



# Table of Contents—School File (Acquired)

Date File Created: 6-2-08

By: Dusand Thucle

Control No. 17-003187

## School Land (Acquired)

11-3-2011 593

File Number 155462

HAYS County

Abstract No. 360

Grantor: RICHARD REED HAWN

~~195.14~~ 0 Acres

SAMUEL PHARRISS

1/4 Survey/Section No. 14

Block \_\_\_\_\_ Tsp. \_\_\_\_\_ Cert. No. \_\_\_\_\_

HAWN-ARABIAN RANCH

### Endorsements

TNRC SUBCHAPTER 1, SECTION  
Mkd. on Map Mkd. on Register 51.402

sold in 155874

PAID IN FULL FOR 195.14 ACRES

DATE 7-17-06 REF. # 305-62729

## Contents

## Date of Instrument

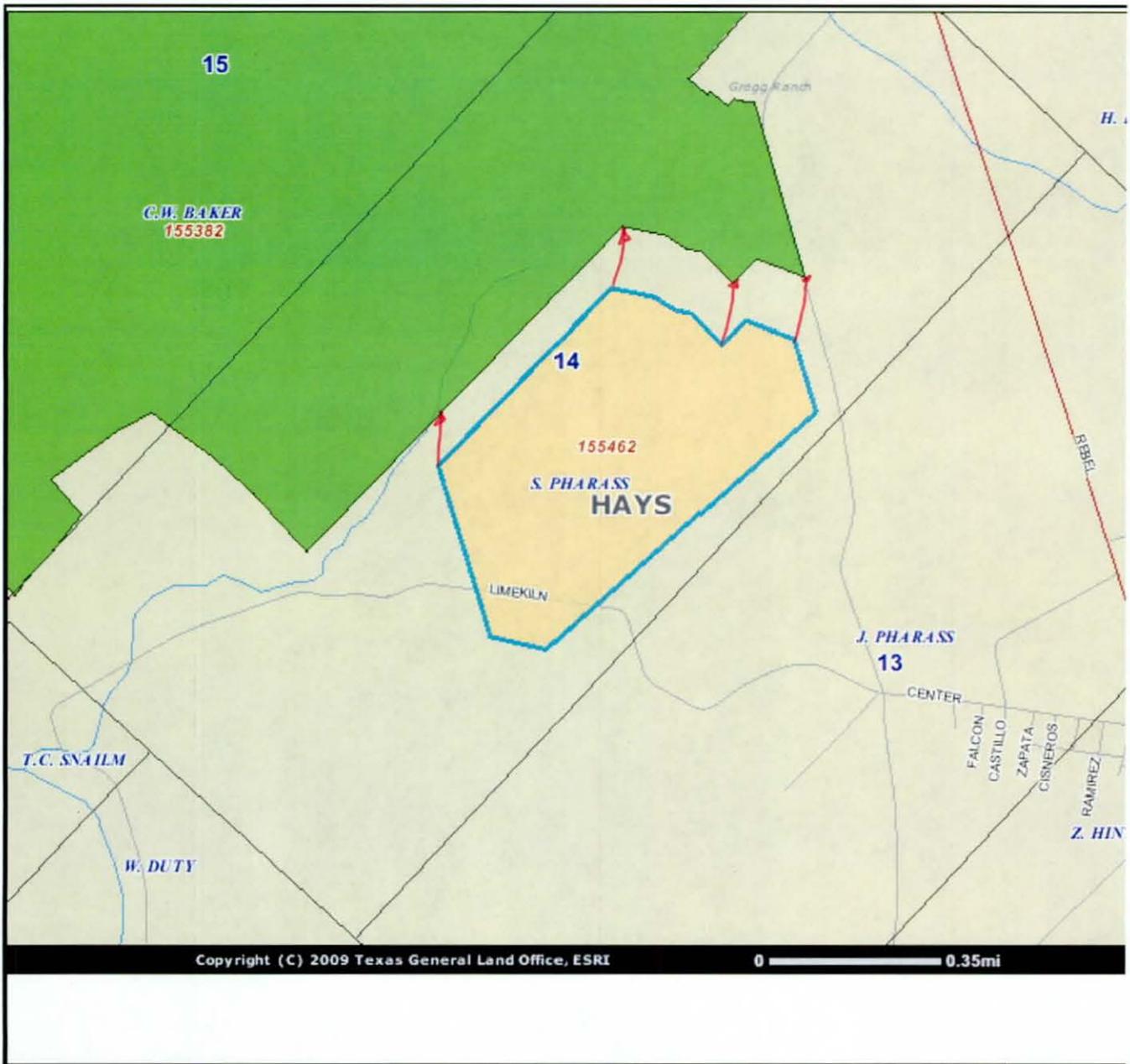
## Filer

No. <u>1</u>	<u>SLB MEMO</u>	<u>2-7-06</u>	<u>df</u>
No. <u>2</u>	<u>SLB MINUTES</u>	<u>2-7-06</u>	<u>df</u>
No. <u>3</u>	<u>APPRAISAL</u>	<u>3-9-06</u>	<u>df</u>
No. <u>4</u>	<u>CONTRACT TO PURCHASE</u>	<u>3-17-06</u>	<u>df</u>
No. <u>5</u>	<u>ESA - PHASE I</u>	<u>5-1-06</u>	<u>df</u>
No. <u>6</u>	<u>ESA - PHASE II</u>	<u>5-19-06</u>	<u>df</u>
No. <u>7</u>	<u>SLB MEMO</u>	<u>6-22-06</u>	<u>df</u>
No. <u>8</u>	<u>SLB MINUTES</u>	<u>6-22-06</u>	<u>df</u>
No. <u>9</u>	<u>SURVEY &amp; FIELD NOTES</u>	<u>6-22-06</u>	<u>df</u>
No. <u>10</u>	<u>TAX CERTIFICATE</u>	<u>6-26-06</u>	<u>df</u>
No. <u>11</u>	<u>PURCHASE REQUISITIONS</u>	<u>6-28-06</u>	<u>df</u>
No. <u>12</u>	<u>NON-FOREIGN PERSON AFFIDAVIT</u>	<u>7-5-06</u>	<u>df</u>
No. <u>13</u>	<u>TITLE COMMITMENT</u>	<u>7-7-06</u>	<u>df</u>
No. <u>14</u>	<u>SETTLEMENT STATEMENT</u>	<u>7-17-06</u>	<u>df</u>
No. <u>15</u>	<u>WATER DISTRICT NOTICE</u>	<u>7-18-06</u>	<u>df</u>
No. <u>16</u>	<u>RELEASE OF LIEN</u>	<u>7-18-06</u>	<u>df</u>
No. <u>17</u>	<u>SPECIAL WARRANTY DEED</u>	<u>7-18-06</u>	<u>df</u>
No. <u>18</u>	<u>TITLE POLICY</u>	<u>7-18-06</u>	<u>df</u>
No. <u>19</u>	<u>APPRAISAL DISTRICT LTR.</u>	<u>8-4-06</u>	<u>df</u>
No. <u>20</u>	<u>LAND ACQUISITION CHECKLIST</u>	<u>5-24-07</u>	<u>df</u>
No. <u>21</u>	<u>Office sketch</u>		
No. —	<u>Scanned on 07/16/08</u>	<u>sm</u>	
No. <u>22</u>	<u>DISTRIBUTION SLIP</u>	<u>11-15-07</u>	<u>df</u>
No. <u>23</u>	<u>Archive File Rooting Checklist</u>	<u>3-30-2012</u>	<u>sm</u>
No. <u>24</u>	<u>Edwards Aquifer Letter</u>	<u>8-5-2011</u>	<u>rdc</u>
No. —	<u>scanned sm</u>	<u>9/4/13</u>	
No. <u>*25</u>	<u>(COPY) Recorded Right of 1st Refusal Agreement</u>	<u>12-19-14</u>	<u>df</u>
No. —	<u>scanned df</u>	<u>2-18-15</u>	
No. —	<u>Scanned 07/29/15</u>		<u>df</u>
No. —			

Revised: 7/06 \*25 ORIGINAL IS LOCATED IN FILE 155382 THIS ONE IS A COPY.

Added to database 01/07/2009  
ESB/SM





Acquired from:  
 Richard Reed Hawn  
 195.14ac

GFS Alerted  
 to move tract  
 as shown above  
 DAM 1-20-2009

#17

ab 360



# MEMORANDUM

Texas General Land Office • Jerry Patterson • Commissioner

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

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**SUBJECT: Consideration and possible action on proposed contract for PSF acquisition of approximately 193.27 acres otherwise known as The Hawn Arabian Ranch Tract, being ±193.27 acres out of the Samuel Pharass Survey, Abstract 360, Hays County, Texas and waiver of the 1.5% acquisition fee.**

ITEM NUMBER: IS

ATTACHMENTS: 2

ACTION: X Level II

DATE OF MEETING: February 7, 2006

INFORMATION: \_\_\_\_\_

PRESENTER (S): Richard B. Tanner

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## Authority

Under Texas Natural Resources Code Subchapter 1, Section 51.402, the School Land Board has the authority to acquire fee or lesser interest in real property for the use and benefit of the Permanent School Fund.

## Executive Summary

Asset Management requests The Board to consider the acquisition of a ±193.27 acre tract of land located at the west line of Old Stagecoach Road, north of Limekiln Road in Hays County, TX. Staff has concluded after research and analysis of market activity and review of comparable sales over the recent past, this tract is considered a good investment for the Permanent School Fund (PSF).

## Background

The property is presently a vacant and partially developed tract of land that is located just outside the city limits of Kyle, TX in Hays County and is considered to be located in a growth area of the County. The site is irregular in shape and the terrain is level to rolling and above grade with street improvements and typical of the area south and southwest of Austin in Hays County. The site is presently not zoned and there are no apparent restrictions that would limit or adversely affect development. Development in the immediate area of the subject consists primarily of Single Family Subdivisions. There are several mid value single family residential subdivisions to the south and east of the subject property. Hometown Kyle is located across the street property the property and has been marketing single family residential lots aggressively over the recent past with a good deal of success. The site is also adjacent to the "Blanco River Ranch," a recent acquisition of the Permanent School Fund. The purchase of this site will open up both tracts and provide access and frontage along Old Stagecoach Road as well as Limekiln Road at the southwest portion of the tract.

**Conclusion**

Sales activity in the area has picked up substantially and overall growth of Kyle and Hays County is estimated to be over 25% over the next three to five years. The site is located in an area that is primarily rural in nature with scattered single family and retail developments. Just east of the subject property along IH-35, a number of retail users have recently broken ground. HEB Grocery Store has purchased two sites in the last three years, but has opted to develop one along the east line of IH-35 next site. These new commercial developments being constructed in the neighborhood signal continued growth and demand for residential and student housing. Clearly, this new construction and positive absorption will only increase demand for additional residential sites in the very near future.

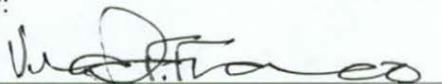
The site will need minimal maintenance to hold for a three to five-year period and it is estimated that it should generate an IRR in excess of the PSF minimum criteria or approximately 8.37% for a three year hold and approximately 7.13% for a five year hold based on current transactions and anticipated appreciation trends for Kyle and Hays County.

**Recommendation**

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

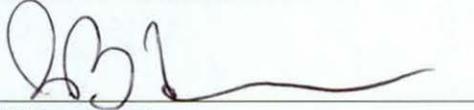
Date Prepared: January 20, 2006

By:

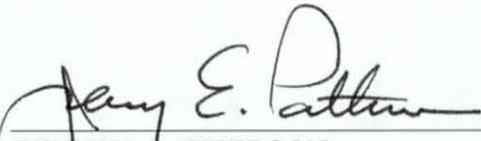
  
\_\_\_\_\_  
Vincent F. Franco  
Asset Manager

Approved by:

  
\_\_\_\_\_  
Teresa Shell  
Director of Fund Management  
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: 13 FEB 2006

# 193.27 Acres - The Hawn Arabian Ranch



R-150

R106198

**SUBJECT**

HAWK ARABIAN  
14-1580-001-0000-0  
14-0390-0002-0000-0  
14-0360-0001-0000-0

CENTER

Kyle

Vincote Cemetery



①

File No. 655462

HAYS County

SLB MEMO

Date Filed: 6-2-08

Jerry E. Patterson, Commissioner

By Arsen Thwele

MINUTES  
SCHOOL LAND BOARD MEETING and  
SEALED BID LAND SALE  
TUESDAY, FEBRUARY 7, 2006

The School Land Board of the State of Texas met on Tuesday, February 7, 2006 at 10:00 A.M. in Room 170 and Room 172 of the Stephen F. Austin Building, Austin, Texas, with the following members present: Jerry Patterson, Chairman of the Board and Commissioner of the General Land Office; Larry Laine, Deputy Land Commissioner and Chief Clerk of the General Land Office; Bill Warnick, General Counsel; and Todd Barth, Board Member. Also present were Stephanie Crenshaw, Executive Secretary to the Board; Rene Truan, Michael Lemonds, Ned Polk, Ben Thompson, Mark McAnally, Tony Williams, Julie Fielder, Bob Hewgley, Professional Services Division; Bo Tanner, Teresa Shell, Susan Sugarek, Vince Franco, Jeff Boudreau, Jim Rose, Anita Dabney, Laura Rogers, Chris Palmer, Maria McMullen, Mary Ann Mayfield, Vicki Gonzales, Tina Searby, Isabel Alfaro, Leslie Johnson, Suzanne Nelson, Curtis McAdams, Clay Chenault and Amanda Colley, Asset Management Division; Louis Renaud, Robert Hatter, Peter Boone, Daryl Morgan, Ron Widmayer, Tracey Throckmorton, Ladell Collier, and Jim Irwin, Energy Resources Division; Bob Moreland, Charles Richards, Larry Borrella, Tom Cengel, Wendell Smith, Dwain Rogers, T. R. Thompson, Crystal Gobble, and Jorge Ramirez, Cristina Self and Matt Chaplin, Legal Services Division; Helen Young, Internal Audit Division; Becki Gregg, Trace Finley and Isabel Gallahan, Governmental Relations Division.

Also in attendance were Bill Campbell representing CB Energy, LLC, Houston, Texas; Julie Shackelford representing The Conservation Fund, Austin, Texas; Rick McRae representing McRae Energy, Kerville, Texas; James Bostic representing Sue Ann Operating, L.C., Victoria, Texas; Matt Edling representing Pioneer National Reserve USA, Inc., Irving, Texas; M. H. Ayoob representing HMH Group Inc., Sugarland, Texas; R. J. McCullough, Houston, Texas; Earnest W. Walker, Center Point, Texas; Shawn Nunley, Pflugerville, Texas; Phil P. Goodson, Dripping Springs, Texas; Frank A. Lenk, Jr., Tomball, Texas; Ellen Boyd Lenk, Tomball, Texas; Scott Wigginton, Lucas, Texas; Jimmy Quinn, Conroe, Texas.

Chairman Patterson called the meeting to order at 10:05 A.M.

Motion was made by Mr. Barth and seconded by Chairman Patterson to approve the minutes from the January 17, 2006 meeting and Oil, Gas & Other Minerals Lease Sale. Motion carried unanimously.

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Susan Sugarek presented information on Item No. 2, consideration and possible action on the removal of tracts from the February 7, 2006 sealed bid sale of Permanent School Fund (PSF) properties. Motion was made by Mr. Barth and seconded by Chairman Patterson to approve Item No. 2 according to staff's recommendation, a copy of which is attached hereto as **Exhibit – A**. Motion carried unanimously.

Chairman Patterson brought Item No. 3, opening, consideration and action on bids received for the February 7, 2006 sealed bid sale of Permanent School Fund (PSF) properties, before the Board. Chairman Patterson announced that Internal Audit staff 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. 4, consideration and action on pooling applications. Motion was made by Mr. Barth and seconded by Chairman Patterson to approve Item No. 4-A, an application by BOSS Exploration & Production Corporation, State Tract 178-1 Unit, State Leases: MF104265, MF104266 and MF104267, Calhoun and Matagorda 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 Chairman Patterson to approve Item No. 4-B, an application by CB Energy, LLC, #1 Cypress Unit, A part of Coletto Creek is being pooled pursuant to Texas Natural Resources Code §52.076, DeWitt and Goliad Counties, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – C**. Motion carried unanimously.

Motion was made by Mr. Barth and seconded by Chairman Patterson to approve Item No. 4-C, an application by Pioneer Natural Resources USA, Inc., Herschel Fulbright Unit, A part of the Atascosa River is being pooled pursuant to Texas Natural Resources Code §52.076, Live Oak 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 Chairman Patterson to approve Item No. 4-D, an application by Houston Energy, L.P., #1 Unit, A part of Taylor's Bayou is being pooled pursuant to Texas Natural Resources Code §52.076, Jefferson 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 Chairman Patterson to approve Item No. 4-E, an application by Ergon Energy Partners, L.P., Angelina #1 Unit, State Lease: MF103505, Tyler County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – F**. Motion carried unanimously.

Motion was made by Mr. Barth and seconded by Chairman Patterson to approve Item No. 4-F, an application by MLC Operating, L.P., Emerald Unit, State Lease: MF104800, Crockett 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 Chairman Patterson to approve Item No. 4-G, an application by Sue-Ann Operating, L.C., Pope Gas Unit #1, A part of the Rio Grande River is being pooled pursuant to Texas Natural Resources Code §52.076, Hidalgo County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – H**. Motion carried unanimously.

Michael Lemonds 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 Chairman Patterson to approve Item No. 5-A, a renewal, CE920188, Copano Bay Homes, Copano Bay, Aransas County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – I**. Motion carried unanimously.

Michael Lemonds presented information on Item No. 6, consideration and action on application for Commercial Easements on Coastal Public Lands. Motion was made by Mr. Barth and seconded by Chairman Patterson to approve Item No. 6, A-B, both new applications: **A.** LC20050016, Spencer Collins, Laguna Madre, Nueces County; **B.** LC20060013, Ross J. Lonsdorf, State Tract 12, Aransas County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – J**. Motion carried unanimously.

Michael Lemonds 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 Chairman Patterson to approve Item No. 7-A, a renewal, CL 900003, City of Clear Lake Shores, Clear Lake, Galveston County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – K**. Motion carried unanimously.

Michael Lemonds presented information on Item No. 8, consideration and action on applications for Cabin Permits on Coastal Public Lands. Motion was made by Mr. Barth and seconded by Chairman Patterson to approve Item No. 8, A-C, all renewals, **A.** PC1059, David Besselman, Oyster Lake, Brazoria County, **B.** PC1378, David Foreman, Bastrop Bay, Brazoria County, **C.** PC1511, William J. Befeld, West Bay, Brazoria County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – L**. Motion carried unanimously.

Item No. 8-E was pulled from the docket prior to the meeting.

Motion was made by Mr. Barth and seconded by Chairman Patterson to approve Items No 8, D and F, both transfers: **D.** PC1073, Buddy Mostyn, Laguna Madre, Kenedy County; **F.** PC1575, Earl Manning, Mud Island, Brazoria 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. 9, consideration and possible action on an application to purchase Permanent School Fund (PSF) land by direct cash sale, File No. 132511, 640 acres, Section 13, Block C-24, PSL Survey, Loving County, by D. K. Boyd Oil and Gas Co., Inc. of PO Box 11351, Midland, TX 79702. Motion was made by Mr. Barth and seconded by Chairman Patterson to approve Item No. 9 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. 10, consideration and possible action on three applications to purchase Permanent School Fund land by direct cash sale in Block 29, PSL Survey, Loving County by Michael A. Harrison, William O. Harrison, Jr. & Kathryn N. Harrison of PO Box 2399, Pecos, TX 79772:

(A) File No. 147105, 640 acres, Section 42, (B) File No. 147202, 480 acres, N/2 & SW/4 of Section 43, (C) File No. 147398, 160 acres, SE/4 of Section 43. Motion was made by Mr. Barth and seconded by Chairman to approve Item No. 10 according to staff's recommendation, a copy of which is attached hereto as **Exhibit – O**. Motion carried unanimously.

Susan Sugarek presented information on Item No. 11, consideration and possible action on an application to purchase PSF land by direct cash sale, File No. 109326, 640 acres, Section 29, Block 29, PSL Survey, Loving County, by Michael A. Harrison, William O. Harrison, Jr. & Kathryn N. Harrison, of PO Box 2399, Pecos, TX 79772. Motion was made by Mr. Barth and seconded by Chairman Patterson to approve Item No. 11 according to staff's recommendation, a copy of which is attached hereto as **Exhibit – P**. Motion carried unanimously.

Susan Sugarek presented information on Item No. 12, consideration and possible action on an application to purchase PSF land by direct cash sale, File No. Bex-42211-S, 160.90 acres, Section 2, Block S-3, M. K. & T. E. Ry. Co. Survey, Terrell County, by Phil P. Goodson & Jill Susan Harding of PO Box 416, Dripping Springs, TX 78620. Motion was made by Mr. Barth and seconded by Chairman Patterson to approve Item No. 12 according to staff's recommendation, a copy of which is attached hereto as **Exhibit – Q**. Motion carried unanimously.

Item No. 16 was pulled from the docket prior to the meeting.

The School Land Board entered into Closed Session at 10:32 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 approval of a sealed bid sale to include the disposition of a Permanent School Fund asset of approximately 1,234 acres out of the Mary Bulrice and Noel Mixon Surveys, Harris County, Texas. Base File No. 155240; Item No. 14, consideration and possible action on the disposition of PSF land by direct sale, part of Base File No. 155275,  $\pm 1.80$  acres of land being "point corner" or northeast corner of Lot 3B, Westland Business Park, Harris County, Texas; Item No. 15, consideration and possible action on proposed contract for the PSF acquisition of approximately 193.27 acres otherwise known as The Hawn Arabian Ranch Tract, being  $\pm 193.27$  acres out of the Samuel Pharass Survey, Abstract 360, Hays County, Texas and waiver of the 1.5% acquisition fee; Item No. 17, consideration and possible action on proposed contract for the PSF acquisition of the surface estate only of 80 acres of land, more or less, being the south one-half of a 160 acres tract located in the John Korticky Survey, Abst. 914, Fort Worth, Tarrant County, Texas and waiver of the 1.5% acquisition fee; Item No. 18, consideration and possible action on proposed contract for the PSF acquisition of approximately 5.605 acres of land out of the P. W. Rose Survey, Abstract

645, Houston, Harris County, Texas and to waive the 1.5% acquisition fee; Item No. 19, consideration and possible action on proposed joint development of 113.133 acres of Permanent School Fund Land, Base File Number: 155377, out of the J. M. Veramendi Survey Number 1, Abstract Number 17, Hays County, Texas; Item No. 20, consideration and possible action on the disposition of approximately 1.7 acres of PSF land, out of New City Block 10865, Justo Esquedo Survey, No. 100, San Antonio, Bexar County, Texas out of SF 155253 (Military Crossing) or to seek or receive attorney advice or counsel.

The School Land Board reconvened into Open Session at 11:25 A. M. No action was taken during Closed Session.

Bo Tanner presented information on Item No. 13, consideration and possible action on the approval of a sealed bid sale to include the disposition of a Permanent School Fund asset of approximately 1,234 acres out of the Mary Bulrice and Noel Mixon Surveys, Harris County, Texas. Base File No. 155240. Motion was made by Mr. Barth and seconded by Chairman Patterson to approve Item No. 13 according to staff's recommendation. Staff recommends that the Board, pursuant to Texas Natural Resources Code Sec 51, find that the sale of this property is in the best interests of the Permanent School Fund, and therefore requests that the School Land Board authorize the property to be offered by Sealed Bid, according to terms and conditions summarized. Staff further recommends that the sale proceeds be deposited into the escrow account as authorized by Texas Natural Resources Code 51.401. Motion carried unanimously.

Bo Tanner presented information on Item No. 14, consideration and possible action on the disposition of PSF land by direct sale, part of Base File No. 155275,  $\pm$ 1.80 acres of land being "point corner" or northeast corner of Lot 3B, Westland Business Park, Harris County, Texas. Motion was made by Mr. Barth and seconded by Chairman Patterson to approve Item No. 14 according to staff's recommendation. Staff recommends approval of this sale as being in the best interest of the Permanent School Fund with reservation of all minerals and mineral leasing rights if any. Staff further recommends that the sale proceeds be deposited into the escrow account as authorized by Texas Natural Resources Code Section 51.401. In addition to the purchase price, the Buyer will pay the 1.5% fee Texas Natural Resources Code Section 32.110. Motion carried unanimously.

Bo Tanner presented information on Item No. 15, consideration and possible action on proposed contract for the PSF acquisition of approximately 193.27 acres otherwise known as The Hawn Arabian Ranch Tract, being  $\pm$ 193.27 acres out of the Samuel Pharass Survey, Abstract 360, Hays County, Texas and waiver of the 1.5% acquisition fee. Motion was made by Mr. Barth and seconded by Chairman Patterson to approve Item No. 15 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 as described as being in the best interest of the Permanent School Fund and to waive the 1.5% acquisition fee. This contract is subject to appraisal, survey,

due diligence and other contractual terms and conditions. Further board action is required of the final funding of this acquisition. Motion carried unanimously.

Bo Tanner presented information on Item No. 17, consideration and possible action on proposed contract for the PSF acquisition of the surface estate only of 80 acres of land, more or less, being the south one-half of a 160 acres tract located in the John Korticky Survey, Abst. 914, Fort Worth, Tarrant County, Texas and waiver of the 1.5% acquisition fee. Motion was made by Mr. Barth and seconded by Chairman Patterson to approve Item No. 17 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 as described as being in the best interest of the Permanent School Fund and to waive the 1.5% acquisition fee. This contract is subject to appraisal, survey, due diligence and other contractual terms and conditions. Further board action is required of the final funding of this acquisition. Motion carried unanimously.

Bo Tanner presented information on Item No. 18, consideration and possible action on proposed contract for the PSF acquisition of approximately 5.605 acres of land out of the P. W. Rose Survey, Abstract 645, Houston, Harris County, Texas and to waive the 1.5% acquisition fee. Motion was made by Mr. Barth and seconded by Chairman Patterson to approve Item No. 18 according to staff's recommendation. Staff recommends that the School Land Board authorize the Land Commissioner to negotiate and execute all agreements necessary to conclude this purchase as described and the 1.5% acquisition fee be waived as being in the best interest of the Permanent School Fund. The agreements would be subject to appraisal, survey, environmental studies, due diligence and other contractual terms and conditions. School Land Board action is required for final funding of this transaction. Motion carried unanimously.

Bo Tanner presented information on Item No. 19, consideration and possible action on proposed joint development of 113.133 acres of Permanent School Fund Land, Base File Number: 155377, out of the J. M. Veramendi Survey Number 1, Abstract Number 17, Hays County, Texas. Motion was made by Mr. Barth and seconded by Chairman Patterson to approve Item No. 19 according to staff's recommendation. Staff recommends that the School Land Board authorize the Asset Management Division to negotiate the terms of a joint development agreement with Direct Development with respect to the referenced 113.133 acres of PSF land in San Marcos, Hays County, Texas as being in the best interest of the Permanent School Fund. Such terms will be brought to the SLB for approval at a future date. Motion carried unanimously.

Chairman Patterson read Item No. 20, consideration and possible action on the disposition of approximately 1.7 acres of PSF land, out of New City Block 10865, Justo Esquedo Survey, No. 100, San Antonio, Bexar County, Texas out of SF 155253 (Military Crossing). Staff recommended no action be taken at this time.

At staff's recommendation, the School Land Board recessed at 11:35 A.M. to allow for the completion of the bid opening process.

The School Land Board reconvened at 11:45 A.M.

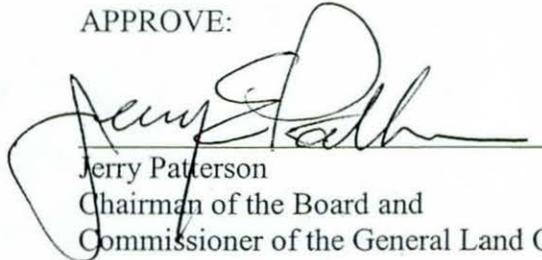
Laura Rogers presented the results of the sealed bid land sale, Item No. 3. Motion was made by Mr. Barth and seconded by Chairman Patterson to approve all high bids, according to staff's recommendation. A copy of the high bids received is attached hereto as **Exhibit – R**. Motion carried unanimously.

There being no further business before the School Land Board, the meeting was adjourned at 12:04 A.M.

ATTEST:

  
Stephanie Crenshaw, Executive  
Secretary to the Board

APPROVE:

  
Jerry Patterson  
Chairman of the Board and  
Commissioner of the General Land Office

②

File No. 155462  
HAYS County  
SLEBANKIES  
Date Filed: 6-2-08  
Jerry E. Patterson, Commissioner  
By Brian Fuschel

REAL ESTATE SERVICES  
**atrium**



# MEMORANDUM

Texas General Land Office • Jerry Patterson • Commissioner

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**DATE:** April 28, 2006

**TO:** Mark McAnally, MAI  
Chief Appraiser

**FROM:** Buster Renfrow, MAI   
Associate Chief Appraiser

**SUBJECT:** Hawn Arabian Ranch, 195.27 acres, Hays County, Texas  
(Special Project #06-5575)

**REQUESTOR:** Vince Franco

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The appraisal of the above referenced property has been reviewed. The estimate of market value is \$16,750/acre or a total of \$3,271,000 (rounded).

Two copies of this report have been routed to the Asset Management Division.

Stephen F. Austin Building • 1700 North Congress Avenue • Austin, Texas 78701-1495

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

[www.glo.state.tx.us](http://www.glo.state.tx.us)

**COMPLETE APPRAISAL IN A SUMMARY REPORT**

of 195.27 acres located at the  
west side of Old Stagecoach Road, north of  
County Road 225, 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:  
March 9, 2006



March 19, 2006

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 195.27 acres located at the west side of Old Stagecoach Road, north of County Road 225, Hays County, Texas.  
Project ID#: 5575

Dear Mr. Mark McAnally, MAI:

As requested, Lory R. Johnson, MAI, SR/WA 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 March 9, 2006.

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 March 9, 2006, was as follows:

**Three Million Two Hundred Seventy One Thousand Dollars  
(\$3,271,000)**

**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.

Page 2  
March 19, 2006  
Mr. Mark McAnally, MAI

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**

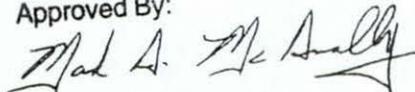


Lory R. Johnson, MAI  
President  
Texas Certified Appraiser #TX-1321640-G



Jeff G. Johnson  
Appraiser  
Texas Certified Appraiser #TX-1327104-G

Approved By:



Chief Appraiser

## **ASSUMPTIONS AND LIMITING CONDITIONS**

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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

## **ASSUMPTIONS AND LIMITING CONDITIONS**

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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 affect 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, SR/WA and Jeff G. Johnson have made a personal inspection of the property that is the subject of this report.
- ◆ Kyle L. Anderson 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, SR/WA has completed the requirements of the continuing education program of the Appraisal Institute.
- ◆ the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
- ◆ the market data contained within this report, has been accumulated from various sources and, where possible, personally examined and verified as to details, motivation, and validity.

### **ATRIUM REAL ESTATE SERVICES**



Lory R. Johnson, MAI  
President  
Texas Certified Appraiser #TX-1321640-G

Date Signed: March 19, 2006



Jeff G. Johnson  
Appraiser  
Texas Certified Appraiser #TX-1327104-G

Date Signed: March 19, 2006

**TABLE OF CONTENTS**

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TITLE PAGE..... COVER  
LETTER OF TRANSMITTAL ..... PAGE 1  
ASSUMPTIONS & LIMITING CONDITIONS ..... i  
CERTIFICATION OF THE APPRAISERS ..... iii  
TABLE OF CONTENTS ..... iv

**INTRODUCTION**

SUBJECT PROPERTY PHOTOGRAPHS.....2  
EXECUTIVE SUMMARY .....6  
DATE OF VALUE.....7  
PURPOSE/INTENDED USE OF THE APPRAISAL.....7  
SCOPE OF WORK .....7  
PROPERTY RIGHTS APPRAISED.....8  
DEFINITION OF MARKET VALUE.....8  
LEGAL DESCRIPTION .....8  
HISTORY/CURRENT LISTING OF THE PROPERTY .....8  
REAL ESTATE TAXES .....9

**DESCRIPTIONS**

NEIGHBORHOOD ANALYSIS ..... 11  
SITE DESCRIPTION & ANALYSIS..... 13

**ANALYSIS OF DATA**

HIGHEST & BEST USE ANALYSIS ..... 17  
APPRAISAL PROCESS..... 19  
THE SALES COMPARISON APPROACH..... 21

**RECONCILIATION & QUALIFICATIONS**

RECONCILIATION OF VALUE ESTIMATE ..... 36  
QUALIFICATIONS OF LORY R. JOHNSON, MAI..... 38  
QUALIFICATIONS OF JEFF G. JOHNSON..... 39

**ADDENDA**

ENGAGEMENT LETTER

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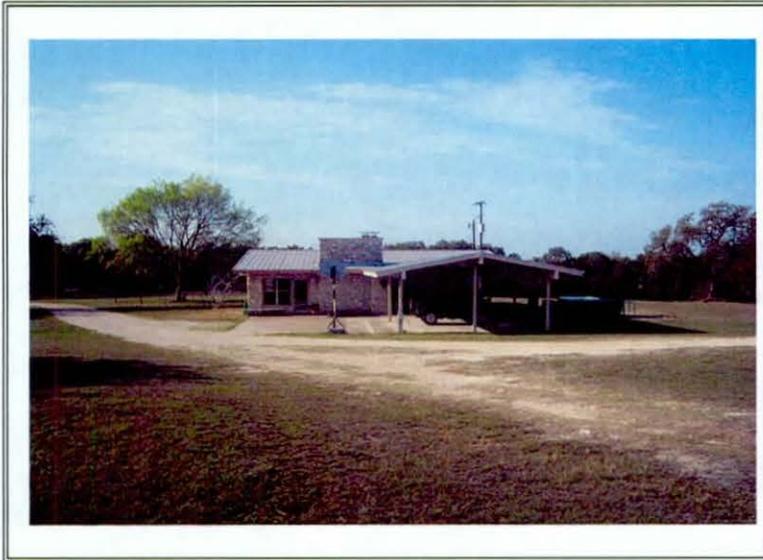
## ***INTRODUCTION***

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**INTRODUCTION**

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**SUBJECT PROPERTY PHOTOGRAPHS**



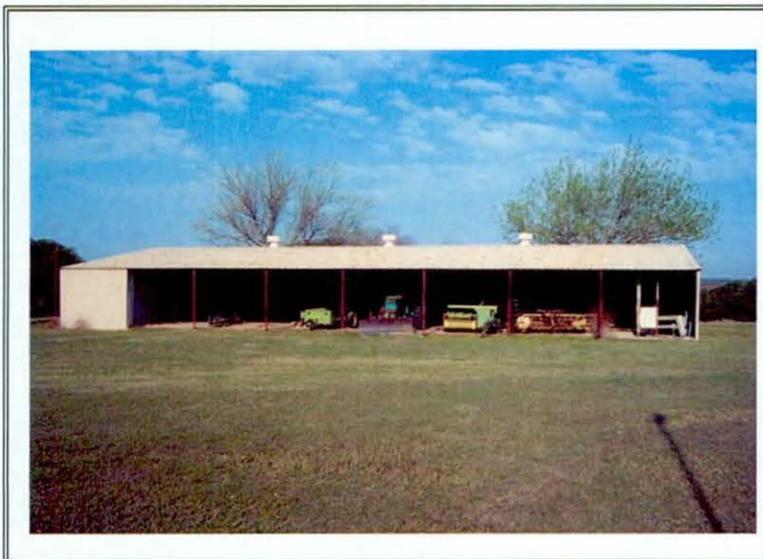
View of single family residence from interior of property

Date photo taken:  
3/10/06

View of barns and corral from interior of property



Date photo taken:  
3/10/06



View of barn from interior of property

Date photo taken:  
3/10/06

**INTRODUCTION**

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**SUBJECT PROPERTY PHOTOGRAPHS**



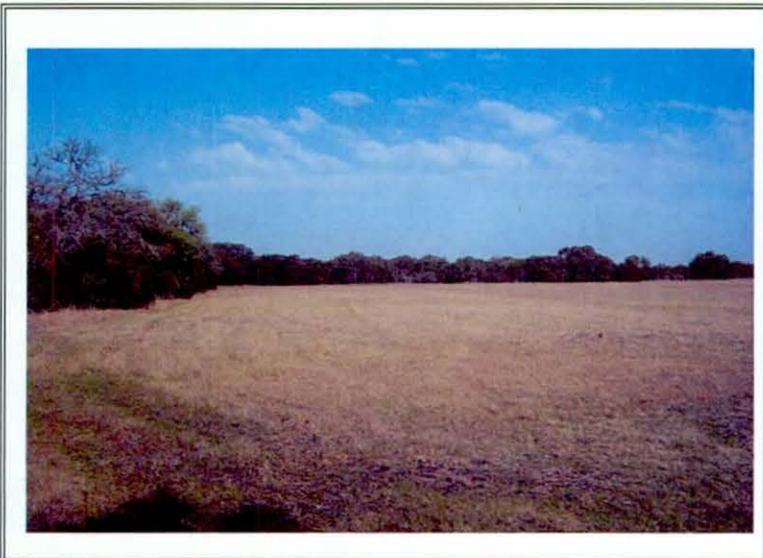
Interior view of property

Date photo taken:  
3/10/06

View of stock tank on  
western portion of property



Date photo taken:  
3/10/06



Interior view of property

Date photo taken:  
3/10/06

***INTRODUCTION***

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**SUBJECT PROPERTY PHOTOGRAPHS**



View along southern boundary of property

Date photo taken:  
3/10/06

Interior view of property



Date photo taken:  
3/10/06



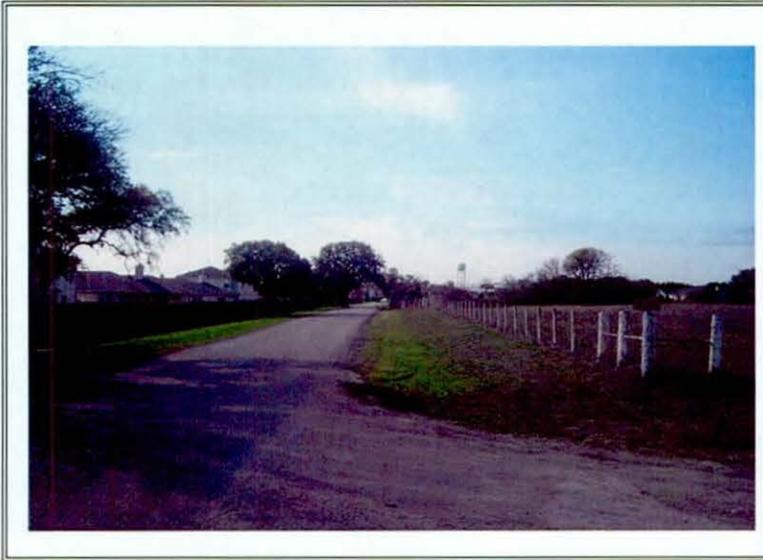
Interior view of property

Date photo taken:  
3/10/06

**INTRODUCTION**

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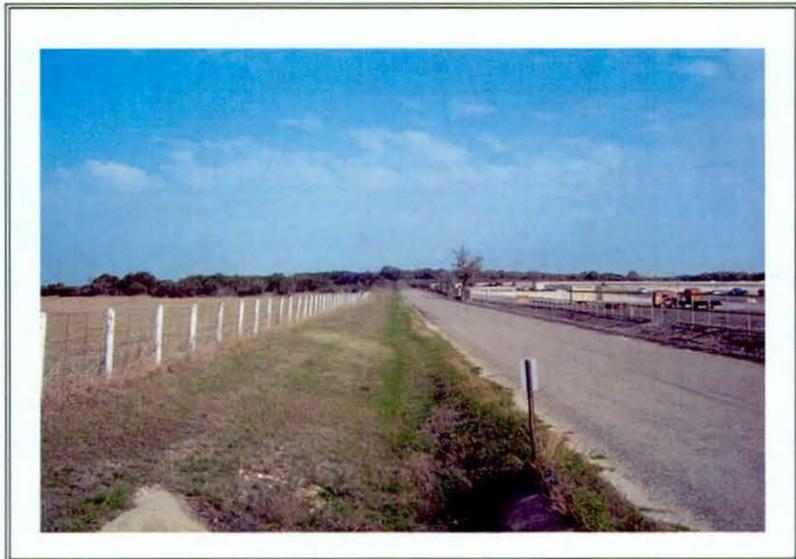
**SUBJECT PROPERTY PHOTOGRAPHS**



View of frontage along Old Stagecoach Road (facing south)

Date photo taken:  
3/10/06

View of frontage along Old Stagecoach Road (facing north)



Date photo taken:  
3/10/06



View of residential development across Old Stagecoach Road

Date photo taken:  
3/10/06

**INTRODUCTION**

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**EXECUTIVE SUMMARY**

Location of Property: West side of Old Stagecoach Road, north of County Road 225, Hays County, Texas

Map Reference: Mapsco Map Page: 4C/87F

Parcel ID Number: R16898, R16896, & R16897

Property Rights Appraised: Fee simple

Site Data:

- Size: 195.27 acres
- Zoning: 2 mile ETJ (ETJ)
- Utilities: Electricity and water. Public wastewater is not currently to site but is available in the area.
- Shape: Irregular
- Easements: No adverse easements noted.
- Topography: Rolling
- Floodplain: Based on available maps, none of the site is in the flood plain.
- Improvements: A single family residence, barns, outbuildings, a corral, and supporting site improvements. .

Highest and Best Use: Residential development

Type of Appraisal: Complete Appraisal in a Summary Report

Effective Date of the Appraisal: March 9, 2006

Date of the Report: March 19, 2006

Value Estimate: \$3,271,000

**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.**

## **INTRODUCTION**

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### **DATE OF VALUE**

The property was inspected on March 9, 2006. 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 a single family residence, barns, outbuildings, a corral, and supporting site improvements. 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

## **INTRODUCTION**

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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.<sup>1</sup>

### **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."<sup>2</sup>

### **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.

195.27 acres of land out of the Samuel Pharass Survey, Abstract 360, Hays County, Texas

### **HISTORY/CURRENT LISTING OF THE PROPERTY**

According to Hays County Appraisal Records, ownership of the property is vested to Richard Reed Hawn and was conveyed to the current owner on January 9, 1996 as recorded in

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<sup>1</sup> *The Appraisal of Real Estate, 12<sup>th</sup> Edition*, (Chicago: Appraisal Institute, 2001) p. 69.

<sup>2</sup> *The Uniform Standards of Professional Appraisal Practice, 2001, p.3*

**INTRODUCTION**

Vol. 1201, Pg. 659 of the Hays County Deed Records. Reportedly, the property is currently under contract for \$16,000/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. Tax rates and the subject property's assessed value for 2006 have not been set yet. This property is under an agricultural exemption.

JURISDICTION	2004 RATE	2005 RATE
Hays County	\$0.3920	\$0.3844
Hays County CISD	\$1.7945	\$1.8763
Special Road	\$0.0710	\$0.0710
Hays County ESD #5	\$0.0450	\$0.0530
Totals	\$2.3025	\$2.3847

TCAD: R16898, R16896, & R16897					
YEAR	LAND	IMPROVEMENTS	TOTAL ASSESSED VALUE	TAX RATE/\$100	TOTAL TAXES
2005	\$489,570	\$256,850	\$746,420	\$2.3847	\$17,800
2004	\$489,570	\$256,850	\$746,420	\$2.3025	\$17,186

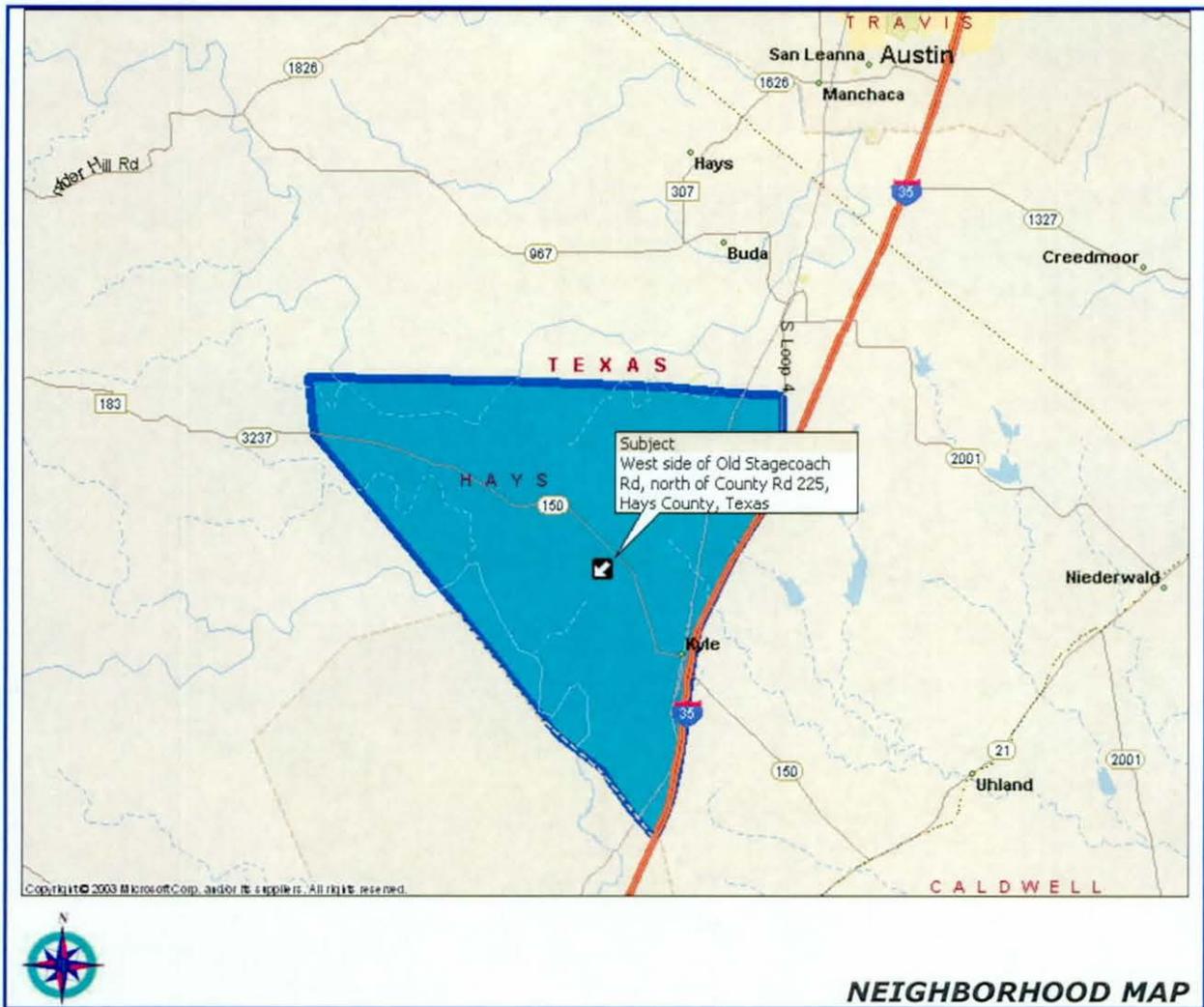
According to representatives of the Hays County Tax Collector/Assessors Office, as of the effective date of this appraisal, the subject property has no delinquent taxes.

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***DESCRIPTIONS***

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## NEIGHBORHOOD ANALYSIS



The subject property is located at the west side of Old Stagecoach Road, north of County Road 225, 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***

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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**

***SITE DESCRIPTION AND ANALYSIS***

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Location: West side of Old Stagecoach Road, north of County Road 225, Hays County, Texas

Map Reference: Mapsco Map Page: 4C/87F

Size: 195.27 acres

Shape: Irregular

Frontage: Old Stagecoach Road: ±806 feet  
County Road 225: ±510 feet

Old Stagecoach Road in the vicinity of the subject is a two lane, asphalt paved roadway.

County Road 225 in the vicinity of the subject is a two lane, asphalt paved secondary roadway.

Access/Visibility: The subject site is accessible via Old Stagecoach Road and County Road 225. The subject site is afforded minimal visibility from Old Stagecoach Road and County Road 225.

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 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, none of the site is within the flood plain.

Utilities: Electricity and water. Public wastewater is not currently to site but is available in the area.. Electricity is provided by the Pedernales Electric Cooperative. Water is provided from the City of Kyle.

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

**SITE DESCRIPTION AND ANALYSIS**

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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 a single family residence, barns, outbuildings, a corral, and supporting site improvements. 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.

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***ANALYSIS OF DATA***

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## HIGHEST & BEST USE ANALYSIS

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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."<sup>3</sup>

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* and the *Site Description & Analysis* 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, north of County Road 225, Hays County, Texas. It contains 195.27 acres with ±806 feet of frontage on Old Stagecoach Road and ±510 feet of frontage on County Road 225. The site is rolling. According to available maps, none of the site is within the flood plain. The site has electricity and water. Public wastewater is not currently to site but is available in the area..

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.

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<sup>3</sup> *The Appraisal of Real Estate, 12<sup>th</sup> Edition*, (Chicago: Appraisal Institute, 2001), p.305.

## **HIGHEST & BEST USE ANALYSIS**

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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 *Neighborhood 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***

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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 (improvements are an interim use and do not contribute value), the Cost Approach and the Income Approach are not considered to be applicable. Therefore, only the Sales Comparison Approach has been developed herein.

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***THE SALES COMPARISON APPROACH***

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## ***THE SALES COMPARISON APPROACH***

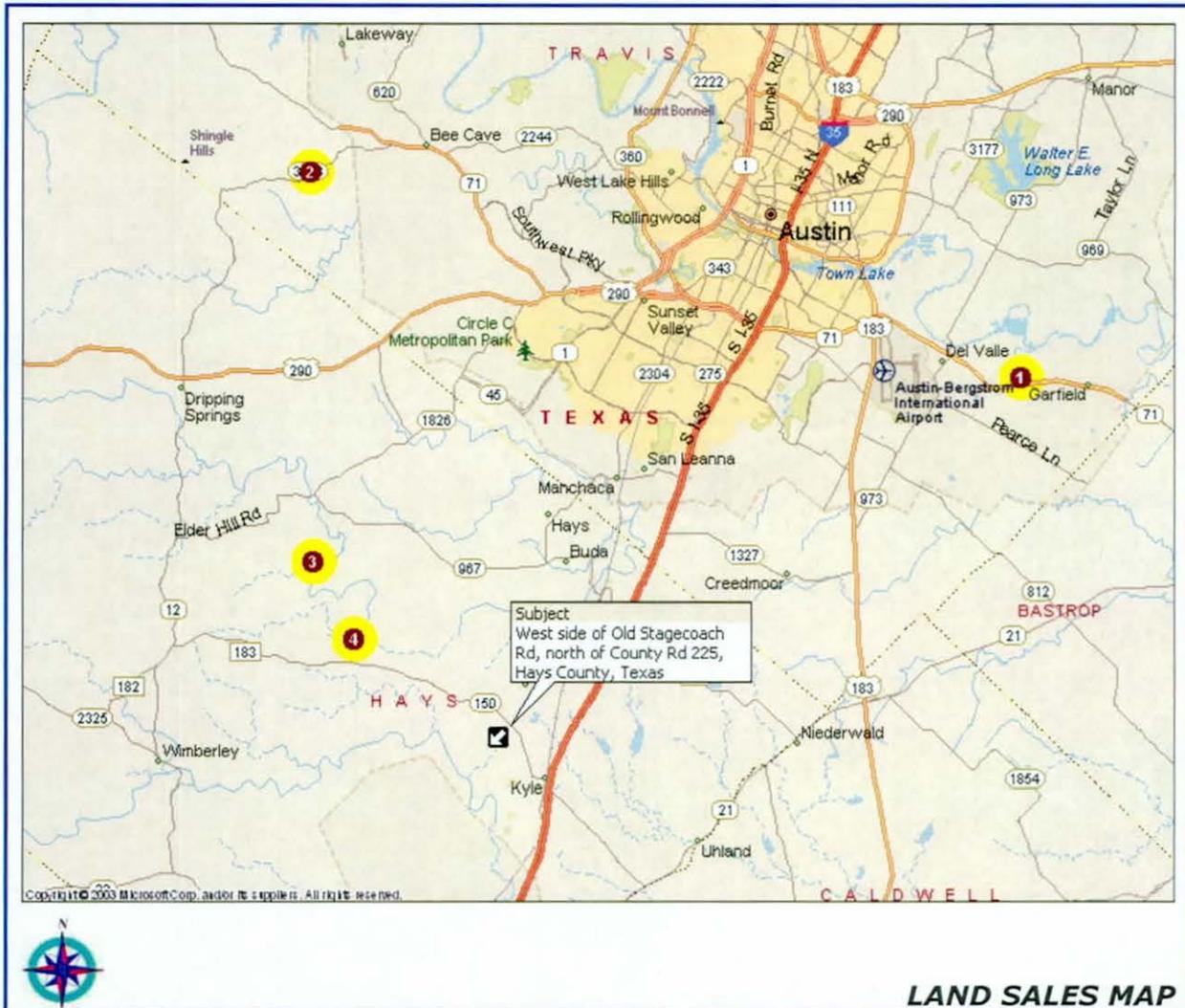
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The Sales Comparison Approach will be utilized to estimate the fee simple value of the subject site. This approach is considered the most valid indicator in estimating the market value of unimproved land not typically leased in the marketplace. In 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.

**THE SALES COMPARISON APPROACH**



**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	North line of Hamilton Pool Road, west of Destiny Hills Drive, Travis County, Texas	07/26/04	\$20,000	355.678	None
3	East side of FM 150, south of FM 1826, Hays County, Texas	01/28/04	\$14,001	117.510	None
4	East side of FM 150 West, north of FM 3237, Hays County, Texas	09/19/02	\$12,000	350.000	None
<b>Subject</b>	West side of Old Stagecoach Road, north of County Road 225, Hays County, Texas			195.27 acres	ETJ

Source: Atrium Real Estate Services 3/2006

## **THE SALES COMPARISON APPROACH**

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### **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**

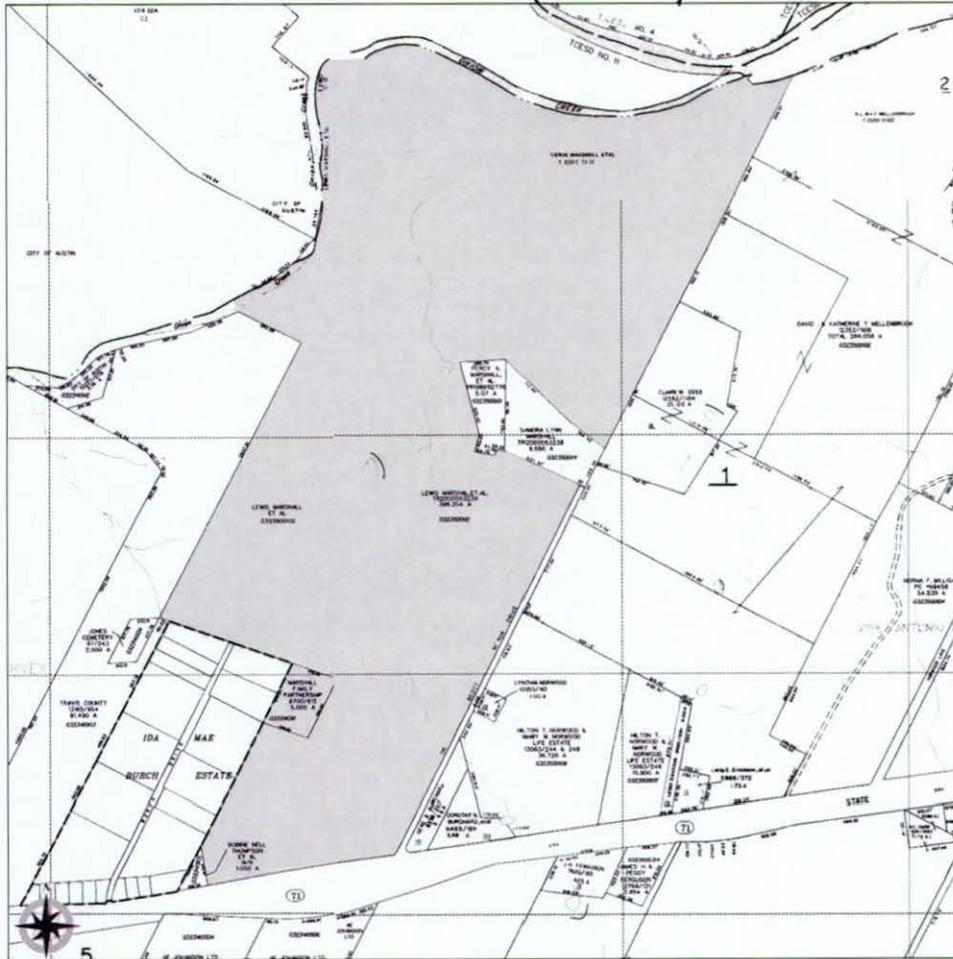
417.93 acres of land, more or less, a portion of the said Jose Antonio Navarro Seven League Grant, Abstract No. 18, Travis County, Texas.

#### **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.

**THE SALES COMPARISON APPROACH**

**LAND SALE NO. 1 (continued)**



**THE SALES COMPARISON APPROACH**

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**LAND SALE NO. 2**

**Property Identification**

**Record ID** 648  
**Property Type** Residential  
**Address** North line of Hamilton Pool Rd., west of Destiny Hills Drive  
(16314 and 16318 Hamilton Pool Rd.), Austin, Travis County,  
Texas 78734  
**Tax ID** 01-1087-0302-0000, 01-1087-0302-0001  
**Map Page/Grid** 578A/WU-24

**Sale Data**

**Grantor** William L. Formby  
**Grantee** JPH Capital Ltd.  
**Sale Date** July 26, 2004  
**Deed Book/Page** 2004153390  
**Marketing Time** Not disclosed  
**Financing** Cash to seller  
**Deed Reviewed** 10/2005 KLA; Date inspected: 10/25/05 LRJ/JGJ  
**Verification** Becky Adkins- broker, 281-647-6702, October 27, 2005; Mike  
Eledge- broker, 512-454-0215, October 27, 2005; Confirmed  
by JGJ

**Sale Price** \$7,113,560

**Land Data**

**Zoning** CNTY, County  
**Topography** Gently rolling  
**Utilities** Electricity  
**Shape** Irregular  
**Flood Info** None noted  
**Easements** No adverse easements noted  
**Improvements** SFR; did not contribute to value  
**Intended/Current Use** Residential development/Residential

**Land Size Information**

**Gross Land Size** 355.678 Acres or 15,493,334 SF  
**Front Footage** Hamilton Pool Rd: +/- 1,134 ft.

**Indicators**

**Sale Price/Gross Acre** \$20,000  
**Sale Price/Gross SF** \$0.46

**Legal Description**

333.609 acres, more or less, lying in and situated out of the Samuel Wildy Survey No. 258, the John Keller Survey No 25 and the W Fawcett Survey No 420, all in Travis County, Texas and 21.210 acres, more or less, lying in and situated out of the Samuel Wildy Survey No 258, in Travis County, Texas.

**Remarks**

The property sold with entitlements in place to construct single family lots. Reportedly, Grantee intends to subdivide into residential lots. Per TCAD, the size and YOC of the improvements are 1,480 SF and 1970. Due to its age, the improvement is not considered to contribute value to the land. The LCRA has plans to extend water to this area by Summer 2006. The tract has no water front.



## THE SALES COMPARISON APPROACH

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### LAND SALE NO. 3

#### Property Identification

**Record ID** 450  
**Property Type** Residential  
**Address** East side of FM 150, south of FM 1826, Driftwood, Hays County, Texas 78619  
**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

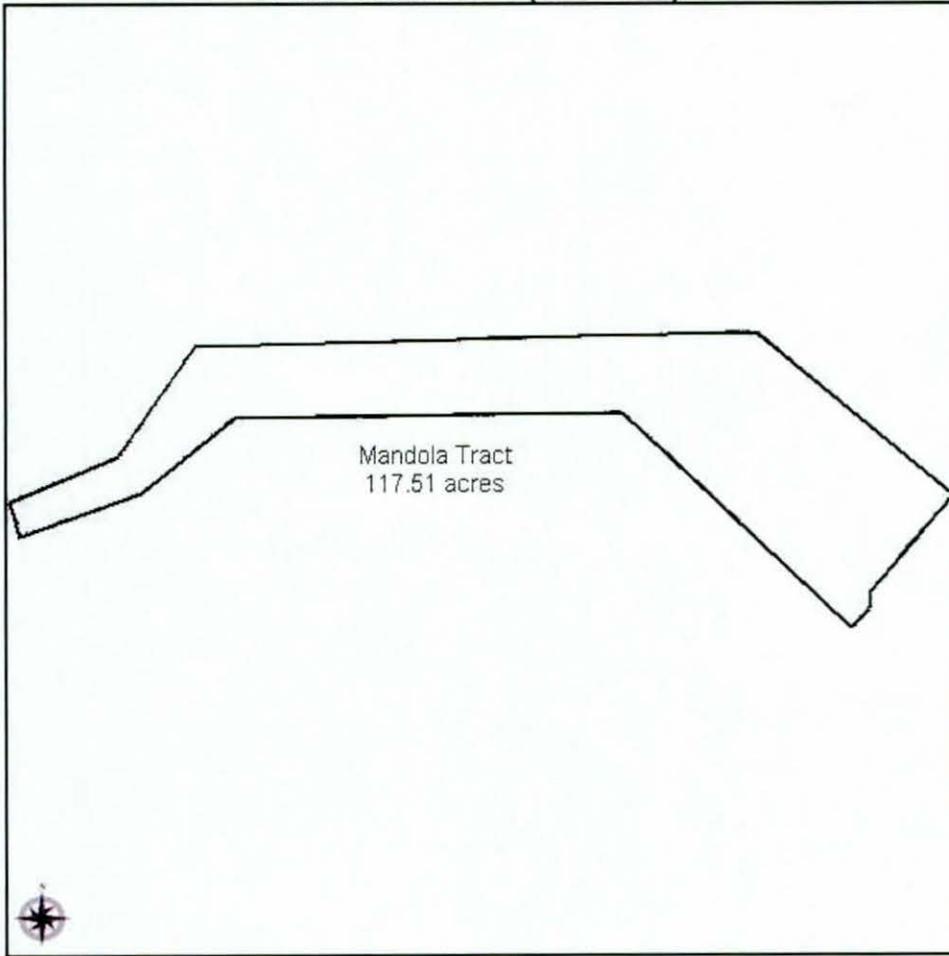
#### Legal Description

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. The property contains many forms of wildlife.

**LAND SALE NO. 3 (continued)**



## **THE SALES COMPARISON APPROACH**

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### **LAND SALE NO. 4**

#### **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. 4 (continued)**



**THE SALES COMPARISON APPROACH**

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	North line of Hamilton Pool Road, west of Destiny Hills Drive, Travis County, Texas	07/26/04	\$20,000	355.678	The property sold with entitlements in place to construct single family lots. Reportedly, Grantee intends to subdivide into residential lots. Per TCAD, the size and YOC of the improvements are 1,480 SF and 1970. Due to its age, the improvement is not considered to contribute value to the land. The LCRA has plans to extend water to this area by Summer 2006. The tract has no water front.
3	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 trees and approximately 20 acres of coastal Bermuda.
4	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.
Subject	West side of Old Stagecoach Road, north of County Road 225, Hays County, Texas			195.27 acres	A large acreage tract, rolling with none of the site within the flood plain.

Source: Atrium Real Estate Services 3/2006

## THE SALES COMPARISON APPROACH

### 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 09/19/02 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, north of County Road 225, 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	North line of Hamilton Pool Road, west of Destiny Hills Drive, Travis County, Texas	Similar
3	East side of FM 150, south of FM 1826, Hays County, Texas	SI Inferior
4	East side of FM 150 West, north of FM 3237, Hays County, Texas	SI Inferior
Subject	West side of Old Stagecoach Road, north of County Road 225, 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  $\pm 10\%$  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.

## THE SALES COMPARISON APPROACH

**Size:** The size of the property is 195.27 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  $\pm 5\%$  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	SI Inferior/1.0
2	355.678	SI Inferior/1.0
3	117.510	SI Superior/1.0
4	350.000	SI Inferior/1.0
Subject	195.27 acres	-----

**Topography/Flood Plain:** The subject has rolling topography and none of the site is in the 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 to site but is available in the area. Sale 1 has access to all utilities and is therefore considered superior to the subject. As such, Sale 1 has been adjusted downward 5% for this characteristic. Sale 2, Sale 3, and Sale 4 do not have access to public water or wastewater and are therefore considered inferior to the subject. As such, Sale 2, Sale 3, and Sale 4 have been adjusted upward 5% for this characteristic. No other adjustments for utilities were considered necessary.

**Entitlements:** Sale 2 sold with entitlements in place. The entitlements were slightly altered subsequent to the sale. As such, Sale 2 was adjusted downward 10%. This adjustment is considered reasonable. No further adjustments were considered to be warranted.

**Other Characteristics:** Sale 1, Sale 3, and Sale 4 have waterfront on Onion Creek and are considered to be slightly superior to the subject. As such, Sale 1, Sale 3, and Sale 4 have been adjusted downward 5% for this characteristic, which is considered reasonable. 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	\$20,000	\$14,001	\$12,000
Property Rights Conveyed	0%	0%	0%	0%
Adjusted \$/acre	\$18,544	\$20,000	\$14,001	\$12,000
Conditions of Sale/Financing	0%	0%	0%	0%
Adjusted \$/acre	\$18,544	\$20,000	\$14,001	\$12,000
Date of Sale	1/12/2005	7/26/2004	1/28/2004	9/19/2002
Market Conditions/Time	+6%	+8%	+11%	+18%
Adjusted \$/acre	\$19,657	\$21,600	\$15,541	\$14,160
Location Adjustment	-20%	0%	+10%	+10%
Physical Adjustment				
Size Adjustment	+5%	+5%	-5%	+5%
Flood Plain/Topo Adj	0%	0%	0%	0%
Utilities Adjustment	-5%	+5%	+5%	+5%
Entitlement Adjustment	0%	-10%	0%	0%
Other Adjustment	-5%	0%	-5%	-5%
Net Location & Physical Characteristics Adjustment	-25%	0%	+5%	+15%
<b>Adjusted \$/acre</b>	<b>\$14,743</b>	<b>\$21,600</b>	<b>\$16,318</b>	<b>\$16,284</b>

## ***THE SALES COMPARISON APPROACH***

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### **Reconciliation and Value Estimate**

In estimating the fee simple value of the subject via this approach, four closed sales were considered. These data were analyzed and adjusted, suggesting a value estimate for the subject property between \$14,743/acre and \$21,600/acre. The following outlines our estimate of the market value of the fee simple interest in the subject property, as vacant:

$$195.27 \text{ acres} \times \$16,750/\text{acre} = \$3,270,773$$

**Rounded to: \$3,271,000**

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***RECONCILIATIONS & QUALIFICATIONS***

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## 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.

In addition to the comparables used to formulate an opinion of value for the subject property, other sales were discovered in proximity to the subject property. These sales could not be confirmed with either party involved in the transaction or a reliable third party. The sales were researched through available public records and data services available in the Travis and Hays County areas. The sales appear to be legitimate indicators of value and actual transactions that have taken place in the market. However, without direct confirmation through a reliable source, the sales will only be referred to in a summary format as support for the value indication derived.

ADDITIONAL LAND SALES SUMMARY						
#	LOCATION	SUBDIVISION NAME	DATE OF SALE	\$/ACRE	LAND SIZE (ACRES)	INTENDED USE
1	Kyle, Texas	None	Listing 12/2005	\$16,338	73.45	Unknown
2	San Marcos, Texas	None	Pending 12/2005	\$15,000	495.18	2,456 equivalent dwelling units
3	Kyle, Texas	Stagecoach Forest	04/2005-06/2005	\$20,138	74.487	214 lots 65' x 125'
4	Austin, Texas	Colorado Crossing	12/2004	\$26,000	228.067	1,000 lots 40' to 45' wide
5	Kyle, Texas	Hometown Kyle	10/2004	\$16,500	57.647	Phases III & IV
6	Buda, Texas	None	10/2004	\$24,000	361.991	Residential, multi-family, retail
7	Buda, Texas	Meadow Park	09/2004	\$20,918	44.46	200 lots 50' x 155'
8	Austin, Texas	None	09/2004	\$14,833	270.95	973 lots 40' to 45' wide
9	San Marcos, Texas	Blanco Vista	01/2004-06/2004	\$9,621	575.137	2,060 lots up to 60' wide
10	Buda, Texas	Meadows of Buda	06/2004	\$21,500	208.121	Residential
11	Buda, Texas	Stoneridge	09/2003	\$25,946	62.61	285 lots 50' x 115'
12	Kyle, Texas	Amberwood	01/2003	\$19,764	83.485	300 lots 50' x 110'
<b>Subject</b>	West side of Old Stagecoach Road, north of County Road 225, Hays County, Texas				195.27 acres	NA

## **RECONCILIATION OF VALUE ESTIMATE**

The majority of the additional sales range in value from \$15,000/acre to \$26,000/acre and occurred with the last three years of market activity. Also, the additional sale sizes range from 44.46 acres to 575.137 acres which brackets the subject property size of 195.27 acres. The location of the additional sales is within the market area of the subject property near Buda, Kyle and San Marcos. The additional sales exhibit a highest and best use similar to the subject property and numerous sales have since been developed with single family subdivisions. All of these similar attributes of the additional sales provide additional support for the value indication placed on the subject property. Therefore, the sales data utilized within the report and the additional supporting data are believed to provide a good indication of the subject market value.

**MARKET VALUE ESTIMATE** - The fee simple market value for the subject property, as of March 9, 2006, was as follows:

**Three Million Two Hundred Seventy One Thousand Dollars  
(\$3,271,000)**

**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, SR/WA**

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### **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  
2006/2005 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  
2000-2006 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  
1993-2006 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  
2006 Treasurer of the Austin IRWA Chapter #74  
2004-2006 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  
2005 Member of Austin Chamber of Commerce

### **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.

## **QUALIFICATIONS OF JEFF G. JOHNSON**

---

### **ASSOCIATIONS/STATE CERTIFICATIONS**

Texas Certified General Real Estate Appraiser #TX-1327104-G  
Associate Member, Appraisal Institute  
2006 Secretary of the Austin Chapter of the Appraisal Institute  
2005 Treasurer of the Austin Chapter of the Appraisal Institute  
2004 Board of Director of the Austin Chapter of the Appraisal Institute  
2003 Nominating Committee of the Austin Chapter of the Appraisal Institute  
2003 & 2002 Education Committee of the Austin Chapter of the Appraisal Institute  
2002 Program Committee of the Austin Chapter of the Appraisal Institute  
1997 Program Committee of the Austin Chapter of the Appraisal Institute  
1997/1998 Associate Liaison (General) of the Austin Chapter Appraisal Institute  
Member of the International Right of Way Association, Chapter #74

### **EDUCATION**

Bachelor of Arts degree from The University of Texas at Austin, 1987

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 1992 to present: Staff appraiser with Atrium Real Estate Services  
November 1989 to October 1992: Appraiser with WF Smith & Lone Star Appraisals Inc.

Appraisal background includes extensive research and market analysis of various commercial properties including vacant land, subdivisions, single and multi-tenant commercial/retail buildings, mini storage facilities, industrial facilities, multi-tenant office buildings 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 (temporary construction, ingress/egress, etc.) have also been completed.

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***ADDENDA***

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TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

March 9, 2006

Ms. Lory R. Johnson, MAI  
Atrium Real Estate Services  
2305 Hancock Drive  
Austin, Texas 78756

**RE: General Land Office Contract No. 06-229**

Dear Ms. Johnson:

Enclosed for your files is one fully executed, originally signed Contract between Atrium Real Estate Services and the General Land Office, as referenced above.

Your firm's insurance will expire during the term of this Contract; please ask your agent to send me a new Acord Certificate at the appropriate time.

If you have any questions, please do not hesitate to contact me at (512) 475-2225, or via electronic mail at [judy.coover@glo.state.tx.us](mailto:judy.coover@glo.state.tx.us).

Sincerely,

A handwritten signature in cursive script, appearing to read "Judy Coover".

Judy Coover – Sr. Contract Specialist  
Legal Services Division

JC/jc  
enclosure

Stephen F. Austin Building • 1700 North Congress Avenue • Austin, Texas 78701-1495

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

[www.glo.state.tx.us](http://www.glo.state.tx.us)



## PROFESSIONAL SERVICES CONTRACT GLO Contract No. 06-229

THE GENERAL LAND OFFICE (GLO) and ATRIUM REAL ESTATE SERVICES, INC., Tax Identification Number 17426151019 (Provider), enter into the following contract for professional appraisal services (Contract) pursuant to the Professional Services Procurement Act, TEX. GOV'T CODE ANN. Chapter 2254.

### I. PROJECT DESCRIPTION

#### 1.01 PROJECT

Provider shall perform professional appraisal services in the estimation of the current market value of approximately 193.27 acres of land located along Old Stagecoach Road and being out of the Samuel Pharass Survey, A-360, Hays County, Texas (Project). The property is more specifically identified in the map attached hereto and incorporated herein by reference for all purpose as **Attachment A**. The appraisal shall be complete under Standard 1 and a summary narrative appraisal under Standard 2, in conformance with the Uniform Standards of Professional Appraisal Practice. The appraisal must include a detailed highest and best use analysis, detailed comparable sales profiles, adjustment grids, etc., to support the final value conclusion.

#### 1.02 DELIVERABLES

**On or before the close of business no later than March 17, 2006**, Provider shall deliver four (4) original copies of the completed appraisal report to Mark McAnally, Chief Appraiser, Texas General Land Office, Appraisal Division, 1700 N. Congress Avenue, Room 111, Austin, Texas 78701.

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## II. TERM

### 2.01 DURATION

This Contract shall be effective as of the date executed by the last party and shall terminate on April 17, 2006. The GLO, at its own discretion, may extend this Contract subject to terms and conditions mutually agreeable to both parties.

### 2.02 EARLY TERMINATION

Either party may be terminate this Contract by giving written notice specifying a termination date at least ten (10) days subsequent to the date of the notice. Upon receipt of any such notice, Provider shall cease work, undertake to terminate any relevant subcontracts, and incur no further expense related to this Contract. Such early termination shall be subject to the equitable settlement of the respective interests of the parties, accrued up to the date of termination.

## III. CONSIDERATION

### 3.01 CONTRACT LIMIT, FEES, AND EXPENSES

Provider will be compensated on a lump sum basis, not to exceed **THREE THOUSAND TWO HUNDRED DOLLARS (\$3,200.00)**. The GLO agrees to pay Provider in accordance with Chapter 2251, Subtitle F of Title 10 of the Texas Government Code, "The Prompt Pay Act." However, upon specific approval by the GLO, additional lodging, travel, and other incidental direct<sup>1</sup> expenses may be reimbursed under this Contract for professional or technical personnel who are (a) away from the cities in which they are permanently assigned; (b) conducting business specifically authorized by the GLO; and (c) performing services not considered normal or customary basic services under this Contract. Such expenses are limited to the rates established by the Comptroller of the State of Texas as outlined in the *State of Texas Travel Allowance Guide*. Requests for payment must be supported by documentation that, in the judgment of the GLO, allows for full substantiation of the costs incurred.

## IV. PROVIDER'S WARRANTY AND GENERAL AFFIRMATIONS

### 4.01 PERFORMANCE WARRANTY

Provider warrants that all services performed under this Contract will be performed in a manner consistent with a degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar

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<sup>1</sup> Certain other incidental direct expenses, including, but not limited to, copying, telephone, data, and express mail services may be reimbursed upon specific approval by the GLO. Expenses for copying shall be reimbursed in an amount not to exceed the rates set by the Texas Building and Procurement Commission.

circumstances. Provider warrants that all work product ("Deliverables") under this Contract shall be completed in a manner consistent with standards in the applicable trade, profession, or industry; shall conform to or exceed the specifications set forth in the incorporated Attachments; and shall be fit for ordinary use, of good quality, and with no material defects. If Provider fails to provide Deliverables timely or to perform satisfactorily under conditions required by this Contract, the GLO may require Provider, at its sole expense, to (a) repair or replace all defective or damaged Deliverables; (b) refund any payment received for all defective or damaged Deliverables and, in conjunction therewith, require Provider to accept the return of such Deliverables; and/or (c) take necessary action to ensure that future performance and Deliverables conform to the Contract requirements.

#### 4.02. GENERAL AFFIRMATIONS

To the extent that they are applicable, Provider further certifies that the General Affirmations set out in Attachment B, attached hereto and incorporated herein by reference for all purposes, have been reviewed, and that Provider is in compliance with each of the requirements reflected therein.

### V. STATE FUNDING

#### 5.01 STATE FUNDING

- (a) This Contract shall not be construed as creating any debt on behalf of the State of Texas and/or the GLO in violation of Tex. Const. ART. III, § 49. In compliance with Tex. Const. ART. VIII, § 6, it is understood that all obligations of the GLO hereunder are subject to the availability of state funds. If such funds are not appropriated or become unavailable, this Contract may be terminated. In that event, the parties shall be discharged from further obligations, subject to the equitable settlement of their respective interests, accrued up to the date of termination.
- (b) Furthermore, any claim by Provider for damages under this Contract may not exceed the amount of funds appropriated for payment, but not yet paid to Provider, under the annual budget in effect at the time of the breach. Nothing in this provision shall be construed as a waiver of sovereign immunity.

### VI. OWNERSHIP

#### 6.01 OWNERSHIP AND THIRD PARTY RELIANCE

- (a) The GLO shall own, and Provider hereby assigns to the GLO, all right, title, and interest in all services to be performed; all goods to be delivered; and/or all other related work product prepared, or in the course of preparation, by Provider (or its subcontractors) pursuant to this Contract,

together with all related worldwide intellectual property rights of any kind or character (collectively, the "Work Product"). Under no circumstance will any license fee, royalty, or other consideration not specified in this Contract be due to Provider for the assignment of the Work Product to the GLO or the GLO's use and quiet enjoyment of the Work Product in perpetuity. Provider shall promptly submit all Work Product to the GLO upon completion, termination, or cancellation of this Contract for any reason, including all copies in any form or medium.

- (b) Provider shall not use, willingly allow, or cause such Work Product to be used for any purpose other than performance of Provider's obligations under this Contract without the prior written consent of the GLO. Work Product is for the exclusive use and benefit of, and may be relied upon only by, the GLO. Prior to distributing any Work Product to any third party, the GLO shall advise such third parties that if it relies upon or uses such Work Product, it does so entirely at its own risk without liability to Provider.

## **VII. RECORDS, AUDIT, PROPRIETARY INFORMATION, AND PUBLIC DISCLOSURE**

### **7.01 BOOKS AND RECORDS**

Provider shall keep and maintain under Generally Accepted Accounting Principles (GAAP) full, true, and complete records necessary to fully disclose to the GLO, the Texas State Auditor's Office, the United States Government, or their authorized representatives sufficient information to determine compliance with the terms and conditions of this Contract and all state and federal rules, regulations, and statutes.

### **7.02 INSPECTION & AUDIT**

Provider agrees that all relevant records related to this Contract or any work product produced, including the practices of its subcontractors, shall be subject at any reasonable time to inspection, examination, review, audit, and copying at any location where such records may be found, with or without notice by the Texas State Auditor's Office, the GLO, its contracted examiners, or the Texas Attorney General's Office. With regard to any federal funding, the relevant federal agency, the Comptroller General, the General Accounting Office, the Office of Inspector General, or any of their authorized representatives shall also have this right of inspection. All subcontracts shall reflect the requirements of this section.

### **7.03 PERIOD OF RETENTION**

All records relevant to this Contract shall be retained for a minimum of four (4) years. If any federal funds are used in the Contract, the records must be maintained for a minimum of five (5) years. The period of retention begins at the date of

payment by the GLO for the goods or services or from the date of termination of the Contract, whichever is later. The period of retention shall be extended for a period reasonably necessary to complete an audit and/or to complete any administrative proceeding or litigation which may ensue.

#### 7.04 CONFIDENTIALITY

Provider shall keep confidential all information, in whatever form produced, prepared, observed, or received by Provider to the extent that such information is: (a) confidential by law; (b) marked or designated "confidential" (or words to that effect) by the GLO; or (c) information that Provider is otherwise required to keep confidential by this Contract. Furthermore, Provider will not advertise that it is doing business with the GLO, use this Contract as a marketing or sales tool, or make any press releases without the prior written consent of the GLO.

#### 7.05 PUBLIC RECORDS

Pursuant to Chapter 552 of the Texas Government Code, the "Texas Public Information Act," records received from Provider may be open to public inspection and copying. The GLO will have the duty to disclose such records, unless a particular record is made confidential by law or exempted from the Act. Provider may clearly label individual records as a "trade secret," provided that Provider thereby agrees to indemnify and defend the GLO for honoring such designation. The failure to so label any record shall constitute a complete waiver of any and all claims for damages caused by release of the records. If a request for a labeled record is received by the GLO, the GLO will notify Provider of the request in accordance with the Act.

### VIII. MISCELLANEOUS PROVISIONS

#### 8.01 INSURANCE

Provider shall acquire, for the duration of this Contract, insurance and/or bonds, with financially sound and reputable independent insurers licensed by the Texas Department of Insurance, in the type and amount listed on Attachment C. Furthermore, Provider shall submit evidence of insurance as required under this Contract, including (if requested) a schedule of coverage (or "underwriter's schedules") establishing to the satisfaction of the GLO the nature and extent of coverage granted by each such policy. In the event that any policy is determined to be deficient to comply with the terms of this Contract, Provider shall secure such additional policies or coverage as the GLO may reasonably request or that are required by law or regulation.

## 8.02 LEGAL OBLIGATIONS

Provider shall procure and maintain for the duration of this Contract any state, county, city, or federal license, authorization, insurance, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by Provider to provide the goods or services required by this Contract. Provider will be responsible for payment of all taxes, assessments, fees, premiums, permits, and licenses required by law. Provider agrees to be responsible for payment of any such government obligations not paid by its subcontractors during performance of this Contract.

## 8.03 INDEMNITY

**PROVIDER SHALL INDEMNIFY AND HOLD HARMLESS THE GLO, THE STATE OF TEXAS, AND THEIR AGENTS AND EMPLOYEES FROM ALL LIABILITY AND DAMAGES FOR ANY AND ALL INJURIES OR DAMAGES SUSTAINED BY ANY PERSON OR PROPERTY AS A CONSEQUENCE OF ANY NEGLIGENCE IN THE PERFORMANCE OF THE SERVICES REFERENCED HEREIN AND FROM ANY CLAIMS OR AMOUNTS ARISING OR RECOVERABLE UNDER BOTH FEDERAL AND STATE WORKERS COMPENSATION LAWS, TEXAS TORT CLAIMS ACT (CHAPTER 101, TEX. CIVIL PRACTICE AND REMEDIES CODE), OR ANY OTHER SUCH LAWS. PROVIDER SHALL FURTHER SO INDEMNIFY AND BE RESPONSIBLE FOR ALL DAMAGES OR INJURY TO PROPERTY OF ANY CHARACTER OCCURRING AND PROSECUTION OF CLAIMS RESULTING FROM ANY ACT, OMISSION, NEGLIGENCE, OR MISCONDUCT OF PROVIDER, PROVIDER'S AGENTS, OR EMPLOYEES, IN THE MANNER OR METHOD OF EXECUTION OF THE SERVICES HEREIN TO BE PERFORMED; OR FROM FAILURE TO PROPERLY PERFORM THE SERVICES; OR FROM DEFECTIVE WORK OR MATERIALS; OR FROM BREACH OF ANY REPRESENTATION OR WARRANTY HEREIN. THESE REQUIREMENTS SHALL SURVIVE THE TERM OF THIS CONTRACT UNTIL ALL CLAIMS HAVE BEEN SETTLED OR RESOLVED AND SUITABLE EVIDENCE TO THAT EFFECT HAS BEEN FURNISHED TO THE GLO.**

## 8.04 ASSIGNMENT AND SUBCONTRACTS

Provider shall not assign, transfer, or delegate any rights, obligations, or duties under this Contract without the prior written consent of the GLO. Notwithstanding this provision, it is mutually understood and agreed that Provider may subcontract with others for some or all of the services to be performed. In any approved subcontracts, Provider shall legally bind such subcontractor to perform and make such subcontractor subject to all the duties, requirements, and obligations of Provider specified herein. Nothing herein shall be construed to relieve Provider of the responsibility for ensuring that the goods delivered and/or the services rendered by Provider and/or any of its subcontractors comply with all the terms and provisions of this Contract. Provider will provide written notification to the GLO of any such subcontractor performing fifteen percent (15%) or more of the work under this Contract, including the name and taxpayer identification number of

subcontractor, the task(s) being performed, and the number of subcontractor employees expected to work on the task.

#### **8.05 HISTORICALLY UNDERUTILIZED BUSINESSES (HUBS)**

In accordance with State law, it is the GLO's policy to assist HUBs, whether minority or women-owned, whenever possible, to participate in providing goods and services to the agency. The GLO encourages those parties with whom it contracts for the provision of goods and services to adhere to this same philosophy in selecting subcontractors to assist in fulfilling Provider's obligations with the GLO. In addition to information required by paragraph 8.04 above, Provider will provide the Purchasing Department of the General Land Office with pertinent details of any participation by a HUB in fulfilling the duties and obligations arising hereunder.

#### **8.06 RELATIONSHIP OF THE PARTIES**

Provider is associated with the GLO only for the purposes and to the extent specified in this Contract, and, in respect to performance of the contracted services pursuant to this Contract, Provider is and shall be an independent contractor and, subject only to the terms of this Contract, shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Contract. Nothing contained in this Contract shall be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, or to otherwise create for the GLO any liability whatsoever with respect to the indebtedness, liabilities, and obligations of Provider or any other party. Provider shall be solely responsible for, and the GLO shall have no obligation with respect to:

- (a) withholding of income taxes, FICA or any other taxes or fees;
- (b) industrial or workers' compensation insurance coverage;
- (c) participation in any group insurance plans available to employees of the State of Texas;
- (d) participation or contributions by the State to the State Employees Retirement System;
- (e) accumulation of vacation leave or sick leave; or
- (f) unemployment compensation coverage provided by the State.

#### **8.07 COMPLIANCE WITH OTHER LAWS**

In the execution of this Contract, Provider shall comply with all applicable federal, state, and local laws, including laws governing labor, equal employment opportunity, safety, and environmental protection. Provider shall make itself familiar with and at all times shall observe and comply with all federal, state, and local laws, ordinances, and regulations that in any manner affect performance under this Contract.

## 8.08 NOTICES

Any notice required or permitted to be delivered under this Contract shall be deemed delivered when deposited in the United States mail, postage prepaid, certified mail, return receipt requested, addressed to the GLO or Provider, as the case may be, at the addresses set forth below:

### GLO

General Land Office  
Attention: Legal Services Division – Room 910  
1700 N. Congress Avenue  
Austin, TX 78701

Atrium Real Estate Services, Inc.  
2305 Hancock Drive  
Austin, TX 78756  
Attention: Ms. Lory R. Johnson, MAI

Notice given in any other manner shall be deemed effective only if and when received by the party to be notified. Either party may change its address for notice by written notice to the other party as herein provided.

## 8.09 GOVERNING LAW AND VENUE

This Contract and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Texas, exclusive of conflicts of law provisions. Venue of any suit brought under this Contract shall be in a court of competent jurisdiction in Travis County, Texas. Provider irrevocably waives any objection, including any objection to personal jurisdiction or the laying of venue or based on the grounds of forum non conveniens, which it may now or hereafter have to the bringing of any action or proceeding in such jurisdiction in respect of this agreement or any document related hereto. **Nothing in this section shall be construed as a waiver of sovereign immunity by the GLO.**

## 8.10 SEVERABILITY

If any provision contained in this Contract is held to be unenforceable by a court of law or equity, this Contract shall be construed as if such provision did not exist and the non-enforceability of such provision shall not be held to render any other provision or provisions of this Contract unenforceable.

## 8.11 PROPER AUTHORITY

Each party hereto represents and warrants that the person executing this Contract on its behalf has full power and authority to enter into this Contract. Provider

acknowledges that this Contract is effective for the period of time specified in the Contract. Any services performed by Provider before this Contract is effective or after it ceases to be effective are performed at the sole risk of Provider.

#### **8.12 FORCE MAJEURE**

Any delays in or failure of performance by either party, except in respect of the obligation of payments under this Contract, shall not constitute default hereunder if and to the extent such delays or failure of performance are caused by occurrence(s) beyond the reasonable control of the party affected, and which by the exercise of due diligence such party is unable to prevent, herein called "Force Majeure" including acts of God or the public enemy, sabotage, war, mobilization, revolution, civil unrest, riots, terrorism, strikes, lockouts, fires, accidents breakdowns, or floods, earthquakes, hurricanes or any other natural disaster or governmental actions. In any such event, the party claiming Force Majeure shall promptly notify the other party of the Force Majeure event in writing and, if possible, such notice shall set forth the extent and duration thereof. The party claiming Force Majeure shall exercise due diligence to prevent, eliminate, or overcome such Force Majeure event where it is possible to do so and resume performance at the earliest possible date. However, if non-performance continues for more than thirty (30) days, the GLO may terminate this Contract immediately upon written notification to Provider.

#### **8.13 DISPUTE RESOLUTION**

The dispute resolution process provided for in Chapter 2260 of the Texas Government Code must be used by the parties to attempt to resolve all disputes arising under this Contract. This provision shall not apply to any matter with respect to which either party may make a decision within its respective sole discretion.

#### **8.14 COUNTERPARTS**

This Contract may be executed in any number of counterparts, each of which shall be an original, and each such counterpart shall together constitute but one and the same Contract.

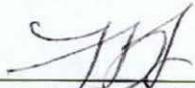
#### **8.15 ENTIRE CONTRACT & MODIFICATION**

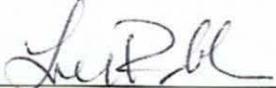
This Contract and its integrated attachment(s) constitute the entire agreement of the parties and are intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this Contract specifically displays a mutual intent to amend a particular part of this Contract, general conflicts in language between any such attachment and this Contract shall be construed consistently with the terms of this Contract. Unless

otherwise expressly authorized by the terms of this Contract, no modification, renewal, extension, or amendment to this Contract shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto.

**GENERAL LAND OFFICE**

**ATRIUM REAL ESTATE  
SERVICES, INC.**

  
\_\_\_\_\_  
Larry L. Laine, Chief Clerk/  
Deputy Land Commissioner

  
\_\_\_\_\_  
Name: Lory R. Johnson  
Title: President

Date of execution: 3/16/06

Date of execution: 3-2-06

  
S.A.  
Div. BL  
G.C. WH

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File No. 155462  
HAYS County

APPRAISAL

Date Filed: 6-2-08  
Jerry E. Patterson, Commissioner

By: [Signature]



GENERAL LAND OFFICE  
LEGAL SERVICES  
TUE MAR 17 AM 10:14

**Contract To Purchase Private Land  
Approximately 195.27 Acres  
Hays County, Texas**

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**Table of Contents**

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1. PARTIES:.....	1
2. IDENTITY OF TITLE COMPANY:.....	2
3. PROPERTY:.....	2
4. PURCHASE AND SALE:.....	3
5. SALES PRICE:.....	3
6. EARNEST MONEY:.....	3
7. ACQUISITION FEE AND CLOSING COSTS:.....	3
8. TITLE COMMITMENT AND SURVEY: SELLER'S TITLE WARRANTIES:.....	3
9. FEASIBILITY PERIOD:.....	5
10. SPECIAL PROVISIONS:.....	6
11. REPRESENTATIONS:.....	7
12. CLOSING:.....	8
13. DEFAULT:.....	10
14. CASUALTY:.....	10
15. BROKERAGE:.....	10
16. "FOREIGN PERSON" FEDERAL TAX REQUIREMENT:.....	11
17. MISCELLANEOUS PROVISIONS:.....	11
18. CONTRACT AS OFFER:.....	13

**1. Parties:**

**Seller(s):** Reed Hawn  
**Seller's** 3605 Steck Ave., Apt 1083  
**Address:** Austin, TX 78759

**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** General Land Office  
**Address** Deputy Commissioner, Asset Management Division  
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") shall be:

Texas United Title, Inc.  
901 South Mopac, Building One, Suite 540  
Austin, TX 78746  
Attention: Deedee King, Commercial Division Manager

Phone: 512.306.0122  
FAX: 512.306.0837

**3. Property:**

The property that is the subject of this Contract consists of approximately 195.27 acres of land otherwise known as the Hawn Arabian Ranch Tract, being  $\pm$  195.27 acres out of the Samuel Pharass Survey, Abstract 360, Hays County, Texas, as described more particularly in the field notes attached hereto as Exhibits A, respectively, which exhibits are incorporated herein for all purposes.

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 price for the Property shall be \$16,000.00 per gross surveyed acre, as determined by the survey to be performed hereunder (the "Sales Price"). The final Sales Price must be equal to or less than appraised value, as determined by a competent appraiser to be selected by Buyer.

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 and Closing Costs:**

The School Land Board has waived the 1½ % acquisition fee required by 31 Texas Administrative Code § 154.11 in respect of this transaction. In consideration thereof the Seller will pay all Closing costs and fees, except that the additional premium for the deletion of the survey exception will be paid by Buyer.

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

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

(a) a title commitment prepared in accordance with the instructions contained below ("Title Commitment") covering the Property and

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, which shall be paid by Buyer);

(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, at its own expense, will obtain a current survey of the Premises, which shall be in form acceptable to the Title Company and the Chief Surveyor of the General Land Office ("Survey"). The field notes for the Survey shall be the description of the Property for conveyance purposes. Buyer shall deliver a copy of the Survey to the Seller.

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, easement, right-of-entry agreement, license and other land use restriction affecting use of the Property, if any, that are in Seller's possession or control (the documents referred to in this subsection being referred to as "Land Use Documents").

9.2. Buyer has ninety (90) 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. 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 10 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, infrastructure, wetland studies, site plans, surveys, agreements, warranties or guaranties affecting the surface or subsurface, water well data, planned roadways, 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, in the Seller's possession, 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 can access the Property for the purpose of inspecting the Property to assess environmental and other site conditions and to generally assess the suitability of the Property. Seller will cooperate with Buyer in Buyer's assessment of the Property, so Buyer may conduct the most comprehensive investigation and assessment reasonably possible, including all environmental investigations and tests Buyer, in its sole discretion, deems desirable. Buyer agrees that any contractor of Buyer entering the Property for purposes of inspection shall be required to have a commercial general liability insurance policy with policy limits reasonable and customary for the activity to be undertaken by such contractor. If Buyer's environmental or other assessments cannot be completed within the Feasibility Period, Buyer shall have the right to extend the Feasibility Period for a maximum of an additional thirty (30) days in order to allow for completion and evaluation of such assessments without payment of additional consideration to Seller. If Buyer decides, in its sole discretion and for any reason, that the Property is unsuitable for its purposes, Buyer may terminate this Contract by sending written notice to Seller before the expiration of the Feasibility Period.

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

## **10. Special Provisions:**

10.1. Buyer's obligations and performance under this Contract are contingent on approval of this purchase by the School Land Board not later than the date of the Closing. 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.

## **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 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 To the best of Seller's actual knowledge, the Property has not been used as a landfill or other waste or by-product disposal facility. To the best of Seller's actual knowledge, 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 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 not currently zoned, and no change is contemplated in any applicable laws, ordinances, or restrictions that would prevent, limit, impede or

render infeasible Buyer's contemplated use of the Property. Seller 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 for so long as the use is within the limits of the zoning described above.

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 To the best of Seller's actual knowledge, 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 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 his performance of his obligations under it violate any law, rule, regulation, or ordinance applicable to Seller. Neither does Seller's execution, delivery, or performance violate any contract or other obligation by which Seller or his property are bound.

11.13. To the best of Seller's actual knowledge, 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. 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 the twenty-first (21<sup>st</sup>) day after the date on which the Feasibility Period expires, except as mutually agreed by the parties, at a mutually acceptable time and location. The closing shall occur either at the Title Company or by the delivery of executed documents to the Title Company offices.

Daniel W. Nelson will conduct the Closing as an approved P22 closer for the Title Company. Seller appoints Reed Hawn 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, except that the additional premium for the deletion of the survey exception will be paid by Buyer;

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

(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; and

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

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

(a) The Sales Price;

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

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

12.4 At Closing Seller must pay all ad valorem taxes for 2006 and pay in full any special assessments affecting the Property. If the Property is currently being assessed under any agricultural or other use exception of the Texas Tax Code, Buyer shall not be responsible for the payment of any roll back taxes. Seller shall not be responsible for the payment of any roll back taxes assessed as a result of a change in

the use of the Property after the date of Closing. If applicable, rents must be prorated at the Closing effective as of the date of the Closing. Buyer is exempt from payment of any property taxes. Security deposits and prepaid rent held by Seller must be delivered to Buyer at Closing.

12.5 In addition the payment of taxes required under Section 12.4 above, 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 2007 if the Property were in private hands and if the Property were subject to the agricultural use exception. If the Closing occurs before the tax rate is fixed, the calculation of the amount due must be based on the tax rate for the most recent year for which a rate is fixed. The calculation must be based on the most recent assessed valuation. Seller and Buyer request Title Company to pay to each taxing authority having jurisdiction over the Property the sums held back from Seller for payment of taxes, or in lieu of the payment of taxes.

12.6 Seller will deliver possession of the Property to Buyer on date of Closing and funding except if the Closing occurs prior to June 15, 2006, Seller will be entitled to retain possession of the caretaker's trailer and the area immediately surrounding the trailer to give Seller's caretaker ample time to vacate the Property by June 15, 2006. If Seller's caretaker continues to occupy the trailer after Closing and through June 15, 2006, Seller and Buyer will execute a temporary lease agreement on date of Closing to evidence Seller's right to retain possession of the trailer through June 15, 2006.

### **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. But the Independent Consideration is non-refundable.

13.2 If either party defaults in its obligations under this Contract, the non-defaulting party shall have the right to all legal and equitable remedies, including specific performance.

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 Seller is liable for a commission to **Michael A. Schroeder and/or the Schroeder Company**. Buyer shall have no liability for any commissions with respect to this transaction. **SELLER SHALL INDEMNIFY, DEFEND AND HOLD BUYER HARMLESS FROM AND AGAINST ALL CLAIMS BY ANY THIRD PARTIES FOR BROKERAGE, COMMISSION, FINDER'S OR OTHER FEES, (INCLUDING WITHOUT LIMITATION FEES OR COSTS DUE TO ANY BROKER FOR SELLER SET FORTH IN THIS SECTION), RELATIVE TO THIS CONTRACT OR THE SALE OF THE PROPERTY, INCLUDING WITHOUT LIMITATION, ALL COURT COSTS, ATTORNEYS' FEES AND OTHER COSTS OR EXPENSES ARISING THEREFROM, AND ALLEGED TO BE DUE. THIS OBLIGATION OF SELLER SURVIVES THE CLOSING.** 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 shall be construed as 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. 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 may be delivered personally, by facsimile (with machine generated proof of receipt), by overnight delivery service through a nationally recognized courier service (with written proof of receipt) or 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 upon delivery if personally delivered or sent by overnight delivery service, and upon sending, if sent by any of the other acceptable means of delivery (if the appropriate proof of

sending is preserved). Address for notice may be changed by giving written notice to the other party.

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

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

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

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

17.16. Seller may elect by written notice to Buyer to treat this sale as part of a tax deferred exchange or exchanges. Buyer will cooperate with the exchanges if (1) Buyer incurs no additional costs or expenses and (2) Seller is not relieved of any duties hereunder.

## **18. Contract As Offer:**

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

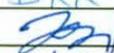
In Witness Whereof, the parties have set their hands as of the Effective Date.

**Buyer:**

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

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

**Approved:**

Contents:   
Legal Services: DKR  
Deputy:   
General Counsel:   
Executive: 

Date of Signature: 3/27/06

**Seller:**  
  
Reed Hawn

Date of Signature: 3/16/06

**EXHIBIT A**

**Contract To Purchase Private Land  
Approximately 195.27 Acres  
Hays County, Texas**

**Field Note Description of Property**

195.27 acres out of the One-Fourth League Surveys in the names of John Pharass and Samuel Pharass, Abstract Nos. 361 and 360, respectively in Hays County, Texas, described by metes and bounds as follows;

**BEGINNING** at a corner fence post for the west corner of the tract herein described, same being the north corner of that 260.12 acre tract of land conveyed to Robert Nance, et al, by R. G. Nance, by deed dated August 14, 1946, and recorded in Volume 135, Page 456, Hays County Deed Records, and being also on the southeast line of that tract of land described as 1938.76 acres in a deed from F. D. Glass, Jr. to A. W. Gregg, said deed dated October 22, 1948, and recorded in volume 142, Page 290, Hays County Deed Records, and which beginning corner the west corner of the Samuel Pharass Survey bears South 86 degrees 34 minutes West 4060.72 feet (Record);

**THENCE** leaving said Nance 260.12 acre tract with southeast line of said Gregg 1938.76 acre tract as fence, and the northwest line of Gregg 251.0 acre tract the following courses numbered (1) thru (3)

(1) North 46 degrees 02 minutes East 527.2 feet;

(2) North 43 degrees 29 minutes East 212.82 feet;

(3) North 44 degrees 51 minutes East 1877.2 feet to an iron stake set for the north corner of the tract herein described;

**THENCE** leaving the southeast line of said Gregg 1938.76 acre tract and northwest line of said Gregg 251.00 acre tract as fenced and used upon the ground with fence the following courses numbered (4) thru (7);

(4) South 77 degrees 55 minutes East 466.43 feet;

(5) South 56 degrees 38 minutes East 254.5 feet;

(6) South 76 degrees 52 minutes East 175.54 feet;

(7) South 44 degrees 41 minutes East 462.20 feet to post at angle point;

**THENCE** continuing with fence the following courses numbered (8) thru (10);

(8) North 47 degrees 20 minutes South 113.15 feet;

(9) North 6 degrees 54 minutes West 7.28 feet;

(10) North 47 degrees 48 minutes East 235.12 feet to post at angle point for the most northerly northeast corner of the tract herein described;

**THENCE** continuing with fence South 68 degrees 53 minutes East 546.40 feet to post on the west line of the Old San Antonio Road for the most southerly northeast corner of the tract herein described, same being on the east line of said Gregg 251.0 acre tract;

**THENCE** with west line of Old San Antonio Road and the east line of the Gregg 251.0 acre tract as fenced and used upon the ground South 15 degrees 37 minutes East 799.85 feet to a corner fence post for the east corner of the tract herein described, and the east corner of said Gregg 251.0 acre tract, same being the north corner of that 206.5 acre tract of land conveyed to Bernhardt Juhn, by John Ewald, et ux Annie Ewald, by deed dated November 30, 1908, and recorded in Volume 56, Page 91, Hays County Deed Records;

**THENCE** leaving the west line of the Old San Antonio Road as fenced with the northwest line of the said Kuhn Tract and the southeast line of said Gregg 251 acre tract as fenced and used upon the ground thru following courses number (10) thru (12);

(10) South 22 degrees 02 minutes West 40.98 feet;

(11) South 60 degrees 48 minutes West 16.67 feet;

(12) South 49 degrees 36 minutes West 1570.56 feet to post at angle point;

THENCE with a northeast line of said Kuhn Tract and a southwest line of said Gregg 251.0 acre tract North 44 degrees 28 minutes West 39.9 feet to post at angle point;

THENCE with the northwest line of the Kuhn tract and the southeast line of the Gregg 251.0 acre tract as fenced and used upon the ground the following two courses;

(13) South 26 degrees 29 minutes West 49.94 feet;

(14) South 49 degrees 20 minutes West passing the west corner of the said Kuhn Tract and continue on in all 2122.20 feet to a post on the northeast line of a county road, and a northeast line of the said Robert Nance Tract for the south corner of the tract herein described, and the south corner of the Gregg 251.0 acre tract;

THENCE with the northeast line of said county road as fenced, and the southwest line of Gregg 251.0 acre tract,

North 76 degrees 27 minutes West 599.43 feet to corner post for the southwest corner of the tract herein described, same being the southwest corner of the Gregg 251.0 acre tract and being also a re-entrant corner of said Robert Nance 260.12 acre tract;

THENCE with the southwest line of said Gregg 251.0 acre tract and the northeast line of said Nance Tract as fenced and used upon the ground the following two courses;

15) North 16 degrees 00 minutes West 270.68 feet;

16) North 16 degrees 22 minutes West 1608.73 feet to the PLACE OF BEGINNING.

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.

4

File No. 155462

HAYS County

CONTRACT TO PURCHASE

Date Filed: 6-2-08

Jerry E. Patterson, Commissioner

By: *[Signature]*

SCANNED  
DATE 7/12/07 HH

TCB | AECOM

May 12, 2006

Phase I Environmental Site Assessment  
Hawn Arabian Ranch  
195.27 Acres  
Hays County, TX

Report  
of  
Phase I Environmental  
Site Assessment

Hawn Arabian Ranch  
195.27 Acres  
Hays County, TX

submitted to  
Texas General Land Office  
Austin, Texas

May 2006

**Report  
of  
Phase I  
Environmental Site Assessment**

Hawn Arabian Ranch  
195.27 Acres  
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

May 2006

TCB Project No. 60005485.00001

## TCB

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

May 5, 2006

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

**Subject: Report of Phase I Environmental Site Assessment  
Hawn Arabian Ranch – 195.27 Acres  
Old Stagecoach Road  
Hays County, Texas 78610  
TCB Project No. 60005485.0001**

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 Hays 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, C.T.  
Project Manager



Patricia A. Matthews, PE  
Associate Vice President

# Contents

Executive Summary.....	ii
1.0 Introduction.....	1
2.0 Purpose, Scope, and Report Format.....	2
2.1 Purpose.....	2
2.2 Scope of Services.....	2
2.3 Report Format.....	2
3.0 Hydrogeology.....	3
4.0 Historical Review.....	5
4.1 Past Site Uses.....	5
4.2 Past Immediately Surrounding Land Uses.....	6
4.3 Review of Previous Environmental Reports.....	6
5.0 Regulatory Review.....	7
6.0 Site and Area Reconnaissance.....	10
6.1 Site Reconnaissance.....	10
6.1.1 Property Description.....	10
6.1.2 Underground/Aboveground Storage Tanks.....	10
6.1.3 Hazardous Materials and Waste.....	10
6.1.4 Solid Waste.....	11
6.1.5 PCB Containing Fluids.....	11
6.1.6 Water Supply/Utilities.....	12
6.1.7 Wastewater.....	12
6.1.8 Wetlands and Floodplain Designation.....	12
6.1.9 Wells and Mine Shafts.....	13
6.1.10 Pits and Sumps.....	13
6.2 Area Reconnaissance.....	13
6.2.1 North.....	13
6.2.2 East.....	13
6.2.3 South.....	13
6.2.4 West.....	14
7.0 Conclusions and Recommendations.....	15
8.0 Limitations.....	16
9.0 References.....	17
Figures	
Figure 1 - Site Location Map	
Figure 2 - Site Plan and Vicinity Map	
Appendices	
Appendix A - Historical Aerial Photographs	
Appendix B - Regulatory Information, Correspondence/Record Logs	
Appendix C - Ground Photographs	
Appendix D - Flood Insurance Rate Map	
Appendix E - List of Preparers	

# Executive Summary

Hawn Arabian Ranch  
195.27 Acres  
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-17 effective April 12, 2006. The following summarizes TCB's findings, conclusions and recommendations based upon the assessment activities completed.

The subject property (Property) encompasses approximately 195 acres of mostly undeveloped, agricultural land located in Hays County. The Property is located about one mile west of Kyle, Texas, between Limekiln Road and Old Stagecoach Road. Improvements noted on the Property include a one-story residence, a mobile home residence, and several horse barns and related structures. Other improvements noted on the Property include a stock tank, two water wells and associated pump houses, and the existing fence. The Property is surrounded by tracts of undeveloped, agricultural land. 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 for the Property 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

Three aboveground storage tanks (ASTs) were noted on the central portion of the Property during the site reconnaissance. The ASTs are constructed of steel and two of the three ASTs are 500-gallon reservoirs and the third AST is a 300-gallon reservoir. Mr. Jesus Salinas, Ranch Foreman on the Property for about the past 30 years, reported that the two larger ASTs were formerly used to store unleaded gasoline for the owner's automobile, but that these two tanks have not been used in about the last 10 to 15 years. Mr. Salinas reported that the smaller 300-gallon AST is currently used to store diesel fuel for refueling farm vehicles and equipment, and remains in use. The Texas Commission on Environmental Quality (TCEQ) does not require registration of ASTs less than 1,000 gallons in capacity. No evidence of past releases, extensive soil staining or vegetative stress was noted in the general vicinity of the ASTs. However, due to the presence of the ASTs on the Property and the continued use of the AST containing diesel fuel, the AST storage area is considered a recognized environmental condition.

No other recognized environmental conditions were identified at the Property.

No evidence of recent dumping or landfilling was noted or reported. Miscellaneous, discarded farm equipment, rolled fencing, lumber and brush was noted near the central portion of the Property, but is not considered an environmental concern due to the inert nature of the material stored in this area. Ms. Hawn, the current owner, reported that this area of the ranch is used as a storage area for some of the equipment and that no chemicals, pesticides or other potentially hazardous materials were placed in this

area. No evidence of landfilling (subsurface burial of trash) was noted in this area or in the aerial photographs reviewed. No hazardous material labels or similar information was noted on the materials observed. Minor amounts of scattered household debris were noted in isolated areas across the Property but did not appear to present a source of environmental concern.

#### Requested ASTM Non-Scope Services

At the request of the GLO, the assessment included several additional ASTM non-scope services including a review of wetland information and a review of the floodplain designation. These issues or considerations are outside of the scope of the ASTM practice.

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 on the tract is classified as wetland-designated area. The maps are generated from aerial photographs and are not field-verified; however, impacts to this area may require a permit under the Clean Water Act.

According to the National Flood Insurance Program's Flood Insurance Rate Maps, the majority of the Property lies in Zone X, with some of the lower lying areas mapped as 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 of creeks draining the Property and is mapped along a drainage located on the west side of the Property.

#### Other Issues

Two water wells were observed on the Property. One of the water wells provides drinking water for the residences and the other well provides water for the stock tank. Records for the 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 residences 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 195.27-acre tract of mostly 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, except for the AST storage area observed on the Property.

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. However, based on our knowledge of historical concerns associated with these types of operations, we recommend a Limited Phase II Environmental Site Assessment be performed to determine if the shallow subsurface soils may be impacted from the ASTs. It is not likely that soil contamination is a potential threat to the health of any potential occupants or tenants, due to the current use of the Property. However, potential environmental impacts may reduce future marketability of the property. In order to confirm the presence or absence of impacts to the Property, it is recommended that a Limited Phase II Environmental Site Assessment be conducted to sample potentially impacted soil at the site.

We recommend that the discarded farm equipment and debris stored near the central portion of the Property be removed and disposed in an appropriate landfill.

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 area is classified as a wetlands-designated area. 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 the Hawn Arabian Ranch located in Hays County, Texas. The subject property (Property) is located about one mile west of Kyle, Texas, between Limekiln Road and Old Stagecoach Road.

This study was performed substantially as outlined in GLO Contract No. 05-172, dated January 28, 2005, and Work Order No. 05-172-WO-17 effective April 12, 2006.

The Property consists of a 195.27-acre tract of mostly undeveloped, agricultural land. Improvements noted on the Property include a one-story residence, a mobile home residence, and several horse barns and related structures. Other improvements noted on the Property include a stock tank, two water wells and associated pump houses, and the existing fence. The current owner of the Property is reported to be Mr. Reed Hawn.

A TCB professional, experienced in environmental site assessments, performed fieldwork on the Property on April 28, 2006. Site information and access was provided by Ms. Margaret Hawn, wife of the current owner of the Property and Mr. Jesus Salinas, foreman of the former ranch operations who has been acquainted with the Property for about the past thirty years.

## 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, Texas* prepared by the Texas Commission on Environmental Quality (TCEQ). Reviewed on-line: <http://gis.tnrc.state.tx.us/website/iredwards1/viewer.htm> (accessed April 25, 2006)
- *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. <http://wiid.twdb.state.tx.us/> (accessed April 25, 2006), and
- 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 assess 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 the Blackland Prairie which is east of the Edwards Plateau and consists mainly of deep clays. Topography of the Blackland Prairie consists of a slightly to moderately dissected area where slopes are commonly less than two percent.

According to the USGS topographic map referenced above, the Property is gently sloping with a surface elevation ranging from approximately 830 feet above mean sea level (msl) to 740 feet above msl (*Figure 1*). In general, the Property gently slopes in two directions to the west-southwest and to the north-northeast. The shallow draw on the west side of the Property eventually drains into the Blanco River, a short distance to the south. On the northern portion of the Property, the drainage flows northerly and eventually flows into Plum Creek which eventually flows into the Guadalupe River near Gonzales, Texas. The southern portion of the Property is located in the drainage basin of the Blanco River Watershed and the northern portion lies within the Guadalupe River Watershed. 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 with the remaining

northern portion draining toward Plum Creek and the Guadalupe River. It is assumed that the apparent shallow ground-water flow direction in this area will generally be to either the west-southwest or to the north-northeast based on interpretation of the surface topography.

*The Soil Survey of Comal and Hays County* indicates that three different soil units are mapped across the Property including soils of the Austin Series, the Castephen Series, and the Real Series which are mapped across the majority of the Ranch. Real Soils consist of shallow, gently sloping soil on convex slopes of low hills and ridges on uplands. The underlying material is strongly cemented platy chalk. Soils of the Austin and Castephen Series consist of shallow to deep, gently sloping soils over chalk or marly clay on uplands of Blackland Prairie. Both soils are well drained and surface runoff is medium (SCS 1984).

The *Geologic Atlas of Texas, Seguin Sheet*, indicates the Property is underlain by Upper Cretaceous-age marine deposits of the Austin Group. The Austin Chalk Formation consists of chalk, marly limestone and limestone. Groundwater occurs in the Austin Chalk in the upper weathered outcrop portion and in numerous fractures and joints in the formation. According to the *Geologic Atlas of Texas, Seguin Sheet*, no major faults or fractures are shown on the subject property, nor was evidence of such observed during the site reconnaissance.

According to the *Edwards Aquifer Recharge Zone Maps* prepared by the TCEQ, a small portion of the extreme west-southwestern corner of the Property is located in the hydrogeologic province known as the Edwards Aquifer Recharge Zone (EARZ). The central portion of the Property is mapped within the Edwards Aquifer Contributing Zone within the Transition Zone, and the remaining north-northeast portion of the Property 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 within the recharge zone are regulated and will require the preparation and approval of a water pollution abatement plan or WPAP. Construction activities in the transition zone are not regulated unless the construction activities include installation of petroleum storage tanks or other specific activities.

Area ground-water use and depths were determined through a review of information about water wells in the vicinity. Texas Water Development Board (TWDB) publications and website show several water wells located within one mile of the Property. No water wells are mapped on the Property. According to available records the surrounding water wells produce water from the Edwards Formation and are about 400 to 850 feet deep. Other wells in the area also produce water from the Edwards and all are reported to be used for domestic/irrigation purposes. Two water wells were observed on the Property during our 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-southwest toward the Blanco River and to the north-northeast toward Plum Creek. 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 (VARGIS); aerial photographs dated 1996, 1980, 1965 and 1951 obtained from Texas Natural Resource Information Systems (TNRIS)
- USGS topographic map, *San Marcos North, Texas* quadrangle, 7.5-minute series, dated 1964 (*Figure 1*)
- USGS topographic map, *Mountain City, Texas* quadrangle, 7.5-minute series, dated 1968 (*Figure 1*) and;
- Interview with Mr. Mike Schroeder, current real estate broker for the Property, Ms. Margaret Hawn, wife of the current owner, and Mr. Jesus Salinas, foreman of the former ranch operations who has worked on the Property for about the past thirty years.

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.

AERIAL PHOTOGRAPH SUMMARY		
Date	Property Use	Source
1951	The Property appears as undeveloped or cultivated ranch land. No improvements evident on Property.	TNRIS
1965	The Property appears relatively unchanged from the 1951 aerial photograph except that a driveway leads into the central portion of the Property. Small rectangular feature shown on north end of ranch appears to be an anomaly related to photograph development.	TNRIS
1980	The Property appears relatively unchanged from the 1965 aerial photograph except the outline of several buildings are evident on central portion of Property and a stock tank is shown under development on west side of ranch.	TNRIS
1996	The Property appears similar to its present day appearance. Stock tank is shown on west side of ranch.	VARGIS
2002	The Property appears similar to its present day appearance.	CAPCO

Review of the 1964 and 1968 topographic maps show the Property as vacant, undeveloped land, except for a driveway and building or shed located near central portion of the Property. Ms. Hawn reported that Mr. Ralph Fuller purchased the Property from the Gregg Family in the early 1960s and built the one-story stone ranch house that currently exists on the Property. Prior to Mr. Fuller purchasing the Property in the early 1960s, the Gregg Family had owned the land dating back to before 1940. Ms. Hawn reported that her husband, Mr. Reed Hawn purchased the Property from Mr. Fuller in 1973 and constructed the remaining barns and sheds on the Property. Ms. Hawn reported that she and her husband raised Arabian horses for about 25 years before they retired from the business several years ago.

Mr. Schroeder, Ms. Hawn and Mr. Salinas were not aware of any past landfilling activities (subsurface burial of trash) on the Property, "midnight dumping" or other issues of potential environmental concern. Mr. Schroeder, Ms. Hawn, and Mr. Salinas also stated that they were not aware of any environmental concerns associated with the Property.

No 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 and 1980 aerial photographs generally show the adjacent properties located to the immediate north, east, west, and south to be mostly undeveloped agricultural land. Review of the 1964 and 1968 USGS topographic maps referenced above shows the surrounding property as vacant, undeveloped land except for a landing strip shown to the east of the Property adjacent to Old Stagecoach Road. The 1996 and 2002 aerial photograph (*Figure 2*) shows the surrounding properties and land use much as they appeared during our area reconnaissance. Further information regarding the adjacent properties and land use currently located in the site vicinity 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 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 unmappable 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 January 2006

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 January 2006

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 October 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 October 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 January 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 January 2006

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 2006

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

- The Property does 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 January 2006

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 December 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 July 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 April 28, 2006.

### 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. Mike Schroeder, current real-estate broker for the Property, Ms. Margaret Hawn, wife of the current owner and Mr. Jesus Salinas, foreman of the former ranch operations who has worked on the ranch for about the past thirty years. Ms. Hawn reported that her husband purchased the Property in 1973 and that the Property has been used for raising Arabian Horses and agricultural 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 mostly undeveloped, agricultural land (*Figures 1 and 2 and Photograph Nos. 1 through 8*). Improvements noted on the Property include a one-story residence, a mobile home residence, and several horse barns and related structures. Other improvements noted on the Property include a stock tank, two water wells and associated pump houses, and the existing fence. The Property is surrounded by tracts of undeveloped, agricultural land and new construction of single-family homes.

#### 6.1.2 Underground/Aboveground Storage Tanks

On the basis of our site reconnaissance and interviews with Ms. Hawn and Mr. Salinas, 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.

Three aboveground storage tanks (ASTs) were noted on the central portion of the Property during the site reconnaissance (*Photograph No. 4*). The ASTs are constructed of steel and two of the three ASTs are 500-gallon reservoirs and the third AST is a 300-gallon reservoir. Mr. Salinas reported that the two larger ASTs were formerly used to store unleaded gasoline for the owner's automobile but that these two tanks have not been used in about the last 10 to 15 years. Mr. Salinas reported that the smaller capacity 300-gallon AST is currently used to store diesel fuel for refueling farm vehicles and equipment, and remains in use. The TCEQ does not require registration of ASTs less than 1,000 gallons in capacity. No evidence of past releases, extensive soil staining or vegetative stress was noted in the general vicinity of the ASTs.

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.

#### 6.1.3 Hazardous Materials and Waste

The site reconnaissance included visual observation of the property for indications of potential environmental concern. Ms. Hawn and Mr. Salinas reported that the Property is currently used for agricultural purposes only, such as raising livestock (approximately five

head of cattle at present). Ms. Hawn and Mr. Salinas reported that they were 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. Our experience with these type of ranching 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 Property 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.

A storage barn was observed on the central portion of the Property near the primary residence. Several one gallon containers of oil-based products and paints were noted inside the storage shed. According to Mr. Salinas, the oil-based products are used for the operation and maintenance of some of the farm equipment (tractor, trailers, chain saws, etc.) observed in this area. In general, the materials observed were in their original labeled containers on shelves and appeared neat and orderly and no excessive staining or evidence of staining or past releases was noted. Based on our observations, the storage of these materials do not appear to represent evidence of a recognized environmental condition.

No other chemicals, petroleum products or hazardous materials were observed on the Property.

#### **6.1.4 Solid Waste**

No landfills were observed during our on-site reconnaissance, and no evidence of previous landfills or dumping activities was discovered or reported during our review of historical and regulatory data for the site. No staining or vegetative stress was noted on the Property. Ms. Hawn and Mr. Salinas were not aware of any landfilling or past dumping activities that have occurred at the Property.

Miscellaneous, discarded farm equipment, rolled fencing, lumber and brush was noted near the central portion of the Property, but is not considered an environmental concern due to the inert nature of the material stored in this area. Ms. Hawn reported that this area of the ranch is used as a storage area for some of the equipment and that no chemicals, pesticides or other potentially hazardous materials were placed in this area. No evidence of landfilling (subsurface burial of trash) was noted in these areas or in the aerial photographs reviewed. No hazardous material labels or similar information was noted on the materials observed. Minor amounts of scattered household debris were noted in isolated areas across the Property but did not appear to present a source of environmental concern.

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 (house and barn structures) 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 and telephone) provide service to the Property. No recognized environmental conditions were noted for the easements or utilities in the area.

Approximately two domestic/irrigation water wells screened in the Edwards Aquifer are located on the Property and provide water for the residences and for the stock tank (*Photograph No. 5*). Mr. Salinas reported that the two wells are screened at depths ranging from about 350 to 450 feet. Both of the wells are equipped with an electric pump. No city water supply or municipalities provide water service to the ranch. No other utilities were reported or noted on the Property. No recognized environmental conditions were noted for the utilities in the area.

#### 6.1.7 Wastewater

Mr. Salinas reported the ranch house and trailer home each currently use a septic system. Mr. Salinas that no wastewater service is available for the Property at this time, although water and wastewater service lines are located nearby for the residential subdivisions currently under construction to the north across Old Stagecoach Road. Mr. Salinas and Ms. Hawn reported that 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 *Mountain City* and *Seguin, Texas* Quadrangles, as mapped and prepared by the U.S. Fish & Wildlife Service and National Wetlands Inventory dated 1993 and 1984, respectively. Based upon our review of the maps, the Property is located in an uplands area and no wetlands were mapped on the Property. However, the stock tank was not created on the Property until after 1984, the date of the *Seguin, Texas* Quadrangle Map. Our preliminary field evaluation conducted on the Property identified the stock tank area 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 185E, 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 drainage located across the west side of the Property, with the remainder of the Property mapped as Zone X. A copy of the Floodplain Designation 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 did not plot any water wells on the site. However, based on our interview with Mr. Salinas and Ms. Hawn and our site reconnaissance, there are two water wells located on the Property (*Photograph No. 5*). Mr. Salinas reported that the wells are screened in the Edwards aquifer and are approximately 350 to 400 feet deep. One well provides water for the residences and the other well is used to provide water to the stock tank, on an "as-needed" basis. 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 gravel pits or sumps were observed or reported on the Property.

## 6.2 Area Reconnaissance

The area reconnaissance was performed to assist in evaluating if adjacent land uses have or could have contaminated the Property. 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 (higher elevation) properties identified in the regulatory lists, if any, were visited during the area reconnaissance.

In general, properties surrounding the Property include residential, commercial and light industrial development and vacant, undeveloped 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 north-northeastern boundary of the Property is bordered by vacant land and Old Stagecoach Road. Farm to Market (FM) Road 150 is located further away to the north-northeast (*Figure 2*). Single-family residential homes are currently under construction to the north-northeast of the Property between Old Stagecoach Road and FM 150. Mr. Salinas reported that about 850 homes are to be constructed in this area. The Plum Creek Subdivision is located across FM 150 to the north.

### 6.2.2 East

The east-southeastern boundary of the Property is bordered by mostly vacant, undeveloped agricultural land (*Figure 2*). Mr. Salinas reported that this land is currently owned by the Gregg Family, who formerly owned the Gregg Ranch located to the west of the Property. Other land use noted in the area includes a single-family residential home and a commercial business, Optimum Steel Industries along Old Stagecoach Road. Additional single-family residences are located across Old Stagecoach Road.

### 6.2.3 South

The southern boundary of the Property is bordered by Limekiln or Cypress Road. Vacant, undeveloped agricultural land is located further away to the south (*Figure 2*).

**6.2.4 West**

The western boundary of the Property is bordered by the Nance Ranch and the Greg Ranch which consists of vacant, undeveloped agricultural land (*Figure 2*). The Blanco River is located about 0.5 mile to the west.

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

## 7.0 Conclusions and Recommendations

TCB has performed a Phase I ESA in general conformance with the scope and limitations of ASTM E1527-00 of a 195.27-acre tract of mostly 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, except for the potential concern associated with three aboveground storage tanks observed on the Property.

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. However, based on our knowledge of historical concerns associated with these types of operations, we recommend a Limited Phase II Environmental Site Assessment be performed to determine if the shallow subsurface soils may be impacted from the ASTs. It is not likely that soil contamination is a potential threat to the health of any potential occupants or tenants, due to the current use of the Property. However, potential environmental impacts may reduce future marketability of the property. In order to confirm the presence or absence of impacts to the Property, it is recommended that a Limited Phase II Environmental Site Assessment be conducted to sample potentially impacted soil at the site.

We recommend that the discarded farm equipment and debris stored near the central portion of the Property be removed and disposed in an appropriate landfill.

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 area is classified as a wetlands-designated area. 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.

## 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

American Society for Testing Materials (ASTM). 2000. *Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process*.

Barnes, V.E., 1974. Austin Sheet: The University of Texas at Austin, Bureau of Economic Geology, *Geologic Atlas of Texas*, scale 1:250,000. Reprinted 1981.

Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM) for Hays County, Texas and Incorporated Areas. Panel 192, Map Number 48209C0192 E dated February 18, 1998.

Garner, L.E., and K.P. Young. 1976. *Environmental Geology of the Austin Area: An Aid to Urban Planning*: The University of Texas at Austin, Bureau of Economic Geology, Report of Investigations No. 86, 39 p.

GeoSearch Information Solutions, Incorporated (GeoSearch). 2006. *Radius Report. Hawn Arabian Ranch, Hays County, Texas*. Dated April 19, 2006.

Soil Conservation Service (SCS). 1984. *Soil Survey of Comal and Hays County, Texas*.

Texas Commission on Environmental Quality (TCEQ), *Edwards Aquifer Recharge Zone Maps*, accessed online, <http://gis.tnrcc.state.tx.us/website/iredwards1/viewer.htm>.

Texas Water Development Board, Water Information and Integration System, plotted wells for the *San Marcos North, Texas* and *Mountain City, Texas* quadrangle maps. <http://wiid.twdb.state.tx.us/> (accessed April 14, 2006).

U.S. Fish & Wildlife Service. 1993. *Mountain City*. National Wetlands Inventory (Base Map – U.S. Geological Survey map, 1:24,000 scale map).

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

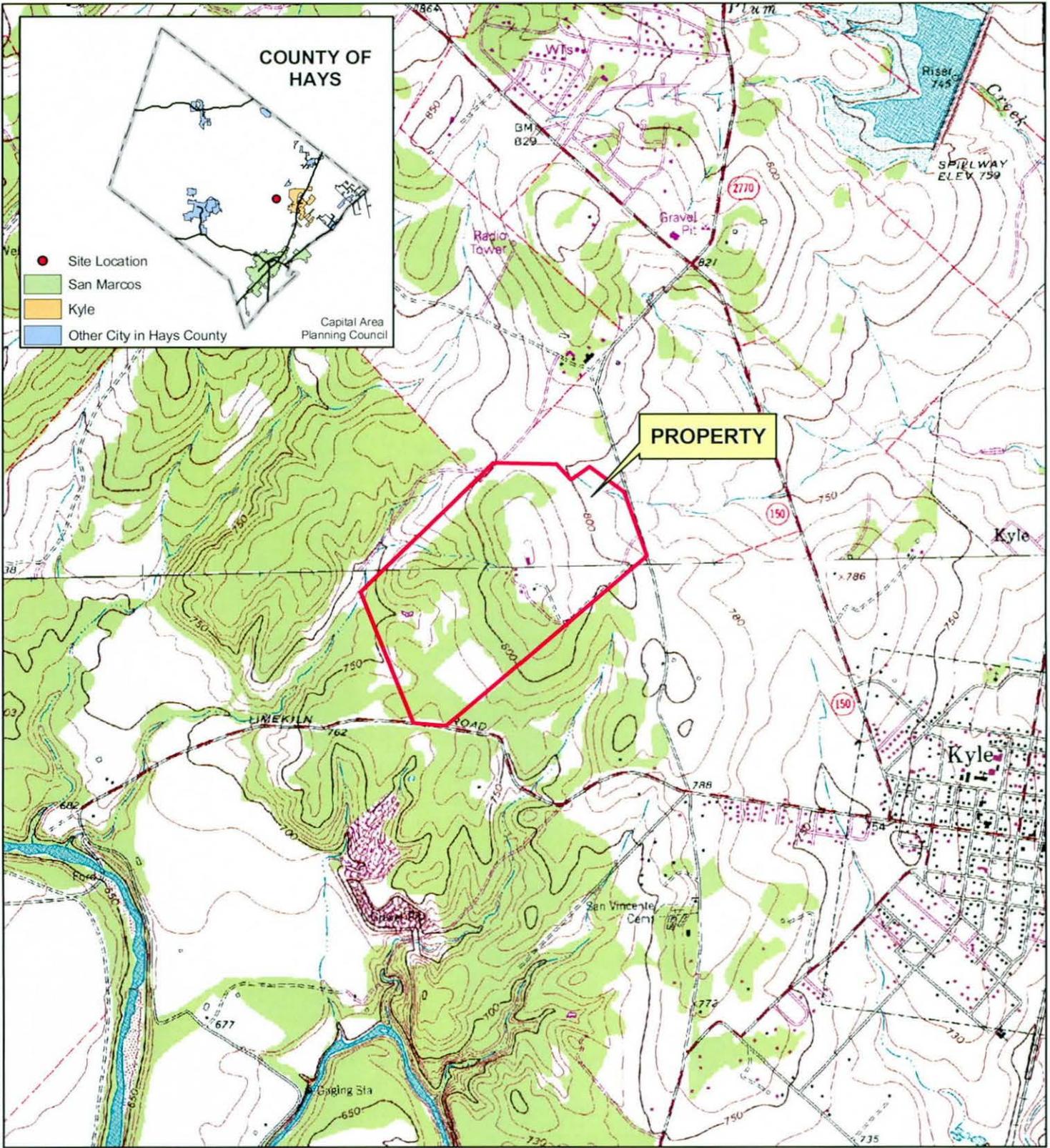
U.S. Geological Survey (USGS) Topographic Map, 7.5-minute Series, *San Marcos North, Texas*, dated 1964.

U.S. Geological Survey (USGS) Topographic Map, 7.5-minute Series, *San Marcos North, Texas*, dated 1973.

U.S. Geological Survey (USGS) Topographic Map, 7.5-minute Series, *Mountain City, Texas*, dated 1968.

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

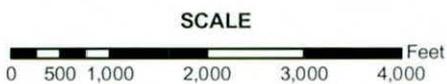
## Figures



**LEGEND**

 PROPERTY BOUNDARY (APPROXIMATE)

**FIGURE 1**  
**SITE LOCATION MAP**  
**HAWN ARABIAN RANCH - 195.27 ACRES**  
**HAYS COUNTY, TEXAS**



**TCB | AECOM**

**PROJECT NO. 600005485.00001**

**DATE: MAY 2006**

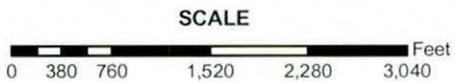


**LEGEND**



PROPERTY BOUNDARY (APPROXIMATE)

**FIGURE 2**  
**SITE PLAN and VICINITY MAP**  
**HAWN ARABIAN RANCH - 195.27 ACRES**  
**HAYS COUNTY, TEXAS**



**TCB | AECOM**

**PROJECT NO. 60005485.00001**

**DATE: MAY 2006**

# Appendices

Appendix A



**LEGEND**

 PROPERTY BOUNDARY (APPROXIMATE)

HISTORICAL AERIAL PHOTOGRAPH  
1951  
HAWN ARABIAN RANCH  
HAYS COUNTY, TEXAS

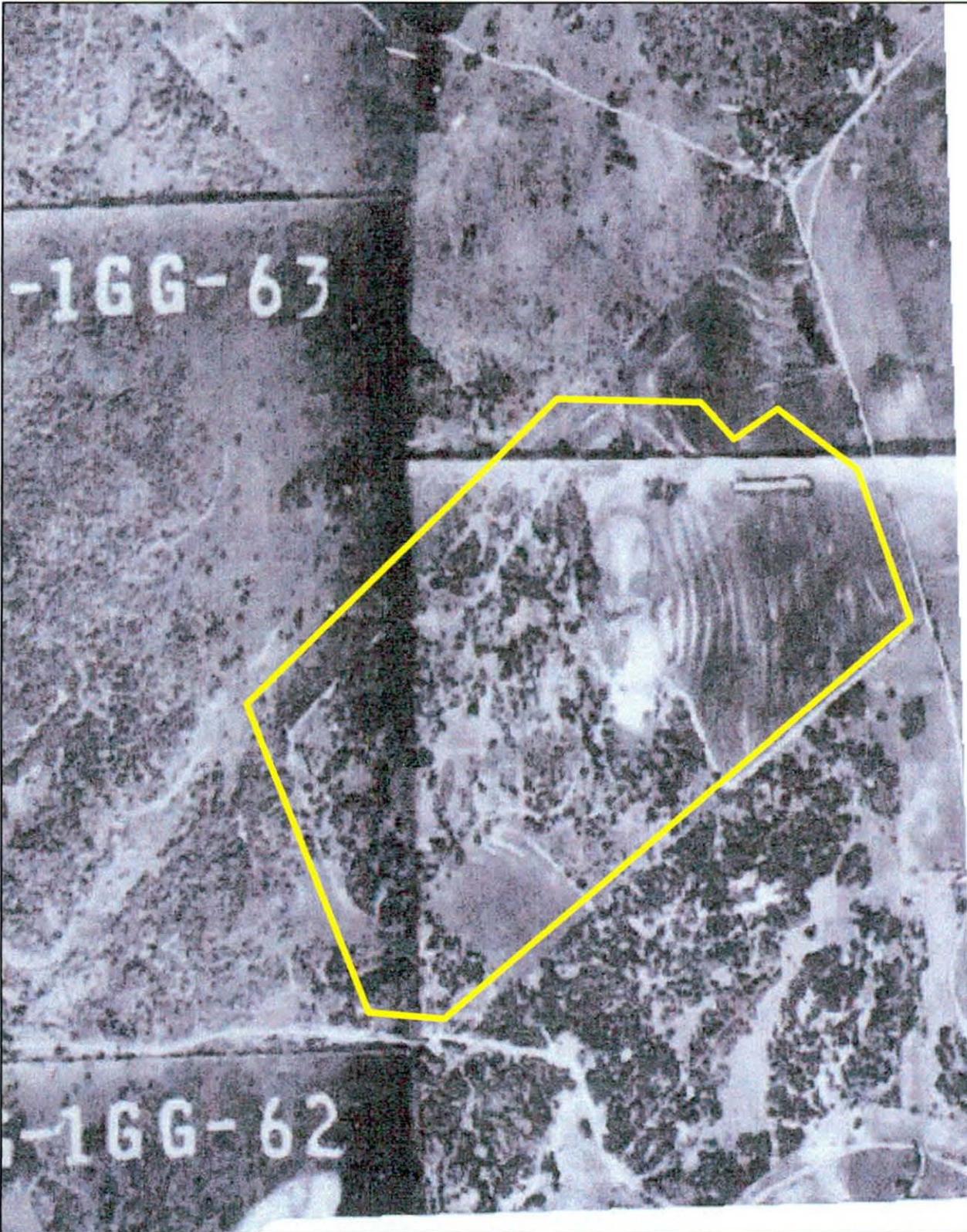
**SCALE**  
0 380 760 1,520 2,280 3,040 Feet



TCB | AECOM

PROJECT NO. 60005485.00001

DATE: MAY 2006



**LEGEND**

 PROPERTY BOUNDARY (APPROXIMATE)

HISTORICAL AERIAL PHOTOGRAPH  
1965  
HAWN ARABIAN RANCH  
HAYS COUNTY, TEXAS

**SCALE**



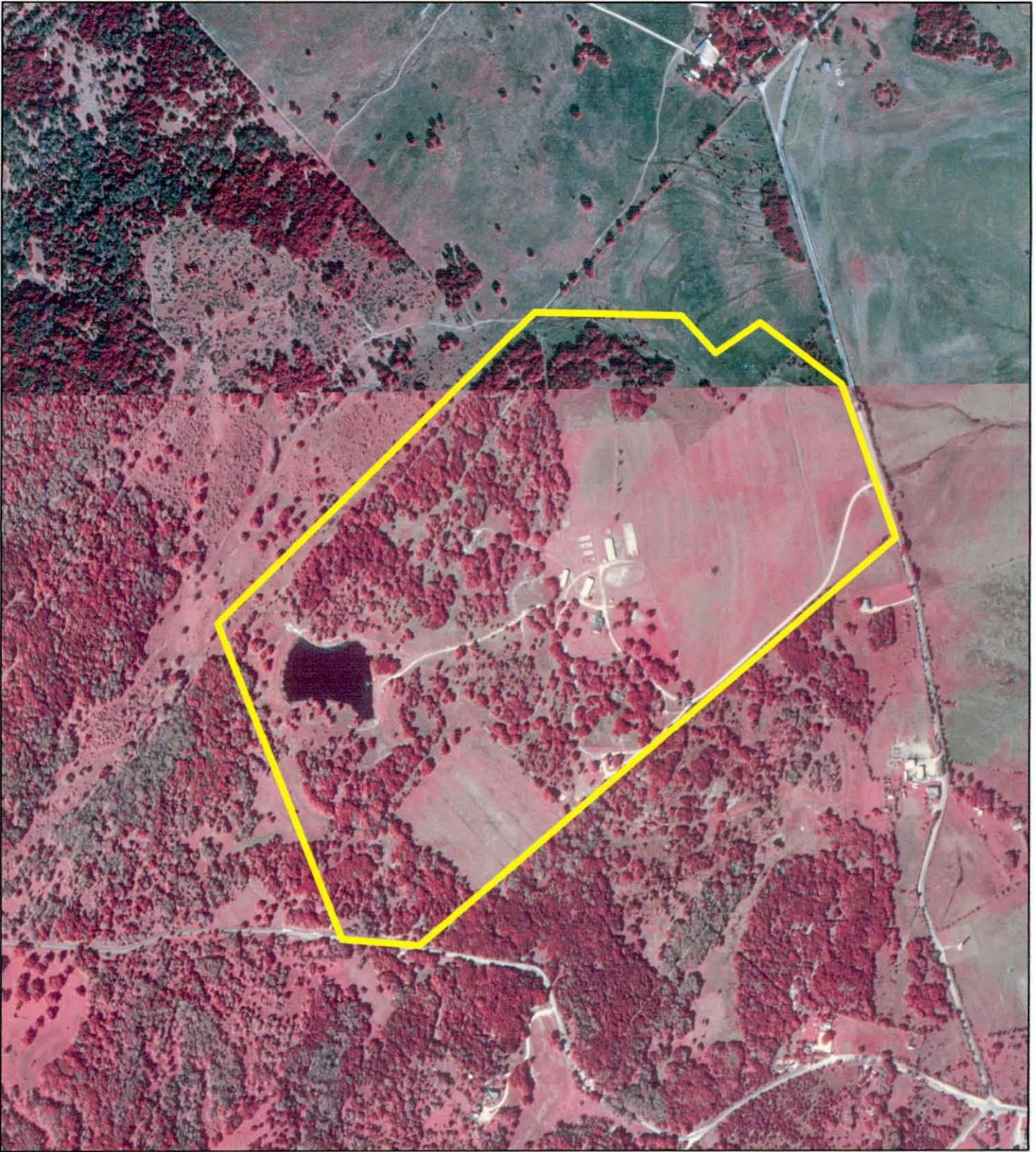
0 230 460 920 1,380 1,840 Feet



TCB | AECOM

PROJECT NO. 600005485.00001

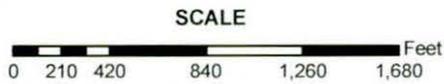
DATE: MAY 2006



**LEGEND**

 PROPERTY BOUNDARY (APPROXIMATE)

HISTORICAL AERIAL PHOTOGRAPH  
1996  
HAWN ARABIAN RANCH  
HAYS COUNTY, TEXAS



TCB | AECOM

PROJECT NO. 60005485.00001

DATE: MAY 2006

E:\Phase I\ESAs\General Land Office\HawnArabian\GIS\Historical\_1996\_Hawn.mxd

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

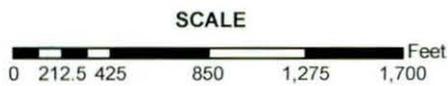


E:\Phase 1 ESAs\General Land Office\Hawn\Araban\GIS\Historical\_1980\_Hawn.mxd

**LEGEND**

 PROPERTY BOUNDARY (APPROXIMATE)

HISTORICAL AERIAL PHOTOGRAPH  
1980  
HAWN ARABIAN RANCH  
HAYS COUNTY, TEXAS



TCB | AECOM

PROJECT NO. 60005485.00001

DATE: MAY 2006

Note: TCB does not warrant the accuracy of this map, either to scale, accuracy or completeness. Source: TNRIS aerial photograph dated 1980.

## Appendix B



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***RADIUS REPORT***

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*Property:*

Hawn Arabian Ranch  
Limekiln Road  
Hays County, TX 78610  
Project # 60005485

*Prepared For:*

**TCB - Austin**

**Job #: 55260 / Date: 05/01/06**

## DATABASE FINDINGS SUMMARY

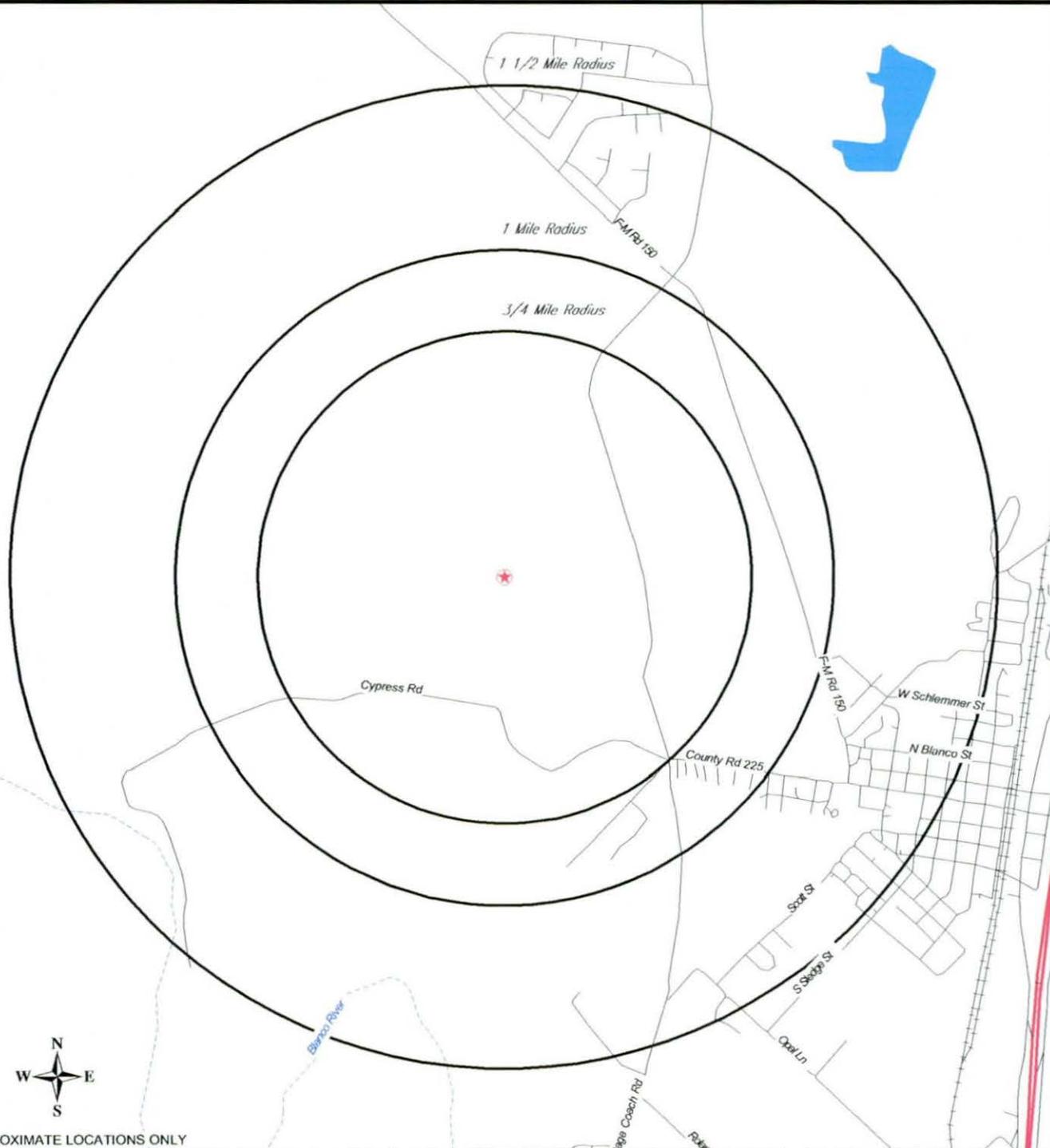
\*Target property is located in Radon Zone 3. Zone 3 counties have a predicted average indoor radon screening level less than 2 pCi/L.

DATABASE	ACRONYM	LOCA-TABLE	UNLOCA-TABLE	SEARCH RADIUS
<u>FEDERAL</u>				
NATIONAL PRIORITY LIST	NPL	0	0	1.500 mi
DELISTED NATIONAL PRIORITY LIST	DNPL	0	0	1.500 mi
RECORDS OF DECISION	RODS	0	0	1.500 mi
COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION & LIABILITY INFORMATION SYSTEM	CERCLIS	0	0	1.000 mi
NO FURTHER REMEDIAL ACTION PLANNED	NFRAP	0	0	1.000 mi
RESOURCE CONSERVATION & RECOVERY ACT - CORRECTIVE ACTION	RCRAC	0	0	1.500 mi
RESOURCE CONSERVATION & RECOVERY ACT - TREATMENT, STORAGE & DISPOSAL	RCRAT	0	0	1.000 mi
RESOURCE CONSERVATION & RECOVERY ACT - GENERATOR / HANDLER	RCRAG	0	0	0.750 mi
EMERGENCY RESPONSE NOTIFICATION SYSTEM	ERNS	0	0	0.750 mi
OPEN DUMP INVENTORY	ODI	0	0	1.000 mi
AIRS FACILITY SUBSYSTEM	AFS	0	0	0.750 mi
<u>STATE</u>				
STATE SUPERFUND	TXSF	0	0	1.500 mi
VOLUNTARY CLEANUP PROGRAM	VCP	0	0	1.000 mi
MUNICIPAL SOLID WASTE LANDFILL SITES	MSWLF	0	0	1.000 mi
CLOSED & ABANDONED LANDFILL INVENTORY	CALF	0	0	1.000 mi
LEAKING PETROLEUM STORAGE TANK	LPST	0	0	1.000 mi
PETROLEUM STORAGE TANKS	PST	0	4	0.750 mi
SPILLS LISTING	SPILLS	0	0	0.750 mi
INDUSTRIAL AND HAZARDOUS WASTE	IHW	0	0	0.750 mi
INNOCENT OWNER / OPERATOR PROGRAM	IOP	0	0	1.000 mi
DRY CLEANER REGISTRATION	DCR	0	0	0.750 mi
BROWNFIELD SITE ASSESMENT	BSA	0	0	1.000 mi
TOTAL		0	4	

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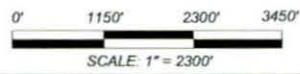


APPROXIMATE LOCATIONS ONLY

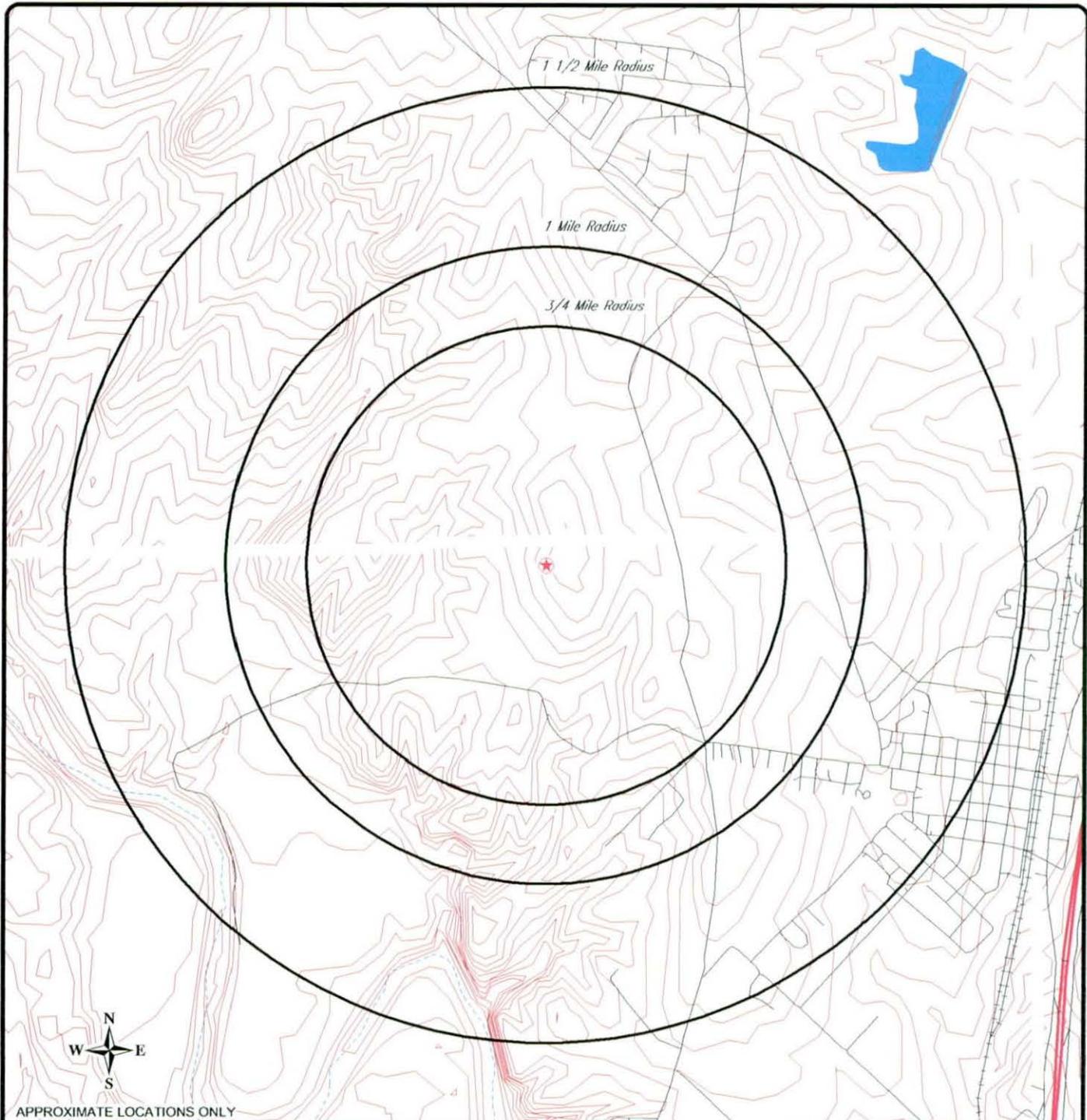
★ TARGET PROPERTY (TP)

**SITE MAP**

Hawn Arabian Ranch  
Limekiln Road  
Hays County, TX 78610  
Project #: 60005485



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

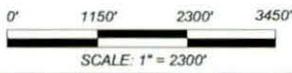


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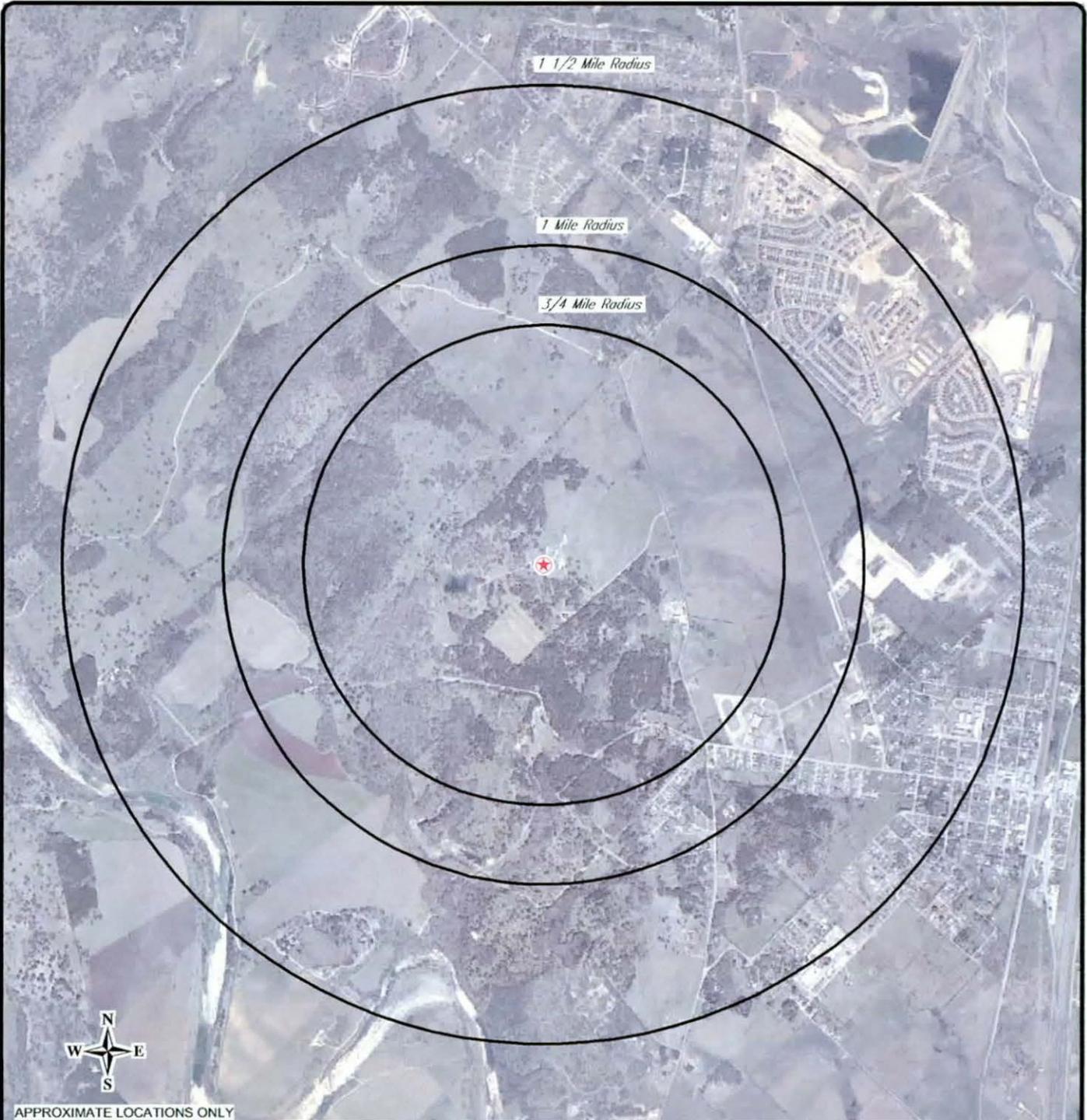
-  TARGET PROPERTY (TP)
-  CONTOUR INTERVAL

**SITE/CONTOUR MAP**  
 San Marcos North Quadrangle  
 Source: USGS Digital Elevation Model

Hawn Arabian Ranch  
 Limekiln Road  
 Hays County, TX 78610  
 Project #: 60005485



2705 Bee Caves Rd, Suite 330  
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 866-396-0042



1 1/2 Mile Radius

1 Mile Radius

3/4 Mile Radius

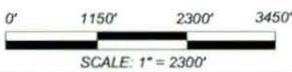


APPROXIMATE LOCATIONS ONLY

★ TARGET PROPERTY (TP)

**ORTHOPHOTO SITE MAP**  
 San Marcos North Quadrangle  
 Source: Sanborn Map Co. (02/2002)

Hawn Arabian Ranch  
 Limekiln Road  
 Hays County, TX 78610  
 Project #: 60005485



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

## REPORT SUMMARY OF UNLOCATABLE SITES

*The list below identifies sites that are found to be unlocatable due to vague or incomplete location information. Sites on this list may or may not be located within the area searched for this report.*

DATABASE TYPE	SITE ID#	SITE NAME	ADDRESS	CITY	ZIP CODE
PST	0004689	H & R INC	RT 1 W	KYLE	78640
PST	0016838	ALS PLACE	RT 1 A	KYLE	78640
PST	0025104	GROBOWSKY GARAGE SERV STA	RT 1	KYLE	78640
PST	0031977	GRAY BEN E	RT 1 B	KYLE	78640



**PETROLEUM STORAGE TANK (PST)**

**MAP ID# 0** Distance from Property: 0.00 mi.

**FACILITY INFORMATION**

ID#: 0004689 FACILITY TYPE: UNIDENTIFIED  
NAME: H & R INC  
ADDRESS: RT 1 W  
KYLE, TX  
CONTACT: M. RHADBANE  
PHONE: 512/398-3559

**OWNER INFORMATION**

NAME: H & R INC  
ADDRESS: RT 1 W BOX 148  
KYLE, TX 78640  
CONTACT:  
PHONE: 512

**TANK INFORMATION**

TANKID#/TYPE 1/UST INSTALLED: NOT STATUS(DATE): REMOVED FROM GROUND (03/08/1993)  
CAPACITY(gal.): 0 CONTENTS: GASOLINE  
TANK MATERIAL/CONTAINMENT: STEEL / NOT REPORTED  
PIPE MATERIAL/CONTAINMENT: STEEL / NOT REPORTED  
TANK/PIPE RELEASE DETECTION: NOT REPORTED / NOT REPORTED  
TANK/PIPE CORROSION PROTECTION: NOT REPORTED / NOT REPORTED  
SPILL/OVERFILL PROTECTION: NOT REPORTED

TANKID#/TYPE 2/UST INSTALLED: NOT STATUS(DATE): REMOVED FROM GROUND (03/08/1993)  
CAPACITY(gal.): 0 CONTENTS: GASOLINE  
TANK MATERIAL/CONTAINMENT: NOT REPORTED / SINGLE WALL  
PIPE MATERIAL/CONTAINMENT: NOT REPORTED / SINGLE WALL  
TANK/PIPE RELEASE DETECTION: NOT REPORTED / NOT REPORTED  
TANK/PIPE CORROSION PROTECTION: NOT REPORTED / NOT REPORTED  
SPILL/OVERFILL PROTECTION: NOT REPORTED

**MAP ID# 0** Distance from Property: 0.00 mi.

**FACILITY INFORMATION**

ID#: 0016838 FACILITY TYPE: UNIDENTIFIED  
NAME: ALS PLACE  
ADDRESS: RT 1 A  
KYLE, TX  
CONTACT: GABRICH GARCIA  
PHONE: 512/357-6458

**OWNER INFORMATION**

NAME: ALS PLACE  
ADDRESS: RT 1 BOX 130 A  
MAXWELL, TX 78650  
CONTACT:  
PHONE: 1205706458

**TANK INFORMATION**

TANKID#/TYPE 1/UST INSTALLED: 01/01/1956 STATUS(DATE): REMOVED FROM GROUND (08/26/1991)  
CAPACITY(gal.): 1000 CONTENTS: GASOLINE  
TANK MATERIAL/CONTAINMENT: STEEL / NOT REPORTED  
PIPE MATERIAL/CONTAINMENT: STEEL / NOT REPORTED  
TANK/PIPE RELEASE DETECTION: NOT REPORTED / NOT REPORTED  
TANK/PIPE CORROSION PROTECTION: NOT REPORTED / NOT REPORTED  
SPILL/OVERFILL PROTECTION: NOT REPORTED

TANKID#/TYPE 2/UST INSTALLED: 01/01/1956 STATUS(DATE): REMOVED FROM GROUND (08/26/1991)  
CAPACITY(gal.): 1000 CONTENTS: GASOLINE  
TANK MATERIAL/CONTAINMENT: STEEL / NOT REPORTED  
PIPE MATERIAL/CONTAINMENT: STEEL / NOT REPORTED  
TANK/PIPE RELEASE DETECTION: NOT REPORTED / NOT REPORTED  
TANK/PIPE CORROSION PROTECTION: NOT REPORTED / NOT REPORTED  
SPILL/OVERFILL PROTECTION: NOT REPORTED





## ENVIRONMENTAL RECORDS DEFINITIONS - FEDERAL

AFS	Aerometric Information Retrieval System/ Airs Facility Subsystem	(2/2005)	ASTM Supplemental
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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.

BRS	Biennial Reporting System	(1/2003)	ASTM Supplemental
-----	---------------------------	----------	-------------------

The United States Environmental Protection Agency (EPA), in cooperation with the States, biennially collects information regarding the generation, management, and final disposition of hazardous wastes regulated under the Resource Conservation and Recovery Act of 1976 (RCRA), as amended. The purpose of this report is to communicate the findings of EPA's Biennial Reporting System (BRS) data collection efforts to the public, government agencies, and the regulated community.

CERCLIS	Comprehensive Environmental Response, Compensation & Liability Information System	(1/2006)	ASTM
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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	(1/2006)	ASTM
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This database includes U.S. Environmental Protection Agency (EPA) Final National Priority 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.

DOCKETS	Epa Docket Data		ASTM Supplemental
---------	-----------------	--	-------------------

EPA Docket data lists Civil Case Defendants, filing dates as far back as 1971, laws broken including section, violations that occurred, pollutants involved, penalties assessed and superfund awards all by facility and geographically.

DOD	Department Of Defense Sites	(1/2005)	ASTM Supplemental
-----	-----------------------------	----------	-------------------

This information originates from the National Atlas of the United States, publication date October 2005. Army DOD, Army Corps of Engineers DOD, Air Force DOD, Navy DOD and Marine DOD areas of 640 acres or more are included.



## ENVIRONMENTAL RECORDS DEFINITIONS - FEDERAL

ERNS	Emergency Response Notification System	(1/2004)	ASTM
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This 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	(4/2005)	ASTM Supplemental
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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.

FUDS	Formerly Used Defense Sites	(12/2005)	ASTM Supplemental
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Formerly Used Defense Sites

HMIRS	Hazardous Materials Incident Reporting System	(2/2004)	ASTM Supplemental
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The HMIRS database contains unintentional hazardous materials release information reported to the US Department of Transportation.

MLTS	Material Licensing Tracking System	(11/2005)	ASTM Supplemental
------	------------------------------------	-----------	-------------------

MLTS is a list of approximately 8,100 sites which have or use radioactive materials subject to Nuclear Regulatory Commission (NRC) licensing requirements.

NCDB	National Compliance Database System	(2/2005)	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). NCDB contain administrative case listings and NCDBI contain facility inspection information.

NFRAP	No Further Remedial Action Planned	(1/2006)	ASTM
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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	(2/2005)	ASTM Supplemental
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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.



## ENVIRONMENTAL RECORDS DEFINITIONS - FEDERAL

NPL	National Priority List	(1/2006)	ASTM
<p>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.</p>			
ODI	Open Dump Inventory	(6/1985)	ASTM Supplemental
<p>Information on facilities or sites where solid waste is disposed of which is not a sanitary landfill which meets the criteria promulgated under section 6944 of the Solid Waste Disposal Act (42 U.S.C. 6941 et seq.) and which is not a facility for disposal of hazardous waste.</p>			
PADS	Pcb Activity Database	(3/2005)	ASTM Supplemental
<p>The PCB Activity Database System (PADS) is used by the EPA to monitor the activities of polychlorinated biphenyls (PCB) handlers.</p>			
RCRA	Resource Conservation & Recovery Act	(10/2005)	ASTM
<p>This databases include Handlers, Generators (Large, Small, and Exempt), Transporters, Violations, Corrective Actions, and Treatment, Storage &amp; Disposal Facilities (TSD) (this database includes selective information on sites which handle, generate, transport, store, treat, or dispose of hazardous wastes). See RCRA Description page for more information.</p>			
RODS	Record Of Decision System	(4/2004)	ASTM Supplemental
<p>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.</p>			
SSTS	Section Seven Tracking System	(12/2001)	ASTM Supplemental
<p>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.</p>			
TRI	Toxics Release Inventory	(12/2002)	ASTM Supplemental
<p>This EPA database includes information about releases and transfers of toxic chemicals from manufacturing facilities.</p>			



## ENVIRONMENTAL RECORDS DEFINITIONS - STATE

BSA	Brownfields Site Assessments	(7/2005)	ASTM Supplemental
<p>The BSA database includes relevant information on contaminated Brownfields properties that are being cleaned.</p>			
CALF	Closed & Abandoned Landfill Inventory	(11/2005)	ASTM
<p>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.</p>			
DCR	Dry Cleaner Registration	(6/2005)	ASTM Supplemental
<p>The DCR listing includes dry cleaning drop stations and facilities registered with the Texas Commission on Environmental Quality.</p>			
IHW	Industrial And Hazardous Waste	(8/2005)	ASTM Supplemental
<p>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.</p>			
IOP	Innocent Owner / Operator	(7/2005)	ASTM Supplemental
<p>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.</p>			
LPST	Leaking Petroleum Storage Tank	(1/2006)	ASTM
<p>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.</p>			
MSWLF	Municipal Solid Waste Landfill Sites	(12/2005)	ASTM
<p>Sites listed within a solid waste landfill database may include active landfills and inactive landfills, where solid waste is treated or stored.</p>			
PST	Petroleum Storage Tank	(1/2006)	ASTM
<p>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.</p>			



## ENVIRONMENTAL RECORDS DEFINITIONS - STATE

SPILLS	Spills Listing	(9/2004)	ASTM
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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	(1/2006)	ASTM
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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	(7/2005)	ASTM Supplemental
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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.



## RCRA – Descriptions

### Acronyms

RCRAG – RCRA GENERATOR/HANDLER

RCRAT – RCRA TSD

RCRA – RCRA 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 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 of 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.

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**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



2705 Bee Caves Rd, Suite 330 • Austin, Texas 78746 • phone: 1-866-396-0042 • fax: 512-472-9967

## Appendix C



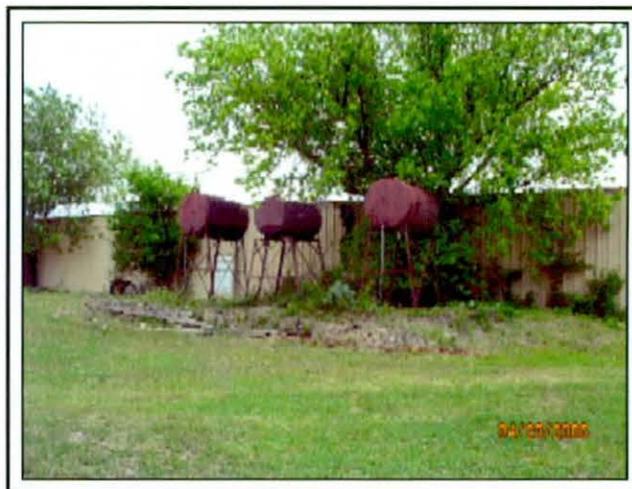
Photograph No. 1 – This photograph shows a typical view of the front gate to the Property, looking west from Old Stagecoach Road.



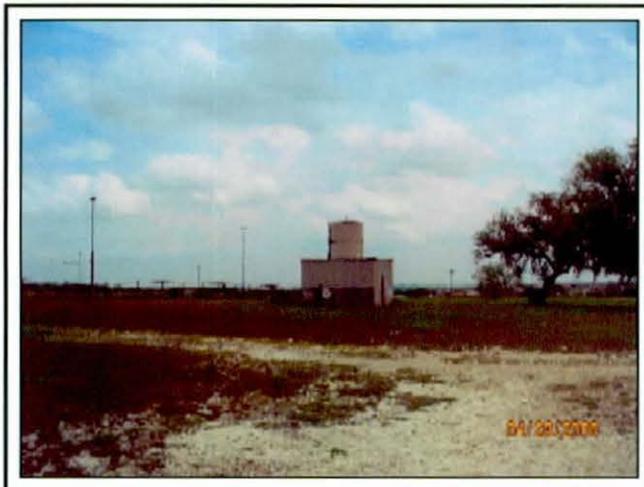
Photograph No. 2 – This photograph shows a typical view of ranch house located on central portion of the Property.



Photograph No. 3 – This photograph shows a typical view of the trailer home located near the southern boundary of the Property.



Photograph No. 4 – This photograph shows a typical view of the ASTs located behind the storage barn on the central portion of the Property.



Photograph No. 5 – This photograph shows a typical view of the water well located on the central portion of the Property, looking northerly, toward Old Stagecoach Road.



Photograph No. 6 – This photograph shows a typical view of the stock tank located on the west side of the Property.

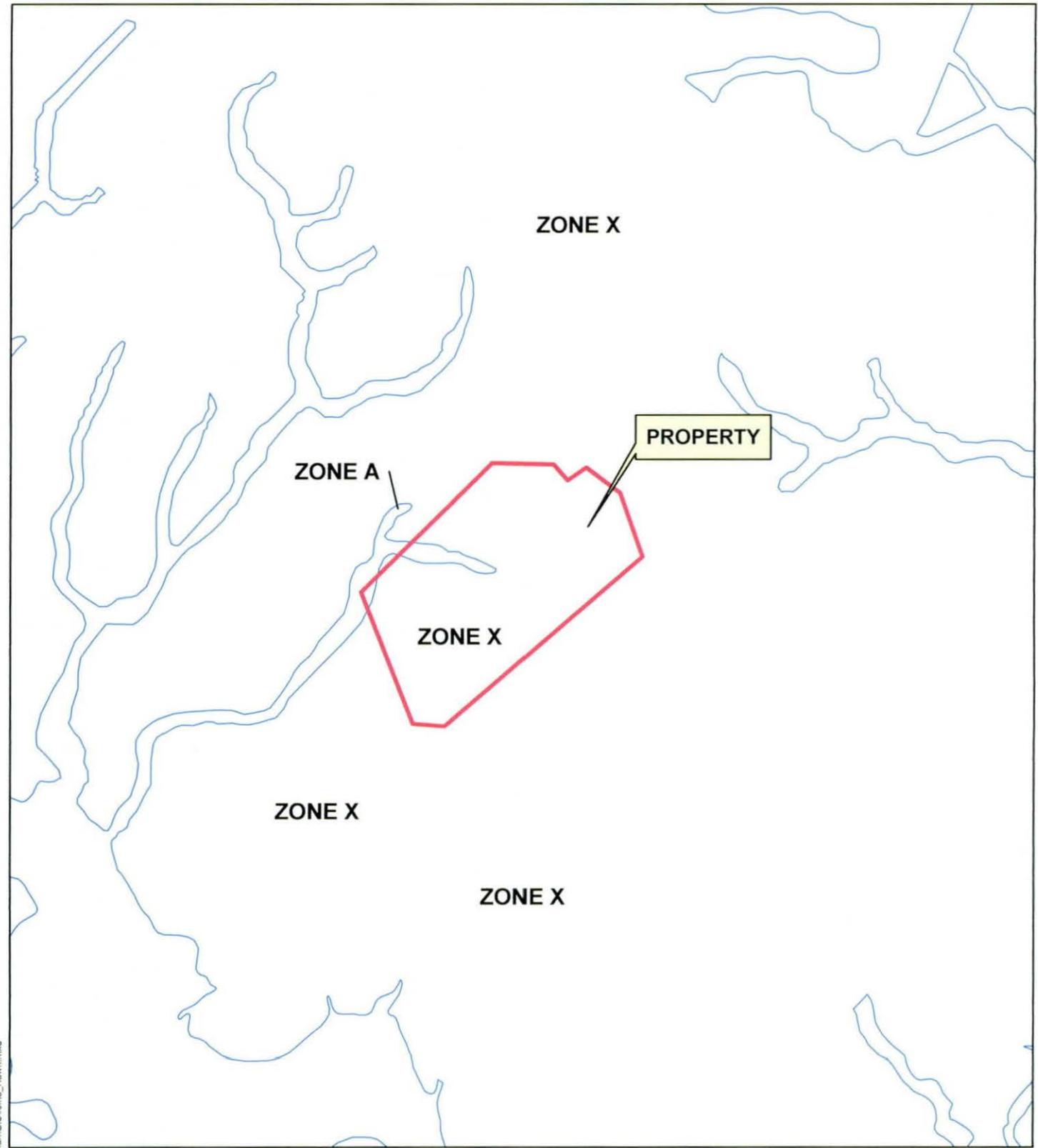


Photograph No. 7 – This photograph shows a typical view of the dumped materials located near central portion of the Property.



Photograph No. 8 – This photograph shows a typical view of adjacent property looking across Old Stagecoach Road which borders the north-northeast side of Property.

Appendix D

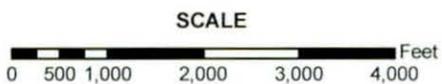


E:\Phase I\ESAs\General Land Office\HawnArabian\GIS\Fema\_Hawn.mxd

**LEGEND**

- PROPERTY BOUNDARY (APPROXIMATE)
- ZONE A or AREA OF 100-YEAR FLOODPLAIN (APPROXIMATE)

FLOODPLAIN DESIGNATION MAP  
 HAWN ARABIAN RANCH - 195.27 ACRES  
 HAYS COUNTY, TEXAS



TCB | AECOM

PROJECT NO. 600005485.00001

DATE: MAY 2006

Note: TCB does not warrant the accuracy of this map, either to scale, accuracy or completeness. Source: FEMA, Q3 Data for Hays County and Flood Insurance rate Map for Hays County, Incorporated and Unincorporated Areas.

Appendix E

# STATE OF TEXAS

## BOARD OF PROFESSIONAL GEOSCIENTISTS

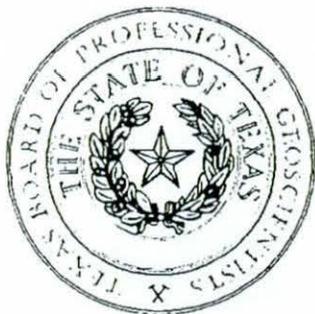
*DOUGLAS E. ZARKER*

Geology

License Number

1153

In accordance with the provisions of the Texas Geoscience Practice Act, the Texas Board of Professional Geoscientists hereby certifies that the above named individual was licensed as a Professional Geoscientist on July 15, 2003.



*W. Kevin Coleman*  
Chairman, Texas Board of Professional Geoscientists



# Douglas E. Zarker, PG

Staff Environmental Specialist/Professional Geologist

## OVERVIEW

**Project Role**  
Project Manager

**Years of Experience**  
TCB: 7  
Other Firms: 13

**Education**  
BS, Geological Sciences,  
1984, The University of Texas  
at Austin

Continuing Studies,  
Groundwater Hydrology,  
1991, The University of Texas  
at Austin

**Registration**  
Professional Geologist (PG):  
TX (No. 1153), 2003  
Professional Geologist (PG):  
WY (No. 306), 1991

Doug has more than 20 years of diverse environmental consulting experience. Doug's current responsibilities include environmental analysis and document preparation for various environmental planning projects throughout Texas. These projects typically involve the evaluation of existing conditions and potential impacts related to physical, ecological, and hazardous assessment issues. These projects are performed in accordance with National Environmental Policy Act requirements for impact assessment and data analysis under TxDOT, Federal Highway Administration, Texas Water Development Board, Federal Emergency Management Agency, and other federal and state regulatory guidelines.

Doug is also responsible for conducting Phase I and II Environmental Site Assessments per the American Society for Testing and Materials (ASTM) guidelines. These typically involve performing a site and area reconnaissance; evaluating geologic and hydrogeologic characteristics; reviewing and interpreting environmental information provided by federal, state, and local regulatory agencies; interpreting aerial photography; and researching archived historical data. Doug also conducts geologic assessments for projects situated over the environmentally sensitive Edwards Aquifer Recharge Zone per the Texas Commission on Environmental Quality's Edwards Aquifer rules (Title 30 Texas Administrative Code [TAC] Chapter 213).

## REPRESENTATIVE EXPERIENCE

### *Phase I and II Environmental Site Assessments (ESA) for Real Estate Transactions*

Mr. Zarker has performed environmental site assessments designed to identify potential environmental liabilities associated with past or present on-site and off-site activities at a multitude of commercial and industrial properties around the country. Mr. Zarker has also recommended and performed further investigative subsurface exploration work at sites indicating potential environmental contamination. This work involved collecting soil and groundwater samples from the site for chemical characterization and preparation of additional reports including recommendations for further sampling or a scope of remedial actions based on the presence of environmental contamination.

**Phase I and II ESAs, Texas General Land Office (GLO), Various Sites, Texas** – Mr. Zarker is currently acting as Project Manager for environmental consulting activities at various surplus sites owned by state agencies and/or the Permanent School Fund property. The GLO selected Mr. Zarker's employer on the basis of qualifications to provide Phase I and II ESAs per ASTM standards for various properties in Texas. Phase II ESA services included the advancement of soil borings using Direct Push technology (DPT) rig to determine if subsurface soils or groundwater was impacted by past on-site and off-site sources of potential environmental concern.

**Phase I and II ESA, Nationwide Life Insurance Company, Longview, Texas** – Provided environmental consulting services and assessment of subject property and off-site properties due to the release of chlorinated solvents at a dry cleaning establishment. Assessment included assessing the horizontal and vertical extent of solvents which required the advancement of soil borings utilizing DPT and conventional drilling methods. Site was later accepted in the TCEQ's Voluntary Cleanup Program. Also oversaw Soil Vapor Extraction and Air Injection Sparging Pilot Test which was used for the full-scale design and implementation of a remediation system. Also performed Aquifer Test which included a specific capacity test to determine the pumping rate for the aquifer, consisting of a drawdown and recovery phase. This study generated significant, relative data leading to a final design of selected remedial alternatives.

**Phase II ESA, TxDOT, SH 161, Dallas County, Texas.** Conducted Phase II ESA for parcel of land located in TxDOT right-of-way. The purpose of the Phase II ESA was to determine the presence or absence of environmental degradation resulting from the past release of petroleum hydrocarbons to the subsurface soil and groundwater within the proposed right-of-way. Other responsibilities included determination of estimated remediation costs for impacted soil and groundwater within right-of-way.

**Phase I and II ESA, Terrabrook, 713 Acres, Pflugerville, Texas.** Provided environmental consulting services and assessment of property over 2-year period (1999-2000). Several recognized environmental conditions were noted on the property and Phase II ESA services were recommended. Phase II ESA services included coordination for the proper transport and disposal of 55-gallon drums containing used oil, supervision of the excavation of impacted soils on the site, establishment of soil sampling protocol, collection of soil samples, coordination of the inventory and disposal of pesticide and herbicide products at site.

**Phase I ESAs, GE Capital Corporation, Nationwide** – Performed environmental consulting services on a large portfolio for GE Capital Corporation and the Robert Bass Group. The \$1.1 billion portfolio included 189 commercial properties. Responsibilities included managing several Phase I ESA's and limited non-ASTM environmental sampling (asbestos, lead-in-drinking water, and radon) of ten different properties within 30 days. The scope of work also included cost estimates for value impairment associated with asbestos abatement and subsurface contamination. Several properties required Phase II ESA services.

**Affected Property Assessment Report (APAR) and Phase I ESA, Avinger Development Company, VCP No. 1370, Cass County, Texas** – Provided environmental consulting services and assessment of 26-acre former copper-chromium-arsenic (CCA) wood treatment preservation plant in East Texas. Assessment included conducting a Phase I and Phase II assessing the horizontal and vertical extent of CCA contamination which required the advancement of soil borings utilizing Direct Push Technology and conventional drilling methods. Site was accepted in the TCEQ Voluntary Cleanup Program. Assessment activities and remediation action plan alternatives ongoing.

**Bergstrom Air Force Base, Austin, Texas.** Performed operations and maintenance of an air sparging/vapor extraction *in-situ* remediation system

designed to treat contaminated soil and groundwater as part of a pilot study at Bergstrom Air Force Base. Advanced soil borings utilizing direct push technology and conventional drilling methods; installed, developed, and sampled monitoring wells; and was directly involved in various coordinating and scheduling activities during the closure of the air force base.

**Hazardous and Solid Waste Consulting.** Performed environmental consulting services dealing with the handling, transporting, and storage of hazardous materials. These services typically involved review and interpretation of hazardous waste regulations; process analysis; and client approval in implementation of the handling, transport, and storage of hazardous wastes.

**Amoco Oil Company, Denver, Colorado.** Performed Phase II environmental site assessments at a multitude of Amoco retail facilities to determine the presence of organic contaminants in surface groundwater and subsurface soils. These studies included assessing the horizontal and vertical extent of hydrocarbon concentration plume and estimating the rate of subsurface dispersion of contaminants. Assessments consisted of invasive studies that required drilling soil borings, installing groundwater monitoring wells, soil and water laboratory analysis, and subsequent groundwater sampling.

**Connecticut Mutual Life, Harlingen, Texas.** Performed Phase II ESA services at a proposed foreclosure as required per a directive issued by the TCEQ. Oversaw the drilling and sampling investigations at the site. Other activities included ultimate disposal of stockpiled soils to an appropriate landfill, submittal of a reimbursement application to the TCEQ, and site closure. The groundwater analytical results indicated that the subject property had not been impacted by hydrocarbon contamination, and the site was granted final closure status. On the basis of these results, the client was able to proceed with foreclosure and later sell the property.

**SWC Industries, Inc., Henderson, Texas.** Provided environmental consulting services and assessment of subject property and an adjacent offsite facility where a styrene release had caused severe soil contamination. Prepared site safety plan; managed and performed soil sampling program; coordinated remedial action plan and approval; and successfully gained TCEQ approval for proposed cleanup operations, remediation, and ultimate disposal of stockpiled soils to a Class I non-hazardous landfill, saving capital costs and future liabilities.

**Oil and Gas Environmental Site Assessments.** Performed numerous oil and gas environmental site assessments for major oil and gas companies. The purpose of these assessments was to identify and document obvious, actual, and potential sources of contamination and significant compliance issues that were obvious upon visual inspection or by selective research of readily available information. These studies typically included observation of sites by assessing the individual oil and gas wells, review of regulatory agency databases, review of well files at the seller's office, and limited visual assessment of each production facility.

#### *Geohydrological Studies and Investigations*

**Edwards and Trinity Aquifers' Study Clearwater Underground Water Conservation District, Bell County, Texas.** The study was provided to the

District so that an understanding of the hydrogeology of the Edwards and Trinity Aquifers, along with the many factors that affect the long-term availability of the groundwater resources of the county was accessible. The study was also designed and provided to the District as a prelude to their efforts to develop a program to monitor groundwater conditions in the county and to promulgate rules, practices, and procedures to guide the orderly development and management of the aquifers. Provided the District with the technical information needed to understand the many hydrogeological factors that form the foundation of a sound groundwater management plan. Responsibilities included the collection and review of information regarding geology, groundwater conditions, water quality, location of wells and springs within Bell County, soil types, vegetation, precipitation, evaporation, and transpiration. The collection and review of electric well logs, drillers logs, published studies, and consultants' reports were also compiled to develop geologic cross sections illustrating the structural, stratigraphic, and hydrogeologic conditions in Bell County. Using this and additional data, a three-dimensional model of the aquifers was developed using ArcView/GIS. The three-dimensional model depicts the various aquifers' well locations and their depths. Also coordinated obtaining water-level measurements and water quality data from selected water wells in the county.

**Leona Gravel Aquifer Study, Medina County Groundwater Conservation District, Medina County, Texas.** The purpose of the study is to gain a better understanding of the Leona Gravel Aquifer, including its hydrogeologic boundaries, recharge capacity, relationship to the underlying Edwards Aquifer, and the chemical quality of the water within the aquifer, in an effort to access its potential as a usable source of water for the region in the future. Responsibilities for this project included the collection and review of information regarding geology, water quality, location of wells and springs within Medina County, soil types, vegetation, precipitation, evaporation, and transpiration. The collection and review of electric well logs, drillers logs, published studies, and consultants' reports were also compiled to develop geologic cross sections illustrating the structural, stratigraphic, and hydrogeologic conditions in the county.

*Environmental Impact Statements and Environmental Assessments*

**Final Environmental Impact Statement (FEIS), Extension of Loop 1, Travis County, Texas.** Responsible for completion of a FEIS for a proposed 4.2-mile freeway extension in Austin, TX. Environmental analysis included the evaluation of existing conditions and potential impacts to the physical ecological and hazardous waste issues associated with the project area in accordance with TxDOT, Federal Highway Administration, and NEPA guidelines. EIS was prepared in accordance with TxDOT, Federal Highway Administration, and NEPA guidelines.

**FEIS, US 183A, Williamson County, Texas.** Responsible for completion of a FEIS for a proposed 15-mile freeway in Travis and Williamson Counties. Environmental analysis included the evaluation of existing conditions and potential impacts to the physical, ecological and hazardous waste issues associated with the project area in accordance with TxDOT, Federal Highway Administration, and NEPA guidelines.

**EA, Spring Lake Dam Emergency Repairs Project, San Marcos, TX.**

Prepared an EA in general accordance with Federal Emergency Management Agency (FEMA) guidelines to meet requirements of Section 102 of the National Environmental Policy Act of 1969 (NEPA). The purpose of the EA was to analyze the potential environmental impact associated with the emergency repairs to the dam. The proposed work would require in-water construction and therefore would potentially impact five endangered species inhabiting the waterway. Threatened and Endangered Species consultation was initiated and completed within the timeframe estimated by project team. FEMA evaluation of project team at conclusion of project received highest rating in overall performance.

**EA, South Austin Regional Wastewater Treatment Plant Expansion,**

**Travis County, TX.** Prepared an EA in accordance with the City of Austin development code for the expansion of the South Austin Regional Wastewater Treatment Plant.

*Environmental and Geologic Assessments*

In order to determine if a property is subject to the Endangered Species Act and to also meet requirements of the City of Austin (COA) and the TCEQ, Mr. Zarker has conducted a multitude of Environmental and Geologic Assessments for a wide variety of clients over the past twelve years. Geologic Assessments are required by the TCEQ for proposed developments or regulated activities located in the Edwards Aquifer Recharge Zone and Environmental Assessments are required by the COA per the land development code. Mr. Zarker has performed field mapping and surveying of karstic limestone features of the Edwards Aquifer which also represent potential habitat for endangered cave invertebrates.

**Environmental Assessment and Geologic Assessment, Lumberman's Investment Corporation, 60-Acre Tract, Austin, TX –**

Performed a Geologic Assessment and Environmental Assessment on tract located in Barton Creek watershed and Edwards Aquifer Recharge Zone. Nine surface geologic features were identified on the property, one of which was determined to be a cave after conducting additional assessment (excavation). The cave was designated a Critical Environmental Feature (CEF) and significant recharge feature per local and state regulatory guidelines. The horizontal and vertical extent of the cave was delineated and mapped, with conclusions and recommendations for further assessment provided. The biological collection and taxonomic listing of the species collected from the cave did not identify any of the seven endangered cave invertebrates within the cave, although an invertebrate species previously found only in Northern Mexico was identified in the cave. A cave gate was later designed and constructed to maintain the existing cave habitat and recharge capacity while preventing unauthorized entry. After reviewing Mr. Zarker's report, the Barton Springs/Edwards Aquifer Conservation District sent a letter to the TCEQ recommending that the report be used as a model of the type plan that the TCEQ should accept to fulfill the Chapter 213 requirements (Edwards Aquifer Rules).

**Environmental Assessment and Geologic Assessment, Round Rock Independent School District, McNeil Middle School, 120-Acre Tract,**

**Austin, TX –** Performed various environmental consulting services related to the purchase and development of a 120-acre tract of land located within the Edwards Aquifer Recharge Zone. As part of the development process, an Environmental Assessment and Geologic Assessment was conducted on the tract. Eight surface

geologic features and two caves were identified during the study and further assessment was recommended. A biological collection and taxonomic listing of species collected from the two caves was performed which helped establish buffer zones and development restrictions as required by the USFWS and City of Austin.

**Geologic Assessment, FM 1863, New Braunfels, Comal County, Texas.**

Prepared a water pollution abatement plan (WPAP) and geologic assessment for road improvement project in Comal County. The WPAP included an application form with location map, site plan, erosion and sedimentation control plan sheets, stormwater section, signature forms, and the geologic assessment. Several geologic features were observed during the reconnaissance, which were described and evaluated per TCEQ guidelines. An invasive study of one karst feature, a sinkhole, was necessary to better determine its relative infiltration rate, environmental sensitivity, and recharge potential. The additional study determined that the feature was considered a non-sensitive feature with low-recharge potential. Based on this information, best management practices included a permanent seal of the feature.

**Geologic Assessment, SH 45 and Loop I Interchange, Frontage Roads and Main Lanes, Williamson County, Texas.**

Conducted geologic assessment in 100-acre area for road improvement project per TCEQ guidelines.

**Geologic Assessment, US 183A, Section 9.0, Williamson County, Texas.**

Conducted geologic assessment in 140-acre area for road improvement project per TCEQ guidelines.

**Geologic Assessment, Forum Group, Austin, Austin, Texas.**

Conducted geologic assessment for a proposed 3.11-acre development per TCEQ guidelines.

**Karst Terrain Survey, Loop 1604/US 281, San Antonio, Texas.**

Conducted a karst terrain survey of TxDOT right-of-way for roadway improvement project in per USFWS guidelines.

**PROFESSIONAL AFFILIATIONS**

Austin Geological Society  
National Ground Water Association  
Texas Association of Environmental Professionals

**CONTINUING EDUCATION**

40-Hour Health/Safety Training for Hazardous Waste Operations, 1988, updated annually  
Clear Writing for NEPA Specialists, The Shipley Group, 2001, Houston, Texas  
Project Management Improvement Program, PSMJ, Houston, Texas, 2002  
Introduction to ArcView/GIS, 1999, Austin Community College, Austin, Texas

⑤

File No. 155462

HAYS

County

ESR PARSE I

Date Filed: 6-2-08

Jerry E. Patterson, Commissioner

By Aaron Throck



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

May 19, 2006

Ms. Sharon Clark  
Real Estate Asset Management  
Texas General Land Office  
1700 N. Congress Ave.  
Austin, TX 78701-1495

**Re: Report of Limited Subsurface Assessment**  
Hawn Arabian Ranch – 195.27 Acres  
Old Stagecoach Road  
Hays County, Texas 78610  
**TCB Project No. 60011818.0001**

Dear Ms. Clark:

Thank you for the opportunity to provide environmental consulting services to the Texas General Land Office (GLO). On your behalf, Turner Collie & Braden Inc. (TCB) performed a Limited Subsurface Assessment at the above referenced property located in Hays County, Texas. Our services were authorized by your acceptance of our Work Plan dated May 4, 2006.

This letter report was prepared to summarize the field assessment procedures and laboratory analytical methods used during the assessment activities. In addition, this report provides figures and laboratory analytical data sheets necessary to present the findings and conclusions from this Limited Subsurface Assessment. Specifically, this report discusses the project information, purpose and scope of services, field assessment procedures and laboratory results, and a summary of findings and recommendations.

## 1.0 PROJECT INFORMATION

The subject property (Property) encompasses approximately 195 acres of mostly undeveloped, agricultural land located in Hays County. The Property is located about one mile west of Kyle, Texas, between Limekiln Road and Old Stagecoach Road. TCB performed a Phase I Environmental Site Assessment (ESA) for the Property and our report titled *Report of Phase I Environmental Site Assessment* was issued to the GLO on May 5, 2006. During the Phase I ESA, three aboveground storage tanks (ASTs) were observed on the central portion of the Property. No evidence of past releases, extensive soil staining or vegetative stress was noted in the general vicinity of the ASTs. The ASTs are constructed of steel and range from approximately 300 to 500 gallons in capacity. One of the ASTs contains diesel and the other two ASTs are empty (it was reported that the two tanks formerly contained gasoline).

**Texas General Land Office***Report of Limited Subsurface Assessment – Hawn Arabian Ranch**May 19, 2006**Page 2*

Due to the presence of the ASTs on the Property and the continued use of an AST containing diesel fuel, the AST storage area was considered a recognized environmental condition. The GLO requested that TCB perform a Limited Subsurface Assessment to minimize the potential for future inquiry at the site.

## 2.0 PURPOSE AND SCOPE OF SERVICES

The objective of the Limited Subsurface Assessment is to determine the presence or absence of environmental impact to the shallow subsurface native soils beneath the AST storage area at the Property as a result of past releases from the ASTs. It was not the intent of this assessment to determine the vertical or horizontal extent of contamination. Constituents of concern in the AST storage area include Benzene, Toluene, Ethylbenzene and Xylene (BTEX) and Total Petroleum Hydrocarbons (TPH).

This assessment work was performed by TCB and our subcontractors. TCB's subcontractors included DHL Analytical, Inc. (DHL) of Round Rock, Texas. TCB managed the project, conducted the field work and performed the quality control for the technical aspects of the assessment. DHL performed the laboratory analyses of the collected soil samples. The scope of services completed for this project is outlined below.

- Soil samples were collected with a stainless steel hand auger. Three shallow soil samples were collected at depths of less than two feet in the vicinity of the AST storage area.
- The field sampling equipment was cleaned with a mild detergent (liqinox) and deionized water rinse between sample collection to reduce the possibility of cross-contamination between the collection of each soil sample.
- Three soil samples were delivered to the laboratory and analyzed for BTEX using EPA Method 8021B and TPH using TCEQ Method 1005.

This letter report was prepared to summarize the results of the field assessment procedures and the laboratory analytical results.

## 3.0 FIELD ASSESSMENT PROCEDURES AND LABORATORY ANALYTICAL RESULTS

Mr. Doug Zarker, a registered professional geoscientist in Texas, mobilized to the site on May 8, 2006. Three surface soil samples were collected using a stainless steel hand auger. The first soil sample (B-1) was obtained at a depth of between one and two feet below ground surface (bgs) in an area underlying the west end of the AST storage area. The other two samples (B-2 and B-3) were also obtained at the same approximate depth in an area underlying the south end and the east end, respectively of the AST storage area. The hand auger was decontaminated with a non-phosphate detergent (liqinox) and deionized water after each sample was collected to reduce the possibility of cross contamination. The soil samples were placed in laboratory-supplied jars, packed in an ice-filled insulated cooler, and hand-delivered (by TCB) with appropriate chain-of-custody documentation to DHL (analytical laboratory) in Round Rock, Texas.

Analytical results for the three soil samples are summarized in *Table 1* below. As previously stated, the samples were analyzed for BTEX using USEPA Method 8021B, and TPH using TCEQ Method 1005. For the purposes of this assessment, soils at the Property were not considered contaminated unless BTEX concentrations were equal to or exceeded the values established by the TCEQ (TCEQ publication RG-411, dated December 2004) as summarized in *Table 1* below. A complete list of the VOCs analyzed, the laboratory analytical results, data sheets and chain-of-custody documentation for the soil samples are attached with this letter report.

**Texas General Land Office**

Report of Limited Subsurface Assessment – Hawn Arabian Ranch

May 19, 2006

Page 3

Table 1 below provides a summary of the laboratory analytical results for BTEX and TPH.

Table 1 Summary of Select Laboratory Analytical Results for Soil Samples Hawn Arabian Ranch - 195.27 Acres Hays County, Texas									
Sample	Sample Depth (feet)	Benzene (mg/kg)	Toluene (mg/kg)	Ethylbenzene (mg/kg)	Total Xylenes (mg/kg)	TPH C6-C12 (mg/kg)	TPH C12-C28 (mg/kg)	TPH C28-C35 (mg/kg)	TPH C6-C35 (mg/kg)
<b>TCEQ Action and Screening Levels</b>		0.026	8.2	7.6	120	NE	NE	NE	NE
B-1	1.0 - 2.0	ND	ND	ND	ND	ND	ND	ND	ND
B-2	1.0 - 2.0	ND	ND	ND	ND	ND	ND	ND	ND
B-3	1.0 - 2.0	ND	ND	ND	ND	ND	ND	ND	ND

## Notes:

- 1) ND - Indicates that concentrations were Not Detected at method detection limits (MDLs).
- 2) NE - Not established. There is no "action level" for TPH, the analytical results are used to screen for polynuclear aromatic hydrocarbons (PAH) if TPH is detected in the C12-C35 range at or above the MDLs.
- 3) **Results in BOLD indicate concentrations exceeding TCEQ's PST Program Action and Screening Levels (None detected).**
- 4) Samples collected on May 8, 2006.
- 5) Laboratory analysis performed by DHL in Round Rock, Texas.
- 6) The designation "mg/kg" denotes a concentration in milligrams per kilogram which is generally equivalent to a concentration in parts per million (ppm).
- 7) Method detection limits for benzene, ethylbenzene, toluene, xylenes and MTBE is 0.00350 - 0.00738 mg/kg using EPA Method 8021B.
- 8) Method detection limit for TPH ranged from 7.6 – 9.99 mg/kg using TCEQ Method 1005.

Laboratory analytical results for the three soil samples did not detect BTEX or TPH constituents above the laboratory detection limits and none of the samples were found to be above applicable TCEQ action levels established for the constituents of concern (TPH and benzene, toluene, ethylbenzene, total xylenes). The laboratory analytical results, data sheets and chain-of-custody documentation for the soil samples are attached with this letter report.

#### 4.0 SUMMARY OF FINDINGS AND RECOMMENDATIONS

The findings of the Limited Subsurface Assessment conducted at the Property are summarized below.

- Three shallow soil samples were collected in the vicinity of the AST storage area located on the Property and submitted to the laboratory and analyzed for BTEX and TPH. A summary of the laboratory analytical results is presented below:

##### BTEX

The laboratory analytical results for BTEX in the three soil samples collected at the Property were below laboratory method detection limits and the applicable TCEQ action/screening levels established by the TCEQ for BTEX in soil. On the basis of this information, the presence of BTEX constituents at the Property is not considered to be an environmental concern or a recognized environmental condition.

TPH

Concentrations of TPH in the three soil samples collected at the Property were below laboratory detection limits. On the basis of this information, the presence of TPH at the Property is not considered to be an environmental concern or a recognized environmental condition.

On the basis of the Limited Subsurface Assessment, it appears that the shallow soil in the vicinity of the AST storage area at the Property has not been adversely impacted by petroleum hydrocarbons or benzene, toluene, ethylbenzene and xylene constituents. Based on these findings, no further environmental assessment or corrective action is recommended.

**5.0 QUALIFICATIONS**

The comments and recommendations provided herein are based upon TCB's observations. Due to the limited nature of this assessment, unanticipated variations in depth, extent, and composition of the soils and materials within the area sampled may be possible. Should any conditions other than those discussed in this report be discovered, TCB should be immediately notified so that further evaluation and supplemental recommendations can be provided. This study was limited to soils and materials in the vicinity of the AST storage area located on the Property.

The activities and evaluative approaches used in this assessment are consistent with those normally employed in assessments of this type. The evaluation of site conditions has been based on TCB's understanding of the site and project information and the data obtained. No other warranty is expressed or implied. The nature and extent of subsurface and contaminant variations across the Property may not be evident based on information obtained.

The data reported and the findings, observations, and conclusions expressed in the report are limited by the scope of services, including the extent of subsurface exploration and other tests. The scope of services was defined by the requests of the Client, the time and budgetary constraints imposed by the Client, and the availability of access to the Property.

Because of the limitations stated above, the findings, observations and conclusions expressed by TCB in this report are not and should not be considered an opinion concerning the compliance of any part or present owner or operator of the Property with any federal, state, or local law or regulation. Such data, findings, observations and conclusions are based solely upon Property conditions in existence at the time of the assessment.

**6.0 CLOSING**

This report is intended for the exclusive 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. The findings contained herein are relevant only to the dates of our services and should not be relied upon to represent conditions at substantially later dates.

**Texas General Land Office**

*Report of Limited Subsurface Assessment – Hawn Arabian Ranch*

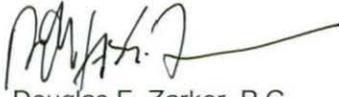
May 19, 2006

Page 5

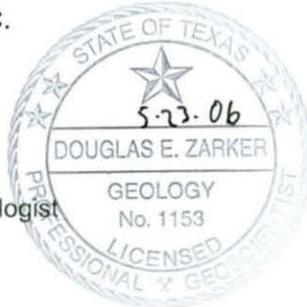
We appreciate this opportunity to be of service to you on this project. Please contact us if any questions arise concerning this report or if we may be of further assistance.

Sincerely,

**TURNER COLLIE & BRADEN INC.**



Douglas E. Zarker, P.G.  
Staff Environmental Specialist/Geologist



Patricia A. Matthews, PE  
Associate Vice President

Attachment - Laboratory Analytical Results and Chain-of-Custody Documentation

cc: File



May 15, 2006

Doug Zarker  
Turner, Collie & Braden  
400 West 15th St#500  
Austin, Texas 78703

TEL: (512) 457-7747  
FAX (512) 472-7519

RE: Hawn Ranch

Order No.: 0605043

Dear Doug Zarker:

DHL Analytical received 3 sample(s) on 5/8/2006 for the analyses presented in the following report.

There were no problems with the analyses and all data met requirements of NELAC except where noted in the Case Narrative. All non-NELAC methods will be identified accordingly in the case narrative and all estimated uncertainties of test results are within method or EPA specifications.

If you have any questions regarding these tests results, please feel free to call. Thank you for using DHL Analytical.

Sincerely,

A handwritten signature in black ink, appearing to read "John DuPont".

John DuPont  
General Manager



## TABLE OF CONTENTS

This report for Turner, Collie & Braden: Hawn Ranch (DHL Work Order 0605043) contains the following information:

ITEM	Page
• Cover Page	1
• Table of Contents	2
• Original chain of custody, fedex slip (if used), log-in checklist	3-4
• Laboratory Data Package Signature Page	5
• Laboratory Review Checklist	6-7
• Case Narrative	8
• Work Order Sample Summary	9
• Prep Dates Report	10
• Analytical Dates Report	11
• Sample Results	12-14
• QC Summary Report	15-20
• MQL Summary Report	21
• Total Number of Pages	21

May 15, 2006

Approved: \_\_\_\_\_

A handwritten signature in black ink, appearing to read "John DuPont", written over a horizontal line.

John DuPont



Sample Receipt Checklist

Client Name Turner, Collie & Braden

Date Received: 5/8/2006

Work Order Number 0605043

Received by MLW

Checklist completed by: Martin Wat  
Signature

5.8.6  
Date

Reviewed by JD  
Initials

05/08/06  
Date

Carrier name Hand Delivered

- Shipping container/cooler in good condition? Yes  No  Not Present
- Custody seals intact on shipping container/cooler? Yes  No  Not Present
- Custody seals intact on sample bottles? Yes  No  Not Present
- Chain of custody present? Yes  No
- Chain of custody signed when relinquished and received? Yes  No
- Chain of custody agrees with sample labels? Yes  No
- Samples in proper container/bottle? Yes  No
- Sample containers intact? Yes  No
- Sufficient sample volume for indicated test? Yes  No
- All samples received within holding time? Yes  No
- Container/Temp Blank temperature in compliance? Yes  No
- Water - VOA vials have zero headspace? Yes  No  No VOA vials submitted
- Water - pH acceptable upon receipt? Yes  No  Not Applicable

Adjusted? \_\_\_\_\_ Checked by \_\_\_\_\_

Any No response must be detailed in the comments section below.

Client contacted \_\_\_\_\_ Date contacted: \_\_\_\_\_ Person contacted \_\_\_\_\_

Contacted by: \_\_\_\_\_ Regarding: \_\_\_\_\_

Comments: \_\_\_\_\_

Corrective Action \_\_\_\_\_

# Laboratory Data Package Signature Page

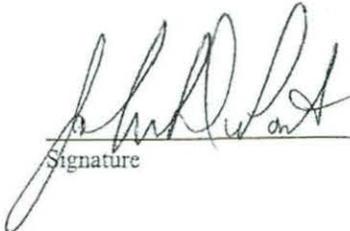
This data package consists of:

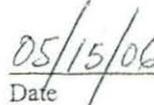
This signature page, the laboratory review checklist, and the following reportable data:

- R1 Field chain-of-custody documentation;
  - R2 Sample identification cross-reference;
  - R3 Test reports (analytical data sheets) for each environmental sample that includes:
    - a) Items consistent with NELAC 5.13
    - b) dilution factors,
    - c) preparation methods,
    - d) cleanup methods, and
    - e) if required for the project, tentatively identified compounds (TICs).
  - R4 Surrogate recovery data including:
    - a) Calculated recovery (%R), and
    - b) The laboratory's surrogate QC limits.
  - R5 Test reports/summary forms for blank samples;
  - R6 Test reports/summary forms for laboratory control samples (LCSs) including:
    - a) LCS spiking amounts,
    - b) Calculated %R for each analyte, and
    - c) The laboratory's LCS QC limits.
  - R7 Test reports for project matrix spike/matrix spike duplicates (MS/MSDs) including:
    - a) Samples associated with the MS/MSD clearly identified,
    - b) MS/MSD spiking amounts,
    - c) Concentration of each MS/MSD analyte measured in the parent and spiked samples,
    - d) Calculated %Rs and relative percent differences (RPDs), and
    - e) The laboratory's MS/MSD QC limits
  - R8 Laboratory analytical duplicate (if applicable) recovery and precision:
    - a) the amount of analyte measured in the duplicate,
    - b) the calculated RPD, and
    - c) the laboratory's QC limits for analytical duplicates.
  - R9 List of method quantitation limits (MQLs) for each analyte for each method and matrix;
  - R10 Other problems or anomalies.
- The Exception Report for every "No" or "Not Reviewed (NR)" item in laboratory review checklist.

**Release Statement:** I am responsible for the release of this laboratory data package. This data package has been reviewed by the laboratory and is complete and technically compliant with the requirements of the methods used, except where noted by the laboratory in the attached exception reports. By my signature below, I affirm to the best of my knowledge, all problems/anomalies, observed by the laboratory as having the potential to affect the quality of the data, have been identified by the laboratory in the Laboratory Review Checklist, and no information or data have been knowingly withheld that would affect the quality of the data.

Scott Schroeder – Project Manager  
Michelle Green – QA Manager  
John DuPont – General Manager

  
Signature

  
Date

DHL Analytical, Inc.

Laboratory Review Checklist: Reportable Data

Project Name: <i>Hawn Ranch</i>	Date: <i>5-15-06</i>
Reviewer Name: Michelle Green	Laboratory Work Order: <i>0605043</i>
Prep Batch Number(s): See Prep Dates Report	Run Batch: See Analytical Dates Report

#1	A2	Description	Yes	No	NA <sup>3</sup>	NR <sup>4</sup>	ER# <sup>5</sup>
		<b>CHAIN-OF-CUSTODY (C-O-C)</b>					
R1	OI	1) Did samples meet the laboratory's standard conditions of sample acceptability upon receipt?	✓				<i>R1-01</i>
		2) Were all departures from standard conditions described in an exception report?			✓		
R2	OI	<b>SAMPLE AND QUALITY CONTROL (QC) IDENTIFICATION</b>					
		1) Are all field sample ID numbers cross-referenced to the laboratory ID numbers?	✓				
		2) Are all laboratory ID numbers cross-referenced to the corresponding QC data?	✓				
R3	OI	<b>TEST REPORTS</b>					
		1) Were all samples prepared and analyzed within holding times?	✓				
		2) Other than those results < MQL, were all other raw values bracketed by calibration standards?	✓				
		3) Were calculations checked by a peer or supervisor?	✓				
		4) Were all analyte identifications checked by a peer or supervisor?	✓				
		5) Were sample quantitation limits reported for all analytes not detected?	✓				
		6) Were all results for soil and sediment samples reported on a dry weight basis?	✓				
		7) Were % moisture (or solids) reported for all soil and sediment samples?	✓				
		8) If required for the project, TICs reported?				✓	
R4	O	<b>SURROGATE RECOVERY DATA</b>					
		1) Were surrogates added prior to extraction?	✓				
		2) Were surrogate percent recoveries in all samples within the laboratory QC limits?	✓				
R5	OI	<b>TEST REPORTS/SUMMARY FORMS FOR BLANK SAMPLES</b>					
		1) Were appropriate type(s) of blanks analyzed?	✓				
		2) Were blanks analyzed at the appropriate frequency?	✓				
		3) Were method blanks taken through the entire analytical process, including preparation and, if applicable, cleanup procedures?	✓				
		4) Were blank concentrations < MQL?	✓				
R6	OI	<b>LABORATORY CONTROL SAMPLES (LCS)</b>					
		1) Were all COCs included in the LCS?	✓				
		2) Was each LCS taken through the entire analytical procedure, (prep and cleanup steps)?	✓				
		3) Were LCSs analyzed at the required frequency?	✓				
		4) Were LCS (and LCSD, if applicable) %Rs & RPD recovery within the laboratory QC limits?	✓				
		5) Does the detectability data document the laboratory's capability to detect the COCs at the MDL used to calculate the SQLs?	✓				
R7	OI	<b>MATRIX SPIKE (MS) AND MATRIX SPIKE DUPLICATE (MSD) DATA</b>					
		1) Were the project/method specified analytes included in the MS and MSD?	✓				
		2) Were MS/MSD analyzed at the appropriate frequency?	✓				
		3) Were MS (and MSD, if applicable) %Rs within the laboratory QC limits?	✓				
		4) Were MS/MSD RPDs within laboratory QC limits?	✓				
R8	OI	<b>ANALYTICAL DUPLICATE DATA</b>					
		1) Were appropriate analytical duplicates analyzed for each matrix?	✓				
		2) Were analytical duplicates analyzed at the appropriate frequency?	✓				
		3) Were RPDs or relative standard deviations within the laboratory QC limits?	✓				
R9	OI	<b>METHOD QUANTITATION LIMITS (MQLS)</b>					
		1) Are the MQLs for each method analyte included in the laboratory data package?	✓				
		2) Do the MQLs correspond to the concentration of the lowest non-zero calibration standard?	✓				
		3) Are unadjusted MQLs included in the laboratory data package?	✓				
R10	OI	<b>OTHER PROBLEMS/ANOMALIES</b>					
		1) Are all known problems/anomalies/special conditions noted in this LRC and ER?	✓				
		2) Were all necessary corrective actions performed for the reported data?	✓				
		3) Was applicable and available technology used to lower the SQL minimize the matrix interference affects on the sample results?	✓				

DHL Analytical, Inc.

Laboratory Review Checklist (continued): Supporting Data

Project Name: <i>Hawm Rand</i>		Date: <i>5-15-06</i>					
Reviewer Name: Michelle Green		Laboratory Work Order: <i>06 050 43</i>					
# <sup>1</sup>	A <sup>2</sup>	Description	Yes	No	NA <sup>3</sup>	NR <sup>4</sup>	ER# <sup>5</sup>
S1	OI	<b>INITIAL CALIBRATION (ICAL)</b>					
		1) Were response factors and/or relative response factors for each analyte within QC limits?	✓				
		2) Were percent RSDs or correlation coefficient criteria met?	✓				
		3) Was the number of standards recommended in the method used for all analytes?	✓				
		4) Were all points generated between the lowest and highest standard used to calculate the curve?	✓				
		5) Are ICAL data available for all instruments used?	✓				
		6) Has the initial calibration curve been verified using an appropriate second source standard?	✓				
S2	OI	<b>INITIAL AND CONTINUING CALIBRATION VERIFICATION (ICCV AND CCV) AND CONTINUING CALIBRATION BLANK (CCB)</b>					
		1) Was the CCV analyzed at the method-required frequency?	✓				
		2) Were percent differences for each analyte within the method-required QC limits?	✓				
		3) Was the ICAL curve verified for each analyte?	✓				
		4) Was the absolute value of the analyte concentration in the inorganic CCB < MDL?	✓				
S3	O	<b>MASS SPECTRAL TUNING</b>					
		1) Was the appropriate compound for the method used for tuning?	✓				
		2) Were ion abundance data within the method-required QC limits?	✓				
S4	O	<b>INTERNAL STANDARDS (IS)</b>					
		1) Were IS area counts and retention times within the method-required QC limits?	✓				
S5	OI	<b>RAW DATA (NELAC SECTION 1 APPENDIX A GLOSSARY, &amp; SECTION 5.12)</b>					
		1) Were the raw data (for example, chromatograms, spectral data) reviewed by an analyst?	✓				
		2) Were data associated with manual integrations flagged on the raw data?	✓				
S6	O	<b>DUAL COLUMN CONFIRMATION</b>					
		1) Did dual column confirmation results meet the method-required QC?	✓				
S7	O	<b>TENTATIVELY IDENTIFIED COMPOUNDS (TICS)</b>					
		1) If TICs were requested, were the mass spectra and TIC data subject to appropriate checks?				✓	
S8	I	<b>INTERFERENCE CHECK SAMPLE (ICS) RESULTS</b>					
		1) Were percent recoveries within method QC limits?				✓	
S9	I	<b>SERIAL DILUTIONS, POST DIGESTION SPIKES, AND METHOD OF STANDARD ADDITIONS</b>					
		1) Were percent differences, recoveries, and the linearity within the QC limits specified in the method?				✓	
S10	OI	<b>METHOD DETECTION LIMIT (MDL) STUDIES</b>					
		1) Was a MDL study performed for each reported analyte?	✓				
S11	OI	<b>PROFICIENCY TEST REPORTS</b>					
		1) Was the laboratory's performance acceptable on the applicable proficiency tests or evaluation studies?	✓				
S12	OI	<b>STANDARDS DOCUMENTATION</b>					
		1) Are all standards used in the analyses NIST-traceable or obtained from other appropriate sources?	✓				
S13	OI	<b>COMPOUND/ANALYTE IDENTIFICATION PROCEDURES</b>					
		1) Are the procedures for compound/analyte identification documented?	✓				
S14	OI	<b>DEMONSTRATION OF ANALYST COMPETENCY (DOC)</b>					
		1) Was DOC conducted consistent with NELAC Chapter 5C?	✓				
S15	OI	<b>VERIFICATION/VALIDATION DOCUMENTATION FOR METHODS (NELAC)</b>					
		1) Are all the methods used to generate the data documented, verified, and validated, where applicable?	✓				
S16	OI	<b>LABORATORY STANDARD OPERATING PROCEDURES (SOPS)</b>					
		1) Are the laboratory SOPs current and on file for each method performed?	✓				

1 Items identified by the letter "R" should be included in the laboratory data package submitted to the TCEQ in the TRRP-required report(s). Items identified by the letter "S" should be retained and made available upon request for the appropriate retention period.  
 2 O = organic analyses; I = inorganic analyses (and general chemistry, when applicable).  
 3 NA = Not applicable; NR = Not Reviewed.  
 4  
 5 ER# = Exception Report identification number (an Exception Report should be completed for an item if "NR" or "No" is checked).

**CLIENT:** Turner, Collie & Braden  
**Project:** Hawn Ranch  
**Lab Order:** 0605043

**CASE NARRATIVE**

---

Samples were analyzed using the methods outlined in the following references:

- Method SW8021B - Volatile Organics by GC
- Method TX1005 - Total Petroleum Hydrocarbon
- Method D2216 - Percent Moisture

Exception Report R1-01

Samples were received and log-in performed on 5/08/06. A total of 3 samples were received. The samples arrived in good condition and were properly packaged.

**DATA REPORTING**

Sample reports include the Sample Quantitation Limit (SQL) and the Reporting Limit (RL) for each analyte. The computer system allows for reporting SQL with 2 significant figures and the RL with 3 significant figures. Because of rounding it may sometime appear that a "J" flagged result is lower than the SQL if the sample result is very near the SQL.

**CLIENT:** Turner, Collie & Braden  
**Project:** Hawn Ranch  
**Lab Order:** 0605043

**Work Order Sample Summary**

---

<b>Lab Smp ID</b>	<b>Client Sample ID</b>	<b>Tag Number</b>	<b>Date Collected</b>	<b>Date Recved</b>
0605043-01	B-1(1-2')		5/8/2006 1:30:00 PM	5/8/2006
0605043-02	B-2(1-2')		5/8/2006 1:45:00 PM	5/8/2006
0605043-03	B-3(1-2')		5/8/2006 2:00:00 PM	5/8/2006

DHL Analytical

15-May-06

Lab Order: 0605043  
Client: Turner, Collie & Braden  
Project: Hawn Ranch

PREP DATES REPORT

Sample ID	Client Sample ID	Collection Date	Matrix	Test Number	Test Name	Prep Date	Batch ID
0605043-01A	B-1(1-2')	5/8/2006 1:30:00 PM	Soil	D2216	Percent Moisture	5/10/2006 9:40:00 AM	PMOIST-05/10/06A
	B-1(1-2')	5/8/2006 1:30:00 PM	Soil	SW5030B	Purge and Trap Soils GC	5/12/2006 10:04:57 AM	22221
	B-1(1-2')	5/8/2006 1:30:00 PM	Soil	TX1005	TX1005 Soil Prep	5/12/2006 10:31:58 AM	22224
0605043-02A	B-2(1-2')	5/8/2006 1:45:00 PM	Soil	D2216	Percent Moisture	5/9/2006 8:45:00 AM	PMOIST-05/10/06A
	B-2(1-2')	5/8/2006 1:45:00 PM	Soil	SW5030B	Purge and Trap Soils GC	5/12/2006 10:04:57 AM	22221
	B-2(1-2')	5/8/2006 1:45:00 PM	Soil	TX1005	TX1005 Soil Prep	5/12/2006 10:31:58 AM	22224
0605043-03A	B-3(1-2')	5/8/2006 2:00:00 PM	Soil	D2216	Percent Moisture	5/9/2006 8:45:00 AM	PMOIST-05/10/06A
	B-3(1-2')	5/8/2006 2:00:00 PM	Soil	SW5030B	Purge and Trap Soils GC	5/12/2006 10:04:57 AM	22221
	B-3(1-2')	5/8/2006 2:00:00 PM	Soil	TX1005	TX1005 Soil Prep	5/12/2006 10:31:58 AM	22224

Lab Order: 0605043  
 Client: Turner, Collie & Braden  
 Project: Hawn Ranch

**ANALYTICAL DATA REPORT**

Sample ID	Client Sample ID	Matrix	Test Number	Test Name	Batch ID	Dilution	Analysis Date	Run ID
0605043-01A	B-1(1-2')	Soil	D2216	Percent Moisture	PMOIST-05/10/06A	1	5/10/2006 4:05:00 PM	PMOIST_060510A
	B-1(1-2')	Soil	TX1005	Tx1005 TPH Soil	22224	1	5/12/2006 12:52:10 PM	GC12_060512A
	B-1(1-2')	Soil	SW8021B	Volatile Organics by GC	22221	1	5/12/2006 12:22:07 PM	GC4_060512A
0605043-02A	B-2(1-2')	Soil	D2216	Percent Moisture	PMOIST-05/10/06A	1	5/10/2006 8:25:00 AM	PMOIST_060509A
	B-2(1-2')	Soil	TX1005	Tx1005 TPH Soil	22224	1	5/12/2006 12:59:21 PM	GC12_060512A
	B-2(1-2')	Soil	SW8021B	Volatile Organics by GC	22221	1	5/12/2006 12:40:19 PM	GC4_060512A
0605043-03A	B-3(1-2')	Soil	D2216	Percent Moisture	PMOIST-05/10/06A	1	5/10/2006 8:25:00 AM	PMOIST_060509A
	B-3(1-2')	Soil	TX1005	Tx1005 TPH Soil	22224	1	5/12/2006 1:04:36 PM	GC12_060512A
	B-3(1-2')	Soil	SW8021B	Volatile Organics by GC	22221	1	5/12/2006 12:58:27 PM	GC4_060512A

**DHL Analytical**

Date: 15-May-06

CLIENT: Turner, Collie & Braden  
 Project: Hawn Ranch  
 Project No: 60005485  
 Lab Order: 0605043

Client Sample ID: B-1(1-2')  
 Lab ID: 0605043-01  
 Collection Date: 5/8/2006 1:30:00 PM  
 Matrix: SOIL

Analyses	Result	SQL	RL	Qual	Units	DF	Date Analyzed
<b>TX1005 TPH SOIL</b>		<b>TX1005</b>		Analyst: <b>KC</b>			
T/R Hydrocarbons: C6-C12	ND	8.06	23.0		mg/Kg-dry	1	5/12/2006 12:52:10 PM
T/R Hydrocarbons: >C12-C28	ND	8.06	23.0		mg/Kg-dry	1	5/12/2006 12:52:10 PM
T/R Hydrocarbons: >C28-C35	ND	8.06	23.0		mg/Kg-dry	1	5/12/2006 12:52:10 PM
T/R Hydrocarbons: C6-C35	ND	8.06	23.0		mg/Kg-dry	1	5/12/2006 12:52:10 PM
Surr: 1-Chlorooctane	122	0	87-147		%REC	1	5/12/2006 12:52:10 PM
Surr: Octacosane	101	0	80-140		%REC	1	5/12/2006 12:52:10 PM
<b>VOLATILE ORGANICS BY GC</b>		<b>SW8021B</b>		Analyst: <b>KC</b>			
Benzene	ND	0.00358	0.00597		mg/Kg-dry	1	5/12/2006 12:22:07 PM
Ethylbenzene	ND	0.00597	0.0179		mg/Kg-dry	1	5/12/2006 12:22:07 PM
Toluene	ND	0.00597	0.0179		mg/Kg-dry	1	5/12/2006 12:22:07 PM
Xylenes, Total	ND	0.00597	0.0179		mg/Kg-dry	1	5/12/2006 12:22:07 PM
Surr: Tetrachloroethene	94.2	0	79-135		%REC	1	5/12/2006 12:22:07 PM
<b>PERCENT MOISTURE</b>		<b>D2216</b>		Analyst: <b>JBC</b>			
Percent Moisture	16.2	0	0		WT%	1	5/10/2006 4:05:00 PM

**Qualifiers:** ND - Not Detected at the SQL  
 J - Analyte detected between SQL and RL  
 B - Analyte detected in the associated Method Blank  
 DF - Dilution Factor  
 See Final Page of Report for MQLs and MDLs

S - Spike Recovery outside control limits  
 C - Sample Result or QC discussed in Case Narrative  
 RL - Reporting Limit (MQL adjusted for moisture and sample size)  
 SQL - Sample Quantitation Limit  
 E - TPH pattern not Gas or Diesel Range Pattern

# DHL Analytical

Date: 15-May-06

CLIENT: Turner, Collie & Braden  
 Project: Hawn Ranch  
 Project No: 60005485  
 Lab Order: 0605043

Client Sample ID: B-2(1-2')  
 Lab ID: 0605043-02  
 Collection Date: 5/8/2006 1:45:00 PM  
 Matrix: SOIL

Analyses	Result	SQL	RL	Qual	Units	DF	Date Analyzed
<b>TX1005 TPH SOIL</b>		<b>TX1005</b>		Analyst: <b>KC</b>			
T/R Hydrocarbons: C6-C12	ND	9.99	28.5		mg/Kg-dry	1	5/12/2006 12:59:21 PM
T/R Hydrocarbons: >C12-C28	ND	9.99	28.5		mg/Kg-dry	1	5/12/2006 12:59:21 PM
T/R Hydrocarbons: >C28-C35	ND	9.99	28.5		mg/Kg-dry	1	5/12/2006 12:59:21 PM
T/R Hydrocarbons: C6-C35	ND	9.99	28.5		mg/Kg-dry	1	5/12/2006 12:59:21 PM
Surr: 1-Chlorooctane	116	0	87-147		%REC	1	5/12/2006 12:59:21 PM
Surr: Octacosane	101	0	80-140		%REC	1	5/12/2006 12:59:21 PM
<b>VOLATILE ORGANICS BY GC</b>		<b>SW8021B</b>		Analyst: <b>KC</b>			
Benzene	ND	0.00443	0.00738		mg/Kg-dry	1	5/12/2006 12:40:19 PM
Ethylbenzene	ND	0.00738	0.0222		mg/Kg-dry	1	5/12/2006 12:40:19 PM
Toluene	ND	0.00738	0.0222		mg/Kg-dry	1	5/12/2006 12:40:19 PM
Xylenes, Total	ND	0.00738	0.0222		mg/Kg-dry	1	5/12/2006 12:40:19 PM
Surr: Tetrachloroethene	106	0	79-135		%REC	1	5/12/2006 12:40:19 PM
<b>PERCENT MOISTURE</b>		<b>D2216</b>		Analyst: <b>JBC</b>			
Percent Moisture	36.1	0	0		WT%	1	5/10/2006 8:25:00 AM

**Qualifiers:** ND - Not Detected at the SQL  
 J - Analyte detected between SQL and RL  
 B - Analyte detected in the associated Method Blank  
 DF - Dilution Factor  
 See Final Page of Report for MQLs and MDLs

S - Spike Recovery outside control limits  
 C - Sample Result or QC discussed in Case Narrative  
 RL - Reporting Limit (MQL adjusted for moisture and sample size)  
 SQL - Sample Quantitation Limit  
 E - TPH pattern not Gas or Diesel Range Pattern

# DHL Analytical

Date: 15-May-06

CLIENT: Turner, Collie & Braden  
 Project: Hawn Ranch  
 Project No: 60005485  
 Lab Order: 0605043

Client Sample ID: B-3(1-2')  
 Lab ID: 0605043-03  
 Collection Date: 5/8/2006 2:00:00 PM  
 Matrix: SOIL

Analyses	Result	SQL	RL	Qual	Units	DF	Date Analyzed
<b>TX1005 TPH SOIL</b>		<b>TX1005</b>		Analyst: <b>KC</b>			
T/R Hydrocarbons: C6-C12	ND	7.60	21.7		mg/Kg-dry	1	5/12/2006 1:04:36 PM
T/R Hydrocarbons: >C12-C28	ND	7.60	21.7		mg/Kg-dry	1	5/12/2006 1:04:36 PM
T/R Hydrocarbons: >C28-C35	ND	7.60	21.7		mg/Kg-dry	1	5/12/2006 1:04:36 PM
T/R Hydrocarbons: C6-C35	ND	7.60	21.7		mg/Kg-dry	1	5/12/2006 1:04:36 PM
Surr: 1-Chlorooctane	117	0	87-147		%REC	1	5/12/2006 1:04:36 PM
Surr: Octacosane	98.7	0	80-140		%REC	1	5/12/2006 1:04:36 PM
<b>VOLATILE ORGANICS BY GC</b>		<b>SW8021B</b>		Analyst: <b>KC</b>			
Benzene	ND	0.00350	0.00583		mg/Kg-dry	1	5/12/2006 12:58:27 PM
Ethylbenzene	ND	0.00583	0.0175		mg/Kg-dry	1	5/12/2006 12:58:27 PM
Toluene	ND	0.00583	0.0175		mg/Kg-dry	1	5/12/2006 12:58:27 PM
Xylenes, Total	ND	0.00583	0.0175		mg/Kg-dry	1	5/12/2006 12:58:27 PM
Surr: Tetrachloroethene	104	0	79-135		%REC	1	5/12/2006 12:58:27 PM
<b>PERCENT MOISTURE</b>		<b>D2216</b>		Analyst: <b>JBC</b>			
Percent Moisture	14.3	0	0		WT%	1	5/10/2006 8:25:00 AM

**Qualifiers:** ND - Not Detected at the SQL  
 J - Analyte detected between SQL and RL  
 B - Analyte detected in the associated Method Blank  
 DF- Dilution Factor  
 See Final Page of Report for MQLs and MDLs

S - Spike Recovery outside control limits  
 C - Sample Result or QC discussed in Case Narrative  
 RL - Reporting Limit (MQL adjusted for moisture and sample size)  
 SQL - Sample Quantitation Limit  
 E - TPH pattern not Gas or Diesel Range Pattern

**CLIENT:** Turner, Collie & Braden  
**Work Order:** 0605043  
**Project:** Hawn Ranch

**ANALYTICAL QC SUMMARY REPORT**

**RunID: GC12\_060512A**

Sample ID	LCS-22224	Batch ID:	22224	TestNo:	TX1005	Units:	mg/Kg
SampType:	LCS	Run ID:	GC12_060512A	Analysis Date:	5/12/2006 11:29:55 AM	Prep Date:	5/12/2006

Analyte	Result	RL	SPK value	Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
T/R Hydrocarbons: C6-C35	242	20.0	250.0	0	96.9	75	125			
Surr: 1-Chlorooctane	30.5		25.00		122	104	164			
Surr: Octacosane	23.3		25.00		93.1	80	140			

Sample ID	MB-22224	Batch ID:	22224	TestNo:	TX1005	Units:	mg/Kg
SampType:	MBLK	Run ID:	GC12_060512A	Analysis Date:	5/12/2006 11:35:05 AM	Prep Date:	5/12/2006

Analyte	Result	RL	SPK value	Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
T/R Hydrocarbons: C6-C12	ND	20.0								
T/R Hydrocarbons: >C12-C28	ND	20.0								
T/R Hydrocarbons: >C28-C35	ND	20.0								
T/R Hydrocarbons: C6-C35	ND	20.0								
Surr: 1-Chlorooctane	26.4		25.00		105	87	147			
Surr: Octacosane	23.9		25.00		95.5	80	140			

Sample ID	0605043-01AMS	Batch ID:	22224	TestNo:	TX1005	Units:	mg/Kg-dry
SampType:	MS	Run ID:	GC12_060512A	Analysis Date:	5/12/2006 1:09:48 PM	Prep Date:	5/12/2006

Analyte	Result	RL	SPK value	Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
T/R Hydrocarbons: C6-C35	300	22.4	279.7	0	107	75	125			
Surr: 1-Chlorooctane	37.7		27.97		135	104	164			
Surr: Octacosane	27.8		27.97		99.4	80	140			

Sample ID	0605043-01AMSD	Batch ID:	22224	TestNo:	TX1005	Units:	mg/Kg-dry
SampType:	MSD	Run ID:	GC12_060512A	Analysis Date:	5/12/2006 1:14:58 PM	Prep Date:	5/12/2006

Analyte	Result	RL	SPK value	Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
T/R Hydrocarbons: C6-C35	306	22.7	283.7	0	108	75	125	1.97	20	
Surr: 1-Chlorooctane	38.8		28.37		137	104	164	0	0	
Surr: Octacosane	28.3		28.37		99.9	80	140	0	0	

**Qualifiers:** B Analyte detected in the associated Method Blank  
 J Analyte detected between MDL and RL  
 ND Not Detected at the Method Detection Limit  
 RL Reporting Limit  
 DF Dilution Factor  
 MDL Method Detection Limit  
 R RPD outside accepted control limits  
 S Spike Recovery outside control limits

CLIENT: Turner, Collie & Braden  
 Work Order: 0605043  
 Project: Hawn Ranch

## ANALYTICAL QC SUMMARY REPORT

RunID: GC12\_060512A

Sample ID: <b>ICV-060512</b>	Batch ID: <b>R26236</b>	TestNo: <b>TX1005</b>	Units: <b>mg/Kg</b>							
SampType: <b>ICV</b>	Run ID: <b>GC12_060512A</b>	Analysis Date: <b>5/12/2006 11:24:46 AM</b>	Prep Date:							
Analyte	Result	RL	SPK value	Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
T/R Hydrocarbons: C6-C12	557	20.0	0							
T/R Hydrocarbons: >C12-C28	593	20.0	0							
T/R Hydrocarbons: >C28-C35	0.195	20.0	0							
T/R Hydrocarbons: C6-C35	1150	20.0	1000	0	115	75	125			
Surr: 1-Chlorooctane	80.8		50.00		162	140	195			
Surr: Octacosane	51.8		50.00		104	85	133			

Sample ID: <b>CCV1-060512</b>	Batch ID: <b>R26236</b>	TestNo: <b>TX1005</b>	Units: <b>mg/Kg</b>							
SampType: <b>CCV</b>	Run ID: <b>GC12_060512A</b>	Analysis Date: <b>5/12/2006 1:20:08 PM</b>	Prep Date:							
Analyte	Result	RL	SPK value	Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
T/R Hydrocarbons: C6-C12	273	20.0	0							
T/R Hydrocarbons: >C12-C28	292	20.0	0							
T/R Hydrocarbons: >C28-C35	0.641	20.0	0							
T/R Hydrocarbons: C6-C35	565	20.0	500.0	0	113	75	125			
Surr: 1-Chlorooctane	39.9		25.00		160	140	195			
Surr: Octacosane	25.3		25.00		101	85	133			

**Qualifiers:**

B Analyte detected in the associated Method Blank	DF Dilution Factor
J Analyte detected between MDL and RL	MDL Method Detection Limit
ND Not Detected at the Method Detection Limit	R RPD outside accepted control limits
RL Reporting Limit	S Spike Recovery outside control limits

CLIENT: Turner, Collie & Braden  
 Work Order: 0605043  
 Project: Hawn Ranch

## ANALYTICAL QC SUMMARY REPORT

RunID: GC4\_060512A

Sample ID: LCS-22221	Batch ID: 22221	TestNo: SW8021B	Units: mg/Kg							
SampType: LCS	Run ID: GC4_060512A	Analysis Date: 5/12/2006 11:15:56 AM	Prep Date: 5/12/2006							
Analyte	Result	RL	SPK value	Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Benzene	0.107	0.00500	0.1000	0	107	65	113			
Toluene	0.108	0.0150	0.1000	0	108	73	115			
Ethylbenzene	0.108	0.0150	0.1000	0	108	74	118			
Xylenes, Total	0.327	0.0150	0.3000	0	109	73	119			
Surr: Tetrachloroethene	0.212		0.2000		106	79	135			

Sample ID: MB-22221	Batch ID: 22221	TestNo: SW8021B	Units: mg/Kg							
SampType: MBLK	Run ID: GC4_060512A	Analysis Date: 5/12/2006 11:35:33 AM	Prep Date: 5/12/2006							
Analyte	Result	RL	SPK value	Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Benzene	ND	0.00500								
Toluene	ND	0.0150								
Ethylbenzene	ND	0.0150								
Xylenes, Total	ND	0.0150								
Surr: Tetrachloroethene	0.206		0.2000		103	79	135			

Sample ID: 0605043-01AMS	Batch ID: 22221	TestNo: SW8021B	Units: mg/Kg-dry							
SampType: MS	Run ID: GC4_060512A	Analysis Date: 5/12/2006 1:16:34 PM	Prep Date: 5/12/2006							
Analyte	Result	RL	SPK value	Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Benzene	0.107	0.00506	0.1012	0	106	65	113			
Toluene	0.106	0.0152	0.1012	0	105	73	115			
Ethylbenzene	0.0994	0.0152	0.1012	0	98.2	74	118			
Xylenes, Total	0.299	0.0152	0.3035	0	98.5	73	119			
Surr: Tetrachloroethene	0.208		0.2023		103	79	135			

Sample ID: 0605043-01AMSD	Batch ID: 22221	TestNo: SW8021B	Units: mg/Kg-dry							
SampType: MSD	Run ID: GC4_060512A	Analysis Date: 5/12/2006 1:34:45 PM	Prep Date: 5/12/2006							
Analyte	Result	RL	SPK value	Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Benzene	0.115	0.00597	0.1194	0	96.1	65	113	6.93	30	
Toluene	0.113	0.0179	0.1194	0	94.9	73	115	6.72	30	
Ethylbenzene	0.106	0.0179	0.1194	0	88.5	74	118	6.15	30	
Xylenes, Total	0.318	0.0179	0.3581	0	88.7	73	119	6.11	30	
Surr: Tetrachloroethene	0.242		0.2388		101	79	135	0	0	

**Qualifiers:** B Analyte detected in the associated Method Blank      DF Dilution Factor  
 J Analyte detected between MDL and RL                                      MDL Method Detection Limit  
 ND Not Detected at the Method Detection Limit                              R RPD outside accepted control limits  
 RL Reporting Limit    S Spike Recovery outside control limits

CLIENT: Turner, Collie & Braden  
 Work Order: 0605043  
 Project: Hawn Ranch

## ANALYTICAL QC SUMMARY REPORT

RunID: GC4\_060512A

Sample ID	ICV-060512	Batch ID:	R26248	TestNo:	SW8021B	Units:	mg/Kg
SampType:	ICV	Run ID:	GC4_060512A	Analysis Date:	5/12/2006 10:49:12 AM	Prep Date:	

Analyte	Result	RL	SPK value	Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Benzene	0.205	0.00500	0.2000	0	102	85	115			
Toluene	0.205	0.0150	0.2000	0	103	85	115			
Ethylbenzene	0.203	0.0150	0.2000	0	102	85	115			
Xylenes, Total	0.610	0.0150	0.6000	0	102	85	115			
Surr: Tetrachloroethene	0.201		0.2000		100	79	135			

Sample ID	CCV1-060512	Batch ID:	R26248	TestNo:	SW8021B	Units:	mg/Kg
SampType:	CCV	Run ID:	GC4_060512A	Analysis Date:	5/12/2006 5:39:49 PM	Prep Date:	

Analyte	Result	RL	SPK value	Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Benzene	0.0888	0.00500	0.1000	0	88.8	85	115			
Toluene	0.0883	0.0150	0.1000	0	88.3	85	115			
Ethylbenzene	0.0864	0.0150	0.1000	0	86.4	85	115			
Xylenes, Total	0.260	0.0150	0.3000	0	86.8	85	115			
Surr: Tetrachloroethene	0.160		0.2000		79.8	79	135			

**Qualifiers:**

B Analyte detected in the associated Method Blank	DF Dilution Factor
J Analyte detected between MDL and RL	MDL Method Detection Limit
ND Not Detected at the Method Detection Limit	R RPD outside accepted control limits
RL Reporting Limit	S Spike Recovery outside control limits

**CLIENT:** Turner, Collie & Braden  
**Work Order:** 0605043  
**Project:** Hawn Ranch

## ANALYTICAL QC SUMMARY REPORT

**RunID:** PMOIST\_060509A

Sample ID <b>0605040-01A DUP</b>	Batch ID: <b>PMOIST-05/10/06A</b>	TestNo: <b>D2216</b>	Units: <b>WT%</b>							
SampType: <b>DUP</b>	Run ID: <b>PMOIST_060509A</b>	Analysis Date: <b>5/10/2006 8:25:00 AM</b>	Prep Date: <b>5/9/2006</b>							
Analyte	Result	RL	SPK value	Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Percent Moisture	24.5	0	0	24.90				1.46	30	

<b>Qualifiers:</b> B Analyte detected in the associated Method Blank J Analyte detected between MDL and RL ND Not Detected at the Method Detection Limit RL Reporting Limit	DF Dilution Factor MDL Method Detection Limit R RPD outside accepted control limits S Spike Recovery outside control limits
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**CLIENT:** Turner, Collie & Braden  
**Work Order:** 0605043  
**Project:** Hawn Ranch

## ANALYTICAL QC SUMMARY REPORT

**RunID:** PMOIST\_060510A

Sample ID: 0605045-05A DUP	Batch ID: PMOIST-05/10/06A	TestNo: D2216	Units: WT%							
SampType: DUP	Run ID: PMOIST_060510A	Analysis Date: 5/10/2006 4:05:00 PM	Prep Date: 5/10/2006							
Analyte	Result	RL	SPK value	Ref Val	%REC	LowLimit	HighLimit	%RPD	RPDLimit	Qual
Percent Moisture	13.9	0	0	14.46				4.14	30	

**Qualifiers:** B Analyte detected in the associated Method Blank  
 J Analyte detected between MDL and RL  
 ND Not Detected at the Method Detection Limit  
 RL Reporting Limit

DF Dilution Factor  
 MDL Method Detection Limit  
 R RPD outside accepted control limits  
 S Spike Recovery outside control limits

**CLIENT:** Turner, Collie & Braden  
**Work Order:** 0605043  
**Project:** Hawn Ranch

**MQL SUMMARY REPORT**

TestNo: TX1005	MDL	MQL
Analyte	mg/Kg	mg/Kg
T/R Hydrocarbons: C6-C12	7	20
T/R Hydrocarbons: >C12-C28	7	20
T/R Hydrocarbons: >C28-C35	7	20
T/R Hydrocarbons: C6-C35	7	20

TestNo: SW8021B	MDL	MQL
Analyte	mg/Kg	mg/Kg
Benzene	0.003	0.005
Toluene	0.005	0.015
Ethylbenzene	0.005	0.015
Xylenes, Total	0.005	0.015

**Qualifiers:** MQL -Method Quantitation Limit as defined by TRRP  
 MDL -Method Detection Limit as defined by TRRP

6

File No. 655462  
HAYS County

ESA PHASE II

Date Filed: 6-2-08  
Jerry E. Patterson, Commissioner

By Susan Thusek



# MEMORANDUM

Texas General Land Office • Jerry Patterson • Commissioner

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

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**SUBJECT: Consideration and possible action on proposed funding for PSF acquisition of approximately 193.27 acres otherwise known as The Hawn Arabian Ranch Tract, Hays County, Texas**

ITEM NUMBER: 15

ATTACHMENTS: 3

ACTION: X Level III

DATE OF MEETING: June 20, 2006

INFORMATION: \_\_\_\_\_

PRESENTER (S): Richard B. Tanner

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## Authority

Under Texas Natural Resources Code Subchapter 1, Section 51.402, the School Land Board has the authority to acquire fee or lesser interest in real property for the use and benefit of the Permanent School Fund.

## Executive Summary

Asset Management requests The Board to consider funding for the acquisition of a ±193.27 acre tract of land located at the west line of Old Stagecoach Road, north of Cypress Road in Hays County, TX. Staff has concluded after research and analysis of market activity and review of comparable sales over the recent past, this tract is considered a good investment for the Permanent School Fund (PSF).

## Background

The property is presently a vacant and partially developed tract of land that is located just outside the city limits of Kyle, TX in Hays County and is considered to be located in a growth area of the County. The site is irregular in shape and the terrain is level to rolling and above grade with street improvements and typical of the area south and southwest of Austin in Hays County. The site is presently not zoned and there are no apparent restrictions that would limit or adversely affect development. Development in the immediate area of the subject consists primarily of Single Family Subdivisions and agricultural uses. There are several mid value single family residential subdivisions to the south and east of the subject property. Hometown Kyle is located across the street property the property and has been marketing single family residential lots aggressively over the recent past with a good deal of success. The site is also adjacent to the "Blanco River Ranch," a recent acquisition of the Permanent School Fund. The purchase of this site will open up both tracts and provide access and frontage along Old Stagecoach Road as well as Cypress Road at the southwest portion of the tract.

**Conclusion**

Sales activity in the area has picked up substantially and overall growth of Kyle and Hays County is estimated to be over 25% over the five years ending in 2010 according to STDBonline. The site is located in an area that is primarily rural in nature with scattered single family and retail developments. Just east of the subject property along IH-35, a number of retail users have recently broken ground. HEB Grocery Store has purchased two sites in the last three years, but has opted to develop one along the east line of IH-35. These new commercial developments being constructed in the neighborhood signal continued growth and demand for residential housing. Clearly, this new construction and positive absorption will only increase demand for additional residential sites in the very near future.

The site will need minimal maintenance to hold for a three to five-year period and it is estimated that it should generate an IRR in excess of the PSF minimum criteria based on current transactions and anticipated appreciation trends for Kyle and Hays County.

**Recommendation**

Staff recommends the acquisition of this site as being in the best interest of the Permanent School Fund and requests that the School Land Board authorize the Land Commissioner to execute documents required for the closing and funding of this transaction, which includes the waiver of the 1.5% fee; subject to final appraisal and any other items to be satisfied in accordance with contractual items and conditions.

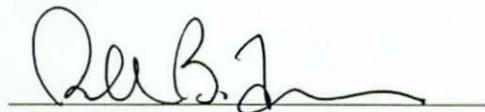
Date Prepared: June 7, 2006

By:



Vincent F. Franco  
Asset Manager  
Texas General Land Office

Approved by:

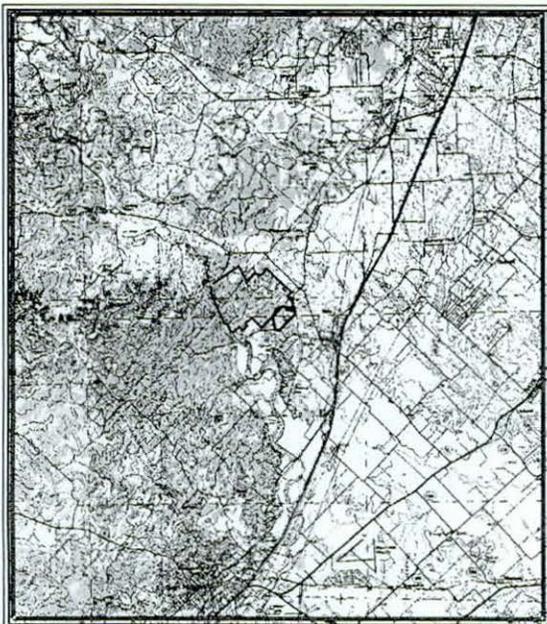
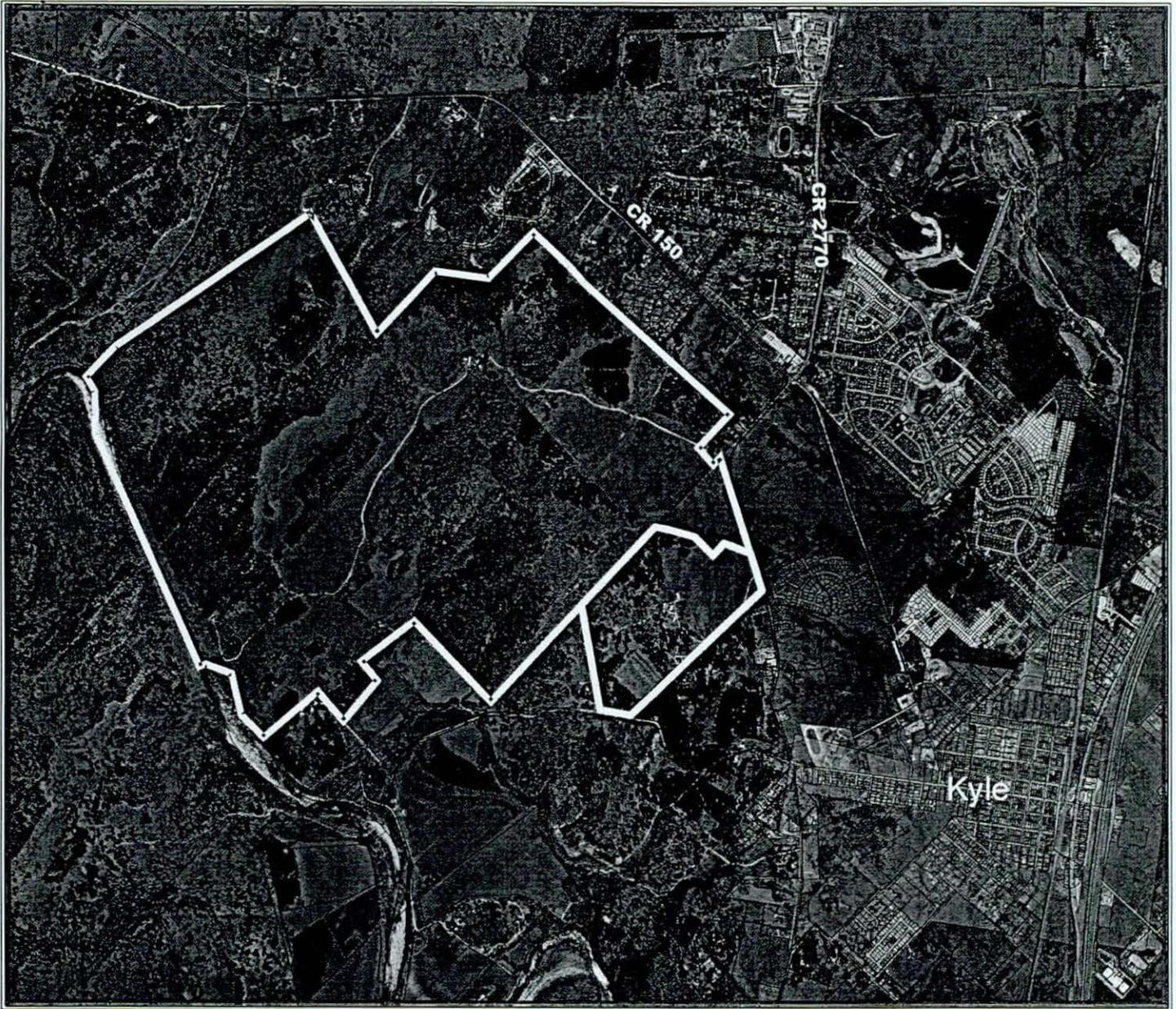


Richard B. Tanner  
Deputy Commissioner, Asset Management  
Texas General Land Office

Approved:

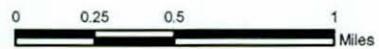
  
**JERRY E. PATTERSON**  
Commissioner of the General Land Office and  
Chairman of the Board

DATE: 22 June 06



Blanco River Ranch  
1,971.29 Acres

Hawn Arabian Ranch  
195.27 Acres







⑦

155462

File No.

HAYS

County

SLB MEMO

Date Filed: 6-2-08

Jerry E. Patterson, Commissioner

By: *[Signature]*

SCANNED  
DATE 7/18/07 ~~HA~~

MINUTES  
SCHOOL LAND BOARD MEETING and  
SEALED BID LAND SALE  
TUESDAY, JUNE 20, 2006

The School Land Board of the State of Texas met on Tuesday, June 20, 2006 at 10:00 A.M. in Room 170 and Room 172 of the Stephen F. Austin Building, Austin, Texas, with the following members present: Jerry Patterson, Chairman of the Board and Commissioner of the General Land Office; Larry Laine, Deputy Land Commissioner and Chief Clerk of the General Land Office; Bill Warnick, General Counsel; Todd Barth, Board Member. Also present were Stephanie Crenshaw, Executive Secretary to the Board; LaNell Aston, Executive Division; Rene Truan, Michael Lemonds, Mark McAnally, Tony Williams, Julie Fielder, Ben Thomson, Ned Polk and Keith Overton, Professional Services Division; Bo Tanner, Jim Rose, Hal Croft, Vince Franco, Scott Carter, James Ybarbo, Jim Gossett, Scott Coulter, Burton Minton, James Nieto and Suzanne Nelson, Asset Management Division; Louis Renaud, Robert Hatter, Peter Boone, Daryl Morgan, Tracey Throckmorton and Ron Widmayer, Energy Resources Division; Charles Richards, Bob Moreland, Tom Cengel, Wendell Smith, Noelle Letteri, Dwain Rogers, Crystal Gobble, Shawn Jamail, Justin McMinn and Nathan Yates, Legal Services Division; Isabel Gallahan and Jim Nier, Governmental Relations Division; Rusty Martin, Funds Management Division; Sandra Dodd and Samantha Gonzales Budget Division; Justin Rand, Communications Division.

Also in attendance were Sandra Buch representing Rosetta Resources/Davis Petroleum, Austin, Texas; J. David Hall representing Denali Oil & Gas Management, Houston, Texas; Jennifer Fox and Tom Lambert representing Legislative Budget Board, Austin, Texas.

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

Motion was made by Mr. Barth and seconded by Chairman Patterson to approve the minutes from the June 6, 2006 School Land Board meeting. Motion carried unanimously.

Peter Boone presented information on Item No. 2, consideration and action on pooling applications. Motion was made by Mr. Barth and seconded by Chairman Patterson to approve Item No. 2-A, an application by Hall-Houston Exploration, L.P., Rutherford Unit, State Leases: MF102890 and MF106182, Brazoria County 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 Chairman Patterson to approve Item No. 2-B, an application by Hall-Houston Exploration, L.P., Attic Unit, State Leases: MF106181 and MF106411, Brazoria County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – B**. Motion carried unanimously.

Motion was made by Mr. Barth and seconded by Chairman Patterson to approve Item No. 2-C, an application by Quicksilver Resources, Inc., Campos Unit "B", State Lease: MF103311, Hood County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – C**. Motion carried unanimously.

Motion was made by Mr. Barth and seconded by Chairman Patterson to approve Item No. 2-D, an application by Rosetta Resources Operating, L.P., State Tract 100 Unit, State Leases: MF103020, MF103021, MF103022, MF103167 and MF103168, Chambers 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 Chairman Patterson to approve Item No. 2-E, an application by Denali Oil & Gas Management, LLC, Jackson State 190 Unit, State Lease: MF105426, Chambers and Galveston Counties, 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 Chairman Patterson to approve Item No. 2-F, an application by Mewbourne Oil Company, Kelln "94" Unit, State Leases: MF106250, MF106251, MF106252, MF106253, MF106254 and MF106255, Lipscomb County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – F**. Motion carried unanimously.

Michael Lemonds presented information on Item No. 3, consideration and action on applications for Coastal Easements on Coastal Public Lands. Motion was made by Mr. Barth and seconded by Chairman Patterson to approve Item No. 3, A-C all new applications: **A.** CE20050294, Mr. Vim X. Head, San Bernard River, Brazoria County; **B.** CE20060114, Jakensean, LTD., San Bernard River, Brazoria County; **C.** CE20060173, Mr. James E. Hillis, San Bernard River, Brazoria County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – G**. Motion carried unanimously.

Tony Williams presented information on Item No.4, consideration and action on applications for Coastal Leases on Coastal Public Lands. Motion was made by Mr. Barth and seconded by Chairman Patterson to approve Item No. 4-A, an amendment, CL20060004, City of Clear Lake Shores, Clear Lake, Galveston County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – H**. Motion carried unanimously.

Michael Lemonds presented information on Item No. 5, consideration and action on applications for Cabin Permits on Coastal Public Lands. Motion was made by Mr. Barth and seconded by Chairman Patterson to approve Item No. 5, A-C, all renewals: **A.** PC1170, David Crossland, Laguna Madre, Kenedy County; **B.** PC1271, Howard C. Huff, Laguna Madre, Kleberg County; **C.** PC1369, James Gary Byrd, Laguna Madre, 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. Barth and seconded by Chairman Patterson to approve Item No. 5, D-F, all transfers: **D**. PC1036, Mr. & Mrs. William W. Mullinax, Laguna Madre, Kleberg County; **E**. PC1274, Blake Sandford, Laguna Madre, Kenedy County; **F**. PC1483, Kevin Frank, Bastrop Bay, Brazoria County, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – J**. Motion carried unanimously.

Item No. 6 was pulled from the docket prior to the meeting.

LaNell Aston presented information on Item No. 7, consideration and action on the final adoption of vacancy rule 31 Texas Administrative Code Rule 13.83, relating to Determination of Good-Faith Claimant Status. Motion was made by Mr. Barth and seconded by Chairman Patterson to approve Item No. 7 according to staff's recommendation, a copy of which is attached hereto as **Exhibit – K**. Motion carried unanimously.

Hal Croft presented information on Item No. 8, consideration and possible action on recommendation to Waive First Option to Purchase the following state agency tracts: 1) Texas Department of Transportation, GLO I.D. # 1056, 11.86 acres in Henderson County; 2) Texas Department of Transportation, GLO I.D. # 884, 8.47 acres in Jefferson County; 3) Texas Department of Transportation, GLO I.D. # 829, 8.28 acres in Wheeler County; 4) Texas Department of Transportation, GLO I.D. # 1209, 3.13 acres in Erath County; 5) Texas Workforce Commission, GLO I.D. # 2075, 1.19 acres in Matagorda County; 6) Texas Workforce Commission, GLO I.D. # 1861, .38 acres in Hale County. Motion was made by Mr. Barth and seconded by Chairman Patterson to approve Item No. 8, according to staff's recommendation, a copy of which is attached hereto as **Exhibit – L**. Motion carried unanimously.

The School Land Board entered into Closed Session at 10:27 A.M. pursuant to Chapter 551, Subchapter D, Texas Government Code Section 551.07, relating to Item No. 9, consideration and possible action on the approval of investments with external Fund Managers. Approval to include authority to execute all necessary agreements in order to solidify fund allocation commitments and execute all applicable associated documents; Item No. 10, consideration and possible action on the disposition of Permanent School Fund (PSF) land by direct sale, being part of Base file Number: 155275, ±1.4530 acres of land out of the Westland Business Park, Harris County, Texas; Item No. 11, consideration and possible action on the disposition of PSF land by direct sale, being part of Base file Number: 155275, ±4.142 acres of land out of the Westland Business Park, Harris County, Texas; Item No. 12, consideration and possible action on proposed joint development of 113.133 acres of PSF land, Base File 155377, Hays County, Texas; Item No. 13, consideration and possible action on proposed contract for the PSF acquisition of approximately 65 acres in Hidalgo County, Texas; Item No. 14, consideration and possible action on proposed contract for the PSF acquisition of

approximately 28 acres in Tarrant County, Texas; Item No. 15, consideration and possible action on proposed funding for PSF acquisition of approximately 193.27 acres otherwise known as The Hawn Arabian Ranch Tract, Hays County, Texas; Item No. 17, consideration and possible action on funding for the PSF acquisition of approximately 6.90 acres in Travis County, Texas or to seek or receive attorney advice or counsel.

The School Land Board reconvened into Open Session at 11:34 A. M. No action was taken during Closed Session.

Bo Tanner presented information on Item No. 9, consideration and possible action on the approval of investments with external Fund Managers. Approval to include authority to execute all necessary agreements in order to solidify fund allocation commitments and execute all applicable associated documents. Motion was made by Mr. Barth and seconded by Chairman Patterson to approve Item No. 9 according to staff's recommendation. The Investment Advisory Committee and staff recommend approval of the appointment of TA Realty Associates Fund VIII as investment manager for the School Land Board to invest PSF funds in an amount not to exceed \$50,000,000. The respective amounts are designated from Sec 51.401NRC. The approval and appointments are subject to negotiation and execution by the Chairman of the School Land Board of contracts meeting statutory requirements to include compliance with SLB adopted policies, requirements, and restrictions, ethical standards and disclosure policies and criteria for determining the quality of investments and containing satisfactory provisions for compensation to be paid by the SLB. Such approval shall include authority to execute all necessary documents to comply with such appointment and designation of funds. Approval to include authority to execute all necessary agreements in order to solidify fund allocation commitments and execute all applicable associated documents. Motion carried unanimously.

Bo Tanner presented information on Item No. 10, consideration and possible action on the disposition of Permanent School Fund (PSF) land by direct sale, being part of Base file Number: 155275, ±1.4530 acres of land out of the Westland Business Park, Harris County, Texas. Motion was made by Mr. Barth and seconded by Chairman Patterson to approve Item No. 9 according to staff's recommendation. Staff recommends that pursuant to TNRC § 51.052(i) the School Land Board find the direct sale of this property listed for sale by a third party broker since September 1, 2005 and the transaction brought by said broker is in the best interest of the Permanent School Fund and approve the negotiated sale of this property under the terms and conditions presented, with the proceeds from this sale to be deposited into the escrow account as authorized by TNRC § 51.401. Staff further recommends that pursuant to TNRC § 51.011 (a) the School Land Board find that it is in the best interest of the Permanent School Fund that the sales price of this property be the negotiated price as presented. Motion carried unanimously.

Bo Tanner presented information on Item No. 11, consideration and possible action on the disposition of PSF land by direct sale, being part of Base file Number: 155275, ±4.142 acres of land out of the Westland Business Park, Harris County, Texas.

Motion was made by Mr. Barth and seconded by Chairman Patterson to approve Item No. 11 according to staff's recommendation. Staff recommends that pursuant to TNRC § 51.052(i) the School Land Board find the direct sale of this property listed for sale by a third party broker since September 1, 2005 and the transaction brought by said broker is in the best interest of the Permanent School Fund and approve the negotiated sale of this property under the terms and conditions presented, with the proceeds from this sale to be deposited into the escrow account as authorized by TNRC § 51.401. Staff further recommends that pursuant to TNRC § 51.011 (a) the School Land Board find that it is in the best interest of the Permanent School Fund that the sales price of this property be the negotiated price as presented. Motion carried unanimously.

Bo Tanner presented information on Item No. 12, consideration and possible action on proposed joint development of 113.133 acres of PSF land, Base File 155377, Hays County, Texas. Motion was made by Mr. Barth and seconded by Chairman Patterson to approve Item No. 12 according to staff's recommendation. Staff recommends that the School Land Board authorize the to execute all documents necessary to effect the joint Development Agreement with Direct Development with respect to the referenced 113.133 acres of PSF land in San Marcos, Hays County, Texas as being in the best interest of the Permanent School Fund. Motion carried unanimously.

Bo Tanner presented information on Item No. 13, consideration and possible action on proposed contract for the PSF acquisition of approximately 65 acres in Hidalgo County, Texas. Motion was made by Mr. Barth and seconded by Chairman Patterson to approve Item No. 13 according to staff's 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 agreements required to conclude this purchase as described including waiver of the 1.5% Acquisition Fee. The Agreements would be subject to a satisfactory appraisal, survey, environmental site assessment, due diligence and other contractual terms and conditions. School Land Board action would be required for final funding of this transaction. Motion carried unanimously.

Bo Tanner presented information on Item No. 14, consideration and possible action on proposed contract for the PSF acquisition of approximately 28 acres in Tarrant County, Texas. Motion was made by Mr. Barth and seconded by Chairman Patterson to approve Item No. 14 according to staff's 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 agreements required to conclude this purchase as described, including waiver of the 1.5% Acquisition Fee. The Agreements would be subject to a satisfactory appraisal, survey, environmental site assessment, due diligence and other contractual terms and conditions. School Land Board action would be required for final funding of this transaction. Motion carried unanimously.

Bo Tanner presented information on Item No. 15, consideration and possible action on proposed funding for PSF acquisition of approximately 193.27 acres otherwise

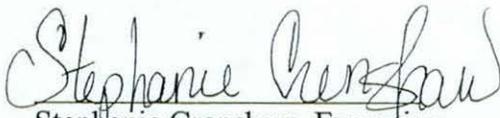
known as The Hawn Arabian Ranch Tract, Hays County, Texas. Motion was made by Mr. Barth and seconded by Chairman Patterson to approve Item No. 15 according to staff's recommendation. Staff recommends the acquisition of this site as being in the best interest of the Permanent School Fund and requests 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 1.5% fee; subject to final appraisal and any other items to be satisfied in accordance with contractual items and conditions. Motion carried unanimously.

Item No. 16 was pulled from the docket prior to the meeting.

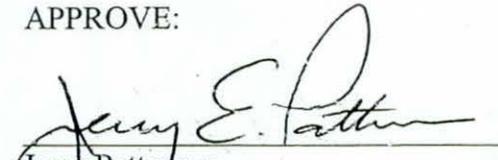
Bo Tanner presented information on Item No. 17, consideration and possible action on funding for the PSF acquisition of approximately 6.90 acres in Travis County, Texas. Motion was made by Mr. Barth and seconded by Chairman Patterson to approve Item No. 17 according to staff's recommendation. No action was taken at this time and was postponed until the next meeting to gather further information for the board.

There being no further business before the School Land Board, the meeting was adjourned at 11:50 A.M.

ATTEST:

  
Stephanie Crenshaw, Executive  
Secretary to the Board

APPROVE:

  
Jerry Patterson  
Chairman of the Board and  
Commissioner of the General Land Office

②

File No. 655462  
HAYS County  
SLB MINUTES  
Date Filed: 6-2-08  
Jerry E. Patterson, Commissioner  
By Susan Throck

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 1/2" 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;



- 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.

 5/21/06

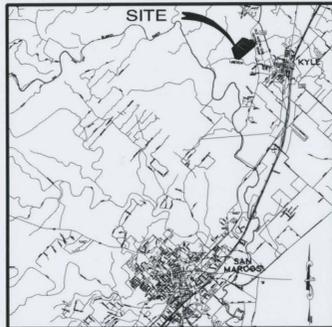
Hal B. Lane III  
Registered Professional Land Surveyor  
Texas Registration Number 4690  
Vickrey & Associates, Inc.



Job No. 2042-003-104  
HL/gm m&b 195.14acres  
May 24, 2006



SCANNED  
DATE 7/18/07 HHT



LOCATION MAP  
N.T.S.

TRACT NO. TWO  
290.12 ACRES  
ROBERT NANCE & MARTHA JANE ALLEN  
VOLUME 135, PAGE 456 D.R.H.C.T.  
AUGUST, 1946

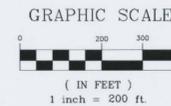
1971.29 ACRES  
THE STATE OF TEXAS  
VOLUME 2755, PAGE 820 O.R.H.C.T.  
AUGUST 24, 2005

**195.14 ACRES**

195.27 ACRES  
WILLIAM REED HAWN & RICHARD REED HAWN  
VOLUME 1201, PAGE 659 O.P.R.H.C.T.  
JANUARY, 1996

1971.29 ACRES  
THE STATE OF TEXAS  
VOLUME 2755, PAGE 820 O.R.H.C.T.  
AUGUST 24, 2005

TRACT 1  
135.78 ACRES  
KY-TEX PROPERTIES, INC.  
VOLUME 254, PAGE 848 D.R.H.C.T.  
NOVEMBER, 1972



NO.	DATE	DESCRIPTION	REVISIONS
1	06/22/06	REVISED FENCE ON SE BOUNDARY LINE	
2			
3			
4			

**VICKREY & ASSOCIATES, INC.**  
CONSULTING ENGINEERS  
12940 Country Parkway, San Antonio, Texas 78216  
Telephone: (210) 449-3271

PREPARED FOR:  
TEXAS GENERAL  
LAND OFFICE  
1700 N. CONGRESS AVE.  
AUSTIN, TEXAS  
78707-1495

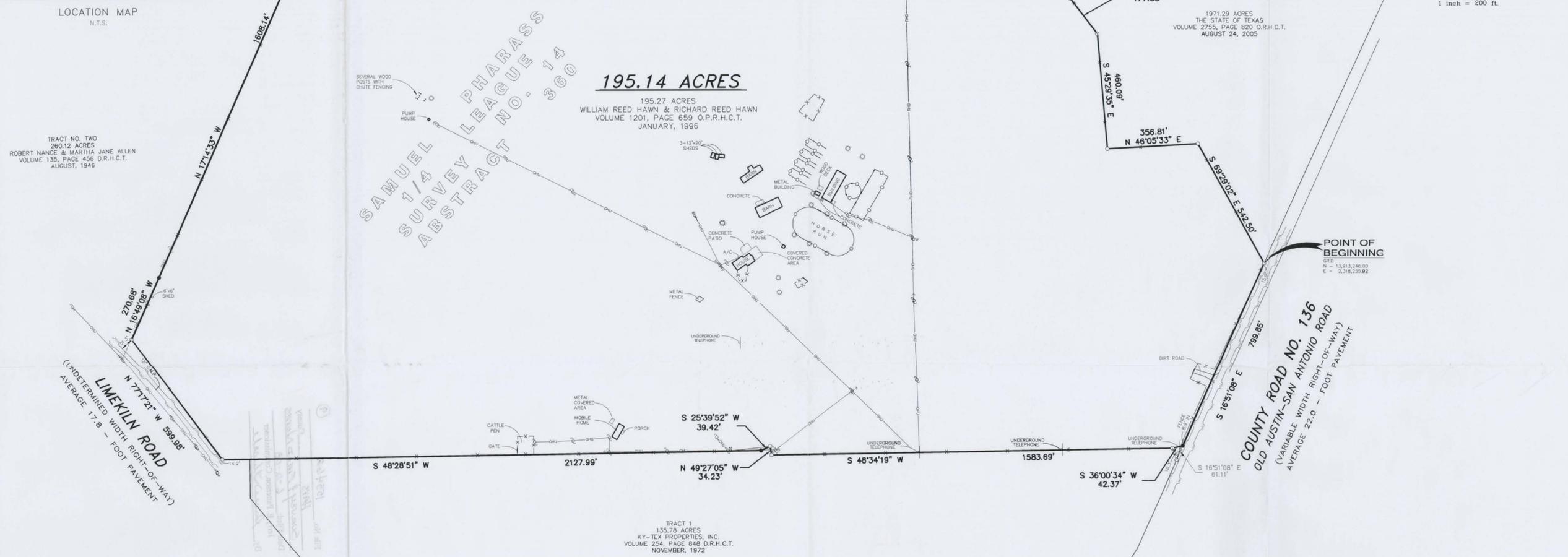
**SURVEY PLAT FOR**  
**FOR A 195.14 ACRE TRACT OF LAND**  
**OUT OF THE ONE-FOURTH LEAGUE SURVEY NO. 14**  
**SAMUEL PHARASS, ABSTRACT 360**  
**HAYS COUNTY, TEXAS**

DATE: MAY 24, 2006

SCALE  
Vertical 1" = 200'  
Horizontal 1" = 200'

SHEET 1 OF 1

PROJ. NO. 2042-003-10



- NOTES:
- UNLESS OTHERWISE NOTED, ALL SET 1/2" IRON RODS INCLUDE A VICKREY & ASSOCIATES, INC. PROPERTY CAP.
  - NO SUBSURFACE ISSUES OTHER THAN THOSE LISTED IN THE TITLE COMMITMENT OR VISUALLY OBSERVED WERE REVIEWED IN THE PREPARATION OF THIS SURVEY.
  - SEPARATE METES & BOUNDS OF EVEN DATE ACCOMPANIES AND IS A PART OF THIS SURVEY.
  - THIS SURVEY WAS PERFORMED WITH THE BENEFIT OF TITLE COMMITMENT OF NO. 0624672500K ISSUED BY FIRST AMERICAN TITLE INSURANCE COMPANY WITH AN EFFECTIVE DATE OF MARCH 24, 2006.
  - MATTERS LISTED UNDER ITEM 10, b. THRU k., OF TITLE COMMITMENT OF NO. 0624672500K, ARE LISTED BELOW.

- LEGEND**
- FOUND CEDAR FENCE POST (UNLESS OTHERWISE NOTED)
  - SET 1/2" IRON ROD W/ VICKREY & ASSOC., INC. PROPERTY CORNER CAP
  - UTILITY POLE
  - GUY WIRE
  - LIGHT POLE
  - TELEPHONE PEDESTAL
  - SIGN
  - X — BARR WIRE FENCE
  - O — METAL FENCE
  - OH — OVERHEAD UTILITY LINE
  - — EDGE OF PAVEMENT
  - C.M.P. — CORRUGATED METAL PIPE
  - D.R.H.C.T. — DEED RECORDS OF HAYS COUNTY, TEXAS
  - O.P.R.H.C.T. — OFFICIAL PUBLIC RECORDS HAYS COUNTY, TEXAS
  - N.T.S. — NOT TO SCALE
  - ( ) — RECORD INFORMATION

10. The following matters and all terms of the documents creating or offering evidence of the matters:
- Valid and apparent easements on or across property described in Schedule A.
  - Easement:  
Purpose: pipe line  
Recorded in Volume 138, Page 195, of the Deed Records, Hays County, Texas. (Does Not Apply)
  - Easement:  
Purpose: buried communication cable  
Recorded in Volume 737, Page 718, of the Deed Records, Hays County, Texas. (Blanket Type - Not Plottable)
  - Easement and Right-of-Way:  
Purpose: lower and related facilities  
Recorded in Volume 881, Page 15, of the Official Public Records, Hays County, Texas. (Blanket Type)
  - Terms, Conditions, and Stipulations in Subj. Lease Agreement:  
Lessee: A.W. Clegg  
Lessor: Texas Pipeline, Inc.  
Recorded in Volume 1367, Page 638, of the Official Public Records, Hays County, Texas. (Does Not Apply)
  - Terms, Conditions and Stipulations in Lease Agreement:  
Lessee: F.D. Glass, Jr.  
Lessor: The Texas Pipe Line Company  
Recorded in Volume 141, Page 444, of the Deed Records, Hays County, Texas. (Does Not Apply)
  - Mineral and/or royalty interest:  
Recorded in Volume 185, Page 201, of the Deed Records, Hays County, Texas.  
By: A.W. Clegg and Robb Clegg  
To: H-Tel Properties, Inc.  
Title to said interest has not been investigated subsequent to the date of the aforesaid instrument. (Not Survey Related)
  - Mineral and/or royalty interest:  
Recorded in Volume 197, Page 632, of the Deed Records, Hays County, Texas. Title to said interest has not been investigated subsequent to the date of the aforesaid instrument. (Not Survey Related)
  - Mineral and/or royalty interest:  
Recorded in Volume 110, Page 66, of the Deed Records, Hays County, Texas. Title to said interest has not been investigated subsequent to the date of the aforesaid instrument. (Not Survey Related)
  - Terms, Conditions, and Stipulations set out in Ordinance No. 189  
Recorded in Volume 565, Page 630, Deed Records, Hays County, Texas. (Not Survey Related)
6. THE RIGHT-OF-WAY DATA FOR THE COUNTY ROADS SHOWN ON THIS SURVEY WERE PROVIDED TO VICKREY AND ASSOCIATES BY THE HAYS COUNTY ROAD AND BRIDGE DEPARTMENT.
- P.O. BOX 906  
SAN MARCOS, TEXAS 78667  
PHONE: 512-383-7385  
FAX: 512-383-7385  
CONTACT: TIMOTHY D. VANDE VORDE, C.E.T.
7. COORDINATES CITED IN THIS DESCRIPTION ARE BASED ON TEXAS STATE PLANE COORDINATES SYSTEM NAD 83 SOUTH CENTRAL ZONE GRID, WITH DISTANCES CITED IN SURFACE USING A COMBINED SCALE FACTOR OF 1.000700
8. BEARING REFERENCE FOR THIS SURVEY IS BASED ON TEXAS STATE PLANE COORDINATES SYSTEM NAD 83 SOUTH CENTRAL ZONE HOLDING SAN MARCOS CORNERS STATION TBM AND AUSTIN CORNERS STATION TBM.
- 7358  
L&P: N 28°24'05.5277"  
L&P: W 87°54'09.8503"
- 7349  
L&P: N 30°18'42.08807"  
L&P: W 87°46'22.71311"

I, HAL B. LANE III, HEREBY CERTIFY THAT THIS SURVEY SUBSTANTIALLY COMPLIES WITH THE CURRENT TEXAS SOCIETY OF PROFESSIONAL SURVEYORS STANDARDS AND SPECIFICATIONS FOR A CATEGORY 1A, CONDITION II, SURVEY.

This the 17th Day of MAY, 2006.

*Hal B. Lane III*  
Hal B. Lane III  
Registered Professional Land Surveyor  
Texas Registration No. 4690  
Vickrey & Associates, Inc.



FEE \$30.90	<b>TAX CERTIFICATE</b> <b>DATA TRACE</b> 1033 LA POSADA - SUITE 130 AUSTIN, TEXAS 78752 (512)458-4240 FAX(512)458-5244	REMIT CERT FEE TO: DATA TRACE P. O. BOX 848244 DALLAS, TX 75284
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CUST: TEXAS UNITED TITLE	BRANCH:	ORDER TYPE: T	SUBTYPE: R	DATE: 06/26/06
GF#: 0624672350	CLOSER: DK			

**CAD ACCOUNT NUMBER SUMMARY**

10-0360-0001-00000-2	10-0360-0002-00000-2	10-0360-0003-00000-2
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**SUMMARY OF ALL ACCOUNT(S)**

	SUMMARY OF CURRENT YEAR		SUMMARY OF ALL TAXES DUE	
	TAX YEAR	BASE TAX	DUE 06/06	DUE 07/06
HAYS COUNTY	2005	1,260.18	1,449.21	1,710.07
ISD - HAYS CONSOLIDATED	2005	5,192.09	5,970.90	7,045.67
HAYS COUNTY RURAL FIRE #	2005	139.19	160.07	188.88
EDWARDS UNDERGROUND	2005	0.00	0.00	0.00
<b>TOTAL TAX</b>		<b>6,591.46</b>	<b>7,580.18</b>	<b>8,944.62</b>

\*\*\*\*\*COMMENTS\*\*\*\*\*CAUTION\*\*\*\*\*READ BEFORE CLOSING\*\*\*\*\*

HAYS COUNTY - TAX RATE INCLUDES SPECIAL ROAD DISTRICT

CAD# 10-0360-0001-00000-2 DESC ABS 360 SAMUEL PHARASS SURVEY 1.00 AC GEO#90602792 ABST/SUB ID A0360 ACREAGE 1.000 SITUS OLD STAGECOACH RD KYL MAIL 3005 SCENIC DR AUSTIN TX 78703-1057 ASSESSED OWNER(S) HAWN RICHARD REED	GHA SHA FHA WEU TU6/AM1       <b>2005 ASSESSED VALUES</b> LAND 2,510 IMPROVEMENT 62,730 TOTAL VALUE 65,240
--	---

**TAX ENTITY INFORMATION**

<b>HAYS COUNTY</b>	<b>PAYMENTS AS OF</b>	<b>06/05/06</b>
102 N LBJ DRIVE SAN MARCOS TX 78666	05 TAX RATE	0.4554000
PHONE 512-393-5545	W/O EXEMPT	297.10
<b>EXEMPTIONS NONE</b>	<b>YR</b>	<b>BASE TAX</b>
R16896	05	297.10
	<b>BASE DUE</b>	<b>DUE 06/06</b>
	297.10	341.67
	<b>DUE 07/06</b>	<b>403.17</b>
	<b>SUBTOTAL</b>	<b>297.10</b>
		<b>297.10</b>
		<b>341.67</b>
		<b>403.17</b>

<b>ISD - HAYS CONSOLIDATED</b>	<b>PAYMENTS AS OF</b>	<b>06/05/06</b>
COLLECTED BY HAYS CO	05 TAX RATE	1.8763000
PHONE 512-393-5545	W/O EXEMPT	1,224.10
<b>EXEMPTIONS NONE</b>	<b>YR</b>	<b>BASE TAX</b>
R16896	05	1,224.09
	<b>BASE DUE</b>	<b>DUE 06/06</b>
	1,224.09	1,407.70
	<b>DUE 07/06</b>	<b>1,661.09</b>
	<b>SUBTOTAL</b>	<b>1,224.09</b>
		<b>1,224.09</b>
		<b>1,407.70</b>
		<b>1,661.09</b>

**TAX CERTIFICATE**  
**DATA TRACE**  
 1033 LA POSADA - SUITE 130  
 AUSTIN, TEXAS 78752  
 (512)458-4240 FAX(512)458-5244

CUST: TEXAS UNITED TITLE	BRANCH:	
GF#: 0624672350	CLOSER: DK	ORDER TYPE: T
		SUBTYPE: R
		DATE: 06/26/06

HAYS COUNTY RURAL FIRE #5	PAYMENTS AS OF	06/05/06
COLLECTED BY HAYS CO	05 TAX RATE	0.0530000
PHONE 512-393-5545	W/O EXEMPT	34.58
EXEMPTIONS NONE	YR	BASE TAX
R16896	05	32.82
	BASE DUE	DUE 06/06
		37.74
	DUE 07/06	44.54
	SUBTOTAL	32.82
		32.82
		37.74
		44.54

EDWARDS UNDERGROUND	PAYMENTS AS OF	
NO LONGER ASSESSING DELINQUENTS COLLECTED BY HAYS	05 TAX RATE	0.0000000
PHONE 512-393-5545	W/O EXEMPT	0.00
	YR	BASE TAX
	05	0.00
	BASE DUE	DUE 06/06
		*** NO TAX DUE ***
	DUE 07/06	0.00
	SUBTOTAL	0.00
		0.00
		0.00
		0.00

SUMMARY OF ACCOUNT 10-0360-0001-00000-2				
	TAX YEAR	BASE TAX	DUE 06/06	DUE 07/06
HAYS COUNTY	2005	297.10	341.67	403.17
ISD - HAYS CONSOLIDATED	2005	1,224.09	1,407.70	1,661.09
HAYS COUNTY RURAL FIRE #	2005	32.82	37.74	44.54
EDWARDS UNDERGROUND	2005	0.00	0.00	0.00
<b>TOTAL TAX</b>		<b>1,554.01</b>	<b>1,787.11</b>	<b>2,108.80</b>

CAD# 10-0360-0002-00000-2	GHA SHA FHA WEU
DESC ABS 360 SAMUEL PHARASS SURVEY 1.00 AC GEO#90602793 ABST/SUB ID A0360	TU6/AM1
ACREAGE 1.000	
SITUS OLD STAGECOACH RD KYL	
MAIL 3005 SCENIC DR AUSTIN TX 78703-1057	
ASSESSED OWNER(S)	2005 ASSESSED VALUES
HAWN RICHARD REED	LAND 2,510
	IMPROVEMENT 194,120
	TOTAL VALUE 196,630

**TAX ENTITY INFORMATION**

HAYS COUNTY	PAYMENTS AS OF	06/05/06
102 N LBJ DRIVE SAN MARCOS TX 78666	05 TAX RATE	0.4554000
PHONE 512-393-5545	W/O EXEMPT	895.45
EXEMPTIONS NONE	YR	BASE TAX
R16897	05	895.46
	BASE DUE	DUE 06/06
		1,029.78
	DUE 07/06	1,215.14
	SUBTOTAL	895.46
		895.46
		1,029.78
		1,215.14

**TAX CERTIFICATE**  
**DATA TRACE**  
 1033 LA POSADA - SUITE 130  
 AUSTIN, TEXAS 78752  
 (512)458-4240 FAX(512)458-5244

CUST: TEXAS UNITED TITLE	BRANCH:	
GF#: 0624672350	CLOSER: DK	ORDER TYPE: T
		SUBTYPE: R
		DATE: 06/26/06

ISD - HAYS CONSOLIDATED	PAYMENTS AS OF	06/05/06
COLLECTED BY HAYS CO	05 TAX RATE	1.8763000
PHONE 512-393-5545	W/O EXEMPT	3,689.37
EXEMPTIONS NONE	YR	BASE TAX
R16897	05	3,689.37
		BASE DUE
		3,689.37
		DUE 06/06
		4,242.78
		DUE 07/06
		5,006.48
	SUBTOTAL	3,689.37
		3,689.37
		4,242.78
		5,006.48

HAYS COUNTY RURAL FIRE #5	PAYMENTS AS OF	06/05/06
COLLECTED BY HAYS CO	05 TAX RATE	0.0530000
PHONE 512-393-5545	W/O EXEMPT	104.21
EXEMPTIONS NONE	YR	BASE TAX
R16897	05	98.90
		BASE DUE
		98.90
		DUE 06/06
		113.74
		DUE 07/06
		134.21
	SUBTOTAL	98.90
		98.90
		113.74
		134.21

EDWARDS UNDERGROUND	PAYMENTS AS OF	
NO LONGER ASSESSING DELINQUENTS COLLECTED BY HAYS	05 TAX RATE	0.0000000
PHONE 512-393-5545	W/O EXEMPT	0.00
	YR	BASE TAX
	05	0.00
		BASE DUE
		0.00
		DUE 06/06
		*** NO TAX DUE ***
	SUBTOTAL	0.00
		0.00
		0.00
		0.00

SUMMARY OF ACCOUNT 10-0360-0002-00000-2				
	TAX YEAR	BASE TAX	DUE 06/06	DUE 07/06
HAYS COUNTY	2005	895.46	1,029.78	1,215.14
ISD - HAYS CONSOLIDATED	2005	3,689.37	4,242.78	5,006.48
HAYS COUNTY RURAL FIRE #	2005	98.90	113.74	134.21
EDWARDS UNDERGROUND	2005	0.00	0.00	0.00
<b>TOTAL TAX</b>		<b>4,683.73</b>	<b>5,386.30</b>	<b>6,355.83</b>

**TAX CERTIFICATE  
DATA TRACE**

1033 LA POSADA - SUITE 130  
AUSTIN, TEXAS 78752  
(512)458-4240 FAX(512)458-5244

CUST: TEXAS UNITED TITLE      BRANCH:  
GF#: 0624672350      CLOSER: DK      ORDER TYPE: T      SUBTYPE: R      DATE: 06/26/06

CAD#	10-0360-0003-00000-2	GHA SHA FHA WEU
DESC	ABS 360 SAMUEL PHARASS SURVEY 193.27 AC GEO#90602794 ABST/SUB ID A0360	TU6/AM1
ACREAGE	193.270	
SITUS		
MAIL	3005 SCENIC DR AUSTIN TX 78703-1057	
ASSESSED OWNER(S)		2005 ASSESSED VALUES
	<i>HAWN RICHARD REED</i>	
		LAND 484,550
		IMPROVEMENT 0
		MARKET VALUE 484,550
		DEFERRED VALUE 469,700
		SPECIAL VALUE 14,850
SUBJECT TO ROLLBACK TAXES		

**TAX ENTITY INFORMATION**

<b>HAYS COUNTY</b>	<b>PAYMENTS AS OF</b>	<b>06/05/06</b>			
102 N LBJ DRIVE SAN MARCOS TX 78666	05 TAX RATE	0.4554000			
PHONE 512-393-5545	W/O EXEMPT	2,206.64			
<b>EXEMPTIONS NONE</b>	<b>YR</b>	<b>BASE TAX</b>	<b>BASE DUE</b>	<b>DUE 06/06</b>	<b>DUE 07/06</b>
R16898	05	67.62	67.62	77.76	91.76
	SUBTOTAL	67.62	67.62	77.76	91.76

<b>ISD - HAYS CONSOLIDATED</b>	<b>PAYMENTS AS OF</b>	<b>06/05/06</b>			
COLLECTED BY HAYS CO	05 TAX RATE	1.8763000			
PHONE 512-393-5545	W/O EXEMPT	9,091.61			
<b>EXEMPTIONS NONE</b>	<b>YR</b>	<b>BASE TAX</b>	<b>BASE DUE</b>	<b>DUE 06/06</b>	<b>DUE 07/06</b>
R16898	05	278.63	278.63	320.42	378.10
	SUBTOTAL	278.63	278.63	320.42	378.10

<b>HAYS COUNTY RURAL FIRE #5</b>	<b>PAYMENTS AS OF</b>	<b>06/05/06</b>			
COLLECTED BY HAYS CO	05 TAX RATE	0.0530000			
PHONE 512-393-5545	W/O EXEMPT	256.81			
<b>EXEMPTIONS NONE</b>	<b>YR</b>	<b>BASE TAX</b>	<b>BASE DUE</b>	<b>DUE 06/06</b>	<b>DUE 07/06</b>
R16898	05	7.47	7.47	8.59	10.13
	SUBTOTAL	7.47	7.47	8.59	10.13

**TAX CERTIFICATE  
DATA TRACE**  
1033 LA POSADA - SUITE 130  
AUSTIN, TEXAS 78752  
(512)458-4240 FAX(512)458-5244

CUST: TEXAS UNITED TITLE                      BRANCH:  
GF#: 0624672350                      CLOSER: DK                      ORDER TYPE: T                      SUBTYPE: R                      DATE: 06/26/06

EDWARDS UNDERGROUND                      PAYMENTS AS OF  
NO LONGER ASSESSING DELINQUENTS COLLECTED BY HAYS                      05 TAX RATE                      0.000000  
PHONE 512-393-5545                      W/O EXEMPT                      0.00

YR	BASE TAX	BASE DUE	DUE 06/06	DUE 07/06
05	0.00	0.00	*** NO TAX DUE ***	
<b>SUBTOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**SUMMARY OF ACCOUNT 10-0360-0003-00000-2**

	TAX YEAR	BASE TAX	DUE 06/06	DUE 07/06
HAYS COUNTY	2005	67.62	77.76	91.76
ISD - HAYS CONSOLIDATED	2005	278.63	320.42	378.10
HAYS COUNTY RURAL FIRE #	2005	7.47	8.59	10.13
EDWARDS UNDERGROUND	2005	0.00	0.00	0.00
<b>TOTAL TAX</b>		<b>353.72</b>	<b>406.77</b>	<b>479.99</b>

**CERTIFICATION, CONDITIONS AND EXCLUSIONS**

THIS CERTIFIES THAT ALL AD VALOREM TAXES APPLICABLE TO THE ABOVE REFERENCED  
PROPERTY HAVE BEEN CHECKED AND FOUND TO HAVE THE STATUS INDICATED.

1. THIS CERTIFICATION DOES NOT COVER ANY CHANGES MADE TO THE TAX ROLL OR RECORDS AFTER THE "PAYMENT AS OF" DATES LISTED ABOVE.
2. THIS DOCUMENT DOES NOT CONSTITUTE A REPORT ON OR CERTIFICATION OF MINERAL (PRODUCTIVE AND NON-PRODUCTIVE) TAXES, LEASES, PERSONAL PROPERTY TAXES OR OTHER NON AD VALOREM TAXES (SUCH AS PAVING LIENS, STAND-BY CHARGES OR MAINTENANCE ASSESSMENTS). THESE ITEMS MAY BE INCLUDED FOR CONVENIENCE PURPOSES ONLY.
3. THIS CERTIFICATE IS NOT TRANSFERRABLE AND IS ENFORCEABLE ONLY BY THE PARTY TO WHICH IT HAS BEEN ISSUED.

PRINTED BY TU6/AM1

10

155462

File No.

HAYS

County

TAX CERTIFICATE

Date Filed: 6-2-08

Jerry E. Patterson, Commissioner

By: *[Signature]*

SCANNED  
DATE 7/18/07 HHH



# Purchase Requisition

Texas General Land Office

Req. No. 305 - 10-2729

Do not place an Order. The Purchasing Department **MUST** place this order in compliance with State Laws & Regulations.

Data Center Approval Required for I.S. Purchase  
 Data Center Approval Not Required

Program/Division: Asset Management      Requestor: Candy Owens      Phone Number: 463-3726      Date Initiated: 6/28/06

Justification for Purchase:  
PSF Acquisition of 195.14 acres in Hays County

CONTRACT **NEW**       Prof. Svcs.     Cons.     Int. Agency     Int. Local     O/S Counsel     MOU     MOA     Letter Agr.  
 Other (Kind) \_\_\_\_\_      Renewal of contract # \_\_\_\_\_

ADMENDMENT 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.: 20-1621063      (Legal Approval)      Date  
Vendor Name: United Title of Texas      Suggested Vendor:  
Address: 901 S. Mopac Expresway Building 1, Suite 540      Contact Person: DeeDee King  
City/State: Austin, TX      Zip: 78746      Phone Number: 512.306.0122  
E-mail address:      Fax Number: 512.306.0837

DT POC	Fund	Approp.	Comptroller Object	GLO Code	PCA	Amount	BUDGET ANPS ENTRY	By: <u>SG</u>	Date: <u>6-30-06</u>
9	13	13002	0447001 7712	4300	31003	\$3,124,557.95	Please deliver to requestor by 6/30/06 for closing on 6/30/2006		

Item	Commodity Code	Class	Description of Product/Service	Quantity	UOM	Unit Price	Estimated Cost
1		998	Acquisition cost and closing fees for purchase of 99.80 acres in Joel Miner Survey, Abstract No. 321 Hays County, Texas				\$3,124,557.95
			Hawn Arabian Ranch - Vince Franco				\$0.00

Additional Page Total:

Contract Dates: From: To: Total: \$3,124,557.95

Director: <u>[Signature]</u> Date: _____	IS - Technology/Computer related      Date: _____
Deputy - \$1,000 and over: <u>[Signature]</u> Date: <u>6/28/06</u>	P/O - Publications related      Date: <u>6/30/06</u>
Budget / Funds Available: <u>[Signature]</u> Date: _____	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: SPC

Black     Asian     Woman       E-1 Recycled-content      VCID: NK    REPERS: 6/30/06      Processed by: HR

Hispanic     Native American       E-2 Remanufactured      Order/Begin Date:      Due/End Date:      Date: 6/30/06

E-3 Env. Sensitive      ANPS Entry: \_\_\_\_\_

### Exemption Statute/Descriptive Legal Text

Rev. 4/06

- 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/ Tx. Gov. Code, Title 10, Chapter 2155, Sybchapter 2155.147
- CEpra-TX. Natural Resource Code, Chapter 33, Subchapter H       MAIL SERVICES-TX. Gov. Code, Title 10, Subtitle D, Chapter 2162.105
- GRANTS-TX. Gov. Code, Title 10, Subtitle D, Section 2155.140       TRAINING-TX. Gov. Code, Title 6, Subtitle B, Section 656.044
- Vet Homes, Natural Resource Code, Chapter 164 (Senate Bill)       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 GREATER THAN \$25,000 MUST BE ADVERTISED ON THE TEXAS MARKETPLACE



# Texas Comptroller of Public Accounts

111728858

JULY 03, 2006

TREASURY WARRANT NO.

111728858

063006 0044 305 9CGP4700 12016210630 001

PAYING AGENCY: 512-463-5189 GENERAL LAND OFFICE

PAY THREE MILLION ONE HUNDRED TWENTY FOUR THOUSAND FIVE HUNDRED FIFTY SEVEN DOLLARS AND 95/100 \$3,124,557.95

TO THE  
ORDER  
OF

TEXAS UNITED TITLE DBA UNITED TITLE OF TEXAS  
901 S MO PAC EXPY STE I540  
AUSTIN, TX 78746-5923

VOID AFTER  
08/31/2008

*Carole Fecton Strayhorn*



111728858



STATE OF TEXAS

PAYMENT FROM TEXAS GENERAL LAND OFFICE AND VETERANS LAND BOARD

Payment made to:

TEXAS UNITED TITLE DBA UNITED TITLE OF TEXAS  
901 S MO PAC EXPY STE 1540  
AUSTIN, TX 78746-5923

---

PO #: 317E0602729

Invoice #: 6-2729

Total Amount Paid: \$3,124,557.95

Payment for: PURCH OF 195.14 ACRES HAYS CNTY

TGLO Document #: 9CGP4700

If you have any questions regarding this payment, please contact: Renee Jones, 512-305-8944



# Purchase Requisition

Texas General Land Office

Do not place an Order. The Purchasing Department **MUST** place this order in compliance with State Laws & Regulations.

Contract No. 05-172(A-2)

Req. No. 305 <u>6-0217</u>
GSC PO # _____ Date _____

Program/Division Asset Mgmt./Real Estate	Requestor Sharon Clark	Phone Number 475-1401	Date Initiated 07/28/2005
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**Justification for Purchase:**  
RFQ 50862 - Renew the contract 05-172 for environmental site assessments on both agency and Permanent School Fund property through 8/31/06. *Renewal*

CONTRACT	<input checked="" type="checkbox"/> NEW	<input type="checkbox"/> Prof. Svcs.	<input type="checkbox"/> Cons.	<input type="checkbox"/> Int. Agency	<input type="checkbox"/> Int. Local	<input type="checkbox"/> O/S Counsel	<input type="checkbox"/> MOU	<input type="checkbox"/> MOA	<input type="checkbox"/> Letter Agr.
		<input type="checkbox"/> Other (Kind)				<input checked="" type="checkbox"/> Renewal of Contract #			

AMENDMENT TO:	<input type="checkbox"/> Add	<input type="checkbox"/> Decrease	<input type="checkbox"/> Time	<input type="checkbox"/> Funding	REQUESTED BY:	<input type="checkbox"/> GLO	<input type="checkbox"/> Vendor
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DUE TO:	<input type="checkbox"/> Extra Task(s)	<input type="checkbox"/> High Bids	<input type="checkbox"/> Weather delay	<input type="checkbox"/> Factors Beyond Control	<input type="checkbox"/> Other (Explain)
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OUTSOURCING:	<input type="checkbox"/> Yes	<input type="checkbox"/> No	CONTRACT WORKFORCE:	<input type="checkbox"/> Yes	<input type="checkbox"/> No	WORK PRODUCT:	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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Vendor I.D.	17413585112	(Legal Approval)	<i>M M</i>	Date	7/13/05
-------------	-------------	------------------	------------	------	---------

Vendor Name	Turner, Collie & Braden, Inc. <u>05-172</u>	Suggested Vendor	
Address	400 West 15th Street, Suite 500	Contact Person:	Doug Zarker/ Patricia Matthews

City/State	Austin, TX	Zip	78701	Phone Number:	512-472-4519
				Fax Number:	512-472-7519

DT PCC	Fund	Approp.	Comptroller	GLO	PCA	Amount	BUDGET ANPS ENTRY	Date
4	0007	28984	7253	4121	11791	\$00.00		
	0008	13002	7346		13722	\$00.00		

Notes/Comments:  
RFQ 50862-DF Services not to exceed \$20,000 11791 (agency) and \$120,000.00 31722 (PSF)

Item	Commodity Code	Description of Product/Service	Quantity	UOM	Unit Price	Estimated Cost
		Environmental Site Assessments to be ordered with Work Order				\$0.00
						\$0.00
						\$0.00
						\$0.00
						\$0.00
						\$0.00
						\$0.00

Additional Page Total: \$0.00

Contract Dates:	From: 09/01/2005	To: 08/31/2006	Total:	\$0.00
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**SIGNATURES/APPROVALS:**

Director	Date	Technology/Computer related	Date
<i>[Signature]</i>	6/28/05		
Deputy - \$1,000 and over	Date	PIO - Publications related	Date
<i>[Signature]</i>	6/30/05		
Budget/Funds Available	Yes <input type="checkbox"/> No <input type="checkbox"/>	Chief Clerk - \$5,000 and over	Date

**PURCHASING/ACCOUNTS PAYABLE USE**

HUB VENDOR: <input type="checkbox"/> Yes <input type="checkbox"/> No	RECYCLED PRODUCT	Posted on Market Place: <input type="checkbox"/> Y <input type="checkbox"/> N	Type Purchase:
<input type="checkbox"/> Black <input type="checkbox"/> Asian <input type="checkbox"/> Woman	<input type="checkbox"/> E-1 Recycled-content	VCID _____ REPERS _____	Processed by: <i>DF</i>
<input type="checkbox"/> Hispanic <input type="checkbox"/> Native American	<input type="checkbox"/> E-2 Remanufactured	Order/Begin Date _____	Date: _____
	<input type="checkbox"/> E-3 Env. Sensitive	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**

**TCB**

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

May 10, 2006

Ms. Sharon Clark  
 Texas General Land Office  
 Stephen F. Austin Bldg.  
 1700 North Congress Ave.  
 Austin, Texas 78701

Client No: 4313  
 TCB Job No: 60005485  
 Bill No: 1  
 Invoice No: 10013311

**FOR PROFESSIONAL SERVICES**

Services Performed Through May 10, 2006

Contract No. 05-172-WO-17

TASK DESCRIPTION	BUDGET	% COMP	EARNED TO DATE	PREV. BILLED	THIS INVOICE
Phase I Environment Site Assessment Hawn Arabian Ranch-195.27 Acres	\$3,250.00	100%	\$3,250.00	\$0.00	\$3,250.00
<b>TOTAL CONTRACT AMOUNT</b>	<u>\$3,250.00</u>		<u>\$3,250.00</u>	<u>\$0.00</u>	
<b>TOTAL AMOUNT THIS INVOICE</b>					<u><u>\$3,250.00</u></u>

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  
 5/10/06*

**TCB**  
 400 West 15th Street, Suite 500, Austin, Texas 78701  
 T 512.472.4519 F 512.472.7519 www.tcb.aecom.com

May 24, 2006

Ms. Sharon Clark  
 Texas General Land Office  
 Stephen F. Austin Bldg.  
 1700 North Congress Ave.  
 Austin, Texas 78701

Client No: 4313  
 TCB Job No: 60011818  
 Bill No: 1  
 Invoice No: 10013613

**FOR PROFESSIONAL SERVICES**

Services Performed Through May 23, 2006

Contract No. 05-172-WO-18

TASK DESCRIPTION	BUDGET	% COMP	EARNED TO DATE	PREV. BILLED	THIS INVOICE
Hawn Arabian Ranch-Limited Phase II ESA	\$2,700.00	100%	\$2,700.00	\$0.00	\$2,700.00
<b>TOTAL CONTRACT AMOUNT</b>	<u>\$2,700.00</u>		<u>\$2,700.00</u>	<u>\$0.00</u>	
<b>TOTAL AMOUNT THIS INVOICE</b>					<u>\$2,700.00</u>

This invoice is certified true and correct to the best of my knowledge.

Very truly yours,

  
 \_\_\_\_\_  
 Doug Zarker, P.G.  
 Geologist

*OK to pay  
 S. Clark  
 5/24/06  
 phase 2*



# Purchase Requisition

Texas General Land Office

Do not place an Order. The Purchasing Department **MUST** place this order in compliance with State Laws & Regulations.

GLO Contract No. 05-092(A-1)

Req. No 305 6-0216

(A-2)

GSC PO # \_\_\_\_\_ Date \_\_\_\_\_

Program/Division	Requestor	Phone Number	Date Initiated
Asset Mgmt./Real Estate	Sharon Clark	475-1401	06/27/2006

**Justification for Purchase:**  
 Renew survey contract (05-092) for another year resulting from the RFQ 42333-DF to do surveys throughout Texas on agency and Permanent School Fund land on an as needed basis. *Renewal*

CONTRACT	NEW	<input type="checkbox"/> Prof. Svcs	<input type="checkbox"/> Cons.	<input type="checkbox"/> Int Agency	<input type="checkbox"/> Int Local	<input type="checkbox"/> O/S Counsel	<input type="checkbox"/> MOU	<input type="checkbox"/> MGA	<input type="checkbox"/> Letter Agr
		<input type="checkbox"/> Other (Kind)		<input checked="" type="checkbox"/> Renewal of Contract #					

AMENDMENT TO:	<input type="checkbox"/> Add	<input type="checkbox"/> Decrease	<input type="checkbox"/> Time	<input type="checkbox"/> Funding	REQUESTED BY:	<input type="checkbox"/> GLO	<input type="checkbox"/> Vendor
DUE TO:	<input type="checkbox"/> Extra Task(s)	<input type="checkbox"/> High Bids	<input type="checkbox"/> Weather delay	<input type="checkbox"/> Factors Beyond Control	<input type="checkbox"/> Other (Explain)		

OUTSOURCING:	<input type="checkbox"/> Yes	<input type="checkbox"/> No	CONTRACT WORKFORCE:	<input type="checkbox"/> Yes	<input type="checkbox"/> No	WORK PRODUCT:	<input type="checkbox"/> Yes	<input type="checkbox"/> No
--------------	------------------------------	-----------------------------	---------------------	------------------------------	-----------------------------	---------------	------------------------------	-----------------------------

Vendor ID:	17417936329	<i>05-092</i>	(Legal Approval)	<i>JC</i>	Date:	<i>7-18-05</i>
Vendor Name:	Vickrey & Associates, Inc.		Suggested Vendor:			
Address:	12940 Country Parkway		Contact Person:	<i>Raul Wong Hal B. Lane</i>		
City/State:	San Antonio, TX	Zip:	75225	Phone Number:	<i>(214) 346-6200 210-349-3271</i>	
				Fax Number:	<i>(214) 799-0095 210-349-2561</i>	

DT FCO	Fund	Approp	Comptroller	GLO	PCA	Amount	BUDGET LINE ENTRY	Date
	0007	28984	7253	4121	11791	00.00		
	0008	13002	7346		31722	00.00		

Item	Commodity Code	Description of Product/Service	Quantity	UOM	Unit Price	Estimated Cost
		GLO may issue Work Orders to surveying firms for surveys on either agency land or possible Permanent School fund acquisitions. Contracts may be renewed one additional year through 8/31/07.				\$0.00
						\$0.00
						\$0.00
						\$0.00
						\$0.00
						\$0.00
						\$0.00
						\$0.00
						\$0.00

Contract Dates:	From: 09/01/2005	To: 08/31/2006	Total:	\$0.00
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### SIGNATURES/APPROVALS:

Director	Date	IS - Technology/Computer related	Date
<i>[Signature]</i>	<i>10/27/05</i>		
Deputy - \$1,000 and over	Date	PIO - Publications related	Date
<i>[Signature]</i>	<i>10/30/05</i>		
Budget/Funds Available	Yes <input type="checkbox"/> No <input type="checkbox"/>	Civil Clerks \$5,000 and over	Date

### PURCHASING/ACCOUNTS PAYABLE USE

HUB VENDOR <input type="checkbox"/> Yes <input type="checkbox"/> No	RECYCLED PRODUCT <input type="checkbox"/> E-1 Recycled content <input type="checkbox"/> E-2 Remanufactured <input type="checkbox"/> E-3 Env. Sensitive	Posted on Market Place <input type="checkbox"/> Y <input type="checkbox"/> N	Type Purchase <i>PRO</i>
<input type="checkbox"/> Black <input type="checkbox"/> Asian <input type="checkbox"/> Woman	WCID _____	REPERS _____	Processed by <i>[Signature]</i>
<input type="checkbox"/> Hispanic <input type="checkbox"/> Native American	Order/Begin Date _____	Due/End Date _____	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  
 CEPPA-TX, Natural Resource Code, Chapter 33, Subchapter H  
 CEPPA-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 514  
 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



# VICKREY & ASSOCIATES, Inc.

CONSULTING ENGINEERS

12940 Country Parkway • San Antonio, Texas 78216 • 210-349-3271

Invoice number 90280  
May 31, 2006  
Page number 1

TEXAS GENERAL LAND OFFICE  
SHARON CLARK  
1700 N. CONGRESS AVENUE  
SUITE 720  
AUSTIN, TEXAS 78701

14,650

PROFESSIONAL SERVICES FOR PERIOD ENDING MAY 22, 2006

Project 2042-003 HAWN ARABIAN RANCH-GLO

Project 2042-003 104 BOUNDARY SURVEY

Professional Services

Amount

ASSISTANT PROJECT MANAGER	420.00
DESIGNER/SR TECHNICIAN	617.50
ADMINISTRATIVE/CLERICAL	75.00
SURVEY TECHNICIAN	60.00
3-PERSON CREW	11,745.00
PARTY CHIEF-TIME BASIS	355.00
REGISTERED PROF. LAND SURVEYOR	770.00
CADD/COMPUTER APPLICATIONS	145.00
GPS APPLICATIONS	300.00
PARTY CHIEF-TIME BASIS	152.74

RECEIVED  
JUN 13 2006

ACCOUNTS PAYABLE

Total Labor Charges 14,640.24

Charges sub-total 14,640.24

Project 2042-003 999 PROJECT DIRECT COST

Project Direct Cost

Amount

PRINTING BY V/A 5.90

Project Direct Cost Total 5.90

Charges sub-total 5.90

APPROVED BY:

AMOUNT DUE UPON RECEIPT



# VICKREY & ASSOCIATES, Inc.

CONSULTING ENGINEERS

12940 Country Parkway • San Antonio, Texas 78216 • 210-349-3271

Invoice number 90280  
May 31, 2006  
Page number 2

Project 2042-003 HAWN ARABIAN RANCH-GLO

Total This Invoice 14,646.14



*OK to pay  
J. Clark  
6/15/06*

APPROVED BY: *[Signature]*

AMOUNT DUE UPON RECEIPT



**Purchase Requisition**

Texas General Land Office

Do not place an Order. The Purchasing Department **MUST** place this order in compliance with State Laws & Regulations.

W/T

Req. No. 305- 317-6-1906  
 GSC PO # \_\_\_\_\_ Date \_\_\_\_\_

Program/Division Appraisal/Professional Services	Requestor Buster Renfrow	Phone Number 463-5072	Date Initiated 02/21/2006
---	-----------------------------	--------------------------	------------------------------

**Justification for Purchase:**  
 Appraisal required for the estimation of the market value of a 193.27-acre tract of land for possible acquisition by the PSF.

CONTRACT TYPE:  NEW  Renewal of Contract # \_\_\_\_\_  
 AMENDMENT TO:  Add  Decrease  Time  Funding  
 REQUESTED BY:  GLO  Vendor  
 COUNSILING:  As  No  High Bids  Weather delay  Factors Beyond Control  Other (Explain) \_\_\_\_\_  
 CONTRACT WORKFORCE:  Yes  No WORD PRODUCT:  Yes  No

Vendor ID: 1-74-26151019 (Legal Approval) \_\_\_\_\_ Date 2-23-06  
 Vendor Name: Atrium Real Estate Services, Inc. Suggested Vendor: Atrium Real Estate Services  
 Contact Person: Lory R. Johnson, MAI  
 Address: 2305 Hancock Drive Phone Number: 512-453-7407  
 City/State: Austin, Texas Zip: 78756 Fax Number: 512-453-1606

BT	Fund	Approp.	Comptroller	GLO	PCA	Amount	BUDGET ANPS ENTRY	By	Date
9	008	13002	7346	4121	31722	\$3,200			

Item	Commodity Code	Description of Product/Service	Quantity	UOM	Unit Price	Estimated Cost
1		Summary narrative appraisal report of approx. 193.27 acres located along Old Stagecoach Road and being out of the Samuel Pharass Survey, A-360, Hays County, Texas ( aka Hawn Arabian Ranch). Report is due on or before March 17, 2006.	1		\$3,200.00	\$3,200.00

Contract Dates: From: date signed To: 04/17/2006 Total: \$3,200.00

**SIGNATURES/APPROVALS:**

*B. Renfrow* 2/21/06  
 Director Date  
 \_\_\_\_\_ IS Technology/Computer Related Date \_\_\_\_\_  
*[Signature]* 2-22-2006  
 Deputy - \$1,000 and over Date  
 \_\_\_\_\_ IS Publications Related Date \_\_\_\_\_  
 Budget Funds Available:  Yes  No Date \_\_\_\_\_  
 \_\_\_\_\_ Object Class: \$5,000 and over Date \_\_\_\_\_

**PURCHASING/ACCOUNTS PAYABLE USE**

HUB VENDOR:  Yes  No RECYCLED PRODUCT:  E-1 Recycled content  E-2 Remanufactured  E-3 Env. Sensitive  
 Posted on Market Place:  Y  N VCID: NA REPERS: SK  
 Order/Begin Date: 2/22/06 Due/End Date: 4/17/06  
 Type Purchase: PRO Processed by: SK Date: 2/22/06  
 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  
 CEPR- TX, Natural Resource Code, Chapter 33, Subchapter H  
 CEPR- 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 856.044  
 MAIL SERVICES-TX, Gov. Code, Title 10, Subtitle D, Chapter 2162.10  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 \_\_\_\_\_



Invoice

6-1906

March 19, 2006

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 the 195.27 acres at the west side of Old Stagecoach Road, north of County Road 225, Hays County, Texas.

Project ID#: 5575  
Client No.: 06-229

Fee: \$3,200

**ATRIUM REAL ESTATE SERVICES TAX ID # 74-2615101**

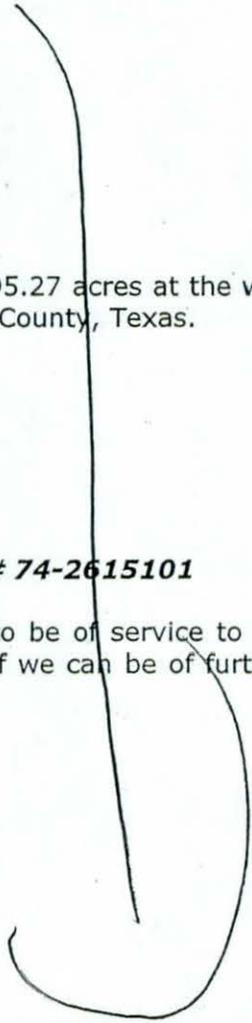
ATRIUM REAL ESTATE SERVICES appreciates the opportunity to be of service to you and Texas General Land Office. Should you have any questions, or if we can be of further assistance, please contact our office.

Respectfully submitted,

**ATRIUM REAL ESTATE SERVICES**

Lory R. Johnson, MAI, SR/WA  
President  
Texas Certified Appraiser #TX-1321640-G

GOV-06-10.GLO/LRJ/JGJ



OR to pay.  
3/29/06  
BR

2/29

11

File No. 155462

HAYS County  
PURCHASE REQUISITIONS

Date Filed: 6-2-08

Jerry E. Patterson, Commissioner

By Susan Throck

SCANNED  
DATE 7/18/07 HH

By: \_\_\_\_\_



NON-FOREIGN PERSON AFFIDAVIT

STATE OF TEXAS §

§

KNOW ALL PERSONS BY THESE PRESENTS:

COUNTY OF TRAVIS §

BEFORE ME, the undersigned authority and notary public in and for state and county aforesaid, on this day personally appeared Richard R. Hawn ("Affiant"), to me well known, and who, after being by me duly sworn, did depose and state that:

1. I am not a nonresident alien for purposes of U. S. income taxation;
2. my U. S. taxpayer identifying number (Social Security Number) is [REDACTED] and
3. my home address is:

3605 Steck Ave., #1083  
Austin, TX 78759

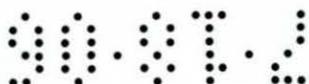
I understand that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement I have made here could be punished by fine, imprisonment or both.

Under penalties of perjury I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct and complete.



Richard R. Hawn

Date: July 5, 2006



SWORN TO AND SUBSCRIBED BEFORE ME by the said Richard R. Hawn on this 5<sup>th</sup>  
day of ~~June~~, 2006.

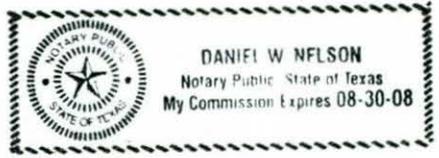
July Daniel W. Nelson

Notary Public in and for  
the State of Texas

Daniel W. Nelson

[type or print name]

My Commission Expires: 8/30/08



12

155462

File No.

HAYS

County

NON-FOREIGN PERSON AFFIDAVIT

Date Filed: 6-2-08

Jerry E. Patterson, Commissioner

By: Susan Throckmole

SCANNED  
DATE 7/18/07 HH

2700

COMMITMENT FOR TITLE INSURANCE

SCHEDULE A

Effective Date: **July 7, 2006, 8:00 am**

G.F. No. or File No. **0624672350DK**

Commitment No. \_\_\_\_\_ issued: **July 18, 2006, 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: **\$3,122,240.00**  
PROPOSED INSURED: **The State of Texas, for the use and benefit of the Permanent School Fund**
  - (b) TEXAS RESIDENTIAL OWNER POLICY OF TITLE INSURANCE - ONE-TO-FOUR FAMILY RESIDENCES (Form T-1R)  
Policy Amount:  
PROPOSED INSURED:
  - (c) MORTGAGEE POLICY OF TITLE INSURANCE (Form T-2)  
Policy Amount:  
PROPOSED INSURED:  
Proposed Borrower:
  - (d) TEXAS SHORT FORM RESIDENTIAL MORTGAGEE POLICY OF TITLE INSURANCE (Form T-2R)  
Policy Amount:  
PROPOSED INSURED:  
Proposed Borrower:
  - (e) MORTGAGEE TITLE POLICY BINDER ON INTERIM CONSTRUCTION LOAN (Form T-13)  
Binder Amount:  
PROPOSED INSURED:  
Proposed Borrower:
  - (f) OTHER  
Policy Amount:  
PROPOSED INSURED:

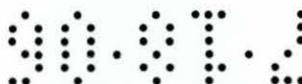
2. The interest in the land covered by this Commitment is: **Fee Simple**

3. Record title to the land on the Effective Date appears to be vested in:  
**Richard R. Hawn**

4. Legal description of the land:  
**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 (N13,913,246.00, 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 1/2" 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;

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°1 8'05" 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: The Company is prohibited from insuring the area or quantity of the land described herein. Any statement in the above legal description of the area or quantity of land is not a representation that such area or quantity is correct, but is made only for informational and/or 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 No. 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 **2006**, 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. This item has been intentionally omitted in its entirety.
  - b. This item has been intentionally omitted in its entirety.
  - c. This item has been intentionally omitted in its entirety.
  - d. Easement: (blanket type)  
Purpose: buried communication cable  
Recorded: in Volume 737, Page 716, of the Deed Records, Hays County, Texas and as noted on survey dated May 17, 2006, by Hal B. Lane III, R.P.L.S. No. 4690.
  - e. Easement and Right-of-Way: (blanket type)  
Purpose: tower and related facilities  
Recorded: in Volume 881, Page 15, of the Official Public Records, Hays County, Texas and as noted on survey dated May 17, 2006, by Hal B. Lane III, R.P.L.S. No. 4690.
  - f. This item has been intentionally omitted in its entirety.
  - g. This item has been intentionally omitted in its entirety.
  - h. Mineral and/or royalty interest:  
Recorded: in Volume 185, Page 391, of the Deed Records, Hays County, Texas.  
By: A. W. Gregg and Robie Gregg  
To: Ky-Tex Properties, Inc.  
Title to said interest has not been investigated subsequent to the date of the aforesaid instrument.
  - i. Mineral and/or royalty interest:  
Recorded: in Volume 197, Page 632, of the Deed Records, Hays County, Texas. Title to said interest has not been investigated subsequent to the date of the aforesaid instrument.
  - j. Mineral and/or royalty interest:  
Recorded: in Volume 110, Page 88, of the Deed Records, Hays County, Texas. Title to said interest has not been investigated subsequent to the date of the aforesaid instrument.
  - k. Terms, Conditions, and Stipulations set out in Ordinance No. 199:  
Recorded: in Volume 565, Page 838, Deed Records, Hays County, Texas.
  - l. Water District: Edwards Underground Water District  
Requirement: Notice to be executed and recorded.
  - m. Overhead utility lines and poles traversing the subject property as shown on survey dated May 17, 2006, by Hal B. Lane III, R.P.L.S. No. 4690.
  - n. This item has been intentionally omitted in its entirety.





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. **Record a Release of Lien of the Real Property Records Per Final Decree of Divorce, Cause No. FM408374, District Court of Travis County, Texas :**  
Dated: May 26, 2005  
Recorded: June 1, 2005, in Volume 2696, Page 610, of the Official Public Records, Hays County, Texas.  
Amount: \$1,500,000.00 (One Million Five Hundred Thousand and 00/100)
6. **Proper Compliance with Decree of Divorce:**  
Parties: Richard R. Hawn and Margaret A. Hawn  
Date: May 26, 2005  
Cause No.: FM408374  
District Court: 261st Judicial District  
Requirements: a) Pursuant to this Final Decree of Divorce, a portion of the proceeds from the proposed sale must go to Margaret Ann Hawn
7. Prior to closing, furnish the marital status of Richard R. Hawn, from May 26, 2005 to the date of closing.
8. **Water District: Edwards Underground Water District**  
Requirement: Notice to be executed and recorded.
9. Company has been requested, and complied with that request, to delete Item No. 10.a. on Schedule "B" hereof. In connection therewith, we must be furnished an affidavit, from a knowledgeable party, reciting there are no other parties in possession of any portion of the subject property.



COMMITMENT FOR TITLE INSURANCE

SCHEDULE D

G.F. No. or File No. 0624672350DK

Effective Date: July 7, 2006, 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**

**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. Texas United Title, Inc.

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	\$17,770.95
Mortgagee Policy	\$0.00
Total	\$17,770.95

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  
50.00%

To Whom  
Daniel Nelson

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

<p>Title insurance insures you against loss resulting from certain risks to your title.</p> <p>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.</p>	<p>El seguro de titulo le asegura en relacion a perdidas resultantes de ciertos riesgos que pueden afectar el titulo de su propiedad.</p> <p>El Compromiso para Seguro de Titulo es la promesa de la compania aseguradora de titulos de emitir la poliza de seguro de titulo. El Compromiso es un documento legal. Usted debe leerlo cuidadosamente y entenderlo completamente antes de la fecha para finalizar su transaccion.</p>
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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	PARA INFORMACION, O PARA SOMETER UNA QUEJA LLAME AL NUMERO GRATIS
(800) 347-7826	(800) 347-7826
ALSO, YOU MAY CONTACT THE TEXAS DEPARTMENT OF INSURANCE AT 1-800-252-3439	TAMBIEN PUEDE COMUNICARSE CON EL DEPARTAMENTO DE SEGUROS DE TEXAS AL 1-800-252-3439
to obtain information on:	para obtener información sobre:
<ol style="list-style-type: none"><li>1. filing a complaint against an insurance company or agent,</li><li>2. whether an insurance company or agent is licensed,</li><li>3. complaints received against an insurance company or agent,</li><li>4. policyholder rights, and</li><li>5. a list of consumer publications and services available through the Department.</li></ol>	<ol style="list-style-type: none"><li>1. como someter una queja en contra de una compañía de seguros o agente de seguros,</li><li>2. si una compañía de seguros o agente de seguros tiene licencia,</li><li>3. quejas recibidas en contra de una compañía de seguros o agente de seguros,</li><li>4. los derechos del asegurado, y</li><li>5. una lista de publicaciones y servicios para consumidores disponibles a través del Departamento.</li></ol>
YOU MAY ALSO WRITE TO: The Texas Department of Insurance P.O. Box 149104 Austin, Texas 78714-9104 FAX No (512) 475-1771	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 Insurance Company



First American Title Insurance Company

Premium Amount	Rate Rules	Property Type	County Code	Liability at Reissue Rate	6	7	8
1 \$17,770.95	2 1000 0500	3	4 2628	5	6	7	8

99071

File No. 155462  
HAYS County  
TITLE COMMITMENT  
Date Filed: \_\_\_\_\_  
Jerry E. Patterson, Commissioner  
By: [Signature]

SCANNED  
DATE 7/18/07 HH

27000

GRANTOR: A. W. GREGG

GRANTEE:

OTR EQUIPMENT INCORPORATED  
P.O. BOX 1158  
BRYAN, TX 77803

NO 00000  
SD-100-1 (REV. 1-68)

THE STATE OF TEXAS

EASEMENT & RIGHT-OF-WAY

EXCHANGE KYLE-3444

COUNTY OF HAYS

KNOW ALL MEN BY THESE PRESENTS

ORDER NO. 621228

This I, A. W. GREGG

267133

737/716

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 OTR Equipment Incorporated, a Delaware corporation, the receipt of which is hereby acknowledged and received, here this day granted and conveyed and do, by these presents, grant and convey unto OTR Equipment Incorporated, its successors and assigns, an easement TEN FEET in width, to construct, place, operate, maintain, replace, repair, replace and remove such buried communication cables as Otrac may from time to time require, consisting of buried cable, marked and necessary markers 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. SHALM and EMMUEL 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 of the 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 cables upon, under and over the aforesaid tract of land.

*[Handwritten signatures and stamps]*

FILED  
HAYS COUNTY, TEXAS  
JUN 20 PM 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, to have been preliminary survey only, and Grantor(s) hereby agree(s) that the easement hereby granted shall apply to the actual location of said line when 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 any OTR adjacent lands to or from said right of way for the purpose of inspecting, maintaining, constructing, reconstructing, operating and removing its buried communication cables 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 construction recited above includes compensation for any and all damages to the surface or grass or crops located thereon resulting from original construction by Grantor. Should Grantee or its agents or employees, subsequent to original construction of communication facilities within the easement described above, have occasion to make upon the premises to perform maintenance upon such facilities, Grantee agrees to pay Grantor the actual cash value of that portion of crops destroyed in the course of performance of such maintenance, and Grantor agrees to waive 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 whatsoever lawfully claiming or to claim the same or any part thereof.

EXECUTED this 11 day of May 1988

*[Signature]*  
A. W. GREGG

Real PROPERTY RECORDS  
Hays County, Texas

DOC# 110

CERTIFICATE OF ACKNOWLEDGMENT FOR INDIVIDUALS

THE STATE OF TEXAS  
County of MAYS

737 717

ELIYON

A. W. GREGG

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 he  
executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 11th day of May, 1988

Notary Public, MAYS COUNTY, TEXAS  
MY COMMISSION EXPIRES 7/26/1989

THE STATE OF	TEXAS
COUNTY OF	MAYS
NAME OF PARTY	ELIYON
DATE OF INSTRUMENT	MAY 11 1988
TIME OF INSTRUMENT	
PLACE OF INSTRUMENT	
NAME OF INSTRUMENT	
RECORDING OFFICE	
RECORDING DATE	
RECORDING PAGE	
RECORDING BOOK	
RECORDING INSTRUMENT NO.	
RECORDING INSTRUMENT DATE	
RECORDING INSTRUMENT PAGE	
RECORDING INSTRUMENT BOOK	
RECORDING INSTRUMENT INSTRUMENT NO.	
RECORDING INSTRUMENT INSTRUMENT DATE	
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RECORDING INSTRUMENT INSTRUMENT BOOK	



COUNTY CLERK  
MAYS COUNTY, TEXAS

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  
name 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 \_\_\_\_\_ day of \_\_\_\_\_, A. D. 19\_\_

(SEAL)

Notary Public in and for County, \_\_\_\_\_  
NAME TYPED \_\_\_\_\_  
MY COMMISSION EXPIRES \_\_\_\_\_

155462

File No.

County

~~ADYS~~

~~EASEMENT & RIGHT OF WAY~~

Date Filed:

Jerry E. Patterson, Commissioner

By

~~James F. Thibodeau~~

SCANNED  
DATE 7/18/01 HH

881 . 015

150  
21137

PERPETUAL EASEMENT  
AND  
RIGHT-OF-WAY

309430

THE STATE OF TEXAS I  
I  
COUNTY OF HAYS I

KNOW ALL MEN BY THESE PRESENTS:

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 receiving, 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

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 roadways 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 26<sup>th</sup> day of MAY, 1988.

Ky-Tex Properties, Inc.

By: A.W. Gregg, Jr.  
A.W. GREGG, Jr., President

Attest: Mary G. Kinzler

Karnack Corporation

By: Frank Wawak  
Frank Wawak

Attest: [Signature]

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 26<sup>th</sup> 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 MAWAK, 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:

881 - 019

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. Pharras 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  $45^{\circ} 05'$  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  $45^{\circ} 40'$  West 5880.3 feet to a stake and stone mound for corner from which a live oak 5" in diameter marked X bears South  $31^{\circ} 40'$  West 40.5 feet and a live oak 3" in diameter in fence corner bears South  $52^{\circ} 25'$  East 5.3 feet;

THENCE with fence for said Rogers Southeast line South  $44^{\circ} 57'$  West 1273.8 feet to a corner in old stone fence;

THENCE South  $45^{\circ} 00'$  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  $44^{\circ} 40'$  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  $23^{\circ} 00'$  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.  $55^{\circ} 00'$  E. 120.0 feet to a stake in the mouth of a branch on the East side of said river;

THENCE  $73^{\circ} 50'$  East 486.7 feet to a two pronged hackberry 8" in diameter;

THENCE with fence South  $16^{\circ} 10'$  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  $54^{\circ} 10'$  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;

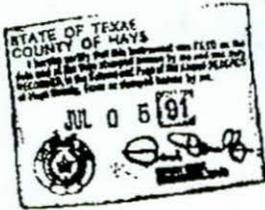
THENCE with fence for Northeast line of said homestead tract as follows: S.  $50^{\circ} 35'$  E. 201.5 feet to angle in fence; S.  $48^{\circ} 20'$  E. 472.1 feet to angle in fence; S.  $47^{\circ} 35'$  E. 545.4 feet to a stake and mound; N.  $62^{\circ} 20'$  E. 537.6 feet to a stake in drainage ditch; S.  $52^{\circ} 20'$  E. 273.9 feet with said drainage ditch to a stake; S.  $49^{\circ} 30'$  E. 1056.0 feet with drainage ditch and fence to N.W. end of stone fence S.  $41^{\circ} 35'$  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;

881 - 021

THENCE with fence for the N. W. line of said R. C. Nance tract N. 45<sup>00</sup>'  
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 Hays County, Texas.

881 . 022  
189



FILED  
HAYS COUNTY, TEXAS  
'91 JUL 5 PM 4 57  
*Dennis D. [Signature]*  
COUNTY CLERK

File No. 155462

County

HAYS

~~PERPETUAL EASEMENT & RIGHT OF WAY~~

Date Filed:

Jerry E. Patterson, Commissioner

By *James Thusele*

SCANNED  
DATE 7/18/07 #44

Administrator of Veterans' Affairs, a deed dated 15th day of FEBRUARY, 1961

2. THOMAS J. COOHLAN, who executed said deed on behalf of said corporation, as VICE President thereof was at the time he executed the same the duly elected, qualified and acting VICE President of said corporation, having been so elected at a meeting of the Board of Directors of said corporation held on the 11th day of JANUARY, 1961

3. Said officer who executed said deed was duly authorized to execute it on behalf of said corporation by virtue of a resolution of the Board of Directors duly adopted on the 13th day of AUGUST, 1958

4. I have examined of, have examined said records, and know the above to be true.

[CORPORATE SEAL]

Raymond C. Miller

Notes: (1) State power; (2) before signing if inapplicable. (3) This conveyance is in compliance with the provisions of Article 16, Section 8, of the Texas Constitution, which provides that the State shall not grant or convey any land without the approval of the Legislature. (4) The State shall not grant or convey any land without the approval of the Legislature. (5) The State shall not grant or convey any land without the approval of the Legislature.

THE STATE OF TEXAS | KNOW ALL MEN BY THESE PRESENTS;  
THE COUNTY OF HAYS |

THAT we, A. W. Gregg and wife, Robie Gregg of the County of Hays, State of Texas, for and in consideration of the sum of Ten (10.00) Dollars and other good and valuable considerations to us in hand receipt of which is hereby acknowledged by KY-TEX PROPERTIES, INC., have granted, sold, and conveyed, and by these presents do grant, sell and convey unto the said KY-TEX PROPERTIES, INC., a Texas Corporation, all those certain tracts of land situated in Hays County, Texas, more particularly described as follows, to-wit:

1938.67 acres of land, more or less, in the C. W. Baker, S. Berry, John Cooper, W. Dunbar, T. C. Snell, and Samuel Pharras Surveys, Hays County, Texas, more fully described by metes and bounds in the deed from J. N. Thornton 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 and being same land from F. D. Glass, Jr. to A. W. Gregg, dated October 22, 1948, recorded in Book 142, Pages 290 et seq., Hays County Deed Records, reference being here made to said metes and bounds description as if it were incorporated herein word for word for all purposes;

793.3 acres of land more or less, in Hays County, Texas, more fully described by metes and bounds in the deed from F. D. Glass, Jr., dated May 18, 1949, recorded in Book 144, Pages 27 et seq., Hays County Deed Records, reference being here made to said metes and bounds description as if it were incorporated herein word for word for all purposes;

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 20, 1951, recorded in Book 187, Pages 365 et seq., Hays County Deed Records, reference being here made to said metes and bounds description as if it were incorporated herein word for word for all 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 Pharras 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 the 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 E. 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.

The deeds hereinabove mentioned and the respective records hereof are referred to and made a part hereof for further description of said property.

1 acre, more or less, containing all that certain tract or parcel of land situated in the town of Kyle, Hays County, Texas, being a part of block No. thirty-six (36) in said town, according

-1-

to the map or plat of said town, recorded in Volume R, Page 336, of the Deed Records of Hays County, Texas. The property hereby conveyed is described as follows by metes and bounds:

BEGINNING at the Southwest corner of said block No. 36, at the intersection of Moore and Mayer Streets; THENCE North 0° 45' East along the West line of said block No. 36, 110 feet to a stake in fence line; THENCE South 89° 15' E. 180 feet to stake; THENCE South 0° 45' W. 110 feet to the South line of the said block No. 36 on Moore Street; THENCE with the line of said Moore Street North 89° 15' W. to the place of beginning.

2011.86 acres of land situated in the Jesusa Perez League No. 14 and the R. M. Dupon Survey, all in Hays County, Texas, about 14 miles North 20° West from the City of San Marcos, Texas, being a part of that tract of land, said to consist of 7,323.69 acres of land, conveyed by and described in a deed from Annie M. Lockett, et al, to A. B. Vogt, dated August 22, 1928, recorded in Volume 96, pages 390-395 of the Deed Records of Hays County, Texas, and being all of said 7,323.69 acre tract of land, less and except the portions thereof which were heretofore conveyed by grantors herein by the following described deeds;

(a) Deed from A. B. Vogt and wife to H. Meeks, recorded in Volume 98, page 144, of the Deed Records of Hays County, Texas, conveying 115 acres of land out of the N. P. Devours Survey;

(b) Deed from A. B. Vogt and wife to Ernest Wiedebusch, recorded in Volume 127, page 366 of the said deed records, conveying 1238.87 acres of the Amelia Wilson, W. M. Lupton, J. Perez and R. A. Pace Surveys;

(c) Deed from A. B. Vogt to J. E. Stewart, recorded in Volume 98, page 142, of said deed records conveying 2355.42 acres of land;

(d) Deed from A. B. Vogt to H. C. Saunders, recorded in Volume 98, page 142, conveying 1897.7 acres of the William L. Clark and the William Taylor Surveys.

The property hereby conveyed is described in a Corrected Deed from A. B. Vogt to A. W. Gregg, dated October 3, 1957 and recorded in the Deed Records of Hays County, Texas, in Volume 174, Pages 625 - 630, to which reference is hereby made for all purposes and further description.

34.3 acres of land, more or less, in the John Pharass Survey, Abstract No. 361, in Hays County, Texas, and being a part of the tract of land conveyed to Charles Conally by C. J. Borchert and wife, by deed dated October 13, 1905, recorded in Volume 48, pages 588-590, of the Deed Records of Hays County, Texas, and described by metes and bounds as follows:

BEGINNING at an iron pipe in the West right of way line of Farm Road No. 1078, the N. E. corner of the above mentioned Charles Conally tract; THENCE South 17° 1' East with the West right of way line of said Farm Road, 866.7 feet to the N. E. Corner of a 6.89 acre tract of land which was awarded to Ella Conally in Cause No. 7351, styled Ella Conally vs. Bettie Tarfs, et al, in the District Court of Hays County, Texas, which 6.89 acre tract is designated as Tract No. 8 on the map or plat of the Conally property, which is attached to the Judgment in said cause; THENCE South 62° 28' West with the North or North west line of the Ella Conally 6.89 acre tract, 1,579.6 feet to the West or Northwest corner thereof, a point in the West fence of the Charles Conally property; THENCE North 17° 2' West with said West fence line, 1,075.20 feet to the Northwest corner of the Charles Conally property; THENCE North 70° 1' East, 1,554 feet with the North or Northwest fence of said Conally property, to the place of beginning.

The above described property is a portion of that 56.19 acre tract of land conveyed by and described in a deed from C. J. Borchert and wife to Charles Conally dated October 13, 1905, recorded in Volume 48, pages 588 - 590, of the Deed Records of Hays County, Texas, and the portion of said property hereby conveyed is all of said 36.19 acre tract, less about 2.00 acres thereof which was set apart to the Conallys, one of the grantors herein, in a part in Judgment rendered in Cause No. 7351 on the Docket of the said Judicial District Court of Hays County, Texas, said cause being styled Ella Conally vs. Bettie Tarfs, et al.

489.90 acres of land, more or less, in Hays County, Texas, and said 358.15 acres out of the James Lindsay Survey, 67.56 acres out of the W. A. Moore Survey, 41.15 acres out of the A. E. Deavors Survey, 8.04 acres out of the W. A. Hayes Survey, and 0.75 acres out of the Jackson Perez Survey, which said tract of 489.90 acres is and to be more accurately described by metes and bounds in a deed from C. W. Baker to A. W. Gregg, dated October 27, 1909, and recorded in the Deed Records of Hays County, Texas in Volume 179, pages 295-300, to which reference is made for further description.

The parties hereto fully understood and agreed that the following 12.46 acres of land is reserved and excepted to Grantors from the above and that the following tract is retained by Grantors, A. W. Gregg and wife, Robie Gregg, same being a part of the C. W. Baker Survey consisting of 12.46 acres of land situated in Hays County, Texas, and being more fully described by metes and bounds as follows, to-wit:

BEGINNING at a corner fence post in the West line of a County Road which bears South 45° 48' East 325 Vrs. from a point which bears North 45° East 45.6 Vrs. from the East Corner of the J. Greener Survey.

THENCE South 45° 48' East 400.0 Vrs. along an old fence and the recent East line of the A. W. Gregg ranch home to a point in said wire fence for the South East corner of this tract.

THENCE South 44° 12' West 175.5 Vrs. to a point for the Southwest corner of this tract.

THENCE North 45° 48' West 400.3 Vrs. to a point in a North line of the A. W. Gregg ranch.

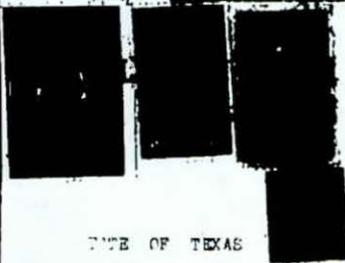
THENCE North 45° 17' East 175.2 Yrs. to the place of beginning.

It is expressly understood and agreed that the Grantors are conveying only the minerals and mineral rights which they own under the above tracts of land.

As further considerations herein, the Grantee does hereby assume the indebtedness evidenced by three Promissory Notes, payable to J. A. Hudek, A. B. Vogt and Prudential Insurance Company, respectively, which notes were executed by A. W. Gregg. Said notes constitutes liens on the above property.

To have and to hold the above described premises, together with all and singular the rights and appurtenances thereto in any-wise belonging, unto the said Ky-Tex Properties, Inc., their successors, executors and assigns forever, and we do hereby bind ourselves, our heirs, executors and administrators, to warrant and forever defend, all and singular, the said premises unto the said Ky-Tex Properties, Inc., its successors, heirs and assigns, against every person whom so-ever lawfully claiming or to claim the same or any part there-of.

WITNES our hands this the 1st. day of August, 1960, at Houston, Harris County, Texas.



A. W. Gregg  
A. W. Gregg

Robie Gregg  
Robie Gregg

STATE OF TEXAS  
COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared A. W. Gregg, and wife Robie Gregg, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same for the purpose and consideration therein expressed; and the said Robie Gregg, wife of the said A. W. Gregg, having been examined by me privily and apart from her husband, and having the same fully explained to her, the said Robie Gregg, acknowledged said instrument to be her act and deed and declared that she had willingly signed the same for the purposes and consideration therein expressed, and that she did not wish to retract it.

GIVEN under my hand and seal of office this the 1st.  
day of August, \_\_\_\_\_, A. D. 1960.



(Myrtle Milam) *Myrtle Milam*  
Notary Public in and for HARRIS COUNTY,  
TEXAS.

BILL OF SALE

THE STATE OF TEXAS |  
COUNTY OF HARRIS |

KNOW ALL MEN BY THESE PRESENTS THAT:

CONSO REALTY CO., a corporation, having its offices and principal place of business in the City of Houston, Harris County, Texas, for and in consideration of the sum of TEN DOLLARS (\$10.00) and other good and valuable considerations to it in hand paid by TEXACON INDUSTRIES, INC., the receipt and sufficiency of which consideration is hereby acknowledged and confessed, has SOLD, ASSIGNED, TRANSFERRED AND DELIVERED and, by these presents, does hereby SELL, ASSIGN, TRANSFER AND DELIVER unto the said Texacon Industries, Inc., a corporation, having its offices and principal place of business in the City of Houston, Harris County, Texas, all of the following personal property of the said Conso Realty Co.:

- (1) All cash belonging to said Realty Co., including all amounts on deposit to the credit of said Conso Realty Co. in any bank, as of February 28, 1959;
- (2) All accounts receivable due to Conso Realty Co., as of February 28, 1959, as shown on the books of Conso Realty Co.;
- (3) All notes receivable due to Conso Realty Co., as of February 28, 1959, as shown on the books of said Conso Realty Co., together with any and all liens or security of whatsoever kind, nature or character which Conso Realty Co. may hold for the payment of said notes;
- (4) All items shown on the books of Conso Realty Co. as "Investments", SAVE AND EXCEPT the stock of Texacon Industries, Inc., shown on the books of Conso Realty Co. at a value of \$75,000.00;
- (5) All of the items shown on the books of Conso Realty Co. as "Fixed Assets" under the headings of "Autos and Trucks", "Machinery and Equipment", "Furniture and Fixtures" together with

File No. 155462  
HAYS County  
DEED  
Date Filed:  
Jerry E. Patterson, Commissioner  
By [Signature]

SCANNED  
DATE 7/18/07 HH

VOL 197 PAGE 632

their assigns forever; and I do hereby bind myself, my heirs, executors and administrators to WARRANT AND FOREVER EXPEND, all and singular, the said premises unto the Grantees above named, and their assigns, against every person whomsoever, lawfully claiming, or to claim the same, or any part thereof.

WITNESS MY HAND this the 9<sup>th</sup> day of October, A.D., 1963.

*Mrs. Ruth King*  
MRS. RUTH KING

THE STATE OF TEXAS |  
COUNTY OF HAYS |

BEFORE ME, the undersigned authority, on this day personally appeared Mrs. Ruth King, a widow, 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 the 9<sup>th</sup> day of October, A.D., 1963.

*Lydell B. Clayton*  
Lydell B. Clayton, County Clerk,  
Hays County, Texas.

Filed for record the 9<sup>th</sup> day of October A.D., 1963, at 10:45 o'clock A.M.

Recorded the 10<sup>th</sup> day of October A.D., 1963, at 9:50 o'clock A.M.

*Lydell B. Clayton*  
Lydell B. Clayton, County Clerk, Hays County, Texas.

THE STATE OF TEXAS |  
COUNTY OF HAYS |

KNOW ALL MEN BY THESE PRESENTS:

THAT KY-TEX PROPENTEXES, INC., a Texas Corporation, acting herein by and through its undersigned duly authorized and acting officer, for and in consideration of the sum of TEN AND NO/100 (\$10.00) DOLLARS, and other good, valuable and sufficient consideration cash to it in hand paid by the Grantees hereinafter named, the receipt of all of which is hereby acknowledged and confessed, and for the payment of which no right or lien, express or implied, is retained;

HAVE GRANTED, SOLD and CONVEYED, and by these presents do GRANT, SELL and CONVEY unto RALPH S. FULLER and wife, KATHARINE L. FULLER, of Travis County, Texas, all that certain lot, tract or parcel of land lying and being situated in Hays County, Texas, and known and described as follows, to-wit:

195.27 acres out of the one-fourth League Surveys in the names of John Pharras and Samuel Pharras, Abstracts Nos. 351 and 360, respectively in Hays County, Texas, described by metes and bounds as follows:

VOL 197 PAGE 633

BEGINNING at a corner fence post for the West corner of the tract herein described, same being the North corner of that 260.12 acre tract of land conveyed to Robert Nance, et al, by R. G. Nance, by deed dated August 14, 1946, and recorded in Volume 135, Page 456, Hays County Deed Records, and being also on the Southeast line of that tract of land described as 1938.76 acres in a deed from F. D. Glass, Jr., to A. W. Gregg, said deed dated October 22, 1948, and recorded in Volume 142, Page 290, Hays County Deed Records, and from which beginning corner the West corner of the Samuel Pharras Survey bears S. 86° 34' W. 5060.72 feet (Record);

THENCE leaving said Nance 260.12 acre tract with Southeast line of said Gregg 1938.76 acre tract as fenced, and the Northwest line of Gregg 251.0 acre tract the following courses numbered (1) thru (3):

- (1) N. 46° 02' E. 527.2 feet;
- (2) N. 43° 29' E. 212.82 feet;
- (3) N. 44° 51' E. 1877.2 feet to an iron stake set for the North corner of the tract herein described;

THENCE leaving the Southeast line of said Gregg 1938.76 acre tract and Northwest line of said Gregg 251.00 acre tract as fenced and used upon the ground with fence the following courses numbered (4) thru (7):

- (4) S. 77° 55' E. 466.43 feet;
- (5) S. 56° 38' E. 234.5 feet;
- (6) S. 76° 52' E. 175.54 feet;
- (7) S. 44° 41' E. 462.20 feet to post at angle point;

THENCE continuing with fence the following courses numbered (8) thru (10):

- (8) N. 47° 20' E. 113.15 feet;
- (9) N. 6° 54' W. 7.28 feet;
- (10) N. 47° 48' E. 235.12 feet to post at angle point for the most Northerly Northeast corner of the tract herein described;

THENCE continuing with fence S. 85° 53' E. 546.40 feet to post on the West line of the Old San Antonio Road for the most Southerly Northeast corner of the tract herein described, same being on the East line of said Gregg 251.0 acre tract;

THENCE with West line of Old San Antonio Road and the East line of the Gregg 251.0 acre tract as fenced and used upon the ground S. 15° 37' E. 799.83 feet to a corner fence post for the East corner of the tract herein described, and the East corner of said Gregg 251.0 acre tract, same being the North corner of that 206.5 acre tract of land conveyed to Bernhard Kuhn, by John Ewald, et ux Annie Ewald, by deed dated November 30, 1908, and recorded in Volume 56, Page 91, Hays County Deed Records;

THENCE leaving the West line of the Old San Antonio Road as fenced with the Northwest line of the said Kuhn tract and the Southeast line of said Gregg 251 acre tract as fenced and used upon the ground the following courses numbered (10) thru (12):

- (10) S. 22° 02' W. 40.98 feet;
- (11) S. 60° 48' W. 16.67 feet;
- (12) S. 49° 36' W. 1570.56 feet to post at angle point;

THENCE with a Northeast line of said Kuhn tract and a Southwest line of said Gregg 251.0 acre tract N. 44° 28' W. 39.9 feet to post at angle point;

THENCE with the Northwest line of the Kuhn tract and the Southeast line of the Gregg 251.0 acre tract as fenced and used upon the ground the following two courses:

- (13) S. 26° 29' W. 49.94 feet;
- (14) S. 49° 20' W. passing the West corner of the said Kuhn tract and continue on in all 2122.20 feet to a post on the Northeast line of a county road, and a Northeast line of the said Robert Nance tract and the South corner of the tract herein described, and the South corner of the Gregg 251.0 acre tract;

THENCE with the Northeast line of said county road as fenced, and the Southwest line of Gregg 251.0 acre tract, N. 76° 27' W. 529.43 feet to corner post for the Southwest corner of the tract herein described, same being the Southwest corner of the Gregg 251.0 acre tract and being also a re-entrant corner of said Robert Nance 260.12 acre tract;

THENCE with the Southwest line of said Gregg 251.0 acre tract and Northwest line of said Nance tract as fenced and used upon the ground the following two courses:

- (15) N. 16° 00' W. 270.68 feet;
- (16) N. 16° 27' W. 1605.73 feet to the PLACE OF BEGINNING, containing 195.27 acres of land.

SAVE AND EXCEPT there is expressly excepted and not conveyed hereby an undivided 1/16th interest, in and to all of the oil, gas and other minerals in, to, on and under and that may be produced from the land conveyed hereby, which interest is now owned by the Federal Land Bank of Houston, and is to be paid or delivered unto said Bank from royalty oil, gas and/or other minerals, such interest being reserved in the deed from said Federal Land Bank of Houston to Loxoy Hill dated July 28, 1935, or record in Volume 110, at Page 99 of the Hays County Deed Records.

VOL 197 PAGE 634

TO HAVE AND TO HOLD the above described premises, together with all and singular, the rights and appurtenances thereto in anywise belonging unto the Grantees above named, their heirs or assigns, forever. And Ky-Tex Properties, Inc., the Grantee herein, does hereby bind itself, its successors and assigns, to WARRANTY AND FOREVER DEFEND, all and singular, the said premises unto the said Grantees, their heirs and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

The Grantee herein is to pay all taxes on the above described property for the years up to and including the year 1962, and the Grantees herein are to assume the payment of the taxes for the year 1963, the same having been prorated as of the date of this deed.

EXECUTED this 20th day of September, 1963.



KY-TEX PROPERTIES, INC.

By: A. W. Gregg, Jr.  
A. W. Gregg, Jr., President

ATTEST:  
Miracle Milam  
Secretary

THE STATE OF TEXAS }  
                          }     1  
COUNTY OF HARRIS }     1

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 as the act and deed of Ky-Tex Properties, Inc., as its President, and for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 20th day of September, 1963.

L. B. Clayton  
NOTARY PUBLIC, HARRIS COUNTY, TEXAS.

Filed for record the 9<sup>th</sup> day of October A.D., 1963, at 11:30 o'clock A.M.  
Recorded the 10<sup>th</sup> day of October A.D., 1963, at 9:40 o'clock A.M.  
Lydell B. Clayton  
Lydell B. Clayton, County Clerk, Harris County, Texas.

THE STATE OF TEXAS }  
                          }     1  
COUNTY OF HARRIS }     1

I, MYRTLE MILAM, Secretary of Ky-Tex Properties, Inc., certify that on the 20<sup>th</sup> day of September, 1963, at a meeting of the Board of Directors of the said Ky-Tex Properties, Inc., at which meeting there was present a quorum of said Directors, which meeting was held in accordance with the by-laws of the Corporation and in accordance with the law, there was proposed and unanimously adopted a resolution as follows:

File No. 155462  
HAYS County  
Date Filed: \_\_\_\_\_  
Jerry E. Patterson, Commissioner  
By [Signature]

SCANNED  
DATE 7/18/07 HH

1958

STATE OF TEXAS  
COUNTY OF HAYS

Before me, the undersigned authority in and for Hays County, Texas, on this day personally appeared William Croos, known to me to be the person whose name is subscribed to the foregoing instrument, and he to me acknowledged that he had executed the same for the purposes and considerations therein expressed.

Given under my hand and seal of office on this the 30 day of July A.D. 1958.

(SEAL) H. W. Wetzel  
Notary Public, Hays County, Texas

Filed for record July 31, A.D., 1958 at 9:30 o'clock A. M.  
Recorded July 31, A.D., 1958 at 3:40 o'clock P. M.

*William D. Jacobs*  
CLERK COUNTY COURT, HAYS COUNTY, TEXAS

-----00-----

DEED AND RESOLUTION  
R E S O L U T I O N

STATE OF TEXAS  
COUNTY OF HARRIS

BE IT REMEMBERED that at a meeting of the Executive Committee of The Federal Land Bank of Houston, held at its office in the City of Houston, Harris County, Texas, on the 26th day of July 1958, at which meeting a quorum of the members of said Committee were present and voting, the following resolution was adopted:

\*RESOLVED: That the following described tract of land, so-wit:  
Situating in Hays County, Texas, and more particularly described as follows;

- 251 acres of land, more or less, out of
- the John Pharras Survey, Abstract No.
- 261, and the Samuel Pharras Survey, Abstract
- No. 260;

BE SOLD TO LeRoy Hill of Hays County, Texas, at and for the agreed price of THIRTY SEVEN HUNDRED FIFTY AND 100/100 (\$3750.00) Dollars, to be paid as follows: \$750.00 to be paid in cash upon delivery of deed; the balance of \$3000.00 to be paid in accordance with the terms of one note for said sum, to be payable in regular, annual amortization installments over a period of twenty (20) years; said note to be in the usual customary form.

BE IT FURTHER RESOLVED: That the Vice-President and the Assistant Secretary of The Federal Land Bank of Houston be, and they are, hereby authorized and directed to

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 WHEREOF 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 Asst. Secretary, by virtue of a resolution 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 \$268.25, and the succeeding nineteen installments being in the sum of \$240.75 each, the first annual amortization installment falling due and payable on or before OCTOBER 1, 1936, 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 Pharras and Samuel Pharras, 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 1650 varas to a corner on old San Antonio Road, 30 feet South of Mames pasture fences, and 30 feet East of the field fence of this 851 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 1854 varas to the place of BEGINNING, containing 851 acres of land, more or less;

AND BEING the same land described in a certain deed of trust executed by Chas. Thiels and wife, Amalia Thiels, to M. H. Gossett, Trustee, dated May 24, 1922, recorded in Vol. W, page 289, Deed of Trust and Mortgage Records of Hays County, Texas, reference to which is hereby made for all legal purposes;

HAVE 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 assigns, 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.

By John V. Van DeMark, Vice-President.

(SEAL)

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 executed 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.

Island J. Kosar

(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.

*Island J. Kosar*  
CLERK COUNTY COURT, HAYS COUNTY, TEXAS

-----000-----

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 R. Y. 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.

155462

File No.

HAYS

County

DEED & RESOLUTION

Date Filed:

Jerry E. Patterson, Commissioner

By

Russell Thusele

SCANNED  
DATE 7/18/07 HJH

220509  
ORDINANCE NO. 199

3100  
Ch3496

505 838

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 THEREOF 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, 1983, June 25, 1983, 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. H. 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; 343.58 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. 321.8 ft; S. 11-25' E. 285.5 ft; S 10-45' E. 236 ft; S. 49-15' W. 153.2 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

THENCE N 44-40' E. 9467.7 ft. to the E. corner of this tract;

THENCE N 45-00' W. 463 ft. to a corner in old stone fence for said M. W. Rogers S.E. line; 500 839

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 170-173, 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. Pharsae Survey, Pat. No. 81, Vol. 1; and 331.35 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. 3313.4 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 Heuler, 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. 40.3 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 337.6 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)]...

[continued from page 2] ...S 49-30' E. 1056.0 ft. with drainage ditch and fence to N.W. and 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 M. W. line of said R. G. Nance tract;

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THENCE with fence for the M. 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;  
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 County; 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. 63-30' 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. 30-35' 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, Trustees, dated May 22, 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 N 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 E. corner of the tract herein described;

(continued on page 4 of Ordinance.)

[continued from page 3]

TRENCHE 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;

TRENCHE 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.

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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 Pharras Survey, Abstract 361;

BEGINNING at the S. E. corner of the said Charles Conally 56.19 acre tract, said corner being in the West Right-of-Way line of Farm Road 1078;

TRENCHE S. 63 deg. 01' W. 1464.6 ft. with the Southeast fence line of said 56.19 acre tract;

TRENCHE N. 9 deg. 53' W. 464.7 ft. with an existing fence to a corner post;

TRENCHE 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;

TRENCHE S. 17 deg. 01' E. 465 ft. with the West Right-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 Pharras 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;

TRENCHE S. 17 deg. 01' E. 190 ft. with the West Right-of-Way line of Farm Road 1078 to a point;

TRENCHE 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;

TRENCHE N. 17 deg. 02' W. 190 ft. with said West fence line to a point;

TRENCHE 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.

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Field note description of a survey of 1.13 acres of land in the John Pharas 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 302 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 309 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 3" 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 132.43 feet to an iron rod set under an overhead telephone line, and  
(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.

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135.78 acres of land, 109.78 acres being a portion of the John Pharas Survey # 13, Abstract #361, and 26.00 acres being a portion of the Samuel Pharas Survey #14, Abstract #360, in Hays County, Texas said 135.78 acre tract being a portion of that 67 1/2 acre tract designated as First Tract and a portion of a 206 1/2 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 206 1/2 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 206 1/2 acre Second Tract, as found fenced and used upon the ground, courses numbering 1-6 inclusive, as follows:

- (1) N. 50° 32' E. 1388.94 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.)

[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. 382.38 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. 488.06 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 continuing 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. 14.32 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-Mance Road;

THENCE with the Northeast lines of the Kyle-Mance Road, as fenced and used upon the ground, 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. 135.86 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 67 1/2 acre tract designated as First Tract and a portion of a 206 1/2 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 7.38 acres of land being described more particularly by notes 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.)

[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. 3° 53' E. 32.18 feet to an iron stake;
- (5) N. 18° 00' E. 362.54 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° 23' W. 677.33 feet to an iron stake at corner of fence;

THENCE continuing with said fence, S. 61° 43' 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-Wance road, same being the most southeastern corner of the 67.5 acre tract hereinafter mentioned in the conveyance from Mrs. Clara Schnauts, et al, to E. Kuhn;

THENCE with the northern line of said Kyle-Wance 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° 23' 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 Pharras 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 M. 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 Pharras 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. F. 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 N. 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 E. 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, 1903, now of record in Vol. 48, 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 reentrant corner of the E. Hinton Survey No. 12;

THENCE W. 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. 1072.0 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. Croos by deed from Curren Kyle;

(Continued on page 9 of Ordinance.)

[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;

505 846

THENCE S. 45° E. 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, 1934, by T. A. Bresse, 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 E. Kinton and Samuel Pharesa 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 130 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*  
W. J. Dwyer, Mayor

ATTEST:

*Heple D. Wilkins*  
Heple D. Wilkins, City Secretary

To the Mayor and City Council  
City of Kyle, Texas  
P. O. Box 40  
Kyle, Texas 78640

506 847

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 day of June, A.D. 1985.



Tom J. Kelly  
Notary Public  
in and for Hays County, Texas.  
My Commission expires 7-25-86

Exhibit "A"

To the Mayor and City Council  
City of Kyle, Texas  
P. O. Box 40  
Kyle, Texas 78640

848  
555

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. Grang Jr.* President  
Owner

THE STATE OF TEXAS I  
COUNTY OF HAYS I

BEFORE ME, a Notary Public, on this day personally appeared A. W. Grang 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. Haly*  
Notary Public  
in and for Hays County, Texas.  
My Commission expires 7-25-86

EXHIBIT "B"



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 Oswald  
Owner

THE STATE OF TEXAS I  
COUNTY OF HAYS I

BEFORE ME, a Notary Public, on this day personally appeared Audrey Oswald, 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 C. [Signature]  
Notary Public  
in and for Hays County, Texas.  
My Commission expires 7-25-76

EXHIBIT "D"

544 1.57

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. Kinsale  
Owner

THE STATE OF TEXAS I  
COUNTY OF HAYS I

BEFORE ME, a Notary Public, on this day personally appeared Mary G. Kinsale, 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. Kaly  
Notary Public  
in and for Hays County, Texas.  
My Commission expires 3-25-76

Exhibit "E"

565 B52

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 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 25 th day of June, A.D. 1985.



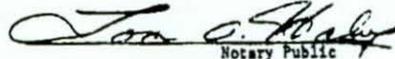
  
Notary Public  
in and for Hays County, Texas.  
My Commission expires 7-25-86

Exhibit "B"

505 853

RECEIVED  
COUNTY CLERK  
MAYO COUNTY, TEXAS

STATE OF TEXAS  
COUNTY OF MAYO  
I hereby certify that this instrument was FILED on  
DEC 4 1985 at the MAYO CLERK'S OFFICE by me and was duly  
RECORDED in the Volume and Page of the PUBLIC RECORDS  
of MAYO COUNTY, TEXAS, as indicated herein by me



DEC 4 1985  
*Frederic R. Clayton*  
COUNTY CLERK  
MAYO COUNTY, TEXAS

File No. 155462

Hay County

Date Filed:

Jerry E. Patterson, Commissioner

By Susan Thusele

SCANNED  
DATE 7/18/07

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 15<sup>TH</sup> day of December, 1997.

*A. W. Gregg*  
Lessor SS # 455-66-8171

ATTEST: TEXACO PIPELINE INC.

Asst. Secretary

By: E. R. Murray  
Executive Vice President

**ACKNOWLEDGRMENTS ATTACHED**

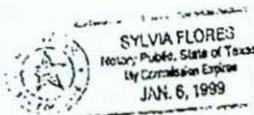
THE STATE OF TEXAS §  
COUNTY OF HAYS §

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 15<sup>TH</sup> day of Dec., 1997.

My Commission Expires:

1-6-99  
(SEAL)



*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 \_\_\_\_\_ day of \_\_\_\_\_, 1997.

My Commission Expires:

(SEAL)

Notary Public in and for  
Harris County, Texas

Return to:  
TEXACO PIPELINE INC.

1367 640

FILED AND RECORDED  
OFFICIAL PUBLIC RECORDS

*Margie I Villalpando*

12-19-97 03:02 PM 9721251  
LACKEY \$11.00  
MARGIE I VILLALPANDO, County Clerk  
HAYS COUNTY

File No. 155462

~~HAYS~~ County

~~SURFACE LEASE~~

Date Filed:

Jerry E. Patterson, Commissioner

By *[Signature]*

SCANNED  
DATE 7/18/07 HHI

~~HC 9721251 2 PGS~~

HC 9721251 3 PGS

⑤ 11.00  
#23A

SURFACE LEASE

1367 633

THE STATE OF TEXAS §  
                                  §  
COUNTY OF HAYS §

1372 700

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 9721251 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 15<sup>th</sup> day of December, 1997.

*A. W. Gregg*  
Lessor SS # 455-66-8171

ATTEST:  
*R. M. Lab*  
Asst. Secretary

TEXACO PIPELINE INC.  
By: *E. R. Murray*  
E. R. Murray  
Executive Vice President

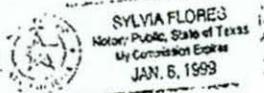
**ACKNOWLEDGRMENTS ATTACHED**

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 15<sup>th</sup> day of Dec., 1997.

My Commission Expires:  
1-6-99  
(SEAL)



*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 6<sup>th</sup> day of January, 1998.

My Commission Expires:  
7/30/2000  
(SEAL)



*Beverly Gayle Hickman*  
Notary Public in and for  
Harris County, Texas

Return to:  
TEXACO PIPELINE INC.  
P.O. BOX 4555

1367 640

1372 761

FILED AND RECORDED  
OFFICIAL PUBLIC RECORDS

*Margie T Villalpando*

12-19-97 03:02 PM 9721251  
LACKEY \$11.00  
MARGIE T VILLALPANDO, County Clerk  
HAYS COUNTY

FILED AND RECORDED  
OFFICIAL PUBLIC RECORDS

*Margie T Villalpando*

1-12-98 02:43 PM 9800565  
LYNN \$11.00  
MARGIE T VILLALPANDO, County Clerk  
HAYS COUNTY

File No. 155462  
HAYS County  
SURFACE LEASE  
Date Filed: \_\_\_\_\_  
Jerry E. Patterson, Commissioner  
By Russell Thusele

SCANNED  
DATE 7/18/07 HH

2/14

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

LIEN ON REAL PROPERTY

Date: May 26, 2005

Grantor RICHARD REED HAWN

Grantee. MARGARET ANN HAWN

Obligation: Grantor's obligation to pay to Grantee One Million Five Hundred Thousand and No/100 Dollars (\$1,500,000.00) from the sale of the Property in accordance with the terms of that one certain Final Decree of Divorce In the Matter of the Marriage of Margaret Ann Hawn and Richard Reed Hawn, FM408374, In the District Court of Travis County, Texas, 261<sup>st</sup> Judicial District.

Property: 195 27 acres out of the one-fourth League Surveys in the names of John Pharass and Samuel Pharass, Abstracts Nos 361 and 360, respectively in Hays County, Texas, as more particularly described by metes and bounds in Exhibit A, attached hereto and made a part hereof for all purposes.

For value received and to secure payment of the Obligation, Grantor grants to Grantee a first and superior lien on the Property Grantor warrants and agrees to defend the title to the Property

Executed this 26<sup>th</sup> day of May, 2005.

*Richard Reed Hawn*  
RICHARD REED HAWN

THE STATE OF TEXAS     §  
  §  
COUNTY OF TRAVIS     §

This instrument was acknowledged before me on May 26<sup>th</sup>, 2005, by Richard Reed Hawn

*Jeanette Y. Langer*  
Notary Public, State of Texas



After recording, return to:  
Rosemary Coffman  
3305 Northland Dr., Ste 500  
Austin, TX 78731

FAX NO. 612 478 1878

P. 02

195.27 acres out of the one-fourth league surveys in the lands of John Pharras and Samuel Pharras, Abstract Nos. 361 and 360, respectively in Hays County, Texas, described by metes and bounds as follows:

BEGINNING at a corner fence post for the West corner of the tract herein described, same being the North corner of that 260.12 acre tract of land conveyed to Robert Manca, et al, by A. G. Pharras, by deed dated August 14, 1948, and recorded in Volume 133, Page 436, Hays County Deed Records, and being also on the Southeast line of that tract of land described as and being also on the Southeast line of that tract of land described as 1938.76 acres in a deed from F. D. Glass, Jr., to A. W. Gregg, said deed dated October 22, 1948, and recorded in Volume 142, Page 290, Hays County Deed Records, and from which beginning corner the West corner of the Samuel Pharras Survey bears N. 86° 34' W. 4060.72 feet (Record);

THENCE leaving said Manca 260.12 acre tract with Southeast line of said Gregg 1938.76 acre tract as fenced, and the Northwest line of Gregg 251.0 acre tract the following courses numbered (1) thru (3):

(1) N. 46° 02' E. 527.2 feet;

(2) N. 43° 25' E. 212.82 feet;

(3) N. 44° 31' E. 1827.2 feet to an iron stake set for the North corner of the tract herein described;

THENCE leaving the Southeast line of said Gregg 1938.76 acre tract and Northwest line of said Gregg 251.00 acre tract as fenced and used upon the ground with fence the following courses numbered (4) thru (7):

(4) S. 77° 55' E. 466.43 feet;

(5) S. 56° 30' E. 254.5 feet;

(6) S. 76° 32' E. 175.56 feet;

(7) S. 44° 41' E. 462.20 feet to post at angle point;

THENCE continuing with fence the following courses numbered (8) thru (10):

(8) N. 47° 20' E. 113.15 feet;

(9) N. 6° 34' W. 7.18 feet;

(10) N. 47° 48' E. 235.12 feet to post at angle point for the West Northwesterly Northeast corner of the tract herein described;

THENCE continuing with fence S. 68° 33' E. 546.40 feet to post on the West line of the Old San Antonio Road for the most Southerly Northwest corner of the tract herein described, same being on the East line of said Gregg 251.0 acre tract;

THENCE with West line of Old San Antonio Road and the East line of the Gregg 251.0 acre tract as fenced and used upon the ground S. 15° 37' N. 759.85 feet to a corner fence post for the East corner of the tract herein described, and the East corner of said Gregg 251.0 acre tract, same being the North corner of that 206.3 acre tract of land conveyed to Bernhard Kuhn, by John Ewald, et ux Anna Ewald, by deed dated November 30, 1900, and recorded in Volume 58, Page 31, Hays County Deed Records;

THENCE leaving the West line of the Old San Antonio Road as fenced with the Northwest line of the said Kuhn tract and the Southeast line of said Gregg 251.0 acre tract as fenced and used upon the ground the following courses numbered (10) thru (12):

(10) S. 32° 02' W. 40.98 feet;

(11) S. 60° 48' W. 16.67 feet;

(12) S. 49° 36' W. 1370.56 feet to post at angle point;

THENCE with a Northeast line of said Kuhn tract and a Southwest line of said Gregg 251.0 acre tract N. 44° 28' W. 39.9 feet to post at angle point;

THENCE with the Northwest line of the Kuhn tract and the Southeast line of the Gregg 251.0 acre tract as fenced and used upon the ground the following two courses:

(13) S. 26° 39' W. 49.94 feet;

(14) S. 49° 20' W. passing the West corner of the said Kuhn tract and continue on in all 2122.20 feet to a post on the Northeast line of a county road, and a Northeast line of the said Robert Manca tract for the South corner of the tract herein described, and the South corner of the Gregg 251.0 acre tract;

THENCE with the Northeast line of said county road as fenced, and the Southwest line of Gregg 251.0 acre tract, N. 76° 27' W. 593.43 feet to corner post for the Southwest corner of the tract herein described, same being the Southwest corner of the Gregg 251.0 acre tract and being also a re-entrant corner of said Robert Manca 260.12 acre tract;

THENCE with the Southwest line of said Gregg 251.0 acre tract and Northeast line of said Manca tract as fenced and used upon the ground the following two courses:

(15) N. 16° 00' W. 270.68 feet;

(16) N. 16° 22' W. 1608.73 feet to the PLACE OF BEGINNING, containing 195.27 acres of land.

Bk Vol Ps  
05015148 DPR 2696 611

Filed for Record is:

Hays County

On: Jun 01, 2005 at 03:33P

Document Number: 05015148

Amount: 16.00

Receipt Number - 125844

By:

Patricia Laches, Deputy  
Lee Carlisle, County Clerk  
Hays County

**EXHIBIT A**

~~File No. 155462  
Hays County  
Lease on Real Property  
Date Filed:  
Jerry E. Patterson, Commissioner  
By Susan Thue~~

SCANNED  
DATE 7/18/07 #14



5-26-05

NO. FM408374

IN THE MATTER OF  
THE MARRIAGE OF

MARGARET ANN HAWN  
AND  
RICHARD REED HAWN

§  
§  
§  
§  
§  
§

IN THE DISTRICT COURT OF

TRAVIS COUNTY, TEXAS

261<sup>ST</sup> JUDICIAL DISTRICT

**FINAL DECREE OF DIVORCE**

On May 26, 2005, the Court heard this case.

1. *Appearances*

Petitioner, MARGARET ANN HAWN, has made a general appearance and has agreed to the terms of this judgment to the extent permitted by law, as evidenced by the signatures of Petitioner and attorney for Petitioner appearing below.

Respondent, RICHARD REED HAWN, appeared in person and through attorney of record, Richard E. Gray, III, and announced ready for trial.

2. *Record*

The making of a record of testimony was waived by the parties with the consent of the Court.

3. *Jurisdiction and Domicile*

The Court finds that the pleadings of Petitioner are in due form and contain all the allegations, information, and prerequisites required by law. The Court, after receiving evidence, finds that it has jurisdiction of this case and of all the parties and that at least sixty days have elapsed since the date the suit was filed. The Court finds that, at the time this suit was filed, Petitioner had been a domiciliary of Texas for the preceding six-month period and a resident of the county in which this suit was filed for the preceding ninety-day period. All persons entitled to citation were properly cited.

4. *Jury*

A jury was waived, and questions of fact and of law were submitted to the Court.

5. *Agreement of Parties*

The Court finds that the parties have entered into a written agreement as contained in this decree by virtue of having approved this decree as to both form and substance. To the extent permitted by law, the parties stipulate the agreement is enforceable as a contract. The Court approves the agreement of the parties as contained in this Final Decree of Divorce.

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05 May 26 2005

*Richard E. Gray, III*  
DISTRICT CLERK  
TRAVIS COUNTY, TEXAS



6. *Divorce*

IT IS ORDERED AND DECREED that MARGARET ANN HAWN, Petitioner, and RICHARD REED HAWN, Respondent, are divorced and that the marriage between them is dissolved.

7. *Children of the Marriage*

The Court finds that there is no child of the marriage of Petitioner and Respondent under the age of 18 and that no child is expected.

8. *Division of Marital Estate*

The Court finds that the following is a just and right division of the parties' marital estate, having due regard for the rights of each party.

A. *3005 Scenic Drive, Austin, Texas 78703*

IT IS ORDERED AND DECREED that the residence located at 3005 Scenic Drive, Austin, Texas 78703 be sold. Upon the sale of the residence at 3005 Scenic Drive, Austin, Texas 78703, MARGARET ANN HAWN will get the first \$500,000.00 from the net proceeds of such sale. The remaining net proceeds after the payment of \$500,000.00 to MARGARET ANN HAWN will go to RICHARD REED HAWN.

IT IS ORDERED AND DECREED that until such time as the Scenic Drive residence sells RICHARD REED HAWN shall pay the following items directly:

- 1) Ad valorem taxes on the residence located at 3005 Scenic Drive;
- 2) Auto insurance on the 2003 and 2005 Volkswagon motor vehicles of the parties;
- 3) Home insurance on 3005 Scenic Drive;
- 4) The mortgage payments on 3005 Scenic Drive;
- 5) Health insurance premiums FOR MARGARET ANN HAWN; and
- 6) Liability insurance on the Scenic Drive property.

IT IS ORDERED AND DECREED that MARGARET ANN HAWN shall have the right to live at the Scenic property until such time as it is sold.

B. *Kyle, Texas Ranch*

IT IS ORDERED AND DECREED that the ranch located in Kyle, Texas (more particularly described in the legal property description attached hereto as Exhibit A) (hereinafter referred to as the Kyle Ranch), shall be sold. RICHARD REED HAWN shall use his best efforts to sell the Kyle Ranch and shall attempt to sell it within the next five years. Upon the sale of the Kyle Ranch, MARGARET ANN HAWN will get the first \$1.5 million from the net proceeds of such sale and any additional funds, if necessary, to insure that MARGARET ANN HAWN

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receives a total of \$2 million from the sale of both the Scenic Drive residence and the Kyle Ranch. The remaining net proceeds after the payment to MARGARET ANN HAWN will go to RICHARD REED HAWN. MARGARET ANN HAWN shall be entitled to a \$1.5 million lien on the Kyle Ranch in the form of Exhibit B attached hereto.

IT IS ORDERED AND DECREED that MARGARET ANN HAWN upon the closing of the sale of the Scenic property, shall have the right to live at the Kyle Ranch until it is sold.

C. *Personal Property to be Sold*

IT IS ORDERED AND DECREED that the following jewelry, art, antiques, and collectibles be sold and that any sales proceeds therefrom be used to pay off existing credit card debt incurred prior to June 1, 2005. Any remaining funds after the pay off of existing credit card debt shall be used to pay college tuition and other college-related expenses of Richard Reed Hawn, Jr.

- (1) Large bronze horse and rider (E. A. Gullumin)
- (2) Bronze elephant (J. Maurel)
- (3) Bronze hunting dogs (P. J. Mene)
- (4) Bronze Arab horse and rider (artist unknown)
- (5) Bronze horse and lion (Barye)
- (6) Paintings: four - two A. Schroyer paintings (one small and one large); one G. Washington (large Arabs and Arab horse) and one Tristan LaCroz (1878)
- (7) Brass griffons fire tools
- (8) Diamond briolette cat solitaire necklace

D. *Property to Wife*

IT IS ORDERED AND DECREED that the wife, MARGARET ANN HAWN, is awarded the following as her sole and separate property, and the husband is divested of all right, title, interest, and claim in and to that property:

- W-1) All household furniture, furnishings, fixtures, goods, art objects, collectibles, appliances, and equipment in the possession of the wife or subject to her sole control.
- W-2) The following furniture, furnishings, fixtures, goods, art objects, collectibles, appliances, and equipment:
  - a. Furniture (painted breakfast, two sofas, two English chests)



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- b. Pewter collection
- c. Bronze dogs (pair)
- d. Jewelry (wedding ring and dinner ring)
- e. Painting (kneeling woman in garden) (artist unknown)

W-3) All funds on deposit, together with accrued but unpaid interest, in the following banks, savings institutions, or other financial institutions:

- a. Guaranty Bank Checking Account No. XXXXXX7882
- b. Comerica Bank Checking Account No. XXXXXX4742
- c. Comerica Bank Safe Deposit Box

W-4) All policies of life insurance (including cash values) insuring the wife's life.

W-5) The 2003 Volkswagon motor vehicle, vehicle identification number WVWPD63B92P289022, together with all prepaid insurance, keys, and title documents.

W-6) 100% of the Westwood Country Club membership.

**E. Property to Husband**

IT IS ORDERED AND DECREED that the husband, RICHARD REED HAWN, is awarded the following as his sole and separate property, and the wife is divested of all right, title, interest, and claim in and to that property:

H-1) All household furniture, furnishings, fixtures, goods, art objects, collectibles, appliances, and equipment in the possession of the husband or subject to his sole control.

H-2) The following furniture, furnishings, fixtures, goods, art objects, collectibles, appliances, and equipment:

- a. Jade horse head (Vernon Harvell)
- b. Indian framed rug
- c. Family furniture, leather chairs
- d. Jewelry (two rings, tuxedo studs)
- e. Blue Indian painting
- f. Silver trophies

H-3) All funds on deposit, together with accrued but unpaid interest, in the following banks, savings institutions, or other financial institutions:

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- a. American Bank Checking Account No. XXXXXX5480
- b. American Bank Checking Account No. XXXXXX6037 (Richard Reed Hawn, TTE)
- H-4) All policies of life insurance (including cash values) insuring the husband's life.
- H-5) The 2005 Volkswagon motor vehicle, vehicle identification number WVWRU63B85E044253, together with all prepaid insurance, keys, and title documents.
- H-6) Any and all interest in the Juanita C. Hawn Trust, including but not limited to American Bank Account No. 2100XXXX029, and all funds on deposit therein.

**F. Wife's Liabilities**

IT IS ORDERED AND DECREED that the wife shall pay, as a part of the division of the estate of the parties, and shall indemnify and hold the husband and his property harmless from any failure to so discharge, these items:

- W-1) Any and all debts, charges, liabilities, and other obligations incurred by the wife from and after June 1, 2005, unless express provision is made in this decree to the contrary.
- W-2) All encumbrances, ad valorem taxes, liens, assessments, or other charges due or to become due on the personal property awarded to the wife in this decree unless express provision is made in this decree to the contrary.

**G. Husband's Liabilities**

IT IS ORDERED AND DECREED that the husband, RICHARD REED HAWN, shall pay, as a part of the division of the estate of the parties, and shall indemnify and hold the wife and her property harmless from any failure to so discharge, these items:

- H-1) The monthly payments, including principal, interest, tax, and insurance escrow, on the promissory note secured by deed of trust on the real property referenced in this decree located at 30015 Scenic Drive, Austin, Texas 78703 until such time as the residence is sold.
- H-2) The balance due, including principal, interest, and all other charges, on the promissory note secured by a lien on the 2005 Volkswagon motor vehicle awarded to the husband.
- H-3) The following debts, charges, liabilities, and obligations:

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The balances remaining on the credit cards of MARGARET ANN HAWN and RICHARD REED HAWN to the extent there are insufficient funds available from the sale of assets as set forth in paragraph § C. above.

- H-4) Any and all debts, charges, liabilities, and other obligations incurred by the husband from and after June 1, 2005, unless express provision is made in this decree to the contrary.
- H-5) All encumbrances, ad valorem taxes, liens, assessments, or other charges due or to become due on the real and personal property awarded to the husband in this decree unless express provision is made in this decree to the contrary.

9. *Confirmation of Separate Property*

IT IS ORDERED AND DECREED that the following described property is confirmed as the separate property of RICHARD REED HAWN:

- 1) Any and all of RICHARD REED HAWN's oil, gas, or mineral interests, including, individual working interest, royalty interest, reversionary interest, net revenue interest, overriding royalty interest, and all other forms of any interest he may have, as well as all such interest owned or holdings under the Richard Reed Hawn Trust under the Will of William H. Hawn, including but not limited to the following oil and gas leases with operated by or administered by H&D Operating Company:
  - a. Clarkson Lease
  - b. Roche D Lease
  - c. Roche A Lease
  - d. Lambert Lease
  - e. Jones Lease
  - f. North Pettus Unit
  - g. Burnell Unit
- 2) Any and all interest in Hawn Brothers, regardless of the nature of that entity.
- 3) Any and all interest in the overriding royalty interest on the Ms. Mary F. Lambert, Lessor to Refugio Oil and Gas Company, Lessee, Lease dated March 21, 1925.
- 4) Any and all interest in H&D Operating Company, including but not limited to any common stock or other ownership interest in H&D Operating Company.
- 5) Any and all accounts on the books or possession of H&D Operating Company or Hawn Brothers as they pertain to any of the oil, gas, and mineral interest, including but not limited to royalty interest, working interest, net revenue interest, reversionary interest, or overriding royalty interest, of RICHARD REED HAWN.

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- 6) Any and all oil in tanks or accounts receivable pertaining to the oil, gas, or mineral interest, including but not limited to royalty interest, working interest, net revenue interest, reversionary interest, or overriding royalty interest, of RICHARD REED HAWN, MARGARET ANN HAWN, H&D Operating Company and/or Hawn Brothers.
- 7) All personal property, including well equipment and other equipment associated with RICHARD REED HAWN's ownership of H&D Operating Company and Hawn Brothers.
- 8) Any and all oil, gas, and mineral interest of any nature, including but not limited to royalty interest, working interest, net revenue interest, reversionary interest, or overriding royalty interest, whether through H&D Operating Company, Hawn Brothers, owned individually by RICHARD REED HAWN, owned individually by MARGARET ANN HAWN, or owned in any other fashion by either RICHARD REED HAWN and MARGARET ANN HAWN that they may have regardless of how it is titled or in what state in which it may be located.

10. *Monthly Payments to MARGARET ANN HAWN*

Until such time as MARGARET ANN HAWN realizes \$2 million from the sale of the Scenic Drive property and the Kyle ranch, RICHARD REED HAWN shall deliver to MARGARET ANN HAWN on a monthly basis a check in the amount of \$4,855.00. This check is to be mailed to MARGARET ANN HAWN at 3005 Scenic Drive, Austin, Texas 78703, or to such other address as MARGARET ANN HAWN designates to RICHARD REED HAWN in writing.

*due on the 1st day of each month beginning June 1, 2005  
RC.  
RRK  
EK*

The \$4,855.00 monthly payments shall not be a credit towards the \$2 million obligation but, rather, is intended to be payments for support, not alimony, to MARGARET ANN HAWN until such time as she receives the full \$2 million set forth above.

11. *Income Taxes*

IT IS ORDERED AND DECREED that each party shall send to the other party, within three days of its receipt, a copy of any correspondence from a creditor or taxing authority concerning any potential liability of the other party.

IT IS ORDERED AND DECREED that RICHARD REED HAWN shall be solely responsible for all federal income tax liabilities of the parties from the date of marriage through December 31, 2004, and shall timely pay any deficiencies, assessments, penalties, or interest due thereon and shall indemnify and hold MARGARET ANN HAWN and her property harmless therefrom unless such additional tax, penalty, and/or interest resulted from MARGARET ANN HAWN's omission of taxable income or claim of erroneous deductions. In such case, the portion of the tax, penalty, and/or interest relating to the omitted income or claims of erroneous deductions shall be paid by MARGARET ANN HAWN.

IT IS ORDERED AND DECREED that if a refund is made for overpayment of taxes for any year during the parties' marriage through December 31 of 2004, RICHARD REED HAWN

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party shall be entitled to the refund, and if MARGARET ANN HAWN receives the refund check she is designated a constructive trustee for the benefit of RICHARD REED HAWN and shall timely endorse and deliver the check to RICHARD REED HAWN. MARGARET ANN HAWN is ORDERED to endorse a refund check on presentation by RICHARD REED HAWN.

IT IS ORDERED AND DECREED that, for calendar year 2005, RICHARD REED HAWN shall timely pay and hold MARGARET ANN HAWN and her property harmless from any liability of either party for federal income taxes for all income attributable to the parties, or either of them, during calendar year 2005, except for the following amount of tax, which MARGARET ANN HAWN is ordered to pay: that amount of tax arrived at by independent calculation by multiplying MARGARET ANN HAWN's taxable income (including only MARGARET ANN HAWN's separate income before divorce, all income after divorce, deductions, exemptions, or adjustments attributable to her income after the date of divorce) by the effective federal income tax rate as determined by dividing taxable income as reported on her 2005 U.S. Individual Income Tax Return into the tax as computed in the return. In making this computation, MARGARET ANN HAWN shall be entitled to only those deductions, exemptions, or adjustments attributable to her after the date of divorce. The independent calculation shall credit against MARGARET ANN HAWN's liability all income tax withheld from her earnings after the divorce is granted and all estimated tax payments made by her after that date, and any resulting overpayment shall belong to MARGARET ANN HAWN. All other income tax withheld from earnings of MARGARET ANN HAWN in the year of divorce and all other estimated tax payments made by the parties, or either of them, with respect to the year of divorce shall be credited to RICHARD REED HAWN for the purposes of this calculation. RICHARD REED HAWN shall be entitled to use all predivorce deductions, exemptions, loss carry forwards, adjustments, credits for tax payments in prior years, as well as all deductions associated with the Scenic Drive property and Kyle ranch property until sold.

IT IS ORDERED AND DECREED that for calendar year 2005, each party shall indemnify and hold the other party and his or her property harmless from any tax liability associated with the reporting party's individual tax return for that year unless the parties have agreed to allocate their tax liability in a manner different from that reflected on their returns.

IT IS ORDERED AND DECREED that each party shall furnish such information to the other party as is requested to prepare federal income tax returns for 2005 within thirty days of receipt of a written request for the information, and in no event shall the available information be exchanged later than March 1, 2005. As requested information becomes available after that date, it shall be provided within ten days of receipt.

IT IS ORDERED AND DECREED that both parties shall cooperate in the preparation of separate income tax returns for 2005 by supplying to Jim Smolk all information necessary for the preparation of both returns. Both parties are ORDERED to provide the information to the preparer within ten days of any request for the information. RICHARD REED HAWN is ORDERED to pay the preparer all fees for preparation of the two returns within ten days of receipt of the bill.

IT IS ORDERED AND DECREED that each party shall preserve for a period of seven years from the date of divorce all financial records relating to the community estate. Each party



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is ORDERED to allow the other party access to those records to determine acquisition dates or tax basis or to respond to an IRS examination within five days of receipt of written notice from the other party. Access shall include the right to copy the records.

IT IS ORDERED AND DECREED that all payments made to the other party in accordance with the allocation provisions for payment of federal income taxes contained in this Final Decree of Divorce are not deemed income to the party receiving those payments but are part of the property division and necessary for a just and right division of the parties' estate.

IT IS ORDERED AND DECREED that any assets of the parties not awarded or divided by this Final Decree of Divorce are subject to future division as provided in the Texas Family Code.

IT IS FURTHER ORDERED AND DECREED, as a part of the division of the estate of the parties, that any community liability not expressly assumed by a party under this decree is to be paid by the party incurring the liability, and the party incurring the liability shall indemnify and hold the other party and his or her property harmless from any failure to so discharge the liability.

12. *Court Costs*

IT IS ORDERED AND DECREED that costs of court are to be borne by the party who incurred them.

13. *Discharge from Discovery Retention Requirement*

IT IS ORDERED AND DECREED that the parties and their respective attorneys are discharged from the requirement of keeping and storing the documents produced in this case in accordance with rule 191.4(d) of the Texas Rules of Civil Procedure.

14. *Decree Acknowledgment*

Petitioner, MARGARET ANN HAWN and Respondent, RICHARD REED HAWN each acknowledge that before signing this Final Decree of Divorce they have read this Final Decree of Divorce fully and completely, have had the opportunity to ask any questions regarding the same, and fully understand that the contents of this Final Decree of Divorce constitute a full and complete resolution of this case. Petitioner and Respondent acknowledge that they have voluntarily affixed their signatures to this Final Decree of Divorce, believing this agreement to be a just and right division of the marital debt and assets, and state that they have not signed by virtue of any coercion, any duress, or any agreement other than those specifically set forth in this Final Decree of Divorce.

15. *Indemnification*

Each party represents and warrants that he or she has not incurred any outstanding debt, obligation, or other liability on which the other party is or may be liable, other than those described in this decree. Each party agrees and it is ORDERED that if any claim, action, or proceeding is hereafter initiated seeking to hold the party not assuming a debt, an obligation, a liability, an act, or an omission of the other party liable for such debt, obligation, liability, act, or omission of the other party, that other party will, at his or her sole expense, defend the party not



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assuming the debt, obligation, liability, act, or omission of the other party against any such claim or demand, whether or not well founded, and will indemnify the party not assuming the debt, obligation, liability, act, or omission of the other party and hold him or her harmless from all damages resulting from the claim or demand.

Damages, as used in this provision, includes any reasonable loss, cost, expense, penalty, and other damage, including without limitation attorney's fees and other costs and expenses reasonably and necessarily incurred in enforcing this indemnity.

It is ORDERED that the indemnifying party will reimburse the indemnified party, on demand, for any payment made by the indemnified party at any time after the entry of the divorce decree to satisfy any judgment of any court of competent jurisdiction or in accordance with a bona fide compromise or settlement of claims, demands, or actions for any damages to which this indemnity relates.

The parties agree and it is ORDERED that each party will give the other party prompt written notice of any litigation threatened or instituted against either party that might constitute the basis of a claim for indemnity under this decree.

16. *Clarifying Orders*

Without affecting the finality of this Final Decree of Divorce, this Court expressly reserves the right to make orders necessary to clarify and enforce this decree.

17. *Relief Not Granted*

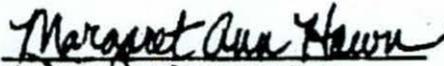
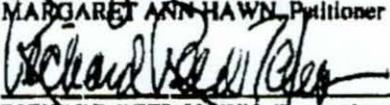
IT IS ORDERED AND DECREED that all relief requested in this case and not expressly granted is denied. This is a final judgment, for which let execution and all writs and processes necessary to enforce this judgment issue. This judgment finally disposes of all claims and all parties and is appealable.

18. *Date of Judgment*

SIGNED on May 26, 2005.

  
\_\_\_\_\_  
JUDGE PRESIDING

APPROVED AND CONSENTED TO AS TO BOTH FORM AND SUBSTANCE:

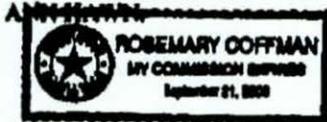
  
\_\_\_\_\_  
MARGARET ANN HAWN, Plaintiff  
  
\_\_\_\_\_  
RICHARD REED HAWN, Respondent



WL6904PA155

STATE OF TEXAS  
COUNTY OF TRAVIS

This instrument was acknowledged before me on May 26, 2005, by MARGARET



*Rosemary Coffman*  
Notary Public, State of Texas

STATE OF TEXAS  
COUNTY OF TRAVIS

This instrument was acknowledged before me on May 26<sup>th</sup>, 2005, by RICHARD REED



*Kenneth Langer*  
Notary Public, State of Texas

APPROVED FOR RECORD ONLY:

*Rosemary Coffman*  
Rosemary Coffman  
Attorney for Petitioner  
State Bar No. (044985X)  
3305 Northland Drive, Suite 500  
Austin, TX 78731  
512/479-6136  
512/476-6685 (fax)

*Richard E. Gray, III*  
Richard E. Gray, III  
GRAY & BECKER, P.C.  
Attorney for Respondent  
State Bar No. (083283X)  
900 West Avenue  
Austin, TX 78701  
512/482-1061  
512/482-1924 (fax)

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198.27 acres out of the one-fourth league survey in the lands of John Phares and Samuel Phares, Chapman Dec. 261 and 260, respectively in Rags County, Texas, described by maps and records as follows:

beginning at a corner seven feet from the West corner of the tract herein described, same being the North corner of the 260.12 acre tract of land conveyed to Robert Hance, et al, by E. G. Phares, by deed dated August 14, 1948, and recorded in Volume 123, Page 436, Rags County Deed Records, and being also on the Southeast line of that tract of land described as 1938.78 acres in a deed from F. V. Glass, Jr., to A. V. Gregg, said deed dated October 28, 1948, and recorded in Volume 148, Page 190, Rags County Deed Records, and from which beginning corner the West corner of the Samuel Phares Survey bears S. 86° 34' W. 4060.73 feet (Record):

THENCE leaving said Hance 260.12 acre tract with Southeast line of said Gregg 1938.78 acre tract as fenced, and the Northwest line of Gregg 231.0 acre tract the following courses numbered (1) thru (3):

- (1) N. 45° 08' E. 227.2 feet;
- (2) N. 43° 23' E. 212.82 feet;
- (3) N. 44° 31' E. 1877.2 feet to an iron stake set for the North corner of the tract herein described;

THENCE leaving the southeast line of said Gregg 1938.78 acre tract and Northwest line of said Gregg 231.00 acre tract as fenced and used upon the ground with fence the following courses measured (4) thru (7):

- (4) S. 77° 33' E. 466.43 feet;
- (5) S. 56° 38' E. 234.3 feet;
- (6) S. 74° 32' E. 175.14 feet;
- (7) S. 44° 41' E. 488.28 feet to post as angle point;

THENCE continuing with fence the following courses numbered (8) thru (10):

- (8) N. 47° 20' E. 113.12 feet;
- (9) N. 6° 34' W. 7.28 feet;
- (10) N. 47° 48' E. 233.12 feet to post as angle point for the west Northwest corner of the tract herein described;

THENCE continuing with fence S. 68° 33' E. 246.48 feet to post on the East line of the Old San Antonio Road for the most southerly Northwest corner of the tract herein described, same being on the East line of said Gregg 231.0 acre tract;

THENCE with West line of Old San Antonio Road and the East line of the Gregg 231.0 acre tract as fenced and used upon the ground S. 15° 27' E. 789.22 feet to a corner force post for the East corner of the tract herein described, and the East corner of said Gregg 231.0 acre tract, same being the North corner of that 206.3 acre tract of land conveyed to Reinhardt Kuhn, by John Huld, as an Amie Deed, by deed dated November 30, 1909, and recorded in Volume 14, Page 81, Rags County Deed Records;

THENCE leaving the West line of the Old San Antonio Road as fenced with the Northwest line of the said Kuhn tract and the Southeast line of said Gregg 231 acre tract as fenced and used upon the ground the following courses numbered (10) thru (12):

- (10) S. 22° 02' W. 40.28 feet;
- (11) S. 60° 48' W. 16.67 feet;
- (12) S. 49° 26' W. 1270.56 feet to post as angle point;

THENCE with a Westward line of said Kuhn tract and a Southwest line of said Gregg 231.0 acre tract N. 44° 22' W. 29.8 feet to post as angle point;

THENCE with the Northwest line of the Kuhn tract and the Southeast line of the Gregg 231.0 acre tract as fenced and used upon the ground the following two courses:

- (13) S. 28° 39' W. 49.94 feet;
- (14) S. 49° 20' W. passing the West corner of the said Kuhn tract and continue on in all 2123.28 feet to a post on the Northeast line of a county road, and a Northwest line of the said Robert Hance tract for the West corner of the tract herein described, and the South corner of the Gregg 231.0 acre tract;

THENCE with the Northeast line of said county road as fenced, and the Southwest line of Gregg 231.0 acre tract, N. 74° 27' W. 219.43 feet to corner post for the Southeast corner of the tract herein described, same being the Southwest corner of the Gregg 231.0 acre tract and being also a re-entrant corner of said Robert Hance 260.12 acre tract;

THENCE with the Southwest line of said Gregg 231.0 acre tract and Northwest line of said Hance tract as fenced and used upon the ground the following two courses:

- (15) N. 14° 00' W. 270.66 feet;
- (16) N. 14° 22' W. 1908.73 feet to the PLACE OF BEGINNING, containing 198.27 acres of land.

WL 6904-01-57



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.

**LIEN ON REAL PROPERTY**

Date: May \_\_, 2005

Grantor: RICHARD REED HAWN

Grantee: MARGARET ANN HAWN

Obligation: Grantor's obligation to pay to Grantee One Million Five Hundred Thousand and No/100 Dollars (\$1,500,000.00) from the sale of the Property in accordance with the terms of that one certain Final Decree of Divorce in the Matter of the Marriage of Margaret Ann Hawn and Richard Reed Hawn, FM408374, in the District Court of Travis County, Texas, 261<sup>st</sup> Judicial District.

Property: 195.27 acres out of the one-fourth League Surveys in the names of John Pharnas and Samuel Pharnas, Abstracts Nos. 361 and 360, respectively in Hays County, Texas, as more particularly described by metes and bounds in Exhibit A, attached hereto and made a part hereof for all purposes.

For value received and to secure payment of the Obligation, Grantor grants to Grantee a first and superior lien on the Property. Grantor warrants and agrees to defend the title to the Property.

Executed this \_\_ day of May, 2005.

\_\_\_\_\_  
RICHARD REED HAWN

THE STATE OF TEXAS        §  
  §  
COUNTY OF TRAVIS        §

This instrument was acknowledged before me on May \_\_, 2005, by Richard Reed Hawn.

\_\_\_\_\_  
Notary Public, State of Texas

ML690458458

*Exhibit B*



143.17 acres out of the one-fourth League Survey in the lands of John Phares and Samuel Phares, Abstract Nos. 261 and 260, respectively in Hays County, Texas, described by metes and bounds as follows:

BEGINNING at a corner fence post for the East corner of the tract herein described, same being the North corner of Grant 260.12 acre tract of land conveyed to Robert Vance, et al, by R. G. Phares, by deed dated August 18, 1946, and recorded in Volume 125, Page 436, Hays County Deed Records, and being also on the Southeast line of that tract of land described as 1938.76 acres in a deed from F. D. Glass, Jr., et al, to A. V. Gregg, said deed dated October 22, 1948, and recorded in Volume 148, Page 130, Hays County Deed Records, and from which beginning corner the West corner of the Samuel Phares Survey bears N. 84° 34' W. 4840.72 feet (Corner);

THENCE leaving said corner 260.12 acre tract with Southeast line of said Gregg 1938.76 acre tract as fenced, and the Northwest line of Gregg 231.0 acre tract the following courses numbered (1) thru (3):

- (1) N. 48° 02' E. 317.2 feet;
- (2) N. 43° 21' E. 212.88 feet;
- (3) N. 44° 31' W. 1877.8 feet to an iron stake set for the North corner of the tract herein described;

THENCE leaving the Northwest line of said Gregg 1938.76 acre tract and Northwest line of said Gregg 231.00 acre tract as fenced and used upon the ground with fence the following courses numbered (4) thru (7):

- (4) S. 77° 21' E. 466.43 feet;
- (5) S. 36° 36' E. 250.3 feet;
- (6) S. 74° 21' E. 179.34 feet;
- (7) S. 44° 41' W. 442.86 feet to post at angle point;

THENCE continuing with fence the following courses numbered (8) thru (10):

- (8) N. 47° 20' E. 112.18 feet;
- (9) N. 4° 34' W. 7.38 feet;
- (10) N. 47° 48' E. 232.12 feet to post at angle point for the most Northerly Northwest corner of the tract herein described;

THENCE continuing with fence S. 62° 23' W. 266.66 feet to post on the West line of the Old San Antonio Road for the most Southerly Northwest corner of the tract herein described, same being on the East line of said Gregg 231.0 acre tract;

THENCE with West line of Old San Antonio Road and the East line of the Gregg 231.0 acre tract as fenced and used upon the ground S. 13° 37' N. 789.63 feet to a corner fence post for the East corner of the tract herein described, and the East corner of said Gregg 231.0 acre tract, same being the North corner of that 208.3 acre tract of land conveyed to Bernhard Kuhn, by John Gould, et al, on April 20, 1904, by deed dated November 10, 1904, and recorded in Volume 64, Page 81, Hays County Deed Records;

THENCE leaving the West line of the Old San Antonio Road as fenced with the Northwest line of the said Kuhn tract and the Southeast line of said Gregg 231 acre tract as fenced and used upon the ground the following courses numbered (11) thru (13):

- (11) S. 22° 02' W. 40.98 feet;
- (12) S. 60° 45' W. 14.67 feet;
- (13) S. 69° 36' W. 1270.86 feet to post at angle point;

THENCE with a Northwest line of said Kuhn tract and a Southeast line of said Gregg 231.0 acre tract W. 44° 28' W. 29.8 feet to post at angle point;

THENCE with the Northwest line of the Kuhn tract and the Southeast line of the Gregg 231.0 acre tract as fenced and used upon the ground the following two courses:

- (14) S. 26° 29' W. 49.94 feet;
- (15) N. 49° 20' W. passing the West corner of the said Kuhn tract and continue on in all 2122.20 feet to a post on the Northeast line of a county road, and a Northeast line of the said Robert Vance tract for the South corner of the tract herein described, and the South corner of the Gregg 231.0 acre tract;

THENCE with the Northeast line of said county road as fenced, and the Southeast line of Gregg 231.0 acre tract, N. 76° 27' W. 379.62 feet to corner post for the Southeast corner of the tract herein described, same being the Northwest corner of the Gregg 231.0 acre tract and being also a re-entrant corner of said Robert Vance 260.12 acre tract;

THENCE with the Southwest line of said Gregg 231.0 acre tract and Northwest line of said Vance tract as fenced and used upon the ground the following two courses:

- (16) N. 15° 00' W. 178.68 feet;
- (17) N. 16° 22' W. 1608.73 feet to the PLACE OF BEGINNING, containing 193.27 acres of land.

654910697A



EXHIBIT A

Return:

Rosemary Coffman  
3305 Northland Dr., Ste. 800  
Austin, TX 78731

I, AMALIA RODRIGUEZ-MENDOZA, District Clerk,  
Travis County, Texas, do hereby certify that this is  
a true and correct copy as same appears of  
record in my office. Witness my hand and seal of  
office on 6/3/05.



AMALIA RODRIGUEZ-MENDOZA

DISTRICT CLERK

By Debra E. Smith

**FILED AND RECORDED**

OFFICIAL PUBLIC RECORDS

Dana DeBeauvoir

2005 Jun 03 03:04 PM 2005098467

HAYMOOK \$42.00

DANA DEBEAUVOIR COUNTY CLERK  
TRAVIS COUNTY TEXAS

13

File No. 155462

155462 County

TITLE COMMITMENT

Date Filed: 6-2-08

Jerry E. Patterson, Commissioner

By [Signature]

**CERTIFIED TO BE A TRUE  
AND CORRECT COPY**

Texas United Title

**HUD - 1 UNIFORM SETTLEMENT STATEMENT**

OMB Approval No. 2502-0265

A. U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		SETTLEMENT STATEMENT	
B. TYPE OF LOAN 1. FHA 2. FmHA 3. X Conv. Unins. 4. VA 5. Conv. Ins.		6. File Number: 0624672350DK	7. Loan Number:
		8. Mortgage Insurance 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. NOTE: TIN = Taxpayer's Identification Number			
D. NAME AND ADDRESS OF BORROWER: The State of Texas  1700 N. Congress Ave #720 Austin, TX 78701		E. NAME, ADDRESS AND TIN OF SELLER: Reed Hawn  3605 Steck Avenue #1083 Austin, TX 78759	F. NAME AND ADDRESS OF LENDER: N/A
G. PROPERTY LOCATION:  195.14 acre tract of land in Samuel Pharrass 1/4 League Hays County, Texas,		H. SETTLEMENT AGENT NAME, ADDRESS AND TIN  Daniel W. Nelson 1301 W. 25th Street #570, Austin, TX 78705	
		I. PLACE OF SETTLEMENT  1301 W. 25th Street #570 Austin, TX 78705	L. SETTLEMENT DATE  07/17/2006

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	3,122,240.00	401. Contract sales price	3,122,240.00
102. Personal property		402. Personal property	
103. Settlement charges to borrower (Line 1400)	2,317.95	403.	
104.		404.	
105.		405.	
Adjustments for items paid by seller in advance		Adjustments for items paid by seller in advance	
106. City/town taxes		406. City/town taxes	
107. County taxes		407. County taxes	
108. Assessments		408. Assessments	
109.		409.	
110.		410.	
111.		411.	
112.		412.	
120. GROSS AMOUNT DUE FROM BORROWER	3,124,557.95	420. GROSS AMOUNT DUE TO SELLER	3,122,240.00

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)	169,476.62
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204.		504. Payoff of first mortgage loan M. Hawn	1,500,000.00
205.		505. Payoff of second mortgage loan	
206.		506.	
207.		507.	
208.		508.	
209.		509.	
Adjustments for items unpaid by seller		Adjustments for items unpaid by seller	
210. City/town taxes		510. City/town taxes	
211. County taxes		511. County taxes	
212. Assessments		512. Assessments	
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. TOTAL PAID BY/FOR BORROWER		520. TOTAL REDUCTION AMOUNT DUE SELLER	1,669,476.62

300. CASH AT SETTLEMENT FROM/TO BORROWER		600. CASH AT SETTLEMENT FROM/TO SELLER	
301. Gross amount due from borrower (Line 120)	3,124,557.95	601. Gross amount due to seller (Line 420)	3,122,240.00
302. Less amount paid by/for borrower (Line 220)		602. Less reduction in amount due seller (Line 520)	1,669,476.62
303. CASH FROM BORROWER	3,124,557.95	603. CASH TO SELLER	1,452,763.38

**SELLER'S STATEMENT**

The information contained in Blocks E, G, H, and I and on line 401 (or, if line 401 is asterisked, line 403 and 404) is important tax information and is being furnished to the Internal Revenue Service (see Seller Certification). If you are required to file a return, a negligence penalty or other sanction will be imposed on you if this item is required to be reported and the IRS determines that it has not been reported. You are required to provide the Settlement Agent with your correct taxpayer identification number. If you do not provide the Settlement Agent with your correct taxpayer identification number, you may be subject to civil or criminal penalties imposed by law. Under penalties of perjury, I certify that the number shown on this statement is my correct taxpayer identification number.

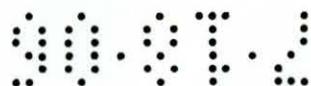
(Seller's Signature) Reed Hawn

(Seller's Signature)



Countersigned  
Texas United Title, Inc.

By D. King / AJ



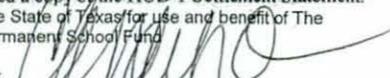
L. SETTLEMENT CHARGES

	PAID FROM BORROWER'S FUNDS AT SETTLEMENT	PAID FROM SELLER'S FUNDS AT SETTLEMENT
<b>700. TOTAL SALES/BROKER'S COMMISSION based on price \$ 3,122,240.00 @ 4.500%</b>		
Division of Commission (line 700) as follows:		
701. \$ 140,500.80 to Schroeder Company/Michael Schroeder		
702. \$		
703. Commission paid at Settlement		140,500.80
704.		
<b>800. ITEMS PAYABLE IN CONNECTION WITH LOAN</b>		
801. Loan Origination Fee \$		
802. Loan Discount \$		
803. Appraisal Fee to		
804. Credit report to		
805. Lender's Inspection Fee		
806.		
807.		
808.		
809.		
810.		
811.		
812.		
813.		
<b>900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE</b>		
901. Interest from		
902. Mortgage Insurance Premium for		
903. Hazard insurance Premium for		
904.		
905.		
<b>1000. RESERVES DEPOSITED WITH LENDER</b>		
1001. Hazard insurance		
1002. Mortgage insurance		
1003. City Property Taxes		
1004. County Property Taxes		
1005. Annual assessments		
1006.		
1007.		
1008. Aggregate Accounting Adjustment	0.00	
<b>1100. TITLE CHARGES</b>		
1101. Settlement or closing fee to		
1102. Abstract or title search to		
1103. Title Examination to		
1104. Title insurance binder to		
1105. Document preparation to		
1106. Notary fees to		
1107. Attorney's fees to		
(includes line numbers:		
1108. Title Insurance to United Title of Texas	2,317.95	15,453.00
(includes line numbers: (50% to DNelson)		
1109. Lender's coverage \$		
1110. Owner's coverage \$ 3122240.00		
1111. Guaranty Fee to United Title of Texas		1.00
1112. Tax Certificate Fee to United Title of Texas		30.90
1113. Escrow Fee to Daniel W. Nelson		200.00
<b>1200. GOVERNMENT RECORDING AND TRANSFER CHARGES</b>		
1201. Recording fees: Deed \$ Mortgage \$ Release \$ 36.00		36.00
1202. City/county tax/stamps: Deed \$ Mortgage \$		
1203. State tax/stamps: Deed \$ Mortgage \$		
1204. Water Notice Recording Fee to United Title of Texas		36.00
1205. Warranty Deed Recording Fee to United Title of Texas		36.00
<b>1300. ADDITIONAL SETTLEMENT CHARGES</b>		
1301. Survey to Vickrey & Associates (POC)		
1302. Pest inspection to		
1303. 2006-2007 Taxes to Hays County Tax Collector		13,182.92
1304.		
1305.		
1306.		
<b>1400. TOTAL SETTLEMENT CHARGES (enter on lines 103, Section J and 502, Section K)</b>	<b>2,317.95</b>	<b>169,476.62</b>

CERTIFICATION: 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 received a copy of the HUD-1 Settlement Statement.

Seller Reed Hawn

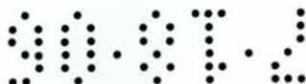
Seller  
The HUD-1 Settlement Statement which I have prepared is a true and accurate account of the funds disbursed or to be disbursed by the undersigned as part of the settlement of this transaction.

BY:   
Candy Owens, Closing Manager  
Asset Management Division  
Texas General Land Office

Date 07/17/2006

Settlement Agent

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.



HUD - 1 UNIFORM SETTLEMENT STATEMENT

OMB Approval No. 2502-0265

A. U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		SETTLEMENT STATEMENT	
B. TYPE OF LOAN		6. File Number:	7. Loan Number:
1. FHA	2. FmHA	0624672350DK	
3. X Conv. Unins.	4. VA	5. Conv. Ins.	8. Mortgage Insurance 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. NOTE: TIN = Taxpayer's Identification Number			
D. NAME AND ADDRESS OF BORROWER: The State of Texas  1700 N Congress Ave #720 Austin, TX 78701		E. NAME, ADDRESS AND TIN OF SELLER: Reed Hawn  3605 Steck Avenue #1083 Austin, TX 78759	F. NAME AND ADDRESS OF LENDER: N/A
G. PROPERTY LOCATION:  195.14 acre tract of land in Samuel Pharass 1/4 League  Hays County, Texas		H. SETTLEMENT AGENT NAME, ADDRESS AND TIN Daniel W. Nelson 2414 Exposition Blvd #D210, Austin, TX 78703 PLACE OF SETTLEMENT 2414 Exposition Blvd., Ste D210 Austin, Texas 78703	
		I. SETTLEMENT DATE 06/30/2006	

J. SUMMARY OF BORROWER'S TRANSACTION		K. SUMMARY OF SELLER'S TRANSACTION	
<b>100. GROSS AMOUNT DUE FROM BORROWER:</b>		<b>400. GROSS AMOUNT DUE TO SELLER:</b>	
101. Contract sales price	3,122,240.00	401. Contract sales price	3,122,240.00
102. Personal property		402. Personal property	
103. Settlement charges to borrower (Line 1400)	2,317.95	403.	
104.		404.	
105.		405.	
Adjustments for items paid by seller in advance		Adjustments for items paid by seller in advance	
106. City/town taxes		406. City/town taxes	
107. County taxes		407. County taxes	
108. Assessments		408. Assessments	
109.		409.	
110.		410.	
111.		411.	
112.		412.	
<b>120. GROSS AMOUNT DUE FROM BORROWER</b>	<b>3,124,557.95</b>	<b>420. GROSS AMOUNT DUE TO SELLER</b>	<b>3,122,240.00</b>

<b>200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER:</b>		<b>500. REDUCTIONS IN AMOUNT DUE TO SELLER:</b>	
201. Deposit or earnest money		501. Excess deposit	
202. Principal amount of new loan(s)		502. Settlement charges to seller (Line 1400)	169,476.62
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204.		504. Payoff of first mortgage loan Margaret Hawn	1,500,000.00
205.		505. Payoff of second mortgage loan	
206.		506.	
207.		507.	
208.		508.	
209.		509.	
Adjustments for items unpaid by seller		Adjustments for items unpaid by seller	
210. City/town taxes		510. City/town taxes	
211. County taxes		511. County taxes	
212. Assessments		512. Assessments	
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
<b>220. TOTAL PAID BY/FOR BORROWER</b>		<b>520. TOTAL REDUCTION AMOUNT DUE SELLER</b>	<b>1,669,476.62</b>

<b>300. CASH AT SETTLEMENT FROM/TO BORROWER</b>		<b>600. CASH AT SETTLEMENT FROM/TO SELLER</b>	
301. Gross amount due from borrower (Line 120)	3,124,557.95	601. Gross amount due to seller (Line 420)	3,122,240.00
302. Less amount paid by/for borrower (Line 220)		602. Less reduction in amount due seller (Line 520)	1,669,476.62
<b>303. CASH FROM BORROWER</b>	<b>3,124,557.95</b>	<b>603. CASH TO SELLER</b>	<b>1,452,763.38</b>

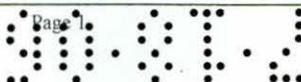
SELLER'S STATEMENT

The information contained in Blocks E, G, H, and I and on line 401 (or, if line 401 is asterisked, line 403 and 404) is important tax information and is being furnished to the Internal Revenue Service (see Seller Certification). If you are required to file a return, a negligence penalty or other sanction will be imposed on you if this item is required to be reported and the IRS determines that it has not been reported. You are required to provide the Settlement Agent with your correct taxpayer identification number. If you do not provide the Settlement Agent with your correct taxpayer identification number, you may be subject to civil or criminal penalties imposed by law. Under penalties of perjury, I certify that the number shown on this statement is my correct taxpayer identification number.

(Seller's Signature)

Reed Hawn

(Seller's Signature)



L. SETTLEMENT CHARGES

	PAID FROM BORROWER'S FUNDS AT SETTLEMENT	PAID FROM SELLER'S FUNDS AT SETTLEMENT
<b>700. TOTAL SALES/BROKER'S COMMISSION based on price \$ 3,122,240.00 @ 4.500%</b>		
Division of Commission (line 700) as follows:		
701. \$ 140,500.80 to Schroeder Company/Michael Schroeder		
702. \$		
703. Commission paid at Settlement		140,500.80
704.		
<b>800. ITEMS PAYABLE IN CONNECTION WITH LOAN</b>		
801. Loan Origination Fee \$		
802. Loan Discount \$		
803. Appraisal Fee to		
804. Credit report to		
805. Lender's Inspection Fee		
806.		
807.		
808.		
809.		
810.		
811.		
812.		
813.		
<b>900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE</b>		
901. Interest from		
902. Mortgage Insurance Premium for		
903. Hazard insurance Premium for		
904.		
905.		
<b>1000. RESERVES DEPOSITED WITH LENDER</b>		
1001. Hazard insurance		
1002. Mortgage insurance		
1003. City Property Taxes		
1004. County Property Taxes		
1005. Annual assessments		
1006.		
1007.		
1008. Aggregate Accounting Adjustment	0.00	
<b>1100. TITLE CHARGES</b>		
1101. Settlement or closing fee to		
1102. Abstract or title search to		
1103. Title Examination to		
1104. Title insurance binder to		
1105. Document preparation to		
1106. Notary fees to		
1107. Attorney's fees to		
(includes line numbers:		
1108. Title Insurance to United Title of Texas	2,317.95	15,453.00
(includes line numbers: T1 (50% to D.Nelson)		
1109. Lender's coverage \$		
1110. Owner's coverage \$ 3122240.00		
1111. Guaranty Fee to United Title of Texas		1.00
1112. Tax Certificate Fee to United Title of Texas		30.90
1113. Escrow Fee to Daniel W. Nelson		200.00
<b>1200. GOVERNMENT RECORDING AND TRANSFER CHARGES</b>		
1201. Recording fees: Deed \$ 36.00 Mortgage \$ Release \$ 36.00		72.00
1202. City/cnty tax/stamps: Deed \$ Mortgage \$		
1203. State tax/stamps: Deed \$ Mortgage \$		
1204. Water Notice Recording fee		36.00
1205.		
<b>1300. ADDITIONAL SETTLEMENT CHARGES</b>		
1301. Survey to Vickrey & Associates (POC)		
1302. Pest inspection to		
1303.		
1304.		
1305. 2006-2007 Taxes to Hays County Tax Collector		13,182.92
1306.		
<b>1400. TOTAL SETTLEMENT CHARGES (enter on lines 103, Section J and 502, Section K)</b>	<b>2,317.95</b>	<b>169,476.62</b>

CERTIFICATION: 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 received a copy of the HUD-1 Settlement Statement.

Seller Reed Hawthorn

Borrower The State of Texas

Seller \_\_\_\_\_

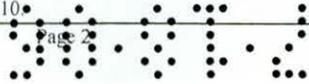
Borrower \_\_\_\_\_

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of the funds disbursed or to be disbursed by the undersigned as part of the settlement of this transaction.

Daniel W. Nelson  
Settlement Agent Daniel W. Nelson

Date 06/30/2006

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.



14

File No. 155462

HAYS County

SETTLEMENT STATEMENT

Date Filed: 6-2-08

Jerry E. Patterson, Commissioner

By Susan Throck

2008

32

RETURN TO TEXAS UNITED TITLE, INC  
301 S. Mopec, Bldg 1 Suite 540  
Austin, Texas 78746

WF# 06246723500K

CERTIFIED TO BE A TRUE AND  
CORRECT COPY



LINDA C. FRITSCHKE, County Clerk  
Hays County

5/27  
N

**WATER DISTRICT NOTICE**

The real property, described below, which you are about to purchase <sup>Bk Vol Pg</sup> 46020890 129 489  
Edwards Aquifer Authority, formerly known as the Edwards Underground Water District (the  
"District"). The District is authorized to charge an aquifer management fee based authorized and  
used groundwater.

The purpose of this district is to provide water, sewer, drainage or flood control facilities  
and services within the district through the issuance of bonds payable in whole or in part from  
property, and these utility facilities are owned or to be owned by the District. The legal  
description of the property which you are acquiring is as follows:

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 in Exhibit "A" attached hereto and incorporated herein by reference for all  
pertinent purposes.

SELLER:

Richard R. Hawn

July 5, 2006

Date

BUYER IS ADVISED THAT THE INFORMATION SHOWN ON THIS FORM IS SUBJECT  
TO CHANGE BY THE DISTRICT AT ANY TIME. THE DISTRICT ROUTINELY  
ESTABLISHES TAX RATES DURING THE MONTHS OF SEPTEMBER THROUGH  
DECEMBER OF EACH YEAR, EFFECTIVE FOR THE YEAR IN WHICH THE TAX RATES  
ARE APPROVED BY THE DISTRICT. BUYER IS ADVISED TO CONTACT THE DISTRICT  
TO DETERMINE THE STATUS OF ANY CURRENT OR PROPOSED CHANGES TO THE  
INFORMATION SHOWN ON THIS FORM.

The undersigned Buyer hereby acknowledges receipt of the foregoing notice at or prior to  
execution of a binding contract for the purchase of the real property described in such notice or  
at closing of purchase of the real property.



CERTIFIED TO BE A TRUE AND  
CORRECT COPY



LINDA C. FRITSCHÉ, County Clerk  
Hays County

BUYER:

The State of Texas, for the use and benefit of  
the Permanent School Fund, acting <sup>Book and No 1</sup> ~~Book and No 1~~ <sup>08020890 APR 2965</sup> 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

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Jerry E. Patterson, Commissioner  
Texas General Land Office

**ACKNOWLEDGMENT MUST BE PROVIDED FOR THE SELLER AND  
BUYER ON THE NOTICE THAT IS SIGNED AT CLOSING**

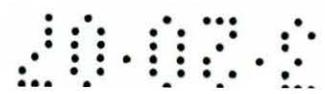
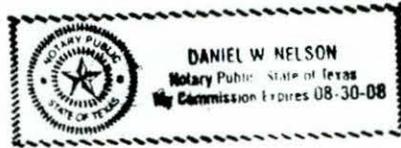
STATE OF TEXAS       §  
                                  §  
COUNTY OF TRAVIS   §

This instrument was acknowledged before me on this 5<sup>th</sup> day of <sup>July</sup> ~~June~~, 2006, by Richard  
R. Hawn.

Daniel W. Nelson  
Notary Public in and for  
the State of Texas

Daniel W. Nelson  
[type or print name]

My Commission Expires: 8/30/08





**EXHIBIT " A "**Page 1 of 2 pages

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

Bk Vol Pg  
06020890 DPR 2965 492

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 1/2" 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;



Metes and Bounds Description  
195.14 Acres  
Page 2 of 2

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;

Bk Vol Pg  
06020890 DPR 2965 493

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.

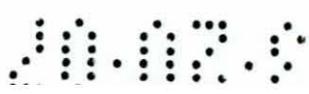
*Hal B Lane 5/24/06*  
Hal B. Lane III  
Registered Professional Land Surveyor  
Texas Registration Number 4690  
Vickrey & Associates, Inc.



Filed for Record in:  
Hays County  
On: Jul 18, 2006 at 01:01P  
Document Number: 06020890  
Amount: 32.00  
Receipt Number - 151830  
By:  
Terry Kleen, Deputy  
Lee Carlisle, County Clerk  
Hays County

Job No. 2042-003-104  
HL/gm m&b 195.14acres  
May 24, 2006

I, LINDA C. FRITSCH, COUNTY CLERK,  
HAYS COUNTY, TEXAS do hereby certify that this is  
a true and correct copy as same appears of record  
in my office. Witness my hand and seal of office on  
*B-140n*  
LINDA C. FRITSCH  
HAYS COUNTY CLERK  
BY DEPUTY  
*CHRISTOPHER*



15

155462

File No.

HAYS

County

WATER DISTRICT NOTICE

Date Filed: 6-2-08

Jerry E. Patterson, Commissioner

By

*Linda C. Fritzsche*

SCANNED

DATE 7/18/07 HHH

RECEIVED  
LINDA C. FRITZSCHE  
HAYS COUNTY CLERK  
HAYS, KANSAS



CERTIFIED TO BE A TRUE AND  
CORRECT COPY



LINDA C. FRITSCH, County Clerk  
Hays County

11/23  
2

RETURN TO TEXAS UNITED TITLE, INC  
901 B Mopac, Bldg 1 Suite 640  
Austin Texas 78746  
UF# 0624672350DK

**RELEASE OF LIEN**

Date: July 5, 2006

Bk Vol Pg  
06020888 DPR 2965 480

Lien:

Date: May 26, 2006

Original Amount: One Million Five Hundred Thousand and No/100ths Dollars  
(\$1,500,000.00)

Holder of Note and Lien: Margaret Ann Hawn

Holder's Mailing Address (including county):

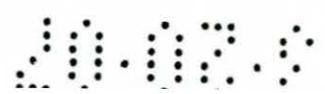
P.O. Box 6700  
Austin, TX 78763

Holder releases the Lien and Claim described in the Lien on Real Property filed in Volume 2696, Page 610, of the Official Public Records, Hays County, Texas, that was created by the Decree of Final Divorce entered in Cause No. FM 408374 filed in the District Court of Travis County, Texas, and releases any and all liens existing by reason of the Decree of Final Divorce and the filing of the Lien on Real Property against the following described property.

Property (including any improvements) subject to lien:

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 a Special Warranty Deed, conveying "Hawn Arabian Ranch" unto 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 in Exhibit "A" attached hereto and incorporated herein by reference for all pertinent purposes.

When the context requires, singular nouns and pronouns include the plural.



CERTIFIED TO BE A TRUE AND  
CORRECT COPY



LINDA C. FRITSCHE, County Clerk  
Hays County

EXECUTED this 5<sup>th</sup> day of ~~June~~ <sup>July</sup>, 2006.

Bk Vol Pg  
06020888 DPR 2965 481

Margaret Ann Hawn  
Margaret Ann Hawn

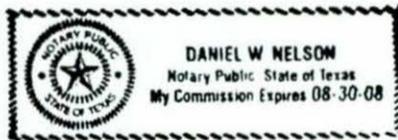
STATE OF TEXAS       §  
                                  §  
COUNTY OF TRAVIS   §

This instrument was acknowledged before me on this 5<sup>th</sup> day of ~~June~~ <sup>July</sup>, 2006, by Margaret Ann Hawn.

Daniel W. Nelson  
Notary Public in and for the  
State of Texas

Daniel W. Nelson  
(type or print name)

My commission Expires: 8/30/08



CERTIFIED TO BE A TRUE AND  
CORRECT COPY



LINDA C. FRITSCHKE, County Clerk  
Hays County

**EXHIBIT " A "**

Page 1 of 2 pages

**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**

Bk Vol Pg  
06020888 DPR 2965 482

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 1/2" 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;



Metes and Bounds Description  
195.14 Acres  
Page 2 of 2

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 ~~South~~ 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;

Bk  
Pg  
Vol 2965 Pg 483

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.

Filed for Record in:  
Hays County  
On: Jul 18, 2006 at 01:01P  
Document Number: 06020888  
Amount: 28.00  
Receipt Number - 151830  
By:  
Terry Kleen, Deputy  
Lee Carlisle, County Clerk  
Hays County

*Hal B Lane III 5/24/06*  
Hal B. Lane III  
Registered Professional Land Surveyor  
Texas Registration Number 4690  
Vickrey & Associates, Inc.



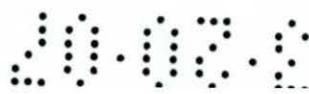
Job No. 2042-003-104  
HL/gm m&b 195.14acres  
May 24, 2006

I, LINDA C. FRITSCH, COUNTY CLERK,  
HAYS COUNTY, TEXAS do hereby certify that this is  
a true and correct copy as same appears of record  
in my office. Witness my hand and seal of office on:



3-14-07  
LINDA C. FRITSCH  
HAYS COUNTY CLERK  
BY DEPUTY

*[Signature]*



SCANNED  
DATE 7/18/07 HH

16

155462

File No. 155462 16  
HAYS County  
RELEASE OF LIEN  
Date Filed: 6-2-08  
Jerry E. Patterson, Commissioner  
By Aaron Throck

BY CLERK  
JERRY E. PATTERSON  
COMMISSIONER

BY CLERK  
LINDA C. FRITSCHE  
HAYS COUNTY CLERK



7004

3132  
2

432

RETURN TO TEXAS UNITED TITLE, INC  
901 S. Moyses, Bldg 1 Suite 540  
Austin, Texas 78746  
GFA 0624672 35000

NOTICE OF CONFIDENTIALITY: 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 RECORD: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVERS LICENSE NUMBER.

0609889 Bk Vol Pg  
MAY 29 65 484

### SPECIAL WARRANTY DEED

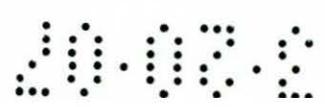
STATE OF TEXAS §  
COUNTY OF HAYS § KNOW ALL BY THESE PRESENTS:  
§

That I, **Richard Reed Hawn**, ("GRANTOR"), of the County of Travis and State of Texas for and in consideration of **THREE MILLION ONE HUNDRED TWENTY-TWO THOUSAND TWO HUNDRED AND FORTY AND NO/100 DOLLARS (\$3,122,240.00)** to me in hand paid and other valuable consideration to the undersigned paid by the Grantee herein named, the receipt and sufficiency of which is hereby acknowledged, have GRANTED, SOLD and CONVEYED, and by these presents do GRANT, SELL and CONVEY unto **THE STATE OF TEXAS, FOR THE USE AND BENEFIT OF THE PERMANENT SCHOOL FUND** ("GRANTEE"), whose mailing address is P.O. Box 12873, Austin, Texas 78711-2873, the following described land in Travis County, Texas, to-wit:

Being a 195.14 acre tract of land known as the "Hawn Arabian Ranch" situated in the Samuel Pharass 1/4 league Survey No. 14, Abstract 360, Hays County, Texas, as more particularly described by metes and bounds on **Exhibit "A"** attached hereto and incorporated herein, for all purposes, herein called the "**Land**";

TO HAVE AND HOLD the above described Land, together with any and all buildings and other improvements now located on said Land and together with all and singular the rights and appurtenances pertaining to such Land, including Grantor's rights in and to oil, gas and other minerals, if any, and including any right, title or interest of Grantor to adjacent strips, gores, roads, streets, alleys and easements of right of way, if any, unto the Grantee, its successors and assigns forever, and Grantor does hereby bind Grantor's heirs, executors and administrators to **WARRANT AND FOREVER DEFEND** all and singular the said premises unto the Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

CERTIFIED TO BE A TRUE AND CORRECT COPY  
LINDA C. FRITSCHKE, County Clerk  
Hays County



Bk Vol Pg  
06020889 PPR 2965 485

This conveyance is made subject to all covenants, conditions, reservations, easements, and leases, if any, that are valid, in existence, and of record, or visible and apparent upon the ground of the above described Land, together with the "Permitted Exceptions" on **Exhibit "B"** attached hereto and made a part hereof for all pertinent purposes.

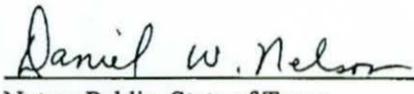
EXECUTED this 5<sup>th</sup> day of July, 2006.

**"GRANTOR"**  
Richard Reed Hawn  


STATE OF TEXAS

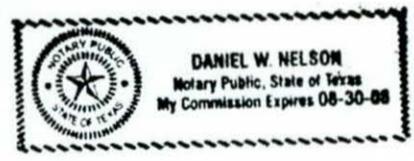
COUNTY OF TRAVIS

This instrument was acknowledged before me on July 5, 2006, by Richard Reed Hawn.

  
Notary Public, State of Texas

**AFTER RECORDING RETURN TO:**

Texas General Land Office  
1700 North Congress Avenue, Suite 720  
Austin, Texas 78701  
ASSET MANAGEMENT DIVISION  
Attn: Candy Owens



CERTIFIED TO BE A TRUE AND  
CORRECT COPY  
 LINDA C. FRITSCH, County Clerk  
Hays County


**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

Bk	Vol	Pg
06020889	OPR 2965	486

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 1/2" 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;

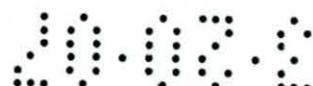
Thence S 36°00'34" W, departing said West right-of-way line of County Road No. 136, a distance of 42.37 to a found cedar fence post at the common corner of said 135.78 acre tract and the herein described tract of land;

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;

Exhibit A  
 Page 1 of 2

12940 Country Parkway • San Antonio, Texas 78216 • 210-349-3271 • FAX 210-349-2561



CERTIFIED TO BE A TRUE AND CORRECT COPY



LINDA C. FRITSCHKE, County Clerk  
Hays County

Metes and Bounds Description  
195.14 Acres  
Page 2 of 2

Bk Vol Pg  
06020889 DPR 2965 487

- 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 III*  
 Hal B. Lane III  
 Registered Professional Land Surveyor  
 Texas Registration Number 4690  
 Vickrey & Associates, Inc.



Job No. 2042-003-104  
HL/gm m&b 195.14acres  
May 24, 2006



**Exhibit B**  
**Permitted Exceptions**

Bk Vol Pg  
06020889 OPR 2965 488

**Easement: (blanket type)**  
**Purpose:** buried communication cable  
**Recorded:** in Volume 737, Page 716, of the Deed Records, Hays County, Texas and as noted on survey dated May 17, 2006, by Hal B. Lane III, R.P.L.S. No. 4690.

**Easement and Right-of-Way: (blanket type)**  
**Purpose:** tower and related facilities  
**Recorded:** in Volume 881, Page 15, of the Official Public Records, Hays County, Texas and as noted on survey dated May 17, 2006, by Hal B. Lane III, R.P.L.S. No. 4690.

**Mineral and/or royalty interest:**  
**Recorded:** in Volume 185, Page 391, of the Deed Records, Hays County, Texas.  
**By:** A. W. Gregg and Robie Gregg  
**To:** Ky-Tex Properties, Inc.  
Title to said interest has not been investigated subsequent to the date of the aforesaid instrument.

**Mineral and/or royalty interest:**  
**Recorded:** in Volume 197, Page 632, of the Deed Records, Hays County, Texas. Title to said interest has not been investigated subsequent to the date of the aforesaid instrument.

**Mineral and/or royalty interest:**  
**Recorded:** in Volume 110, Page 88, of the Deed Records, Hays County, Texas. Title to said interest has not been investigated subsequent to the date of the aforesaid instrument.

**Terms, Conditions, and Stipulations set out in Ordinance No. 199:**  
**Recorded:** in Volume 565, Page 838, Deed Records, Hays County, Texas.

**Water District: Edwards Underground Water District**  
**Requirement:** Notice to be executed and recorded.

**Overhead utility lines and poles traversing the subject property as shown on survey dated May 17, 2006, by Hal B. Lane III, R.P.L.S. No. 4690.**

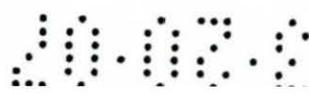
Filed for Record in:  
Hays County  
On: Jul 18, 2006 at 01:01P  
Document Number: 06020889  
Amount: 32.00  
Receipt Number - 151830  
By:  
Terry Kleen, Deputy  
Lee Carlisle, County Clerk  
Hays County

I, LINDA C. FRITSCH, COUNTY CLERK,  
HAYS COUNTY, TEXAS do hereby certify that this is  
a true and correct copy as same appears of record  
in my office. Witness my hand and seal of office on:



3-14-07  
LINDA C. FRITSCH  
HAYS COUNTY CLERK  
BY DEPUTY

*[Handwritten signature]*



17

155462

File No.

Hays

County

SPECIAL WARRANTY DEED

Date Filed: 6-2-08

Jerry E. Patterson, Commissioner

By Susan Thesede

SCANNED  
DATE 7/18/07-HH

FILED IN REGISTERED COUNTY CLERK  
HAYS COUNTY, KANSAS  
JULY 18 2007  
BY DEPUTY

LINDA C. PATTERSON  
HAYS COUNTY CLERK  
BY DEPUTY



0000

# First American Title Insurance Company

110864 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 WHEREOF, 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.



ATTEST

*Mark R. Arnesen*  
Secretary.

*First American Title Insurance Company*

BY *Gary L. Keruott* 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.

(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.

OWNER POLICY OF TITLE INSURANCE

SCHEDULE A

H01: 209-D-47758

G.F. No. 0624672350DK

Issued with Policy Number:

Policy No. 110864-O

Amount of Insurance: \$3,122,240.00 ✓

Premium: \$17,770.95

Date of Policy: July 18, 2006, 05:00

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 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 (N13,913,246.00, 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 1/2" 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;

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°1 8'05" 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: The Company is prohibited from insuring the area or quantity of the land described herein. Any statement in the above legal description of the area or quantity of land is not a representation that such area or quantity is correct, but is made only for informational and/or identification purposes and does not override Item 2 of Schedule B hereof.

OWNER POLICY OF TITLE INSURANCE

SCHEDULE B

G.F. No. 0624672350DK

Policy No. 110864-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 No. 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.~~ *WJ*
  
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 **2006**, 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. ✓ **Easement: (blanket type)**  
**Purpose:** buried communication cable  
**Recorded:** in Volume 737, Page 716, of the Deed Records, Hays County, Texas and as noted on survey dated May 17, 2006, by Hal B. Lane III, R.P.L.S. No. 4690.
  
  - b. ✓ **Easement and Right-of-Way: (blanket type)**  
**Purpose:** tower and related facilities  
**Recorded:** in Volume 881, Page 15, of the Official Public Records, Hays County, Texas and as noted on survey dated May 17, 2006, by Hal B. Lane III, R.P.L.S. No. 4690.

- c. ✓ Mineral and/or royalty interest:  
Recorded: in Volume 185, Page 391, of the Deed Records, Hays County, Texas.  
By: A. W. Gregg and Robie Gregg  
To: Ky-Tex Properties, Inc.  
Title to said interest has not been investigated subsequent to the date of the aforesaid instrument.
- d. ✓ Mineral and/or royalty interest:  
Recorded: in Volume 197, Page 632, of the Deed Records, Hays County, Texas. Title to said interest has not been investigated subsequent to the date of the aforesaid instrument.
- e. ✓ Mineral and/or royalty interest:  
Recorded: in Volume 110, Page 88, of the Deed Records, Hays County, Texas. Title to said interest has not been investigated subsequent to the date of the aforesaid instrument.
- f. ✓ Terms, Conditions, and Stipulations set out in Ordinance No. 199:  
Recorded: in Volume 565, Page 838, Deed Records, Hays County, Texas.
- g. ✓ Water District: Edwards Underground Water District:  
Requirement: Notice to be executed and recorded.
- h. ✓ Overhead utility lines and poles traversing the subject property as shown on survey dated May 17, 2006, by Hal B. Lane III, R.P.L.S. No. 4690.

First American Title Insurance Company

By   
Authorized Countersignature



Endorsement Serial Number	Premium Amount	Rate Rule(s)	Property Type
N/A	None	No Charge	Residential 1-4

H01:209-0-42758  
G.F. NO.: 0624672350DK

ENDORSEMENT

Attached to and made part of FIRST AMERICAN TITLE INSURANCE COMPANY Policy or Interim Construction Binder Number 110864-O, this 5th of Decemeber.

This Endorsement is being issued to add Item No. 6i, in Schedule B of the above mentioned policy to read as follows: Section 14 of the Conditions and Stipulations of this policy is hereby deleted..

]

Nothing herein contained shall be construed as extending or changing the effective date of the aforesaid policy or interim construction binder, unless otherwise expressly stated.

IN WITNESS HEREOF, the FIRST AMERICAN TITLE INSURANCE COMPANY has caused this Endorsement to be executed by its President under the seal of the Company, but this Endorsement is to be valid only when it bears an authorized countersignature.

FIRST AMERICAN TITLE INSURANCE COMPANY

By: Michelle Jensen



# Owner Policy

ISSUED BY:



18

File No. 155468  
HAYS County  
TIRE Policy  
Date Filed: 6-2-08  
Jerry E. Patterson, Commissioner  
By Arsen Fhusel

SCANNED DATE 7/15/07 HH

### 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.

**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**

TEXAS



GENERAL LAND OFFICE

JERRY PATTERSON, COMMISSIONER

August 4, 2006

Hays Central Appraisal District  
21001 N. IH 35  
Kyle, TX 78640

RE: Sale from Richard Reed Hawn to The State of Texas for the use and benefit of the Permanent School Fund  
195.14 acres in Samuel Pharass ¼ League Survey No. 14, Abstract 360, Hays County, Texas

Enclosed is a copy of the Special Warranty Deed dated July 5, 2006 executed by Richard Reed Hawn to The State of Texas for the use and benefit of the Permanent School Fund. A copy of the tax certificates is also enclosed for your reference. Please update your records accordingly.

Should you have any questions, please do not hesitate to contact me at (512) 463-3726 or [candy.owens@glo.state.tx.us](mailto:candy.owens@glo.state.tx.us).

Yours truly,

  
Candy Owens  
Closing Manager  
Asset Management

Stephen F. Austin Building • 1700 North Congress Avenue • Austin, Texas 78701-1495

Post Office Box 12873 • Austin, Texas 78711-2873

512-463-5001 • 800-998-4GLO

[www.glo.state.tx.us](http://www.glo.state.tx.us)

SCANNED  
DATE 7/18/07 #H

19  
File No. 155462  
HAYS County  
APPRAISAL DISTRICT LTD.  
Date Filed: 6-2-08  
Jerry E. Patterson, Commissioner  
By Brian Throckmole

**LAND ACQUISITION CHECKLIST**  
**DOCUMENTS THAT GO IN NEW ARCHIVE SCHOOL FILE**

File No.: 155462 Property Name: HAWN ARABIAN RANCH  
Date: 5/24/07 County: HAYS Acres: 195.14  
Project Manager: VF Seller: Richard Reed Hawn

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 N/A
8. Seller Affidavit as to Possession N/A
9. Seller IRS Notice
10. Seller Authorization N/A  
(Corporate Resolution, Partnership Affidavit, Certificate of Good Standing, Partnership Agreement, etc.)
11. Distribution Slips   
Invoices   
Purchase Requisitions
12. Copies of All Curative Documents (Ancillary)  Water district Notice  
Release of Lien
13. ~~Deed~~ \_\_\_\_\_
14. Recorded Deed to the State
15. Title policy

Other Documents Included:

- Tax Certificate
- Appraisal District Notification Letter
- Commitment with exception documents

Notes:

20

File No. 155462

HAYS County

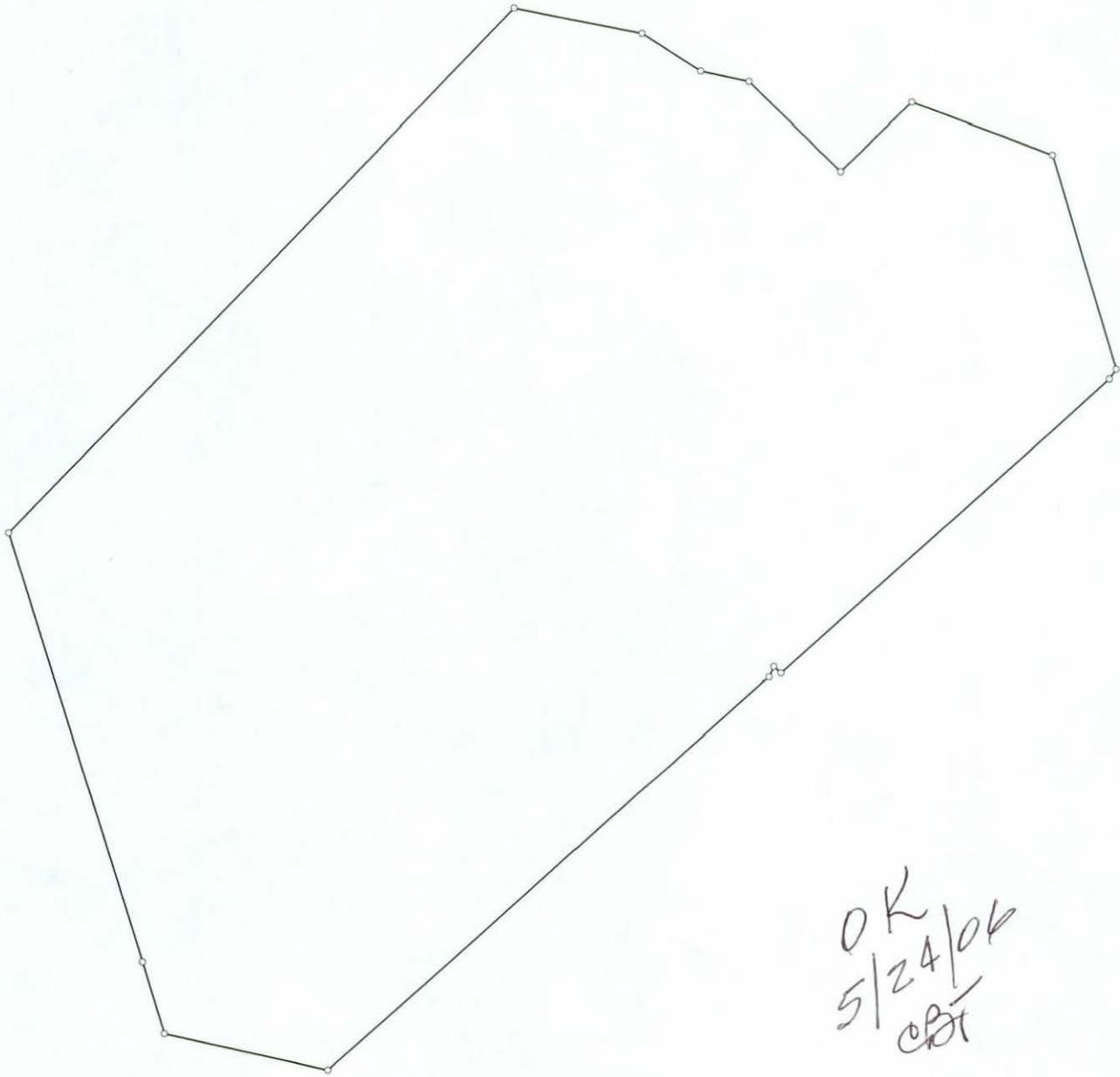
LAND ACQUISITION CHECKLIST

Date Filed: 6-2-08

Jerry E. Patterson, Commissioner

By Susan Thusele

SCANNED  
DATE 7/18/07 HAH



OK  
5/24/06  
CST

Title: Hays Co., A-360		dhh	Date: 05-23-2006
Scale: 1 inch = 600 feet	File:		
Tract 1: 195.148 Acres: 8500668 Sq Feet: Closure = s88.3326e 0.01 Feet: Precision >1/999999: Perimeter = 11977 Feet			
001=S16.5108E 799.85	007=N77.1721W 599.98	013=S77.3909E 177.53	
002=S36.0034W 42.37	008=N16.4908W 270.68	014=S45.2935E 460.09	
003=S48.3419W 1583.69	009=N17.1433W 1608.14	015=N46.0533E 356.81	
004=N49.2705W 34.23	010=N44.0652E 2614.19 ✓	016=S69.2902E 542.50	
005=S25.3952W 39.42	011=S78.3124E 468.22		
006=S48.2851W 2127.99	012=S57.1805E 251.72		

155462 (21)  
Office Sketch

SCANNED  
DATE 7/18/07 HH

**S    REMITTANCE DISTRIBUTION - DO NOT FILE    S**

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 (Hancock River)		
155462	3746003	\$25.00	Escrow/Independent Consideration on non-closed PSF sale (Huron 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

TO THE ORDER OF  
 The State of Texas  
 P.O. Box 12873  
 Austin, TX 78711

ESCROW ACCOUNT  
 VOID OVER 180 DAYS

*John Wilson*  
 AUTHORIZED SIGNATURE  
*Kelley Kuller*  
 AUTHORIZED SIGNATURE

Memo:

SIGNATURE AREA CONTAINS A KNIGHT & FINGERPRINT CHECK WORDING

⑈0000009303⑈

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 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.

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Commonwealth Land Title Insurance Company

Lawyers Title Insurance Corporation

Transnation Title Insurance Company

# M&H

McLEAN & HOWARD, L.L.P.

April 29, 2008

BLANCO

1004 Mopac Circle  
Suite 100  
Austin, TX. 78746  
phone 512.328.2008  
fax 512.328.2409  
www.mcleanhowardlaw.com

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~~

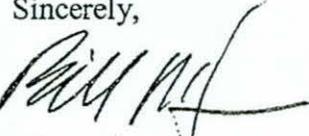
RE: Contract to Sell (the "Contract") by and between The State of Texas, by and through Jerry E. Patterson, Commissioner of the Texas General Land Office and Chairman of the School Land Board ("Seller") and Masonwood Properties, Inc. ("Buyer") for the sale and purchase of +1,971.29 acres (Tract 1) and 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

### 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*  
 Hal Croft, Deputy Commissioner

May 2, 2008

APPROVED:  
 Contents  
 Legal

*scu*  
*[Signature]*

**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:

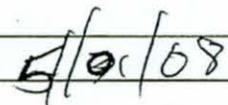
\$ \_\_\_\_\_ to \_\_\_\_\_  
\$ \_\_\_\_\_ to \_\_\_\_\_  
\$ \_\_\_\_\_ to \_\_\_\_\_  
\$ \_\_\_\_\_ to \_\_\_\_\_

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: 



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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Tax Services \* Flood Certificates \* UCC Insurance \* 1031 Exchanges \*  
International \* TIC Services  
<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](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

22

File No. 155462

HAYS County

DISTRIBUTIONSHIP

Date Filed: 12-1-08

Jerry E. Patterson, Commissioner

By Jerry E. Patterson

# ARCHIVE FILE ROUTING CHECKLIST

## ASSET MANAGEMENT DIVISION

New File No.: 155462 Old File No.: N/A  
 New Control No.: 17-003187 Old Control No.: N/A  
 County: HAYS Acres: 195.14  
 Acquisition  or Disposition: Sealed Bid Sale  Direct Sale  Trade

**ACTIVE ARCHIVE FILE!** *Susan Dorsey*  
 This file has been transferred to you until returned to **JERRY DRAKE**.

AREA	ACTION	DATE	INITIALS
<u>INVENTORY:</u> Susan Flusche	Endorse & Index New File Endorse/Review Old File	<u>6-2-08</u>	<u>sf</u>
<u>SURVEYING:</u> <del>Ben Thomson</del> <u>DAVID A. McDON</u>	Endorse Old File Jacket Acreage Endorse Field Notes, if applicable Assign Abstract Number, if applicable Note Abstract Number on File Jacket Complete Abstract Supplement Sheet	<u>N/A</u> <u>N/A</u> <u>N/A</u> <u>N/A</u> <u>N/A</u>	<u>DAM 1-20-2009</u> <u></u> <u></u> <u></u> <u></u>
Virginia Allen	Update County Map Update School Land Register Update State Fee Map	<u>WOM</u> <u>11-3-11</u> <u>MA</u>	<u>11-3-11 JPB</u> <u>JPB</u> <u>JPB</u>
<u>LEGAL</u>	County Clerk Notification Abstract Number add/change, if applicable	<u></u>	<u></u>
<u>GIS:</u> <del>Jeff Perkins</del> <u>Robert Brennan</u>	Update Tobin OTLS	<u>12/12/11</u>	<u>RB</u>
<u>ENERGY:</u> Jesse Arellano	Update Mineral Map	<u>3/19/2012</u>	<u>JA</u>
<u>ASSET INSPECTIONS:</u> Ned Polk	Cancel Surface Lease, if applicable File Surface Lease Cancellation Letter, if applicable Convert ME(s) to Perpetual, if applicable File Perpetual Easement, if applicable Endorse New File Jacket	<u>3-27-12</u> <u>↓</u> <u>↓</u> <u>↓</u> <u>↓</u>	<u>NSP</u> <u>↓</u> <u>↓</u> <u>↓</u> <u>↓</u>
<u>ARCHIVES:</u>	Update/Review GLOBase & PSFLand Index Archive File Routing Checklist Transfer Files to Archives & Records	<u>3-30-2012</u> <u>↓</u> <u>↓</u>	<u>SSD</u> <u>↓</u> <u>↓</u>

23

File No. 155462

Hand  
Archive File Routing Checklist

Date Filed: 3-30-2012  
Jerry E. Patterson, Commissioner

By [Signature]



AMT-EM/13

W106-074, W106-075, W106-076, W106-077, W106-078, W106-079, & W106-080

August 5, 2011

Texas General Land Office, For Use And Benefit Of Permanent School Fund  
1700 N. Congress Ave  
Austin, TX 78701

RE: Registration of Edwards Aquifer Wells located at 21 N. Old Stagecoach Rd, Kyle, TX

Dear Sir or Madam:

The purpose of this letter is to personally thank you for participating in the Edwards Aquifer Authority (Authority) well registration program by registering your Edwards Aquifer wells. In addition, the Authority is notifying you that your water wells located at 21 N. Old Stagecoach Rd, Kyle TX are registered with the Authority and at present meet the requirements to qualify as "Exempt Wells." Authority staff confirmed these well's exempt well status based on an inspection conducted on March 3, 2009. Exempt well status means that based on the current purpose and place of use, these wells are exempt from the groundwater withdrawal permitting and metering requirements specified in the Edwards Aquifer Authority Act ("Act") and EDWARDS AQUIFER AUTHORITY RULES ("Authority Rules").

Please note that to continue to qualify as an Exempt Well, all groundwater withdrawals from an Edwards Aquifer well must be beneficially used only for domestic or livestock purposes. The Authority's Rules define "domestic or livestock use" as:

"Use of water for: (A) drinking, washing, and culinary purposes; (B) irrigation of a family garden or orchard the produce of which is for household consumption only; or (C) watering of animals."

You should further note that groundwater from your wells may only be placed to beneficial use on your land and to make withdrawals from your wells otherwise would require a groundwater withdrawal permit issued by the Authority. Furthermore, you should be aware that under some circumstances, your Exempt Well status may not transfer to subsequent owners of the property. If you sell the property on which the subject wells are located, the new owner is required by Authority Rules to provide to the Authority a new well registration form. The well registration

form can be obtained from the Authority's webpage at <http://www.edwardsaquifer.org/>.

For future reference, your wells may no longer qualify as exempt wells if one or more of the following changes occur:

- 1.) Any withdrawals are made from the wells and placed to a purpose of use for other than domestic use or livestock use; or
- 2.) The wells are modified or altered so as to make the wells capable of producing groundwater from the aquifer at a rate in excess of 25,000 gallons per day; or
- 3.) The wells subsequently becomes located within a subdivision requiring platting and the wells begins to serve a subdivision requiring platting.

Any of these changes can cause the status of your wells to change from exempt to non-exempt, thus subjecting your wells to other Authority Rules. Owners of "Non-Exempt" wells are required to hold a groundwater withdrawal permit, meter and report their groundwater withdrawals, and pay annual aquifer management fees. If your well status does change, you are required to give written notice to the Authority within 30 days of any such change.

If you have any questions, please contact Mr. Roger Andrade, Environmental Supervisor, at (210) 222-2204 or 1-800-292-1047.

Sincerely,



Ronald H. Vaughn, P.G.  
Environmental Management Officer

RHV:RL/eb

#24

File No. 155467  
Edward Aquifer letter

Date FEB 25 2013 Filed

By RDC



**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.

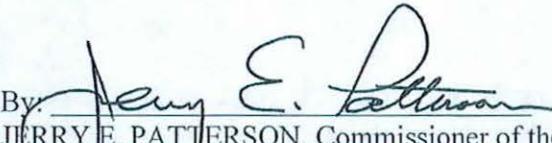
- (f) Certain information involving sales and purchases of permanent school fund land is confidential and exempt from disclosure pursuant to Section 11.086 of the Texas Natural Resources Code and Chapter 552 of the Texas Government Code. The parties agree, in furtherance of the confidential nature of 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

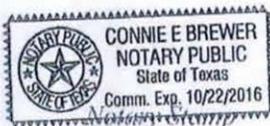
Date: December 10, 2014

**ACKNOWLEDGMENT OF GRANTEE**

This instrument was acknowledged before me on the 10<sup>th</sup> 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)



Notary Public, State of Texas

My commission expires: 10/22/16

**EXHIBIT "A"**



**VICKREY & ASSOCIATES, Inc.**  
CONSULTING ENGINEERSMETES 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 1/2" 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;



EXHIBIT "A"

Metes and Bounds Description  
195.14 Acres  
Page 2 of 2

- Thence N 77°17'21" W, along the said North right-of-way line of Llmekiln 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.

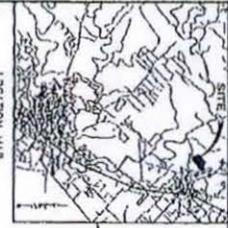
Note: Survey Plat of even date accompanies this legal description.

*Hal B. Lane III*  
 Hal B. Lane III  
 Registered Professional Land Surveyor  
 Texas Registration Number 4690  
 Vickrey & Associates, Inc.

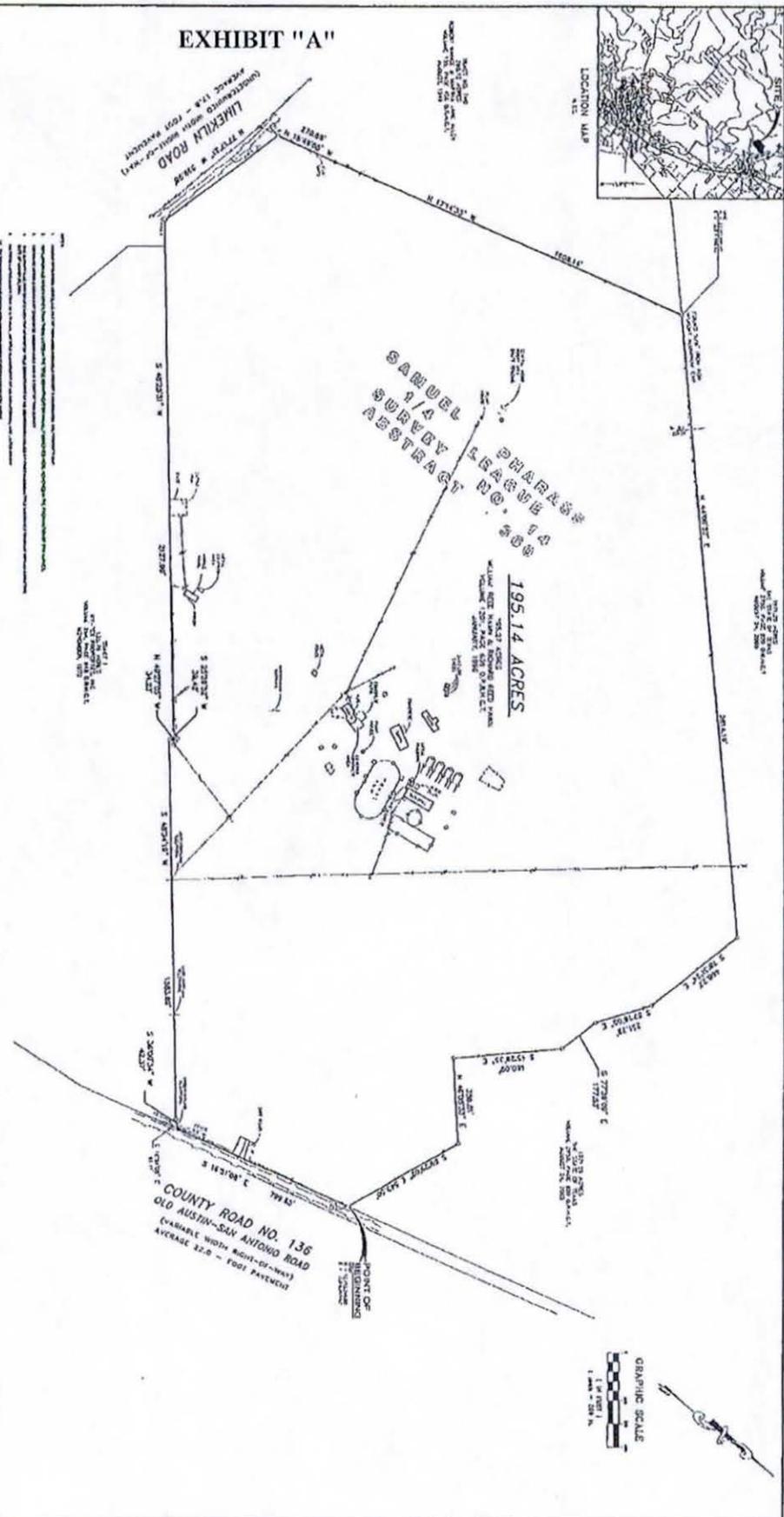


Job No. 2042-003-104  
 HL/gm m&b 195.14acres  
 May 24, 2006

EXHIBIT "A"



- LEGEND**
- Survey Station
  - Survey Line
  - Easement
  - Right-of-Way
  - Road
  - Building
  - Well
  - Fence
  - Boundary
  - Survey
  - Section
  - Township
  - Range
  - County
  - State



**DEED RECORDS**

1. Deed from Samuel Pharass to [Name], recorded in Deed Book [Number], Page [Number], County of [County], State of Texas, dated [Date].

2. Deed from [Name] to [Name], recorded in Deed Book [Number], Page [Number], County of [County], State of Texas, dated [Date].

3. Deed from [Name] to [Name], recorded in Deed Book [Number], Page [Number], County of [County], State of Texas, dated [Date].

4. Deed from [Name] to [Name], recorded in Deed Book [Number], Page [Number], County of [County], State of Texas, dated [Date].

5. Deed from [Name] to [Name], recorded in Deed Book [Number], Page [Number], County of [County], State of Texas, dated [Date].

6. Deed from [Name] to [Name], recorded in Deed Book [Number], Page [Number], County of [County], State of Texas, dated [Date].

7. Deed from [Name] to [Name], recorded in Deed Book [Number], Page [Number], County of [County], State of Texas, dated [Date].

8. Deed from [Name] to [Name], recorded in Deed Book [Number], Page [Number], County of [County], State of Texas, dated [Date].

9. Deed from [Name] to [Name], recorded in Deed Book [Number], Page [Number], County of [County], State of Texas, dated [Date].

10. Deed from [Name] to [Name], recorded in Deed Book [Number], Page [Number], County of [County], State of Texas, dated [Date].

11. Deed from [Name] to [Name], recorded in Deed Book [Number], Page [Number], County of [County], State of Texas, dated [Date].

12. Deed from [Name] to [Name], recorded in Deed Book [Number], Page [Number], County of [County], State of Texas, dated [Date].

13. Deed from [Name] to [Name], recorded in Deed Book [Number], Page [Number], County of [County], State of Texas, dated [Date].

14. Deed from [Name] to [Name], recorded in Deed Book [Number], Page [Number], County of [County], State of Texas, dated [Date].

15. Deed from [Name] to [Name], recorded in Deed Book [Number], Page [Number], County of [County], State of Texas, dated [Date].

16. Deed from [Name] to [Name], recorded in Deed Book [Number], Page [Number], County of [County], State of Texas, dated [Date].

17. Deed from [Name] to [Name], recorded in Deed Book [Number], Page [Number], County of [County], State of Texas, dated [Date].

18. Deed from [Name] to [Name], recorded in Deed Book [Number], Page [Number], County of [County], State of Texas, dated [Date].

19. Deed from [Name] to [Name], recorded in Deed Book [Number], Page [Number], County of [County], State of Texas, dated [Date].

20. Deed from [Name] to [Name], recorded in Deed Book [Number], Page [Number], County of [County], State of Texas, dated [Date].

**PREPARED FOR:**  
 SAMUEL PHARASS

**DATE:**  
 [Date]

**BY:**  
 [Signature]

<p><b>SURVEY PLAT FOR</b>                  FOR A 195.14 ACRE TRACT OF LAND                  OUT OF THE ONE-FOURTH LEAGUE SURVEY NO. 14                  SAMUEL PHARASS, ABSTRACT 360                  HAYS COUNTY, TEXAS</p>		<p><b>PREPARED FOR:</b>                  TEXAS GENERAL                  LAND OFFICE</p>	<p><b>VICKREY &amp; ASSOCIATES, INC.</b>                  CONSULTING ENGINEERS</p> <p>1210 Easting Parkway, San Antonio, Texas 78204                  Phone: (512) 349-8100</p>	<table border="1"> <tr> <td>NO.</td> <td>DATE</td> <td>REVISIONS</td> </tr> <tr> <td>1</td> <td></td> <td></td> </tr> <tr> <td>2</td> <td></td> <td></td> </tr> <tr> <td>3</td> <td></td> <td></td> </tr> <tr> <td>4</td> <td></td> <td></td> </tr> <tr> <td>5</td> <td></td> <td></td> </tr> <tr> <td>6</td> <td></td> <td></td> </tr> <tr> <td>7</td> <td></td> <td></td> </tr> <tr> <td>8</td> <td></td> <td></td> </tr> <tr> <td>9</td> <td></td> <td></td> </tr> <tr> <td>10</td> <td></td> <td></td> </tr> <tr> <td>11</td> <td></td> <td></td> </tr> <tr> <td>12</td> <td></td> <td></td> </tr> <tr> <td>13</td> <td></td> <td></td> </tr> <tr> <td>14</td> <td></td> <td></td> </tr> <tr> <td>15</td> <td></td> <td></td> </tr> <tr> <td>16</td> <td></td> <td></td> </tr> <tr> <td>17</td> <td></td> <td></td> </tr> <tr> <td>18</td> <td></td> <td></td> </tr> <tr> <td>19</td> <td></td> <td></td> </tr> <tr> <td>20</td> <td></td> <td></td> </tr> </table>	NO.	DATE	REVISIONS	1			2			3			4			5			6			7			8			9			10			11			12			13			14			15			16			17			18			19			20		
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## EXHIBIT "B"

Page 1 of 8

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

14037334 Bk Vol Pg  
0PR 5096 616

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"

Bk Vol Pg  
14037334 OPR 5096 617

Page 2 of 8

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;

EXHIBIT "B"

14037334 Bk Vol Pg  
OPR 5096 618

Page 3 of 8

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;

EXHIBIT "B"

14037334 Bk Vol Pg  
OPR 5096 619

Page 4 of 8

- 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"

Page 5 of 8

- 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;

EXHIBIT "B"

14037334 Bk Vol Pg  
0PR 5096 621

Page 6 of 8

- 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);

EXHIBIT "B"

Bk Vol Pg  
14037334 OPR 5096 622

Page 7 of 8

- 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;

EXHIBIT "B"

Bk Vol Pg  
14037334 OPR 5096 623

Page 8 of 8

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

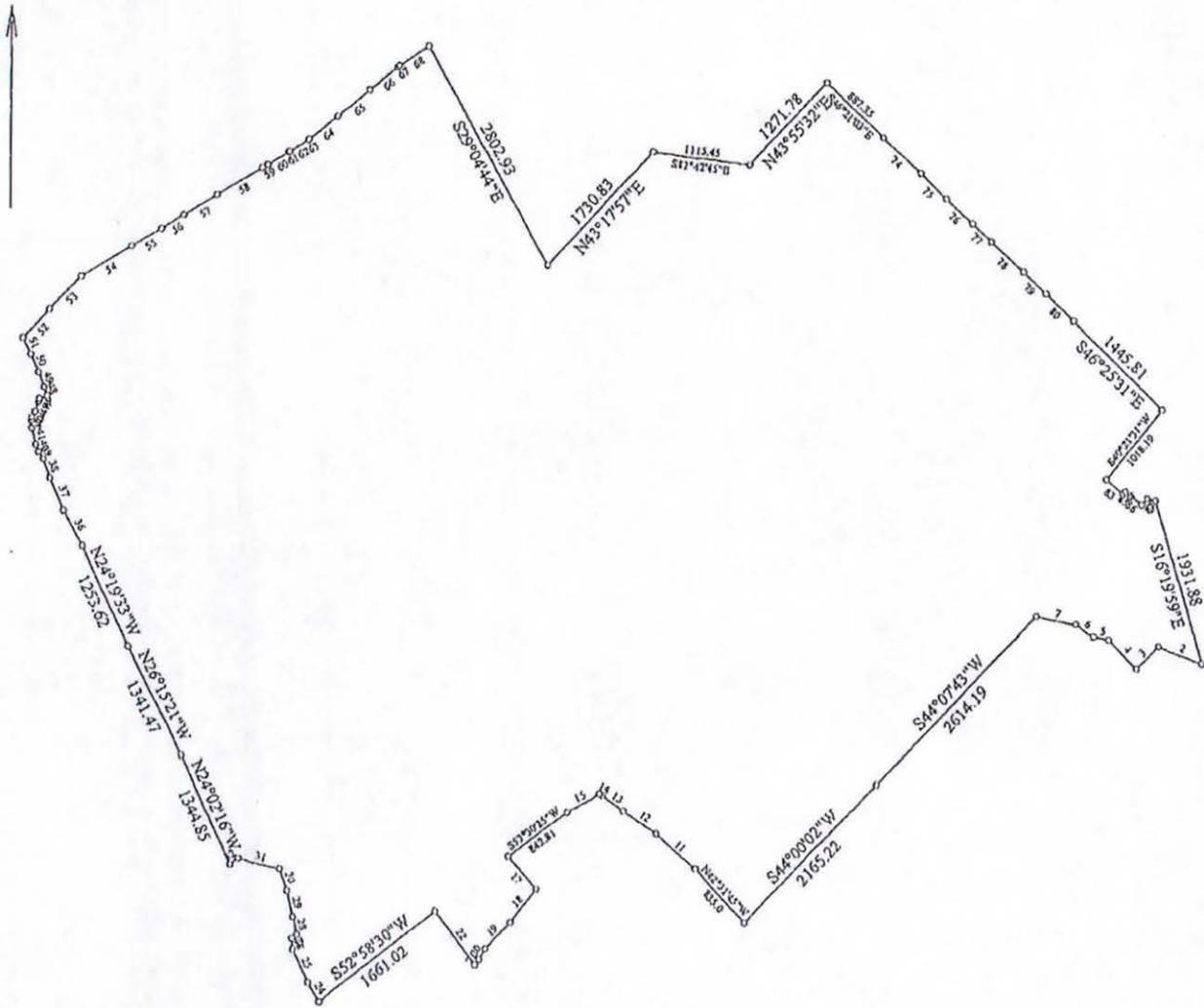
Job No. 0402-070-01

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  
CST  
Revision 2  
8/19/05*

## EXHIBIT "B"

Bk Vol Pg  
14037334 OPR 5096 625

## Data and Deed Call Listing of File:

Tract 1: 1971.285 Acres: 85869163 Sq Feet: Closure = s46.003 l e 0.05 Feet: Precision = 1/981753: Perimeter = 44868 Feet

001=S16.1959E 1931.88	058=N59.3950E 595.25
002=N69.2811W 542.50	059=N59.5650E 68.18
003=S46.0624W 356.81	060=N59.5950E 273.44
004=N45.2844W 460.09	061=N59.3750E 17.94
005=N77.3818W 177.53	062=N59.3750E 250.0
006=N57.1714W 251.72	063=N56.3350E 13.30
007=N78.3033W 468.22	064=N52.0450E 417.87
008=S44.0743W 2614.19	065=N51.0150E 471.83
009=S44.0002W 2165.22	066=N50.5950E 409.28
010=N42.3145W 835.0	067=N56.2750E 25.80
011=N48.1144W 591.59	068=N56.2456E 392.99
012=N54.2806W 455.05	069=S29.0444E 2802.93
013=N53.2139W 292.80	070=N43.1757E 1730.83
014=N64.3918W 34.87	071=S82.4245E 1115.45
015=S61.3751W 426.48	072=N43.5532E 1271.78
016=S53.3025W 842.81	073=S46.2103E 887.35
017=S41.2125E 491.62	074=S46.2925E 578.70
018=S38.2119W 489.14	075=S46.1310E 408.76
019=S43.5419W 409.24	076=S47.0310E 405.20
020=S30.1519W 133.80	077=S47.5244E 296.23
021=S36.0219W 81.45	078=S47.1933E 499.63
022=N36.4513W 753.61	079=S46.5337E 359.95
023=S52.5830W 1661.02	080=S45.4907E 436.01
024=N31.0728W 247.37	081=S46.2531E 1445.81
025=N25.3532W 406.01	082=S40.2131W 1018.19
026=N05.4130W 123.0	083=S50.2348E 255.73
027=N52.2330E 72.0	084=N40.4343E 42.90
028=N11.4534W 203.32	085=S52.5244E 85.65
029=N13.2425W 303.61	086=S51.4628E 159.01
030=N18.4922W 265.24	087=N43.5350E 92.20
031=N75.1422W 486.70	088=S78.2649E 101.28
032=S53.3538W 119.76	
033=N24.0216W 1344.85	
034=N26.1521W 1341.47	
035=N24.1933W 1253.62	
036=N26.2621W 445.60	
037=N22.0709W 388.02	
038=N20.0810W 228.62	
039=N35.5003W 95.94	
040=N20.3403W 91.79	
041=N14.5948W 185.29	
042=N00.0225E 92.60	
043=N12.0925E 32.16	
044=N29.0312E 72.03	
045=N19.2632E 118.15	
046=N11.5555E 32.54	
047=N65.3610E 98.62	
048=N24.2350W 99.11	
049=N19.1241W 178.40	
050=N24.3930W 220.03	
051=N25.2737W 206.51	
052=N43.0811E 441.09	
053=N42.3811E 496.12	
054=N59.3450E 665.61	
055=N59.2750E 379.99	
056=N58.5050E 298.07	
057=N59.2450E 439.02	

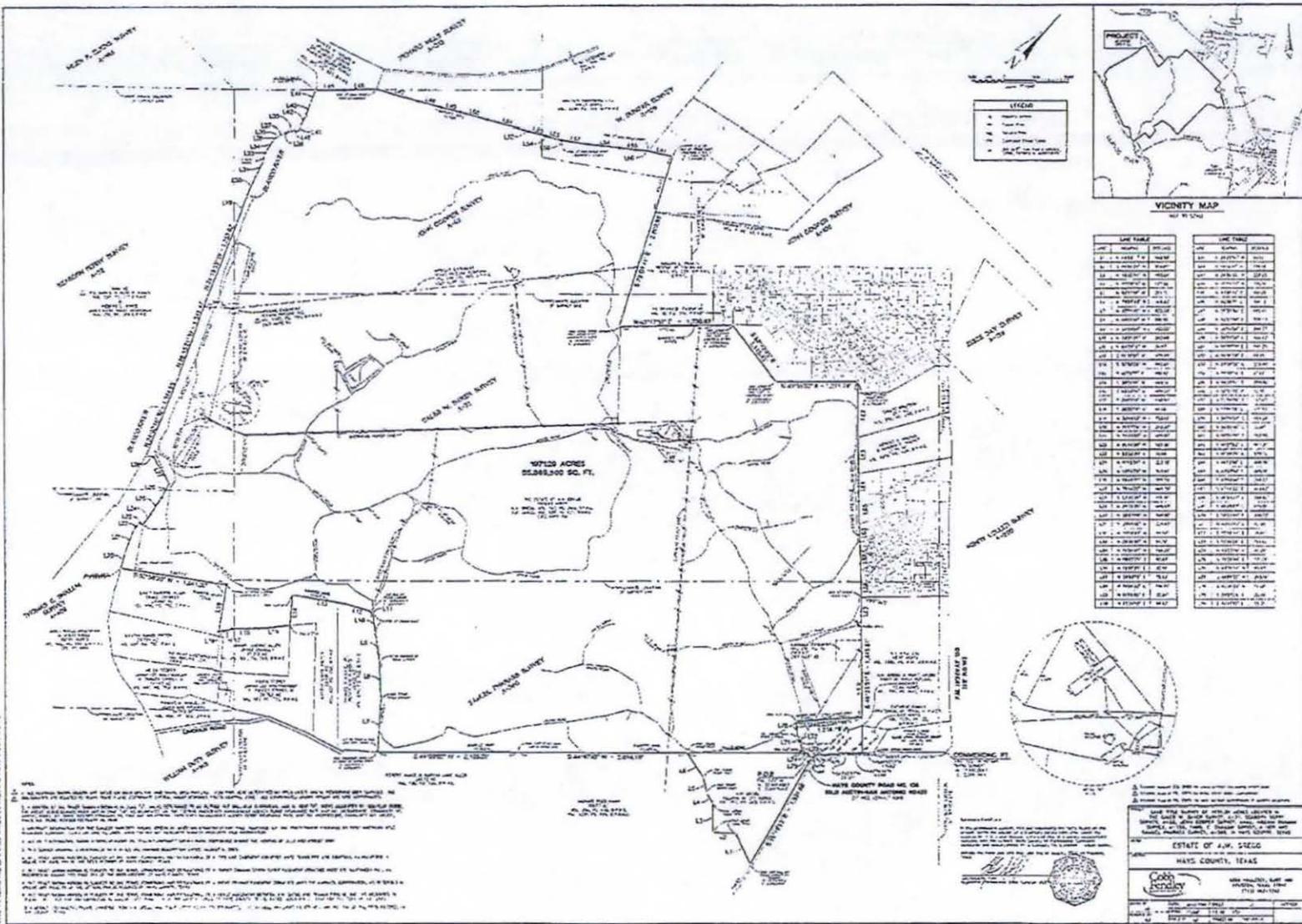


EXHIBIT "B"

Hays County  
Liz Q. Gonzalez  
County Clerk  
San Marcos, Texas 78666



70 2014 14037334

Instrument Number: 2014-14037334

As

Recorded On: December 19, 2014

OPR RECORDINGS

Parties: TEXAS STATE OF

Billable Pages: 22

To GMG PARTNERS LP

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



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

(25)

File No. 155462  
Hays County  
Recorded Right of 1st Refusal Agreement  
Date Filed: 2-13-15 (copy)  
George P. Bush, Commissioner  
By: George P. Bush