

STATE OF TEXAS
COUNTY OF BLANCO

I hereby certify that this instrument was FILED in File Number Sequence on the
date and the time stamped hereon by me and was duly RECORDED in Official
Public records of Real Property of Blanco County, Texas on

JAN 03 2008



Laura Neuman
COUNTY CLERK
BLANCO COUNTY, TEXAS

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Filed this 2nd day of Apr. 20 08
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KAREN NEWMAN
County Clerk, Blanco County, Texas
By Julia M. Wall Deputy

CONSERVATION EASEMENT AGREEMENT

This Conservation Easement Agreement ("**Agreement**") is entered into between Amy Keith ("**Grantor**"), whose mailing address is 3101 Shovel Mountain Road in Cypress Mills, Texas 78663, and HILL COUNTRY LAND TRUST, INC. ("**Holder**"), a Texas nonprofit corporation whose mailing address is P. O. Box 1724, Fredericksburg, Texas 78624.

RECITALS

Grantor is the owner in fee simple of certain real property in Blanco County, Texas, described in Exhibit A, which is attached to and made a part of this Agreement (the "**Property**").

The Property possesses significant natural, scenic, scientific, ecological, habitat and open space characteristics (collectively, the "**Conservation Values**") of great importance to Grantor, to Holder, and to the people of Blanco County, the State of Texas, and the United States. The Property is a significant natural area that qualifies as a "...relatively natural habitat of fish, wildlife, or plants, or similar ecosystem," as that phrase is used in P.L. 96541, 26 USC 170(h)(4)(A)(ii), as amended, and in regulations promulgated thereunder. Specifically the Property is habitat for native wildlife and represents the topography and vegetation typical of the Texas Hill Country.

Grantor, as owner of the Property, desires to make a charitable gift to the Holder in order to preserve and protect the conservation values of the Property. Grantor represents to Holder that the Property is free and clear of all liens and encumbrances except those that have been specifically disclosed to Holder in writing prior to the execution of this Agreement.

The specific conservation values of the Property, its current use, and state of improvements, are documented in a report (the "**Baseline Report**") which will be kept on file at Holder's offices and which is incorporated into this Agreement by this reference. The Baseline Report has been prepared by the Holder and signed and acknowledged by the Grantor. Both parties agree that this Baseline Report provides an accurate representation of the Property as of the date of this Agreement and that the Baseline Report is intended to serve as an objective standard for monitoring compliance with the terms of this grant.

Holder is a charitable organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder (the "**Code**"), whose primary purpose is land conservation for the preservation of agricultural land, wildlife habitat and watersheds that define the rural character of the hill country region, and is a "qualified organization" under Section 170(h)(3) of the Code. Holder has received a letter from the Internal Revenue Service dated July 2, 1999, on file at the offices of Holder, to the effect that Holder is a "publicly-supported" organization under Sections 170(b)(1)(A)(vi) and 509(a)(1) of the Code and is not a private foundation within the meaning of Section 509(a) of the Code. The Holder has the commitment and the resources to enforce the terms of this Agreement.

Grantor and Holder recognize the natural, scenic and special character of the Property and have the common purpose of the conservation and protection in perpetuity of the Property through the creation of restrictions on the uses which may be made on the Property and with the transfer from Grantor to Holder of affirmative rights for the protection of the Property, intending the grant of such restrictions and rights to qualify as a "qualified conservation contribution" as that term is defined under Section 170(h)(2)(C) of the Code.

CONSERVATION EASEMENT GRANT

In consideration of the facts recited above and of the mutual covenants, terms, conditions, and restrictions contained herein, and pursuant to Section 170(h) of the Code and the laws of the State of Texas, including TEX. NAT. RES. CODE ANN. §§ 183.001-183.005, Grantor hereby gives, grants, and conveys unto Holder and its successors and permitted assigns a conservation easement (the "***Easement***") in perpetuity over the Property of the nature and character and to the extent hereinafter set forth. Grantor hereby declares that the Property shall be held, mortgaged, encumbered, transferred, sold, conveyed, used, and occupied subject to the covenants, conditions, restrictions, and easements hereinafter set forth, which covenants, conditions, restrictions, and easements shall be deemed to run with and to burden the Property in perpetuity.

Although this Easement is granted for the protection of the general public through protection of water and land resources and natural beauty, no provision of this grant is intended to or does convey or grant to the public any right of access to or use of the Property, nor shall there ever be more than a de minimus use of the Property for commercial recreation purposes.

PURPOSE

1.0 The purpose of this Conservation Easement Agreement is to ensure that the Property will be retained forever predominantly in its natural, scenic, and open space condition; to protect native plants, animals, or plant communities on the Property; to prevent any use of the Property that will significantly impair or interfere with the conservation values of the Property described above and to assure the availability of the Property for traditional uses that are compatible with the conservation values of the Property. Specifically, the Agreement is intended to protect the following:

- a. Traditional farming and ranching;
- b. The biodiversity of wild plants and animals indigenous to the area;
- c. The open field and mixed woodlands as wildlife habitat, areas for biodiversity and traditional open space;
- d. The seasonal creek and its benefits to wildlife and migratory birds;
- e. Essential habitat for endangered species;
- f. Archeological sites;
- g. The traditional quiet enjoyment of the Property in a manner that respects the Property's ecological features and the landowner's privacy;
- h. The scenic views from public rights of way of the largely undeveloped property;

- i. The rural character of the area; and
- j. The scenic appearance of the Property.

RIGHTS OF GRANTOR

2.0 By the grant and conveyance of this Agreement, Grantor intends to dedicate the Property to the protection of plants and plant communities and wildlife and wildlife habitat. Grantor has also attempted to design the prohibited uses and reserved rights set forth herein in such a manner that will also permit agricultural uses and low-impact environmentally sensitive recreational uses of the Property. Grantor intends to provide optimal stewardship of the Property through the creation and use of a Wildlife/Range Management Plan prepared for Grantor by a certified biologist or other recognized land management professional and approved in writing by Holder (the "***Wildlife/Range Management Plan***"). In order to best preserve the conservation values of the Property, Grantor agrees to review with Grantor's wildlife biologist and, if and as appropriate, modify the Wildlife/Range Management Plan every five years after the date of this Agreement to ensure that the plan evolves with changing circumstances affecting the Property to continue to accomplish the purposes of this Agreement, except that no modification that would enlarge prohibited uses will be adopted or implemented. Grantor will notify Holder when reviews of the Wildlife/Range Management Plan occur, and Holder will review and approve of all modifications made to the Wildlife/Range Management Plan. Holder's review will ensure that proposed modifications will comply with the purposes and goals of this Agreement. All rights reserved by Grantor will be exercised in a manner that will comply with the purposes of this Agreement and in accordance with the intentions of the Grantor stated above. Accordingly, the provisions of Section 3 notwithstanding, the following rights, uses, and activities of or by Grantor are permitted on the Property:

2.1 Land Use.

Unless otherwise explicitly provided for in this Agreement, the Property may be used only for Agriculture, conservation, low-impact outdoor recreation and as recommended in the Wildlife/Range Management Plan. No industrial, commercial, quarrying or mining activities are permitted on the Property. Notwithstanding the foregoing, the use of the Property for commercial recreational activities, other than a *de minimus* use, is prohibited, in accordance with the Code Section 2031, and as interpreted by regulations promulgated thereunder,

Grantor retains the right to conduct educational, charitable, research, hiking and nature study, and other not-for-profit activities, including the right to identify and manage rare, endangered, or unique plant communities or animal species. Grantor further retains the right to conduct hiking, horseback riding, and other outdoor recreational uses that are not inconsistent with the conservation values of the Property.

2.2 Subdivision.

Grantor retains the right to subdivide, divide, or partition ("subdivide") the Property as provided for in this Agreement. Grantor retains the right to subdivide the Property into 2 parcels, provided that neither such subdivided parcel shall be less than 50 acres in size.

The resulting subdivided parcels may be sold, conveyed, assigned and or transferred as separate parcels. However, the subdivided parcels or and any part thereof may be conveyed to a conservation non-profit entity or government entity committed to its ownership and management for conservation, subject to the terms of this grant, and after receiving written consent for such conveyance from Holder.

Notwithstanding the right to subdivide, no portion of the entire Property may be included as part of the gross tract area of other property not subject to this Agreement for the purposes of determining density, lot coverage or land area requirements, under otherwise applicable laws, regulations, or ordinances controlling land use and building density.

2.3 Structures.

a. Existing Structures

On the Effective Date of this Agreement there are no structures on the Property except for the following which are detailed in the Baseline Report:

There is a perimeter fence on all but the southern boundary on the western end; and
There is a dam for a stock tank;

Grantor retains the right to construct, rebuild, remodel, and maintain the existing structures as shown in the Baseline Report. Grantor retains the right to do any construction required to keep structures in compliance with municipal or state codes. Grantor retains the right to maintain and repair such existing structures, and in the event of their destruction, to reconstruct any such improvements with another of similar size, function, capacity, location, and material. Holder's approval must be obtained prior to the commencement of site preparation, construction, replacement or relocation of any structure and in accordance with the Notice provisions provided in Section 5 of this Agreement.

b. New Structures

Reserved Floating Building Envelope. At the time of this Agreement, Grantor has selected two potential Building Envelopes for construction of a residence and related structures as provided for in this section, however, Grantor shall only have the right to place said Building Envelope at one site on the Property. At such time that Grantor decides to construct a single-family residence, along with any permitted associated outbuildings on the Property, Grantor shall notify Holder of Grantor's election in writing in accordance with Section 5.1 and shall plat out a

Building Envelope and mark the exact configuration of the Building Envelope with iron pins at each corner and angle. Grantor shall furnish two copies of the plat to Holder.

The Building Envelope shall be no larger than 2 acres and Grantor will have the right to construct a single-family residence on the Building Envelope. Such residence shall not be greater in size than 4,000 square feet, excluding porch areas which may be built adjacent to the residence. The residence may not exceed 32 feet in height. Additionally, the gross covered ground area of the permitted associated outbuildings will not exceed 10,000 square feet and such outbuildings will also not exceed 32 feet in height.

In addition to the single-family residence, Grantor may construct, and maintain accessory structures within the Building Envelope, such as a garage, barn, tool shed, water well and pump house. Grantor may establish and install utilities for permitted structures in a manner that does not adversely impact the conservation values of the Property, and in accordance with all applicable state and local codes. Any septic system to be established in association with a residence must meet the more stringent of the applicable Blanco County regulations in force as of the date of this Agreement or the then current septic system regulations. Grantor may alter the topography within the Building Envelope as needed for the construction activities as permitted in this section. Grantor may establish and maintain residential landscaping, flower and vegetable gardens, and fruit trees within the Building Envelope.

Grantor retains the right to use a portion of the Property outside of the Building Envelope in order to construct, operate and maintain a septic system and/or well, provided, however, that Grantor shall take all reasonable steps to install such systems so as to minimize the use of the Property outside of the Building Envelope for such purposes.

(ii.) Supporting Structures.

Grantor retains the right to construct new fences, corrals, loading pens, and livestock shelters in accordance with the Wildlife/Range Management Plan and with Holder's prior written approval. All structures must be the minimum size necessary and designed to limit its impact on the property as seen from County Road 304.

Grantor retains the right to construct, maintain and operate windmills, wind generators, solar panels and/or other alternative energy sources and new technologies for the generation of power on the Property; provided, however, that any such energy/power produced may only be used on the Property itself, or used in such a way to obtain a credit from the then existing power company for future use on the Property. The height of any such structures must be the minimum height necessary to produce energy for the Property.

(iii.) Replacement Structures. In the event of the destruction of a structure or improvement constructed in accordance with this Section 2.3(b), Grantor retains the right to reconstruct any such improvements with another of similar size, function, capacity, location, and material. Grantor shall provide Holder with Notice before beginning any reconstruction of structures on

the Property, in accordance with Section 5 of this Agreement.

(iv.) Minor Structures. Grantor retains the right to erect and maintain minor and inconspicuous structures necessary or appropriate to enhance the opportunity for low impact outdoor recreation, nature observation and study. None of these structures may have a foundation. Permitted minor structures may be, but are not limited to, rustic trail improvements such as benches, bridges over creeks, steps, small unlighted signs, and low barriers to protect fragile areas.

2.4 Vegetation.

The vegetation on the Property is detailed in the Baseline Report. Grantor retains the right to manage vegetation on the Property in accordance with the Wildlife/Range Management Plan. The Wildlife/Range Management Plan will contain the specific right to:

- a. Graze livestock and other domestic animals in numbers that do not harm the conservation values of the Property;
- b. Clear and/or restore forest cover damaged by natural forces, for the enhancement of the aesthetic characteristics of the Property, or as may become necessary to prevent the spread of disease, fire or invasive species;
- c. Prune and selectively thin trees to provide firewood for personal use;
- d. Clear trees as necessary for permitted construction and maintenance of driveways, trails and fields;
- e. Clear trees and vegetation for permitted uses as approved in the Wildlife/Range Management Plan, including the creation of vineyards, orchards and/or other similar permitted uses;
- f. Remove invasive plants;
- g. Manage forest and open space to enhance biodiversity on the Property;
- h. Identify rare, endangered or unique plant communities and/or animal species, and manage the survival of same;
- i. Plant native species, although non-native species may be planted in the Building Envelope around the residence;
- j. Plant native grasses and remove non-native grasses;
- k. Mow/shred fields;
- l. Conduct controlled and/or prescribed burns;
- m. Use only the most environmentally safe pesticides, herbicides and insecticides for the control of mesquite, oak wilt, fire ants, and other similar problems;
- n. control of the protection of trees from oak wilt by mechanical means;
- o. Use chemical herbicides and fertilizers on the "improved" pastures according to the methods authorized in the Wildlife/Range Management Plan.

2.5 Surface Alterations.

As of the date of this Agreement, the surface alterations on the Property are:

There are roads running from the north to the south along the western most fence line and along the east side of the interior fence. There also is a trail from a proposed building envelope to the existing tank and waterfall.

There is also an access easement along the existing driveway to a residence adjacent to the Property. This driveway is caliche and granite gravel and runs from the entrance at County Road 304 in a westerly direction to the end of the Property on the western border.

a. Roads and Trails.

Grantor retains the right to maintain and repair the existing the surface alterations listed above, however, no roadways may be modified to use asphalt or petroleum derived materials.

Grantor retains the right construct new roadways and to extend existing roadways for access to the residence on the Building Envelope so long as such roadways are not constructed from asphalt or petroleum derived materials. However, Grantor may use concrete for the construction of roadways at low water crossings.

Grantor also retains the right to establish nature trails for walking, bicycling or horseback riding enjoyment on the Property. Trails shall be no more than 5 feet in width. Grantor also retains the right to establish nature trails for scenic enjoyment of the Property. The location, the number, and the design of nature trails must be provided for in the Wildlife/Range Management Plan, and no of future trails will be permitted unless Grantor and Holder ensure that the construction and use of these alterations will not adversely impact the conservation values of the Property and will not engender erosion on the Property.

b. Access to the Reserved Building Envelope.

Grantor may construct a roadway through the Property in order to access the Building Envelope provided, however, that no such roadway shall be constructed from asphalt or petroleum derived materials. . The maximum width of the roadway shall be the minimum width allowed by law for such a private access road and be sited and constructed in such a way as to cause the minimum damage to the conservation values of the property.

c. Ponds and Tanks.

Grantor retains the right to build and maintain additional ponds or tanks for soil and floodwater control and containment and to provide a habitat for wildlife and waterfowl, when such alterations are in accordance with the Wildlife/Range Management Plan and with the Holder's prior written approval.

d. Repairs

Grantor retains the right to repair underground utilities, gas and water lines but the property must be restored to the condition which existed prior to the repair.

e. Excavation.

Grantor retains the right to professionally excavate significant archaeological and historic sites.

2.6 Water Resources.

The water resources of the Property are detailed in the Baseline Report. Grantor retains the right to use these water resources for Agriculture, wildlife and recreational uses in accordance with the Wildlife/Range Management Plan.

a. Surface Water.

Grantor will maintain beneficial use of all water appropriated under a permit, certified filing, or certificate of adjudication, so as to ensure that existing water rights are not cancelled in whole or in part, as provided for in §11.173(b) of the Texas Water Code.

b. Groundwater.

At the time of this Agreement, the use of groundwater of the Property is unregulated. In the event that a groundwater conservation district is created in the future with jurisdiction over the Property, Grantor will assert his rights to establish continuing use of existing groundwater resources in accordance with §36 of the Texas Water Code.

2.7 Livestock.

Grantor retains the right, in accordance with the Wildlife/Range Management Plan, to breed, raise, and pasture livestock on the Property. However, Grantor may not establish or maintain any commercial feedlot on the Property, which is defined for the purpose of this Agreement as a confined area or facility within which the land is not grazed or cropped at least annually and which is used to receive livestock raised off the Property for feeding and fattening for market.

2.8 Fencing.

Grantor retains the right to erect fencing to corral livestock, but such fencing may not exceed four feet in height. All fencing erected on the Property will be constructed in a manner that has no impact to white tailed deer movement and using materials that will not obstruct, catch, or harm white tailed deer.

2.9 Wildlife Control.

Grantor retains the right to control, destroy, or trap predatory or diseased animals that pose an imminent threat to humans or livestock. Acceptable humane methods of wildlife control will be set out in the Wildlife/Range Management Plan and must have the advance written consent of Holder.

2.10 Hunting.

Grantor retains the right of Grantor and Grantor's family members, guests, and professionals employed for wildlife population control to engage in non-commercial hunting in accordance with the purposes and goals of this Agreement and with the Wildlife/Range Management Plan, to preserve the natural balance of wildlife and indigenous plants. Hunting leases must conform to the purposes and goals of this Agreement, to all applicable local, state and federal laws, and must be provided for in the Wildlife/Range Management Plan.

2.11 Leasing.

Grantor retains the right to lease or grant other less-than-fee interests in all or any portion of the surface of the Property for any use or activity that is expressly permitted by this Easement. Any grazing leases must conform to the purposes and goals of this Agreement and must be provided for in the Wildlife/Range Management Plan. Once included in the Wildlife/Range Management Plan, Grantor may lease all or part of the Property for hunting or for grazing to different parties without triggering a review, provided that the only change to the lease terms is a changing lessee. However, any other change, including a proposed change in the area to be leased, the type or the amount of wildlife to be taken under the terms of the lease or the type or amount of livestock to be grazed, will trigger a review of the lease. Grazing on the Property shall not exceed a level consistent with recommended standards of the Texas Cooperative Extension Service for sound range management of comparable land in Blanco County, Texas. No level of grazing may be allowed that would result in a deterioration of the pastures or other conservation values of the Property.

2.12 Use of Chemicals.

In connection with any activity on the Property, the use of chemical fertilizers, pesticides, insecticides, herbicides and biocides will be permitted, in compliance with all applicable federal, state, and local statutes and regulations, in natural areas of the Property only if (i) the use does not have a detrimental effect on the conservation values of the Property, (ii) as a last resort to prevent a significant harm and after more natural and environmentally benign approaches have failed or been excluded on specific or demonstrably impractical grounds, and (iii) Holder has approved, or is deemed to have approved, the use. If Grantor proposes to use chemical applications, Grantor shall first give Holder written notice of the proposed application. Holder shall grant or withhold its approval in writing, with or without conditions, in writing within 30 days after receipt of the notice, and such approval will be withheld only upon a reasonable determination by Holder that the application would be inconsistent with the purposes of this Easement. If approval is withheld, the determination shall specify any alternatives that would enable Holder to approve the proposed application. If Holder fails to respond in writing within 30 days after receipt of a notice of proposed application, the proposed application shall be deemed to have been approved by Holder.

2.13 Waste Disposal.

Waste generated by permitted uses on the Property may be stored on a temporary basis and for no more than 90 days in appropriate containment for removal at reasonable intervals. Grantor

may store manure and animal waste for use on the property without restriction.

2.14 Unaddressed Rights.

Grantor retains the right to engage in all other acts or uses not expressly prohibited herein that are not inconsistent with the purposes of this Agreement.

PROHIBITED USES

3.0 Except as explicitly provided for pursuant to the Rights of Grantor in Section 2, or as otherwise expressly permitted in this Agreement, or deemed necessary to accommodate uses expressly permitted in this Agreement, Grantor shall not perform or commit, and shall not knowingly permit third persons to perform or commit, any act on and affecting the Property that is inconsistent with the purposes of this Easement. In this regard, and subject to the permitted uses and rights enumerated in the previous sentence, without limiting the generality of the foregoing, the following acts or uses are expressly prohibited on, over, under, or in connection with the Property:

3.1 except as expressly permitted in this Agreement or as necessary to accommodate uses expressly permitted in this Agreement, excavating, dredging, quarrying, or removing soil, loam, peat, sand, gravel, rock, caliche, or other surface or near-surface minerals or natural deposits from the Property, changing the topography of the Property, or building roads;

3.2 mining, drilling, producing, or exploring for oil, gas, or other surface or subsurface minerals on the surface of the Property (Grantor, for Grantor and Grantor's heirs and successors, waiving any and all rights to use the surface of the Property for the exploitation, production, or extraction of oil, gas, or other minerals of any kind or character);

3.3 commercial or industrial uses of the Property, other than uses permitted under Section 2 of this Agreement;

3.4 subdividing the Property, except as previously noted in 2.2 above, or constructing apartment buildings, single or multifamily residential units or structures, airstrips, or helicopter landing pads, or installing exterior high density lights;

3.5 erecting any new or replacement fencing over 4 feet in height;

3.6 raising or introducing exotic animals for the purpose of hunting;

3.7 constructing or placing any transmission or receiving tower or energy facility on or above the Property or granting any easements or rights-of-way over or across the Property (but this Agreement does not prohibit repair and maintenance of power lines existing as of the date of this Agreement). Any excess power generated on the Property can be credited toward future power uses on the Property, but cannot be sold commercially for use off the Property;

3.8 installing underground storage tanks or placing, discharging, filling, storing, or dumping of non-vegetative waste, refuse, trash, rubbish, debris, junk, soil, unserviceable vehicle bodies or parts, abandoned equipment, or other unsightly or offensive substances, whether or not generated on the Property. Notwithstanding the above prohibitions on underground storage tanks, residential septic systems and water storage tanks shall be permitted;

3.9 disturbing natural habitat by plowing, clearing, burning, chemical uses, or the introduction of non-native plants and animals, except as recommended in the Wildlife/Range Management Plan;

3.10 operating recreational all-terrain vehicles (as defined in § 663.001 of the Texas Transportation Code) on the Property off-road, or in a manner that adversely impacts the conservation values of the Property;

3.11 selling or leasing water or water rights, altering, depleting, or extracting existing or future surface water, natural water courses, lakes, ponds, marshes, subsurface water, or any other water bodies, other than the taking, distribution, use, and consumption of water for domestic and livestock watering and wildlife management purposes;

3.12 direct discharging of black or gray water waste into fresh waters on or about the Property;

3.13 constructing any waste disposal system that will adversely affect the purity of the fresh surface waters of the Property;

3.14 placing signs, billboards, or advertising displays on the Property (except signs stating the name and address of the Property, the names of persons residing on the Property, and advertising the Property for sale or rent);

3.15 removing or destroying stands of timber, mature trees, plants, shrubs or other understory vegetation unless permitted in Section 2; or

3.16 any unanticipated use or activity on the Property which would impair significant conservation values unless such use or activity is necessary for the protection of the conservation values that are the subject of this Agreement, in which case such use or activity shall be subject to the prior approval of Holder pursuant to Section 5 below.

RIGHTS OF HOLDER

4.0 Affirmative Rights of Holder. To accomplish the purpose of this Agreement, Grantor grants the following rights to Holder, which rights shall be in addition to, and not in limitation of, any other rights and remedies available to Holder:

a. to preserve and protect the conservation values of the Property, and enforce the terms of this Agreement in the case of breaches by Grantor or third persons (whether or not claiming by, through, or under Grantor) by appropriate legal proceedings, after providing Grantor (in the case

of a breach by Grantor) with reasonable notice and a reasonable opportunity to cure, except in case of an emergency which in Holder's reasonable judgment requires immediate action to prevent or mitigate otherwise irreversible damage to the conservation values of the Property, in which case notice and opportunity to cure are dispensed with;

b. to enter onto the Property after not less than 5 days' prior written notice to Grantor, and without unreasonably interfering with Grantor's quiet use and enjoyment of the Property as limited by this Agreement, in order to monitor Grantor's compliance with the covenants and purposes of the Easement;

c. to enter onto the Property without notice in case of an emergency or significant and imminent threat to the conservation values of the Property, determined by Holder, in which event Holder shall notify Grantor as soon as practicable after entering the Property;

d. to prevent Grantor or third persons (whether or not claiming by, through, or under Grantor) from conducting any activity on or making any use of the Property that is inconsistent with the purpose of this Agreement and to require of Grantor or third persons the restoration of such areas or features of the Property that may be damaged by any inconsistent activity or use;

e. to obtain injunctive and other equitable relief against any violations, including relief requiring removal of offending structures and vegetation and other restoration of the Property to the condition that existed prior to any such violation (it being agreed that Holder will have no adequate remedy at law);

f. to place one sign on the Property, at a place selected by Holder, giving notice of the existence of the Agreement and stating the name, address, and telephone number of Holder;

g. to conduct professional boundary surveys of the Property or any part thereof, which surveys shall be at the Grantor's expense, and

h. to conduct soil testing on the Property at the expense of Holder, in the event that Grantor has a reasonable belief that prohibited chemicals have been applied.

4.1 Forbearance Not a Waiver. Any forbearance by Holder to exercise its rights under this Agreement in the event of a breach of any of its terms shall not be deemed or construed to be a waiver by Holder of such term or of any subsequent breach of the same or any other term of this Agreement or of any of Holder's rights under this Agreement. No delay or omission by Holder in the exercise of any right or remedy upon any breach shall impair such right or remedy or be construed as a waiver.

4.2 Acts Beyond Grantor's Control. Nothing in this Agreement shall be construed to furnish Holder a cause of action against Grantor for damages as a result of, or to compel Grantor to restore the condition of the Property after, any act of God or other event over which Grantor had

no control, or as a result of any prudent action (including best efforts to prevent or minimize damage or impairment of natural values) taken by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to the Property resulting from such causes.

NOTICES AND CONSENT

5.0 Notices. Any notice or other communication required or permitted under this Agreement must be in writing and must include, at a minimum, sufficient information to enable Holder to determine whether the proposed plans or actions are consistent with the terms and purposes of this Agreement. Notice will be effectively delivered if delivered personally or sent by certified mail, return receipt requested (postage prepaid), by overnight courier service (with all fees prepaid), or by facsimile to the intended recipient at the recipient's address shown on the first page of this Agreement. Any such notice or other communication will be deemed to have been given if delivered in person, on the date delivered, if delivered by certified mail, return receipt requested, on the date deposited in a receptacle under the custody of the United States Postal Service, if sent by overnight courier service, on the date sent as shown by the bill of lading, and if transmitted by facsimile, on the date transmitted; and will be deemed to have been received, if delivered in person, on the date of personal delivery, if sent by certified mail, return receipt requested, on the second business day after mailing, if sent by overnight courier service, on the first business day after the date sent, or if transmitted by facsimile, upon confirmation of receipt (including electronic confirmation). Any party may change its address for notices by a notice in accordance with this section.

5.1 Consent and Approval by Holder. Except as otherwise provided in Section 2.11 of this Agreement when a use or activity is not expressly prohibited but Holder's approval is required to be obtained, Holder shall grant or withhold its approval in writing within 30 days of receipt of Grantor's written request therefore (unless another period of time is specified in any section of this Agreement requiring Holder's approval to a proposed use or activity). If approval is withheld, Holder shall notify Grantor in writing with reasonable specificity of the reasons for withholding approval, and the conditions, if any, on which approval might otherwise be given. Failure of Holder to respond in writing within such 30-day period shall be deemed to constitute written approval by Holder of any request that is not contrary to the express restrictions of this Agreement. If, owing to unforeseen or changed circumstances, any of the prohibited activities listed is deemed desirable by both parties, Holder may consent to such activity only if it determines, in its sole discretion, that the activity (i) does not violate the purposes of this Easement, and (ii) either enhances or does not impair any significant conservation values of the Property. Notwithstanding anything in this section, Grantor and Holder have no right or power to agree to any activities that would result in the termination of this Agreement.

5.2 Breach. Failure to secure Holder's approval when required or to give the notices required by Section 5 before undertaking an activity shall constitute a material breach of this Agreement by Grantor, entitling Holder to such rights or remedies as are available under this Agreement.

COSTS, TAXES AND INDEMNIFICATION

6.0 Costs, Liabilities, and Taxes. Grantor retains all responsibilities and shall bear all costs and liabilities of any kind relating to the ownership, operation, upkeep, and maintenance of the Property, including maintaining liability and casualty insurance coverages on the Property. Grantor agrees to maintain all Property boundaries as documented in the Baseline Report. Grantor agrees to and shall pay before delinquency all taxes, assessments, and other charges lawfully imposed on or assessed against the Property, including any taxes imposed on or incurred as a result of this Agreement, and shall furnish Holder with satisfactory evidence of payment of such taxes, assessments, and charges upon request. Grantor will avoid the imposition of any liens that may impact Holder's rights hereunder, subject to Grantor's right to contest any tax, assessment or lien in accordance with Texas law.

6.1 Indemnification. Grantor acknowledges that Holder has no possessory rights in the Property, nor any responsibility or right to control or maintain the Property. Grantor is responsible for all costs and responsibility of ownership, control, operation, maintenance, and upkeep of the Property, and will, to the fullest extent permitted by law, defend, release, relieve, hold harmless and indemnify Holder, its officers, directors, agents, and employees therefrom and from any claims, losses, costs or damages, including reasonable attorney fees and expenses, incurred by Holder, its assignees, employees or agents, or as may arise out of Holder's workers' compensation obligations or the activities permitted under this Agreement. Holder shall indemnify and hold harmless Grantor from any claims, losses, costs or damages, including reasonable attorney fees and expenses, incurred by Grantor as a result of all such excepted claims, other than those that arise out of the negligent act or misconduct of Grantor, his agents, employees and assigns.

6.2 Attorney's Fees. Any party to this Agreement who is the prevailing party in any legal proceeding against any other party brought under or with respect to the Agreement or the rights of the parties under this Agreement will be entitled to recover court costs and reasonable attorney's fees from the non-prevailing party.

ENVIRONMENTAL REPRESENTATIONS AND LIABILITIES

7.0 Grantor's Representations and Warranties. Grantor represents and warrants that, after reasonable investigation and to the best of Grantor's knowledge, the Property is not in violation of any "Environmental Laws", meaning the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, the Resource Conservation and Recovery Act of 1976, the Toxic Substances Control Act, the Hazardous Materials Transportation Act, the Clean Water Act, and all applicable Texas laws and regulations, as any of such laws or regulations have been supplemented or amended prior to the Effective Date. To the best of Grantor's knowledge (i) no part of the Property has been used as a landfill or garbage dump, except for those areas disclosed by Grantor to Holder prior to the date of this Agreement, (ii) no hazardous materials have been released on or from the Property that would require reporting to a governmental authority and

remediation under Environmental Laws, and (iii) the Property contains no hazardous substances that would require reporting to a governmental authority and remediation under Environmental Laws. To the best of Grantor's knowledge, the Property contains no underground storage tanks, nor have underground storage tanks been removed from the Property in a manner not in compliance with federal, state, and local laws, regulations, and requirements.

7.1 Remediation. If any investigation, site monitoring, containment, clean-up, removal, restoration, or other remedial work of any kind (the "Remedial Work") is required under any applicable local, state, or federal law or regulation, any judicial order, or by any governmental entity because of, or in connection with, the current or future presence, suspected presence, release or suspected release of a hazardous substance at, on, under, about, or within the Property or any portion thereof, Grantor shall within 30 days after receipt of knowledge thereof (or any shorter period of time required under applicable law, regulation, or order), commence and diligently prosecute to completion all such Remedial Work, at Grantor's sole cost and expense, unless the Remedial Work was required because of the acts or conduct of Holder, in which case Holder shall be responsible therefore.

CONSERVATION EASEMENT REQUIREMENTS

GENERAL PROVISIONS

8.0 Transfer of Easement. The benefits of this Agreement shall not be voluntarily assignable by Holder, except (i) to a nonprofit organization that at the time of transfer is a "qualified organization" under Section 170(h) of the Code, or any successor statute then applicable, and authorized to acquire and hold conservation easements under Chapter 183 of the Texas Natural Resources Code (or any successor statute) or the laws of the United States, and (ii) as a condition of such assignment, the assignee must agree that the Purposes of this Agreement will continue to be carried out. The assignment will consider Grantor's preferences for a successive Agreement holder. Holder agrees to give Grantor written notice of any such assignment at least 30 days in advance; such assignment shall be subject to the prior written approval of Grantor or Grantor's successors, but approval will not be unreasonably withheld, taking into consideration the compatibility of the stated corporate and charitable purposes of the proposed assignee with the protection of the conservation values of the Property. Any attempted assignment by Holder contrary to the terms of this paragraph shall be invalid but shall not operate to extinguish this Agreement. If Holder ceases to exist a court having jurisdiction shall transfer this easement to another qualified organization having similar purposes that agrees to assume Holder's responsibilities hereunder.

8.1 Transfer of Property. Any time the Property, or any interest therein, is transferred by Grantor to any third party, Grantor shall notify Holder in writing at least thirty days prior to the transfer of the Property, and Grantor agrees to expressly incorporate, and the conveyance shall be subject to, this Agreement.

8.2 Amendment. If circumstances arise under which an amendment to or modification of this Agreement would be appropriate, Grantor and Holder may by mutual written agreement jointly amend this Agreement. Any such amendment shall be consistent with the purposes of this Agreement and shall comply with Section 170(h) and 501(c)(3) of the Code and with Chapter 183 of the Texas Natural Resources Code and any regulations promulgated thereunder. Grantor and Holder have no right or power to agree to any amendment that would affect the enforceability or perpetual duration of this Agreement.

8.3 Termination of Easement; Eminent Domain If circumstances arise in the future that render it impossible to fulfill the conservation purposes set forth above, this Agreement may only be terminated, whether in whole or in part, by judicial proceedings in a court of competent jurisdiction. In making this grant, Grantor has considered the fact that uses prohibited by this Agreement may be now or may become more economically valuable than permitted uses, and that neighboring properties may in the future be put entirely to such prohibited uses. It is the intent of both Grantor and Holder that any such changes not be deemed to be changed circumstances permitting termination of this Agreement.

This Agreement constitutes a property right owned by the Holder. Unless otherwise required by applicable law at the time, and notwithstanding that this property interest is an obligation of the Holder, and not a financial asset of the Holder, if all or any portion of the Property is sold after termination of this Agreement, or taken by exercise of the power of eminent domain (or sold in lieu of condemnation), then, after the satisfaction of prior claims and net of any costs and expenses associated with such sale or condemnation, Grantor and Holder shall divide the proceeds (minus any amount attributable to the value of improvements made by Grantor after the effective date of this Agreement, which amount is reserved to Grantor) according to their respective percentage interests in fair market value of the Property, adjusted, if necessary, to reflect a partial termination or extinguishment. The percentage interests of the parties will be determined by the ratio of the value of the Easement on the effective date of this grant to the value of the Property, without deduction for the Easement, on the date of this grant. Holder will be entitled to the percentage of those proceeds equal to the product of the unrestricted fair market value of the Property (minus any amount attributable to the value of improvements made by Grantor after the effective date of this Agreement) times that ratio. The values on the effective date of this grant shall be those values that are required to be used to calculate the deduction for federal income tax purposes allowable by reason of this grant, pursuant to Section 170(h) of the Code. For purposes of this paragraph, the ratio of the value of the conservation easement to the value of the Property unencumbered by the conservation easement, and the percentage interests of Grantor and Holder, shall remain constant. Holder shall use any proceeds received under the circumstances described in this Section 9.4 in a manner consistent with its conservation purposes.

In the event that any portion or the entirety of the Property is acquired by condemnation or the rights of eminent domain, the remainder of the Property and this Agreement shall not be affected. At the inception of any process of condemnation or acquisition by eminent domain, Grantor shall immediately notify Holder in writing pursuant to Section 5.0.

8.4 Interpretation. This Agreement shall be interpreted under the laws of the State of Texas. If any provision of this Agreement is found to be ambiguous, then an interpretation consistent with the purpose of the Agreement that would render the provision valid shall be favored over any interpretation that would render it invalid.

8.5 Severability. If any provision of this Agreement or the application thereof to any person or circumstance is found to be invalid, the remaining portions shall not be altered thereby.

8.6 Entire Agreement. This Agreement sets forth the entire agreement of the parties with respect to the Easement and supersedes all prior discussions, negotiations, understandings, or agreements relating to the Agreement, all of which are merged herein. No alteration or modification of this Agreement shall be effective unless contained in an amendment that complies with Section 9.3.

8.7 Parties Bound. The covenants, terms, restrictions, and conditions of this Agreement shall binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, and assigns, and shall continue as a servitude running in perpetuity with the Property.

8.8 Termination of Rights and Obligations. A party's rights and obligations under this Agreement terminate upon transfer of the party's interest in the conservation easement or Property, except that liability for acts or omissions occurring prior to transfer shall survive the transfer.

8.9 Effective Date. Grantor and Holder intend that the restrictions arising hereunder take effect on the day and year this Agreement is recorded in the official real property records of Blanco County, Texas, after all required signatures have been affixed hereto. Holder may re-record this instrument at any time as may be required to preserve its rights in this Agreement.

8.10 Counterparts. This Agreement may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, but all of which together shall constitute one instrument.

8.11 No Merger. The parties agree that the terms of this Agreement shall survive any merger of the conservation easement and fee simple estates in the Property.

DEFINITIONS

9.0 Agriculture. The term "Agriculture" is defined as the large scale cultivation of the soil. It includes Farming (tilling of the soil and/or animal breeding) and Ranching (the grazing of livestock including horses, cattle, sheep, goats and other livestock).

9.1 Baseline Data. The term "Baseline Data" is a detailed record of the uses and conservation values on the property at the time the easement is granted. This report is used to measure future changes in the property's conservation resources and other features. The Baseline Data report will record the geology, soils, tree species, plants, grasses and wildflowers. Animals seen on the property including livestock (including stocking numbers), game and non-game species, birds, insects and aquatic species shall be contained in said report. Location of rare, endangered or threatened plants, presence of rare, endangered or threatened animals and habitats suitable for their survival, and ancient trees will be specifically mapped. The report will also include residential and agricultural structures (including footprint and height), existing roads, trails, wells, power lines, pipelines, water resources and historic and archeological sites. The report will contain photographs, surveys, studies, management plans, leases and easements, maps showing the man made features, the location of the property, a legal description of the property, the easement restrictions and the history of the easement acquisition. The Baseline Report will be reviewed and its accuracy attested to by the Grantor.

9.2 Feedlot. The term "Feedlot" refers to confined area or facility within which the land is not grazed or cropped at least annually and which is used to receive livestock raised off the Property for feeding and fattening for market.

9.3 Footprint. The term "footprint" when referring to a structure or area is the gross covered ground area of the structure or area.

9.4 Gross Covered Ground Area. The term "Gross Covered Ground Area" when referring to a structure or area means the "footprint" of the surface area of the earth occupied by such structure or area, calculated on the basis of the exterior dimensions of the perimeter walls or bounds of such structure or area.

9.5 Hazardous Waste. The term "Hazardous Waste" means every material or substance which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous.

9.6 Minor Structures. The term "Minor Structure" means a minor and inconspicuous structure necessary or appropriate to enhance the opportunity for low impact outdoor recreation, nature observation and study. None of these structures may have a foundation. Permitted minor structures may be, but are not limited to, rustic trail improvements such as benches, bridges over creeks, steps, small unlighted signs, and low barriers to protect fragile areas.

9.7 Two-Story. The term "Two-Story" means a building no higher than 32 feet in height, including the chimney, as measured from the average grade.

9.8 Wildlife/Range Management Plan. The term "Wildlife/ Range Management Plan" is a land management plan which conforms to the preservation purposes and goals of this Agreement. The Wildlife/Range Management Plan is prepared for the Grantor by a certified biologist or other recognized land management professional and approved in writing by Holder.


As stated above, "The purpose of this Conservation Easement Agreement is to ensure that the Property will be retained forever predominately in its natural, scenic, and open space condition; to protect the native plants, animals or plant communities of the Property...." In order to comply with this purpose, it is necessary not only to limit development, and subdivision, but also to manage the land in such a way that protects the habitat in perpetuity. To accomplish the latter requires that the Property be neither overgrazed, overbrowsed, nor excessively covered by invasive species such as cedar (Ashe juniper). The Property should be managed in a way that sustainably protects the biodiversity of native plants and animals, and produces a landscape containing a mixture of mid- and tall grasses interspersed with various forbs and many different species of trees and understory shrubs. The goals of such land management should be to establish a high level of native vegetative diversity in a quality and quantity that is sustainable long term, and which captures rainwater and prevents soil erosion, and to protect natural populations of native animals by providing food, water, shelter and cover without degrading the habitat.

The Wildlife/Range Management Plans shall be updated every five years. In the event that threatened and/or endangered species are identified on the Property, the Wildlife/Range Management Plan shall be updated within 3 months so as to provide for protections for the species.

TO HAVE AND TO HOLD the Conservation Easement Agreement to Holder and its successors and assigns forever. Grantor binds Grantor and Grantor's successors to warrant and forever defend the Agreement, together with all and singular the rights and appurtenances thereto, unto Holder and Holder's successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

EXECUTED as hereinafter shown.

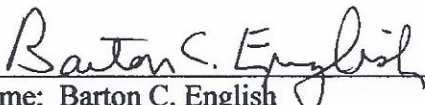
GRANTOR:



Amy Keith

HOLDER:

HILL COUNTRY LAND TRUST, INC.

By: 

Name: Barton C. English
Title: President

~~ATTEST.~~

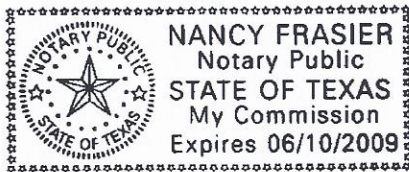
~~Its Secretary~~

OK
BLE

THE STATE OF TEXAS §

COUNTY OF BLANCO §

This instrument was acknowledged before me this 27th day of December, 2007 by Amy Keith.

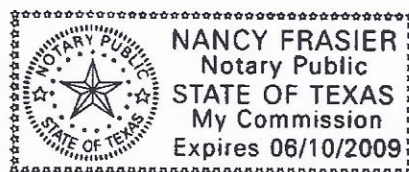


Nancy Frasier
Notary Public, State of Texas

THE STATE OF TEXAS §

COUNTY OF BLANCO §

This instrument was acknowledged before me this 27th day of December, 2007, by BARTON C. ENGLISH, President of HILL COUNTRY LAND TRUST, INC., a Texas nonprofit corporation, on behalf of said corporation.



Nancy Frasier
Notary Public, State of Texas

BEGINNING at a ½ inch iron rod set for the northwest corner of said 161.55 acres, being in the north line of said 280.93 acres and being in the lower north line of that certain 514.60 acre tract of land described in Volume 85, Page 402 of the Deed Records of said County, from which a metal fence post found for the northwest corner of a 11.66 acre tract of land bears N89°55'00"W, 663.43 feet;

THENCE along the north line of said 161.55 acres, being the north line of said 280.93 acres and being the lower north line of said 514.60 acres, S89°55'00"E, 1306.23 feet to a metal fence post found for the northeast corner of the 161.55 acres, being the northeast corner of said 280.93 acres, being lower northeast corner of said 514.60 acres and being in the westerly line of Blanco County Road No. 304;

THENCE along the east line of said 161.55 acres, being the east line of said 280.93 acres and being the westerly line of said County Road, the following seven (7) courses;

1. S64°41'00"E, 32.15 feet to a metal fence post,
2. S64°16'00"E, 42.75 feet to a metal fence post,
3. S64°32'00"E, 478.08 feet to a metal fence post,
4. S32°43'01"E, 30.57 feet to a metal fence post,
5. S21°20'00"E, 1665.22 feet to a metal fence post,
6. S21°21'00"E, 735.54 feet to a metal fence post and
7. S21°17'00"E, 783.47 feet to a metal fence post found for the southeast corner of said 161.55 acres;

THENCE along the south line of said 161.55 acres, crossing said 280.93 acres, S80°25'29"W, 584.72 feet to a metal fence post and N68°06'50"W, 2888.50 feet to a ½ inch iron rod set for the southwest corner of said 161.55 acres, being in the west line of said 280.93 acres and being in the east line of said 514.60 acres;

HAMBRIGHT LAND SURVEYING

P.O. BOX 1226
JOHNSON CITY, TEXAS 78636

PHONE: (830) 868-2574
FAX: (830) 868-2576

THENCE along the west line of said 161.55 acres, being the west line of said 280.93 acres and being the east line of said 514.60 acres, N10°35'40"W, 956.00 feet to a metal fence post found for a northwest corner of said 161.55 acres;

THENCE along a northwest line of said 161.55 acres, crossing said 280.93 acres, the following four (4) courses;

1. N77°59'27"E, 400.72 feet to a metal fence post,
2. N01°44'51"E, 281.42 feet to a metal fence post,
3. N13°59'10"E, 278.64 feet to a metal fence post and
4. N01°16'49"W, 677.68 feet to the POINT OF BEGINNING containing 161.55 acres of land, more or less.

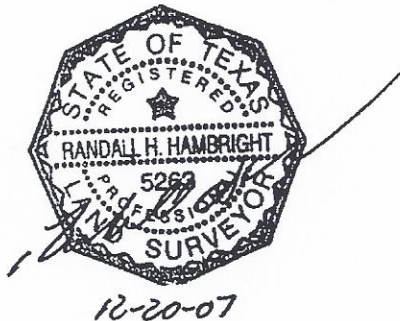
FUTURE HOME SITES LOCATION

HOME SITE NO. 1

BEGINNING at the southwest corner of said 161.55 acres, THENCE S89°53'03"E, 624.54 feet.

HOME SITE NO. 2

BEGINNING at the southwest corner of said 161.55 acres, THENCE N57°23'49"E, 1888.87 feet.



I, RANDALL H. HAMBRIGHT, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF TEXAS, DO HEREBY CERTIFY THAT I HAVE MADE A SURVEY ON THE GROUND OF THE TRACT SHOWN HEREON AND THAT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

DATE 12-20-07

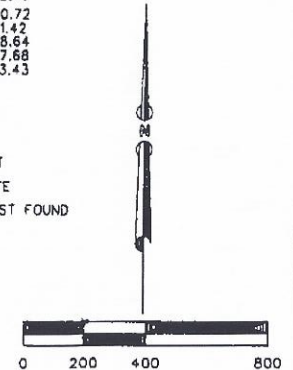
RANDALL H. HAMBRIGHT, R.P.L.S. NO. 5263



LINE	DIRECTION	DISTANCE
L1	S64°41'00"E	32.15
L2	S64°16'00"E	42.75
L3	S32°43'01"E	30.57
L4	S21°17'00"E	783.47
L6	N77°59'27"E	400.72
L7	N01°44'51"E	281.42
L8	N13°59'10"E	278.64
L9	N01°18'49"W	577.68
L10	N89°55'00"W	663.43

LEGEND

- 1/4" IRON ROD SET
- ◆ FUTURE HOME SITE
- METAL FENCE POST FOUND
- WIRE FENCE

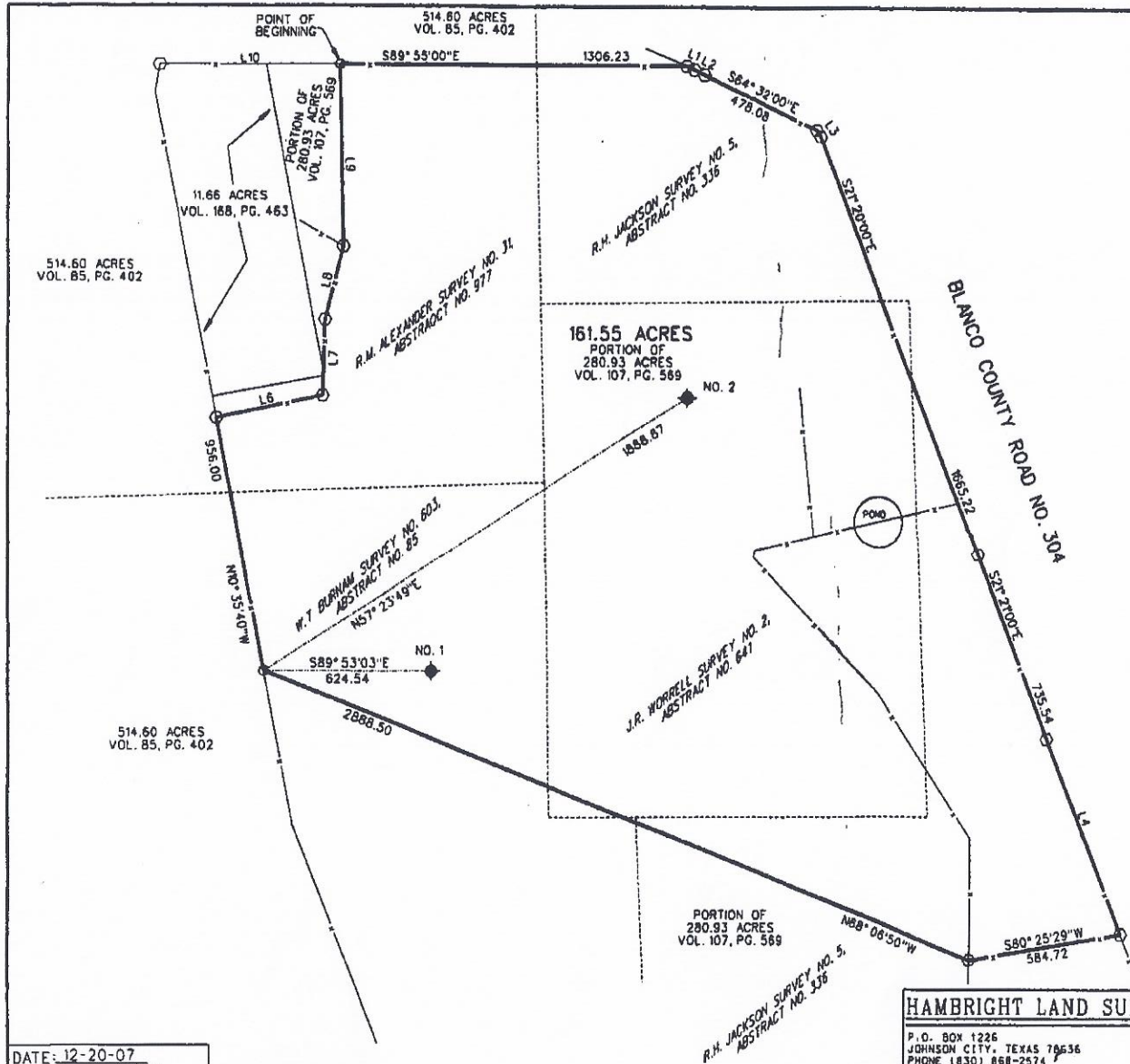


MAP TO ACCOMPANY FIELD NOTE NO. 007-251

SURVEY OF 161.55 ACRES SITUATED IN THE R.H. JACKSON SURVEY NO. 5, ABSTRACT NO. 336, THE W.T. BURNAM SURVEY NO. 603, ABSTRACT NO. 85, THE J.R. WORRELL SURVEY NO. 2, ABSTRACT NO. 641 AND THE R.M. ALEXANDER SURVEY NO. 31, ABSTRACT NO. 977, BLANCO COUNTY, TEXAS

HAMBRIGHT LAND SURVEYING

P.O. BOX 1226
JOHNSON CITY, TEXAS 76536
PHONE (830) 868-2574
FAX (830) 868-2576
EMAIL: landsurveyor@worldnet.att.net



DATE: 12-20-07
FILE NAME: 007-251
JOB NO: 007-251

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