

LEASE AGREEMENT
BETWEEN
THE EDWARDS AQUIFER CONSERVANCY,
AND
THE EDWARDS AQUIFER AUTHORITY
JANUARY __, 2020
“COMMENCEMENT DATE”

LEASE AGREEMENT

This LEASE AGREEMENT, (this “**Agreement**”) is made as of January ___, 2020 (the “**Commencement Date**”), by and between the landlord hereunder, EDWARDS AQUIFER CONSERVANCY, a Texas nonprofit corporation (“**Conservancy**”), and the tenant hereunder, the EDWARDS AQUIFER AUTHORITY, a conservation and reclamation district and a political subdivision of the State of Texas (“**EAA**”). Conservancy and EAA are sometimes collectively referred to herein as the “**Parties**” and individually as a “**Party**”.

RECITALS

WHEREAS, the EAA was created by the Edwards Aquifer Act, Act of May 30, 1993, 73rd Leg., R.S., ch. 626, 1993 Tex. Gen. Laws 2350, as amended; and

WHEREAS, under Section 1.02 of the Act, the EAA is a conservation and reclamation district created by virtue of Article XVI, Section 59 of the Texas Constitution, and is a governmental agency and body politic and corporate vested with the full authority to exercise the powers and to perform the functions specified in the Act; and

WHEREAS, under Section 1.08(a) of the Act, the EAA has all the powers, rights and privileges necessary to manage, conserve, preserve, and protect the Edwards Aquifer (“**Aquifer**”) and to increase the recharge of, and prevent the waste of water in, the Aquifer; and

WHEREAS, under Section 1.27 of the Act, the EAA may conduct research; and

WHEREAS, under Section 1.11(d)(2) of the Act, the EAA may enter into contracts; and

WHEREAS, under Section 509(a)(3) of the Internal Revenue Code, Conservancy is a supporting organization formed to benefit and support EAA, in this instance by providing the means to acquire, develop, construct, operate, and maintain a field research observatory program in Bexar County, Texas, including leasing the observatory site to EAA; and

WHEREAS, the EAA and its Board of Directors recognize the presence of a full-time, dedicated research and observation facility in Bexar County, Texas, especially in the Aquifer Recharge Zone, provides a unique value to the public and EAA’s purpose, including improving the sustainability of, and providing data and research for, the Aquifer; and

WHEREAS, Conservancy holds the title to the real property described on Exhibit A hereto, including the observatory site, (the “**Real Property**”); and

WHEREAS, pursuant to the terms hereof, Conservancy and EAA desire to design, construct, and operate a new, first class, state-of-the-art field research observatory facility (the “**Observatory**”) and, provided funding is available under the terms described in this Agreement, the Conservancy shall finance and own the Real Property, and design and construct the Observatory and related improvements; and

WHEREAS, Conservancy has agreed to lease to EAA, and EAA has agreed to lease from Conservancy, the Real Property and the Observatory as more particularly described herein.

AGREEMENTS

NOW, THEREFORE, for and in consideration of the respective covenants and agreements of the Parties herein set forth, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Conservancy and EAA, each intending to be legally bound, do agree as follows:

Article I Leasehold Estate Term; Rent

1.1 Grant of Leasehold Estate. In consideration of and pursuant to the covenants, agreements, and conditions set forth herein, Conservancy leases to EAA, and EAA leases from Conservancy, on and subject to the terms, conditions and provisions of this Agreement, the Real Property, the Observatory, Conservancy Personal Property, if any, together with all other improvements, rights, titles and interests granted to EAA under this Agreement (collectively, the “**Leasehold Estate**”) for the Term set forth herein. Without limiting the foregoing, during the Term, Conservancy may also construct such additional improvements, buildings and structures on the Real Property as Conservancy and EAA may agree from time to time, including the Observatory facility itself, for the benefit of EAA, and upon delivery of such additional improvements to the EAA, they will become part of the Leasehold Estate and subject to the terms hereof.

1.2 Delivery of Possession. On the Commencement Date, Conservancy will deliver to EAA possession and occupancy of the Leasehold Estate subject only to the rights and reservations of Conservancy under this Agreement.

1.3 Reservations. Notwithstanding anything in this Agreement to the contrary, Conservancy reserves (and the Leasehold Estate shall not include) the following with respect to the Observatory (the “**Reservations**”):

(a) the right of Conservancy to install on, under, over or below the Observatory any and all utilities and appurtenances related thereto that it deems necessary; *provided, however*, that the location and construction of same shall not materially interfere with the operation, or materially change the aesthetics, of the Observatory by EAA; and

(b) for the benefit of Conservancy, all of the rights and duties of the Conservancy under that certain Cibolo Visa Tracts 1 & 2 Conservation Easement made between the Conservancy and the City of San Antonio, dated December 12, 2019, and recorded at Document #2019253291 of the Official Public Records of Bexar County, Texas (the “**Conservation Easement**”) as more fully described herein. The terms of the Conservation Easement are incorporated herein by reference and are agreed to and binding upon the Parties as their interests so indicate.

1.4 Term. Subject to the terms and conditions hereof, Conservancy leases the Observatory to EAA for a period forty (40) years, commencing on the Commencement Date and ending on December 31, 2059, unless this Agreement is sooner terminated pursuant to any applicable provision hereof (the “**Term**”).

1.5 Rent. In consideration for this Agreement and the leasing of the Leasehold Estate, EAA agrees to pay \$100.00 per year in base rent (the “**Lease Payment**”). The first Lease Payment shall be due on the Commencement Date. Thereafter, Lease Payments shall be due on or before that same date of each year during the Term.

Article II

Use of the Observatory

2.1 Science and Aquifer Conservation. The EAA shall use the Leasehold Estate as a “Field Research Observatory” related to its mission to preserve the Aquifer, to develop, research, and implement practices that lead to enhanced water quality and quantity for the region. This shall include, but not be limited to: a thorough science-based initiative to collect and monitor groundwater levels, water quality data, soil sampling and mapping of karst features like springs or seeps in the area, as well as the observation of land management techniques to determine water capture, retention and quality impacts.

2.2 Observatory Events. EAA shall be entitled to the use of all or any portion of the Leasehold Estate for all (a) public or private displays, showings, exhibitions, conversation, construction, repair, maintenance, and restoration of or related to the Observatory; (b) meetings and banquets; (c) community-oriented events; (d) any other nonprofit or for profit events; and (e) Observatory routine repairs and maintenance, and for any other short term or temporary lawful purpose that is not a Prohibited Use (collectively, the “**Observatory Events**”).

2.3 Scheduling. Notwithstanding anything to the contrary contained in this Agreement, EAA shall have priority for use of all or any portion of the Observatory for any and all Observatory Events. Subject to the foregoing, Conservancy and EAA acknowledge that within the framework established hereby, the scheduling of Conservancy Sponsored Events (as defined below) at the Observatory will be a cooperative endeavor, and Conservancy and EAA each agree to recognize and, in good faith, attempt to accommodate Conservancy with respect to the scheduling of Conservancy Sponsored Events.

2.4 Conservancy Sponsored Events.

(a) Subject to availability based on EAA’s priority use of the Observatory Conservancy shall be entitled to use of the public areas of the Observatory for civic-oriented, community not-for-profit or educational events such as Conservancy ceremonies, conferences, conventions, meetings, educational events, and training sessions, for the benefit of Conservancy, (the “**Conservancy Sponsored Events**”).

(b) Conservancy shall notify EAA in writing of Conservancy’s intent to hold a Conservancy Sponsored Event at the Observatory.

(c) Conservancy shall be entitled to the “rent-free” use of the Observatory for Conservancy Sponsored Events; *provided, however*, that for any Conservancy Sponsored Event, Conservancy shall be solely responsible for all costs and expenses associated with such event.

2.5 Revenue. Conservancy shall be entitled to receive and retain all revenues generated from Conservancy Sponsored Events.

2.6 Permitted Use and Prohibited Uses. The Observatory shall be used by EAA as a field research observatory. Notwithstanding the use of the Observatory for Observatory Events, but as may be otherwise approved or modified by Conservancy from time to time, EAA agrees that it shall not (collectively, the “**Prohibited Uses**”):

(a) Create, cause, maintain or permit any public or private nuisance in, on or about the Observatory;

(b) Use or allow the Leasehold Estate and the Observatory to be used for any purpose that is violative of the Conservation Easement or Applicable Laws; or

(c) Use or permit the use of the Observatory in a manner which would adversely affect the tax-exempt status of Conservancy.

2.7 Observatory Operations. Notwithstanding anything to the contrary, EAA shall have the sole right, power, authority, and obligation to oversee, operate and manage the Observatory, including, without limitation, conducting all scientific and conservation work at the Observatory and making any and all decisions relating to its operations, and its employee, staff, agent and personnel matters.

Article III Operation; Maintenance; Utilities

3.1 EAA’s Operation and Routine Maintenance of the Observatory; Utilities. EAA agrees to operate and maintain the Observatory throughout the term of this Agreement in accordance with the terms hereof.

(a) Except as otherwise provided in this Agreement, EAA shall be responsible for all aspects of operating the Leasehold Estate and Observatory and the Routine Maintenance of the Observatory and shall be responsible for all operating expenses and costs for the Observatory, including all direct or indirect expenses associated with Observatory operations or Observatory Events. Without limiting the generality of the preceding sentence, EAA shall, throughout the Term, at its own expense and at no cost or expense to Conservancy, and in compliance with Applicable Laws, do the following Routine Maintenance:

(i) Perform all Routine Maintenance and otherwise keep and maintain, or cause to be kept and maintained, the Leasehold Estate and Observatory, and all Conservancy Personal Property, if any, located within the Observatory in good repair, order, and condition as reasonably necessary to avoid or repair waste or damage to any of the foregoing and in compliance with Applicable Laws.

(ii) Promptly make, or cause to be made, all reasonably necessary routine repairs, interior and exterior, to the Observatory to keep the foregoing clean, in good working order and condition.

(iii) EAA shall perform such operation, maintenance and routine repair activities required in a safe, clean, attractive, and first class manner.

(iv) EAA agrees to do all things reasonably necessary to conduct its affairs and carry on its business and operations in such a manner as to comply in all material respects with the Conservation Easement and to duly observe and conform to all valid requirements of itself or the Conservancy as set forth in the Conservation Easement.

(b) Except as otherwise provided in this Agreement, EAA shall be responsible for Leasehold Estate and Observatory utilities.

3.2 Inspections; Evaluation of EAA's Operation, Routine Maintenance. Upon prior written notice to EAA, Conservancy shall be permitted to conduct periodic inspections of the Observatory.

3.3 Improvements by EAA.

(a) EAA shall be permitted to make additions or improvements to the Observatory, at its expense, as long as such additions or improvements are approved in advance, in writing, by the Conservancy. EAA shall provide the Conservancy with prior notice of such proposed improvements and keep the Conservancy reasonably advised of the status of such improvements throughout their construction.

(b) EAA shall be permitted at any time and from time to time, without notice to the Conservancy, to install, remove, change, and relocate Observatory exhibits and equipment at its expense and in its sole and absolute discretion.

3.4 EAA Personal Property. EAA Personal Property shall remain the property of EAA during the Term. EAA will be entitled to remove EAA Personal Property from time to time during the Term and through the Lease Expiration Date.

Article IV Taxes

4.1 Ad Valorem and Other Taxes. Conservancy and EAA intend that the Real Property, the Observatory, and the Leasehold Estate as a whole presently are and shall continue to be exempt from real estate ad valorem taxes and any other form of taxes ("**Property Taxes**") as exempt properties under the applicable provisions of the Texas Constitution, the Texas Tax Code, and other Applicable Laws. EAA is authorized to assert, insist upon, continue, and restate this joint intent to any agency, forum, or court having jurisdiction and at which the question may arise or be presented, and Conservancy, at the request and sole expense of EAA, shall jointly take and pursue such lawful actions with EAA, including, if necessary, judicial actions, as may be available and appropriate, to protect and defend the Conservancy and the EAA against the levy, assessment or collection of Property Taxes by any Governmental Authority asserting the power to levy, assess, and collect such taxes.

Article V Insurance

5.1 Insurance.

(a) EAA shall, at its sole expense, obtain and maintain during the Term, a Commercial General Liability Policy which will adequately and sufficiently protect Conservancy and EAA, in amounts agreed upon by them from time to time, their agents, directors, employees, representatives and servants from losses arising directly or indirectly from EAA's and Conservancy's use of the Leasehold Estate and Observatory. Conservancy shall be named on the insurance certificate(s) as an additional insured party.

(b) EAA agrees, at its sole expense, to obtain and maintain property insurance at all times during the Term of this Agreement, insuring all buildings and structures comprising the Observatory against all risk of direct physical loss or damage. EAA may elect to self-insure for any deductibles in said insurance policies. Such insurance coverage may be maintained by any combination of single policies and umbrella policies and shall name the Conservancy as an additional insured. Such insurance shall include full replacement value cost coverage if it can be obtained at commercially reasonable terms acceptable to EAA and Conservancy.

5.2 Waiver of Subrogation. It is the intent of the Parties that the risk of loss or damage to property arising out of or relating to this Agreement should be borne by insurance to the extent of available coverage. Accordingly, each of Conservancy and EAA release the other from all claims or liabilities for damage to the Leasehold Estate or the Observatory that are covered by insurance.

Article VI Loss of Facilities

6.1 Casualty Damage to the Observatory.

(a) If, at any time during the Term, the Observatory or any part thereof shall be damaged or destroyed by Casualty, then EAA shall promptly secure the area of damage or destruction to safeguard against injury to persons or property.

(b) If the Observatory or any portion thereof is damaged or destroyed by Casualty, then neither EAA nor Conservancy, shall have the right to terminate this Agreement and the Parties shall promptly use commercially reasonable efforts to restore and repair the Observatory to a condition substantially similar to that prior to such Casualty and the Term shall be extended by the period of restoration and repair. To that end, the Parties shall use all insurance proceeds available for such purposes.

(c) During any period that the Observatory is totally unusable by EAA due to Casualty, EAA's obligations hereunder shall abate. If only a portion of the Observatory is rendered unusable by the Casualty, EAA's obligations hereunder shall be equitably reduced.

(d) If the Observatory or any portion thereof is damaged or destroyed by Casualty and such damage or destruction causes the Observatory to be unusable by EAA, and such unusable condition cannot be remedied within twelve (12) months after the date of such Casualty, the Parties shall have the right to terminate this Agreement.

Article VII

Defaults and Remedies

7.1 Default by EAA.

(a) An event of default by EAA (a “**EAA Default**”) shall be deemed to have occurred under this Agreement if:

(i) The failure of EAA to cause the Observatory to be operated in accordance with the requirements of this Agreement and such failure continues for sixty (60) days after Conservancy gives notice to EAA of such failure (or such longer period as may be reasonably necessary to effect such cure, if such cure cannot be effected within such sixty (60) day period using reasonable efforts);

(ii) EAA fails to observe or to perform any other material obligation, condition, or covenant on its part to be performed or observed in accordance with this Agreement, including compliance with the terms of the Conservation Easement, and such failure remains uncured for more than sixty (60) days after EAA’s receipt of written notice of such failure from Conservancy (or such longer period as may be reasonably necessary to effect such cure, if such cure cannot be effected within such sixty (60) day period using reasonable efforts).

7.2 Conservancy’s Remedies. 7.2 Upon the occurrence of any EAA Default, Conservancy may, in its sole discretion, pursue any one or more of the following remedies, in addition to any other remedies available to Conservancy at law or in equity or as otherwise specified in this Agreement, after delivery of written notice to EAA:

(a) Conservancy may (but under no circumstance shall be obligated to) terminate this Agreement and upon such termination Conservancy may forthwith reenter and repossess the Leasehold Estate, including the Observatory by entry, forcible detainer suit or otherwise, without demand or further notice of any kind and be entitled to recover, as damages under this Agreement, a sum of money equal to the total of the unpaid sums accrued hereunder at the date of termination. In the event Conservancy shall elect to terminate this Agreement, Conservancy shall at once have all the rights of reentry upon the Leasehold Estate, without becoming liable for damages or guilty of trespass.

(b) Conservancy may (but under no circumstance shall be obligated to) enter upon the Leasehold Estate and do whatever EAA is obligated to do under the terms on this Agreement, including taking all reasonable steps necessary to maintain and preserve the Observatory; and EAA agrees to reimburse Conservancy on demand for any expenses which Conservancy may incur in effecting compliance with EAA’s obligations under this Agreement and EAA further agrees that Conservancy shall not be liable for any damages resulting to EAA from such action.

(c) Conservancy may exercise any and all other remedies available to Conservancy at law or in equity, including enforcing specific performance of EAA's obligations hereunder.

7.3 Default by Conservancy.

(a) An event of default by Conservancy (a "**Conservancy Default**") shall be deemed to have occurred under this Agreement if Conservancy fails to perform or observe any material obligation or condition on its part to be performed or observed in accordance with this Agreement, and such failure remains uncured for more than sixty (60) days after Conservancy's receipt of written notice of such failure from EAA (or such longer period as may be reasonably required to effect such cure if such cure cannot be effected within such sixty (60) day period using reasonable efforts).???

(b) Upon the occurrence of a Conservancy Default, EAA shall be entitled to seek all rights and remedies available to it at law, or in equity, including, but not limited to, the right to: (i) seek and obtain reimbursement for any monetary damage payable by EAA to a third party that is caused by such Conservancy Default; (ii) terminate this Agreement; and/or (iii) cure such default on behalf of Conservancy and bill Conservancy for all reasonable costs incurred by EAA (including attorneys' fees) to affect such cure.

7.4 Remedies Cumulative. The remedies described herein are cumulative and are not intended to be exclusive of any other remedies to which the Parties may be entitled at law or in equity. The failure of a Party to (a) insist in any one or more instances upon the strict performance or observance of any of the obligations or conditions of this Agreement by the other Parties; or (b) exercise any remedy contained herein for any nonperformance or nonobservance of any obligation or condition by the other Parties shall not be considered a waiver of such Party's rights to later insist upon performance or observance or to exercise its remedies. Additionally, the exercise or commencement of the exercise of any right or remedy by a Party shall not preclude the simultaneous or later exercise of any or all other rights and remedies available to such Party.

**Article VIII
Assignment and Subletting**

8.1 Assignment by EAA. Except as otherwise provided herein, the Leasehold Estate and/or EAA's interest in this Agreement may not be assigned without the prior approval of Conservancy.

8.2 Use Agreement. Notwithstanding the foregoing, EAA may enter into such use agreements and grants of access with other parties to allow those parties to enter into the Leasehold Estate for uses and activities that support and complement EAA's use of the Leasehold Estate and Observatory.

8.3 Assignment by Conservancy. Conservancy may assign all of its rights and obligations under this Agreement provided that it has given EAA at least six (6) months prior written notice of such assignment.

8.4 No Sublease. EAA may not sublease all or any portion of its interest in the Leasehold Estate or the Observatory with the prior approval of Conservancy.

Article IX
Covenants, Representations and Warranties of EAA and Conservancy

9.1 EAA Covenants. EAA, and its successors or assigns, covenants that during the Term (or such shorter period as provided herein):

(a) EAA shall use commercially reasonable efforts to ensure that the Observatory and its related activities at the Leasehold Estate are conducted in accordance with the terms of this Agreement;

(b) At all times during the Term and in connection with any activity under this Agreement or with respect to the Leasehold Estate and the Observatory, EAA shall comply with the requirements of the Applicable Laws and shall refrain from any activity that jeopardizes the tax exempt status of the Conservancy; and

(c) EAA shall observe and be bound by the terms and conditions of the Conservation Easement for all purposes.

9.2 EAA's Representations and Warranties. As an inducement to Conservancy to enter into this Agreement, EAA represents and warrants to Conservancy that notwithstanding anything herein to the contrary and as of the Commencement Date:

(a) The execution, delivery and performance of this Agreement by EAA are within EAA's powers, respectively, and have been duly authorized by all necessary action of EAA and its Board of Directors.

(b) No consent, authorization, approval, order or other action by, and no notice to or filing is required for the execution, delivery and performance by EAA of this Agreement.

(c) This Agreement is the legal, valid and binding obligation of EAA, enforceable against each of EAA in accordance with its terms.

9.3 Conservancy Covenants. Conservancy, and its successors or assigns, covenants that during the Term Conservancy shall not involve itself in the business, affairs, management or operations of EAA or the Observatory, except at the express request of EAA.

9.4 Conservancy's Representations and Warranties. As an inducement to EAA to enter into this Agreement, Conservancy represents and warrants to EAA that notwithstanding anything herein to the contrary and as of the Commencement Date:

(a) Conservancy is a nonprofit corporation duly formed and validly existing under the laws of the State of Texas, with the specific mission and authorization to support the EAA, with all necessary power and authority to enter into this Agreement and to consummate the transactions herein contemplated;

(b) The execution, delivery and performance of this Agreement by Conservancy is within Conservancy's powers, respectively, and have been duly authorized by all necessary action of Conservancy and its board of directors;

(c) Neither the execution and delivery of this Agreement nor the consummation of any of the transactions herein or therein contemplated nor compliance with the terms and provisions hereof or thereof will contravene any Applicable Laws to which Conservancy is subject; and

(d) This Agreement is the legal, valid and binding obligation of Conservancy, enforceable against Conservancy in accordance with its terms.

Article X Quiet Enjoyment

Conservancy covenants that, subject to the terms and conditions of this Agreement, EAA shall peaceably and quietly have, hold and enjoy the Leasehold Estate and have the right to use the Leasehold Estate in accordance with the terms hereof during the Term.

Article XI General Provisions

11.1 Leasehold Mortgages Prohibited. Neither EAA nor any of its respective successors or assigns shall have the right to grant a leasehold mortgage. Nor shall EAA permit any mechanics or materialmen's lien or other judgement or claim on the Leasehold Estate or the Observatory.

11.2 Recording of Memorandum of Lease. EAA may file of record a Memorandum of Lease in the form attached hereto as Exhibit B in the Real Property Records of Bexar County, Texas.

11.3 No Conservancy Obligations. Except for costs that Conservancy has specifically agreed to pay pursuant to the express terms of this Agreement, Conservancy shall not be required to make any expenditure, incur any obligation or incur any liability of any kind whatsoever in connection with this Agreement.

11.4 Access to the Leasehold Estate and Observatory by Conservancy. Without limiting Conservancy's rights with respect to the Reservations, Conservancy shall have the right of access and entry, for itself and its authorized representatives, to the Leasehold Estate and Observatory at all times, for the purposes of (a) assuring compliance with this Agreement, and (b) performing or undertaking any rights or obligations of Conservancy under this Agreement; *provided, however*, that in all instances such access and entry shall be conducted in a manner so as to minimize interference with EAA's use and operation of the of the Leasehold Estate and Observatory then being conduction by EAA pursuant to the terms of this Agreement.

Article XII

Surrender of Possession

12.1 Surrender of Possession. EAA shall, on or before the Lease Expiration Date, peaceably and quietly leave, surrender and yield up to Conservancy the Leasehold Estate.

12.2 Removal of EAA Personal Property.

(a) EAA's Obligation to Remove. All EAA Personal Property installed, placed or used in the operation of the Observatory throughout the Term shall be deemed to be the property of EAA. All such EAA Personal Property shall be removed by EAA within thirty (30) calendar days after the Lease Expiration Date, provided that EAA shall promptly repair any damage caused by such removal.

(b) Conservancy's Right to Remove. Any EAA Personal Property which shall remain in the Observatory for thirty (30) days after the Lease Expiration Date may, at the option of Conservancy, be deemed to have been abandoned by EAA and either may be retained by Conservancy as its property or be disposed of, without accountability, in such manner as Conservancy may determine necessary, desirable or appropriate.

Article XIII

Environmental Provisions

13.1 Remedial Work and Hazardous Materials. From and after the Commencement Date, EAA shall be responsible for performing or causing to be performed, and for paying the cost of performing, any and all corrective or remedial actions (including all investigation, monitoring, etc.) required by Applicable Law to be performed with respect to any Environmental Event at, in, on or under the Leasehold Estate occurring from and after the Commencement Date and arising from EAA's operation of the Leased Premises and Observatory ("**EAA's Remedial Work**"). EAA shall not cause or permit any Hazardous Materials to be generated, used, released, stored or disposed of in or about the Leasehold Estate; *provided, however*, that EAA and its related parties may use, store and dispose of reasonable quantities of Hazardous Materials as may be reasonably necessary for EAA to operate from the Observatory pursuant to the terms of this Agreement so long as such Hazardous Materials are commonly used, or permitted to be used, by reasonable and prudent operators in similar circumstances and are stored and disposed of in accordance with industry standards, but in all events in compliance with Environmental Laws. Upon the Lease Expiration Date, EAA shall surrender the Leasehold Estate to Conservancy in the condition required by EAA's Remedial Work and in compliance with Applicable Laws. EAA shall cure any Environmental Event in accordance with all Environmental Laws to the reasonable satisfaction of Conservancy and any Governmental Authority and such cure shall be deemed part of EAA's Remedial Work. Upon any Environmental Event, in addition to all other rights available to Conservancy under this Agreement, at law or in equity, Conservancy shall have the right, but not the obligation, at its option (a) to require EAA, at its sole cost and expense, to address and remedy such Environmental Event, in which event Conservancy shall have the right to approve any actions taken by EAA to address and remedy the Environmental Event or (b) if EAA has failed to commence action to address and remedy the Environmental Event within a reasonable time after notice is given to Conservancy, and such failure continues for 30 days after written notice thereof

from Conservancy to EAA, to perform, at EAA's sole cost and expense, any lawful action necessary to address and remedy the same, in which event EAA shall pay the costs thereof to Conservancy within ten days after written demand therefor.

Article XIV

Notices

All notices permitted or required to be made hereunder shall be in writing and delivered by hand, overnight courier, certified mail, facsimile or e-mail. Notices shall be deemed given (a) when actually given and received if delivered by hand; (b) one Business Day after delivery to an overnight courier if delivered by an overnight courier; (c) three Business Days after deposit with the United States Postal Service if delivered by certified mail; or (d) when sent if delivered by facsimile or e-mail (as evidenced by facsimile or e-mail confirmation). All such notices shall be addressed to the appropriate Party as follows:

If to Conservancy:

The Edwards Aquifer Conservancy
900 E. Quincy
San Antonio, Texas 78215
Attention: Its Board of Directors

If to EAA:

The Edwards Aquifer Authority
900 E. Quincy
San Antonio, Texas 78215
Attention: General Manager

Each Party may from time to time designate a different address for notices by giving notice to that effect to the other Parties in accordance with the terms and conditions of this Article XIV

Article XV

Miscellaneous

15.1 Partial Invalidity. If any Section of this Agreement or its application to any Party or circumstance shall be determined by any court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this Agreement or the application of such Section to persons or circumstances, other than those as to which it is so determined invalid or enforceable to any extent, shall not be affected thereby, and each Section hereof shall be valid and enforceable to the fullest extent permitted by law.

15.2 Obligations of Conservancy and EAA. The obligations and undertakings of Conservancy and EAA under or in accordance with this Agreement are and shall be the obligations solely of Conservancy and EAA. Except as otherwise expressly stated herein, no recourse shall be had, whether in contract, in tort or otherwise against any officer, director, employee, agent, member, volunteer or representative of Conservancy or EAA in his or her individual capacity on

account of any obligation or undertaking of or any act or omission by Conservancy or EAA under or pursuant to this Agreement.

15.3 Time of the Essence. Time is of the essence with respect to all Sections of this Agreement.

15.4 Successors and Assigns. This Agreement and all terms and conditions contained herein shall inure to the benefit and be binding upon the successors and permitted assigns of the Parties.

15.5 Anti-Discrimination. In accordance with Applicable Laws, the Parties, in forming their respective obligations hereunder will not discriminate based on race, sex, religion, national or ethnic origin, age or disability.

15.6 Nondisturbance. It is understood by the Parties that Conservancy has obtained or anticipates obtaining funding for the construction costs for the Observatory and other related Conservancy expenses. Conservancy agrees that the Leasehold Estate shall not be disturbed by any creditors, bondholders, underwriters, trustees or other third parties related to the financing during the Term.

15.7 Ownership of Documentary Materials and Open Records. All information, documents, property, or materials produced, created, or supplied as a result of this Agreement by the EAA, and whether finished or unfinished or in draft or final form, will be the property of the EAA. The EAA shall have unlimited rights to technical and other data resulting from this Agreement. Disclosure of documents related to this Agreement will be governed by the Texas Public Information Act, Chapter 552, Texas Government Code, as may be amended. If the EAC receives a request for information related to this agreement, the EAC agrees to promptly advise the EAA of such request.

15.8 Governing Law. THIS AGREEMENT AND THE ACTIONS OF THE PARTIES SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS (EXCLUDING PRINCIPLES OF CONFLICT OF LAWS). In the event of any proceedings regarding this Agreement, the Parties agree that the venue shall be the state courts of Texas located in Bexar County.

15.9 No Limitation on EAA's Governmental Functions. The Parties acknowledge that EAA is a Governmental Authority and that no representation, warranty, approval or agreement in this Agreement by EAA shall be binding upon, constitute a waiver by or estop EAA from exercising any of its rights, powers, or duties in connection with its Governmental Functions nor will any portion of this Agreement be deemed to waive any immunities granted to EAA when performing its Governmental Functions, which are provided under Applicable Law. Nothing in this Agreement constitutes a waiver of EAA's legal immunity or a consent to jurisdiction for any actions, omissions or circumstances, in each case arising out of the performance of EAA's Governmental Functions.

15.10 Payment on Business Days. If any payment under this Agreement is required to be made on a day other than a Business Day, the date of payment shall be extended to the next Business Day.

15.11 Relationship of the Parties; No Partnership. The relationship of EAA and Conservancy under this Agreement is that of independent parties, each acting in its own best interests, and notwithstanding anything in this Agreement to the contrary, neither the obligation to pay Conservancy any amounts due hereunder nor any other aspect of this Agreement shall create or evidence, nor is it intended to create or evidence, a partnership, joint venture or other business relationship or enterprise between EAA and Conservancy. As such, Conservancy shall have no direct supervision of or obligation to the employees of EAA and any communication of employee matters shall be through the General Manager of EAA.

15.12 Entire Agreement. This Agreement and the attached Exhibits constitute the entire agreement between the Parties and there are no representations, warranties, agreements or commitments between the Parties except as set forth herein. Unless otherwise authorized herein, no amendments or additions to this Agreement shall be binding on the Parties unless in writing and signed by the Parties.

15.13 Non-Waiver of Immunity. Nothing in this Agreement is intended as any waiver by the EAA of any immunity from suit to which it is entitled under Texas law.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the Commencement Date.

THE EDWARDS AQUIFER CONSERVANCY

By: 

Name: Michael De La Garza

Title: Executive Director

THE EDWARDS AQUIFER AUTHORITY

By: _____

Name: Roland Ruiz

Title: General Manager

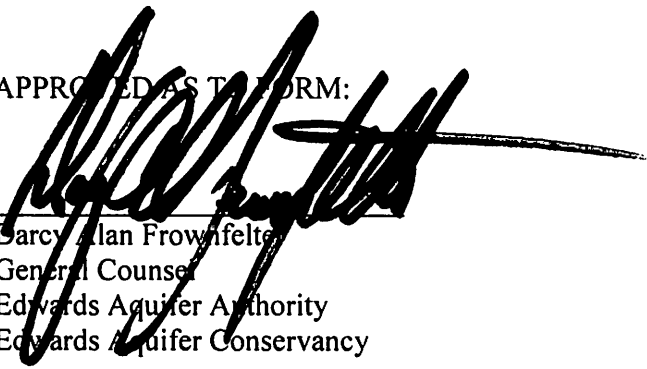
ATTEST:

By: _____

Jennifer Wong-Esparza

Assistant to the Board Secretary

APPROVED AS TO FORM:



Darcy Alan Frownfelter

General Counsel

Edwards Aquifer Authority

Edwards Aquifer Conservancy

**APPENDIX A
TO
LEASE AGREEMENT**

Glossary of Defined Terms

“Action or Proceeding” means any legal action, lawsuit, proceeding, arbitration, investigation by a Governmental Authority, hearing, audit, appeal, administrative proceeding or judicial proceeding.

“Agreement” has the meaning given to that term in the introductory paragraph of this Agreement.

“Applicable Laws” means any and all laws, ordinances, statutes, regulations, judicial decisions, orders, injunctions, writs, rulings, interpretations, rules, permits or certificates of any court, arbitrator or other Governmental Authority and applicable to the person or property in question (including any activities or operations occurring on, under, over, upon, at or from such property in question). Applicable Laws shall include applicable provisions of the Internal Revenue Code of 1986, as amended, with respect to tax-exempt entities.

“Business Day” means a day of the year that is not a Saturday, Sunday, holiday or a day on which commercial banks are not required or authorized to close in San Antonio, Texas.

“Casualty” means, with respect to the Leasehold Estate or Observatory, physical damage, physical destruction or other property casualty resulting from any fire or any other Force Majeure Event or other sudden, unexpected or unusual cause.

“Conservancy Personal Property” means any and all Conservancy movable equipment, furniture, fixtures and other tangible personal property that are owned by Conservancy as of the Commencement Date or otherwise purchased as part of the development costs of the Observatory.

“Commencement Date” means the date both Parties have signed this Agreement and that the possession of the Leasehold Estate has been tendered to EAA by Conservancy.

“EAA Personal Property” means any and all movable equipment, furniture, fixtures and other tangible personal property that are owned by EAA and located on or within the Leasehold Estate (including trade fixtures, but not other fixtures) and can be removed from the Observatory without material damage thereto.

“Environmental Event” means the occurrence of any of the following: (i) any noncompliance with an Environmental Law; (ii) an environmental condition requiring responsive action, including an environmental condition at the Leasehold Estate caused by a third party; (iii) any event on, at or from the Leasehold Estate or related to the operation thereof of such a nature as to require reporting to applicable Governmental Authorities under any Environmental Law; (iv) an emergency environmental condition; or (v) the existence or discovery of any spill, discharge, leakage, pumpage, drainage, pourage, interment, emission, emptying, injecting, escaping, dumping, disposing, migration or other release or any kind of Hazardous Materials on, at or from

the Leasehold Estate which may cause a threat or actual injury to human health, the environment, plant or animal life.

“Environmental Law(s)” means any applicable Federal, state or local statute, law (including common law tort law, common law nuisance law and common law in general), rule, regulation, ordinance, code, permit, concession, grant, franchise, license, policy or rule of common law now in effect or adopted in the future, and in each case as may be amended or replaced, and any judicial or administrative interpretation thereof (including any judicial or administrative order, consent decree or judgment) relating to (i) the environment, health, safety or Hazardous Materials, (ii) the storage, handling, emission, discharge, release and use of chemicals and other Hazardous Materials, (iii) the generation, processing, treatment, storage, transport, disposal, investigation, remediation or other management of waste materials of any kind, and (iv) the protection of environmentally sensitive areas, including the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §§ 9601 et seq.; the Hazardous Materials Transportation Act, as amended, 49 U.S.C. §§ 5101 et seq.; the Resource Conservation and Recovery Act, as amended, 42 U.S.C. §§ 6901 et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. §§ 1251 et seq.; the Toxic Substances Control Act, 15 U.S.C. §§ 2601 et seq.; the Clean Air Act, 42 U.S.C. §§ 7401 et seq.; the Safe Drinking Water Act, 42 U.S.C. §§ 300f et seq.; the Endangered Species Act, as amended, 16 U.S.C. §§ 1531 et seq.; the Texas Solid Waste Disposal Act, Tex. Health & Safety Code Ann. Ch. 361 (Vernon 1990); the Texas Clean Air Act, Tex. Health & Safety Code Ann. Ch. 382 (Vernon 1990); the Texas Water Code, Tex. Water Code Ann. (Vernon 1988 and Supp. 1990); the Texas Hazardous Substances Spill Prevention and Control Act, Tex. Water Code Ann. (Vernon 1988 and Supp. 1990); the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. §§ 136 et. seq.; and the Emergency Preparedness and Response Community Right-to-Know Act, 42 U.S.C. § 11001.

“Force Majeure Event” means any act that (a) materially and adversely affects the affected Party’s ability to perform the relevant obligations under this Agreement or delays such affected Party’s ability to do so, (b) is beyond the reasonable control of the affected Party, and (c) is not due to the affected Party’s fault or negligence. Subject to the satisfaction of the conditions set forth in (a) through (c) above, a Force Majeure Event shall include: (i) natural phenomena, such as storms, floods, lightning and earthquakes; (ii) wars, civil disturbances, revolts, insurrections, terrorism, sabotage and threats of sabotage or terrorism; (iii) transportation disasters, whether by ocean, rail, land or air; (iv) strikes, lockouts or other labor disputes; (v) fires; (vi) actions or omissions of a Governmental Authority (including the actions of EAA in its capacity as a Governmental Authority) that were not voluntarily induced or promoted by the affected Party, or brought about by the breach of its obligations under this Agreement or any Applicable Law; (vii) title disputes; and (viii) third party litigation; *provided, however*, that under no circumstances shall a Force Majeure Event include economic hardship.

“Governmental Authority” means any Federal, state, local or foreign governmental entity, authority or agency, court, tribunal, regulatory commission or other body, whether legislative, judicial or executive (or a combination or permutation thereof), including a local government corporation.

“Governmental Function” means any regulatory, legislative, permitting, zoning, enforcement (including police power), licensing or other functions which EAA is authorized or

required to perform in its capacity as a Governmental Authority in accordance with Applicable Laws including ownership or lease of facilities by EAA and serving a public purpose.

“Hazardous Materials” means (a) any petroleum or petroleum products, metals, gases, chemical compounds, radioactive materials, asbestos, urea formaldehyde foam insulation, transformers or other equipment that contain dielectric fluid containing polychlorinated biphenyls, lead paint, putrescible and infectious materials, and radon gas; (b) any chemicals or substances defined as or included in the definition of “hazardous substances”, “hazardous wastes”, “hazardous materials”, “extremely hazardous wastes”, “restricted hazardous wastes”, “toxic substances”, “toxic pollutants”, “contaminants” or “pollutants”, or words of similar import, under any applicable Environmental Law; and (c) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any applicable Environmental Law or Governmental Authority or which is regulated because of its adverse effect or potential adverse effect on health and the environment, including soil and construction debris that may contain any of the materials described in this definition.

“Lease Expiration Date” means the date of termination of this Agreement at the conclusion of the Term or sooner pursuant to any applicable provision hereof.

“Real Property” has the meaning given to that term in the Recitals. In addition to the description of real property attached hereto as Exhibit A, the term “Real Property” shall also include any additional real property interests acquired by Conservancy and on, over or under which, or pursuant to, the Observatory is constructed.

“Routine Maintenance” means all work (including all labor, supplies, materials and equipment) that is of a routine nature and is reasonably necessary for the cleaning and routine care of and preventative maintenance and repair for any property, structures, surfaces, facilities, fixtures, equipment, furnishings, improvements and components that form any part of the Observatory.

EXHIBIT A
LEGAL DESCRIPTION



Surveying Since 1885

208 Washington Street, Suite 100, San Antonio, Texas 78207
(210) 481-6677 medinavalley.com paul@mv.com
TSTX is Prop. 136229

METES AND BOUNDS DESCRIPTION OF

51.76 acres of land, being the 51.788 acres described in Document # 20060122813, out of the E. Martin Survey 89, Abstract 524, Bexar County, Texas, and being more particularly described as follows:

BEGINNING at a found nail in asphalt, the northeast corner of this tract, the northwest corner of a 3.2153 acre tract described in Document # 20180180673 of the Official Public Records, on the south line of the remaining portion of a 785.4 acre tract described in Volume 8878 on Page 1882 of the Official Public Records;

THENCE the following five courses with the west line of the 3.2153 acre tract, the east line of this tract, and generally following a wire fence:

1. S 33°06'25" W 313.77 feet (record: 231°11'25"W 313.73 feet) to a found #3 rebar;
2. S 34°04'06" W 311.93 feet (record: 532°04'37"W 309.82 feet) to a found #4 rebar;
3. S 02°11'23"W 193.27 feet (record: 500°54'22"W 194.93 feet) to a found #4 rebar;
4. S 36°09'49" W 188.61 feet (record: 534°17'42"W 188.49 feet) to a found #4 rebar;
5. S 10°53'04" W 205.60 feet (record: 502°10'37"W 205.34 feet) to a 4-inch steel fence corner post, the southeast corner of this tract and the northeast corner of a 30.009 acre tract described in Document # 20170248526 of the Official Public Records.

THENCE N 50°46'59" W 2394.02 feet (record: N 50°38'30"W 2354.64 feet) departing from the 3.2153 acre tract and with the north line of the 30.009 acre tract, generally following a wire fence, to a found #4 rebar, the north corner of the 30.009 acre tract, and the southwest corner of this tract, on the east line of a 264.28 acre tract described in Document # 20130257707;

THENCE N 03°53'09" W 1043.52 feet (record: N 03°30'43"W 1051.29 feet) with the east line of the 264.28 acre tract, passing the northeast corner of the 264.28 acre tract, the southeast corner of the remaining portion of a 1394.189 acre tract described in Volume 5792 on Page 1701 of the Official Public Records, and continuing on the same course to a steel pipe fence corner post, the north corner of this tract, the northeast corner of the remaining portion of a 1394.189 acre tract, and on the south line of the remaining portion of a 785.4 acre tract;

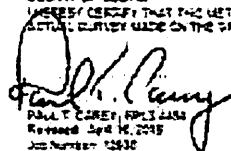
THENCE S 49°20'32" E 1273.01 feet (record: S 51°00'57"E 1276.84 feet) with the south line of the remaining portion of a 785.4 acre tract, generally following a wire fence, to a found #4 rebar at the base of a 30-inch Live Oak, a deflection point on the north line of this tract;

THENCE S 65°40'15" E 1606.30 feet (record: S 67°33'47"E 1605.88 feet) with the south line of the remaining portion of a 785.4 acre tract, generally following a wire fence to the POINT OF BEGINNING, containing 51.76 acres of land.

For all courses, refer to Volume 20060122813 in the Official Public Records, which also show ACRES, Bearings and Distances by Survey of One Acre, according to the Texas Chainmen System, each course, line, and 1/4 section and surrounding 1/4 section.

STATE OF TEXAS
COUNTY OF MEDINA

HEREBY CERTIFY THAT THE METES AND BOUNDS DESCRIPTION WAS PREPARED FROM AN ACTUAL SURVEY MADE ON THE GROUND UNDER MY SUPERVISION MARCH 22, 2019 - APRIL 12, 2019.


PAUL T. CARNEY, FRLS 4434
Received April 14, 2019
JUL 14 2019



Surveying & Mapping Since 1995

304 Washington Street, Dallas, Texas 75201
817.525.7427 • Fax: 817.525.7428 • Email: info@medinavalley.com
TREC# 000163288

METES AND BOUNDS DESCRIPTION OF

99.85 acres of land, being the 99.900 acres described in Document #20050260367 of the Official Public Records of Bexar County, being approximately 60 acres out of the E. Martin Survey 89, Abstract 524, 11 acres out of the James Hamilton Survey 90, Abstract 344, and 29 acres out of the Cirasco Combs Survey 500, Abstract 158 (Bexar County) Bexar County and Comal County, Texas, and being more particularly described as follows:

BEGINNING at a found #4 rebar, an easterly corner of this tract, the northwest corner of Lot 28, Hidden Oaks Estates, Unit 1, recorded in Volume 9528 on Page 178 of the Plat Records, the northeast corner of Lot 71, Century Oaks Estates, Unit 1, recorded in Volume 9543 on Page 309 of the Plat Records, and the south corner of the remaining portion of 13.334 acre tract described in Volume 14459 on Page 1037 of the Official Public Record on the top of a cliff formed by the south bank of the Cibola Creek,

THENCE S 79°00'47" W 895.83 feet (record S 77°25'00" W 896.03 feet) along the top of the cliff, at 649 feet, passing a found #3 rebar, the northwest corner of Lot 71, the northeast corner of Lot 70, Century Oaks Estates, and continuing on the same course to a found #3 rebar, a deflection point on this tract;

THENCE S 87°44'09" W 366.40 feet (record S 86°03'48" W 366.56 feet) with the north line of Lot 70, to a found #4 rebar in a wire fence, a re-entrant corner of this tract;

THENCE S 13°49'43" W 157.17 feet (record S 12°05'03" W 157.71 feet) with the west line of Lot 70, and generally following a wire fence, to a found #4 rebar, an interior corner of this tract;

THENCE S 22°49'04" E 947.93 feet (record S 24°24'32" E 948.22 feet) passing Lots 69 through 67, Century Oaks Estates, and generally following a wire fence, to a found #4 rebar, the southwest corner of Lot 66 and a deflection point on the east line of this tract;

THENCE S 08°44'54" E 99.88 feet (record S 0°16'45" E 99.29 feet) to a found #4 rebar, the southwest corner of Lot 65, Century Oaks Estates, and the southeast corner of this tract on the north line of 75-foot Electric and Gas Distribution Easement, Century Oaks Estates, Unit 1;

THENCE N 65°47'58" W 1696.16 feet (record N 67°24'26" W 1696.06 feet) with the north line of the 75-foot Electric and Gas Distribution Easement and generally following a wire fence, to a found #4 rebar, the western terminus of the 75-foot Electric and Gas Distribution Easement, the northeast corner of a 19.520 acre tract described in Document #20000182979 of the Official Public Records, and deflection point on the south line of this tract;

THENCE N 65°42'11" W 760.34 feet (record N 67°17'12" W 760.00 feet) with the north line of the 19.520 acre tract, at 749 feet, passing a found #4 rebar, the north corner of the 19.520 acre tract and the northeast corner of a 3.2753 acre tract described in Document #20180180672, and continuing on the same course to a set #4 rebar, the west corner of this tract, the southeast corner of the remaining portion of a 785.4 acre tract described in Volume 8878 on Page 1882 of the Official Public Records, on the north line of the 3.2553 acre tract;

THENCE N 24°25'12" E 249.93 feet (record N 22°42'48" E 250.00 feet) with the east line of the 785.4 acre tract to a found #4 rebar, a deflection point on the west line of this tract;

THENCE N 08°50'56" E 1576.84 feet (record N 07°14'48" E 1577.45 feet) generally following a wire fence, to an 8-inch cedar corner fence post, a re-entrant corner of the 785.4 acre tract, and the northwest corner of this tract;

THENCE N 73°46'55" E 1149.69 feet (record N 78°14'31" E 1150.73 feet) with the south line of the 785.4 acre tract and generally following a wire fence, at 624 feet, passing a 16 foot gate, and continuing on the same course to the north face of a bedrock knob in the center of the Cibola Creek, a southeast corner of the

785.4 acre tract, northeast corner of this tract on the west line of a 1244.5 acre tract described in Document 201006039520 of the Official Public Records of Comal County and Document 20110202399 of the Official Public Records of Bexar County.

THENCE S 10°09'25" E 1411.97 feet (record S184523E 1411.97 feet) with the west line of the 1244.5 acre tract and down the center of the Cibola Creek to a point in the center of the channel, the downstream southline of the Joseph Thompson Survey 752, Abstract 634 and north line of the James Hamilton Survey 90, Abstract 344 and a reentrant corner of this tract and approximately 160 feet north of the intruding upper southwest corner of the 1244.5 acre tract.

THENCE N 27°57'34" E 1394.63 feet (record N06°0131E 1394.63 feet) with the north line of Survey 90 to a set AS BEAR, an upper east corner to this tract, the north corner to the remaining portion of a 1333.4 acre tract, from which the intruding south line of the 1244.5 acre tract bears S 05°35'27" E 90.74 feet.

THENCE S 05°35'27" E 374.82 feet (record S07°1130E 374.82 feet) with the west line of the remaining portion of a 1333.4 acre tract crossing Cibola Creek, and ascending a high cliff, to the POINT OF BEGINNING containing 95.95 acres of land.

Record number refers to volume 201006039520 of the Official Public Records of Comal County and Document 20110202399 of the Official Public Records of Bexar County.
SHEETS AND SUBSHEETS are BASED ON GROUND SURVEYS by the Texas Coordinate System, North American Datum 1983, & Survey 20110202399 of the Official Public Records of Bexar County.

STATE OF TEXAS
COUNTY OF BEXAR
I HEREBY CERTIFY THAT THIS METES AND BOUNDS DESCRIPTION WAS PREPARED FROM AN
ACTUAL SURVEY MADE ON THE GROUND UNDER MY SUPERVISION MAY 22, 2019 - APRIL 12, 2019

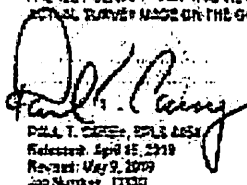

PAUL T. GREER, SULLS 0054
Registered: April 15, 2019
Revised: May 9, 2019
Job Number: 13330

EXHIBIT B

FORM OF MEMORANDUM OF LEASE

MEMORANDUM OF LEASE

THE STATE OF TEXAS §
 §
COUNTY OF BEXAR §

This MEMORANDUM OF LEASE (this “**Memorandum**”) is made to be effective as of the January ___, 2020, by and between the THE EDWARDS AQUIFER CONSERVANCY (“**Conservancy**”), and THE EDWARDS AQUIFER AUTHORITY (“**EAA**”). Conservancy and EAA are sometimes collectively referred to herein as the “**Parties**” and individually as a “**Party**”.

WHEREAS, Conservancy and EAA have entered into that certain Lease Agreement (the “**Lease**”) dated January ___, 2020, pursuant to which Conservancy has leased to EAA and EAA has leased from Conservancy the real property located in Bexar County, Texas described on Exhibit A attached hereto (the “**Property**”) pursuant to the terms and conditions of the Lease; and

WHEREAS, Conservancy and EAA desire to execute this Memorandum to provide notice of EAA’s rights, titles and interest under the Lease and in and to the Property.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

1. **Lease.** The Property has been leased to EAA pursuant to the terms and conditions of the Lease, which is incorporated herein by reference and deemed set forth herein in full. In the event of any conflict or inconsistency between this Memorandum and the Lease, the Lease shall control.

2. **Lease Term.** Conservancy has leased the Property to EAA for Term of 40 years commencing on January ___, 2020 and ending on December 31, 2059, unless the Lease is sooner terminated pursuant to any applicable provision thereof.

3. **Successors and Assigns.** This Memorandum and the Lease shall bind and inure to the benefit of the Parties and their respective successors and assigns, subject however, to the provisions of the Lease regarding assignment.

IN WITNESS WHEREOF, the Parties have executed this Memorandum as of the day and year first above written.

THE EDWARDS AQUIFER CONSERVANCY

By: _____
Name: Michael De La Garza
Title: Executive Director

THE EDWARDS AQUIFER AUTHORITY

By: _____
Name: Roland Ruiz
Title: General Manager

STATE OF TEXAS)
)
COUNTY OF BEXAR)

The foregoing instrument was acknowledged before me on January ___, 2020 by Michael De La Garza, Executive Director of The Edwards Aquifer Conservancy on behalf of said corporation.

WITNESS my hand and official seal.

Notary Public's Signature

STATE OF TEXAS)
)
COUNTY OF BEXAR)

The foregoing instrument was acknowledged before me on January ___, 2020 by Roland Ruiz, General Manager of The Edwards Aquifer Authority, on behalf of said entity.

WITNESS my hand and official seal.

Notary Public's Signature

APPROVED AS TO FORM:

Darcy Alan Frownfelter
General Counsel
Edwards Aquifer Authority
Edwards Aquifer Conservancy

EXHIBIT A
LEGAL DESCRIPTION



Surveying Texas Since 1845

200 Washington Street, Carrollton, Texas 75006
830.553.4427 medina.valley@medinavalley.com
VETSIA Fee 880038

METES AND BOUNDS DESCRIPTION OF

51.76 acres of land, being the 51.785 acres described in Document # 20060122813, out of the E. Martin Survey 69, Abstract 524, Bexar County, Texas, and being more particularly described as follows:

BEGINNING at a found nail in asphalt, the northeast corner of this tract, the northwest corner of a 3.2153 acre tract described in Document # 20180180673 of the Official Public Records, on the south line of the remaining portion of a 785.4 acre tract described in Volume 8879 on Page 1802 of the Official Public Records;

THENCE the following five courses with the west line of the 3.2153 acre tract, the east line of this tract, and generally following a wire fence:

1. S 33°06'25" W 313.77 feet (record: S31°11'25"W 313.78 feet to a found #3 rebar;
2. S34°04'06"W 311.93 feet (record: S31°04'37"W 309.82 feet to a found #4 rebar;
3. S02°11'29"W 193.27 feet (record: S00°54'22"W 194.83 feet to a found #4 rebar;
4. S 36°09'48" W 188.61 feet (record: S34°17'42"W 183.83 feet to a found #4 rebar;
5. S 10°53'04" W 205.60 feet (record: S09°01'37"W 205.24 feet to a 4-inch steel fence corner post, the southeast corner of this tract and the northeast corner of a 32.009 acre tract described in Document # 20170248826 of the Official Public Records.

THENCE N 50°46'59" W 2394.02 feet (record: N52°38'30"W 2394.84 feet) departing from the 3.2153 acre tract and with the north line of the 32.009 acre tract, generally following a wire fence, to a found #4 rebar, the north corner of the 32.009 acre tract, and the southwest corner of this tract, on the east line of a 264.28 acre tract described in Document # 20130257707;

THENCE N 03°53'09" W 1048.52 feet (record: N05°50'43"W 1051.29 feet) with the east line of the 264.28 acre tract, passing the northeast corner of the 264.28 acre tract, the southeast corner of the remaining portion of a 1394.189 acre tract described in Volume 5792 on Page 1701 of the Official Public Records, and continuing on the same course to a steel pipe fence corner post, the north corner of this tract, the northeast corner of the remaining portion of a 1394.189 acre tract, and on the south line of the remaining portion of a 785.4 acre tract;

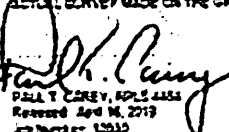
THENCE S 49°20'32" E 1273.01 feet (record: S51°07'57"E 1276.81 feet) with the south line of the remaining portion of a 785.4 acre tract, generally following a wire fence, to a found #4 rebar at the base of a 30-inch Live Oak, a deflection point on the north line of this tract;

THENCE S 65°40'15" E 1606.40 feet (record: S67°33'47"E 1605.83 feet) with the south line of the remaining portion of a 785.4 acre tract, generally following a wire fence to the POINT OF BEGINNING, containing 51.76 acres of land.

ALL COURSE CORNERS REFER TO VOLUME 20060122813 OF 3 OF THE OFFICIAL PUBLIC RECORDS, EXCEPT WHERE SHOWN OTHERWISE.
BEARINGS AND DISTANCES ARE BASED ON THE NORTH ACCORDING TO THE TEXAS COORDINATE SYSTEM, COAST COORDINATE ZONE, NAD 83, UTM
A SURVEY OF THE ACCURACY OF THE SURVEY.

STATE OF TEXAS
COUNTY OF BEXAR

I HEREBY CERTIFY THAT THIS METES AND BOUNDS DESCRIPTION WAS PREPARED FROM AN
ACTUAL SURVEY MADE ON THE GROUND UNDER MY SUPERVISION MARCH 22, 2019 - APRIL 12, 2019.


PAULA T. CAREY, S.D.L.S. 4434
Registered April 16, 2019
Job Number: 12030


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SURVEYS**

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704 Washington Street Carrollton, Texas 75006
(817) 552-0427 medinavalleysurveys.com
VOTED Best 100000

METES AND BOUNDS DESCRIPTION OF

99.85 acres of land, being the 99.900 acres described in Document #20060260267 of the Official Public Records of Bexar County, being approximately 60 acres out of the E. Martin Survey 89, Abstract 524, 11 acres out of the James Hamilton Survey 90, Abstract 344 and 29 acres out of the Curisco Contis Survey 500, Abstract 158 (Bexar County) Bexar County and Comal County, Texas, and being more particularly described as follows:

BEGINNING at a found #4 rebar, an easterly corner of this tract, the northwest corner of Lot 20, Hidden Oaks Estates, Unit 1, recorded in Volume 9523 on Page 178 of the Plat Records, the northeast corner of Lot 71, Century Oaks Estates, Unit 1, recorded in Volume 9543 on Page 109 of the Plat Records, and the south corner of the remaining portion of 13.334 acre tract described in Volume 14459 on Page 1037 of the Official Public Record on the top of a cliff formed by the south bank of the Cibola Creek,

THENCE S 79°00'47" W 895.83 feet (record S77°25'00"W 896.03 feet, along the top of the cliff, at 649 feet, passing a found #4 rebar, the northwest corner of Lot 71, the northeast corner of Lot 70, Century Oaks Estates, and continuing on the same course to a found #3 rebar, a deflection point on this tract:

THENCE S 87°44'09" W 366.40 feet (record S86°09'48"W 366.56 feet) with the north line of Lot 70, to a found #4 rebar in a wire fence, a re-entrant corner of this tract:

THENCE S 13°49'43" W 147.47 feet (record S12°05'09"W 147.71 feet) with the west line of Lot 70, and generally following a wire fence, to a found #4 rebar, an interior corner of this tract:

THENCE S 22°49'04" E 947.93 feet (record S24°24'32"E 940.22 feet) passing Lots 69 through 67, Century Oaks Estates, and generally following a wire fence, to a found #4 rebar, the southwest corner of Lot 66 and a deflection point on the east line of this tract:

THENCE S 03°41'54" E 99.88 feet (record S10°16'45"E 99.29 feet) to a found #4 rebar, the southwest corner of Lot 65, Century Oaks Estates, and the southeast corner of this tract on the north line of 75-foot Electric and Gas Distribution Easement, Century Oaks Estates, Unit 1:

THENCE N 65°47'58" W 1696.16 feet (record N67°24'25"W 1596.16 feet) with the north line of the 75-foot Electric and Gas Distribution Easement and generally following a wire fence, to a found #4 rebar, the western terminus of the 75-foot Electric and Gas Distribution Easement, the northeast corner of a 19.520 acre tract described in Document #20080182179 of the Official Public Records, and deflection point on the south line of this tract:

THENCE N 65°42'11" W 760.34 feet (record N67°17'12"W 760.00 feet) with the north line of the 19.520 acre tract, at 749 feet, passing a found #4 rebar, the north corner of the 19.520 acre tract and the northeast corner of a 3.253 acre tract described in Document #20180180673, and continuing on the same course to a found #4 rebar, the west corner of this tract the southeast corner of the remaining portion of a 785.4 acre tract described in Volume 8878 on Page 1882 of the Official Public Records, on the north line of the 3.253 acre tract:

THENCE N 24°25'12" E 249.93 feet (record N22°42'49"E 250.00 feet) with the east line of the 785.4 acre tract to a found #4 rebar, a deflection point on the west line of this tract:

THENCE N 03°50'56" E 1576.84 feet (record N07°12'40"E 1577.43 feet) generally following a wire fence, to an 8-inch cedar corner fence post, a re-entrant corner of the 785.4 acre tract, and the northeast corner of this tract:

THENCE N 79°46'59" E 1149.69 feet (record N76°14'31"E 1150.73 feet) with the south line of the 785.4 acre tract, and generally following a wire fence, at 624 feet, passing a 16 foot gaze, and continuing on the same course to the north face of a bedrock knoll in the center of the Cibola Creek, a southeast corner of the

785.4 acre tract northeast corner of this tract on the west line of a 1244.5 acre tract described in Document 201106039530 of the Official Public Records of Comal County and Document 2010262395 of the Official Public Records of Bexar County:

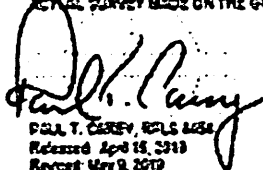
THENCE S 10°09'26" E 1411.97 feet (record 511°45'29"E 1411.97 feet) with the west line of the 1244.5 acre tract and down the center of the Cibola Creek to a point in the center of the channel, the ostensible southline of the Joseph Thompson Survey 758, Abstract 614 and north line of the James Hamilton Survey 90, Abstract 344 and a reentrant corner of this tract and approximately 180 feet north of the including upper southwest corner of the 1244.5 acre tract

THENCE N 87°37'34" E 1394.63 feet (record 1:55°07'31"E 1394.63 feet) with the north line of Survey 90 to a bearing, an upper east corner to this tract, the north corner to the remaining portion of a 13.334 acre tract from which the intruding south line of the 1244.5 acre tract bears S 05°35'27" E 90.74 feet

THENCE S 05°35'27" E 374.82 feet (record 507°11'30"E 374.82 feet) with the west line of the remaining portion of a 13.334 acre tract crossing Cibola Creek, and ascending a high cliff, to the POINT OF BEGINNING containing 99.85 acres of land.

Record courses refer to Volume 20020200202 of the Official Public Records of Comal County.
Bearings and Distances are based on Ordinance according to the Texas Coordinate System, State Plane Zone, NAD 1983
A survey was accompanied by a description.

STATE OF TEXAS
COUNTY OF MEDINA
I HEREBY CERTIFY THAT THIS METES AND BOUNDS DESCRIPTION WAS PREPARED FROM AN
ACTUAL SURVEY MADE ON THE GROUND UNDER MY SUPERVISION MARCH 22, 2019 - APRIL 12, 2019


PAUL T. CAREY, RPLS 4634
Released April 18, 2019
Revised May 9, 2019
Job Number 12200