

RATIFICATION OF TRANSFER OF
CATTLE OPERATION
RIVER MOUNTAIN RANCH

The RMRPOA Board of Directors has been advised that the Texas Water Brand Cattle Company (TWBCC) has transferred and conveyed its interests, including the assignment of all grazing leases, in the cattle operation in River Mountain Ranch to the River Mountain Ranch Cattle Company (RMRCC), effective 25 March 2010.

The RMRPOA Board hereby ratifies and affirms the transfer and conveyance of the cattle operation, including the assignment of all grazing leases, in River Mountain Ranch, to the River Mountain Ranch Cattle Company (RMRCC) pursuant to paragraph 14, Section A, Land Use, of the Declaration of Easement, Covenants, Conditions and Restrictions recorded in Volume 1187, page 451, et seq. of the Real Property Record of Hays County, Texas ("Restrictions"), subject to the terms and conditions of such leases and the Restrictions.

As further consideration for ratification, the RMRCC hereby agrees to the following Terms & Conditions as related to the cattle operation within River Mountain Ranch:

1. Individual Property Leases: The RMRCC agrees to oversee and secure appropriate leases with the individual property owners within River Mountain Ranch to allow for the grazing of cattle on an individual's property(s) or lot(s). The RMRPOA and its Board assume no responsibility in assisting to obtain, or in the management of, or handling of these leases.
2. Termination: In the event that the RMRCC no longer desires to run the cattle operation within River Mountain Ranch, then RMRCC will provide a minimum of 6 months notice of termination to the POA Board. Termination by the River Mountain Ranch POA can only be done under two circumstances: (i) The POA Board may terminate if it determines that RMRCC is in violation of the Terms & Conditions of the Restrictions or this Agreement, and following written notice to RMRCC of the specific violation, RMRCC fails to correct or rectify the violation within 45 days after the receipt of such written notice. The Board in such event may not act arbitrarily, and may to protect the interests of its members seek a vote of the membership prior to terminating the cattle operation, or, (ii) by a vote of two-thirds (2/3) of the POA membership to discontinue the cattle operation. In either case, the POA Board must provide a minimum of 6 months notice to RMRCC.
3. Fencing: RMRCC acknowledges that an individual River Mountain Ranch property owner, who does not desire to participate and lease their property for grazing rights, will be responsible for fencing their property under the provisions of paragraph 14, Section A, Land Use, of the Declaration of Easement, Covenants, Conditions and Restrictions recorded in Volume 1187, page 451, et seq. of the Real Property Record of Hays County, Texas ("Restrictions"). Neither the RMRPOA nor its Board have any

responsibility in enforcing the fencing of the property owned by a non-participating member.

4. Insurance: RMRCC agrees to carry a one million dollar liability insurance policy naming RMRW-POA as an additional insured. RMRCC further agrees to indemnify and hold the Board and members of RMRW-POA free and harmless from and against any and all claims, demands or causes of action that indirectly or directly affects the RMRW-POA in connection with the grazing of cattle within River Mountain Ranch and the ratification and approval by the Board of the cattle operation as provided herein.

5. Cattle Containment: RMRCC has agreed to improve and add sufficient fencing to contain the cattle within River Mountain Ranch. The RMRPOA and its Board assume no responsibility with regard to this fencing and the cost of such fencing shall be paid by RMRCC. In the event that RMRCC is terminated from running the cattle operation within RMR by a two-thirds (2/3) vote of the POA membership, the POA shall reimburse the cost of fencing installed by the RMRCC based upon a depreciated and/or negotiated value at the time of termination. The RMRPOA and RMRCC agree to work together in ensuring that all gates are kept closed. Additionally, the POA Board will encourage its membership to report any exterior fence breaches to RMRCC.

River Mountain Ranch Wimberley-
Property Owners Association

By: _____ original signed
President

By: _____ original signed
Director

By: _____ original signed
Director

By: _____ original signed
Director

River Mountain Ranch Cattle Company

By: _____ original signed
Manager

By: _____ original signed