

EXHIBIT C

Prohibited Use. Any activity or use of the Property inconsistent with the purpose of this Easement is prohibited. As by example, the activities and uses that are explicitly prohibited, except as provided for in Section 4 of this Easement, are described in this Exhibit C.

C.1. Subdivision: Excluding necessary farm, and related agricultural and /or recreational improvements, including providing for utilities, water wells, roadways, fencing, etc, and the discharge of any septic systems which may be installed for the benefit of said tracts.

C.2. Mineral Extraction: The extraction, mining or removal of soil, sand, gravel, rock, peat, sod or other surface minerals by any surface mining method is prohibited, except that such extraction for the purposes of maintaining existing/new roads and facilities on the Property is allowed to the extent permitted by Internal Revenue Code § 170(h)(5)(B), except as provided herein for the extraction of oil and gas, extraction of subsurface minerals may be accomplished only by extraction methods that will have a limited and localized impact on and not significantly impair or interfere with, the Conservation Values of the Property and the purposes of this Easement. The extractor shall use best efforts and practices to prevent damage or impairment of the natural values.

C.3 Dumping: There shall be no new storage or dumping of trash, garbage, or other unsightly or offensive material, hazardous substance, or toxic waste, nor any placement of the underground storage tanks in, on, or under the Property; there shall be no land fills or dredging spoils, except as permitted elsewhere in this Easement.

C.4. Commercial Development: Any industrial use of, or industrial activity on, the Property is prohibited. Development or use that is compatible with wildlife preservation is permitted, provided such development or use does not undermine the Conservation Values of the Property.

C.5. Signage: No signs or billboards or other advertising displays are allowed on the Property, except for those signs whose placement, number and design do not significantly diminish the scenic character of the Property.

C.6. No Pollution: There shall be no pollution of surface water, natural water courses, lakes, ponds, marshes, subsurface water or any other water bodies, nor shall activities be conducted on the Property that would be detrimental to water purity.

C.7. Pesticides: Grantors shall use only EPA registered pesticides that pose the least possible hazard to people, property, and the environment. Pesticides must be used according to product label; and stored and disposed of properly. Pesticides should be used only for the purpose listed on the label and in the amounts and conditions specified.

C.8. No Impairment of Water Resources. There shall be no alteration of natural water courses, lakes, ponds, marshes or any other water bodies on the Property, no activities shall be conducted on the Property that would be detrimental to water purity or that could materially alter the natural water level or flow in or over the Property. There shall be no extraction or depletion of surface or subsurface water, provided however, that one or more water wells maybe constructed and/or used to serve existing improvements located on the Property or improvements allowed on the Property under these restrictions. The pumping out of the water well(s) shall not exceed 17

except for temporary discharge into a distinct *
containment

gallons per minute, Grantors shall not sell or otherwise transfer water rights associated with the Property.

C.9. No Commercial Agriculture. Grantors may not till or cultivate the soil for commercial crop production on the Property. Grantors may not establish or maintain on any part of the Property any commercial feedlot, defined for the purpose of these restrictions as confined area or facility within which the land is grazed or cropped at least annually and which is used to receive livestock that has been raised off the subject land for feeding and fattening for market.

EXHIBIT D

Permitted Uses: The Grantors retains all ownership rights that are not expressly restricted by this Conservation Easement. By way of example, but not by way of limitation, the activities and uses that are expressly permitted, except as provided for in Paragraph 3 are described in this Exhibit D.

D.1. Existing Uses: Grantors shall have the right to undertake or continue any activity or use of the Property not prohibited by this Easement and which does not impair the Conservation Values of the Property.

D.2. Existing Improvements: Grantors shall have the right to maintain, remodel and repair existing buildings, structures, fences, wells, dams and reservoirs, utilities, roads, driveways, docks, footbridges and other improvements, and in the event of their destruction, to reconstruct any such existing improvements with another of similar size, function, capacity, location and material. Grantors also reserves the right to dismantle or remove existing structures without replacing same.

D.3. Recreational Uses: Grantors shall have the right to engage in and permit others to engage in recreational uses of the Property that require no surface alteration or other development of the land. Grantors and his assignees shall maintain the right to hunt, fish, and control predators on the Property.

D.4. Habitat Management: Grantors shall have the right to utilize best conservation management practices to control noxious vegetation, and improve wildlife habitat, sustain agricultural productivity and environmental quality. See Wildlife Management Plan prepared by the Texas Parks and Wildlife Department in the Baseline Document.

D.5. Transfer: Grantors shall have the right to sell, give, mortgage, lease, or otherwise convey the Property subject to the terms of the Easement.

D.6. Farming and Planting: Grantors shall have the right to conduct and agricultural activities, and to provide irrigation for such activities. In addition to existing pastures and grassland used for grazing, Grantors may plant such trees, shrubs or grasses on the Property as Grantors may desire from time to time. The Grantors shall have the right on the Property to cut and remove diseased or exotic trees, shrubs, or plants, and to cut firebreaks and to cut and remove trees, shrubs, and plants to accommodate the activities expressly permitted under these restrictions.

D.7. Livestock: Grantors shall have the right to conduct ranching activities for domestic or commercial purposes, to feed, graze and keep cattle, horses, sheep, goats and other livestock on the Property so long as the grazing or stocking rate on the Property does not exceed sound grazing management practices. Grantors shall also have the right to install appropriate fencing, barns, stables, pens and sheds as necessary to manage said activities.

D.8. Hydrology: Grantors shall have the right to drill water wells and extend associated utilities to the wells for the purpose of domestic, agricultural, and wildlife use on the Property. Grantors shall not sell, lease or otherwise transfer surface and/or groundwater water rights associated with the Property.

D.9. Ponds or Lakes: Grantors shall have the right to create one additional tank or pond or to upgrade, modify, restore existing tanks for the purpose of agriculture, fire protection, or wildlife habitat enhancement.

D.10. Indian Artifacts: Grantors shall have the right to hunt and dig for Indian artifacts on the Property.

D.11. Leasing: Grantors shall have the right to lease all or a portion of the Property for any use permitted under this Easement.

D.12. Road Right of Way. Grantors owns and holds the right to the access road on his property.

D.13. Restoration. Grantors shall have the right to restore damage caused by natural disasters such as flooding to dredge waterways of debris and silt/gravel deposits caused by flooding to restore soil levels and contours and replace shrubs and trees lost to natural occurrences or disasters with like or improved species, and to remove shrubs and trees growing adjacent to the river bottom area that have proliferated as a result of any natural or other occurrences. In event that such damage results in the loss of topsoil, Grantors shall have the right to remove topsoil from other areas of the Property to restore the damage caused by the natural disaster.

D.14. Construction. Grantors shall have the right to construct improvements within two three (3) acre floating building envelopes. Area on each tract, not to exceed 10,000 square feet of livable structures, which include but are not limited to, a house and a guest house. Owner shall also have the right to construct: (1) agriculture structures, which include but are not limited to: barns, corrals, and any other improvements, sheds, or outbuildings. The improvements on the property are limited to two stories in height and shall not be within 100 feet of the creek identified in the Baseline Documentation (Exhibit B). No manufactured housing is allowed. No billboards, or cell phone towers, above ground utility lines and poles, utility tower or conduit on or above the Property (other than those above ground lines and poles that serve the Property's permitted improvements) maybe newly constructed.

- a. Development Areas. Each development area shall not exceed three (3) contiguous areas in size, provided that the shape of the development area is configured that the agriculture structures are no more than 100 yards from the livable structures or recreational structures.
- b. Location. Grantors agrees that the new construction shall be sited in such a manner to take advantage of existing trees, most scenic views, and access to utilities, water, public roads, and existing drainages, but also to cause the least disturbance to the Conservation Values of the Property. The location and design of the new construction shall be selected by Grantors with such criteria in mind and shall not significantly impair or interfere with the Conservation Values of the Property.
- c. Infrastructure. Grantor shall have the right to construct roads, drainage, ditches, trails utilities, fences, and wells to serve the development area allowed above and for other permitted uses of the Property. Paved or unpaved access roads shall not exceed 20 feet in width plus associated culverts and drainage features may be built for purposes of assessing the development area and other allowed improvements.
- d. Other Improvements. Structures or other construction outside the development area shall be limited to traditional ranching or recreational improvements such as

fences, water wells, wind mills, hunting blinds, and water tanks and troughs and other improvements related to the activities permitted by these restrictions. Septic tanks and leach fields shall meet county codes, and other applicable laws, and shall not be built or installed within 200 feet of any surface water or creeks, streams, rivers or tributaries.

D.15. Timber Harvest. Grantors shall have the right to harvest timber from the Property in order to provide firewood for residences allowed on the Property. No other timber harvest is allowed except for the management of wildlife habitat, up to 10% of existing timber maybe removed.

D.16. Mineral Extraction. Additional exploration for or extraction of oil shall be limited and nto exceed more than a total of six (6) well sites. At the time of the conveyance of the conservation easement there are three ~~(4)~~ existing well sites on the surface of the property, and at the time of this easement only one well is operating.

The Grantors further agrees to exercise any of the rights pursuant to the extraction of oil and/or gas resources shall not modify or extinguish the conservation easement. The production facilities shall be concealed or compiled with existing topography and landscape and when surface alteration is to be restored to its original state. The wells shall be 100 feet from the creek. Also the mineral rights owner further agrees that all subsequent owners of the mineral rights are bound to all provisions of this consent to the same extent as the current mineral rights owner.