



4. In particular, the Property is a unique area comprised of a mix of aquatic and terrestrial habitats and species characteristic of three ecological provinces: the Edwards Plateau, the Chihuahuan Desert, and the Tamaulipan Thornscrub.
5. The Property protects and includes an important portion of the Devils River watershed and its recharge zone, associated tributaries, springs, riparian woodland corridors and aquatic systems.
6. Many unique habitats and rare species either occur or may potentially occur on the property or waters in or adjacent to the Property, including Texas Snowbells (*Styrax texanus*), Black-capped Vireo (*Vireo atricapillus*), Tobusch fishhook cactus (*Ancistrocactus tobuschii*), Conchos Pupfish (*Cyprinodon eximius*), Devils River Minnow (*Dionda diaboli*), Proserpine Shiner (*Cyprinella proserpinus*), Headwaters Catfish (*Ictalurus lupus*), Rio Grande Darter (*Etheostoma grahamii*) and Devils River Blackhead Snake (*Tantilla cucullata*).

C. Easement Documentation Report. The characteristics of the Property, its current use and state of improvement, are described in a report entitled Easement Documentation Report of 981-Acre Turkey Bluff Tract, dated June 16, 2006, mutually agreed upon by the parties, prepared by the Conservancy for the Grantor, and signed and acknowledged by both parties. The Grantor worked with the Conservancy to ensure that the report is a complete and accurate description of the Property as of the date of this Conservation Easement. It establishes the baseline condition of the Property as of the Effective Date and includes reports, maps, photographs and other documentation.

D. The Grantor and the Conservancy have the common purpose of conserving the above-described Conservation Values of the Property in perpetuity, and the State of Texas has authorized the creation of Conservation Easements pursuant to Chapter 183 of the Texas Natural Resources Code, TEX. NAT. RES. CODE ANN. §§ 183.01, *et. seq.*, and Grantor and the Conservancy wish to avail themselves of the provisions of that law.

NOW, THEREFORE, the Grantor, for and in consideration of the facts recited above and of the mutual covenants, terms, conditions and restrictions contained herein and as an absolute and unconditional gift, hereby gives, grants, bargains, sells and conveys unto the Conservancy a Conservation Easement in perpetuity over the Property of the nature and character as follows:

1. **PURPOSE.** The purpose of this Conservation Easement is to ensure that the Property will be retained forever predominantly in its natural and scenic 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, while allowing for certain uses on the Property that are compatible with and not destructive of the Conservation Values of the Property, such as limited ranching and farming of existing pastures and fields, outdoor recreation, fishing and hunting, all subject to the terms of this Conservation Easement.

Grantor will not perform, nor knowingly allow others to perform, any act on or affecting the Property that is inconsistent with the purposes of this Conservation Easement. However, unless otherwise specified below, nothing in this Conservation Easement shall require the Grantor to take any action to restore the condition of the Property after any act of God or other event over which Grantor had no control. Grantor understands that nothing in this Conservation Easement relieves them of any obligation or restriction on the use of the Property imposed by law.

2. **PROPERTY USES.** Any activity on or use of the Property inconsistent with the purposes of this Conservation Easement is prohibited. Without limiting the generality of the foregoing, the following is a listing of activities and uses which are expressly prohibited or which are expressly allowed. Additional retained rights of Grantor are set forth in Paragraph 3 below.

2.1 Subdivision. The Property may not be divided, subdivided or partitioned, nor conveyed or pledged for a debt except in its current configuration as an entity.

2.2 Construction. Except as may be otherwise expressly allowed in this Conservation Easement, all construction and structures on the Property shall be limited to traditional ranching improvements to the Devils River area such as fences, corrals, pens, water wells, hunting blinds, feeders, water tanks, and troughs. Materials used in construction of any such improvements shall be non-reflective and compatible with the scenic character of the Property. Except as may be otherwise expressly allowed in this Conservation Easement, no other structures may be placed or constructed on the Property. Furthermore, without limitation of the foregoing, there shall be no constructing or placing of any new airplane landing strip, utility pole (other than those necessary to service the Property's improvements), utility tower, conduit or line on or above the Property. Outdoor lighting shall be placed and shielded so as to minimize the impact on surrounding areas. Notwithstanding the foregoing, Grantor shall at all times use best efforts and practices in the construction of improvements to have limited impact on the Conservation Values of the Property.

2.3 Existing Improvements. Grantor shall have the right to maintain, remodel, and repair existing structures, water tanks, fences, corrals, water wells, header dams, utilities, 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.

2.4 Mineral Extraction. Extraction of 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 Conservation Easement. Without limiting the generality of the foregoing, minerals shall not be extracted by any surface mining methods. The extractor shall at all times use best efforts and practices to prevent damage or impairment of natural values and shall restore

any area damaged to its original condition. All extraction facilities must be concealed or otherwise located so as to be compatible with existing topography and landscape to the greatest extent practical. The Conservancy must be given written notice of any actual or proposed mineral extraction thirty (30) days prior to entering into any contract or lease, and, if no such contract or lease, prior to beginning any work. Grantor shall, prior to entering into any contract or lease (or prior to beginning any work if there is no contract or lease), consult with the Conservancy and incorporate conditions or restrictions as the Conservancy may reasonably determine are required in order to prevent a significant impairment or interference with the Conservation Values. Any and all subsequent mineral conveyances and mineral leases shall be bound by the provisions hereof.

In the event all or part of the minerals are owned by third parties as of the date of the grant of this Conservation Easement, the following provisions shall apply: Whenever such third party mineral owners are required by applicable law or pursuant to any existing or future contract to obtain any consent from Grantor with respect to any access to or physical alteration of or improvement to the Property, Grantor shall, prior to giving any such consent, consult with the Conservancy and use its best efforts to incorporate conditions or restrictions on such consent as the Conservancy may reasonably determine are required in order to prevent a significant impairment or interference with the Conservation Values.

2.5 Agricultural Use. Grantor shall have the right to i) breed, raise and pasture livestock in accordance with paragraph 2.7 below, ii) to breed and raise bees for the production of honey, iii) to plant, raise and harvest crops in existing fields on the Property, and iv) to perform primary processing, store and sell, including direct sales to the public, of crops and products harvested and produced principally on the Property. Grantor may not establish or maintain any commercial feedlot on the Property, which is defined for the purpose of this Conservation Easement 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 that has been raised off the Property for feeding and fattening for market.

2.6 Roads. Grantor shall have the right to maintain existing roads. New roads are discouraged; however, Grantor shall also have the right to develop new roads subject to the Conservancy's prior approval.

2.7 Grazing. Grantor shall have the right to graze and pasture domestic animals except sheep or goats pursuant to a Grazing Plan, to be updated at least every five years, that is prepared by a range management specialist and approved by the Conservancy, and that is designed to ensure the maintenance of good rangeland health and a quality mix of native grasses, forbs, shrubs and woodland vegetation, while protecting soil stability, water quality and other conservation values of the Property. Introduction of exotic animals is not allowed except for domestic livestock as allowed in the Grazing Plan.

2.8 Home Businesses. Any business that is conducted by, and in the home of, a person residing on the Property, is allowed.

2.9 Recreational Uses. Grantor shall have the right to engage in and permit others to engage in recreational uses of the Property, including, without limitation, hunting and fishing, that require no surface alteration or other development of the land. Pursuit of wildlife by any form of motorized transportation is not allowed.

2.10 Excavation. Except as necessary to accommodate the activities expressly permitted under this Conservation Easement, maintenance of existing roads, hiking and horseback trails, and other activities expressly permitted under this Conservation Easement, there shall be no ditching, draining, diking, filling, excavating, dredging, removal of topsoil, sand, gravel, rock, minerals or other materials, mining, drilling or removal of minerals, nor any building of roads or change in the topography of the Property or disturbance in the soil in any manner. Notwithstanding the foregoing, nothing in this section shall be deemed to authorize surface mining (including, without limitation, the removal of gravel, sand or caliche) or any other activity expressly prohibited elsewhere in this Conservation Easement.

2.11 Destruction of Plants, Disturbance of Natural Habitat. Grantor shall have the right to cut and remove diseased or exotic trees, shrubs, or plants, and to cut firebreaks, subject to the prior approval of the Conservancy, except that such approval shall not be required in case of emergency firebreaks. Subject to the prior approval of the Conservancy, Grantor shall have the right to cut and remove native trees, shrubs, or plants in order to enhance the Conservation Values of the Property. Grantor shall also have the right to cut and remove trees, shrubs or plants to accommodate the activities expressly permitted under this Conservation Easement. There shall be no additional removal, harvesting, destruction or cutting of native trees, shrubs or plants. Except for use around improvements, in approved food plots allowed in the Grazing Plan, or in gardens there shall be no planting of non-native trees, shrubs or plants on the Property. Furthermore, except to accommodate the activities expressly permitted under this Conservation Easement there shall be no use of fertilizers, plowing, introduction of non-native animals or plants, or disturbance or change in the natural habitat in any manner.

2.12 Hydrology. Other than the construction of wells to serve allowed improvements, there shall be no alteration, depletion or extraction of surface water, natural water courses, lakes, ponds, marshes, subsurface water or any other water bodies on the Property.

2.13 Signage. No signs or billboards or other advertising displays are allowed on the Property, except that signs whose placement, number and design do not significantly diminish the scenic character of the Property may be displayed to state the name and address of the Property and the names of persons living on the Property, to advertise or regulate permitted on-site activities, to advertise the Property for sale or rent, and to post

the Property to control unauthorized entry or use.

2.14 No Biocides. There shall be no use of pesticides or biocides, including but not limited to insecticides, fungicides, rodenticides, and herbicides, except as approved by the Conservancy to control invasive species detrimental to the Conservation Values of the Property, and except as needed around improvements on the Property and in existing agricultural fields allowed in the Grazing Plan. No pesticide use shall be permitted which would injure or destroy a significant naturally occurring ecosystem.

2.15 No Dumping. There shall be no storage or dumping of trash, garbage, or other unsightly or offensive material, hazardous substance, or toxic waste, nor any placement of underground storage tanks in, on, or under the Property; there shall be no changing of the topography through the placing of soil or other substance or material such as land fill or dredging spoils, nor shall activities be conducted on the Property or on the Adjacent Property that could cause erosion or siltation on the Property.

2.16 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 or that could alter the natural water level or flow in or over the Property.

2.17 Predator Control. Grantor shall have the right to control, destroy, or trap predatory and problem animals which pose a material threat to livestock and/or humans by means and methods approved by the Conservancy. The method employed shall be selective and specific to individuals, rather than broadcast, nonselective techniques.

2.18 Commercial Development. Any commercial or industrial use of or activity on the Property, other than those relating to agriculture, fishing, hunting, recreation, home businesses or mineral extraction as permitted herein is prohibited.

2.19 Density. Neither the Property nor any portion of it shall be included as part of the gross area of other property not subject to this Conservation Easement for the purposes of determining density, lot coverage, or open space requirements under otherwise applicable laws, regulations or ordinances controlling land use and building density. No development rights that have been encumbered or extinguished by this Conservation Easement shall be transferred to any other lands pursuant to a transferable development rights, scheme cluster development arrangement or otherwise; provided, however, that with prior written permission of the Conservancy, this paragraph shall not preclude such transfer of development rights resulting from the destruction or demolition of any existing residential building on the Property.

2.20 Exotics. Grantor will use its best efforts to aggressively reduce the number of existing exotic animal on the Property. No new introductions are allowed except for domestic livestock allowed in the Grazing Plan.

**3. ADDITIONAL RIGHTS RETAINED BY GRANTOR.** Grantor retains the following additional rights:

3.1 Existing Uses. The right to undertake or continue any activity or use of the Property not prohibited by this Conservation Easement. Prior to making any change in use of the Property, Grantor shall notify the Conservancy in writing to allow the Conservancy a reasonable opportunity to determine whether such change would violate the terms of this Conservation Easement.

3.2 Transfer. The right to sell, give, mortgage, lease, or otherwise convey the Property subject to the terms of this Conservation Easement.

3.3 Habitat Restoration and Enhancement. With the prior written approval of the Conservancy, the right to restore and enhance native plant and wildlife habitat, consistent with approved wildlife management and soil conservation practices and all applicable laws and regulations governing such practices.

**4. NOTICE OF EXERCISE OF GRANTOR'S RESERVED OR RETAINED RIGHTS.** Grantor hereby agrees to notify the Conservancy in writing fifteen (15) days before exercising any reserved or retained right under this Conservation Easement that may have an adverse impact on the Conservation Values (unless a different time period is otherwise expressly required in this Conservation Easement).

**5. CONSERVANCY'S RIGHTS.** To accomplish the purpose of this Conservation Easement, the following rights are granted to the Conservancy by this Conservation Easement:

5.1 Right to Enforce. The right to preserve and protect the Conservation Values of the Property and enforce the terms of this Conservation Easement.

5.2 Right of Entry.

(a) The right of the Conservancy to enter the Property at reasonable times for the purposes of (i) inspecting the Property to determine if there is compliance with the terms of the Conservation Easement, and (ii) obtaining evidence for the purpose of seeking judicial enforcement of this Conservation Easement. The Conservancy agrees that this entry will be done in a manner that will not interfere unreasonably with the Grantor's permitted uses of the Property. The Conservancy also agrees to provide advance written notice to Grantor prior to entering the Property, except in any case where immediate entry is necessary or desirable to prevent, terminate, or mitigate damage to, or the destruction of, the Conservation Values, or to prevent, terminate or mitigate a violation of the terms of this Conservation Easement.

(b) The right of the Conservancy's staff, contractors and associated natural resource management professionals to enter the Property after prior written consent of Grantor, which consent will be given at least one time each calendar year for the purposes of: (i) ecological monitoring, biological surveys, inventories and research as described below, and (ii) management of exotic and invasive plants. This right of entry shall be done in a manner as will not disturb the quiet enjoyment of the Property by the Grantor.

5.3 Monitoring and Research. The right, but not the obligation, to monitor the plant and wildlife populations, plant communities and natural habitats on the Property. Grantor shall cooperate with the Conservancy in establishing, at no expense to Grantor, a written Monitoring and Research Plan to direct the monitoring of and research on plant and wildlife populations, plant communities and natural habitats on the Property. Grantor agrees that all monitoring activity, natural resource inventory and assessment work or other natural resource research, conducted by Grantor or others, shall be reported to the Conservancy.

5.4 Management of Exotics and Invasive Species. The right, but not the obligation, to control, manage or destroy exotic non-native species or invasive species of plants and animals that threaten the Conservation Values of the Property. The Conservancy will obtain the Grantor's consent prior to implementing management activities.

6. **RESPONSIBILITIES OF GRANTOR AND THE CONSERVANCY NOT AFFECTED.** Other than as specified herein, this Conservation Easement is not intended to impose any legal or other responsibility on the Grantor, or in any way to affect any existing obligation of the Grantor as owner of the Property. Among other things, this shall apply to:

(a) *Taxes* - The Grantor shall be solely responsible for payment of all taxes and assessments levied against the Property.

(b) *Upkeep and Maintenance* - The Grantor shall be solely responsible for the upkeep and maintenance of the Property, to the extent it may be required by law. The Conservancy shall have no obligation for the upkeep or maintenance of the Property.

7. **ACCESS.**

7.1 Public Access. No right of access by the general public to any portion of the Property is conveyed by this Conservation Easement. However, the public has the right to view the Property from adjacent publicly accessible areas such as public roads and waterways.

7.2 Grantee's Access to the Property. Without limiting the generality of the grant of this Conservation Easement to Grantee, Grantor expressly conveys and assigns to Grantee the rights of ingress and egress to the Property as an assignee of a partial interest in the Property solely as an easement holder by virtue of this grant of Conservation Easement, including

without limitation, rights of access pursuant to the following easements:

(a) Non-exclusive roadway easement described in the Correction Cross Easement Agreement dated October 12, 1976 recorded in Volume 307, Page 397, Deed Records, Val Verde County, Texas, and re-recorded in Volume 365, Page 183, Deed Records, Val Verde County, Texas and being more fully described therein as Exhibit C, Road Easement No. 3, which easement provides certain ingress and egress to and from State Highway 277 to and from that certain property conveyed to The Nature Conservancy from Harold W. Nix, et. al, pursuant to that certain General Warranty Deed dated October 13, 2000, recorded in Vol. 756, Page 514, Official Public Records of Val Verde County, Texas (the "TNC Property"). The Property is a part of the TNC Property.

(b) Non-exclusive easement over and across the easement property originally reserved to The Nature Conservancy in that certain Special Warranty Deed with Vendor's Lien recorded in Volume 796, Page 109, Official Public Records of Val Verde County, Texas (the "DRR Deed"), which easement property is more particularly described in Exhibit B to the DRR Deed (the "TNC Easement"). The TNC Easement is hereby GRANTED AND CONVEYED, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and by these presents Grantor does GRANT AND CONVEY unto Grantee, a non-exclusive easement upon and across the TNC Easement, for the purpose of providing ingress and egress to the Property for all purposes related to this Conservation Easement. The easement, rights and privileges herein granted shall be perpetual, shall be an easement appurtenant to the Property and this Conservation Easement, and shall exist in favor of the Grantee, its successors, assigns, and other transferees of this Conservation Easement. Grantor hereby binds itself and assigns, to WARRANT AND FOREVER DEFEND the access easement and rights unto Grantee, its successors and assigns.

8. **EASEMENT ENFORCEMENT.** The Conservancy shall have the right to prevent and correct violations of the terms of this Conservation Easement. The following provisions shall be applicable to enforcement of this Conservation Easement:

(a) Notice of Violation. If the Conservancy becomes aware that a violation of the terms of this Conservation Easement has occurred or is threatened to occur, Conservancy may at its discretion take appropriate legal action. Except when an ongoing or imminent violation could substantially diminish or impair the Conservation Values, the Conservancy shall give a written notice of the violation to Grantor.

(b) Corrective Action. Upon the giving of a notice of violation, Grantor shall promptly commence, and thereafter diligently pursue to completion, corrective action sufficient to cure the violation (if there is a violation) and, where the violation involves injury to the Property, to restore the portion of the Property so injured.

(c) Default. Grantor shall be in default of this Conservation Easement if it fails to so cure the violation within sixty (60) days after the notice of violation is given; provided that, if more than sixty (60) days is reasonably required for the corrective action, then, if the Grantor promptly begins the corrective action within such sixty (60) day period, no default shall exist as to the violation for so long thereafter as Grantor is diligently pursuing such cure to completion. The fact that a default does not exist under the foregoing provisions shall in no event, however, absolve Grantor from any liability under this Conservation Easement with respect to the violation.

(d) Remedies. In the event of a violation, Conservancy shall have all remedies available at law or in equity to enforce the terms of this Conservation Easement, including (but not limited to) the right to: (i) seek a temporary or permanent injunction with respect to any activity causing a violation; (ii) force the restoration of that portion of the Property affected by the violation to a condition similar or equivalent to the condition that existed prior to the violation, by restoring soils, replanting suitable domestic vegetation, or taking such other action as is reasonably necessary to achieve such restoration; and (iii) recover any additional damages arising from the violation; provided, however, that, except in the event of emergency enforcement, the Conservancy shall not enforce its rights under clauses (i) or (ii) above after the giving of a notice of violation until such time as a default exists under the foregoing provisions. The foregoing remedies shall be cumulative and shall be in addition to all other remedies existing at law or in equity with respect to the violation.

(e) Costs of Enforcement. In any action, suit or other proceeding undertaken to enforce any right or obligation under this Conservation Easement, or to interpret any of the provisions of this Conservation Easement, the prevailing party shall be entitled to recover from the non-prevailing party the costs and expenses of such proceeding, including (but not limited to) the court costs and attorneys' fees and expenses incurred by the prevailing party (whether incurred at the trial, appellate, or administrative level), in such amount as the court or administrative body may judge reasonable, all of which may be incorporated into and be a part of any judgment or decision rendered in such action, suit or other proceeding.

(f) Emergency Enforcement. The foregoing provisions notwithstanding, if the Conservancy reasonably determines that a violation has occurred or is about to occur and circumstances require immediate action to prevent, terminate, or mitigate significant damage to or the destruction of any of the Conservation Values, or to prevent, terminate, or mitigate a significant violation of a material term of this Conservation Easement, such party may give a notice of violation to the extent reasonably practicable under the circumstances (which may be given orally in such cases or not at all depending on the circumstances) and the Conservancy may then pursue its remedies under this Conservation Easement without waiting for the period to cure the violation which is provided for above.

(g) Discretion. The failure of the Conservancy to discover a violation or to take action under this Conservation Easement with respect to a violation shall not bar it from doing so

at a later time, and shall not be deemed or construed to be a waiver of the Conservancy's rights in the event of any subsequent occurrence of that or any other violation

9. **TRANSFER OF EASEMENT.** The parties recognize and agree that the benefits of this Conservation Easement are in gross and are not assignable except as expressly set forth in this section. The Conservancy shall have the right to transfer or assign this Conservation Easement to any private nonprofit organization that at the time of transfer, is a "qualified organization" under Section 170(h) of the U.S. Internal Revenue Code, and the organization expressly agrees to assume the responsibility imposed on the Conservancy by this Conservation Easement. If the Conservancy ever ceases to exist or no longer qualifies under Sec. 170(h) or applicable state law, a court with jurisdiction shall transfer this Conservation Easement to another qualified organization having similar purposes that agrees to assume the responsibility.

10. **TRANSFER OF PROPERTY.** Any time the Property, or any interest therein, is transferred by the Grantor to any third party, the Grantor shall notify the Conservancy in writing at least thirty (30) days prior to the transfer of the Property, and the document of conveyance shall expressly refer to this Conservation Easement.

11. **AMENDMENT OF EASEMENT.** This Conservation Easement may be amended only with the written consent of Grantor and the Conservancy. Any such amendment shall be consistent with the purposes of this Conservation Easement and shall comply with Sec. 170(h) of the Internal Revenue Code, or any regulations promulgated in accordance with that section. Any such amendment shall also be consistent with Chapter 183 of the Texas Natural Resources Code, or any regulations promulgated pursuant to that law. The Grantor and the Conservancy have no right or power to agree to any amendment that would affect the enforceability of this Conservation Easement.

12. **TERMINATION OF EASEMENT.** If it is determined that conditions on or surrounding the Property have changed so much that it is impossible to fulfill the conservation purposes set forth above, a court with jurisdiction may, at the joint request of both the Grantor and the Conservancy, terminate this Conservation Easement.

If condemnation of a part of the Property or of the entire Property by public authority renders it impossible to fulfill any of these conservation purposes, the Conservation Easement may be terminated through condemnation proceedings.

At the time of the conveyance of this Conservation Easement to the Conservancy, this Conservation Easement gives rise to a real property right, immediately vested in the Conservancy. If the easement is terminated and the Property is sold or taken for public use, then, as required by Sec. 1.170A-14(g)(6) of the IRS regulations, the Conservancy shall be entitled to a percentage of the gross sale proceeds or condemnation award (minus any amount attributable to new improvements made after the date of this conveyance, which amount shall be reserved to Grantor) equal to the ratio of the appraised value of this Conservation Easement to the unrestricted fair market value of the Property, as these values are determined on the date of this

Conservation Easement. The Conservancy shall use the proceeds consistently with the conservation purposes of this Conservation Easement.

13. **INTERPRETATION.** This Conservation Easement shall be interpreted under the laws of Texas, resolving any ambiguities and questions of the validity of specific provisions so as to give maximum effect to its conservation purposes.

14. **INDEMNIFICATION.**

14.1 Grantor hereby agrees to indemnify, defend (with counsel approved by the Conservancy, which approval will not be unreasonably withheld) and hold harmless the Conservancy and each of the Conservancy's officers, directors, employees, agents, invitees, and contractors (the "Conservancy Parties") from and against any and all claims, costs, liabilities, penalties, damages, or expenses of any kind or nature whatsoever (including, but not limited to, court costs and reasonable attorneys' fees and expenses) arising or resulting from this Conservation Easement or any activities on the Property.

14.2 The Conservancy hereby agrees to indemnify, defend (with counsel approved by the Grantor, which approval will not be unreasonably withheld) and hold harmless Grantor and each of Grantor's officers, directors, employees, agents, invitees, and contractors from and against any and all claims, costs, liabilities, penalties, damages, or expenses of any kind or nature whatsoever (including, but not limited to, court costs and reasonable attorneys' fees and expenses) proximately caused by the exercise by the Conservancy of the Conservancy's rights under this Conservation Easement or from the gross negligence or intentional misconduct of the Conservancy.

15. **TITLE.** The Grantor covenants and represents that the Grantor is the sole owner and is seized of the Property in fee simple and has good right to grant and convey this Conservation Easement; that the Property is free and clear of any and all encumbrances, including but not limited to, any mortgages not subordinated to this Conservation Easement, and that the Conservancy shall have the use of and enjoy all of the benefits derived from and arising out of this Conservation Easement. **NOTE: If any mortgages exist, they must be subordinated.**

16. **NOTICES.** Any notices required by this Conservation Easement shall be in writing and shall be personally delivered or sent by first class mail, to Grantor and the Conservancy, respectively, at the following addresses, unless a party has been notified by the other of a change of address.

To Grantor:  
Devil's River Ranch, L.L.C.  
12850 Hillcrest Road, Suite 200  
Dallas, Texas 75230

To the Conservancy:  
Legal Department  
The Nature Conservancy  
P.O. Box 1440  
San Antonio, Texas 78295-1440

17. **ENVIRONMENTAL CONDITION.** The Grantor warrants that they have no actual knowledge of a release or threatened release of hazardous substances or wastes on the Property.

18. **COMPLIANCE WITH APPLICABLE LAWS.** Grantor shall comply with all statutes, laws, ordinances, rules, regulations, codes, orders, guidelines, or other restrictions, or requirements applicable to the Property. Nothing herein shall be construed to allow Grantor to engage in any activity which is restricted or prohibited by law, restrictions or other requirements applicable to the Property.

19. **SEVERABILITY.** If any provision of this Conservation Easement is found to be invalid, the remaining provisions shall not be altered thereby.

20. **PARTIES.** Every provision of this Conservation Easement that applies to the Grantor or the Conservancy shall also apply to their respective heirs, executors, administrators, assigns, and all other successors as their interest may appear.

21. **RE-RECORDING.** In order to ensure the perpetual enforceability of the Conservation Easement, the Conservancy is authorized to re-record this instrument or any other appropriate notice or instrument.

22. **MERGER.** The parties agree that the terms of this Conservation Easement shall survive any merger of the fee and easement interest in the Property.

23. **SUBSEQUENT LIENS ON PROPERTY.** No provisions of this Conservation Easement should be construed as impairing the ability of Grantor to use this Property as collateral for subsequent borrowing, provided that any mortgage or lien arising from such a borrowing is subordinate to this Conservation Easement and does not violate the restrictions on subdivision of the Property.

24. **ACCEPTANCE & EFFECTIVE DATE.** As attested by the signature of its authorized representative, the Conservancy hereby accepts without reservation the rights and responsibilities conveyed by this Conservation Easement. This Conservation Easement is to be effective the date recorded in the Val Verde County Real Property Records.

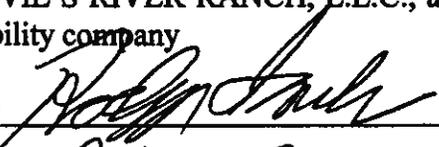
TO HAVE AND TO HOLD, this Grant of Conservation Easement unto the Conservancy, its successors and assigns, forever.

*[Remainder of page intentionally left blank.]*

IN WITNESS WHEREOF, the Grantor and the Conservancy, intending to legally bind themselves, have executed this Conservation Easement as of the date first written above.

GRANTOR:

DEVIL'S RIVER RANCH, L.L.C., a Texas limited liability company

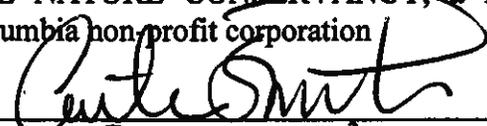
By: 

Name: Rodger Sanders

Title: President

CONSERVANCY:

THE NATURE CONSERVANCY, a District of Columbia non-profit corporation

By: 

Name: Carter Smith

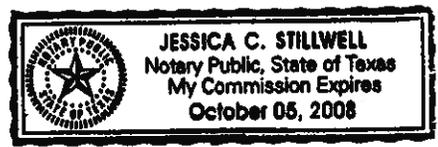
Title: Texas State Director

STATE OF Texas §  
COUNTY OF Dallas §

This instrument was acknowledged before me on the 14<sup>th</sup> day of August, 2006, by Rodger Sanders, President of DEVIL'S RIVER RANCH, L.L.C., a Texas limited liability company, on behalf of said limited liability company.

Jessica C. Stillwell (SEAL)  
NOTARY PUBLIC

My commission expires:  
October 5, 2008



STATE OF Texas §  
COUNTY OF Bexar §

This instrument was acknowledged before me on the 9 day of August, 2006, by Carter Smith Texas State Director of THE NATURE CONSERVANCY, on behalf of said corporation.

Patricia P. Garcia (SEAL)  
NOTARY PUBLIC

My commission expires:  
1-21-2008



FIELD NOTES TO DESCRIBE

A survey of 981.633 acres of land situated about 25 miles N 09°30' W of Del Rio, in Val Verde County, Texas, having acreage in the following original surveys:

<u>SURVEY NO.</u>	<u>ABSTRACT NO.</u>	<u>BLK NO.</u>	<u>ORIGINAL GRANTEE</u>	<u>ACRES</u>
3	544	AZ-3	G.C. & S.F. RR. Co.	0.624
9	170	AZ-3	C.C.S.D.&R.G.N.G. RR. Co.	82.137
21	188	AZ-3	C.C.S.D.&R.G.N.G.RR. Co.	74.733
22	3356	AZ-3	C.C..S.D.&R.G.N.G.RR. Co.	154.277
23	1426	AZ-3	T. C. RR. Co.	443.400
25 ¾	3630	AZ-3	C. P. Scales	224.214
1011	1714		G.C.&S.F. RR. Co.	<u>2.248</u>
Total				981.633

said 981.633 acres of land being a portion of that certain 21,976.630 acre tract of land described as Tract I in a Deed to The Nature Conservancy from Harold W. Nix, et ux, dated October 13, 2000, as recorded in Volume 756 on Page 514 of the Official Public Records of Val Verde County, Texas, and being more particularly described by metes and bounds as follows:

**BEGINNING:** At a 5/8" iron pin set on the recognized South line of said Survey No. 1011 for the recognized Northeast corner of Survey No. 1012, Abstract No. 3433, G. C. & S. F. RR. Co., original Grantee, an interior corner of said 21,976.630 acre tract of land, the Northeast corner of that certain property described in a Deed to Robert S. Corbin and Gena Pivatto from Douglas Reed, et ux, dated January 21, 1997, as recorded in Volume 655 on Page 415 of the aforementioned Official Public Records, (being the Northeast corner of the Cedar Spring Ranch) and an interior corner of this survey;

**THENCE:** Along the recognized South line of said Survey No. 1011, the recognized North line of said Survey No. 1012, an interior South line of said 21,976.630 acre tract of land, and the North line of said Cedar Spring Ranch, S 89-48-18 W 222.00 feet to a 5/8" iron pin set in fence for a southerly exterior corner of a certain 4343.010 acre tract of land, this day surveyed, and the upper Southwest corner of this survey;

**THENCE:** Along fence and an East and Southeast line of said 4343.010 acre tract of land, N 03-45-48 W 201.49 feet to a 4" diameter cedar post for an angle point, N 17-52-30 E 44.18 feet to a 6" diameter cedar post for an angle point, and N 61-08-10 E 1742.39 feet to a 5/8" iron pin set Northeast of an existing pasture road for an interior corner of said 4343.010 acre tract of land and the North corner of this survey;

**THENCE:** Along the Southwest line of said 4343.010 acre tract of land and Northeast of an existing pasture road, the following courses:

S 57-35-17 E 479.29 feet to a 5/8" iron pin set for an angle point;

S 41-03-21 E 653.69 feet to a 5/8" iron pin set for an angle point;

N 86-25-01 E 537.85 feet to a 5/8" iron pin set for an angle point;

S 65-48-45 E 715.22 feet to a 5/8" iron pin set for an angle point;

S 44-44-42 E 1115.88 feet to a 5/8" iron pin set for an angle point;

S 72-49-06 E 711.62 feet to a 5/8" iron pin set for an angle point;

N 84-17-22 E 976.85 feet to a 5/8" iron pin set for an angle point;

S 81-33-56 E 793.33 feet to a 5/8" iron pin set for an angle point;

S 49-08-14 E 1058.50 feet to a 5/8" iron pin set for an angle point;  
and

S 57-53-28 E 1428.34 feet to a 5/8" iron pin set for an exterior corner of said 4343.010 acre tract of land and an interior corner of this survey;

THENCE: Along a Southeast line of said 4343.010 acre tract of land, N 19-57-37 E 245.39 feet to a 5/8" iron pin set on the Northeast edge of an existing pasture road to the North for the Northwest corner of a gravel pit, an interior corner of said 4343.010 acre tract of land, and an exterior corner of this survey;

THENCE: Along the North line of said gravel pit and a South line of said 4343.010 acre tract of land, S 80-57-03 E 455.40 feet to a 5/8" iron pin set for the Northeast corner of said gravel pit, an interior corner of said 4343.010 acre tract of land, and the Northeast corner of this survey;

THENCE: Along the East and Southeast line of said gravel pit and a West and Northwest line of said 4343.010 acre tract of land, S 01-50-45 E 293.74 feet to a 5/8" iron pin set for an angle point and S 29-14-42 W 271.08 feet to a 5/8" iron pin set on the Northeast edge of said existing pasture road to the North for an angle point;

THENCE: Along the Northeast edge of said pasture road to the North and a Southwest line of said 4343.010 acre tract of land, the following courses:

S 28-43-17 E 1188.74 feet to a 5/8" iron pin set for an angle point;

S 18-18-02 E 352.20 feet to a 5/8" iron pin set for an angle point;

S 26-44-53 E 215.31 feet to a 5/8" iron pin set for an angle point;  
and

S 23-43-01 E 203.00 feet to a point on the Northwest line of that certain 16,655.987 acre tract of land described in a Deed to Devil's River Ranch, L.L.C. from The Nature Conservancy, dated December 27, 2001, as recorded in Volume 796 on Page 109 of the said Official Public Records, for the lower Southwest corner of said 4343.010 acre tract of land, and the East corner of this survey from which a 5/8" iron pin set by an 8" diameter creosote post bears S 23-43-01 E 4.02 feet;

THENCE: Along a Northwest and Northeast line of said 16,655.987 acre tract of land, the following courses:

S 71-41-49 W 230.31 feet to a 5/8" iron pin set by an 8" diameter cedar post for an angle point;

Along fence, S 59-38-43 W 1081.03 feet to a 5/8" iron pin set by an 8" diameter cedar post for an angle point;

Along fence, S 36-44-29 W 1100.62 feet to a 5/8" iron pin set by an 8" diameter cedar post for an angle point;

Along fence, S 24-21-23 W 1159.52 feet to a 5/8" iron pin set by a 6" diameter cedar post for an angle point;

Leaving fence, S 55-14-28 W 903.90 feet to a 5/8" iron pin set for an angle point;

N 69-05-04 W 2049.47 feet to a 5/8" iron pin set by a 6" diameter cedar post for an angle point;

Along fence, N 09-47-35 W 831.22 feet to a 5/8" iron pin set in fence by an 8" diameter cedar post for an angle point;

Leaving fence, N 54-55-12 W 3311.44 feet to a 5/8" iron pin set for an angle point;

N 07-28-56 E 1344.54 feet to a 5/8" iron pin set for an angle point;

N 72-00-11 W 525.83 feet to a 5/8" iron pin set for an angle point;

N 50-23-09 W 745.46 feet to a 5/8" iron pin set for an angle point;

N 68-32-45 W 241.91 feet to a 5/8" iron pin set for an angle point;

N 46-50-24 W 275.04 feet to a 5/8" iron pin set on the edge of a bluff for an angle point; and

N 57-48-51 W 832.39 feet to a point on the recognized East line of said Survey No. 1012, a recognized middle West line of said Survey No. 25 1/4, a West line of said 21,976.630 acre tract of land, and the upper East line of said Cedar Spring Ranch for the upper Northwest corner of said 16,655.987 acre tract of land and the Southwest corner of this survey;

THENCE: Along the recognized East line of said Survey No. 1012, the recognized middle West line of said Survey No. 25 1/4, a West line of said 21,976.630 acre tract of land, and the upper East line of said Cedar Spring Ranch, N 00-11-42 W 1453.06 feet to the POINT OF BEGINNING.

The bearings are relative to Geodetic North as taken from GPS Observations.

I certify that the foregoing field note description was prepared from an actual survey made under my supervision on the ground and that same is true and correct. Witness my hand and seal this the 7<sup>th</sup> day of July, 2007.



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