

GRANT OF CONSERVATION EASEMENT

THE STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF CALDWELL

This Conservation Easement made on this the 30th day of December, 2003 by _____ joined herein pro forma by his wife, ("Grantors") who reside at _____ in favor of PINES AND PRAIRIES LAND TRUST (a Charitable Trust created and qualified to serve as Grantee under the provisions of Chapter 183 of the Texas Natural Resources code) ("Grantee"), which has an address of _____, Bastrop, Texas 78602 and its successors and assigns.

RECITALS

A. Grantor is the sole owner in fee simple of the property ("Property") legally described in Exhibit "A" as attached hereto and incorporated herein by reference thereto, which consists of 214.325 acres, more or less, situated in the _____ Survey in _____ County.

B. 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. 96-541, 26 USC 170(H)(4)(A)(ii), as amended, and in regulations promulgated thereunder, specifically the Property is habitat for native wildlife and native trees and plants.

C. The characteristics of the Property, its current use and state of improvement, are described in Baseline report dated December 30, 2003 which has been endorsed and approved by the undersigned Grantor and Grantee. The Grantor worked with the Grantee to ensure that the report is a complete and accurate description of the property as of the date of this Conservation Easement. It will be used by the Grantor and Grantee to assure that any future changes in the use of the Property will be consistent with the terms of this Conservation Easement. However, the Baseline Report is not intended to preclude the use of other evidence to establish the present condition of the Property if there is a controversy over its use.

D. The Grantor and Grantee 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 this Conservation Easement pursuant to Chapter 183 of the Texas Natural Resources Code, TEX.NAT.RES.CODE ANN. §§ 183.01, et.seq., and Grantor and Grantee 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 grantee 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 described above such as mass residential construction, non-restorative timber harvesting, manufacturing or other commercial enterprises (other than those business conducted solely out of a residence), extraction of water or minerals (other than as expressly permitted herein), public recreational purposes such as motorcycle or dirt bike racing and other such destructive or disruptive uses, while allowing for traditional uses of the Property that are compatible with the conservation objectives of this 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 the 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.

As used hereinafter, the term "Grantor" shall be deemed to include not only Grantor but also Grantor's heirs, lessees and assigns.

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. Grantor and Grantee have determined that the allowed activities do not impair the conservation values of the Property. 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 into separate parcels except for the purposes and as provided below.

2.2 CONSTRUCTION. Grantor shall not have the right to subdivide the Property. The Grantor has the right to build one additional housing structure for residential purposes within 1000 feet of the present house structure. The total area to be allowed to be built on is limited to 2 acres in size for the building envelope, not including driveways and walkways. Grantor may survey out a 2 acre building envelope from the remainder of the property, if needed, to secure a building loan.

Additional barns, hay sheds and or other structures for farm use are allowed. Grantor may construct and install driveways, utilities and a water well to serve any dwelling, barn, storage shed, feeder and outbuildings necessary for cultivating, maintaining and utilizing the Property. All new Dwelling construction shall be situated within the permitted building envelope as to cause the least disturbance to the conservation values of the Property. No other commercial or residential structures may be placed upon the Property. Furthermore, there shall be no constructing or placing of any airplane landing strip, utility towers, radio or microwave towers, or new pipeline facilities upon the Property other than such utility poles, utility towers, water, sewerage, telephone or fiber optic lines that may be needed to service permitted improvements or businesses on the Property. All outdoor lighting on the Property shall be placed and shielded so as to minimize the impact on surrounding areas. Finally, neither high game enclosure fences nor other such impediments to the free movement of wildlife shall be permitted anywhere except surrounding the existing and potential residential areas.

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. In addition, Grantor shall have the right to construct one or more stock tanks on the subject Property.

2.4 MINERAL EXTRACTION. Extraction of subsurface minerals may be accomplished only by the extraction methods that will have a limited and localized impact on, and not significantly impair or interfere with the conservation values of the Property and the purposes of this easement. 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. Grantee must be given written notice of any mineral extraction thirty (30) days prior to beginning any work. The mineral estate of this land shall not be conveyed to any third party. Grantor shall not be permitted to extract any subsurface water for commercial purposes.

2.5 AGRICULTURAL USE. Subject to the other provisions of this Conservation Easement and in a manner consistent with the conservation purposes of this easement, Grantor shall have the right to I) breed, raise and pasture livestock in fields on the Property; ii) to breed and raise bees, fish poultry, or other fowl in facilities situated on the Property; iii) to plant,

raise and harvest crops in fields situated on the Property in accord with the Management Plan specified in Paragraph 2.10 below 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. However, Grantor may not establish or maintain any commercial feedlot on the Property, including any large poultry, cattle or hog raising facilities which is defined for the purpose of this 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 TIMBER HARVEST. Grantor shall have a limited right to harvest timber on the Property provided that Grantor implements and maintains a plan under which new trees will be grown and raised to replace the timber that is harvested. Cedar (Juniper) is excepted from this provision.

Any existing tree of any species, including Cedar, with a trunk diameter, at breast height, or approximately 4 1/2 feet from the ground, of Fifteen (15) inches or more are not to be harvested.

2.7 HOME BUSINESSES. ANY business that is conducted by, and in the home of, a person residing on the Property is allowed. However, no commercial enterprise other than farming and ranching may be conducted out of any building other than the primary residence of the owner.

2.8 RECREATIONAL USES. Grantor shall have the right to engage in and permit others to engage in certain recreational uses of the Property, including, without limitation, traditional, non-commercial hunting and fishing activities, that require no surface alteration or other development of the land. Pursuit of wildlife by any form of motorized transportation shall not be allowed. No form of racing between motorized vehicles including, but not limited to, trucks, motorcycles, and dirt bikes, shall be allowed. Likewise, no commercial lighted facilities such as rodeo arenas, recreational roping or riding arenas, baseball fields, tennis courts, or other such recreational facilities shall be permitted on the Property. All recreational use shall be in keeping with the conservation goals of this easement.

2.9 EXCAVATION. Except as necessary to accommodate the activities expressly permitted under this 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.

2.10 DESTRUCTION of PLANTS, DISTURBANCE of NATURAL HABITAT. Grantor shall have the right to cut and remove dead, diseased or exotic trees, shrubs, or plants, and to cut firebreaks or easement routes. Except in the case of easements and firebreaks, Grantor shall attempt to replant and replace the trees that are removed as much as is possible with natural growth. Grantor shall also have the right to cut and remove trees, shrubs or plants to accommodate the activities expressly permitted under this easement. Except for use around permitted improvements or in gardens there shall be no planting of trees, plants or shrubs on the Property other than those approved by either Grantee or by the County Agent. Furthermore, except to accommodate the activities expressly permitted under this easement there shall be no introduction of non-native animals(excluding confined exotic wildlife) or disturbance or change in natural habitat in any manner. A written management plan shall be created and implemented by Grantor and Grantee within a reasonable period of time following the date hereof. This management plan, once implemented, may be altered or modified only with the permission of Grantee.

2.11 SIGNAGE. No signs or billboards or other advertising displays shall be allowed on the Property, except that signs whose placement, number and design do not significantly diminish the scenic character of the Property. Signs 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/or to post the Property to control unauthorized entry or use.

2.11 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 landfill or dredging spoils, nor shall activities be conducted on the Property, that could cause erosion or siltation on the Property.

2.12 NO POLLUTION. There shall be no pollution of surface water, natural water courses, lakes, ponds, subsurface water or any other water bodies, nor shall any 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. No biocides, chemicals that are banned or have been banned for use by the Government of the United States or the State of Texas, may be used by the Grantor except for home and garden use or as permitted under the management plan. All above-ground storage tanks for fuels or any other materials either for residential or agricultural use, as well as any storage impoundments and tanks for any mineral extraction whatsoever, shall be constructed to prevent to the maximum extent possible and pollution to land or water. No burning of materials defined as toxic by the US Environmental Protection Agency is allowed.

2.13 PREDATOR CONTROL. Grantor shall have the right to control, destroy or trap predatory and problem animals which pose a material threat or nuisance to livestock, wildlife, humans or crops by methods which are selective and specific to such animals.

2.14 COMMERCIAL DEVELOPMENT. Any commercial or industrial use of or activity on the Property other than those relating to agricultural, recreational, or home businesses as permitted and limited herein shall be prohibited.

2.15 AMBIGUOUS RIGHTS FOR CERTAIN USES. Whenever Grantor wishes to engage in any activity or use of the Property that is not clearly permitted under this easement, Grantor shall first contact Grantee concerning such anticipated activity or use before initiating same in order to avoid an inadvertent violation of this easement.

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 expressly prohibited by this Conservation Easement. However, prior to making any significant change in use of the Property, Grantor shall notify Grantee in writing to allow Grantee a reasonable opportunity to determine whether such a 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.

4. GRANTEE'S RIGHTS. To accomplish the purpose of this Conservation Easement, the following rights are granted to the Grantee by this Conservation Easement.

4.1 RIGHT TO ENFORCE. The right to preserve and protect the conservation values of the Property and enforce the terms of this Conservation Easement.

4.2 RIGHT OF ENTRY. The right of Grantee's staff, contractors and associated natural resource management professionals to enter the Property after prior written notice to Grantor, for the purposes of: (a) inspecting the Property to determine if Grantor is complying with the covenants and purposes of this Conservation Easement; and (b) monitoring and research as described below and (c) management of Exotic and invasive species as described below.

4.3 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 Grantee 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 research, conducted by Grantor or others, shall be reported to the Grantee.

4.4 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. Grantee will consult with Grantor prior to implementing management activities.

4.5 DISCRETIONARY CONSENT. The Grantee's consent for activities otherwise prohibited or requiring Grantee's consent under Paragraph 2 above, may be given under the following conditions and circumstances. If, owing to unforeseen or changed circumstances, any of the prohibited activities listed in Paragraph 2 are deemed desirable by both the Grantor and Grantee, the Grantee may, in its sole discretion, give permission for such activities, subject to the limitations herein. Such requests for permission, and permission for activities requiring the Grantee's consent shall be in writing and shall describe the proposed activity in sufficient detail to allow the Grantee to judge the consistency of the proposed activity with the purpose of this Conservation Easement. The Grantee may give its permission only if it determines, in its sole discretion, that such activities (1) do not violate the purpose of this Conservation Easement and (2) either enhance or do not impair any significant conservation interests associated with the property. Notwithstanding the foregoing, the Grantee and the Grantor have no right to agree to any activities that would result in the termination of this Conservation Easement.

5. RESPONSIBILITIES OF GRANTOR AND GRANTEE 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 owners of the Property. Among other things, this shall apply to:

5.1 TAXES. The Grantor shall be solely responsible for payment of all taxes and assessments levied against the Property.

5.2 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 Grantee shall have no obligation for the upkeep or maintenance of the Property.

6.0 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. ENFORCEMENT. The Grantee shall have the right to prevent and correct violations of the terms of this Conservation Easement. With advance written notice the Grantee may enter the Property for the purpose of inspecting for violations. If Grantee finds what is a violation, it may at its discretion take appropriate legal action. Except when an ongoing or imminent violation could substantially diminish or impair the conservation values of the Property, the Grantee shall give the Grantor written notice of the violation and sixty (60) days to correct (or begin good faith efforts to correct in the event the violation is something which cannot be reasonably corrected in sixty days0 before filing any legal action. If a court with jurisdiction determines that a violation may exist or has occurred, the Grantee may obtain an injunction to stop it, temporarily or permanently. A court may also issue an injunction requiring the Grantor to restore the Property to its condition prior to the violation. The failure of the Grantee to discover a violation or to take immediate legal action shall not bar it from doing so at a later time.

8. TRANSFER OF EASEMENT. The parties recognize and agree that the benefits of this easement are in gross and assignable. The Grantee 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 US Internal Revenue Code, and the organization expressly agrees to assume the responsibility imposed on the Grantee by this Conservation Easement. If the Grantee ever ceases to exist or no longer qualifies under Sec. 170(h) or applicable state law, a court with

jurisdiction shall transfer this easement to another qualified organization having similar purposes that agrees to assume the responsibility.

9. TRANSFER OF PROPERTY. Any time the Property, or any interest therein, is conveyed by the Grantor to any third party, the Grantor shall notify the Grantee 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.

10. AMENDMENT OF EASEMENT. This Conservation Easement may be amended only with the written consent of Grantor and Grantee. 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 Grantee have no right or power to agree to any amendment that would affect the enforceability of this Conservation easement.

11. TERMINATION OF EASEMENT. At the time of this Conservation Easement to the Grantee, this Conservation Easement gives rise to a real property right, immediately vested in the Grantee. 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 request of either the Grantor or the Grantee, terminate this Conservation Easement. If condemnation of a part of the Property or 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.

12. 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.

13. INDEMNIFICATION.

A. EXCEPT AS SET FORTH BELOW, GRANTOR HEREBY AGREES TO INDEMNIFY, DEFEND (WITH COUNSEL APPROVED BY GRANTEE) AND HOLD HARMLESS GRANTEE AND EACH OF GRANTEE'S OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, INVITEES, AND CONTRACTORS FROM AND AGAINST ANY AND ALL CLAIMS, COSTS, LIABILITIES, PENALTIES, DAMAGES, OR ANY 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, INCLUDING WITHOUT LIMITATION THOSE ARISING OUT OF THE GROSS NEGLIGENCE OF THE GRANTEE OR ANY OF ITS OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, INVITEES OR CONTRACTORS.

B. GRANTEE HEREBY AGREES TO INDEMNIFY, DEFEND 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) SOLELY AND PROXIMATELY CAUSED BY THE ACTUAL EXERCISE BY THE GRANTEE OF THE GRANTEE'S RIGHTS UNDER THIS CONSERVATION EASEMENT OR FROM THE GROSS NEGLIGENCE OR INTENTIONAL MISCONDUCT OF THE GRANTEE.

14. 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. The Grantee shall have the use of and enjoy all of the benefits derived from and arising out of this Conservation Easement.

15. 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 Grantee, respectively, at the following addresses, unless a party has been notified by the other of a change of address. Grantor shall promptly furnish to Grantee the name and address of each person or entity who hereafter receives a conveyance of any portion of the Property and such individual or entity shall be entitled to receive any notice due to Grantor pertaining to such Grantor's portion of the Property.

TO GRANTOR:

TO GRANTEE:

PINES and PRAIRIES LAND TRUST
PO BOX 1526
BASTROP, TEXAS 78602

16. 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.

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

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

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

20. SUBSEQUENT LIENS ON PROPERTY. No provisions of this Conservation Easement should be construed as impairing the ability of the Grantor to use this Property as collateral for subsequent borrowing, provided that any mortgage or lien arising from such a borrowing would be subordinate to this Conservation Easement.

21. ACCEPTANCE AND EFFECTIVE DATE. As attested by the Seal of the Grantee and the signature of its authorized representative affixed hereto, the Grantee hereby accepts without reservation the rights and responsibilities conveyed by this Conservation Easement. This Conservation Easement is to be effective on the date it is recorded in County Real Property Records.

22. STEWARDSHIP DONATION. Upon the execution hereof, Grantor has or will tender a one time donation to the Grantee, for the easement defense fund, the sum of \$ in order to offset the perpetual costs to be incurred by the Grantee in monitoring, managing and enforcing the terms of this Conservation Easement. By its execution below, the Grantee does hereby acknowledge its receipt of such donation and does hereby agree that such a donation shall be held in the Pines & Prairies Land Trust Stewardship Endowment Fund (the Endowment) at Bank in , Texas or in a similar fund to be established by its successor. No expenditure shall be made from this endowment fund other than for the specified costs to be incurred by Grantee for providing the specified services for the benefit of the Property.

23. MEDIATION. It is the policy of the State of Texas to encourage resolution of disputes through alternative dispute resolution procedures, such as mediation. Any dispute related to this document, which is not resolved through informal discussion, will be submitted to a mutually acceptable mediation service or provider. The parties to the mediation shall bear the mediation costs equally. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

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

IN WITNESS WHEREOF, the Grantor and Grantee, intending to legally bind themselves, have set their hands and seals on the date first written above.

OWNERS-GRANTORS:

GRANTEE:

PINES AND PRAIRIES LAND TRUST:

BY:

TITLE: _____

THE STATE OF TEXAS

COUNTY OF CALDWELL

This instrument was acknowledged before me this—day of January, 2004
by _____ and Wife, _____ .

NOTARY PUBLIC STATE OF TEXAS

THE STATE OF TEXAS

COUNTY OF CALDWELL

This instrument was acknowledged before me this—day of January, 2004
BY _____, President of PINES AND PRAIRIES LAND TRUST, a
CHARITABLE TRUST.

NOTARY PUBLIC, STATE OF TEXAS