

7.1R Hill Country Conservancy Trust

Within 180 days of the full execution of this Agreement, the City and CCLC will cause a trust to be formed under the name "Hill Country Conservancy Trust" to receive proceeds from assessments on certain commercial Landowners (as described below) to be used for (i) the acquisition and preservation of additional open space within or adjacent to the Edwards Aquifer Recharge Zone, as defined by the Austin City Code, (ii) regional watershed and habitat protection planning, (iii) environmental education programs and (iv) other purposes ancillary thereto (the "**Conservancy Trust**"). The Conservancy Trust will be governed by five trustees appointed as follows:

1. One trustee will be appointed by the City.
2. One trustee will be appointed by CCLC.
3. One trustee will be appointed by the Hill Country Conservancy, a Texas not for profit corporation.
4. One trustee will be appointed by the Barton Springs Edwards Aquifer Conservation District.
5. One trustee will be appointed by the Wildflower Center.

All areas of the Land that are developed for Office Use Category will be subject to a mandatory assessment (the "**HCCT Assessment**") administered by a commercial owners association (the "**Commercial Owners Association**") created pursuant to that certain Circle C Commercial Master Declaration of Covenants, Conditions, Restrictions and Easements recorded in Document No. _____ of the Real Property Records of Travis County, Texas, and in Document No. _____ of the Real Property Records of Hays County, Texas (the "**Commercial Properties Declaration**"). No Parcel may be developed or used for Office use unless the City has been provided evidence reasonably satisfactory to the City that (i) such Parcel has been made irrevocably and perpetually subject to the Commercial Properties Declaration through the filing of a Notice of Applicability (as defined in the Commercial Properties Declaration), (ii) such Parcel is included within a "Development Area" and within an "Assessment Unit" (as such terms are defined in the Commercial Properties Declaration), and (iii) the Commercial Owners Association is in existence.

The portions of the Land that are allocated Office Use Category Development Allocation from time to time will be subject to the HCCT Assessment pursuant to the terms of the Commercial Properties Declaration. The Commercial Properties Declaration includes the following terms with respect to the HCCT Assessments:

- i. The annual HCCT Assessment for all the Land will be (i) 25¢ per year per \$100.00 of building value used for Office, minus (ii) the Commercial Owners Association's costs for the relevant year incurred under the cost sharing agreement dated _____, 2002 between the Commercial Owners Association and the Circle C. Homeowners Association for street landscape maintenance, with the deduction for such costs not to exceed \$70,000.00 per year (with the \$70,000.00 maximum deduction being escalated by 3% per year).

- ii. The HCCT Assessment for a particular Parcel will be levied no earlier than six months after an Office use occupant has commenced occupation of the building on that Parcel.
- iii. There will be prorations for (i) buildings with mixed use (i.e., Office and Retail) based on the Development Allocations for the Parcel upon which such building is located, and (ii) assessments for partial years.
- iv. There is a lien to secure the payment of the HCCT Assessment obligation.
- v. The HCCT Assessments designated for funding the Conservancy Trust will be paid by the Commercial Owners Association to the Conservancy Trust within 10 days of collection.
- vi. The City and the Conservancy Trust will have the right to inspect and audit the Commercial Owners Association's books and records with respect to the HCCT Assessments.
- vii. The provisions of the Commercial Properties Declaration affecting the HCCT Assessments cannot be amended without the prior written consent of the City and the Conservancy Trust.

Any Landowner providing an Apportionment of Development Allocation or an Assignment of Development Allocation to the City under the terms of this Agreement in connection with the allocation or assignment of Office Use Category must at the same time provide a copy of that apportionment or assignment to the Commercial Owners Association and the Conservancy Trust. It will be the responsibility of that Landowner to determine the then current address of the Commercial Owners Association and the Conservancy Trust when providing that copy. The Conservancy Trust will file its current address for notices in the Real Property Records of Travis County, Texas.

The document creating the Conservancy Trust will provide that in all literature, brochures and other advertising, the Conservancy Trust will credit Commercial Owners Association with funding the acquisition and preservation of property for open space preservation and the funding of education programs.