

PROPOSAL NUMBER 08WCP713

PROPOSAL

**LEASE CATTLE-GRAZING LAND LOCATED
EAST OF JONAH, TEXAS**

Offered by Robert D. Wunsch
Waterstone Land & Cattle Co., LP
3310 N. Capital of Texas Hwy. , Suite 200
Austin, Texas 78746

WILLIAMSON COUNTY PROPOSAL FORM

LEASE CATTLE-GRAZING LAND LOCATED EAST OF JONAH, TEXAS

PROPOSAL NUMBER: 08WCP713

NAME OF PROPOSER: Robert D. Wunsch

Mailing Address: 3310 N CAPITAL OF TX Hwy. Suite 200
City: Austin State: TX Zip: 78746

Email Address: bob@waterstonedevelopment.com

Telephone: (512) 381-1280 Fax: (512) 381-1282

TRACT	COST PER ACRE	APPROXIMATE COST PER TRACT
Cattle Grazing	\$ <u>12.50</u>	approx. 109 acres x \$ 12.50 per acre = \$ <u>1362.50/mo.</u>
	<u>PER MONTH</u>	

The undersigned, by his/her signature, represents that he/she is authorized to bind the proposer to fully comply with the terms and conditions of the attached Request for Proposal, Specifications, and Special Provisions for the amount(s) shown on the accompanying proposal sheet(s). By signing below, you have read the entire document and agreed to the terms therein.

X Robert D. Wunsch Date: 12/08/08
Signature of Person Authorized to Sign Proposal

Printed Name and Title of Signer: Robert D. Wunsch, President

DO NOT SIGN OR SUBMIT WITHOUT READING ENTIRE DOCUMENT

THIS FORM MUST BE COMPLETED, SIGNED, AND RETURNED WITH PROPOSAL



WILLIAMSON COUNTY CONFLICT OF INTEREST STATEMENT

I hereby acknowledge that I am aware of the Local Government Code of the State of Texas, Section 176.006 regarding conflicts of interest and will abide by all provisions as required by Texas law.

Printed name of person submitting form:

ROBERT D. WUNSCH


Name of Company:

WATERSTONE LAND + CATTLE CO. L.P.

Date:

12/8/08

Signature of person submitting form:

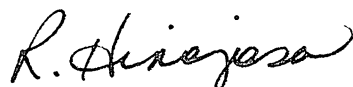
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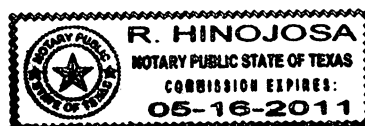
Notarized:

Sworn and subscribed before me

by: Robert D. Wunsch

on 12/9/08
(date)





PROPOSAL

Please accept this Proposal in response to Williamson County's RFP – Proposal Number 08WCP713.

As stated in the Request for Proposal under the section entitled "Responsibility", Proposer confirms the ability and adequate resources to comply with any and all lease payment(s). The Proposal Specifications state that the rent payment shall be made in two (2) equal installments during the term of the Lease. Please note that, if awarded, Proposer is prepared to pay, in advance, the full amount of consideration for the term of the Lease.

Proposer has satisfactory record of performance in the agriculture/cattle business as outlined in the Submission Requirements below.

SUBMISSION REQUIREMENTS

Proposed Lease Price Per Acre to Williamson County:

If awarded, Proposer is prepared to offer as payment, \$16,350.00 in advance, for a twelve (12) month lease for cattle grazing on the Byers' tract.

Calculations are offered as follows: \$12.50 per acre, per month x 109 acres = \$1,362.50 x 12 months for a total of \$16,350.00 annually.

Proposer is also interested in and prepared to continue leasing the property at the end of the initial term for a longer term if so desired by the County.

Ranching Experience:

Proposer comes from a farm implementation background with his family in business for 26 years and has been ranching in Williamson County for the past 5 years.

Proposer has been in the land development business for many years and is very well versed in landscaping, irrigation, equipment and the like.

Number of head of livestock currently producing:

- **Approx. 170 head of registered Black Angus Heifers**
- **Two (2) registered Herford Bulls (registered)**

- **Four (4) registered Angus Bulls**

In addition to the above livestock, there are 14 quarter horses. Some of these horses are trained and used for the cattle operations.

Production history:

Cow and calf operation for the last five years.

Superior ranching techniques used or to be used:

- **Proposer currently has an onsite ranch president and a specific ranch manager designated to the ranch operations including livestock and horses;**
- **Proposer currently has 350 round bales of Costal owned for feeding cattle;**
- **Proposer already has 1 semi truck of alfalfa for feeding;**
- **Proposer has prepared for 2009 with 300 round bales and a minimum of 1 semi truck to deliver alfalfa;**
- **Proposer uses salt and mineral blocks and Accuration Cattle Limiter #2 for bull feed.**

Number of head of cattle proposed to be on Byers' tract of land:

Proposer will run approximately 10 to 30 cattle on the Byers' tract depending on grass conditions

References:

Mr. John S. Avery
400 E. Main Street
Round Rock, Texas 78664
johnsavery@msn.com
512.255.5288

Mr. Charles Avery
400 E. Main Street
Round Rock, Texas 78664
C.Avery@shredlog.com
(512)569-2200

Mr. Glenn Buie
P.O. Box 897
Georgetown, Texas 78627
(512)863-3503

Proposed Improvements to the land:

Proposer offers the following as improvements to the land:

- **Annual over-seeding with appropriate grass (rye) as necessary;**
- **Will fence all three areas and maintain as necessary to include cattle-proof gates to prevent cattle access to the river and ensure cattle safety;**
- **In addition, Proposer would offer to maintain the pecan grove (90 acres) as mentioned in the Proposal Specifications. This option would include trimming and tree limb debris removal from the ground if not already included in the existing Lease with the Pecan Harvester;**
- **Proposer would also offer as an option, to lease the pecan trees located on the 90 acres and would maintain and harvest along with his pecans harvest right next door thereby saving money and would then share the profits with the County on the 90 acre harvest;**
- **Proposer's ranch is right next door and we are able to perform light mowing raking, etc., as necessary, with tractors and related equipment; and**
- **Any and all improvements made to the land will remain with the land for the benefit of the county once the lease term(s) expires.**

Insurance:

Proposer will agree to maintain the proper insurance as provided in Article 9, Section B of the Lease sample provided.

Proposer will provide evidence of insurance if awarded for review and will provide all necessary paperwork.

GRAZING LEASE

THE STATE OF TEXAS §

COUNTY OF WILLIAMSON §

THIS GRAZING LEASE (the "Lease") is made and entered into by and between Williamson County, Texas, being a political subdivision of the State of Texas, hereinafter referred to as "Lessor", and _____, hereinafter referred to as "Lessee."

In consideration of the rent and the covenants herein contained on the part of Lessee to be kept and performed, the Lessor does hereby lease, demise and let unto the Lessee, and the Lessee hires and rents the SURFACE ONLY, excluding the minerals and excluding the pecan trees and the pecans produced from such pecan trees, of approximately One-Hundred-Nine (109) acres, more or less, situated in Williamson County, Texas, as described in Exhibit "A" (the "Premises"), subject to the following terms and conditions:

ARTICLE 1: TERM OF LEASE

Commencement Date: _____, 20____

Termination Date: _____, 20____

The earliest date that this Lease may commence is January 1, 2009.

Extensions: On or before the Termination Date of the initial term of this Lease and any extended twelve (12) month lease term thereafter, the Williamson County

Commissioners Court reserves the right to extend the lease, by mutual agreement of both parties, as it deems, in its sole discretion, to be in the best interest of Williamson County. Any such extensions will be in twelve (12) month increments for up to three (3) additional years, with the terms, covenants and conditions of the Lease remaining the same for any extension; and with a price escalation at renewal of each additional year of no more than the consumer price index for each such new extended year. Each new extension of the Lease is contingent upon the approval of Williamson County Commissioners Court for each extended lease term in question. The County and Lessee agree that termination shall be the Lessee's sole remedy if the Williamson County Commissioners Court decides not to extend the Lease for additional term(s).

ARTICLE 2: RENT

Lessee agrees to pay to Lessor, as rent for the Premises, the sum of _____ (\$_____) per acre per year. Unless otherwise approved or agreed to by Williamson County, the first installment will be due on the first day of each twelve month lease term; and the second installment shall be due on or before the one hundred eightieth (180th) day of each twelve (12) month lease term. All rental payments must be made payable to Williamson County and be hand delivered or mailed to Williamson County Parks & Recreation Department, ATTN: Jim Rodgers, 350 Discovery Boulevard, Suite 201, Cedar Park, TX 78613.

ARTICLE 3: TAXES

Lessee agrees to pay any taxes levied against the cattle and personal property and fixtures of Lessee in and about the Premises, provided, however, that if any such

taxes of Lessee are levied against Lessor or Lessor's property and Lessor pays those taxes, Lessee, on demand, shall reimburse Lessor for all taxes actually paid on Lessee's behalf.

ARTICLE 4: SUBORDINATION

This Lease and all rights of Lessee under it are and shall be subject to and subordinate to the rights of any mortgage or bond holder now or hereafter having a security interest in the Premises or any other encumbrances Lessor desires to place on the Premises.

ARTICLE 5: USE OF PREMISES

Lessee shall use the Premises solely for the purpose of grazing cattle, together with all other purposes and activities usually and customarily associated with a cattle operation in Williamson County, Texas. Lessee hereby acknowledges and understands that Lessor may lease property adjoining the Premises for the purpose of farming and that Lessee shall only have grazing rights to the Premises and shall not have any rights to farm or graze such adjoining acreage. Furthermore, Lessee hereby acknowledges and understands that Lessor may, during the term of this Lease, lease all of the pecan trees and all rights and interest in them (approximately 200 native and mature pecan trees) that are situated on the Premises to a pecan harvester, separate and apart from this Lease. Lessee agrees and acknowledges that Lessee shall only acquire a leasehold interest in the surface of the Premises for the purpose of cattle-grazing and that Lessee shall only have grazing rights to the Premises and shall not have any rights to otherwise farm or harvest any crops or pecans on the Premises or interfere with such other lessee's

rights in relation to the Premises. Lessee further acknowledges that during a portion of the month of December, the Lessee may be required to temporarily relocate its cattle in order to allow pecan harvesting efforts to take place on the Premises.

ARTICLE 6: UTILITIES

Lessee shall pay or cause to be paid all charges for any water, electricity and any other utilities used on the Premises throughout the term of this Lease or any extension thereof, including any costs of installation and connection fees.

ARTICLE 7: LESSEE'S COVENANTS

Lessee further covenants and agrees as follows:

- A. To pay and provide the rent for this Lease, as it is set out herein; to use the Premises in a careful and proper manner for the use specifically described herein; to commit or permit no waste or damages to the Premises; to conduct or permit no business or act that is a nuisance or may be in violation of any federal, state, or local law or ordinance; only use the Premises in such a prudent manner so as to preserve and protect the land and soil; to cooperate with any other lessees that may be leasing the Premises for purposes other than cattle-grazing; to surrender the Premises on expiration or termination of this Lease in at least as good of a condition as the Premises was in on the date prior to Lessee's occupation of the Premises; to ranch the Premises in a rancher-like manner, employing the best methods of ranching customarily practiced on like acreage and Premises in the area; and keep, repair, maintain or build all necessary fencing and gates during the term of this Lease and any extension thereof.
- B. Lessee agrees to not use the Premises for any purpose other than for grazing

cattle. Lessee agrees not to overgraze the Premises or to alter the Premises, including clearing new roads, moving or erecting any fences, or locating on the Premises any type of permanent or temporary improvement without Lessor's prior written consent. Lessee further agrees to not hunt or fish the Premises or allow anyone else to do so.

C. Lessee assumes the risk of loss on all animals, property and all improvements which are situated on the Premises. Lessee agrees to maintain at all times during this Lease, the insurance described herein below.

D. Upon termination of this Lease, Lessee agrees that all improvements situated on the Premises, whether such improvements were situated on the Premises prior to this Lease or placed on the Premises during this Lease, shall become the property of Lessor, or, at the option of the Lessor, Lessee, at Lessee's sole expense, shall remove all improvements and debris and restore the surface of the Premises to its original condition provided that Lessee placed such improvements on the Premises during the term of this Lease.

E. To permit Lessor to enter, inspect, and make such repairs to the Premises as Lessor may reasonably desire or show the Premises to prospective purchasers and tenants, at all reasonable times.

F. Lessee agrees that it is solely responsible for making all alterations, additions, or improvements necessary to the Premises to cause the Premises and its intended use to be in compliance with any laws, rules, ordinances, development codes or regulations of any applicable governmental authority, entity, or body, including, without limitation, the Federal Government, the County of Williamson, and the State of Texas and the rules

and regulations of the United States Department of Agriculture and the Texas Agriculture Commissioner. The allocation of responsibility to Lessee for compliance with said laws, rules, ordinances, development codes or regulations is a material inducement for the parties to enter into this Lease. The costs incurred in causing the Premises and its intended use to be in compliance with said laws, rules, ordinances, development codes or regulations shall be solely borne by Lessee.

G. Keep all gates on the Premises closed and locked, ingress to and egress from the Premises being at those places designated by Lessor and provide Lessor with all keys and/or combinations to each gate locking mechanism used by Lessee on the Premises.

H. In the event this Lease or any extension thereof is terminated early by Lessor, whether such termination be for cause or convenience, Lessee shall pay Lessor any and all rents and amounts, on a pro-rata basis, which were incurred and due prior to or as of the date this Lease is terminated. If Lessee has paid any portion of the annual rental amount in advance, Lessor shall return to Lessee, on a pro-rata basis, the proportion of rents that have been prepaid for any unused portion of a lease term or extension.

ARTICLE 8: LESSOR'S COVENANTS

Lessor covenants and agrees to warrant and defend Lessee in the enjoyment and peaceful use and operation of the Premises during the term of this Lease or any extension thereof, subject to the termination rights set forth herein.

ARTICLE 9: INDEMNIFICATION & INSURANCE

A. **INDEMNIFICATION OF LESSOR: LESSOR SHALL NOT BE LIABLE FOR ANY LOSS, DAMAGE, OR INJURY OF ANY KIND OR CHARACTER TO ANY PERSON OR PROPERTY ARISING FROM ANY USE OF THE PREMISES OR ANY NEARBY PREMISES USED BY LESSEE OR ANY PART THEREOF; OR CAUSED BY ANY DEFECT IN ANY BUILDING, STRUCTURE OR OTHER IMPROVEMENT THEREON; OR IN ANY EQUIPMENT OR OTHER FACILITY THEREIN; OR CAUSED BY OR ARISING FROM ANY ACT OR OMISSION OF LESSEE, OR OF ANY OF LESSEE'S AGENTS, EMPLOYEES, LICENSEES, OR INVITEES, OR BY OR FROM ANY ACCIDENT ON THE LAND OR ANY SURROUNDING PREMISES OR ANY FIRE OR OTHER CASUALTY THEREON, OR OCCASIONED BY THE FAILURE OF LESSEE TO MAINTAIN THE PREMISES IN SAFE CONDITION, OR ARISING FROM ANY OTHER CAUSE WHATSOEVER; AND LESSEE HEREBY WAIVES ON ITS BEHALF ALL CLAIMS AND DEMANDS AGAINST LESSOR FOR ANY SUCH LOSS, DAMAGE, OR INJURY OF LESSEE OR OF LESSEE'S AGENTS, EMPLOYEES, LICENSEES, OR INVITEES, AND HEREBY AGREES TO INDEMNIFY, DEFEND AND HOLD LESSOR ENTIRELY FREE AND HARMLESS FROM ALL LIABILITY FOR ANY SUCH LOSS, DAMAGE, OR INJURY OF OTHER PERSONS, AND FROM ALL COSTS AND EXPENSES ARISING THEREFROM. THE TERMS OF THIS INDEMNITY PROVISION SHALL SURVIVE ANY TERMINATION OF THIS LEASE.**

B. Insurance: In order to insure the fulfillment of the above referenced indemnity provision, Lessee hereby agrees to maintain, at all times during the Term of this Lease and any extension thereof, at Lessee's sole cost, a comprehensive public liability insurance policy protecting Lessor against all claims or demands that may arise or be claimed on account of Lessee's use of the Premises, in an amount of at least \$1,000,000.00, per occurrence of accident and/or injury, for injuries to persons and damages to real and/or personal property. Said insurance shall be written by a company or companies acceptable to Lessor, authorized to engage in the business of general liability insurance in the state of Texas, and name Lessor as an additional insured. Furthermore, said insurance shall be primary as to any other existing, valid, and collectible insurance. Lessee shall deliver to Lessor annual certificates demonstrating that said insurance is paid up and copies of the insurance policies issued by the insurance companies.

Lessee shall, within ten (10) calendar days from the execution of this Lease, obtain a certified statement by each insurance carrier containing a clause providing that the insurance carrier will give Lessor 30 days' written notice before any cancellation shall be effective. The insurance policies shall be provided by Lessee and shall be for a period of at least one year.

ARTICLE 10: DEFAULTS BY LESSEE

In addition to the remedies specifically set forth herein and those available at law or in equity, if Lessee fails to perform or breaches any term, condition or covenant set forth in this Lease, and this failure or breach continues for ten (10) calendar days after a written notice specifying the required performance has been given to Lessee, Lessee shall be in default and Lessor may:

- A. enforce specific performance causing Lessee to strictly comply with and perform such term, condition or covenant; or
- B. may, but not be obligated to do so, enter the Premises and perform Lessee's obligations for the account of and at the expense of Lessee. Bills for all amounts paid by Lessor and all losses, costs, and expenses incurred by Lessor in connection with such performance by Lessor pursuant to this clause, including without limitation, all amounts paid and costs and expenses incurred by Lessor for any property, material, labor or services provided, furnished, or rendered or caused to be provided, furnished or rendered by Lessor to Lessee may be sent by Lessor to Lessee monthly or immediately, at Lessor's option, and shall be due

and payable by Lessee to Lessor as additional rent within five (5) calendar days after same is sent to Lessee by Lessor; or

C. terminate this Lease, without liability, by written notice to Lessee, in which event, the Lease hereby created shall terminate on the tenth (10th) day after such notice is given (the "Date of Termination") and Lessee shall within such ten (10) day period vacate the Premises and surrender them to Lessor in the state required under this Lease, with Lessor having the right to reenter and repossess the Premises discharged of this Lease and to expel all occupants and to remove all property therefrom.

Upon the occurrence of any default, Lessor may enter and take possession of the Premises by self-help, by picking or changing locks if necessary, and may lock out Lessee or any other person who may be occupying the Premises, until the default is cured, without being liable for damages.

ARTICLE 11: DEFAULTS BY LESSOR

Defaults by Lessor are failing, within thirty (30) calendar days after receiving written notice from Lessee, to comply with any term, condition or covenant set forth in this Lease. In the event that Lessor fails to cure its default within the said thirty (30) calendar days, Lessee may, as Lessee's sole remedy, terminate this Lease.

ARTICLE 12: VOLUNTARY TERMINATION

Lessor or Lessee may terminate this Lease, without cause or liability, upon giving sixty (60) calendar days written notice to the other party. Upon the termination of this

Lease, Lessee will surrender the Premises peaceably to the Lessor and pay Lessor all rental amounts and any other amounts that may be due hereunder as of the date of termination. In the event that Lessor exercises its right to terminate this Lease for convenience and without cause, Lessor shall be obligated to reimburse Lessee, on a pro-rata basis, the proportion of rents, if any, that have been prepaid for any unused portion of a lease term or extension.

ARTICLE 13: INSOLVENCY, BANKRUPTCY, ETC., OF LESSEE

If Lessee is declared insolvent or adjudicated a bankrupt; if Lessee makes an assignment for the benefit of creditors; or if a receiver is appointed for Lessee, Lessor, without prejudice to its rights hereunder and at its option, may terminate this Lease and retake possession of the premises immediately and without notice to Lessee or any assignee, transferee, trustee, or any other person or persons, using force if necessary.

ARTICLE 14: LESSOR TO HAVE LIEN

Lessor will have a lien against all goods, equipment and other personal property of Lessee brought, stored, or kept on the Premises during the term of this Lease and any extension thereof, in the aggregate amount of all rent, consideration, damages, and other sums that may at any time be owed by Lessee to Lessor under this Lease. In the event of any default by Lessee, Lessor may foreclose the lien in the same manner that a mortgage would be foreclosed.

ARTICLE 15: RIGHT TO SELL

It is understood and agreed that Lessor shall have the right to sell or assign its right, title and interest in the Premises, in whole or in part, at any time during the term of

this Lease or any extension thereof. If during the term of this Lease or any extension thereof, the Premises are sold by Lessor to a third party, this Lease shall terminate. Not later than sixty (60) calendar days from the date in which Lessor gives Lessee notice that the Premises has been sold, Lessee shall vacate the Premises.

ARTICLE 16: ELECTION BY LESSOR NOT EXCLUSIVE

The exercise by Lessor of any right or remedy to collect rent or enforce its rights under this Lease will not be a waiver or preclude the exercise of any other right or remedy afforded Lessor by this Lease or by statute or law. The failure of Lessor in one or more instances to insist on strict performance or observations of one or more of the covenants or conditions of this Lease or to exercise any remedy, privilege, or option conferred by this Lease on or reserved to Lessor shall not operate or be construed as a relinquishment or future waiver of the covenant or condition or the right to enforce it or to exercise that remedy, privilege, or option; that right shall continue in full force and effect. The receipt by Lessor of rent or any other payment or part of payment required to be made by Lessee shall not act to waive any other additional consideration, rent or payment then due. Even with the knowledge of the breach of any covenant or condition of this Lease, receipt will not operate as or be deemed to be a waiver of this breach, and no waiver by Lessor of any of the provisions of this Lease, or any of Lessor's rights, remedies, privileges, or options under this Lease, will be deemed to have been made unless made by Lessor in writing.

ARTICLE 17: LIMITATIONS OF WARRANTIES

LESSEE ACKNOWLEDGES AND AGREES THAT, OTHER THAN AS MAY BE SPECIFICALLY SET FORTH HEREIN, LESSOR HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS

ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (A) THE NATURE, QUALITY OR CONDITION OF THE PREMISES, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY, (B) THE INCOME TO BE DERIVED FROM THE PREMISES, (C) THE SUITABILITY OF THE PREMISES FOR ANY AND ALL ACTIVITIES AND USES WHICH LESSEE MAY CONDUCT THEREON, (D) THE COMPLIANCE OF OR BY THE PREMISES OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY, INCLUDING, WITHOUT LIMITATION, THE TEXAS ARCHITECTURAL BARRIERS ACT AND ANY RULES AND REGULATIONS PROMULGATED THEREUNDER OR IN CONNECTION THEREWITH, (E) THE FITNESS FOR A PARTICULAR PURPOSE OF THE PREMISES, OR (F) ANY OTHER MATTER WITH RESPECT TO THE PREMISES, AND SPECIFICALLY THAT LESSOR HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS REGARDING SOLID WASTE, AS DEFINED BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY REGULATIONS AT 40 C.F.R., PART 261, OR THE DISPOSAL OR EXISTENCE, IN OR ON THE PREMISES, OF ANY HAZARDOUS SUBSTANCE, AS DEFINED BY THE COMPREHENSIVE ENVIRONMENTAL RESPONSE COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED, AND APPLICABLE STATE LAWS, AND REGULATIONS PROMULGATED THEREUNDER. LESSEE FURTHER ACKNOWLEDGES AND AGREES THAT HAVING BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PREMISES, LESSEE IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PREMISES AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY LESSOR. LESSEE FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE PREMISES WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT LESSOR HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION. LESSEE FURTHER ACKNOWLEDGES AND AGREES THAT THE USE AND OPERATION OF THE PREMISES AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS, WHERE IS" CONDITION AND BASIS "WITH ALL FAULTS". LESSEE ACKNOWLEDGES AND AGREES THAT THE PROVISIONS OF THIS PARAGRAPH WERE A MATERIAL FACTOR IN THE DETERMINATION OF THE AMOUNT OF THE RENT OF THE PREMISES. THE TERMS OF THIS PARAGRAPH WILL SURVIVE ANY TERMINATION OF THIS LEASE.

ARTICLE 18: CONDEMNATION

If during the term of this Lease or any extension thereof, all of the premises are taken for any public or quasi-public use under any governmental law, ordinance, or regulation, or by right or eminent domain, or are sold to the condemning authority under threat of condemnation, this Lease will terminate, effective as of the date the condemning authority takes the premises. If only a part of the premises shall be so taken or sold, but the remainder of the premises is not capable of being used for the

purposes set forth herein, Lessor may terminate this Lease, without liability, at any time within forty-five (45) calendar days following such taking or sale. Any and all payments made for or arising from any such taking or for damages to the premises resulting therefrom shall belong and be payable entirely to Lessor.

ARTICLE 19: MISCELLANEOUS PROVISIONS

A. **Gender, Number and Headings.** Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires. The headings and section numbers are for convenience only and shall not be considered in interpreting or construing this Lease. The captions and paragraphs or letters appearing in this Lease are inserted only as a matter of convenience and in no way define, limit, construe, or describe the scope or intent of the sections or articles of this Lease or affect this Lease in any way.

B. **Place of Performance.** This Lease shall be interpreted according to the laws of the State of Texas and shall be performed in Williamson County, Texas, and exclusive jurisdiction and venue shall lie in Williamson County, Texas.

C. **Terms Inclusive.** As used herein, the terms "Lessor" and "Lessee" include the plural whenever the context requires or admits.

D. **Severability.** If any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof, but rather this entire Lease will be construed as if not containing the particular invalid or unenforceable provision or

provisions, and the rights and obligation of the parties shall be construed and enforced in accordance therewith. The parties acknowledge that if any provision of this Lease is determined to be invalid or unenforceable, it is the desire and intention of each that such provision be reformed and construed in such a manner that it will, to the maximum extent practicable, give effect to the intent of this Lease and be deemed to be validated and enforceable.

E. **Governmental Immunity.** Nothing in this Lease shall be deemed to waive, modify or amend any legal defense available at law or in equity to Lessor nor to create any legal rights or claim on behalf of any third party. Lessor does not waive, modify, or alter to any extent whatsoever the availability of the defense of governmental immunity under the laws of the State of Texas and of the United States.

F. **No Assignment or Lease by Lessee.** Lessee may not sell or assign any interest granted herein or lease the Premises or any portion of the same or any portion of any improvement erected on said premises at any time without the prior written authorization and approval of Lessor.

G. **No Indemnification by Lessor.** Lessee acknowledges and agrees that Lessor, as a Texas Lessor and a political subdivision of the State of Texas, under the Constitution and the laws of the State of Texas, cannot enter into an agreement whereby it agrees to indemnify or hold harmless any other party, including but not limited to Lessee; therefore, all references of any kind, if any, to Lessor indemnifying, holding or saving harmless any other party, including but not limited to Lessee, for any reason whatsoever are hereby deemed void and deleted.

H. **Notices.** Any notice to be given hereunder shall be in writing and may be affected by personal delivery or in writing by certified mail, return receipt requested, addressed to the proper party, at the following address:

LESSOR: Williamson County Judge
Dan A. Gattis (or successor)
710 Main Street, Ste. 101
Georgetown, Texas 78626

With copy to: Honorable Jana Duty (or successor)
Williamson County Attorney
405 M.L.K. Street, Box #7
Georgetown, Texas 78626

LESSEE: _____

_____, Texas _____

Notices to Lessee may also be mailed or delivered to the Premises and proof of mailing or posting of those notices to the Premises will be deemed the equivalent of personal service on Lessee.

I. **Compliance with All Statutes and Regulations.** Lessee, at its expense, shall ensure compliance with any and all State, Federal, City and Lessor (and any other such regulatory body as may exercise jurisdiction over Lessee and/or the Premises) laws, ordinances, regulations, or rules regarding the erection or installment of any improvements and all permitted activities upon the Premises.

J. **Entire Agreement.** This Lease and its addenda, if any, sets forth all the promises, agreements, conditions, and understandings between Lessor and Lessee relative to the Premises and supersedes any prior understandings or written or oral

agreements between the parties with respect to the to the Premises. There are no other promises, agreements, conditions, or understandings, either oral or written, between them. No subsequent alteration, amendment, change, or addition to this Lease will be binding on Lessor or Lessee unless in writing and signed by them and made a part of this Lease by direct reference.

EXECUTED this _____ day of _____, 20_____, by authority of the governing board of each party.

Lessor:

Williamson County, Texas

By: _____
Dan A. Gattis,
Williamson County Judge

Lessee:

By: _____

Printed Name: _____

Name of Business: _____

Title of Signer: _____

Exhibit "A"

Being the SURFACE ONLY, excluding the minerals and excluding the pecan trees and the pecans produced from such pecan trees, of approximately One-Hundred-Nine (109) acres, more or less, out of a greater 353.692 acre tract situated in the Silas Palmer Survey, Abstract No. 499, Williamson County, Texas, with said greater tract being more particularly described by metes and bounds in a Special Warranty Deed recorded under Document No. 2008007749, Official Records, Williamson County, Texas. The said One-Hundred-Nine (109) acres, which is referenced in this Lease as being the "Premises", is further depicted in the sketch attached to the immediately following page.



WATERSTONE



SEC Planning Consultants

Planning, Engineering & Construction Services

BASE MAP

WATERSTONE LAND & CATTLE
WILLIAMSON COUNTY, TEXAS



Scale 1" = 350'
Date July 18, 2008

THIS MAP WAS PREPARED BY WATERSTONE LAND & CATTLE, INC. (WLC) FOR THE PURPOSE OF OBTAINING A PERMIT FROM THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (TCEQ). WLC HAS CONDUCTED A VISUAL INSPECTION OF THE AREA SHOWN ON THIS MAP AND HAS FOUND IT TO BE ACCURATE. WLC HAS NO LIABILITY FOR ANY ERRORS OR OMISSIONS IN THIS MAP. THIS MAP IS NOT TO BE USED FOR ANY OTHER PURPOSES WITHOUT THE WRITTEN CONSENT OF WLC. THIS MAP IS NOT TO BE USED FOR ANY PURPOSES WITHOUT THE WRITTEN CONSENT OF WLC. THIS MAP IS NOT TO BE USED FOR ANY PURPOSES WITHOUT THE WRITTEN CONSENT OF WLC.

Proposed
"Current Ranch"

ROBERT D. WUNSCH

Chief Executive Officer

Mr. Wunsch has more than 25 years of experience in real estate investments and development. He has master planned and developed family communities, with 18-hole country club golf courses, neighborhood amenity centers, commercial retail and multi-family homes.

Mr. Wunsch joined A.G. Spanos Construction, Inc., in August of 1983. He was involved in land acquisition, property development, and property management for Spanos in their Phoenix, San Diego, and Atlanta divisions. In November of 1987, He was promoted to Regional Property Manager and headed land acquisition for A.G. Spanos for the Southeast. He was responsible for the Tennessee, Kentucky, and Atlanta offices. Mr. Wunsch oversaw the management of over 10,000 apartment units, as well as an 182,500 square foot office building and a 100-acre single-family community development. He was involved in the land acquisition and development of over 1,000 apartment units in Atlanta.

In 1992, Mr. Wunsch, with a group of private investors acquired the Berry Creek Country Club community in Georgetown, Texas. The acquisition included over 130 finished lots, an 18-hole golf course, a 26,000 square foot clubhouse, 11 lighted tennis courts, a 3,200 square foot tennis clubhouse, a Jr. Olympic swimming pool. He acquired a water and wastewater utility company and a cable television company that served the development. Also included in the purchase was raw land and options to the bulk of the land surrounding the development. At build-out, Berry Creek includes close to 1,300 homes.

Mr. Wunsch has also completed the development of Avery Ranch, in Austin, Texas. Avery Ranch is a 1,800 acre development which includes a high end 18-hole public golf course, 4,000 homes, a 6,800 sq. ft. clubhouse, and 32 acres of commercial development. Avery Ranch was listed as the #1 selling community 5 years in a row. Included within the Avery Ranch development are the four commercial/retail developed corners that Mr. Wunsch built and sold located at the intersection of Avery Ranch Boulevard and Parmer Lane Boulevard.

Mr. Wunsch also developed and sold a 41,000 sq. ft. retail site which housed the area's first Ben & Jerry's, Tweeter, and Baja Fresh in Round Rock's La Frontera, called Vintage Plaza.

238 lots have also been developed and completed by Mr. Wunsch in the Walsh Ranch Subdivision located in Round Rock, Texas. He has also recently completed 61 one-acre lots and a 50,000 sq. ft. site of commercial / retail development located in the Estrella Subdivision in Georgetown, TX.

Currently in the master planning stages are Somerset Hills in Georgetown, Texas which will encompass 1800 acres, 5000 residential units and 1.5 million feet of commercial / retail development; 300 lots with commercial components in Three Forks Ranch located in Georgetown, Texas that includes 2000 feet of Berry Creek frontage, as well as 392 lots under construction in Pearson Place at Avery Ranch which is located adjacent to his Avery Ranch community.

Most recently, Mr. Wunsch has been selected as the master developer of Avery Centre, a 1,400 + acre mixed-use development ideally located on University Blvd, just east of I-35 in Round Rock, Texas. Texas A&M Health Science Center has located within Avery Centre and Mr. Wunsch is owner and builder of A&M's first phase building for the medical school facility.

Mr. Wunsch is currently serving as a Trustee for Southwestern University in Georgetown, Texas; on the Boards of Directors for The Real Estate Council of Austin; The YMCA of Greater Williamson County; The Georgetown Healthcare Foundation, and is involved with The Salvation Army. He is also on the Budget and Finance Committee for the YMCA of Greater Williamson County.

Formerly he served in the following capacity: Board Member of Austin Country Club, Chairman of the Board - Heritage Bancorp, Chairman of the Board - Texas Heritage Bank, and Chairman of the Board-Texas Heritage Bank Mortgage Company and Visitors Board member for Southwestern University.

Mr. Wunsch's educational background includes a B.A. Business Finance, 1983, University of the Pacific.

He lives in Austin with his wife and children.

900 County Road 140 512-217-5941
Georgetown, TX 78626 bslconrad@yahoo.com

Brent Conrad

Experience

April 25, 2008 - Present Mueller Form setting

Laborer

- Setting Forms for foundations, driveways and sidewalks

March 1, 2008 – April 19, 2008 Horsemanship Apprentice Program with Martin Black

- Starting Colts
- Riding "Problem" Horses
- Learned about and used the Hackamore and Two-Rein
- Rode horses Straight up in the Bridle
- Worked on Reining
- Bringing the "Cow" out in your horse with A-Pen work on Cattle
- Rollbacks, Leads, Lead changes, Lead departures, Spins, Stops, Side passing, Half passes and Full Passes. Collection, Doubling, Pivoting on all four feet separately.
- Roping
- Trotting and Loping correct circles
- Awareness of the footfall of the horse

May 2006 – April 2008 Capitol Land and Livestock Schwertner, TX

Cowboy

- Gathering pasture cattle and shipping onto trucks
- Check assigned pastures, sort off sick calves, rope & doctor each calf outside, alone.
- Medicine used: Draxxin, Nuflor, Baytril, Oxytetracycline, Banamine, & DMSO
- Average Head per cowboy 2000-3000 depending on forage.
- All calves are processed, hauled to pasture & kicked out with bunk feeders in each pasture. They stay for 45 days. Then gathered, shipped off and new set of calves come in.
- The company wants every cowboy to stay under a 2% or less loss, including deads and cuts on each pasture shipped. 99% of the cattle purchased by the company are from sale barns.

2000-2006

Self Employed

Georgetown, TX

Owner

- Ran approximately 100 head of commercial black cows on lease pasture with 60 day breeding program.
- Ran Black Angus bulls and Registered black balancer bulls.
- Bought replacement heifers, bred and resold as short to medium bred heifers.
- Bought stocker calves, kept to 120 days and sold them for the gain.
- Sold and hauled rolls of hay for the public
- Hauled livestock for the public
- Day worked for Capitol Land and Livestock doctoring calves from August 5 – May 2006

1995-2001 Self Employed Pflugerville, TX
Competed Professionally in Rodeos
▪ Rode bulls in the PRCA and PBR.

Education

1991-1995 Pflugerville High School Pflugerville, TX
▪ Graduated

▪ Familiar with most types of tractors, backhoes and skidloaders

Interests

Ranch roping. Horsemanship. Starting Colts. Riding horses for the public for added income.