engelmanndaisy.

Map Unit: ErG - Eckrant-rock outcrop complex, 8 to 30 percent slopes

This map unit is in the Edwards Plateau, Eastern Part (proposed) Major Land Resource Area. Eckrant soils make up 70 percent of the map unit. The depth to a restrictive feature is 8 to 20 inches to a bedrock (lithic). It is well drained. The slowest soil permeability within a depth of 60 inches is moderately slow. Available water capacity to a depth of 60 inches is very low, and shrink swell potential is low. Annual flooding is none, and annual ponding is none. The minimum depth to a water table is greater than 6 feet. The maximum calcium carbonate equivalent within a depth of 40 inches is 8 percent. In the profile, there are no saline horizons, and there are no sodic horizons. It is nonirrigated land capability subclass 7s.

Typical Profile:
0 to 6 inches; slightly alkaline extremely stony clay
6 to 10 inches; slightly alkaline extremely stony clay
10 to 20 inches; bedrock

Rock Outcrop, a non-soil area, makes up 20 percent of the map unit. The depth to a restrictive feature is 0 to 2 inches to a bedrock (lithic). It is nonirrigated land capability subclass 8s.

Typical Profile:
0 to 80 inches; bedrock

Steep, rocky, shallow, clay soils. This soil is classified in the Steep Rocky PE 44+ ecological site. Climax vegetation is Texas, live, and shin oak; ash, redbud, kidneywood, sumac, juniper; with little bluestem, sideoats grama, indiangrass, big bluestem, green sprangletop, bushsunflower, orange zexmenia, daleas, gayfeather, halfshrub sundrop, and bundleflower.

Map Unit: LeB - Lewisville silty clay, 1 to 3 percent slopes

This map unit is in the Texas Blackland Prairie, Northern Part (proposed) Major Land Resource Area. Lewisville soils make up 85 percent of the map unit. The depth to a restrictive feature is greater than 60 inches. It is well drained. The slowest soil permeability within a depth of 60 inches is moderate. Available water capacity to a depth of 60 inches is high, and shrink swell potential is high. Annual flooding is none, and annual ponding is none. The minimum depth to a water table is greater than 6 feet. The maximum calcium carbonate equivalent within a depth of 40 inches is 40 percent. In the profile, there are no saline horizons, and there are no sodic horizons. It is nonirrigated land capability subclass 2e.

Typical Profile:
0 to 15 inches; moderately alkaline silty clay
15 to 33 inches; moderately alkaline silty clay
33 to 61 inches; moderately alkaline silty clay

Moderately deep to very deep friable clayey uplands with slopes 0 to 5 percent; friable when moist; somewhat sticky when wet; high natural fertility; medium to high water holding capacity and fair to good plant-soil-moisture relationship; high production potential. This soil is classified in the Clay Loam PE 44-64 ecological site. Climax vegetation includes big and little bluestem, indiangrass, switchgrass, wildrye, and sideoats grama; with Maximillian sunflower, Engelmanndaisy, penstemon, gayfeather, sundrops, and other forbs. Pecan, hackberry, elm, oaks, bumelia, and sumac are sparse inhabitants.

Map Unit: KrB - Krum clay, 1 to 3 percent slopes

This map unit is in the Texas Blackland Prairie, Northern Part (proposed) Major Land Resource Area. Krum soils make up 85 percent of the map unit. The depth to a restrictive feature is greater than 60 inches. It is well drained. The slowest soil permeability within a depth of 60 inches is moderately slow. Available water capacity to a depth of 60 inches is high, and shrink swell potential is high. Annual flooding is none, and annual ponding is none. The minimum depth to a water table is greater than 6 feet. The maximum calcium carbonate equivalent within a depth of 40 inches is 30 percent. In the profile, there are no saline horizons, and there are no sodic horizons. It is nonirrigated land capability subclass 2e.

Typical Profile:
0 to 16 inches; moderately alkaline clay
16 to 58 inches; moderately alkaline clay
58 to 80 inches; moderately alkaline clay

Moderately deep to very deep friable clayey uplands with slopes 0 to 5 percent; friable when moist; somewhat sticky when wet; high natural fertility; medium to high water holding capacity and fair to good plant-soil-moisture relationship; high production potential. This soil is in the Clay Loam PE 44-64 ecological site. Climax vegetation includes big and little bluestem, indiangrass, switchgrass, wildrye, and sideoats grama; with Maximillian sunflower, Engelmanndaisy, penstemon, gayfeather, sundrops, and other forbs. Pecan, hackberry, elm, oaks, bumelia, and sumac are sparse inhabitants.

Map Unit: LeB - Lewisville silty clay, 1 to 3 percent slopes

This map unit is in the Texas Blackland Prairie, Northern Part (proposed) Major Land Resource Area. Lewisville soils make up 85 percent of the map unit. The

depth to a restrictive feature is greater than 60 inches. It is well drained. The slowest soil permeability within a depth of 60 inches is moderate. Available water capacity to a depth of 60 inches is high, and shrink swell potential is high. Annual flooding is none, and annual ponding is none. The minimum depth to a water table is greater than 6 feet. The maximum calcium carbonate equivalent within a depth of 40 inches is 40 percent. In the profile, there are no saline horizons, and there are no sodic horizons. It is nonirrigated land capability subclass 2e.

Typical Profile:
0 to 15 inches; moderately alkaline silty clay
15 to 33 inches; moderately alkaline silty clay
33 to 61 inches; moderately alkaline silty clay

Moderately deep to very deep friable clayey uplands with slopes 0 to 5 percent; friable when moist; somewhat sticky when wet; high natural fertility; medium to high water holding capacity and fair to good plant-soil-moisture relationship; high production potential. This soil is classified in the Clay Loam PE 44-64 ecological site. Climax vegetation includes big and little bluestem, indiangrass, switchgrass, wildrye, and sideoats grama; with Maximillian sunflower, Engelmanndaisy, penstemon, gayfeather, sundrops, and other forbs. Pecan, hackberry, elm, oaks, bumelia, and sumac are sparse inhabitants.

Map Unit: MEC - Medlin-Eckrant association, 1 to 8 percent slopes

This map unit is in the Edwards Plateau, Eastern Part (proposed) Major Land Resource Area. Medlin soils make up 50 percent of the map unit. The depth to a restrictive feature is greater than 60 inches. It is well drained. The slowest soil permeability within a depth of 60 inches is very slow. Available water capacity to a depth of 60 inches is moderate, and shrink swell potential is high. Annual flooding is none, and annual ponding is none. The minimum depth to a water table is greater than 6 feet. The maximum calcium carbonate equivalent within a depth of 40 inches is 35 percent. In the profile, there are no saline horizons, and there are no sodic horizons. It is nonirrigated land capability subclass 3e.

Typical Profile:
0 to 9 inches; moderately alkaline clay
9 to 38 inches; moderately alkaline clay
38 to 80 inches; moderately alkaline clay

Eckrant soils make up 30 percent of the map unit. The depth to a restrictive feature is 8 to 20 inches to a bedrock (lithic). It is well drained. The slowest soil permeability within a depth of 60 inches is moderately slow. Available water capacity to a depth of 60 inches is very low, and shrink swell potential is moderate. Annual flooding is none, and annual ponding is none. The minimum depth to a water table is greater than 6 feet. The maximum calcium carbonate

equivalent within a depth of 40 inches is 8 percent. In the profile, there are no saline horizons, and there are no sodic horizons. It is nonirrigated land capability subclass 7s.

Typical Profile:
0 to 6 inches; slightly alkaline extremely stony clay
6 to 17 inches; slightly alkaline extremely stony clay
17 to 20 inches; bedrock

Deep and very deep heavy clayey uplands with slopes of 0 to 5 percent; dense clayey subsoils; reaction is moderately alkaline throughout; high natural fertility; seasonally wet or droughty; Very high to high water holding capacity but fair plant-soil-moisture relationship; medium to high production potential. This soil is classified in both the Low Stony Hill PE 44+ and Blackland PE 44+ ecological site. For the Low Stony Hill ecological site, climax vegetation is live oak, shin oak, sumac, kidneywood; with little bluestem, indiangrass, sideoats grama, fall witchgrass, wildrye, sprangletop, orange zexmenia, sagewort, dalea, woollywhite, bushsunflower, snoutbean, sundrop, and Engelmanndaisy. For the blackland PE 44+ ecological site, climax vegetation is little bluestem, indiangrass, big bluestem, switchgrass, sideoats grama, and vine-mesquite; with many forbs such as sensitivebrier, neptunia, and bundleflower. Scattered live oak motts occur, along with hackberry, bumelia, elbowbush, and possumhaw.

Map Unit: RaD - Real gravelly loam, 1 to 8 percent slopes

This map unit is in the Edwards Plateau, Eastern Part (proposed) Major Land Resource Area. Real soils make up 85 percent of the map unit. The depth to a restrictive feature is 8 to 20 inches to a bedrock (paralithic). It is well drained. The slowest soil permeability within a depth of 60 inches is moderate. Available water capacity to a depth of 60 inches is very low, and shrink swell potential is low. Annual flooding is none, and annual ponding is none. The minimum depth to a water table is greater than 6 feet. The maximum calcium carbonate equivalent within a depth of 40 inches is 70 percent. In the profile, there are no saline horizons, and there are no sodic horizons. It is nonirrigated land capability subclass 6s.

Typical Profile:
0 to 9 inches; moderately alkaline gravelly loam
9 to 14 inches; moderately alkaline extremely stony loam
14 to 30 inches; bedrock

Shallow, hilly uplands with calcareous clay loam surfaces. This soil is classified in the Adobe PE 44+ ecological site. Climax vegetation is savannah of little bluestem, indiangrass, tall grama, tall dropseed, sideoats grama, oaks, blackfoot daisy, orange zexmenia, dalea, bundleflower, and sundrop. Juniper invades the

site.

Map Unit: RUD - Rumple-comfort association, 1 to 8 percent slopes

This map unit is in the Edwards Plateau, Eastern Part (proposed) Major Land Resource Area. Rumple soils make up 60 percent of the map unit. The depth to a restrictive feature is 20 to 40 inches to a bedrock (lithic). It is well drained. The slowest soil permeability within a depth of 60 inches is moderately slow. Available water capacity to a depth of 60 inches is very low, and shrink swell potential is moderate. Annual flooding is none, and annual ponding is none. The minimum depth to a water table is greater than 6 feet. The maximum calcium carbonate equivalent within a depth of 40 inches is 5 percent. In the profile, there are no saline horizons, and there are no sodic horizons. It is nonirrigated land capability subclass 6s.

Typical Profile:
0 to 10 inches; neutral very gravelly clay loam
10 to 28 inches; neutral very gravelly clay
28 to 36 inches; bedrock

Comfort soils make up 20 percent of the map unit. The depth to a restrictive feature is 9 to 20 inches to a bedrock (lithic). It is well drained. The slowest soil permeability within a depth of 60 inches is slow. Available water capacity to a depth of 60 inches is very low, and shrink swell potential is high. Annual flooding is none, and annual ponding is none. The minimum depth to a water table is greater than 6 feet. The maximum calcium carbonate equivalent within a depth of 40 inches is 20 percent. In the profile, there are no saline horizons, and there are no sodic horizons. It is nonirrigated land capability subclass 6s.

Typical Profile:
0 to 7 inches; slightly alkaline extremely stony clay
7 to 12 inches; slightly alkaline extremely stony clay
12 to 20 inches; bedrock

Rumple soils are classified in the Gravelly Redland PE 44+ ecological site. Climax vegetation is little bluestem, plains lovegrass, sideoats grama, green sprangletop, curlymesquite, velvet bundleflower, snoutbean, primrose, and other forbs; along with some catclaw, dalea, and occasional live oak.

Comfort soils are classified in the Low Stony Hill PE 44+ ecological site. Climax vegetation is live oak, shin oak, sumac, kidneywood; with little bluestem, indiangrass, sideoats grama, fall witchgrass, wildrye, sprangletop, orange zexmenia, sagewort, dalea, woollywhite, bushsunflower, snoutbean, sundrop, and Engelmanndaisy.

Map Unit: TaB - Tarpley clay, 1 to 3 percent slopes

This map unit is in the Edwards Plateau, Eastern Part (proposed) Major Land Resource Area. Tarpley soils make up 85 percent of the map unit. The depth to a restrictive feature is 13 to 20 inches to a bedrock (lithic). It is well drained. The slowest soil permeability within a depth of 60 inches is slow. Available water capacity to a depth of 60 inches is very low, and shrink swell potential is very high. Annual flooding is none, and annual ponding is none. The minimum depth to a water table is greater than 6 feet. The maximum calcium carbonate equivalent within a depth of 40 inches is 2 percent. In the profile, there are no saline horizons, and there are no sodic horizons. It is nonirrigated land capability subclass 4e.

Typical Profile:
0 to 6 inches; neutral clay
6 to 17 inches; neutral clay
17 to 21 inches; bedrock

Very shallow and shallow clayey uplands less than 20 inches thick; medium natural fertility; droughty very low to low water holding capacity with poor plant-soil-moisture relationship; low production potential. Stony, shallow, reddish, noncalcareous loams. This soil is classified in the Redland PE 444+ ecological site. Vegetation includes little and big bluestems, indiangrass, sideoats grama, tall dropseed, Texas wintergrass, vine-mesquite, wildryes, Texas cupgrass, buffalograss, curlymesquite, Engelmanndaisy, bushsunflower, asters, sagewort; live, post, and shin oak; sumacs, elm, bumelia, greenbrier, and elbowbush.

Ecological Value

Because of the distinct habitat types, this property is suited to a wide variety of Edwards Plateau wildlife, including species associated with open grasslands to wildlife typically found only in heavily wooded areas. During the three site visits, the following bird species were observed: Green Heron, Scissor-tailed Flycather, Yellow-billed Cuckoo, Eastern Phoebe, Eastern Kingbird, Mourning Dove, Common Ground Dove, Northern Cardinal, and Northern Mockingbird. Based on breeding bird censuses conducted by Plateau on similar properties, it is likely that at least 40 bird species including several species of neo-tropical songbirds would be observed if a spring census were conducted.

Bird species expected to be found in open, savanna-like habitat include: American Kestrel, Barn Swallow, Black Vulture, Cassin's Sparrow, Common Nighthaw, Eastern Bluebird, Eastern Meadowlark, Field Sparrow, Grasshopper Sparrow, Killdeer, Ladder-backed Woodpecker, Loggerhead Shrike, Killdeer, Lark Sparrow, Mourning Dove, Northern Bobwhite, Purple Martin, Red-winged Blackbird, Scissor-tailed Flycatcher, Spotted Towhee, Turkey Vulture, Vesper Sparrow, and White-crowned Sparrow.

Bird species expected to be found along the river include: Belted Kingfisher, Black-crowned Night Heron, Green Heron, Green Kingfisher, Great-blue Heron, Louisiana Waterthrush, and Spotted Sandpiper.

Bird species expected to be found in parklands include: Ash-throated Flycatcher, Bewick's Wren, Blue-gray Gnatcatcher, Common Raven, Field Sparrow, Greater Roadrunner, House Finch, Northern Mockingbird, Rufous-crowned Sparrow, and Western Scrub Jay.

Bird species expected to be found in woodlands include: Black and White Warbler, Black-chinned Hummingbird, Blue Grosbeak, Brown-headed Cowbird, Bushtit, Carolina Chickadee, Carolina Wren, Chipping Sparrow, Common Ground Dove, Eastern Phoebe, Eastern Wood Peewee, Golden-cheeked Warbler, Golden-fronted Woodpecker, Indigo Bunting, Northern Parula Warbler, Red-eyed Vireo, Red-shouldered Hawk, Red-tailed Hawk, Summer Tanager, Tufted Titmouse, Vermillion Flycatcher, White-winged Dove, Yellow-billed cuckoo, Yellow-throated Vireo, and Yellow-throated Warbler.

The United States Fish and Wildlife Service (USFWS) potential endangered species maps have not been created for vast majority of the subject property; only a small part along the northern boundary was mapped. Looking at the attached maps, one can see that mapped potential Golden-cheeked Warbler (GCW) habitat is present along very small areas (< 4 acres) in the northern part of the property. Based on on-the-ground site visits, it is likely that these areas are not potential habitat based because of vegetation structure and composition. Two areas of potential GCW habitat were discovered during site visits (see attached map). One of these areas was present in the riparian woodland along the rocky outcrops and steep drainages on the upper part of the Blanco River. The other was present in a mixed-woodland with a large deciduous component in the south-central part of the property. Delineations for these areas shown on the attached map are approximate. Additional potential GCW habitats may exist on the property but the identification of all pockets of potential habitat was out of the scope of this study. Surveys should be conducted in early spring to determine populations and nesting sites of this endangered neo-tropical migrant.

Because USFWS potential habitat maps did not extend south to the subject property, it is possible that karst invertebrate habitat is present on the property. No potential Black-capped Vireo habitat was observed during the site visits to the property.

White-tailed deer populations are moderately-high to high based on observed herbivory on woody plants and visual sightings during the three site visits. Increasing development pressure in surrounding areas will further inflate deer populations. Diversity of plant life on the property is currently being limited by the excessive deer population.

Analysis of Conservation Development Potential

Due to the large amount of current and predicted development in and around Kyle, Texas and the I35 corridor, large expanses of open-space land near population centers will have increased importance in providing ecosystem services such as wildlife habitat and watershed protection.

The subject property has an excellent mix and distribution of habitat types. Selectively maintaining and creating tree and shrub savannas in association with the development of homesites will provide excellent views and recreational areas for the development, while providing habitat for grassland associated species including the grassland obligate bird guild, one of the fastest declining bird guilds in North America.

The amount and distribution of healthy, functioning woodland habitats and the cover provided by them lend themselves to the siting of multiple, discrete development areas. Available screening and sound cover provided by the woodlands combined with a view of the current or created savannas makes development along woodland edges highly marketable. In addition, the loss of woodland habitat is tempered somewhat by the high proportion of heavily wooded areas on the subject property.

The most important features on the property from an ecological standpoint are the riparian zone and the Golden-cheeked Warbler potential habitat. Restrictions on developing in the floodplain will protect the riparian area and slope constraints will protect much of the western GCW potential habitat area from home building. The eastern GCW potential habitat area should be delineated more precisely and efforts should be made to protect and manage it.

Future Studies

The presence/absence of Golden-cheeked Warbler, Black-capped Vireo, and karst invertebrates needs to be ascertained before any development plan is complete. While likely GCW habitats have been identified, additional sites may exist and delineations shown on maps are only approximations.

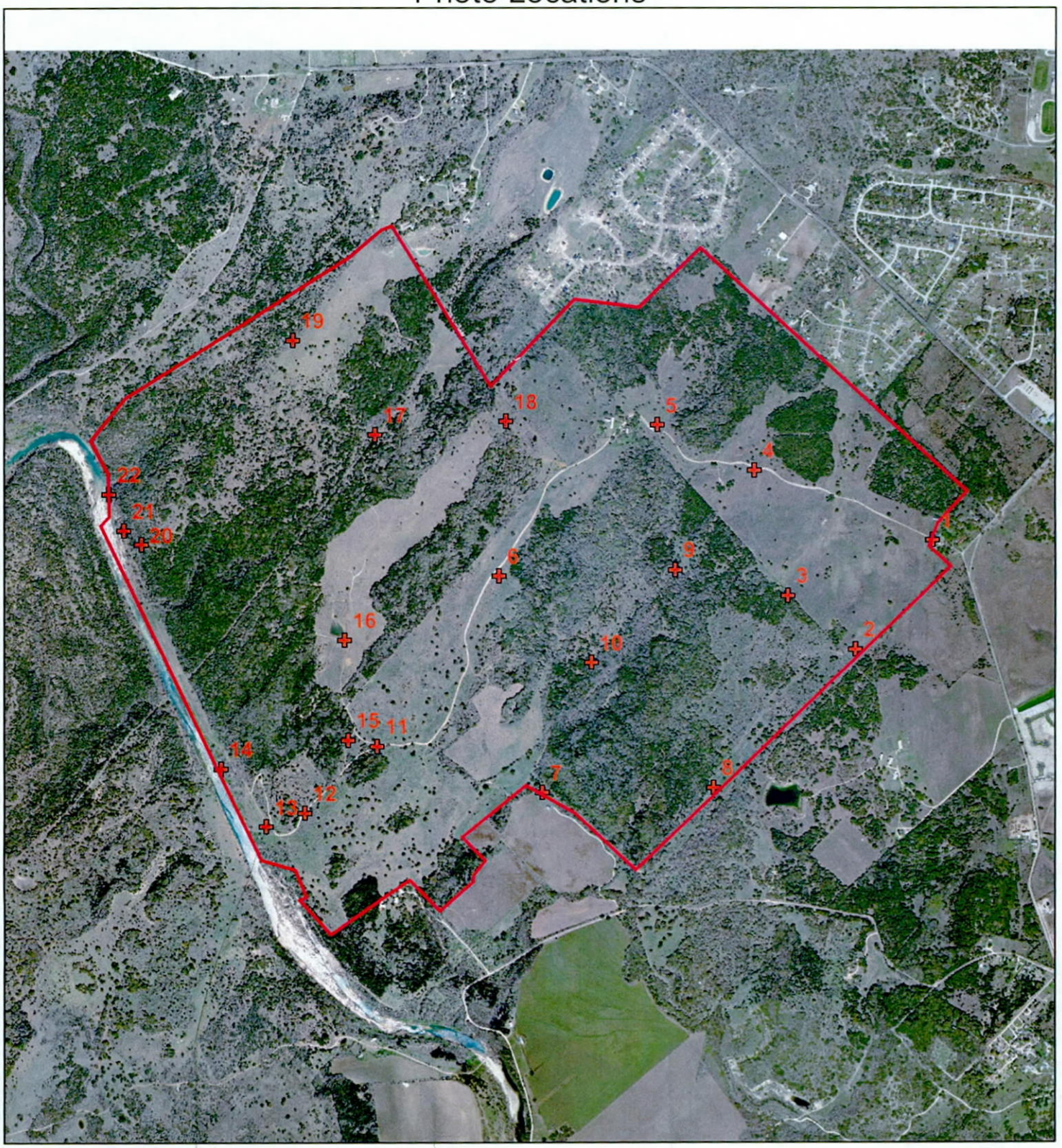
In order to market the uniqueness of the property, plant and bird inventories should be conducted. Plant studies should be conducted in both Spring and Fall while bird surveys should be conducted in Spring and Winter.

Best locations for recreational trails will depend largely on the presence of unique microhabitats. These areas can be identified with additional on-site investigation. Erosion concerns stemming from cut trails should also be incorporated into proposed locations of recreational trails.

Lastly, the property is in need of a forward looking, land management plan that recognizes the unique attributes of the property, provides detailed recommendations for

improving the wildlife value of the property, and provides measurable goals to work toward. Any land management plan should take stock of the current white-tailed deer population and offer a plan for managing excessive populations.

Blanco River Property Near Kyle, Texas
Photo Locations



1 " equals 1,900 Ft.

Legend

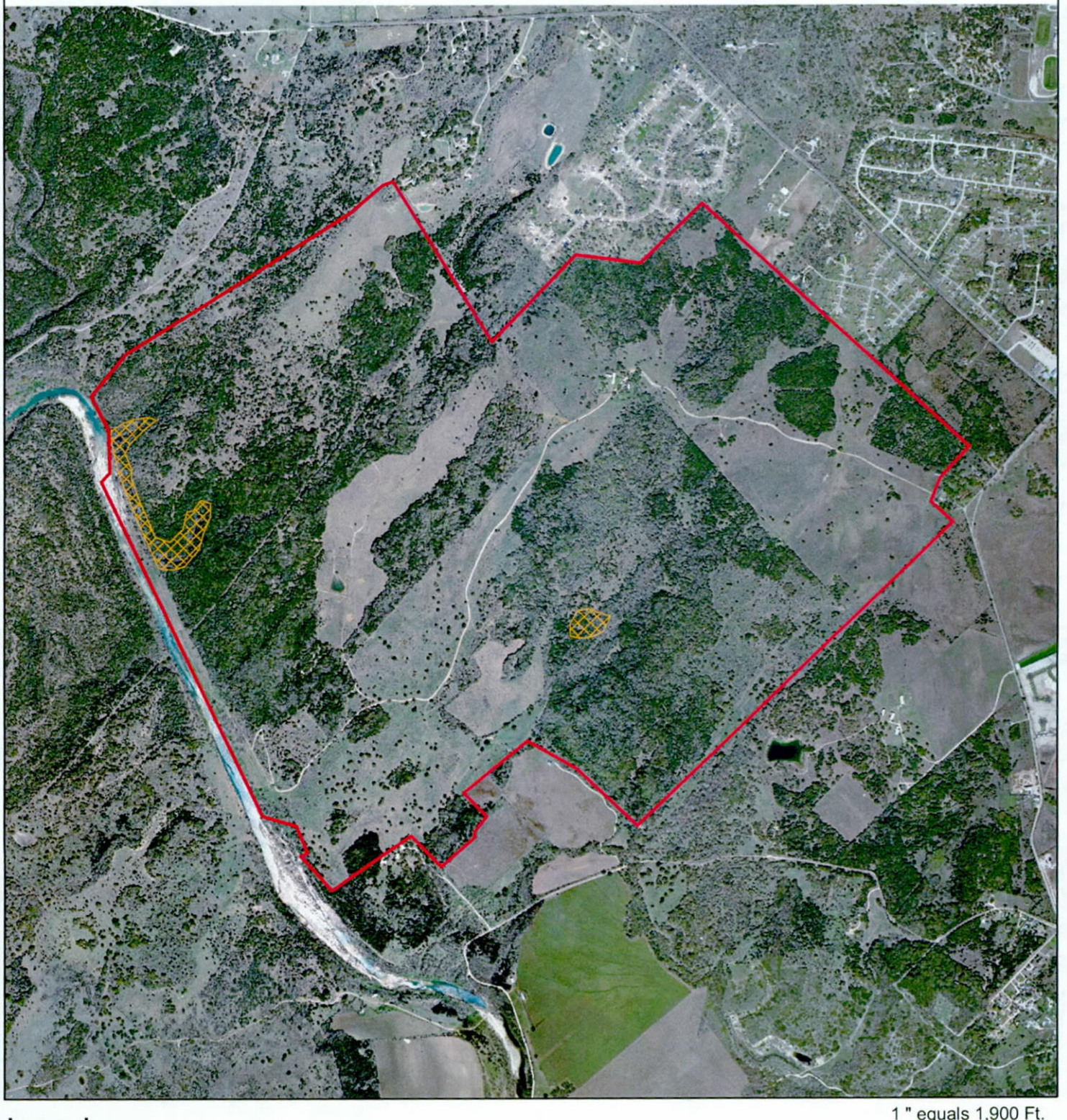
Blanco River Property

Photo Points

N

Data Source: AirPhotoUSA: Jan. 2004

Blanco River Property Near Kyle, Texas
Potential Golden-cheeked Warbler Habitat



1 " equals 1,900 Ft.

Legend

- Blanco River Property
- Potential Golden-cheeked Warbler Habitat

N

Data Source: AirPhotoUSA: Jan. 2004

Blanco River Property Near Kyle, Texas
Upland Habitat Types

Legend

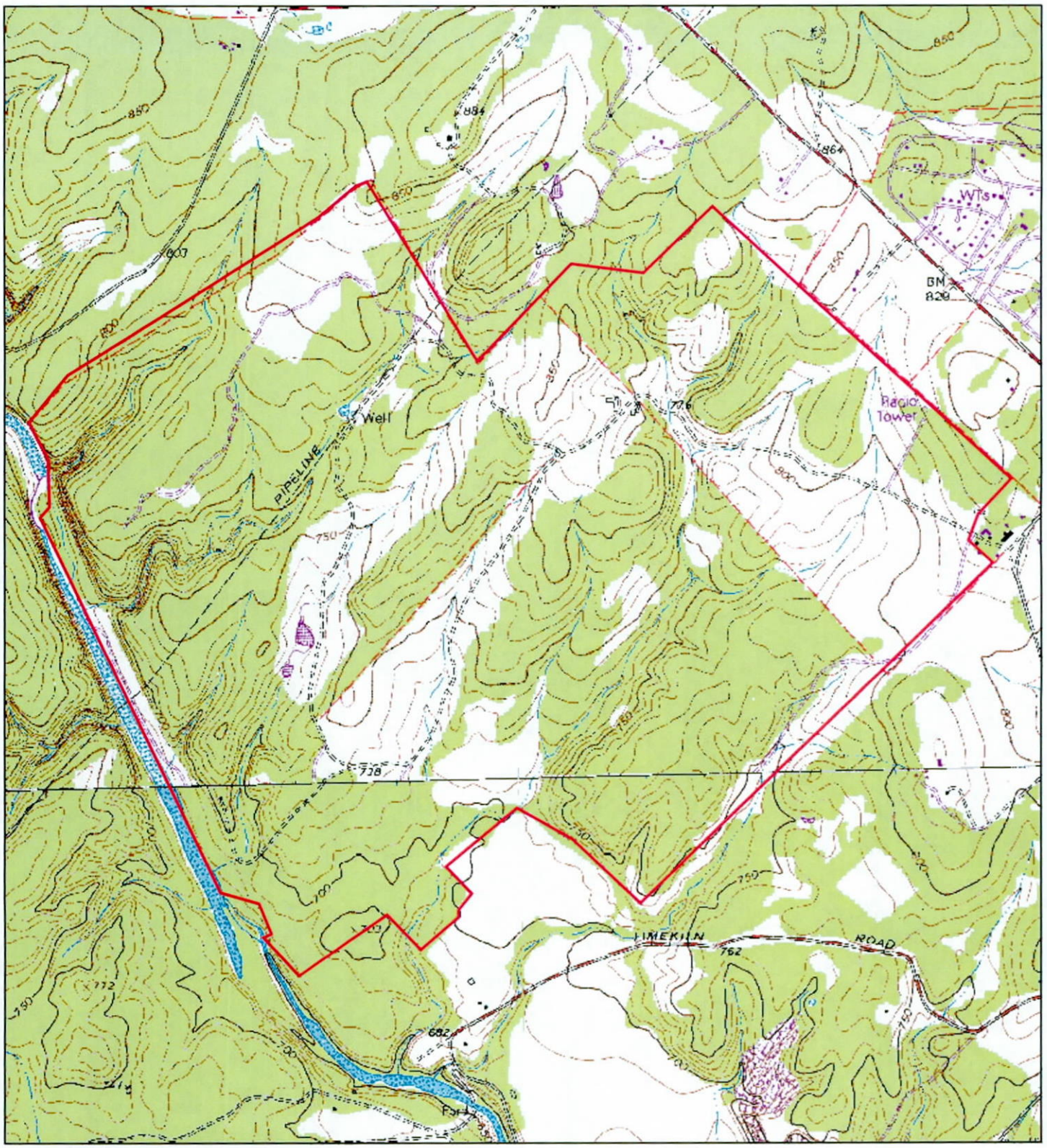
- Blanco River Property
- Parkland
- Savanna
- Woodland

1 " equals 1,900 Ft.

N

Data Source: AirPhotoUSA: Jan. 2004

Blanco River Property near Kyle, TX
USGS Topographic Map



1 In equals 1,700 Ft

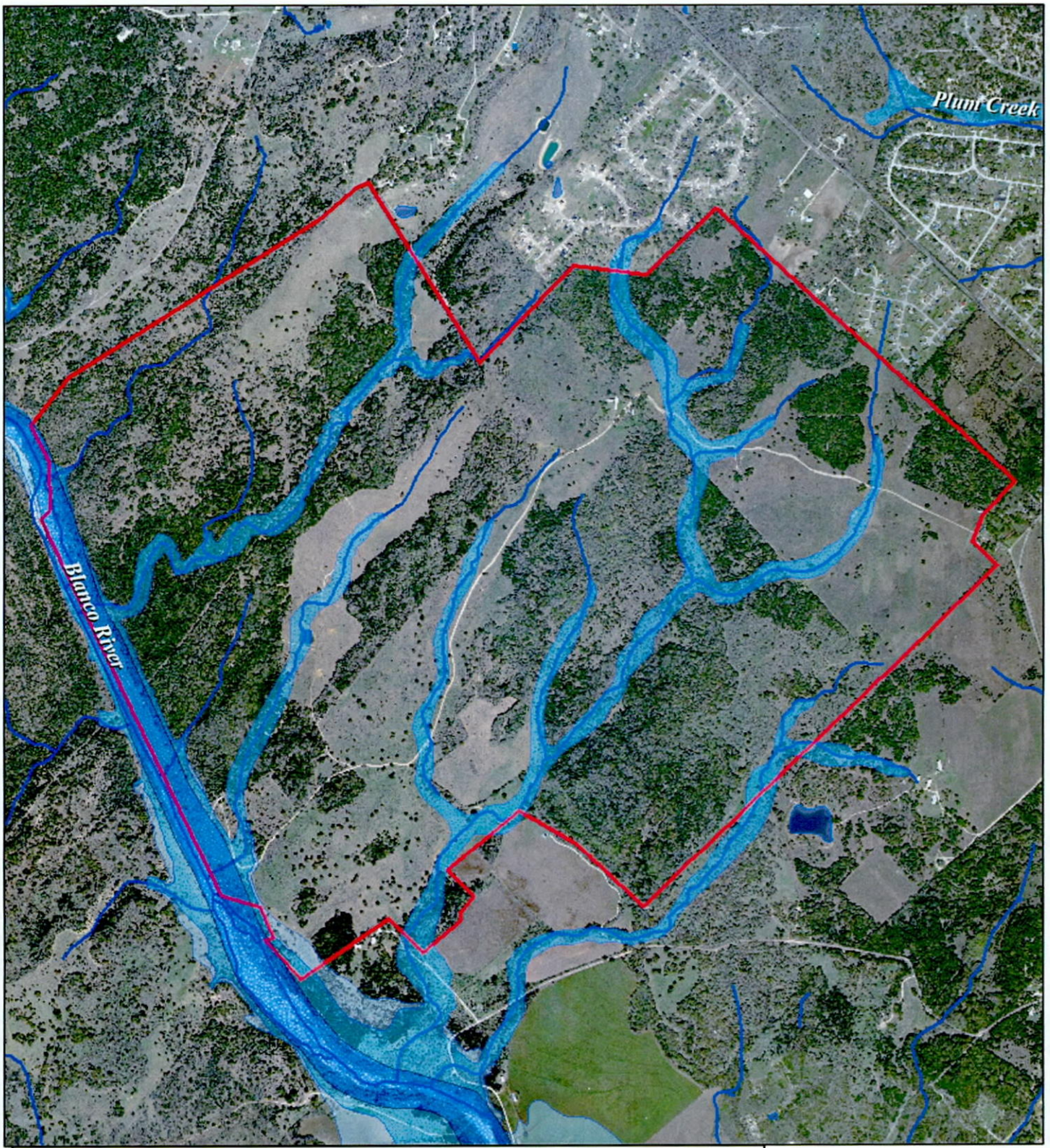
N

Legend

Blance River Property

Data Source : USGS

Blanco River Property near Kyle, TX
Floodplains, Creeks, Rivers, & Ponds



Legend

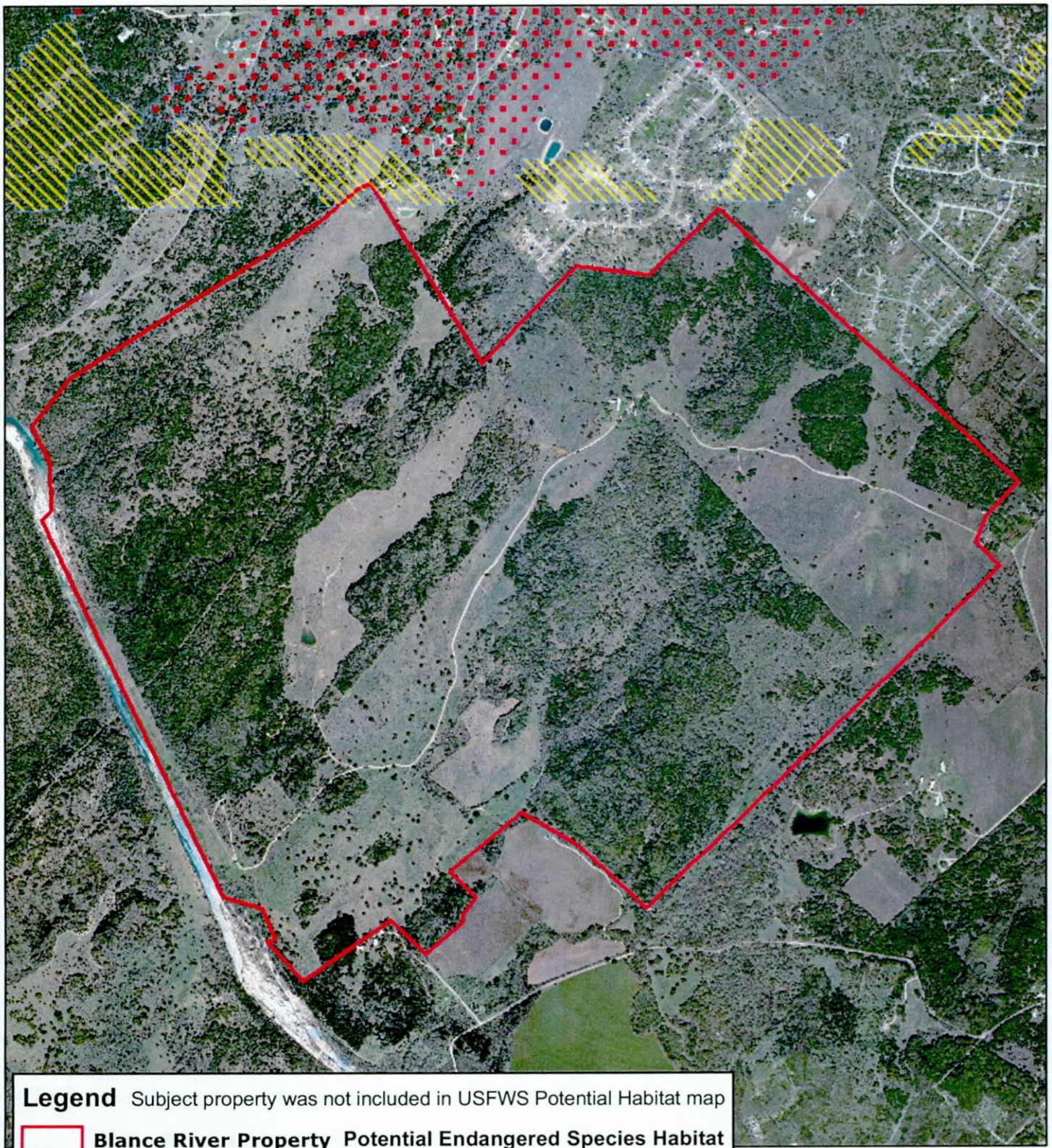
- **Blance River Property**
- Creeks & Rivers
- Ponds & Lakes
- Floodway
- 100 yr Floodplain
- 500 yr Floodplain

1 In equals 1,700 Ft

N

Data Source : AirPhotoUSA - Jan 2004
USGS, CAPCOG

Blanco River Property near Kyle, TX
Potential Endangered Species Habitat - USFWS



Legend Subject property was not included in USFWS Potential Habitat map

Blance River Property

Potential Endangered Species Habitat

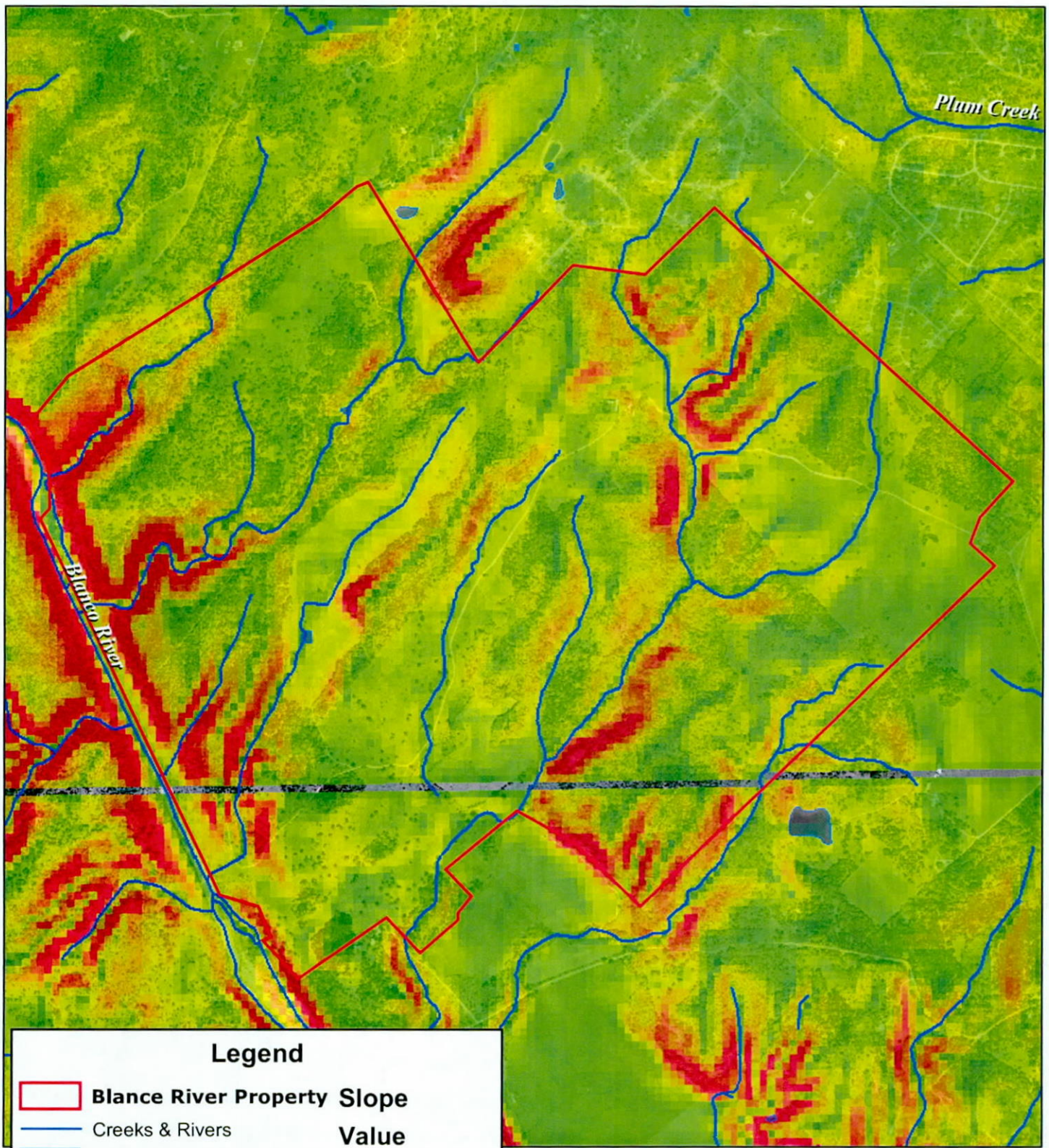
- Golden-cheeked Warbler
- Black-capped Vireo
- Karst Insects

1 In equals 1,700 Ft

N

Data Source : AirPhotoUSA - Jan 2004
USFWS

Blanco River Property near Kyle, TX
Slope Map



Legend

Blance River Property

Creeks & Rivers

Ponds & Lakes

Slope Value

High : 75

Low : 0

1 In equals 1,700 Ft

N

Data Source : AirPhotoUSA - Jan 2004
NRCS, USGS 30m DEM

Blanco River Property near Kyle, TX
Soils Map

See Soils Data Table for more info

1 In equals 1,700 Ft

N

Legend

Blance River Property Comal & Hays Soils

Data Source : AirPhotoUSA - Jan 2004
NRCS

Blanco River Property Near Kyle, Texas

Photo Point 1

Entrance view off of Old Stagecoach Road. Savanna habitat. Herbaceous layer dominated by Mexican hat, threeawn, and silver bluestem. Woody plants include regrowth mesquite, persimmon, and agarita.

Photo Point 2

Savanna/woodland edge. Herbaceous layer dominated by Mexican hat, threeawn, and silver bluestem. Woody plants in background are live oak and juniper.

Blanco River Property Near Kyle, Texas

Photo Point 3

Live oak / juniper woodland. Canopy cover > 90%. Herbaceous layer limited to cedar sedge and Virginia wildrye. Woody plants present in small quantities include cedar elm, Spanish oak, sugar hackberry, and persimmon.

Photo Point 4

Healthy grassland savanna site. Herbaceous layer dominated by little bluestem. Orange zexmania and twisted-leaf yucca also present. Wood plants include persimmon, kidneywood, and live oak.

Blanco River Property Near Kyle, Texas

Photo Point 5

Valley near convergence of two drainages.

Photo Point 6

Savanna/woodland edge. Herbaceous layer dominated by Mexican hat, threeawn, and silver bluestem. Woody plants in background are live oak and juniper. Pricklypear also present.

Photo Point 7

Shallow soil dominated by buffalograss, pricklypear, and threeawn. Juniper and live oak in background.

Blanco River Property Near Kyle, Texas

Photo Point 8

Shallow soil dominated by buffalograss, pricklypear, and threeawn. Juniper and live oak in background.

Photo Point 9

Mixed parkland with live oak, cedar elm, escarpment black cherry, and persimmon. Herbaceous plants include Virginia wildrye and iron weed.

Photo Point 10

Potential Golden-cheeked Warbler habitat. Spanish oak, cedar elm, sugar hackberry, and mature juniper are dominant tree species present. Canopy cover > 80%.

Photo Point 11

Savanna/woodland edge. Fair range condition.

Photo Point 12

Shallow-soil shrubland. Shrubs include hogplum, persimmon, bush croton, and juniper. Some live oak and juniper trees present.

Photo Point 13

Riparian bench. Bermudagrass field that also contains snow on the mountain and silverleaf nightshade.

Photo Point 14

Blanco River. Very little damage from livestock. Pecan trees providing shade. Goldenrod, switchgrass, and eastern gamagrass observed along edges.

Photo Point 15

Parkland including live oak and juniper.

Photo Point 16

Pond. Appears to hold water consistently.

Photo Point 17

Small pond. Appears to be intermittent in nature, though well is present near about 50 meters from pond.

Photo Point 18

Savanna with mesquite regrowth.

Photo Point 19

Woodland/Savanna edge.

Photo Point 20

Healthy riparian woodland near Blanco River. Seeps present along steep rocky outcrops. On edge of potential Golden-cheeked Warber habitat.

Photo Point 21

Inlet of Blanco River. Bald cypress trees in background.

Photo Point 22

View across Blanco River from raised "bench" just north of the river.

Proposed Development Concept

Gregg Ranch
Hays County, Texas

Ridley Project Management

Ridley Project Management

Project: **Gregg Ranch**
Subject: **Proposed Development Concept**
Date: **08.29.05**

1.0 PREFACE

Ridley Project Management (RPM) was retained by Stanley Consultants Incorporated (SCI)) to be part of an interdisciplinary team for the purpose of analyzing the development potential of an undeveloped 2,000-acre parcel of land (Project) located in Hayes County, Texas near the city of Kyle. Specifically, RPM assignment was to recommend the most appropriate development concept consistent with the opportunities and limitations of the Project and the Hill Country residential market as well as the goals and objectives of the client, the General Land Office (GLO). Among GLO's objectives was a strong desire to preserve ecologically sensitive areas particularly those adjacent to the Blanco River on which the Project has frontage.

In order to complete this assignment, RPM completed two on-site visits and considered the jurisdictional and engineering realities of the Project as contained in a report completed by SCI. A further consideration was an Environmental Asset Inventory (EAI) by Plateau Land and Wildlife Management (Plateau)

2.0 DEVELOPMENT CONCEPT

Based on the forgoing, it is our opinion that the most appropriate concept to employ for the development of the captioned project is Conservation Development (CD). Among all of the various development opinions available, only CD provides the vehicle to maximize the potential of the Project consistent with GLO's goals and objectives.

While CD has been utilized in other parts of the country for over two decades, it is a relatively new concept to Texas. At the present time, there are five C.D.s in the State. While the concept can have several iterations, the primary controlling factor dictates that a minimum of 50% of the land be preserved in its natural condition. Another important factor inherent in the concept is assuring that the physical development has a minimal impact on the natural environment. This is particularly critical in the Texas Hill Country where over 50% of the land area has less than six inches of topsoil. Therefore, any disturbance of this important natural resource must be carefully considered. Decentralized storm water management systems and a reduction of arterial and utility infrastructure address this concern. Encouraging rainwater collection and gray water recovery also enhances storm water management by controlling run-off from impervious surfaces created by building improvements. These measures also contribute to the preservation of another critical Hill Country resource, water, as well as mitigating the pollution of area springs, streams, rivers and lakes.

Because CD is a new concept, a Glossary of terms has been provided in Paragraph 6.0 to assure complete communications

3.0 DEVELOPMENT GUIDELINES

Conservation development is a study in exclusion and restraint that combine to establish the parameters for how the Project is to be developed.

NOTE: Be advised that these guidelines have been established based on information that is preliminary in nature. There can, and probably will be differences between what is presented in this report and the final Project when more complete information is available.

3.1 Excluded areas: In order to determine the Net Developable Area (NDA) of the Project, it is first necessary to identify those areas that are to excluded for jurisdictional, engineering, environmental, market or economic reasons.

3.1.1 Jurisdictional exclusions: The SCI report identified FEMA's 100-year flood plain that basically excludes the entire Project adjacent to the Blanco River.

3.1.2 Ecological exclusions: In Plateau's Asset Inventory, several areas were identified as meriting preservation as wildlife habitat and possible nesting areas for an endangered species, the Golden Cheek Warbler.

3.1.3 Development considerations: From a developer's prospective, slopes in excess of 8% cannot be economically developed. Therefore, all areas of the Project that exceed that slope criteria were excluded from the NDA.

3.1.4 Market considerations: Adjacent property, not complementary to the development concept, need to be buffered from the proposed Project. Therefore, a 100-foot buffer is proposed in those areas.

4.0 LAND USE ANALYSIS

Based on the foregoing exclusions and considerations, the following represents the proposed Land Use Analysis for the Project.

LAND USE	ACRES	% OF TOTAL
Gross Land Area:	**1,971**	**100.0**
Open Space / Preserve Areas:	**985**	~~55~~ 50
Infrastructure:	**80**	**4**
Net Developable Area:	**906**	~~51~~ 46

5.0 RECOMMENDED COURSE OF ACTION

The Gregg Ranch meets or exceeds all of the essential criteria for a conservation development. The Project displays little evidence of abuse or improper land use practices, has abundant bio-diversity and is adjacent to one of the most beautiful and unspoiled sections of the Blanco River. Geographically, it is located in one of the most rapidly developing areas of the Texas Hill Country.

The General Land Office has a unique opportunity to maximize their investment by securing the entitlements necessary to develop the Project consistent with the herein identified concept. At the present time, securing entitlements in Travis County averages about 60 months with Hays County requiring 24-36 months. Interest and operating expenses of even a very modest development can exceed $1,000 per day. Therefore, the cost of securing the entitlements is a very real consideration to a developer. GLO is in a unique position to expedite this process. Generally, Projects with entitlements can command two to three times more than those that do not. It is from this value added that GLO can profit. In addition, there is a considerable public relations benefit that can accrue to GLO by taking this aggressive intuitive to preserve into perpetuity significant property in the Texas Hill Country.

Ridley Project Management is prepared to submit a proposal with Stanley Consulting and Plateau Land and Wildlife Management recommending how to proceed.

6.0 CONSERVATION DEVELOPMENT GLOSSARY

As is the case with all emerging concepts and technologies, it has been necessary to develop a language to assure complete communications. The following is a brief glossary of C.D. terms.

Gross Land Area (GLA):	Represent the total land area of a Project.
Wildlife Valuation (WV):	A protocol for property tax valuation instituted to by the State to encourage land preservation. A Project must have an Agricultural Exemption to qualify.
Infrastructure (IFA):	Land utilized for arterial and/or utility rights-of-way. Can be either privately or publicly dedicated.
Platted Open Space (POS):	Areas excluded from development and dedicated by

(Wildlife Valuation Area (WVA) Plat as open space. These can be privately held, or by a Home Owners Association (HOA) or land trust and can qualify for WV.

Net Development Area (NDA): The area remaining for development after the IFA and POS are subtracted.

Lot (Lot): Created by plat, this area is conveyed by fee simple title to a private owner as a home site.

Inclusive Building Area (IBA): That portion of the Lot within which all building improvements must be contained. Generally, the IBA is not part of the WVA and therefore taxed at full market value.

Deed-restricted Open Space (DOS): The balance of a Lot after the IBA is subtracted. This area is deed restricted as part of the POS and therefore is consider part of the WVA and can comply for the WV.

Angle of Repose (Slope): The angle of repose is the condition at which slopes exist in a natural condition.

Extra Territorial Jurisdiction (ETJ): The Project is within the Kyle ETJ and is therefore subject to certain development regulations imposed by that jurisdiction.

Entitlements: Entitlements are all of the rights conveyed by law, ordinance, variance or negotiations that define exactly how a Property can be utilized. Securing these can involve multiple governmental entities, concern groups and other agencies.

Density Transfer: In order for CD to achieve its maximum benefit, it must be able to utilize the concept of density transfer. To illustrate, consider a 100-acre parcel of land with entitlements permitting 100, 1-acre lots with no open space. Utilizing CD, 50 acres could be designated as POS transferring the 100 lots to the remaining 50 acres. The net impact of this concept to the jurisdiction is a zero sum as no new units were added but have of the project is being preserved.

Clustering:

Being able to cluster the lots in compact activity nodes or neighborhoods is an extension of Density Transfer and permits the reduction of infrastructure and usually contributes to even a greater percentage of open space.

Gregg Ranch - Hays County, Texas

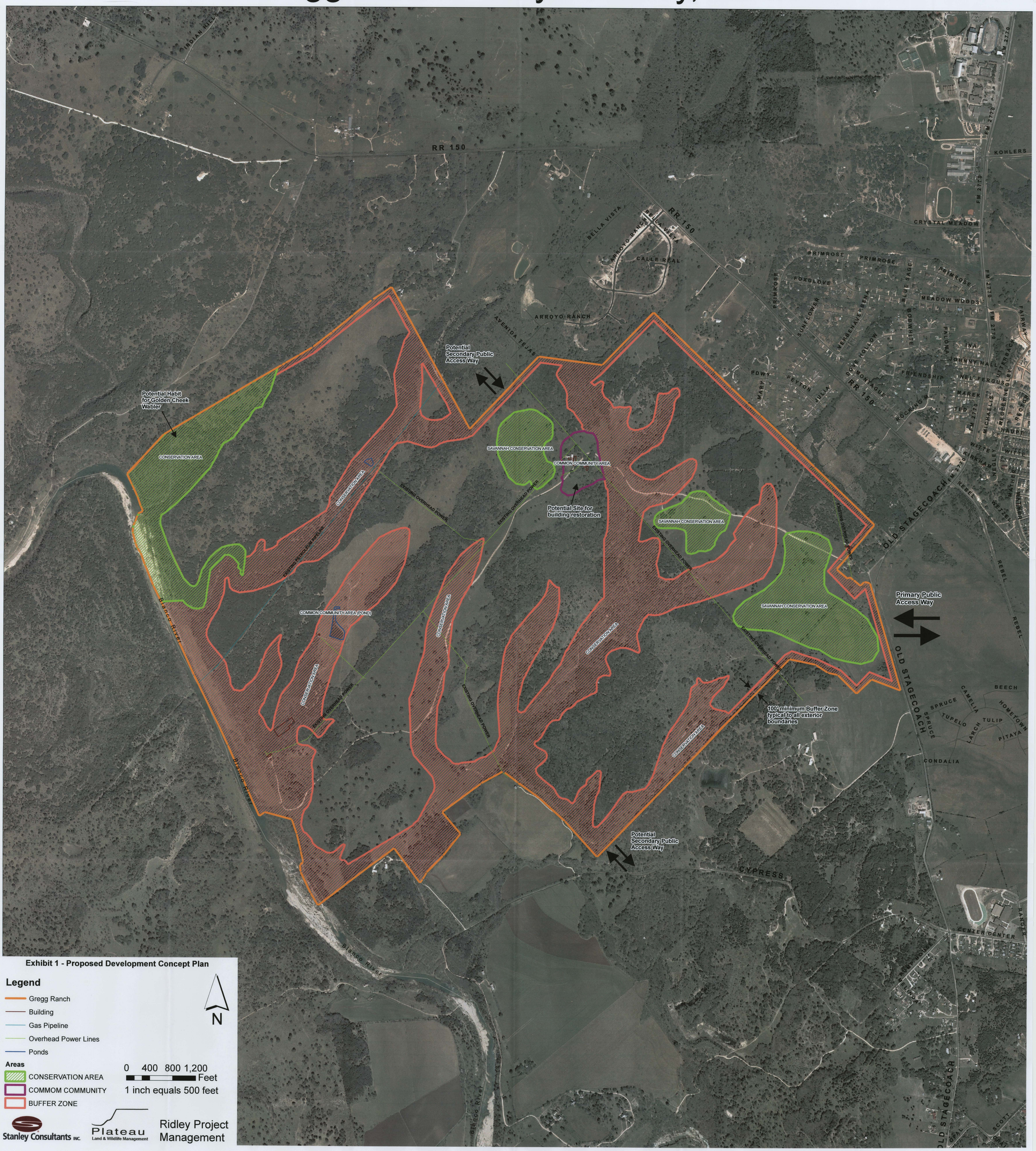


Exhibit 1 - Proposed Development Concept Plan

Legend

- Gregg Ranch
- Building
- Gas Pipeline
- Overhead Power Lines
- Ponds

Areas

- CONSERVATION AREA
- COMMOM COMMUNITY
- BUFFER ZONE

N

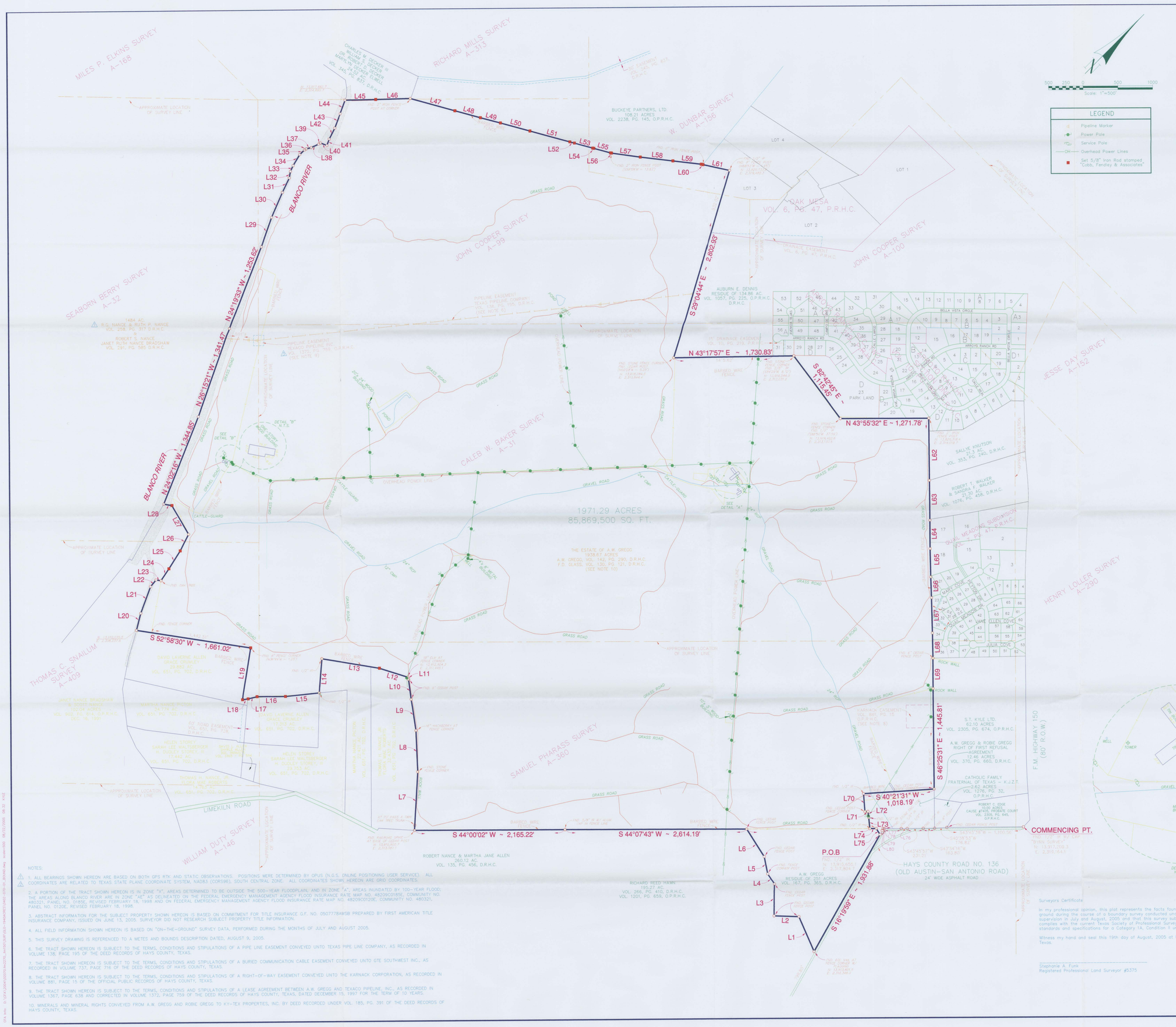
0 400 800 1,200 Feet

1 inch equals 500 feet

Stanley Consultants INC.

Plateau Land & Wildlife Management

Ridley Project Management



LINE TABLE		
LINE	BEARING	DISTANCE
L1	N 69°28'11" W	542.50'
L2	S 46°06'24" W	356.81'
L3	N 45°28'44" W	460.09'
L4	N 77°38'18" W	177.53'
L5	N 57°17'14" W	251.72'
L6	N 78°30'33" W	468.22'
L7	N 42°31'45" W	835.00'
L8	N 48°11'44" W	591.59'
L9	N 54°28'06" W	455.05'
L10	N 53°21'39" W	292.80'
L11	N 84°39'18" W	34.87'
L12	S 61°37'51" W	426.48'
L13	S 53°30'25" W	842.81'
L14	S 41°21'25" E	491.62'
L15	S 38°21'19" W	489.14'
L16	S 43°54'19" W	409.24'
L17	S 30°15'19" W	133.80'
L18	S 36°02'19" W	81.45'
L19	N 36°45'13" W	753.61'
L20	N 31°07'28" W	247.37'
L21	N 25°35'32" W	406.01'
L22	N 05°41'30" W	123.00'
L23	N 52°23'30" E	72.00'
L24	N 11°45'34" W	203.32'
L25	N 13°24'25" W	303.61'
L26	N 18°49'22" W	265.24'
L27	N 75°14'22" W	486.70'
L28	S 53°35'38" W	119.76'
L29	N 26°26'21" W	445.60'
L30	N 22°07'09" W	388.02'
L31	N 20°08'10" W	228.62'
L32	N 35°50'03" W	95.94'
L33	N 20°34'03" W	91.79'
L34	N 14°59'48" W	185.29'
L35	N 00°02'25" E	92.60'
L36	N 12°09'25" E	32.16'
L37	N 29°03'12" E	72.03'
L38	N 19°26'32" E	118.15'
L39	N 11°55'55" E	32.54'
L40	N 65°36'10" E	98.62'

LINE TABLE		
LINE	BEARING	DISTANCE
L41	N 24°23'50" W	99.11'
L42	N 19°12'41" W	178.40'
L43	N 24°39'30" W	220.03'
L44	N 25°27'37" W	206.51'
L45	N 43°08'11" E	441.09'
L46	N 42°38'11" E	496.12'
L47	N 59°34'50" E	665.61'
L48	N 59°27'50" E	379.99'
L49	N 58°50'50" E	298.07'
L50	N 59°24'50" E	439.02'
L51	N 59°39'50" E	595.25'
L52	N 59°56'50" E	68.18'
L53	N 59°59'50" E	273.44'
L54	N 59°37'50" E	17.94'
L55	N 59°37'50" E	250.00'
L56	N 56°33'50" E	13.30'
L57	N 52°04'50" E	417.87'
L58	N 51°01'50" E	471.83'
L59	N 50°59'50" E	409.28'
L60	N 56°27'50" E	25.80'
L61	N 56°24'56" E	392.99'
L62	S 46°21'03" E	887.35'
L63	S 46°29'25" E	578.70'
L64	S 46°13'10" E	408.76'
L65	S 47°03'10" E	405.20'
L66	S 47°52'44" E	296.23'
L67	S 47°19'33" E	499.63'
L68	S 46°53'37" E	359.95'
L69	S 45°49'07" E	436.01'
L70	S 50°23'48" E	255.73'
L71	N 40°43'43" E	42.90'
L72	S 52°52'44" E	85.65'
L73	S 51°46'28" E	159.01'
L74	N 43°53'50" E	92.20'
L75	S 78°26'49" E	101.28'
L76	S 43°38'54" W	85.60'
L77	S 44°06'23" W	243.16'
L78	S 42°38'55" W	19.28'
L79	S 24°57'26" E	29.44'
L80	S 16°41'25" E	65.01'

NOTES:

1. ALL BEARINGS SHOWN HEREON ARE BASED ON BOTH GPS RTK AND STATIC OBSERVATIONS. POSITIONS WERE DETERMINED BY OPUS (N.G.S. ONLINE POSITIONING USER SERVICE). ALL COORDINATES ARE RELATED TO TEXAS STATE PLANE COORDINATE SYSTEM, NAD83 (CORS96), SOUTH CENTRAL ZONE. ALL COORDINATES SHOWN HEREON ARE GRID COORDINATES.

2. A PORTION OF THE TRACT SHOWN HEREON IS IN ZONE "X", AREAS DETERMINED TO BE OUTSIDE THE 500-YEAR FLOODPLAIN, AND IN ZONE "A", AREAS INUNDATED BY 100-YEAR FLOOD; THE AREAS ALONG BLANCO RIVER ARE IN ZONE "AE" AS DELINEATED ON THE FEDERAL EMERGENCY MANAGEMENT AGENCY FLOOD INSURANCE RATE MAP NO. 48209C0185E, COMMUNITY NO. 480321, PANEL NO. 0185E, REVISED FEBRUARY 18, 1998 AND ON FEDERAL EMERGENCY MANAGEMENT AGENCY FLOOD INSURANCE RATE MAP NO. 48209C0120E, COMMUNITY NO. 480321, PANEL NO. 0120E, REVISED FEBRUARY 18, 1998.

3. ABSTRACT INFORMATION FOR THE SUBJECT PROPERTY SHOWN HEREON IS BASED ON COMMITMENT FOR TITLE INSURANCE G.F. NO. 0507778MSB PREPARED BY FIRST AMERICAN TITLE INSURANCE COMPANY, ISSUED ON JUNE 13, 2005. SURVEYOR DID NOT RESEARCH SUBJECT PROPERTY TITLE INFORMATION.

4. ALL FIELD INFORMATION SHOWN HEREON IS BASED ON "ON-THE-GROUND" SURVEY DATA, PERFORMED DURING THE MONTHS OF JULY AND AUGUST 2005.

5. THIS SURVEY DRAWING IS REFERENCED TO A METES AND BOUNDS DESCRIPTION DATED, AUGUST 9, 2005.

6. THE TRACT SHOWN HEREON IS SUBJECT TO THE TERMS, CONDITIONS AND STIPULATIONS OF A PIPE LINE EASEMENT CONVEYED UNTO TEXAS PIPE LINE COMPANY, AS RECORDED IN VOLUME 138, PAGE 195 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS.

7. THE TRACT SHOWN HEREON IS SUBJECT TO THE TERMS, CONDITIONS AND STIPULATIONS OF A BURIED COMMUNICATION CABLE EASEMENT CONVEYED UNTO GTE SOUTHWEST INC., AS RECORDED IN VOLUME 737, PAGE 716 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS.

8. THE TRACT SHOWN HEREON IS SUBJECT TO THE TERMS, CONDITIONS AND STIPULATIONS OF A RIGHT-OF-WAY EASEMENT CONVEYED UNTO THE KARNACK CORPORATION, AS RECORDED IN VOLUME 881, PAGE 15 OF THE OFFICIAL PUBLIC RECORDS OF HAYS COUNTY, TEXAS.

9. THE TRACT SHOWN HEREON IS SUBJECT TO THE TERMS, CONDITIONS AND STIPULATIONS OF A LEASE AGREEMENT BETWEEN A.W. GREGG AND TEXACO PIPELINE, INC., AS RECORDED IN VOLUME 1367, PAGE 638 AND CORRECTED IN VOLUME 1372, PAGE 759 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS, DATED DECEMBER 15, 1997 FOR THE TERM OF 10 YEARS.

10. MINERALS AND MINERAL RIGHTS CONVEYED FROM A.W. GREGG AND ROBIE GREGG TO KY-TEX PROPERTIES, INC. BY DEED RECORDED UNDER VOL. 185, PG. 391 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS.

Revised August 22, 2005 to show correct recording information.
Revised August 19, 2005 to show state plane coordinates.
Revised August 18, 2005, to add surface coordinates & update adjoiners.

Surveyors Certificate

In my professional opinion, this plat represents the facts found on the ground during the course of a boundary survey conducted under my supervision in July and August, 2005 and that this survey substantially complies with the current Texas Society of Professional Surveyors standards and specifications for a Category 1A, Condition II urban survey.

Witness my hand and seal this 19th day of August, 2005 at Houston, Texas.

Stephanie A. Funk
Registered Professional Land Surveyor #5375

PROJECT: LAND TITLE SURVEY OF 1971.29 ACRES LOCATED IN THE CALEB W. BAKER SURVEY, A-31, SEABORN BERRY SURVEY, A-32, JOHN COOPER SURVEY, A-99, WILLIAM DUNBAR SURVEY, A-156, THOS. C. SNAILUM SURVEY, A-409 AND SAMUEL PHARASS SURVEY, A-360, IN HAYS COUNTY, TEXAS

OWNER: ESTATE OF A.W. GREGG

LOCATION: HAYS COUNTY, TEXAS

Cobb Fendley & Associates
5300 HOLLISTER, SUITE 400
HOUSTON, TEXAS 77040
(713) 462-3242

DRAWN BY: VJA	DATE: 08/22/2005	SHEET 1 OF 1	REVISED
DESIGNED BY: SFF	SCALE: 1"=500'	F.B. NO. 1721	
	CHK'D BY: SAF	PROJECT NO. GREG-003-01	

File No. 155382 23

HAYS County

PHASE II LTD DUE DILIGENCE STUDY

Date Filed: 8-19-10

Jerry E. Patterson, Commissioner

By Susan Fluschke

RIGHT OF FIRST REFUSAL AGREEMENT

THE STATE OF TEXAS §
§
COUNTY OF HAYS §

This Right of First Refusal Agreement (this "Agreement") is executed and entered into by and between **THE STATE OF TEXAS**, for the use and benefit of the Permanent School Fund, by and through Jerry E. Patterson, Commissioner of the Texas General Land Office and Chairman of the School Land Board ("Grantor") and **GMG PARTNERS, L.P.**, a Texas limited partnership whose address is 1901 Hollister, Houston, Texas, 77080 ("Grantee") (collectively "Parties").

WITNESSETH:

NOW, THEREFORE, for and in consideration of FIFTEEN THOUSAND DOLLARS and No/100 ($15,000.00) ("ROFR Price") and other good and valuable consideration paid by Grantee, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows:

1. Grant of Right of First Refusal. Commencing on the later date of which either Party signs this agreement ("Effective Date") and continuing for a period of sixty (60) days (the "ROFR Period"), Grantor hereby grants Grantee a right of first refusal to purchase approximately 2,166.43 acres of real property located along the Blanco River near Kyle, Hays County, Texas, as described in the metes and bounds descriptions attached hereto as Exhibits "A" and "B" and incorporated by reference for all purposes (collectively the "Property"). Notwithstanding the foregoing, if Grantor receives an offer for the sale of the Property from Forestar Group Inc. and/or Hanna Magee, L.P #1 during the ROFR Period, Grantee shall not have the right to exercise its ROFR with respect to said offer. However, Grantee shall have the right to submit a competing offer for sale of the Property for Grantor to consider.

2. Non-refundable. The ROFR Price shall be non-refundable to Grantee upon payment, unless Grantee delivers timely notice as described herein and elects to purchase the Property, in which case the ROFR Price shall be applied to and be credited towards the Purchase Price at closing.

3. Inspection Period. Grantee will have sixty (60) calendar days from the Effective Date of the fully executed ROFR contract to enter upon the Property and otherwise perform due diligence to determine if the Property is suitable for Grantee's intended use. (the "ROFR Inspection Period") During the ROFR Inspection Period, Grantee and its agents will have access to the Property to inspect and perform tests and other studies on the Property. **GRANTEE AGREES TO INDEMNIFY AND HOLD GRANTOR HARMLESS FROM ANY COSTS OR LIABILITY FOR PERSONAL INJURY OR PROPERTY DAMAGE INCURRED BY REASON OF SUCH ENTRY UNLESS SUCH PERSONAL INJURY OR PROPERTY DAMAGE IS ATTRIBUTABLE TO THE CONDITION OF THE PROPERTY OR CAUSED BY THE ACTIONS OF GRANTOR.**

4. Exercise of Right of First Refusal. If at any time during the ROFR Period Grantor receives a bona fide offer from a third party (other than Forestar Group Inc. and/or Hanna Magee, L.P #1) to purchase the Property which it wishes to accept (a "Third-Party Offer"), Grantor shall notify Grantee in writing of the complete terms and conditions of the Third-Party Offer (the "Grantor's Notice"). Grantor may not accept said Third-Party Offer until the expiration of this Agreement. Upon receipt of Grantor's Notice, Grantee may exercise its right to acquire the Property upon the same terms and conditions contained in the Third-Party Offer by giving written notice of its election to Grantor (the "Grantee's Notice of Purchase") within ten (10) calendar days of the expiration of this Agreement (the "Acceptance Deadline"). If Grantee timely exercises its right to acquire the Property by the Acceptance Deadline, the purchase transaction must close within thirty (30) calendar days after the Grantee's Notice of Purchase or Grantor may terminate the transaction without recourse. If Grantee does not deliver Grantee's Notice of Purchase prior to the Acceptance Deadline, then Grantor may proceed with the sale of the Property to the third party on the terms described in Grantor's Notice.

5. School Land Board Approval. In the event Grantee exercises its ROFR, any offer is still subject to approval by the School Land Board. Non-approval of Grantee's offer by the School Land Board shall not constitute a breach of this Agreement.

6. Notices. All notices, demands and requests and other communications required or permitted hereunder shall be in writing, and shall be sent by certified mail (return receipt requested) or by national overnight courier and shall be deemed sent upon actual receipt or refusal by the addressee. Grantor's and Grantee's respective addresses for purposes of this Agreement, and to which all notices required hereunder shall be sent, are as follows:

   If to Grantor:

   Rusty Martin, Deputy Commissioner
   Funds Management Division
   Texas General Land Office
   Stephen F. Austin Building
   1700 North Congress Ave., Suite 900
   Austin, Texas 78701

   With a copy to:

   Jeff Gordon, Director, Commercial Transactions
   Legal Services Division
   Texas General Land Office
   Stephen F. Austin Building
   1700 North Congress Ave., Suite 900
   Austin, Texas 78701

If to Grantee:

GMG Partners, L.P.
1901 Hollister
Houston, Texas,
77080
Attn: Gregg Reyes

A party may change its notice address by delivering written notice to the other party consistent with this Paragraph 6.

7. Terms if ROFR Exercised. In the event Grantee exercises its ROFR during the ROFR Period, the following terms will be included in the sale of the Property. The following is a non-exhaustive list and this language in no way limits the terms of any future contract for sale.

(a) The Property will be conveyed by Deed Without Warranty "AS IS, WHERE IS," WITHOUT WARRANTY, EXPRESS OR IMPLIED, WITH ANY AND ALL LATENT AND PATENT DEFECTS.

(b) Grantor will reserve and retain all interests in and right to remove all oil, gas, groundwater, sulphur and other minerals, together with all attendant mineral rights, water rights, royalty interests, and development rights, together with any and all rights of leasing, exploration and development, if any, will be retained by Grantor; provided, however, Grantor waives the right to use the surface of the Property, with the understanding that the development of the reserved oil, gas, groundwater, sulphur or other minerals will occur off the Property, including, for example, by directional drilling or pooling. Grantee shall have the right to use groundwater onsite only for household and domestic purposes related to development of the Property. Grantee will covenant and agree not to use any groundwater underlying the Property for commercial or industrial purposes.

(c) Grantee will pay Grantor in cash in addition to the purchase price at closing an amount equal to 1.5% of the purchase price as required by Texas Natural Resource Code §32.110.

(d) Grantee may, at his own expense, purchase an owner's title insurance policy. Grantee will be responsible for the cost of any endorsements or amendments to the title policy. Grantor has no obligation to cure or pay the cost of curing any Schedule B or C exceptions. Grantee may seek to cure any such title exceptions at Grantee's own cost and expense. Any action initiated by Grantee to cure any exceptions shall not be a basis for failing to close this transaction timely.

(e) Grantor shall furnish a copy of its existing survey to Grantee. Grantee at its own expense may obtain a new survey of the Property. A new survey will require approval from Grantor's Survey Division prior to the Closing Date.

(f) Except for the cost of the Survey, Title Policy and endorsements, all reasonable closing costs associated with the consummation of the transaction, including without limitation, escrow fees, recording fees, tax certification fees and other fees associated with the issuance of an Owner's Title Policy (excluding funds necessary to release any liens against the Property) shall be borne by Grantee. Each party will be responsible for the payment of its own attorney fees.

(g) Each of Grantor and Grantee will be responsible for any fees or commissions incurred by such party, if any, but not otherwise.

(h) Neither party can assign its rights under the contract without the agreement of the other. Grantee however may assign the contract to an affiliated entity under its ownership or control, provided all documentation to effectuate the assignment is in place at least 10 days prior to the Closing Date.

(i) Grantor shall not be responsible for any taxes for any period, roll-back or otherwise.

8. Miscellaneous.

(a) This instrument contains the entire agreement between the parties and cannot be varied except by the written agreement of the parties.

(b) It is expressly agreed by the parties hereto that time is of the essence with respect to this Agreement. If the final day of any period of any date of performance under this Agreement falls on a Saturday, Sunday, or legal holiday, then the final day of said period or the date of performance shall be extended to the next business day thereafter.

(c) This Agreement is being executed and delivered and is intended to be performed in the State of Texas, and the laws of such State shall govern the validity, construction, enforcement and interpretation of this Agreement. Any dispute involving this Agreement shall be resolved in the courts of Travis County, Texas.

(d) Neither party can assign its rights under this Agreement without the agreement of the other. Grantee however may assign the contract to an affiliated entity under its ownership or control, provided all documentation to effectuate the assignment is in place at least 10 days prior to the Closing Date.

(e) If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any other persons or circumstances, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

(f) Certain information involving sales and purchases of permanent school fund land is confidential and exempt from disclosure pursuant to Section 11.086 of the Texas Natural Resources Code and Chapter 552 of the Texas Government Code. The parties agree, in furtherance of the confidential nature of the information relating to this matter, to keep confidential, to the extent required or allowed by law, without the advance written consent of the other party, all of the business terms and conditions of the transaction contemplated herein, regardless of whether this transaction is ultimately consummated. Either party may disclose the business terms and conditions of the transaction contemplated herein to their agents, employees, attorneys, accountants, and consultants to the extent necessary for analysis and evaluation of the transaction.

9. Filing. Grantee shall, at its sole cost and expense, record this Agreement in the Official Public Records of the county in which the Property is located and provide a file marked copy of same to Grantor within thirty (30) days after this Agreement is executed by all parties.

10. Termination of Agreement. On the date which is sixty (60) days after the Effective Date, this Agreement shall automatically be null and void and of no further force or effect and upon such termination.

[Remainder of page intentionally blank]

EXECUTED by Grantor and Grantee on the dates set forth below:

GRANTOR:

THE STATE OF TEXAS

By: _____
JERRY E. PATTERSON, Commissioner of the
General Land Office and Chairman of
the School Land Board on behalf of the
Permanent School Fund

Date: 12-12-14

Approved:

Contents: _____
Legal: _____
Gen Counsel: _____
Deputy: _____
Executive: _____

NOTE TO COUNTY CLERK: PROPERTY CODE § 12.006, COMBINED WITH GOVERNMENT CODE §2051.001, AUTHORIZES THE RECORDATION OF THIS INSTRUMENT WITHOUT ACKNOWLEDGMENT OR FURTHER PROOF OF THE SIGNATURE OF THE COMMISSIONER OF THE TEXAS GENERAL LAND OFFICE.

GRANTEE:

GMG PARTNERS, L.P.
By GMG Management, LLC, its General Partner

By: Gregg T. Reyes

Title: General Partner

Date: December 10, 2014

ACKNOWLEDGMENT OF GRANTEE

This instrument was acknowledged before me on the 10th day of Dec., 2014, by Gregg Reyes, General Partner of GMG Management, LLC, the general partner of GMG Partners, L.P., on behalf of said limited partnership.

Connie E Brewer
(Notary Signature)

CONNIE E BREWER
NOTARY PUBLIC
State of Texas
Comm. Exp. 10/22/2016
Notary Stamp

Notary Public, State of Texas

My commission expires: 10/22/16

EXHIBIT "A"

EXHIBIT "A"

VICKREY & ASSOCIATES, Inc.
CONSULTING ENGINEERS

METES AND BOUNDS DESCRIPTION
FOR A 195.14 ACRE TRACT OF LAND
OUT OF THE ONE-FOURTH LEAGUE SURVEY NO. 14
ABSTRACT NO. 360
HAYS COUNTY, TEXAS

Being a 195.14 acre tract of land situated in the Samuel Pharass 1/4 League Survey No. 14, Abstract 360, Hays County, Texas, being the same property (called 195.27 acres), described in Special Warranty Deed, conveying "Hawn Arabian Ranch" into each their respective undivided 1/2 interest to William Reed Hawn and Richard Reed Hawn, recorded in Volume 1201, Page 659 of the Official Public Records of Hays; said 195.14 acre tract being more particularly described by metes and bounds with all bearings being referenced to North American Datum 1983, Texas Coordinate System, South Central Zone; Ground distances may be converted to grid by dividing by 1.0001700:

BEGINNING at a corner cedar fence post on the West right-of-way line of County Road No. 136 (an undetermined right-of-way width) also known as Old Austin – San Antonio Road and being the South corner of a 1971.29 acre tract of land as described in General Warranty Deed, conveyance from Ky-Tex Properties, L.P. to the The State of Texas, recorded in Volume 2755, Page 820 of the Official Public Records of Hays County, Texas, also being the most Eastern of Northeast corner of the herein described tract of land, said Beginning point having the Texas South Central Grid Coordinates of (N=13,913,246.00, E=2,318,255.92);

Thence S 16°51'08" E, along the said West right-of-way of County Road No. 136 a distance of 799.85 feet to a set 1/2" iron rod with Vickrey and Associates property corner cap, being the Southeast corner of the herein described tract, from which a found ½" iron rod bears S 16°51'08" E, a distance of 61.11 feet being the most Eastern Northeast corner of a 135.78 acre tract of land recorded in Volume 254, Page 848 of the Deed records of Hays County, Texas;

Thence S 36°00'34" W, departing said West right-of-way line of County Road No. 136, a distance of 42.37 to a found cedar fence post at the common corner of said 135.78 acre tract and the herein described tract of land;

Thence along the common line of said 135.78 acre tract of land and the herein described tract of land, the following 4 courses and distances;

- S 48°34'19" W, a distance of 1583.69 feet to a found cedar fence post;
- N 49°27'05" W, a distance of 34.23 feet to found cedar fence post;
- S 25°39'52" W, a distance of 39.42' to a set 1/2" iron rod with Vickrey and Associates property corner cap;
- S 48°28'51" W, a distance of 2127.99 feet to a found cedar fence post on North right of way line of Limekiln Road (an undetermined right-of-way width), and being the South corner of the herein described tract of land;

12940 Country Parkway • San Antonio, Texas 78216 • 210-349-3271 • FAX 210-349-2561

14037334 Bk OPR Vol 5096 Pg 614

Thence N 77°17'21" W, along the said North right-of-way line of Limekiln Road a distance of 599.98 feet to a found cedar fence post for the most Western Southwest corner of the herein described tract and being the most Southern Southeast corner of a 260.12 acre tract of land recorded in Volume 135, Page 456 of the Deed records of Hays County, Texas:

Thence N 16°49'08" W, along the common line of said 260.12 acre tract of land and the herein described tract of land a distance of 270.68 feet to a set 1/2" iron rod with Vickrey and Associates property corner cap;

Thence N 17° 14'33" W, continuing along said common line a distance of 1608.14 feet to a found 5/8" iron rod with aluminum cap marked "Kent" on the Southeast line of the aforementioned 1971.29 acre tract of land and being the West corner of the herein described tract of land;

Thence along the common line of said 1971.29 acre tract of land and the herein described tract of land the following 7 courses and distances;

- N 44°06'52" E, a distance of 2614.19 feet to a found cedar fence post;
- S 78°31'24" E, a distance of 468.22 feet to a found cedar fence post;
- S 57°18'05" E, a distance of 251.72 feet to a found cedar fence post;
- S 77°39'09" E, a distance of 177.53 feet to a found cedar fence post;
- S 45°29'35" E, a distance of 460.09 feet to a found cedar fence post;
- N 46°05'33" E, a distance of 356.81 feet to a found cedar fence post;
- S 69°29'02" E, a distance of 542.50 to the **POINT OF BEGINNING** containing 195.14 acres of land more or less.

Note: Survey Plat of even date accompanies this legal description.

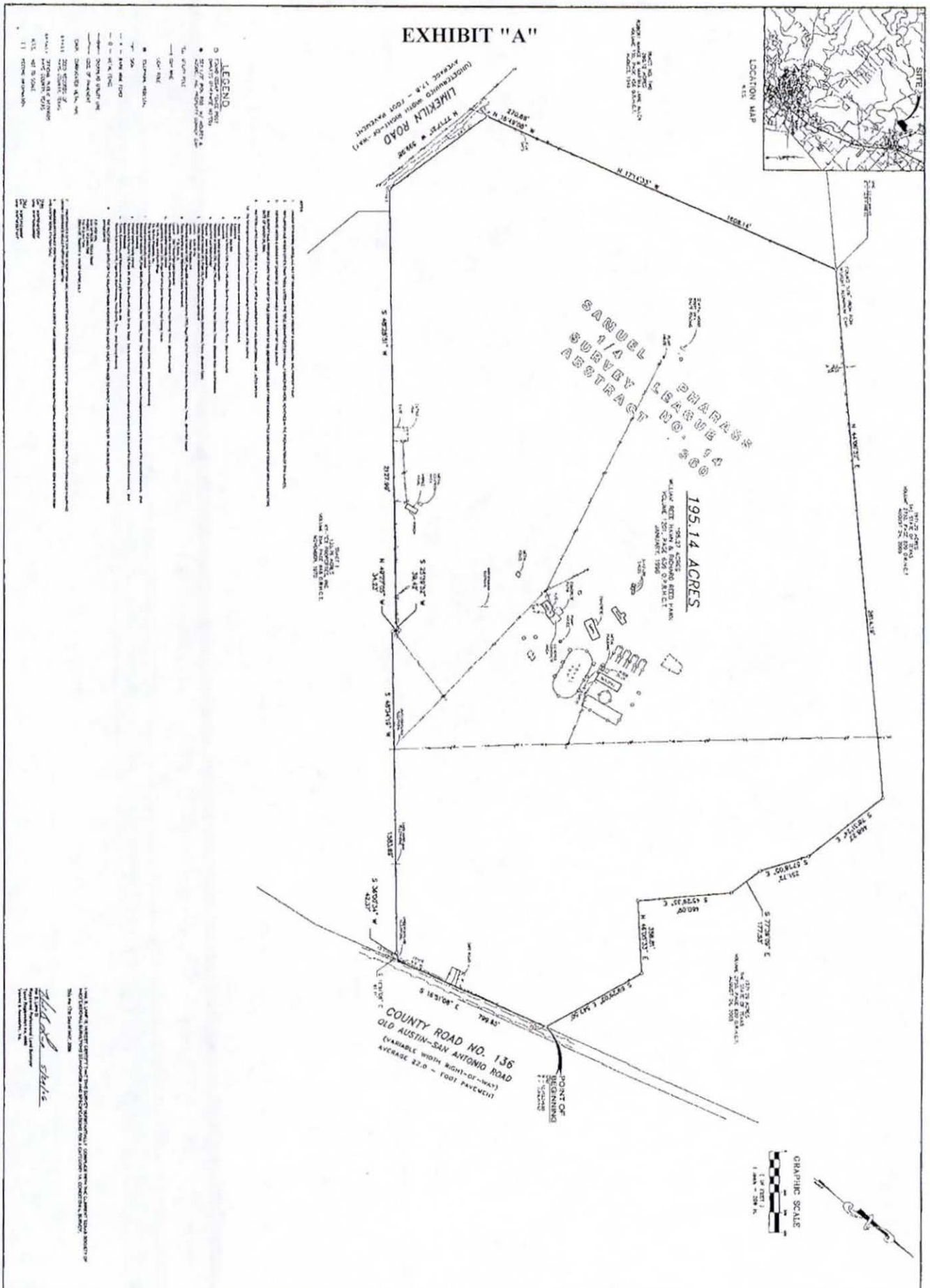
Hal B. Lane 5/24/06

Hal B. Lane III
Registered Professional Land Surveyor
Texas Registration Number 4690
Vickrey & Associates, Inc.

STATE OF TEXAS REGISTERED HAL B. LANE III 4690 PROFESSIONAL LAND SURVEYOR

Job No. 2042-003-104
HL/gm m&b 195.14acres
May 24, 2006

EXHIBIT "A"



SURVEY PLAT FOR

FOR A 195.14 ACRE TRACT OF LAND
OUT OF THE ONE-FOURTH LEAGUE SURVEY NO. 14
SAMUEL PHARASS, ABSTRACT 360
HAYS COUNTY, TEXAS

PREPARED FOR:
TEXAS GENERAL LAND OFFICE

VICKREY & ASSOCIATES, INC.
CONSULTING ENGINEERS

DATE	NO.	DESCRIPTION
06/22/06	1	ADDED FENCE ON SE BOUNDARY LINE

REVISIONS

SHEET 1 OF 1

EXHIBIT "B"

14037334 Bk OPR Vol 5096 Pg 616

DESCRIPTION OF A TRACT OF LAND CONTAINING 1971.29 ACRES (85,869,500 SQUARE FEET) SITUATED IN THE CALEB W. BAKER SURVEY, A-31, SEABORN BERRY SURVEY A-32, JOHN COOPER SURVEY, A-99, WILLIAM DUNBAR SURVEY, A-156, THOS. C. SNAILUM SURVEY, A-409 AND THE SAMUEL PHARASS SURVEY, A-360 SURVEY, HAYS COUNTY, TEXAS

Being a tract of land containing 1971.29 acres (85,869,500 square feet) situated in the Caleb W. Baker Survey, A-31, the Seaborn Berry Survey, A-32, the John Cooper Survey, A-99, the William Dunbar Survey, A-156, the Thos. C. Snailum Survey, A-409 and the Samuel Pharass Survey, A-360 in Hays County, Texas, and also being all of called 1938.67-acre tract as conveyed unto A.W. Gregg by deed recorded in Volume 142, Page 290 of the Deed Records of Hays County, Texas, and being all of the residue of a 251-acre tract as conveyed unto A.W. Gregg by deed recorded in Volume 167, Page 365 of the Deed Records of Hays County, Texas. Said 1971.29-acre tract being more particularly described by metes and bounds as follows:

COMMENCING FOR REFERENCE at a found 1/2-inch iron rod with cap marked "Byrn Survey" located at the south end of a cutback for the intersection of the north line of Hays County Road No. 136 (Old Austin-San Antonio Road) (undefined width) and the west right-of-way line of FM150 (80 feet wide) for a southeast corner of a 10.00-acre tract as conveyed unto Robert C. Edge by deed recorded in Volume 2305, Page 645 of the Official Public Records of Hays County, Texas;

THENCE South 43° 45' 38" West with the north line of said County Road No. 136 and the south line of said 10.00-acre tract, a distance of 1100.56 feet to a found cedar fence corner post for the southwest corner of said 10.00-acre tract and the southeast corner of a 2.62-acre tract as conveyed unto Catholic Family Fraternal of Texas – K.J.Z.T. by deed recorded in Volume 1276, Page 32 of the Official Public Records of Hays County, Texas;

THENCE South 40° 38' 53" West continuing with the north line of said County Road No. 136 and the south line of said 2.62-acre tract, a distance of 176.82 feet to a found 8-inch fence post for the southeast corner of said 1938.67-acre tract, for the southwest corner of said 2.62-acre tract and for the southeast corner of a 12.46-acre tract as described in instrument "Right of First Refusal Agreement" between A.W. Gregg and Robie Gregg and children recorded in Volume 370, Page 660 of the Deed Records of Hays County, Texas;

THENCE continuing with the north line of said County Road No. 136, the south line of said 1938.67-acre tract and the south line of said 12.46-acre tract, the following courses and distances;

South 43° 34' 16" West, a distance of 163.80 feet to a point;
South 43° 45' 57" West, a distance of 231.21 feet to a found 1/2-inch iron rod;
South 43° 38' 54" West, a distance of 85.60 feet to a found 1/2-inch iron rod;
South 44° 06' 23" West, a distance of 243.16 feet to a stone fence corner;
South 42° 38' 55" West, a distance of 19.28 feet to a point;

THENCE South 24° 57' 26" East continuing with the west line of said County Road No.136 and the east line of the residue of said 251-acre tract, a distance of 29.44 feet to a point;

THENCE South 16° 41' 25" East continuing with the west line of said County Road No. 136 and the east line of the residue of said 251-acre tract, a distance of 65.01 feet to a found 1/2-inch iron rod for a southeast corner of said tract herein described and for the **POINT OF BEGINNING**;

1) THENCE South 16° 19' 59" East, a distance of 1931.88 feet to a found 60d nail at a fence post for a corner of said tract herein described, for the south corner of the residue of said 251-acre tract and for the east corner of a 195.27-acre tract as conveyed unto Robert Reed Hawn by deed recorded in Volume 266, Page 410 of the Deed Records of Hays County, Texas, and in by deed recorded in Volume 1201, Page 659 of the Official Public Records of Hays County, Texas;

EXHIBIT "B"

THENCE in a northwesterly direction with the west line of the residue of said 251-acre tract and the east line of said 195.27-acre tract the following courses and distances (calls 2 through 7);

2) North 69° 28' 11" West, a distance of 542.50 feet to a cedar fence post for an angle point in the south line of said tract herein described;

3) South 46° 06' 24" West, a distance of 356.81 feet to a cedar fence post for an angle point in the south line of said tract herein described;

4) North 45° 28' 44" West, a distance of 460.09 feet to a cedar fence post for an angle point in the south line of said tract herein described;

5) North 77° 38' 18" West, a distance of 177.53 feet to a cedar fence post for an angle point in the south line of said tract herein described;

6) North 57° 17' 14" West, a distance of 251.72 feet to a cedar fence post for an angle point in the south line of said tract herein described;

7) North 78° 30' 33" West, a distance of 468.22 feet to cedar fence post located in the south line of said 1938.67-acre tract for an angle point in the south line of said tract herein described and for the northeast corner of said 195.27-acre tract;

8) THENCE South 44° 07' 43" West with the south line of said 1938.67-acre tract and the north line of said 195.27-acre tract, a distance of 2614.19 feet to found 5/8-inch iron rod with aluminum cap for an angle point in the south line of said tract herein described for the northwest corner of said 195.27-acre tract and the north corner of a 260.12-acre tract as conveyed unto Robert Nance and Martha Jane Allen by deed recorded in Volume 135, Page 456 of the Deed Records of Hays County, Texas;

9) THENCE South 44° 00' 02" West continuing with the south line of said 1938.67-acre tract and the north line of said 260.12-acre tract, a distance of 2165.22 feet to railroad spike at the base of an old cedar fence post for a corner in the south line of said tract herein described for the southeast corner of a 32.432-acre tract as conveyed unto Thomas H. Nance, Jr., and Flora Mae Roberts by deed recorded in Volume 651, Page 702 of the Deed Records of Hays County, Texas;

10) THENCE North 42° 31' 45" West with a west line of said 1938.67-acre tract and the east line of said 32.432-acre tract, at 73 feet pass a twin trunk Oak tree, continuing for a total distance of 835.00 feet to the end of a rock wall/stone fence for an angle point in a west line of said tract herein described;

11) THENCE North 48° 11' 44" West with a west line of said 1938.67-acre tract and the east line of said 32.432-acre tract, a distance of 591.59 feet to a 16-inch Hackberry tree in the fence line for an angle point in a west line of said tract herein described;

12) THENCE North 54° 28' 06" West with a west line of said 1938.67-acre tract and the east line of said 32.432-acre tract, a distance of 455.05 feet to 6-inch cedar fence post for an angle point in a west line of said tract herein described;

13) THENCE North 53° 21' 39" West with a west line of said 1938.67-acre tract and the east line of said 32.432-acre tract, a distance of 292.80 feet to 6-inch cedar fence post for an angle point in a west line of said tract herein described;

14) THENCE North 64° 39' 18" West with a west line of said 1938.67-acre tract and the east line of said 32.432-acre tract, a distance of 34.87 feet to an 18-inch Elm tree in the fence line for a corner in the south line of said tract herein described for the northeast corner of said 32.432-acre tract and for an interior corner of said 1938.67-acre tract;

THENCE with a south line of said 1938.67-acre tract, the following courses and distances (calls 15 through 23);

15) South 61° 37' 51" West with the north line of said 32.432-acre tract, a distance of 426.48 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" located in the north line of a 22.421-acre tract as conveyed unto Martha Nance Picton by deed recorded in Volume 651, Page 702 of the Hays County, Texas, for an angle point in the south line of said tract herein described;

16) South 53° 30' 25" West with the north line of a 22.421-acre tract, a distance of 842.81 feet to a found 1/2-inch iron rod for a corner in the south line of said tract herein described and for the northwest corner of said 22.421-acre tract;

17) South 41° 21' 25" East with the west line of said 22.421-acre tract, a distance of 491.62 feet to a found 1/2-inch iron rod located in the north line of a 17.313-acre tract as conveyed unto David Laverne Allen and Grace Crumley by deed recorded in Volume 651, Page 702 of the Deed Records of Hays County, Texas, for a corner in the south line of said tract herein described;

18) South 38° 21' 19" West with the north line of said 17.313-acre tract, a distance of 489.14 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the south line of said tract herein described;

19) South 43° 54' 19" West, with the north line of said 17.313-acre tract, a distance of 409.24 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the south line of said tract herein described;

20) South 30° 15' 19" West with the north line of said 17.313-acre tract, a distance of 133.80 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the south line of said tract herein described;

21) South 36° 02' 19" West with the north line of said 17.313-acre tract, a distance of 81.45 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" located in the east line of a 29.882-acre tract as conveyed unto David Laverne Allen and Grace Crumley by deed recorded in Volume 651, Page 702 of the Deed Records of Hays County, Texas, for an angle point in the south line of said tract herein described;

22) North 36° 45' 13" West with the east line of said 29.882-acre tract, a distance of 753.61 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the south line of said tract herein described from which an 8-inch cedar fence post bears North 36° 44' West, a distance of 1.25 feet;

23) South 52° 58' 30" West with the north line of said 29.882-acre tract, at 1442.51 feet pass a fence corner, continuing for a total distance of 1661.02 feet to point located in the center of the east channel of the Blanco River and in the east line of a 102.04-acre tract as conveyed unto Janet Nance Bradshaw and Robert Scott Nance by deed recorded in Volume 902, Page 614 of the Official Public Records of Hays County, Texas, for the southwest corner of said tract described;

THENCE in a northwesterly direction with the east line of the 102.04-acre tract and the west line of said 1938.67-acre tract, the following courses and distances (calls 24 through 32);

24) North 31° 07' 28" West, with the centerline of said east channel of the Blanco River, a distance of 247.37 feet to an angle point in the west line of said tract herein described;

25) North 25° 35' 32" West, with the centerline of said east channel of the Blanco River, a distance of 406.01 feet to an angle point in the west line of said tract herein described;

26) North 05° 41' 30" West, a distance of 123.00 feet to a point located on the east bank of the east channel of the Blanco River for an angle point in the west line of said tract herein described;

27) North 52° 23' 30" East, a distance of 72.00 feet to an Oak tree in fence line for an angle point in the west line of said tract herein described;

28) North 11° 45' 34" West with a barbed wire fence, a distance of 203.32 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the west line of said tract herein described;

29) North 13° 24' 25" West with a barbed wire fence, a distance of 303.61 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the west line of said tract herein described;

30) North 18° 49' 22" West with a barbed wire fence, a distance of 265.24 feet to a cedar fence post for an angle point in the west line of said tract herein described;

31) North 75° 14' 22" West, a distance of 486.70 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the west line of said tract herein described;

32) South 53° 35' 58" West, a distance of 119.76 feet to point located in the center of the Blanco River for a corner in the west line of said tract herein described and for the northeast corner of said 102.04-acre tract;

THENCE in a northwesterly direction with the meanders of the centerline of the Blanco River, the west line of said 1938.67-acre tract and the east line of a tract of land as conveyed unto Exekial Nance by deed recorded in Volume C, Page 487 of the Deed Records of Hays County, Texas, the following courses and distances (calls 33 through 51);

33) North 24° 02' 16" West, a distance of 1344.85 feet to an angle point in the west line of said tract herein described;

34) North 26° 15' 21" West, a distance of 1341.47 feet to an angle point in the west line of said tract herein described;

35) North 24° 19' 33" West, a distance of 1253.62 feet to an angle point in the west line of said tract herein described;

36) North 26° 26' 21" West, a distance of 445.60 feet to an angle point in the west line of said tract herein described;

37) North 22° 07' 09" West, a distance of 388.02 feet to an angle point in the west line of said tract herein described;

38) North 20° 08' 10" West, a distance of 228.62 feet to an angle point in the west line of said tract herein described;

39) North 35° 50' 03" West, a distance of 95.94 feet to an angle point in the west line of said tract herein described;

40) North 20° 34' 03" West, a distance of 91.79 feet to an angle point in the west line of said tract herein described;

41) North 14° 59' 48" West, a distance of 185.29 feet to an angle point in the west line of said tract herein described;

42) North 00° 02' 25" East, a distance of 92.60 feet to an angle point in the west line of said tract herein described;

43) North 12° 09' 25" East, a distance of 32.16 feet to an angle point in the west line of said tract herein described;

EXHIBIT "B"

44) North 29° 03' 12" East, distance of 72.03 feet to an angle point in the west line of said tract herein described;

45) North 19° 26' 32" East, a distance of 118.15 feet to an angle point in the west line of said tract herein described;

46) North 11° 55' 55" East, a distance of 32.54 feet to an angle point in the west line of said tract herein described;

47) North 65° 36' 10" East, a distance of 98.62 feet to an angle point in the west line of said tract herein described;

48) North 24° 23' 50" West, a distance of 99.11 feet to an angle point in the west line of said tract herein described;

49) North 19° 12' 41" West, a distance of 178.40 feet to an angle point in the west line of said tract herein described;

50) North 24° 39' 30" West, a distance of 220.03 feet to an angle point in the west line of said tract herein described;

51) North 25° 27' 37" West, a distance of 206.51 feet to a point located in the south line of a 24.52-acre tract as conveyed unto Charles M. Decker, III, William S. Decker, Dr. Robert D. Decker and Marilyn Decker Elwell by deed recorded in Volume 345, Page 837 of the Deed Records of Hays County, Texas, for the northwest corner of said tract herein described;

52) THENCE North 43° 08' 11" East with the north line of said 1938.67-acre tract and the south line of said 24.52-acre tract, a distance of 441.09 feet to a set 5/8-inch iron rod with cap marked "Cobb, Fendley & Associates" for an angle point in the north line of said tract herein described;

53) THENCE North 42° 38' 11" East continuing with the north line of said 1938.67-acre tract and the south line of said 24.52-acre tract, a distance of 496.12 feet to a 2-inch iron pipe fence corner for an angle point in the north line of said tract herein described;

THENCE in a northeasterly direction with a fence line, with the north line of said 1938.67-acre tract and with the south line of a 108.21-acre tract as conveyed unto Buckeye Partners, Ltd. By deed recorded in Volume 2238, Page 145 of the Official Public Records of Hays County, Texas, the following courses and distances (calls 54 through 66);

54) North 59° 34' 50" East, a distance of 665.61 feet to an angle point in the north line of said tract herein described;

55) North 59° 27' 50" East, a distance of 379.99 feet to an angle point in the north line of said tract herein described;

56) North 58° 50' 50" East, a distance of 298.07 feet to an angle point in the north line of said tract herein described;

57) North 59° 24' 50" East, a distance of 439.02 feet to an angle point in the north line of said tract herein described;

58) North 59° 39' 50" East, a distance of 595.25 feet to an angle point in the north line of said tract herein described;

59) North 59° 56' 50" East, a distance of 68.18 feet to an angle point in the north line of said tract herein described;

60) North 59° 59' 50" East, a distance of 273.44 feet to an angle point in the north line of said tract herein described;

61) North 59° 37' 50" East, a distance of 267.94 feet to an angle point in the north line of said tract herein described;

62) North 56° 33' 50" East, a distance of 13.30 feet to an angle point in the north line of said tract herein described;

63) North 52° 04' 50" East, a distance of 417.87 feet to an angle point in the north line of said tract herein described;

64) North 51° 01' 50" East, a distance of 471.83 feet to an angle point in the north line of said tract herein described;

65) North 50° 59' 50" East, a distance of 409.28 feet to an angle point in the north line of said tract herein described;

66) North 56° 27' 50" East, a distance of 25.80 feet to 2-inch iron pipe fence corner for an angle point in the north line of said tract herein described for the southeast corner of said 108.21-acre tract and the west corner of Lot 2 of Oak Mesa, a subdivision plat recorded in Volume 6, Page 47 of the Plat Records of Hays County, Texas;

67) THENCE North 56° 24' 56" East continuing with the north line of said 1938.67-acre tract and a south line of said Lot 2, a distance of 392.99 feet to a found 1/2-inch iron rod for a corner in the north line of said tract herein described from which an 8-inch fence post bears North 88° 53' West, a distance of 1.4 feet;

68) THENCE South 29° 04' 44" East with an east line of said 1938.67-acre tract and the west line of said Lot 2 and Lot 1 of said Oak Mesa, at 932.02 feet passing the south line of said Lot 1 and the north line of the residue of a 134.86 acre tract as conveyed unto Auburn E. Dennis by deed recorded in Volume 1057, Page 225 of the Deed Records of Hays County, Texas, continuing for a total distance of 2802.93 feet to a point located in the centerline of a stone fence for a corner in the north line of said tract herein described from which a cedar fence post bears North 00° 28' West, a distance of 5.2 feet;

69) THENCE North 43° 17' 57" East with a north line of said 1938.67-acre tract and the south line of the residue of said 134.86-acre tract, at 1415.62 feet passing the southwest corner of Lot 31 of Arroyo Ranch, Section Two, a subdivision plat recorded in Volume 10, Page 219 of the Plat Records of Hays County, Texas, continuing for a total distance of 1730.83 feet to point located in the centerline of a stone fence for an angle point in the north line of said tract herein described from which a found 5/8-inch iron rod bears South 54° 29' West, a distance of 8.7 feet;

70) THENCE South 82° 42' 45" East continuing with a north line of said 1938.67-acre tract and the south line of said Arroyo Ranch, Section Two, a distance of 1115.45 feet to point located in the centerline of a stone fence for an angle point in the north line of said tract herein described from which a found 1/2-inch iron rod bears South 88° 50' West, a distance of 37.6 feet;

71) THENCE North 43° 55' 32" East continuing with the north line of said 1938.67-acre tract and the south line of said Arroyo Ranch, Section Two, a distance of 1271.78 feet to a 2-inch iron pipe fence corner for an angle point in the north line of said tract herein described for an interior corner of Arroyo Ranch, Section One, a subdivision plat recorded in Volume 10, Page 179 of the Plat Records of Hays County, Texas;

THENCE with the east line of said 1938.67-acre tract, the following courses and distances (call 72 through 80);

72) South 46° 21' 03" East, at 185.13 feet passing the south line of said Arroyo Ranch, Section One, and the north line of a 21.3-acre tract as conveyed unto Sallye Knutson by deed recorded in Volume 353, Page 240 of the Deed Records of Hays County, Texas, continuing for a total distance of 887.35 feet to an angle point in the east line of said tract herein described for the southwest corner of said 21.3-acre tract and the northwest corner of a 21.30-acre tract as conveyed unto Robert T. Walker and Sandra F. Walker by deed recorded in Volume 1976, Page 458 of the Official Public Records of Hays County, Texas;

73) South 46° 29' 25" East with the west line of said 21.30-acre tract, a distance of 578.70 feet to an angle point in the east line of said tract herein described for the southwest corner of said 21.30-acre tract and the northwest corner of Quail Meadows Subdivision, a subdivision plat recorded in Volume 7, Page 47 of the Plat Records of Hays County, Texas;

74) South 46° 13' 10" East with the west line of said Quail Meadows Subdivision, a distance of 408.76 feet to an angle point in the east line of said tract herein described;

75) South 47° 03' 10" East continuing with the west line of said Quail Meadows Subdivision, a distance of 405.20 feet to an angle point in the east line of said tract herein described;

76) South 47° 52' 44" East continuing with the west line of said Quail Meadows Subdivision, a distance of 296.23 feet to an angle point in the east line of said tract herein described;

77) South 47° 19' 33" East continuing with the west line of said Quail Meadows Subdivision, a distance of 499.63 feet to a found 6-inch cedar fence post for an angle point in the east line of said tract herein described, for the southwest corner of said Quail Meadows Subdivision and for the northwest corner of said 62.10-acre tract;

78) South 46° 53' 37" East with the west line of said 62.10-acre tract, a distance of 359.95 feet to an angle point in the east line of said tract herein described;

79) South 45° 49' 07" East continuing with the west line of said 62.10-acre tract, a distance of 436.01 feet to an angle point in the east line of said tract herein described;

80) South 46° 25' 31" East continuing with the west line of said 62.10-acre tract, a distance of 1445.81 feet to a found cedar fence post for corner of said tract herein described and for the northeast corner of said 12.46-acre tract;

81) THENCE South 40° 21' 31" West with the north line of said 12.46-acre tract, a distance of 1018.19 feet to a found 1/2-inch iron rod for a corner of said tract herein described and for the northwest corner of said 12.46-acre tract;

82) THENCE South 50° 23' 48" East with the west line of said 12.46-acre tract, at 96.71 feet pass a cedar fence post, continuing for a total distance of 255.73 feet to a cedar fence post for an angle point in the south line of said tract herein described;

83) THENCE North 40° 43' 43" East with the west line of said 12.46-acre tract, a distance of 42.90 feet to a cedar fence post for an angle point in the south line of said tract herein described;

84) THENCE South 52° 52' 44" East with the west line of said 12.46-acre tract, a distance of 85.65 feet to a found 1/2-inch iron rod for an angle point in the south line of said tract herein described;

85) THENCE South 51° 46' 28" East with the west line of said 12.46-acre tract, a distance of 159.01 feet to a found 1/2-inch iron rod for a corner of said tract herein described;

86) THENCE North 43° 53' 50" East with the south line of said 12.46-acre tract, a distance of 92.20 feet to a found 1/2-inch iron rod for an angle point in the south line of said tract herein described;

87) THENCE South 78° 26' 49" East with the south line of said 12.46-acre tract, a distance of 101.28 feet to the **POINT OF BEGINNING** and containing 1971.29 acres (85,869,500 square feet) of land, more or less.

Note: This metes and bounds description is referenced to a survey drawing prepared by Cobb, Fendley & Associates, Inc. dated August 9, 2005.

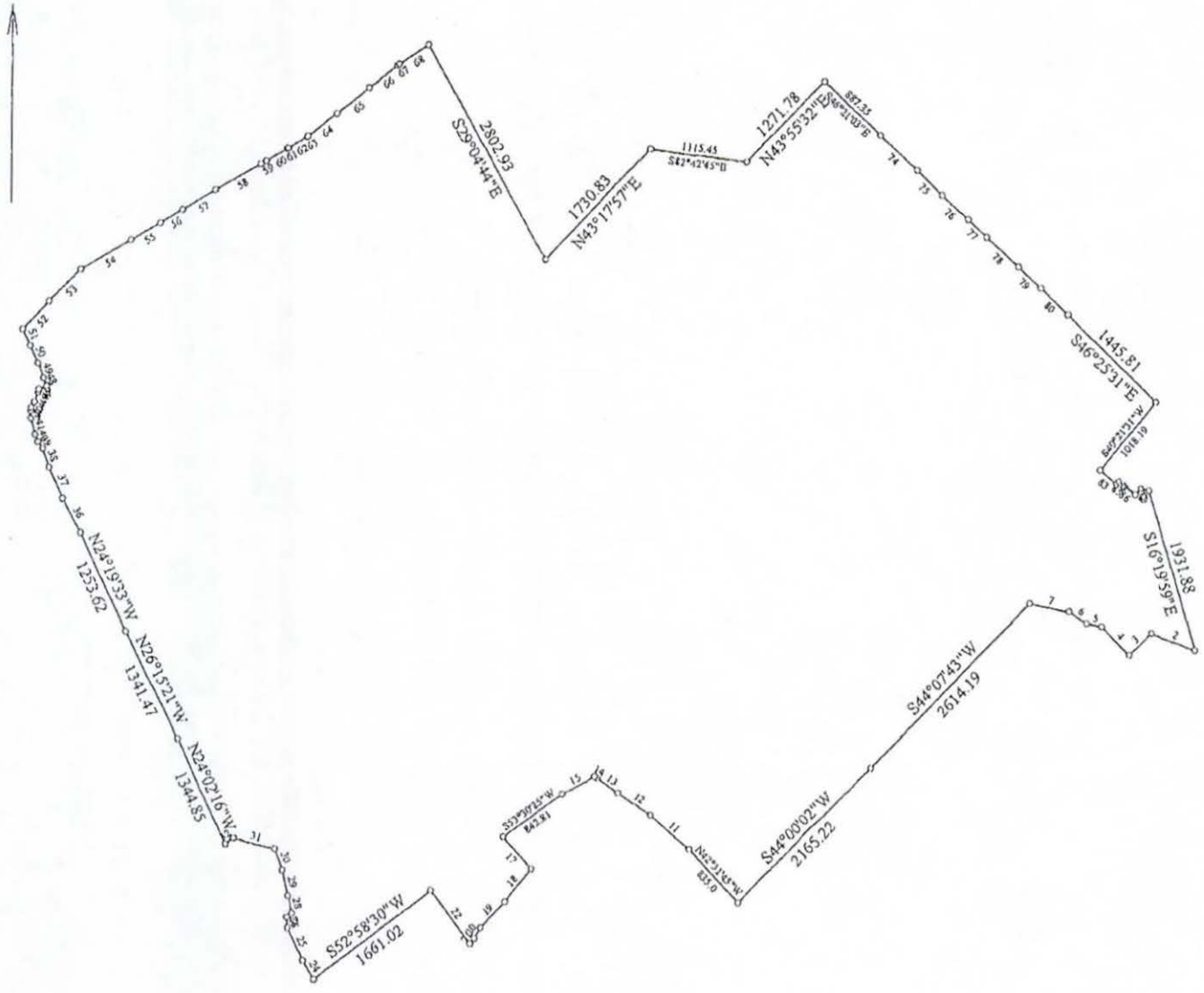
Cobb, Fendley & Associates, Inc.
5300 Hollister, Suite 400
Houston, Texas 77040
Ph. 713-462-3242

Job No. 0402-070-01

August 9, 2005

EXHIBIT "B"

Bk Vol Pg
14037334 OPR 5096 624



Title:		Date: 08-22-2005
Scale: 1 inch = 1800 feet	File:	

OK 8/22/05
CBT
Revision 2
8/19/05

EXHIBIT "B"

Data and Deed Call Listing of File:

Tract 1: 1971.285 Acres: 85869163 Sq Feet: Closure = s46.0031e 0.05 Feet: Precision =1/981753: Perimeter = 44868 Feet

001=S16.1959E 1931.88
002=n69.2811w 542.50
003=s46.0624w 356.81
004=N45.2844W 460.09
005=N77.3818W 177.53
006=N57.1714W 251.72
007=N78.3033W 468.22
008=S44.0743W 2614.19
009=S44.0002W 2165.22
010=N42.3145W 835.0
011=N48.1144W 591.59
012=N54.2806W 455.05
013=N53.2139W 292.80
014=N64.3918W 34.87
015=S61.3751W 426.48
016=S53.3025W 842.81
017=S41.2125E 491.62
018=S38.2119W 489.14
019=S43.5419W 409.24
020=S30.1519W 133.80
021=S36.0219W 81.45
022=N36.4513W 753.61
023=S52.5830W 1661.02
024=N31.0728W 247.37
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027=N52.2330E 72.0
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041=N14.5948W 185.29
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045=N19.2632E 118.15
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048=N24.2350W 99.11
049=N19.1241W 178.40
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051=N25.2737W 206.51
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053=N42.3811E 496.12
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061=N59.3750E 17.94
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063=N56.3350E 13.30
064=N52.0450E 417.87
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066=N50.5950E 409.28
067=N56.2750E 25.80
068=N56.2456E 392.99
069=S29.0444E 2802.93
070=N43.1757E 1730.83
071=S82.4245E 1115.45
072=N43.5532E 1271.78
073=S46.2103E 887.35
074=S46.2925E 578.70
075=S46.1310E 408.76
076=S47.0310E 405.20
077=S47.5244E 296.23
078=S47.1933E 499.63
079=S46.5337E 359.95
080=S45.4907E 436.01
081=S46.2531E 1445.81
082=S40.2131W 1018.19
083=S50.2348E 255.73
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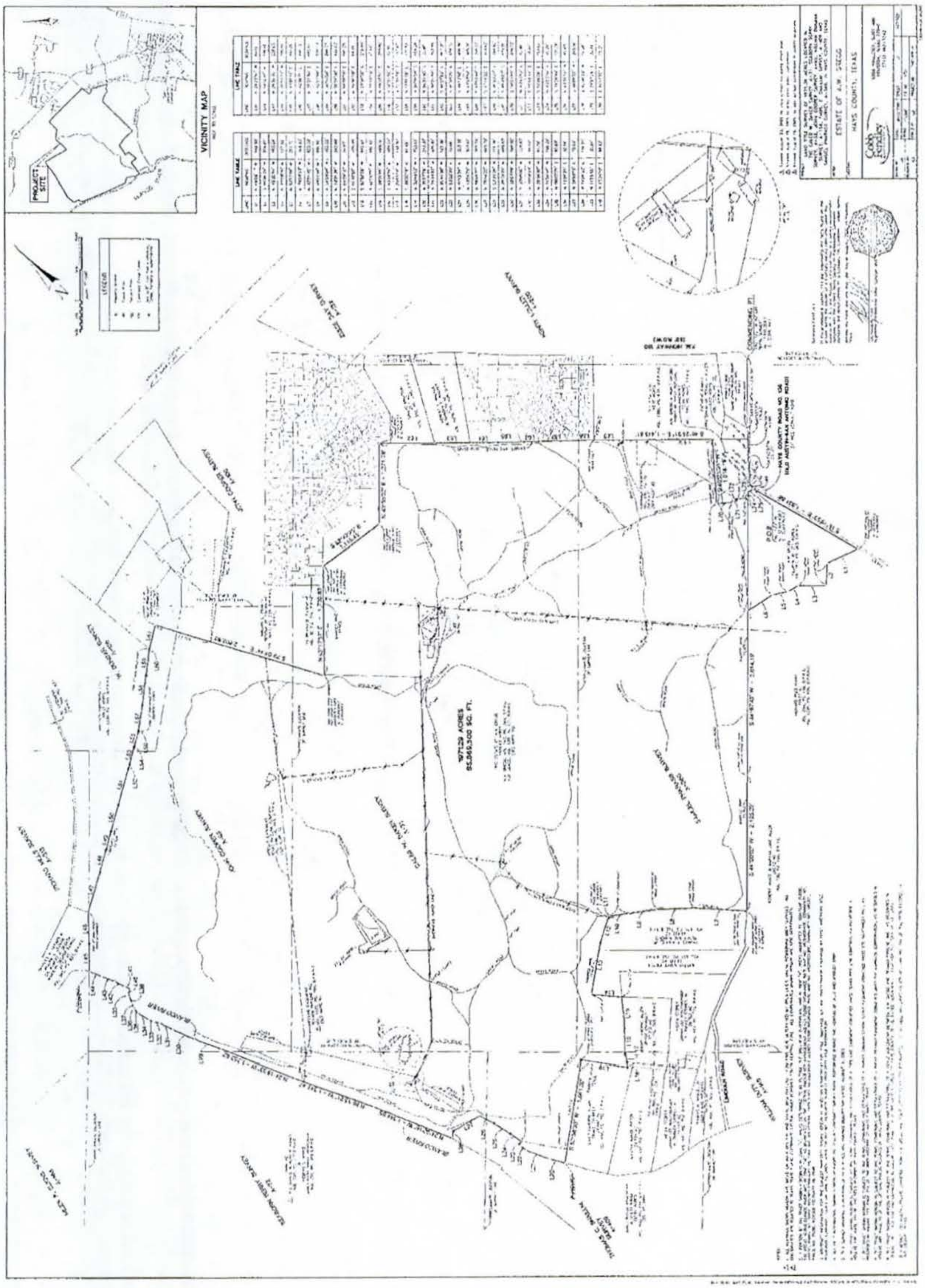
EXHIBIT "B"



Hays County
Liz Q. Gonzalez
County Clerk
San Marcos, Texas 78666

70 2014 14037334

Instrument Number: 2014-14037334

As

OPR RECORDINGS

Recorded On: December 19, 2014

Parties: TEXAS STATE OF

To GMG PARTNERS LP

Billable Pages: 22

Number of Pages: 23

Comment:

(Parties listed above are for Clerks reference only)

**** THIS IS NOT A BILL ****

OPR RECORDINGS	110.00
Total Recording:	**110.00**

************* **DO NOT REMOVE. THIS PAGE IS PART OF THE INSTRUMENT** *************

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number: 2014-14037334
Receipt Number: 384971
Recorded Date/Time: December 19, 2014 03:30:24P
Book-Vol/Pg: BK-OPR VL-5096 PG-604
User / Station: O Mejia - Cashiering #7

Record and Return To:

GMG PARTNERS LP
ORIGINAL TO CUSTOMER
SAN MARCOS TX 78666

COUNTY COURT OF HAYS COUNTY, TEXAS

State of Texas |
County of Hays

I hereby certify that this instrument was filed for record in my office on the date and time stamped hereon and was recorded on the volume and page of the named records of Hays County, Texas

Liz Q Gonzalez

Liz Q.Gonzalez, County CLerk

(24)

File No. 155382

Hays County

Recorded Right of 1st Refusal Agreem (ORIGINAL)

Date Filed: 2-13-15

George P. Bush, Commissioner

By Heather Knight