

DECLARATION OF TRUST  
THE CONNEMARA CONSERVANCY FOUNDATION

Lee Schepps, Caren Prothro, Forrest Moore, Amy Monier, Otto Wetzel, Mary McDermott and Frances Williams, as Grantors, hereby assign, transfer and deliver to the trustees hereinafter designated, the sum of Ten and No/100 Dollars (\$10.00), which sum, together with any other property hereafter acquired by the trustees subject to the terms of this Trust, shall be held in trust subject to the following terms and conditions:

ARTICLE I.

The name of the Trust shall be "The Connemara Conservancy Foundation" and its initial address shall be 3712 Beverly Drive, Dallas, Texas, 75205.

ARTICLE II.

The purposes of this Foundation are to acquire, hold, arrange, maintain and open to the public, under suitable regulations, beautiful tracts of land within Texas, and acquire, hold, maintain and enforce such conservation and preservation restrictions, easements and other interests in land, water areas and structures as it deems appropriate and in the public interest, in the manner and to the extent permitted by applicable federal tax law, and to accomplish such other charitable, scientific and educational purposes as the trustees may determine in keeping with the intentions of the Grantors. However, the purposes of this Trust shall be limited to only those purposes which qualify under Section 501(c)(3) of the Internal Revenue Code of 1954, as amended. Notwithstanding any other provision hereof, this instrument shall be construed, and the funds and assets of the Trust shall be used and applied only for such purposes.

ARTICLE III

A. Trustees. Membership on the Board of Trustees of this Foundation shall consist of seven (7) members. All will have

equal voting authority. The original Board of Trustees shall consist of the seven (7) Grantors who shall serve until they resign or are removed. Successor trustees shall be appointed by the remaining trustees.

The persons serving as trustees of this Trust shall have the authority, by instrument in writing, to designate an additional person or persons to serve with them as a co-trustee, or co-trustees, of this Trust. There shall at all times be at least seven (7) trustees. In the event there is a vacancy in the number of trustees, the remaining then serving trustees shall select a successor trustee. [Any such appointment of an additional co-trustee or successor trustee shall be filed of record in the Deed Records of Dallas County, Texas.]

Any trustee may, by written instrument, resign his office. Any succeeding or additional trustee shall have the same powers, rights and duties as if originally appointed.

The one or more trustees, whether original or successor, for the time being in office, shall have full authority to act even though one or more vacancies may exist.

A majority of the trustees qualified and acting shall constitute a quorum. Unless indicated otherwise, a decision by a majority of trustees constituting a quorum shall be controlling.

B. Officers. The officers of the Board of Trustees shall consist of a President, Vice-President, Secretary, and Treasurer. The President, Vice-President, Secretary, and Treasurer shall be elected by majority vote for a one (1) year term at the first organizational meeting of the Board of Trustees, and thereafter at the first regular meeting of the Foundation's fiscal year.

The President shall preside at all meetings and carry out other usual duties of such office. The Vice-President shall preside in the absence of the President. The Secretary shall maintain full and accurate minutes of meetings. The Treasurer shall provide for an annual audit of all record books.

C. Meetings. Meetings of the Board of Trustees, regular or special, may be held either within or without this State. The Board of Trustees shall hold two regular meetings each year at a time designated by the President. There shall be as many called meetings as deemed necessary by the President of the Board of Trustees or a majority of the Board.

A quorum shall consist of a simple majority of the active membership of the Board of Trustees and said quorum will have authority to transact business in the name of the Foundation.

Trustees shall be notified in writing of both regular and called meetings at least ten (10) days in advance of such meetings. Notices of meetings shall be mailed by first class mail to the address of each trustee as such address is filed with the Secretary of the Board. The trustees may waive notice.

D. Functions and Transactions of Business. Trustees will serve without pay; however, they will be eligible for reimbursement for all actual expenses incurred in connection with Foundation meetings and/or transaction of other Foundation business.

The Foundation trustees will be responsible for (1) receiving gifts, grants, and donations for the purposes of the Foundation; (2) evaluating each gift in light of its potential value to the Foundation in keeping with the purpose for which the Foundation exists; (3) refusing gifts and grants which they feel cannot serve the purpose of the Foundation; (4) making suitable investments and use of the Foundation funds and properties; and (5) determining the amount of Foundation funds to be used and the specific purposes for such expenditures.

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E. Appointment of Corporate Trustee. The trustees of the Trust may delegate all or any portion of their powers and duties to a corporate trustee without personal liability or responsibility for acts performed by such fiduciary. Any such fiduciary shall, during the period in which such powers are delegated to

it, have the power to exercise all powers delegated without the joinder, consent or approval of the delegating trustees. The delegating trustees shall at all times retain the power to revoke the delegative powers and duties upon such notice as they may prescribe at the time of delegation. If a trustee shall delegate all or any portion of his powers or duties and shall thereafter fail or cease to serve as a trustee, then his successor in trust shall have the power to revoke such delegated powers and duties.

#### ARTICLE IV.

The trustees are authorized to make distributions for the purposes herein authorized in cash or in kind, out of the income or principal of the trust, to or for the use of such organizations, and in such amounts, as the trustees shall from time to time select and determine. In addition, the trustees may expend Trust funds and use and apply Trust properties directly for the purposes herein authorized, in such amounts and at such times as the trustees shall from time to time select and determine. No part of the net earnings of this Trust shall inure or be payable to or for the benefit of any private shareholder or individual, and no substantial part of the activities of this Trust shall be the carrying on of propaganda, or otherwise attempting to influence legislation. No part of the activities of this Trust shall be the participation or intervention in any political campaign on behalf of any candidate for public office, or in publishing or distributing statements for such purpose. Any net income not distributed as authorized above shall be accumulated by the trustees and added to the corpus of the Trust estate.

#### ARTICLE V.

The trustees may accept from any donor additional gifts of funds or property to, and as a part of, this Trust, if the terms and conditions of such gifts are not inconsistent with the provisions of this instrument, and, in the opinion of the trustees, will not jeopardize the federal income tax exemption of the Trust.

ARTICLE VI.

It is the intention of the Grantors to establish a permanent Trust for the purposes set forth and the Trust shall continue indefinitely except that:

A. By unanimous approval of the trustees then serving, the trustees may dissolve the trust in part or in whole by distributing all or a portion of the net assets of the Trust in the manner specified in Paragraph B below.

B. The Trust shall be dissolved by first making provision for the payment of any liabilities and claims of the Trust, and then distributing the remaining property, if any, then held in trust to the University of Texas Southwestern Medical School in Dallas, provided that it is then in existence and is then a qualified tax exempt organization described in Section 501(c)(3) of the Internal Revenue Code of 1954, or corresponding provision of any subsequent federal tax laws. If it is not so qualified, then all property then held in trust shall be distributed to one or more organizations selected by the trustees in keeping with the intentions of the Grantors, which are so qualified.

ARTICLE VII.

Unless otherwise specified herein, this Declaration of Trust may be amended at any time by unanimous action of the trustees; provided that no amendment shall authorize the trustees to conduct the affairs of this Trust in any manner or for any purpose contrary to the provisions of section 501(c)(3) of the Internal Revenue Code of 1954, as now in force or afterwards amended. In addition, no amendment shall authorize the commercial development of any real property owned by the Trust or any construction of a permanent nature which would destroy the open space, or aesthetic qualities for which such real property was accented by the trust. An amendment of the provisions of this Article VII shall be valid only if and to the extent that such amendment further restricts the amending power provided herein.

All instruments amending this Trust shall be noted upon or kept attached to the executed original of this Declaration of Trust held by the trustees.

#### ARTICLE VIII.

Notwithstanding any other provisions in this instrument to the contrary, the trustees shall make distributions at such time and in such manner as not to subject the Trust to tax under Section 4942 of the Internal Revenue Code. The Trust shall not engage in any act of self-dealing which would be subject to tax under Section 4941 of the Internal Revenue Code. The Trust shall not retain any excess business holdings as defined in Section 4943 of the Internal Revenue Code. The trustees shall not make any investments which would subject the Trust to tax under Section 4944 of the Internal Revenue Code. The Trust shall not make any taxable expenditures which would subject it to tax under Section 4945 of the Internal Revenue Code. All references to the Internal Revenue Code are with respect to the Internal Revenue Code of 1954, as amended, and corresponding provisions of any subsequent federal tax laws.

#### ARTICLE IX.

Article 7425(b) of the Revised Civil Statutes of the State of Texas, known as the Texas Trust Act (including also the provisions known as the Uniform Common Trust Fund Act), shall apply to this Trust and to its trustees as fully as though its provisions were written into this instrument except as otherwise provided herein. Should the laws of Texas pertaining to trusts, their administration and their trustees, be hereafter altered in any way, the provisions of this Trust shall be governed by such modifications, unless such change shall be inconsistent with the Grantors' intent as determined by the trustees, or with the requirements of Section 501(c)(3) of the Internal Revenue Code of 1954, as amended, in which event the subsequent change shall not apply, and the Trust shall be governed by the law as it existed prior to the change. Notwithstanding any other provision

of this Agreement, the Trust shall be managed in a manner consistent with Section 501(c)(3) of the Internal Revenue Code of 1954, as amended and the trustees shall have and may exercise only those powers which are consistent with the provisions of said Code Section and do not adversely affect the federal income tax exemption of this Trust. In extension and not in limitation of the common law and statutory powers of trustees and other powers granted in this Declaration of Trust and subject to limitations elsewhere set forth herein, the trustees shall have the following discretionary powers:

A. The trustees are authorized to retain without limitation as to time and to acquire any kind of investment or other properties as the trustees deem advisable, whether or not speculative in character, and whether or not income producing. Investments need not be diversified either as to nature or in amounts. The trustees shall not be restricted in their choice of investments to such investments as are permissible for fiduciaries under any present or future applicable law. Section 14 of the Texas Trust Act shall not apply to any trustee under this Trust.

B. No bond shall be required of any trustee, and Subsection 25-L of the Texas Trust Act shall not apply to any of them. Except as otherwise required by law, no trustee shall be held liable or accountable because of or in connection with any decision, act or omission on the part of any other trustee. Subject to the other provisions hereof, the trustees may continue to own and hold any business investment or interest in which a Grantor may be interested, whether proprietorship, partnership or corporation in form, and in connection therewith, may act as a proprietor or partner under such terms and conditions and with such partner or partners as the trustees deem advisable. The trustees shall have the power to delegate, without liability for doing so, any and all powers relating to the operation and management of any such partnership or proprietorship investment

to any partner or partners, manager, agent or employees. The trustees are also authorized, alone or in conjunction with any person or parties that they deem advisable, to form a corporation or corporations for the purpose of managing, operating or owning any properties at any time forming a part of the Trust estate and, in connection therewith, the trustees are authorized to convey and deliver to any corporation now or hereafter organized any property or properties at any time forming a part of the Trust estate, in consideration of capital stock or other securities, or instruments of indebtedness of such corporation, or any other consideration, or any combination thereof.

C. No person dealing with the trustees shall be obligated to see to the application of any money or property delivered to the trustees, or to inquire into the trustees' authority with regard to, or the propriety of, any transaction. The provisions of this paragraph shall not relieve the trustees from liability for any improper or unauthorized act, to the extent they would otherwise be liable therefor hereunder or by federal tax law.

D. The trustees shall have full authority to borrow money from any trustee or any other party, in such amounts, at such times, and on such terms and conditions as the trustees deem advisable. As security for such loans, the trustees may pledge, mortgage or assign any property of each Trust and execute and deliver such mortgages, deeds of trust and other forms of security instruments, and create such liens as the trustees consider necessary or appropriate therefor. No principal or income, however, shall be loaned, directly or indirectly, to any trustee or to anyone else, corporate or otherwise, who has at any time made a contribution to this Trust, nor to anyone except on the basis of an adequate interest charge and with adequate security.

E. Except as otherwise prohibited by the federal tax laws, the trustees are authorized to buy, sell, loan, lease, partition, divide in kind or otherwise to deal with any property belonging to the Trust from, to or with themselves individually



or acting in any other representative or fiduciary capacity, and the trustees shall not be precluded from entering into any sale, purchase, loan, lease, partition or other transaction affecting property belonging to the Trust by virtue of the fact that a party to the transaction is the trustee himself, a beneficiary of the Trust, a relative, employer, employee, partner or other business associate of the trustee or, in the case of a corporate trustee, is the trustee itself, an affiliate, director, officer or employee of such corporate trustee. In so acting, the trustees shall be individually accountable if they fail to use the same standard of care and fidelity which is required of the trustee in handling the Trust assets generally and in dealing with unrelated parties. Sections 10, 12 and 13 of the Texas Trust Act, insofar as they are inconsistent with the foregoing, shall not apply to any Trust.

F. In no event shall any trustee or other person sell, purchase, exchange, or otherwise deal with or dispose of the corpus or the income of the Trust for less than an adequate consideration in money or money's worth, except in making the distributions to the Trust beneficiaries authorized herein. No trustee shall borrow corpus or income of any Trust directly or indirectly without adequate interest and security. All powers conferred herein upon the trustees or otherwise possessed by them after the execution hereof with respect to the administration of the Trust and the distributions to be made to the beneficiaries shall be held by them in a fiduciary capacity, and they shall be fully accountable with respect to the exercise and nonexercise thereof accordingly.

G. If a corporate fiduciary should serve as trustee hereunder, it shall be succeeded by its successors, whether constituted such by reason of reorganization, recapitalization, consolidation, merger or otherwise. Any corporate trustee shall be entitled to compensation for its services as provided in such

fiduciary's Standard Compensation Schedule in effect at the time of performance of its services.

H. The Grantors authorize and empower, but do not direct, the trustees to form a corporation, to be known as The Connemara Conservancy Foundation, Inc., to carry out the purposes and exercise the powers provided by this Agreement. The provisions of this Trust shall be set forth in the documents of incorporation, except insofar as precluded by corporate form. Upon the organization of such corporation, the trustees are authorized and empowered to transfer to the corporation all property and income held by the Trust. Any such corporation shall be organized and operated in a manner consistent with Section 501(c)(3) of the Internal Revenue Code of 1954.

#### ARTICLE X.

Except as specifically set out in Article VII, the Grantors hereby waive and release all powers to revoke this Trust, and all powers to alter or amend this instrument and the terms of the Trust established herein, and the provisions of Section 41 of the Texas Trust Act shall not apply to this Trust.

#### ARTICLE XI.

This Declaration of Trust and the Trust hereby created shall be construed, regulated, and administered under the laws of the State of Texas, except insofar as such laws are superseded by applicable federal law or except as otherwise provided herein.

#### ARTICLE XII.

The use in this instrument of the masculine, feminine or neuter genders shall be interpreted to include the other genders, and the use of either the singular or the plural number shall be interpreted to include the other number, unless such an interpretation in a particular case is inconsistent with the general tenor of this instrument.

EXECUTED, delivered and accepted subject to the terms and conditions set forth above on this 20th day of November, 1981, 1981.

GRANTORS:

Lee Schepps  
Lee Schepps, Grantor

Caren Prothro  
Caren Prothro, Grantor

Forrest Moore  
Forrest Moore, Grantor

Amy Monier  
Amy Monier, Grantor

Otto W. Wetzell  
Otto Wetzell, Grantor

Mary McDermott  
Mary McDermott, Grantor

Frances Williams  
Frances Williams, Grantor

ACCEPTED:

TRUSTEES:

Lee Schepps  
Lee Schepps, Trustee

Caren Prothro  
Caren Prothro, Trustee

Forrest Moore  
Forrest Moore, Trustee

Amy Monier  
Amy Monier, Trustee

Otto H. Wetzel  
Otto Wetzel, Trustee

Mary McDermott  
Mary McDermott, Trustee

Frances Williams  
Frances Williams, Trustee

THE STATE OF TEXAS            §  
COUNTY OF   Dallas             §

BEFORE ME, the undersigned authority, on this day personally appeared Lee Schepps, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and considerations therein expressed, individually and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 20th day of November, 1981.

Alice Titsworth *Alice Titsworth*  
Notary Public, State of Texas  
My Commission Expires: 1/30/85

THE STATE OF TEXAS            §  
COUNTY OF   Dallas             §

BEFORE ME, the undersigned authority, on this day personally appeared Caren Prothro, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and considerations therein expressed, individually and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 20th day of November, 1981.

Alice Titsworth *Alice Titsworth*  
Notary Public, State of Texas  
My Commission Expires: 1/30/85

THE STATE OF TEXAS            §  
COUNTY OF   Dallas             §

BEFORE ME, the undersigned authority, on this day personally appeared Forrest Moore, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and considerations therein expressed, individually and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 20th day of November, 1981.

Alice Titsworth *Alice Titsworth*  
Notary Public, State of Texas  
My Commission Expires: 1/30/85

THE STATE OF Maryland        §  
COUNTY OF Baltimore        §

BEFORE ME, the undersigned authority, on this day personally appeared Amy Monier, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and considerations therein expressed, individually and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 23<sup>rd</sup> day of November, 1981.

[Signature]  
Notary Public, State of Maryland  
My Commission Expires: 7/1/82

THE STATE OF TEXAS        §  
COUNTY OF Dallas        §

BEFORE ME, the undersigned authority, on this day personally appeared Otto Wetzel, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and considerations therein expressed, individually and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 20th day of November, 1981.

Alice Titsworth [Signature]  
Notary Public, State of Texas  
My Commission Expires: 1/30/85

THE STATE OF TEXAS        §  
COUNTY OF Dallas        §

BEFORE ME, the undersigned authority, on this day personally appeared ~~Mary McDermott, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me~~ that she executed the same for the purposes and considerations therein expressed, individually and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 20th day of November, 1981.

Alice Titsworth [Signature]  
Notary Public, State of Texas  
My Commission Expires: 1/30/85

THE STATE OF TEXAS                    §  
COUNTY OF Dallas                    §

BEFORE ME, the undersigned authority, on this day personally appeared Frances Williams, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and considerations therein expressed, individually and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 20th day of November, 1981.

Alice Titsworth *Alice Titsworth*  
Notary Public, State of Texas

My Commission Expires: 1/30/85

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