ASSIGNMENT

Hays Reunion Ranch, L.P., Texas limited partnership ("Assignor"), for good and valuable consideration, receipt of which is hereby acknowledged, by means of this instrument grants and conveys to Reunion Ranch Water Control and Improvement District ("Assignee") all right, title and interest now owned by Assignor in that certain Water Services Agreement between Lower Colorado River Authority and Assignor, with effective date March 31, 2003, a copy of which is attached hereto.

This Assignment, and all of its terms and conditions, are binding on Assignor and its successors and assigns, and on Assignee and its successors and assigns.

SIGNED this 28th day of August, 2006.

HAYS REUNION RANCH, L.P.

By: Hays Reunion Ranch GP, LLC,
General Partner

By: ______________________
Frank P. Krasovec, Manager

ACCEPTANCE

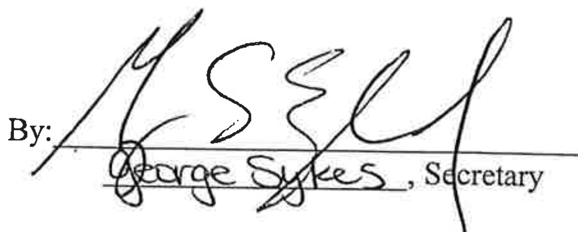
Reunion Ranch Water Control and Improvement District ("Assignee") in consideration of the interests assigned to it in the above assignment, accepts all of the right, title and interest in the rights and obligations of Hays Reunion Ranch, L.P. pursuant to the above-described contract. Assignee agrees to assume and perform all of the duties of Hays Reunion Ranch, L.P. pursuant to that contract. Assignee further agrees to indemnify and hold harmless Hays Reunion Ranch, L.P. for any liability for performance or nonperformance of the duties and obligations assumed by it hereby.

SIGNED this 28th day of August, 2006.

REUNION RANCH WATER CONTROL AND IMPROVEMENT DISTRICT

By: ______________________
Vince Terracina, President

ATTEST:



By: ______________________
George Sykes, Secretary

[SEAL]

1\ReunionRanch\assignment
8/21/06

WATER SERVICES AGREEMENT
BETWEEN
LOWER COLORADO RIVER AUTHORITY AND
HAYS REUNION RANCH, L.P.

THIS WATER SERVICES AGREEMENT (this "Agreement") is made and entered into by and between LOWER COLORADO RIVER AUTHORITY, a conservation and reclamation district and a political subdivision of the State of Texas ("LCRA") and Hays Reunion Ranch, L.P., a Texas limited partnership ("Landowner").

RECITALS

1. LCRA owns and operates a regional water supply system consisting of a raw water intake and pumping system, a raw water transmission main, the Uplands water treatment plant, treated water storage facilities and treated water transmission and distribution facilities which have been designed to serve the needs of its customers in northern Hays County (collectively, the "LCRA System").

2. Landowner and LCRA have also entered, or intend to enter, into a raw water contract (the "Raw Water Contract") pursuant to which LCRA will make available raw water to Landowner for treatment by LCRA and subsequent delivery to meet the needs of Landowner.

3. Landowner and LCRA now desire to enter into this Agreement pursuant to which LCRA will agree to provide certain water services to Landowner from the LCRA System.

4. Landowner intends to construct and operate a water distribution system (the "Retail System"), and Landowner desires to obtain a supply of treated water to provide service to the Retail Service Area as defined below ("Water Services") from LCRA.

5. Landowner has identified the area described and/or depicted in **Exhibit A** as the area in which Landowner, or its assigns, will initially make arrangements to provide retail service with the water received pursuant to this Agreement (the "Retail Service Area"). Prior to the sale of water to any retail customers in the Retail Service Area, Landowner intends to assign this Agreement in whole or part to one or more municipal utility districts, water control improvement districts or other legally qualified, retail service providers.

6. Landowner shall be responsible for the payment of all costs for construction of improvements to the Retail System (collectively, the "Improvements") required to receive the water delivered by LCRA to Landowner under this Agreement and to supply potable water service to the customers within the Retail Service Area.

7. Subject to compliance with the provisions of this Agreement by all parties, and to the extent indicated, LCRA's System will be capable of providing Water Services to Landowner, and LCRA agrees to expand and improve the LCRA System in order to continue to provide adequate Water Services to Landowner under this Agreement and to the other customers of the LCRA System under other agreements, with all costs of the LCRA System (the "Costs of the System") to be recovered through the rates and charges of LCRA to the customers of the LCRA System.

8. LCRA and Landowner now wish to execute this Agreement to evidence henceforth the agreements of LCRA to provide Water Services to Landowner under the conditions described in this Agreement.

AGREEMENTS

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, LCRA and Landowner agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01 Definitions of Terms. As used in this Agreement, except as otherwise provided, the following terms have the meanings ascribed in this section.

"Agreement" means this agreement.

"Contract Year" means the period beginning on April 1 of a year, following the effective date of this Agreement, and ending on March 31 of the subsequent year.

"Connection Fee" means the charge described in Section 4.01.a. of this Agreement.

"Costs of the System" means all of LCRA's reasonable and necessary costs of acquiring, constructing, developing, permitting, implementing, expanding, improving, enlarging, bettering, extending, replacing, repairing, maintaining and operating the LCRA System, including, without limiting the generality of the foregoing, the costs of reasonable water losses within the LCRA System as well as the costs of property, interests in property, capitalized interest, land, easements and rights-of-way, damages to land and property, leases, facilities, equipment, machinery, pumps, pipes, tanks, valves, fittings, mechanical devices, office equipment, assets, contract rights, wages and salaries, employee benefits, chemicals, stores, material, supplies, power, supervision, engineering, testing, auditing, franchises, charges, assessments, claims, insurance, engineering, financing, consultants, administrative expenses, auditing expenses, legal expenses and other similar or dissimilar expenses and costs required for the LCRA System. The Costs of the System shall include reasonable amounts for an operation and maintenance reserve fund, debt service reserve fund, required coverage of debt service, working capital and appropriate general and administrative costs. Because LCRA is providing wholesale Water Services to Landowner and retail potable water service to other customers from the System, the term "Costs of the

System" shall not include any costs properly attributed to provision of retail potable water service by LCRA from the LCRA System, such as costs of retail distribution lines, retail meters and taps, individual retail customer service lines, retail billing costs or any other similar costs that properly and reasonably are allocable to the retail distribution of water.

"Delivery Point(s)" means the point(s) at which LCRA is obligated to deliver treated water to Landowner under this Agreement.

"District" means any existing or future municipal utility water control and improvement or other special district within all or any part of the Retail Service Area. Landowner may create one or more Districts.

"Emergency" means a sudden unexpected happening; an unforeseen occurrence or condition; exigency; pressing necessity; or a relatively permanent condition or insufficiency of service or of facilities resulting from causes outside of the reasonable control of LCRA. The term includes Force Majeure and acts of third parties which cause the LCRA System to be unable to provide the Water Services agreed to be provided herein.

"Force Majeure" means acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, orders of any kind of any governmental entity other than LCRA or any civil or military authority, acts, orders or delays thereof of any regulatory authorities with jurisdiction over the parties, insurrections, riots, acts of terrorism, epidemics, landslides, lightning, earthquakes, fires, hurricanes, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, or any other conditions which are not within the control of a party.

"Improvements" means the installation of the tap and meter at the Delivery Point, any valves, pressure reducing devices, distribution and service lines, all as described in **Exhibit B** or as otherwise designed by Landowner to serve the Retail Service Area and required to serve the Retail Service Area, but does not include any facilities on LCRA's side of the Delivery Point.

"LCRA" means Lower Colorado River Authority.

"LCRA Service Area" means the Bee Cave District and the Dripping Springs District of the LCRA's West Travis County Regional System, as depicted in **Exhibit C** hereto, together with such other service areas contiguous thereto as may be added by LCRA in the future.

"LCRA System" means the facilities owned and operated by LCRA as described in Recital No. 1 above together with all extensions, expansions, improvements, enlargements, betterments and replacements to provide water or Water Services to LCRA's customers in the LCRA Service Area. The LCRA System does not include any facilities on Landowner's side of the Delivery Point(s).

"LUE" means an amount of Water Services sufficient for one living unit equivalent as defined from time to time in LCRA's tariff applicable to LCRA's retail service customers.

"MOU" means the Memorandum of Understanding between the U.S. Department of the Interior Fish and Wildlife Service and the Lower Colorado River Authority for the Purpose of Providing Surface Water for Residents in Western Travis and Northern Hays Counties, dated May 24, 2000, as now or hereafter amended; provided, however any future amendments shall not affect the obligations of the parties under this Agreement for service within the Retail Service Area unless said amendments are previously approved by Landowner.

"Meter(s)" means the meter(s) that shall be installed by Landowner at the point(s) at which the LCRA System connects to the Retail System.

"Monthly Charge" means the charge described in Section 4.01.b. of this Agreement.

"Plan" means the LCRA Utilities Water Conservation and Drought Contingency Plan as adopted in August 2000 and as hereafter amended.

"Raw Water Contract" means the raw water contract between Landowner and Lower Colorado River Authority. In the event Landowner and LCRA have not executed the Raw Water Contract at the time this Agreement is executed, the parties agree to use good faith efforts to execute the Raw Water Contract within thirty (30) days of the effective date of this Agreement.

"Reservation Fee" means a fee of One Hundred and Sixty Dollars ($160.00) per Reserved LUE. The Reservation Fee relates to the reservation for Landowner of a portion of the limited capacity in the LCRA's System capable of serving northern Hays County. Landowner acknowledges and agrees that this Reservation Fee is separate and apart from, and in addition to, any reservation fees that may be due under Landowner's Raw Water Contract.

"Reservation Period" means a period of time beginning at the effective date of this Agreement, being March 31, 2003 and ending at 12:01 a.m. on April 1, 2013.

"Reserved LUEs" means the number of 480 LUEs; provided, however, that said number shall be reduced from time to time as provided herein.

"Retail Service Area" means the area described on **Exhibit A**. Landowner may amend the Retail Service Area from time to time, subject to the provisions of this Agreement, by providing written notice to LCRA.

"Retail System" means Landowner's water distribution and delivery system in the Retail Service Area, including those facilities on Landowner's side of the Delivery Point(s). The Retail System does not include any facilities on LCRA's side of the Delivery Point.

"Volume Rate" means the charge described in Section 4.01.c. of this Agreement.

"Water Services" means the diversion of raw water from Lake Austin; the transmission of the raw water to a place or places of treatment; the treatment of the water into potable form; and the transmission of the potable water to Landowner at the Delivery Point(s).

Section 1.02 Captions. The captions appearing at the first of each numbered section or paragraph in this Agreement are inserted and included solely for convenience and shall never be considered or given any effect in construing this Agreement.

Section 1.03 Water Services. LCRA agrees to provide Water Services to Landowner under this Agreement all as hereafter specified. LCRA shall provide Water Services, and Landowner, or its assigns, shall provide retail service based on the Water Services, in a manner that complies with the MOU.

ARTICLE II
METERING; ESTIMATING WATER DELIVERIES

Section 2.01 Water Meter(s). Landowner shall install a Meter(s) at or near the Delivery Point(s) of the LCRA System with the Retail Service Area. Design, location and installation of the Meter(s) is subject to prior review and approval by LCRA, which approval shall not be unreasonably withheld or delayed. After completion of installation of the Meter(s), Landowner shall dedicate and convey the Meter(s) (together with associated easements, rights-of-way, permits, licenses or appurtenances) to LCRA free and clear of any liens, claims and encumbrances and execute an appropriate document in form and substance reasonably acceptable to LCRA evidencing the dedication and conveyance. Thereafter, the Meter(s) shall be part of the LCRA System and it shall be LCRA's responsibility to repair, maintain and replace the meter. The transfer of ownership shall be accomplished in a manner that allows a District to repay or reimburse Landowner.

Section 2.02 Meter Accuracy; Calibration.

a. The Meter(s) may be calibrated at any reasonable time by either party to this Agreement, provided that the party making the calibration shall notify the other party at least two (2) weeks in advance and allow the other party to witness the calibration. Further, the Meter(s) shall be tested for accuracy by, and at the expense of, LCRA, at least once each calendar year, at intervals of approximately twelve (12) months, and a report of such test shall be furnished to Landowner. In the event any question arises at any time as to the accuracy of the Meter(s), then the Meter(s) shall be tested promptly upon demand of Landowner by LCRA. The expense of such test shall be borne by Landowner if the Meter is found to be within American Water Works Association (AWWA) standards of accuracy for the type and size of meter and by LCRA if the tested meter is found to not be within American Water Works Association (AWWA) standards for the type and size of meter.

b. If, as a result of any test, the Meter(s) are found to be registering inaccurately (in excess of American Water Works Association (AWWA) standards for the type and size of meter), the readings of the Meter(s) shall be corrected at the rate of their inaccuracy for any period which is definitely known or agreed upon and LCRA shall pay for the testing or, if no such period is known or agreed upon, the shorter of:

(1) a period extending back either sixty (60) days from the date of demand for the test or, if no demand for the test was made, sixty (60) days from the date of the test; or

(2) a period extending back one half of the time elapsed since the last previous test;

and the records of the readings, and all payments which have been made on the basis of such readings, shall be adjusted accordingly.

ARTICLE III
CONDITIONS REGARDING PROVISION OF WATER SERVICES

Section 3.01. Diversion of Water.

a. LCRA agrees to provide Water Services to Landowner for raw water which Landowner will purchase pursuant to the Raw Water Contract. Initially, the Raw Water Contract shall provide for the reservation and/or purchase of two hundred forty (240) acre-feet per year by Landowner. It shall be Landowner's sole responsibility to secure amendments, if any, to the Raw Water Contract as necessary from time to time in order for the Landowner to purchase additional raw water that may be required for full development of the Retail Service Area. Landowner agrees to use water made available under the Raw Water Contract, and any amendments, and provided through the Water Services provided pursuant to this Agreement in order to serve the Retail Service Area up to the number of Reserved LUEs prior to using potable water from any other source. Beginning 90 days following substantial completion of the Improvements, if the water provided pursuant to this Agreement and the Raw Water Contract, and any amendments thereto, are sufficient to meet Landowner's water needs within the Retail Service Area for the number of Reserved LUEs, Landowner agrees not to use potable water from any other source except to the extent that such use is needed for additional LUEs in excess of the Reserved LUEs.

b. Landowner is solely responsible for securing, maintaining and increasing its right to divert and use water under the Raw Water Contract and for complying with all the terms and conditions of the Raw Water Contract. Landowner shall make all payments directly to LCRA. It is specifically agreed however, that LCRA shall divert, treat and transport the water to Landowner in accordance with the terms and conditions of this Agreement.

c. LCRA shall never be liable for any payment on behalf of Landowner under the Raw Water Contract, but all such obligations shall remain exclusively those of Landowner unless assigned by Landowner pursuant to the provisions of this Agreement. Landowner understands and agrees that LCRA, by entering into this Agreement with Landowner, does not confer upon Landowner, and Landowner, as a result of this Agreement, shall never have or claim, any interest in raw water owned or controlled by LCRA except to the extent of Landowner's rights under its Raw Water Contract. In no event will LCRA be obligated pursuant to this Agreement to divert on Landowner's behalf or supply to Landowner (1) any water in excess of the specific amount stated in, or in violation of any of the provisions of, the Raw Water Contract, or (2) any water LCRA is entitled to otherwise divert or use.

d. This Agreement in no way modifies or amends the Raw Water Contract, nor the obligations and rights contained therein.

Section 3.02 Title to and Responsibility for Water; Delivery Point(s).

a. Title to the water diverted, treated and transported to Landowner by LCRA under this Agreement shall remain with Landowner at all times, even when that water is commingled with water belonging to other customers of the LCRA System, but Landowner shall have no right of control or dominion over its water until it reaches the Delivery Point(s).

b. Water delivered by LCRA shall be delivered at the Delivery Point(s) and at no other points. Landowner shall be solely responsible for conveying its water from these Delivery Point(s) to Landowner's intended place of use. At its cost and expense, Landowner may change the Delivery Point from time to time upon written notice to LCRA.

Section 3.03 Quantity and Pressure.

a. Subject to the limitations set forth, upon completion of construction of the Improvements in a manner approved in advance by LCRA, which approval shall not unreasonably be withheld, conditioned or delayed, LCRA agrees to divert, transport and treat for Landowner all water needed and requested by Landowner for the Retail Service Area, up to, but not in excess of (i) a peak daily flow rate of 553,000 gallons per day (or up to 480 LUEs) within the Retail Service Area, or (ii) such lesser amount as LCRA may be able to supply in the event of an Emergency. LCRA shall make the water available at the Delivery Point(s) at a minimum pressure of thirty-five (35) psi under non-Emergency operating conditions. The initial Delivery Point(s) is shown on **Exhibit A**. The parties may agree to additional Delivery Points in the future.

b. LCRA reserves the right to require Landowner, at its expense, to install flow restriction devices, at such locations as LCRA may hereafter specify, in order to restrict the flow of water to Landowner to the levels agreed to herein. If the demands of Landowner for Water Services ever exceed the amount LCRA is able to supply, then Landowner shall notify LCRA of such shortage and the amount of water needed by Landowner. Landowner, at its option, may acquire water from other sources during the period of the shortage, consistent with the default provisions of this Agreement if LCRA is unable to meet its water needs for the Retail Service Area as set forth in Section 3.03 above in a timely manner, provided that Landowner has adopted and is enforcing the conservation plan and drought contingency plan provided in Section 6.01.

c. Landowner shall have the right to purchase additional Water Services from LCRA from the LCRA System on the same terms and conditions as any other similarly situated customer of LCRA to the extent that LCRA has Water Services available.

d. Where Landowner has the obligation to provide all water storage and pressurization necessary to provide water service within the Retail Service Area, Landowner must maintain water storage facilities with backflow preventer or an air gap between LCRA's System and the Retail System, subject to review and approval by LCRA of the plans and specifications for and construction of same. LCRA shall not unreasonably withhold, condition or delay any such approval.

e. Landowner acknowledges that the provision of Water Services is subject to the availability of raw water from Lake Austin and the capability of LCRA's System to divert, treat and transport such water to the Delivery Points, provided, however, LCRA shall use due diligence and reasonable efforts to ensure that the LCRA System is capable of carrying out the obligations under this Agreement. Furthermore, Landowner acknowledges that the Water Services provided under this Agreement are subject to the LCRA Utilities Water Conservation and Drought Contingency Plan ("Plan") and the quantity of water delivered may be curtailed pursuant to the Plan, as provided in Section 6.01 of this Agreement.

Section 3.04 Quality of Water Delivery to District. The water delivered by LCRA at the Delivery Point(s) shall be potable water of a quality conforming to the requirements of any applicable federal or state laws, rules, regulations or orders including requirements of the Texas Commission on Environmental Quality ("TCEQ"), or its successors, for human consumption and other domestic use. Each party agrees to provide to the other party, in a timely manner, any information or data regarding this Agreement or the quality of treated water provided through this Agreement as required for reporting to state and federal regulatory agencies.

Section 3.05 Maintenance and Operation: Future Construction. LCRA shall be responsible for operating, maintaining, repairing, replacing, extending, improving and enlarging the LCRA System and shall promptly repair any leaks or breaks in LCRA's System, including the master meter. Landowner shall be responsible for operating, maintaining, repairing, replacing, extending, improving and enlarging the Retail System, including the Improvements, in good working condition and shall promptly repair any leaks or breaks in the Retail System.

Section 3.06 Rights and Responsibilities in Event of Leaks or Breaks.

a. Landowner shall be responsible for paying for all water delivered to it under this Agreement at the Delivery Point(s) regardless of the fact that such water passed through the Delivery Point(s) as a result of leaks or breaks in the Retail System. In the event a leak, break, rupture or other defect occurs within the Retail System that could either endanger or contaminate the LCRA System or prejudice LCRA's ability to provide water service to its other customers, LCRA, after providing reasonable notice to Landowner and opportunity for consultation, shall have the right to take reasonably appropriate action to protect the public health or welfare of the LCRA System or the water systems of LCRA's customers including, without limitation, the right to restrict, valve off or discontinue service to Landowner until such leak, break, rupture or other defect has been repaired..

b. Landowner further understands that LCRA delivers water at other points to other customers and has rights under its contracts with those customers which are similar to its rights under Section 3.06.a. of this Agreement. Nothing in this Agreement shall be construed as impairing any of LCRA's rights under its contracts with those other customers. LCRA may exercise any of said rights, including those rights similar to its rights under Section 3.06.a. of this Agreement, and in such event, Landowner shall have the same obligations to LCRA as Landowner would have had had LCRA exercised it rights under Section 3.06.a. of this Agreement.

Section 3.07. MOU Compliance Matters. Landowner recognizes that LCRA is required and committed to extending potable water service to the Retail Service Area and other areas served by the LCRA System in a manner consistent with the MOU. LCRA has agreed to extend water service to Landowner for the Retail Service Area in a manner consistent with the MOU by virtue of the site specific approval obtained from the United States Fish and Wildlife Service ("FWS") and memorialized in the letter attached as **Exhibit D** as may be amended from time to time ("FWS Letter"). Landowner agrees that its retail service from the Water Services to "New Development" (as defined in the MOU) will only be provided where (a) the development complies with any final water quality protection measures that result from the FWS's review of LCRA's environmental study, or (b) the FWS determines in writing that the water quality protection measures provided for the development are consistent with the requirements of the Endangered Species Act, or (c) the development complies with a regional plan that FWS determines in writing to be consistent with the requirements of the Endangered Species Act. LCRA acknowledges that the FWS Letter satisfies the requirements of the MOU for the Retail Service Area and the number of Reserved LUEs. Landowner, with the consent of FWS, reserves the right to amend the FWS Letter, provided, however, that any such amendment shall not affect number of Reserved LUEs under this Agreement absent amendment of this Agreement approved by the LCRA Board of Directors. LCRA covenants and agrees that any future amendment of the MOU that would adversely affect Landowner's rights under this Agreement, including but not limited to impervious cover restrictions, land use or water quality restrictions, will not apply to Landowner's rights under this Agreement without Landowner's prior written consent. Further, Landowner agrees that as a condition to providing water service, LCRA will require that Landowner provide for its Retail Service Area an engineer's certification, in the form attached as **Exhibit E**, that the final plats for the Retail Service Area contain enforceable restrictions against altering physical elements of any applicable water quality measures or alternatives, such as buffer zones and impervious cover, as were approved by USFWS as set forth in the FWS Letter. Landowner further recognizes and agrees that LCRA will require that Landowner also provide an engineer's certification, in a form substantially similar to **Exhibit F**, after completion of construction of the subdivision to ensure that construction of the subdivision has been in accordance with the plat restrictions. In addition, Landowner agrees to require landowners in Retail Service Area which receive water service from Landowner to adopt deed restrictions for land owned by them in Retail Service Areas which require use of the water conservation measures in **Exhibit G**, or similar measures reasonably approved by LCRA. In order that LCRA may monitor Landowner's and the landowners' compliance with the FWS Letter, Landowner agrees to require such landowners to provide LCRA with copies of all final plats and applicable restrictive covenants, and any amendments to the plats or deed restrictions, on land in the Retail Service Area as approved by or filed with appropriate governmental authorities.

ARTICLE IV
CHARGES, BILLING AND FINANCIAL MATTERS

Section 4.01 Connection Fee; Rates.

a. After completion of construction of the Improvements, Landowner shall be obligated to pay LCRA a connection fee (the "Connection Fee"), of four thousand five hundred dollars ($4,500) per LUE, for each new retail customer that connects in the Retail Service Area and receives water provided under this Agreement. The Connection Fee for each new retail water connection shall be due and payable to LCRA within forty-five (45) days after the end of the calendar month in which Landowner connects a new retail water connection to the Retail System. Landowner shall remit with its payment a list of the new customer(s); service address(es); meter size(s); and, number of equivalent LUE(s) for which payment of a Connection Fee is being made by Landowner. The Connection Fee has been designed primarily to fund or recover all or a part of the Costs of the LCRA System for capital improvements or facility expansions intended to serve "new development" (as that term is defined in the Texas Impact Fee Law, Chapter 395 of the Texas Local Government Code) in the LCRA Service Area and upon payment, Landowner will have a reservation of capacity for the number of LUEs for which a Connection Fee or Reservation Fee has been paid. The Connection Fee will be reasonable and just as required by law.

b. Landowner also shall pay LCRA a monthly charge (the Monthly Charge") for each month after the earlier of (i) completion of construction of the Improvements or (ii) eighteen months after execution of this Agreement, regardless of whether or how much Water Services are provided by LCRA during that month. The Monthly Charge shall initially be two thousand nine hundred dollars ($2,900.00) per month. The Monthly Charge shall be designed primarily to recover Landowner's allocable share of the capital related Costs of the System not recovered in the Connection Fee. The Monthly Charge shall be just and reasonable as required by law. Currently the Monthly Charge is designed based on the demand placed, or expected to be placed, on the LCRA System by Landowner under this Agreement; and the Monthly Charge for other customers under similar agreements is similarly designed at this time. The parties to this Agreement agree that so long as LCRA designs the Monthly Charge on that basis, if Landowner's demand is reduced by reason of actual experience, reduction of Reserved LUEs, or amendment to this Agreement that Landowner's Monthly Charge will be reduced appropriately in relation to other's Monthly Charges under similar agreements, all other things being equal.

c. Landowner also shall pay LCRA a volumetric rate (the "Volume Rate") for diversion, transportation, treatment and delivery of the actual amount of water delivered to Landowner as measured at through the Delivery Point(s), including all water used or lost due to leakage or for any other reason within the Retail Service Area. The Volume Rate is presently one and sixty hundredths dollars ($1.60) per one thousand (1,000) gallons. The Volume Rate shall be designed primarily to recover the operation and maintenance related Costs of the System, together with any other Costs of the System not recovered

through the Connection Fee or the Monthly Charge. The Volume Rate does not include, however, any charges for raw water due in accordance with the Raw Water Contract, and Landowner shall remain liable therefor. The Volume Rate will be just and reasonable as required by law.

d. At any time while this Agreement is in effect, LCRA, subject to applicable law, may modify the Connection Fee, the Monthly Charge and the Volume Rate as appropriate to recover the Costs of the LCRA System in a just, reasonable and nondiscriminatory manner from Landowner and the other customers of the LCRA System.

e. LCRA hereby reserves for Landowner capacity in the LCRA System for 480 LUEs ("Reserved LUEs") for the Reservation Period. At the end of the Reservation Period, any Reserved LUEs for which Landowner has not paid a Connection Fee will be released unless, and to the extent, Landowner pays to LCRA a Connection Fee for such LUEs within thirty days after the end of the Reservation Period.

Landowner further agrees during the Reservation Period to pay an amount equal to the product of multiplying the Reservation Fee times the Reserved LUEs for Landowner in any given year (which shall be the original number of Reserved LUEs minus the total number of LUEs for which a Connection Fee has been paid or which have been released pursuant to the next paragraph). The Reservation Fees shall be due not later than April 1, 2003, and shall continue to be due by each April 1 annually thereafter until the end of the Reservation Period.

Landowner, at any time during the Reservation Period, and upon first giving LCRA one hundred eighty (180) days prior written notice, may reduce the number of Reserved LUEs for which Landowner thereafter has to pay Reservation Fees. Any such Reserved LUEs so released shall reduce LCRA's service capacity reservation to Landowner accordingly.

f. During the Reservation Period, LCRA will pay to Landowner from any lawfully available funds an amount equal to the product of multiplying the amount of the Connection Fee per LUE times the number of retail connections purchased from LCRA within the Retail Service Area during the Contract Year up to the total amount of Reservation Fees paid by Landowner to LCRA for the same Contract Year. During the Reservation Period, Connection Fees shall not be paid in advance of the time a retail customer for the LUE connection signs a retail service agreement for a retail meter to the Retail System.

g. Notwithstanding the limitation in subsection (f) above, in recognition of the unlikelihood of Landowner being able to purchase many LUEs during either of the first two Contract Years due to development start-up requirements (e.g., planning and design, permitting and platting, etc.), the Parties agree that for Connection Fees during the period between March 31, 2003 and March 31, 2005, inclusive, LCRA shall pay to Landowner from any lawfully available funds an amount equal to the lesser of (i) the amount of Reservation Fees paid between the Effective Date of this Agreement and the Contract Year ending March 31, 2005, and (ii) the amount generated by multiplying the amount of the Connection Fee per LUE by the number of LUEs purchased between the Effective Date

of this Agreement and the Contract Year ending March 31, 2005. Pursuant to this subsection (b), the Parties agree that on April 20, 2004, LCRA shall make a payment based upon the number of LUEs purchased through March 31, 2004. To the extent that the amount of the payment is less than the total amount of the Reservation Fees paid for the first year pursuant to subsection (c) above, the remaining amount of Reservation Fees shall be carried forward into the second Contract Year for purposes of calculating the payment, if any, to be made by LCRA to Landowner on April 20, 2005, based upon the number of LUEs purchased between April 1, 2004 and March 31, 2005. The Parties acknowledge that this provision was negotiated for the purposes of allowing the Landowner the potential to recover the maximum amount of its Reservation Fees paid during the first two Contract Years as contemplated by this subsection.

h. Except as expressly provided herein in subsection (g) above, LCRA shall have no obligation to make payment to Landowner for a Contract Year based upon the payment of Connection Fees in a different Contract Year.

i. The payments by LCRA contemplated by subsections 4.01(f)-(g), shall be payable on April 20th of the Contract Year immediately following the Contract Year in which the Connection Fees were paid, except for the payment payable pursuant to Subsection (g) above, which is based upon the payment of Connection Fees during the first two Contract Years.

Section 4.02 Billing and Payment. LCRA shall bill Landowner one time each month for the amount owed for the Monthly Charge and the Volume Rate. The Volume Rate shall be multiplied by the actual amount of water delivered by LCRA to Landowner for the previous billing cycle determined by the readings by LCRA at the Meter(s). Each bill submitted to Landowner shall be paid to LCRA by check or bank-wire on or before thirty (30) days from the date of the invoice. Payments shall be mailed to the address indicated on the invoice, or can be hand-delivered to LCRA's headquarters in Austin, Travis County, Texas, upon prior arrangement. If payments will be made by bank-wire, Landowner shall verify wiring instructions with LCRA's Finance Department. Payment must be received at LCRA's headquarters or bank by the due date in order not to be considered past due or late. In the event Landowner fails to make payment of a bill within said thirty (30) day period, Landowner shall pay a one-time late payment charge of five percent (5%) of the unpaid balance of the invoice. In addition, Landowner shall pay interest on the unpaid balance at a rate equal to twelve percent (12%) per annum. If the bill has not been paid by the due date, Landowner further agrees to pay all costs of collection and reasonable attorney's fees, regardless of whether suit is filed, incurred by LCRA.

Section 4.03 LCRA System to be Self-Sufficient. The LCRA System shall be comprised of the facilities described in Recital No. 1 hereof, together with such improvements, extensions, enlargements, betterments, additions, improvements and replacements thereto as are considered reasonable and necessary to provide water to the LCRA Service Area and Water Services to Landowner. The parties agree that the Costs of the LCRA System shall be borne by all of the customers of the LCRA System, including Landowner, in a fair and equitable manner and so that the LCRA System is self-sufficient. Without limiting the foregoing, the parties further agree that LCRA is authorized to issue such indebtedness as it may deem appropriate to pay for any Costs

of the LCRA System or, in lieu of issuing indebtedness, to provide for the borrowing of internal LCRA funds from LCRA resources other than the LCRA System and, in such events, the Costs of the LCRA System borne by the customers, including Landowner, shall include debt service, paying agent/registrar fees and reasonable coverage on any indebtedness issued by LCRA or the recovery (amortized over a reasonable period) of any internal LCRA funds utilized together with reasonable interest and coverage thereon to be established in accordance with LCRA policy as now or hereafter implemented.

ARTICLE V
OTHER COMMITMENTS AND FUTURE SERVICE AREA

Section 5.01 Rates and Charges.

a. Landowner shall be solely responsible for implementing water or other rates, charges and fees, and for billing and collecting same from customers of the Retail System in accordance with applicable law. Failure to collect from its customers will not affect Landowner's obligation to make all payments due to LCRA.

b. The parties agree and Landowner represents and covenants that all moneys required to be paid by Landowner under this Agreement shall constitute an operating expense of Landowner's waterworks system authorized by the Constitution and laws of the State of Texas, including Chapters 49, 51 and 54, Texas Water Code, as amended, and the act creating Landowner.

c. Landowner covenants and agrees to compute, ascertain, fix, levy and collect such rates and charges for the facilities and services provided by the Retail System that will be adequate to permit Landowner to make prompt and complete payments under this Agreement.

Section 5.02 Governmental Approvals. Landowner represents that it has acquired or will acquire all necessary governmental approvals required to provide potable water to customers in Landowner's current Service Area, including compliance with the MOU and any approvals from the U.S. Fish and Wildlife Service as required for service to "new development," as that term is defined in the MOU. LCRA acknowledges that the FWS Letter, as may be amended from time to time, satisfies Landowner's compliance with the MOU. LCRA shall not seek a certificate of convenience and necessity or any other approvals to provide retail water service within the Retail Service Area without Landowner's written consent.

Section 5.03 Contract Tax Election. The parties acknowledge that, as of the effective date of this Agreement, no election has been held within any District to approve this Agreement and to authorize the levy of a tax to pay the amounts owed by the District under this Agreement, after assumption of this Agreement by a District. Landowner agrees to use reasonable efforts to have any District hold such election at the earliest legally permissible time and in connection therewith submit, pursuant to Section 49.108, Texas Water Code, a proposition to approve this Agreement and authorize the levy and collection of a tax sufficient in amount and pledged to make the payments due to the LCRA under this Agreement. If approved by the voters, the District shall be

authorized and obligated to compute, ascertain, levy and collect a tax sufficient in amount, when combined with any lawfully available revenues from the Retail System, to pay the Connection Fees, Monthly Charges and Volume Rate and any other amounts due under this Agreement or the Landowner's Raw Water Contract in a timely and complete manner. Provided, however, the District need not levy such a tax unless the revenues from the Retail System are not sufficient to pay the obligations to LCRA under this Agreement and the Landowner's Raw Water Contract.

Section 5.04 Consequences of Failure to Assign Agreement to Dsitrict or Unsuccessful Contract Tax Election. In the event either (i) this Agreement is not assigned to the District within two years from the effective date of this Agreement or (ii) the District is unable to have a successful election to approve this Agreement and the tax within two years from the effective date of this Agreement, then LCRA may increase the Monthly Charge or the Volume Rate for Water Services under this Agreement as may be reasonably necessary, if such facts result in LCRA's inability to issue tax-exempt debt for the Costs of the System for the part of the LCRA System providing Water Services to Landowner.

Section 5.05 Easements. LCRA shall cooperate with Landowner in Landowner's efforts to acquire any necessary easements provided, however, LCRA shall not be required to spend money or initiate eminent domain. LCRA shall use reasonable efforts to request that Hays County allow Landowner to utilize LCRA's agreement with Hays County to place utility facilities in County right of way.

ARTICLE VI
EMERGENCY OR SHORTAGE OF WATER SERVICE CAPABILITY: TERM: DEFAULT: REMEDIES

Section 6.01 Curtailment of Service. Notwithstanding any other provision herein to the contrary, it is specifically understood and agreed between the parties that the obligation of LCRA to provide Water Services to Landowner during the term of this Agreement is neither superior nor inferior to the obligation of LCRA to provide similarly situated customers with water or Water Services within LCRA's Service Area and to its other presently committed customers or any future customers of the LCRA System. Pursuant to such understanding, the parties hereby agree that if during the term of this Agreement LCRA is unable to reasonably provide water or Water Services to the LCRA Service Area or its existing committed customers because of an Emergency or shortage of water supply, production, treatment, storage or transportation capability in the LCRA System, or if LCRA needs to cause temporary repairs to be made to the LCRA System to repair, replace or improve the level of Water Service to its customers, then LCRA shall have the right, after reasonable notice to Landowner and opportunity for consultation, to curtail or limit service to Landowner and all other customers of LCRA on a reasonable, non-discriminatory basis so that all similarly situated customers are treated equally, fairly and uniformly. LCRA shall use its diligent efforts to ensure a continuous and adequate Water Services. Landowner further agrees, in times of such Emergency or shortage or the need for repair, replacement or improvement of the LCRA System, to take appropriate action to curtail or limit all usage in the Retail Service Area so that all users of the water in both entities' service areas will be equally and uniformly restricted and protected. Any such measures taken by Landowner will be at least as stringent as those adopted by LCRA for the LCRA's Service Area

and any such measures adopted within the Retail Service Area will be no more stringent than those adopted in other parts of the LCRA Service Area. The parties agree that domestic uses of water shall have priority in times of Emergency or shortage over uses of water for construction or commercial uses and that construction or commercial uses shall have priority over irrigation uses from the LCRA System. Further, both parties agree that use of water for irrigation of lawns shall have the lowest priority in times of Emergency or shortage. If it is ever determined by any governmental or regulatory authority that provision of Water Services by LCRA under this Agreement or curtailment or limitation of water or Water Services by LCRA to any of its customers is in violation of applicable law, regulation or order, then LCRA, after reasonable notice to Landowner and opportunity for consultation, may take such action as will best effectuate this Agreement and comply with applicable law. Landowner, by signing below, certifies that it has adopted or will adopt a water conservation plan and a drought contingency plan in compliance with TCEQ rules, 30 TAC chapter 288, and that the provisions of its drought contingency plan shall be as stringent, or more stringent, than the provisions of the LCRA's Plan for LCRA's System.

Section 6.02 Plumbing Regulations. To the extent LCRA and Landowner have the authority, both covenant and agree to adopt and enforce adequate plumbing regulations with provisions for the proper enforcement thereof, to ensure that neither cross-connection or other undesirable plumbing practices are permitted, including an agreement with each of their respective water customers that allows the retail provider to said customer to inspect individual water facilities prior to providing service to ensure that no substandard materials are used and to prevent cross-connection and other undesirable plumbing practices.

Section 6.03 Default.

a. In the event Landowner shall default in the payment of any amounts due LCRA under this Agreement, or in the performance of any material obligation to be performed by Landowner under this Agreement, then LCRA shall give Landowner thirty (30) days written notice of such default and the opportunity to cure same, shall have the right to temporarily limit Water Services to Landowner under this Agreement, pending cure of such default by Landowner. In the event such default remains uncured for a period of an additional (i) thirty (30) days in the event of a monetary default or (ii) one hundred eighty (180) days and Landowner has failed to initiate and diligently pursue curative action, in the event of a non-monetary default unless such default cannot be reasonably cured within one hundred eight (180) days, then LCRA shall have the right to permanently restrict service to Landowner under this Agreement or to require Landowner to stop making new retail connections to the Retail System upon giving Landowner written notice of its intent to do so. Other sections of this Agreement notwithstanding, LCRA's sole remedy for Landowner's failure to comply with the FWS Letter shall be to terminate water service to the areas which are not in compliance.

b. In the event LCRA shall default in the performance of any material obligation to be performed by LCRA under this Agreement, then Landowner, after having given LCRA thirty (30) days written notice of such default and the opportunity to cure same, shall have the right to pursue any remedy available at law or in equity, pending cure of such default by LCRA. In the event such default remains uncured for a period of (i) sixty (60) days in the event of a default which causes the LCRA to be unable to provide service to new retail connections to the Retail System or (ii) one hundred eighty (180) days in the event of any other type of material default, then Landowner shall have the right to notify LCRA that Landowner intends to take a more limited amount of Water Services from LCRA (which shall be at least the amount LCRA is then able to provide to Landowner) and Landowner may then obtain other water or Water Services from another provider or may take appropriate action to supply itself with additional water or Water Services upon giving LCRA written notice of its intent to do so.

Section 6.04 Additional Remedies Upon Default. It is not intended hereby to specify (and this Agreement shall not be considered as specifying) an exclusive remedy for any default, but all such other remedies existing at law or in equity may be availed of by any party and shall be cumulative of the remedies provided. Recognizing however, that LCRA's undertaking to provide and maintain the services of the LCRA System is an obligation, failure in the performance of which cannot be adequately compensated in money damages alone, LCRA agrees, in the event of any default on its part, that Landowner shall have available to it the equitable remedies of mandamus and specific performance in addition to any other legal or equitable remedies (other than termination of this Agreement) which may also be available. Recognizing that failure in the performance of Landowner's obligations could not be adequately compensated in money damages alone, Landowner agrees in the event of any default on its part that LCRA shall have available to it the equitable remedies of mandamus and specific performance in addition to any other legal or equitable remedies (other than termination of this Agreement) which may also be available to LCRA including, without limitation, the right of LCRA to obtain a writ of mandamus or an injunction against a District to which the Agreement has been assigned (i) requiring the Board of Directors of District to levy and collect rates and charges sufficient to pay the amounts owed to LCRA by the District under this Agreement and (ii) enjoining the District from making additional retail water connections as specified in Section 6.03.a.

Section 6.05 Appeals. Nothing in this Agreement is intended to limit or prevent any right of appeal for the benefit of Landowner as it relates to rate making, the establishment of fees and charges or any other related legal or administrative proceeding.

Section 6.06 Legal Defense. In the event a third party challenges this Agreement or any portion, both parties agree, at their cost, to use diligent efforts to cooperate to defend this Agreement including but not limited to the employment of outside legal counsel the payment of all costs associated with such defense.

ARTICLE VII
MISCELLANEOUS PROVISIONS

Section 7.01 Contracts. LCRA shall have the right to enter into other water supply or Water Services contracts so long as LCRA's performance of its obligations under such contracts does not prevent LCRA from being able to perform its obligations hereunder. This section shall not be construed as limiting LCRA's rights to temporarily curtail service in times of shortage or Emergency as otherwise provided. Landowner agrees that it will not, without the written consent of LCRA, provide or sell water to any entity, private or public, except retail customers of Landowner within the Retail Service Area.

Section 7.02 Records. LCRA and Landowner each agree to preserve, for a period of at least two years from their respective origins, all books, records, test data, charts and other records pertaining to this Agreement. LCRA and Landowner shall each, respectively, have the right at all reasonable business hours to inspect such records to the extent necessary to verify the accuracy of any statement, charge or computation made pursuant to any provisions of this Agreement.

Section 7.03 State Approval. Each party represents and warrants that the plans and specifications for their respective systems have been or will be approved by the Texas Commission on Environmental Quality or its successors.

Section 7.04 Force Majeure. If any party is rendered unable, wholly or in part, by Force Majeure to carry out any of its obligations under this Agreement other than an obligation to pay or provide money, then such obligations of that party to the extent affected by such Force Majeure and to the extent that due diligence is being used to resume performance at the earliest practicable time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period. Such cause, as far as possible, shall be remedied with all reasonable diligence. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of either party hereto, and that the above requirements that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demand of the opposing party or parties when such settlement is unfavorable to it in the judgment of either party hereto.

Section 7.05 Severability. The provisions of this Agreement are severable, and if any provision or part of this Agreement or the application thereof to any person or circumstance shall ever be held by any agency or court of competent jurisdiction to be unenforceable, invalid or unlawful for any reason, the remainder of this Agreement and the application of such provision or part of this Agreement to other persons or circumstances shall not be affected thereby; provided, however, in such event the parties mutually covenant and agree to attempt to implement the unenforceable, invalid or unlawful provision in a manner which is enforceable, valid or lawful.

Section 7.06 No Oral Agreements; Modification. There are no oral agreements between the parties hereto with respect to the subject matter hereof. This Agreement shall be subject to change or modification only with the mutual written consent of LCRA and Landowner.

Section 7.07 Addresses and Notices. Unless otherwise notified in writing by the other, the addresses of LCRA and Landowner are and shall remain as follows:

LCRA:
Lower Colorado River Authority
Attn: Executive Manager, Water & Wastewater Utility Services
3700 Lake Austin Boulevard
Austin, Texas 78703

Landowner:
Hays Reunion Ranch, LP
Attn: William C. Bryant
700 Lavaca Suite 900
Austin, Texas 78701
Fax: 457-8008

Section 7.08 Assignability. This Agreement shall be assignable by LCRA to any operating affiliate of LCRA without the necessity of obtaining the consent of Landowner if written notice is provided to Landowner and the assignee agrees in writing to be liable for all obligations of LCRA and is capable of carrying out LCRA's obligation under this Agreement in all respects. Landowner is specifically authorized to assign this Agreement in whole or in part to (i) one or more Districts, (ii) controlled affiliates of Landowner or (iii) any successors to Landowner who are future owners of the land in Landowner's Service Area, if written notice is provided to LCRA and the assignee agrees in writing to be liable for all obligations of Landowner which are assigned. Landowner also may assign this Agreement to a District whose boundaries include the Retail Service Area as well as the retail service areas provided in those wholesale water services agreements between LCRA and Cypress-Hays, L.P., LSM Ranch, Ltd., and SGL Investments, Ltd., which agreements were all effective March 31, 2003. Upon an assignment, Landowner shall be released from any further obligations under this Agreement. Landowner shall use good faith efforts to create one or more Districts and upon creation to assign this Agreement to the District(s) at which time Landowner shall be released from its obligations under this Agreement. Except as otherwise provided, this Agreement may not be assigned by either party to any other entity without the express written consent of either party, which consent shall not be unreasonably withheld or delayed.

Section 7.09 Good Faith. Each party agrees that, notwithstanding any provision herein to the contrary, neither party will unreasonably withhold or unduly delay any consent, approval, decision, determination or other action which is required or permitted under the terms of this Agreement, it being agreed and understood that each party shall act in good faith and shall at all times deal fairly with the other party.

Section 7.10 Counterparts. This Agreement may be executed in as many counterparts as may be convenient or required. All counterparts shall collectively constitute a single instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than a single counterpart.

Section 7.11 Governing Law. The terms and provisions hereof shall be governed by and construed in accordance with the laws of the State of Texas and the United States of America from time to time in effect. Travis County, Texas shall be a proper place of venue for suit hereon, and the Parties hereby agree that any and all legal proceedings in respect of this Agreement shall be brought in District Courts of Travis County, Texas, or the United States District Court for the Western District of Texas, Austin Division.

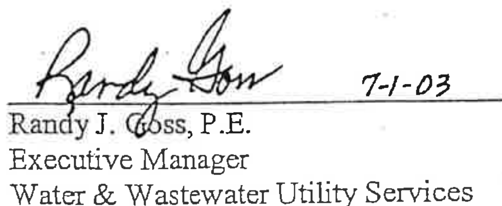
Section 7.12 Authority of Parties Executing Agreement. By their execution, each of the undersigned parties represents and warrants to the parties to this document that he or she has the authority to execute the document in the capacity shown on this document.

Section 7.13 Term. Unless sooner terminated using the provisions of this Agreement, the term of this Agreement is forty (40) years from the effective date set forth below. Either party shall have the right to terminate this Agreement in the event a line serving the Retail Service Area from the Delivery Point a) has not commenced construction on or before the first anniversary of this Agreement or b) is not completed and operational on or before the second anniversary of this Agreement. In addition, the Landowner shall have the right to terminate this Agreement, in whole or in part (by reducing the number of Reserved LUEs and /or eliminating any portion of the Retail Service Area), at anytime, following one hundred eighty (180) days written notice to LCRA. Any areas released from this Agreement are not subject to the Agreement thereafter unless added back in accordance with the provisions of this Agreement. In the event of a partial termination, the parties shall execute an appropriate amendment to this Agreement evidencing the partial termination. After the expiration of the term, the parties shall cooperate in good faith to consider renewing this Agreement.

Section 7.14 Certain Amendments. LCRA agrees that in the event one or more of the wholesale water services agreements with Cypress-Hays, L.P., LSM Ranch, Ltd. and/or SGL Investments, Ltd. (or any of their successors in interest or subsequent owners of their respective retail service areas) are amended in any respect, Landowner may elect to have a similar amendment made as to this Agreement, provided that: i) Landowner is in compliance with all other terms of this Agreement, including section 3.07, at the time of the election; and, ii) said amendment corresponds appropriately to the number of Reserved LUEs under this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in multiple copies, each of which shall be deemed to be an original and of equal force and effective as of the 31st day of March, 2003, subject to confirmation by the LCRA Board of Directors no later than April 30, 2003.

LOWER COLORADO RIVER AUTHORITY

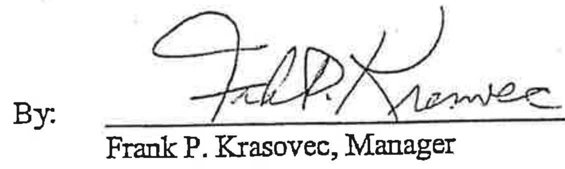


BY: ______________________ 7-1-03

Randy J. Goss, P.E.
Executive Manager
Water & Wastewater Utility Services

HAYS REUNION RANCH, L.P.

By: Hays Reunion Ranch GP, LLC, General Partner



By: ______________________

Frank P. Krasovec, Manager

EXHIBIT A
RETAIL SERVICE AREA

TRACT ONE

FIELD NOTES TO 33.085 ACRES OF LAND OUT OF THE WILLIAM CARLTON LABOR, ABST. #124, HAYS COUNTY, TEXAS, A PART OF THAT CERTAIN 59.11 ACRE TRACT CONVEYED TO CLARA CALHOUN BY DEED RECORDED IN VOLUME 166, PAGE 816 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS:

BEGINNING at an iron stake found in the South R.O.W. line of F.M. Highway #1826 and the East line of the William Carlton Labor Abst. #124, being the Northeast corner of that certain 59.11 acre tract conveyed to Clara Calhoun by deed recorded in Volume 166, Page 433 of the Deed records of Hays County, Texas and the Northwest corner of that certain 431.86 acre tract conveyed to Greg Gannaway by deed recorded in Volume 305, Page 297 of the Deed Records of Hays County, Texas, for the Northeast corner of the tract herein described;

THENCE with a fence along the East line of the said Calhoun 59.11 acre tract and the West line of the said Gannaway tract, S 0 deg. 21'E. 2141.40 ft. to an iron stake found at the Southeast corner of the said Carlton Labor, being also the Southeast corner of the said Calhoun 59.11 acres, for the Southeast corner of this tract;

THENCE with a fence along the South line of the said 59.11 acre tract and a boundary line of the said Gannaway tract, N 89 deg. 59'W. at 258.96 ft. pass a corner of the said Gannaway tract and the Northeast corner of that certain 100 acre tract conveyed to Clara Calhoun by deed recorded in Volume 305, Page 816 of the Deed Records of Hays County, Texas, continuing on same course along the South line of the said 59.11 acres and the North line of the said Calhoun 100 acres, a total distance of 795.64 ft. to an iron stake set for the Southwest corner of this tract and being the Southeast corner of a 25.27 acre tract;

THENCE with the East line of the said 25.27 acre tract, N 0 deg. 30'W 1471.43 ft. to an iron stake set in the South R.O.W. line of the said highway and the North line of the said Calhoun 59.11 acres, for the Northwest corner of this tract;

THENCE with the South line of the said highway and the North line of the said Calhoun 59.11 acre tract, N 49 deg. 54'E. 1039.54 ft. to the place of beginning, containing 33.085 acres of land.

TRACT TWO

ALL OF THAT CERTAIN PARCEL OR TRACT OF LAND OUT OF THE S. J. WHATLEY LEAGUE NO. 22 IN HAYS COUNTY, TEXAS, BEING ALL OF THAT CERTAIN 133.98 ACRE TRACT OF LAND AS CONVEYED TO CLARA CALHOUN BY DEED RECORDED IN VOLUME 117, PAGE 86 OF THE HAYS COUNTY DEED RECORDS, AND BEING A PORTION OF THAT CERTAIN 300 ACRE TRACT OF LAND AS CONVEYED TO CLARA CALHOUN BY DEED RECORDED IN VOLUME 92, PAGE 241 OF THE HAYS COUNTY DEED RECORDS, SAID TRACT OF LAND AS SURVEYED BY RALPH HARRIS SURVEYOR INC., BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2 inch rebar set at the base of a corner fence post occupying the northeast corner of the above described Calhoun 133.98 acre tract of land, said point being in the south line of that certain tract of land as conveyed to L. L. McCandless et. al., by deeds recorded in Volume 245, Page 168 and Volume 265, Page 369 of the Hays County Deed Records, for the northeast corner and PLACE OF BEGINNING hereof, from which point an iron pipe found at the base of a corner fence post occupying the southeast corner of said McCandless tract of land bears S 88° 16' 45" E for a distance of 229.36 feet, and from which point of beginning a 16 inch live oak tree marked x bears N 05° 30' W for a distance of 49.6 feet, and from which point of beginning a 20 inch live oak tree bears S 19° 27' W for a distance of 32.1 feet

THENCE, with the east line of said Calhoun 133.98 acre tract of land, as fenced and used upon the ground, the following 8 calls:

> S 02° 11' 11" W for a distance of 764.96 feet to an iron pin found at a corner fence post occupying the southwest corner of that certain 176 acre tract of land as conveyed to Clara Calhoun by deed recorded in Volume 120, Page 316 of the Hays County Deed Records, said point also occupying the northwest corner of that certain 936 acre tract of land described in a deed to B.R. Spillar by deed recorded in Volume 139, Page 300 of the Hays County Deed Records
>
> S 02° 12' 35" W for a distance of 290.73 feet to an iron pin found
>
> S 02° 24' 55" W for a distance of 869.36 feet to an iron pin found
>
> S 26° [illegible]5' 38" E for a distance of 35.25 feet to an iron pin found
>
> S 00° 05' 50" E for a distance of 91.50 feet to an iron pin found
>
> S 00° 13' 52" W for a distance of 332.59 feet to an iron pin found
>
> S 00° 27' 22" W for a distance of 774.44 feet to an iron pin found at the base of a corner fence post
>
> S 00° 14' 32" W for a distance of 249.73 feet to a 1/2 inch rebar set for an angle point hereof, from which point a 60 D nail found at an angle point in said fence bears S 00° 14' 22" W for a distance of 3.18 feet

THENCE, N 88° 11' 28" W for a distance of 34.58 feet to a 1/2 inch rebar set for an angle point hereof --

THENCE, S 02° 43' W for a distance of 630.79 feet to a 1/2 inch rebar set at the southeast corner of the above described Calhoun 133.98 acre

tract of land, for the southeast corner hereof, said point being in the north line of that certain tract of land as conveyed to Michael Rutherford by deed recorded in Volume 197, Page 45 of the Hays County Deed Records, from which point an iron pin found at the northeast corner of a deer proof fence bears S 89° 03' 34" E for a distance of 20.00 feet

THENCE, N 89° 03' 34" W for a distance of 1422.04 feet to a 1/2 inch rebar set at the base of the south face of an old cedar fence post for an angle point hereof, from which point a 20 inch live oak tree marked X bears N 82° 34' W for a distance of 30.1 feet and from which point a 30 inch live oak tree bears N 03°44' E for a distance of 128.4 feet

THENCE, N 89° 21' 43" W for a distance of 396.43 feet to an iron pin found for the southwest corner hereof, from which point another iron pin found bears N 89°21' 43" W for a distance of 1.99 feet

THENCE, N 05° 51' 50" W for a distance of 3690.05 feet to a 1/2 inch rebar set at the most southerly corner of that certain 2.66 acre tract of land as conveyed to Robert Clement, for the most westerly northwest corner hereof, from which point an iron pin found bears S 84° 08' 10" W for a distance of 0.61 feet

THENCE, with the southeast line of said Clement 2.66 acre tract of land, N 51° 25' 23" E for a distance of 665.90 feet to an iron pin found at the most easterly corner of said 2.66 acre tract of land, in the south line of the above described McCandless tract of land, for the most northerly northwest corner hereof

THENCE, with the south line of said McCandless tract of land, as found fenced and used upon the ground the following 6 calls:

S 89° 02' 14" E for a distance of 98.49 feet to a 1/2 inch rebar set

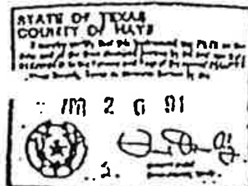
S 88° 43' 35" E for a distance of 16.03 feet to a 1/2 inch rebar set

S 88° 32' 20" E for a distance of 203.03 feet to an iron pin found

S 85° 53' 58" E for a distance of 40.13 feet to a 1/2 inch rebar set, from which point a live oak tree marked X bears S 61° 03' E for a distance of 12.5 feet, and another live oak tree bears S 86° 44' E for a distance of 17.9 feet

S 89° 07' 28" E for a distance of 106.62 feet to an iron pin found

S 88° 28' 30" E for a distance of 1351.65 feet to the PLACE OF BEGINNING and containing 192.712 acres of land, more or less.



FILED
HAYS COUNTY, TEXAS
'91 APR 26 PM 2 50
COUNTY CLERK

EXHIBIT A

FIELD NOTES TO 189.00 ACRES OF LAND OUT OF THE S. J. WHATLEY LGE. NO. 22 IN HAYS COUNTY, TEXAS, A PART OF THAT CERTAIN (300 ACRE) TRACT CONVEYED TO CLARA CALHOUN BY DEED RECORDED IN VOL. 92, PAGE 241 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS.

BEGINNING AT AN IRON STAKE SET FOR THE MOST NORTHERLY NORTHWEST CORNER OF THE TRACT HEREIN DESCRIBED, FROM WHICH AN IRON STAKE IN THE NORTH LINE OF THE S.J. WHATLEY LGE. NO. 22 AT THE SOUTHWEST CORNER OF THAT CERTAIN 100 ACRE TRACT CONVEYED TO CLARA CALHOUN BY DEED RECORDED IN VOL 305, PAGE 816 OF THE DEED RECORDS OF HAYS COUNTY, TEXAS, BEARS AS FOLLOWS: N 17 DEG. 07' E 473.35 FT., N 88 DEG. 43'W. 279.33 FT., N 88 DEG. 04'W. 550.0 FT.

THENCE S 89 DEG. 29'E. 1161.11 FT. TO AN IRON STAKE SET IN BEAR CREEK, FOR THE NORTHEAST CORNER OF THIS TRACT, FROM WHICH AN IRON STAKE AT FENCE CORNER POST AT THE SOUTHEAST CORNER OF THE SAID CALHOUN 100 ACRE TRACT IN THE NORTH LINE OF THE SAID WHATLEY LGE., BEING ALSO THE OCCUPIED NORTH LINE OF THE SAID CALHOUN (300 ACRE) TRACT BEARS N 5 DEG. 47'W. 450.0 FT.;

THENCE S 5 DEG. 47'E. 3670.2 FT. TO AN IRON STAKE SET IN FENCE ON THE OCCUPIED SOUTH LINE OF THE SAID CALHOUN (300 ACRE) TRACT, AND THE NORTH LINE OF THE RUTHERFORD RANCH, FOR THE SOUTHEAST CORNER OF THIS TRACT;

THENCE WITH THE FENCE ALONG THE OCCUPIED SOUTH LINE OF THE SAID CALHOUN (300 ACRE) TRACT AND THE NORTH LINE OF THE SAID RUTHERFORD RANCH, N 89 DEG. 03'W. 2815.0 FT. TO AN IRON STAKE AT THE FENCE CORNER POST AT THE SOUTHWEST CORNER OF THE SAID CALHOUN TRACT AND A CORNER OF THE SAID RUTHERFORD RANCH, FOR THE SOUTHWEST CORNER OF THIS TRACT;

THENCE WITH THE FENCE ALONG THE OCCUPIED WEST LINE OF THE SAID CALHOUN TRACT AND A BOUNDARY OF THE SAID RUTHERFORD RANCH, N 1 DEG. 30'E. 1601.9 FT. TO AN IRON STAKE AT FENCE CORNER POST AT A CORNER OF THE SAID CALHOUN TRACT AND A CORNER OF THE SAID RUTHERFORD RANCH, ALSO THE SOUTH LINE OF THAT CERTAIN TRACT CONVEYED TO DAVID HIMMELBLAU, FOR A CORNER OF THIS TRACT;

THENCE WITH THE FENCE ALONG THE SOUTH LINE OF THE SAID HIMMELBLAU TRACT AND THE NORTH LINE OF THE SAID CALHOUN TRACT, S 87 DEG. 10' E. 410.21 FT. TO AN IRON STAKE AT THE FENCE CORNER POST AT THE SOUTHEAST CORNER OF THE SAID HIMMELBLAU TRACT AND A CORNER OF THE SAID CALHOUN TRACT, FOR A CORNER OF THIS TRACT;

THENCE WITH THE FENCE ALONG THE WEST LINE OF THE SAID CALHOUN TRACT AND THE EAST LINE OF THE SAID HIMMELBLAU TRACT, WITH THE COURSES AND DISTANCES AS FOLLOWS: N 1 DEG. 45'E. 1224.05 FT., N 6 DEG. 00'E. 313.16 FT. TO AN IRON ROD FOUND AT FENCE CORNER POST AT AN ANGLE POINT IN THE WEST LINE OF THE SAID CALHOUN TRACT, FOR A CORNER OF THIS TRACT ON THE WEST SIDE OF BEAR CREEK NEAR THE HIGH BANK OF SAME;

THENCE CROSSING BEAR CREEK, WITH THE COURSES AND DISTANCES AS FOLLOWS: N 82 DEG. 05'E 157.46 FT., N 76 DEG. 07'E. 512.2 FT. TO AN IRON STAKE SET ON SOUTH SIDE OF FIELD FENCE, FOR AN INNER CORNER OF THIS TRACT;

THENCE N 17 DEG. 07'E. 371.25 FT. TO THE PLACE OF BEGINNING, CONTAINING 189 ACRES OF LAND,

EXHIBIT "A"

100 acres of land out of the Richard Halley League Survey in Hays County, Texas, and being a part of that certain 1,087.67 acre tract conveyed to L. L. McCandless, et al., by deeds recorded in Volume 245, pages 168-177 and Volume 245, pages 369-374 of the Deed Records of Hays County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING, for reference, at an iron pipe set at a fence corner post at the northeast corner of the S. J. Whatley Survey and the southeast corner of the Richard Halley League Survey in the west line of the M. T. Key Survey No. 13, also being the southeast corner of that certain 1087.67 acre tract conveyed to L. L. McCandless, et al. by deeds recorded in Volume 245, pages 168-177 and Volume 245, pages 369-374 of the Deed Records of Hays County, Texas, said point being a corner of the Clara Calhoun Ranch, for the southeast corner of the tract herein described;

THENCE, with the fence along the south line of the said McCandless, et al. 1087.67 acre tract with the courses and distances as follows:

1) N. 88°25' W. 779.53 feet;
2) N. 88°29' W. 251.72 feet;
3) N. 88°33' W. 250.79 feet;
4) N. 88°25' W. 304.65 feet;
5) N. 88°03' W. 130.46 feet;
6) N. 88°37' W. 334.09 feet;
7) N. 88°26' W. 214.62 feet;
8) N. 88°44' W. 147.72 feet; and
9) N. 88°28' W. 186.68 feet to a corner fence post for the southeast corner and POINT OF BEGINNING of this survey;

THENCE, with a fence, the following courses:

1) S. 52°43' W. 5.37 feet;
2) N. 89°06' W. 481.34 feet;
3) N. 88°43' W. 770.50 feet; and
4) N. 88°04' W. 550.0 feet to an iron stake at a fence corner post in the east side of a private road at the southwest corner of the said McCandless 1087.67 acre tract and a corner of the said Calhoun Ranch, for the southwest corner of this tract;

THENCE, with the fence along the west line of the said McCandless tract and the east line of a portion of the said Calhoun tract, N. 2°01' E. 2513.69 feet to an iron stake at a fence corner post at a corner of the said McCandless and Calhoun tracts, for a corner of this tract;

THENCE, with the fence along the boundary line between the said McCandless and Calhoun tracts, S. 88°10' E. 1531.18 feet to an iron stake set;

THENCE, S. 4°01' E. 2609.62 feet to the POINT OF BEGINNING;

<u>LESS AND EXCEPT</u>, a tract of 2.66 acres of land at the southwest corner of said 100 acre tract, and more particularly described by metes and bounds as follows:

BEGINNING at an iron pin set at the Southwest corner of the above described 100 acre tract for the Southwest corner of the above described 100 acre tract for the Southwest corner and PLACE OF BEGINNING hereof;

THENCE, N. 02°27' E. for a distance of 479.94 feet to an iron pin set for the Northwest corner hereof;

THENCE, S. 87°42' E. for a distance of 33.93 feet to an iron pin set at an angle point in a fence for the Northeast corner hereof;

THENCE, with said fence, S. 39°[illegible]' E. for a distance of [illegible]1.45 feet to an iron pin set at a point of fence intersection with the south line of the above described 100 acre tract, for the Southeast corner hereof;

THENCE, with the South line of the above described 100 acre tract, as found fenced and used upon the ground, N. 87°57' W. for a distance of 1[illegible].[illegible]9 feet to an iron pin set for an angle point hereof;

THENCE, continuing with said fence, N. 88°2[illegible]' W. for a distance of 175.51 feet to an iron pin set at a corner fence post for an angle point hereof;

THENCE, N. 88°07' W. for a distance of 9[illegible].[illegible] feet to the PLACE OF BEGINNING and containing 2.66 acres of land, more or less.

A tract of 2.66 acres of land out of the S. J. Whatley League No. 27, Hays County, Texas, and being a portion of that certain 300 acre tract of land as conveyed to Clara Calhoun by deed recorded in Volume 92, page 261 of the Deed Records of Hays County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a concrete monument set at the Northeast corner of an 11 acre tract of land described by deed recorded in Volume 3[illegible]2, page 15[illegible] of the Deed Records of Hays County, Texas, for the Northwest corner hereof;

THENCE, with the North line of the above described 300 acre tract of land the following 3 calls:

N. 88°28' E. for a distance of 186.86 feet to an iron pin set;
N. 85°44' E. for a distance of 147.72 feet to an iron pin set;
S. 48°26' E. for a distance of 214.62 feet to an iron pin set for the Northeast corner hereof;

THENCE, S. 51°27' W. for a distance of 646.43 feet to an iron pin set for the most southerly corner hereof;

THENCE, with the East line of the above described 11 acre tract of land, N. 05°48' W. passing an iron pin found at 32.09 feet, for a total distance of 6[illegible]6.66 feet to the PLACE OF BEGINNING and containing 2.66 acres of land, more or less.

TRACT SIX & SEVEN

11.0 acres of land out of the S.J. Whatley Lge. #22 in Hays County, Texas, a part of that certain 300 acre tract conveyed to Clara Calhoun by deed recorded in Volume 92, page 241 of the Deed Records of Hays County, Texas;

BEGINNING at an iron stake set in fence on the occupied North line of the S.J. Whatley Lge. #22 and the South line of the Richard Hailey Lge. being the North line of that certain 300 acre tract conveyed to Clara Calhoun by deed recorded in Volume 92, page 241 of the Deed Records of Hays County, Texas, for the Northw corner of the tract herein described; said point being in the South line of that certain 100 acre tract conveyed to Clara Calhoun by deed recorded in Volume 305, page 816 of the Deed Records of Hays County, Texas, from which the Southwest corner of the said Calhoun 100 acre tract bears as follows: N 88 deg. 43' W. 279.33 ft., N 88 deg. 04' W 550.0 ft.;

THENCE with the fence along the South line of the said Calhoun 100 acre tract and the North line of the said 300 acres, with the courses and distance as follows: S 88 deg. 43' E. 491.17 ft., S 89 deg. 06' E. 481.14 ft. to an iron stake set at fence corner post at an angle point in the South line of the said Calhoun 100 acre tract, for an angle point in this tract;

THENCE with the fence along the South line of the said Calhoun 100 acre tract and the occupied North line of the said 300 acres, N 52 deg. 43' E. 5.37 ft. to an iron stake set at fence corner post at the Southeast corner of the said 100 acre tract, for the Northeast corner of this tract;

THENCE S 5 deg. 47' E. crossing Bear Creek twice, a distance of 450.0 ft. to an iron stake set in Bear Creek, for the Southeast corner of this tract;

THENCE N 89 deg. 29' W. 1161.11 ft. to an iron stake set for the Southwest corner of this tract;

THENCE N 17 deg. 07' E. 473.35 ft. to the place of beginning, containing 11.0 acres of land;

TOGETHER WITH a 50 ft. access road easement, being a part of that certain 59 acre tract conveyed to Clara Calhoun by deed recorded in Volume 166, page 433 of the Hays County Deed Records, a part of the said 100 acre tract herein referred to and a part of the said Calhoun 300 acre tract; the said 50 ft. easement, more particularly described by metes and bounds as follows:

BEGINNING at an iron stake set at the Northwest corner of the herein described 11.0 acre tract in the North line of the said Calhoun 300 acre tract and the South line of the said 100 acres, for the most Southerly Northeast corner of the tract herein described;

THENCE with the West line of the said 11.0 acre tract, S 17 deg. 07' W. 51.97 ft. to an iron stake set for the Southeast corner of this tract;

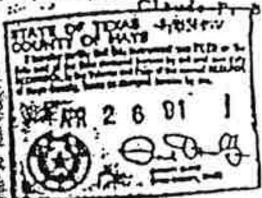
THENCE N 88 deg. 43' W. 265.15 ft. and N 88 deg. 04' W. 578.0 ft. to an iron stake set for the Southwest corner of this tract;

THENCE along the West side of an existing lane, N 2 deg. 04' E. 3536.0 ft. to an iron stake at fence corner post in the South R.O.W. line of RM Highway 1826, for the Northwest corner of this tract;

THENCE with the South R.O.W. line of the said Highway, N 74 deg. 28' E. 51.74 ft. to an iron stake set for the most Northerly Northeast corner of this tract;

THENCE S 2 deg. 04' W. at 857.8 ft. cross the South line of the said 59 acres and the North line of the said Calhoun 100 acre tract, continuing on same course a total distance of 3501.54 ft. to an iron stake set in fence on the South line of the said 100 acre tract and the North line of the said 300 acres, for the inner or "L" corner of this tract;

THENCE with the fence between the said Calhoun 100 acres and the said 300 acre tract, with the courses and distance as follows: S 88 deg. 04' E. 528.0 ft., S 88 deg. 43' E. 279.33 ft. to the place of beginning. Surveyed August, 1979, by Claude P. Bush, Jr.



L.O. [illegible]
[illegible]

EXHIBIT B
IMPROVEMENTS

DELIVERY POINT

KRASOVEC
SERVICE
AREA

FOR PLANNING
PURPOSES ONLY

Murfee Engineering Company

EXHIBIT B
NUTTY BROWN
WATERLINE SERVICE AREA
& DELIVERY POINT

1101 South Capital of Texas Highway, Building B, Suite 110, [illegible], Texas [illegible] (512) [illegible]

JOB NO. 01017.10	SCALE: 1" = 4000'	SHEET: 1 OF 1
DESIGNED BY: GM		
DRAWN BY: JMC		
FILE:\\dwg\nutty-brown\usgs-exhibit-Kras-b	DATE: 6/03	

PHASE II
PUMP
STATION

16 in

NUTTY BROWN RD

16 in
18,800 l.f.

PHASE I

16 in
5,200 l.f.

P.R.V.
HGL 1280 ft.

16 in
8,000 l.f.

16 in
13,500 l.f.

KRASOVEC

600,000 gal
ELEVATED
STORAGE
TANK

RIMROCK

16 in
14,500 l.f.

PHASE III

PHASE I

PHASE II

CAMP BEN
MC CULLOCH

16 in
8,000 l.f.

16 in

CYPRESS/
ROCK CREEK

8 in
4,000 l.f.

RUTHERFORD WEST

GREENHAWE
W.C.I.D. #1

GREENHAWE
W.C.I.D. #2

MEC
Murfee Engineering Company

NUTTY BROWN ROAD WATERLINE
EXHIBIT 'B'
WATER IMPROVEMENTS

1101 South Capital of Texas Highway, Building B, Suite 110, Austin, Texas [illegible]

JOB NO. 01017.10	SCALE: 1" = 5000'	SHEET: 1 OF 1
DESIGNED BY: DWR		
DRAWN BY: JMC		
FILE:\\01\017\10\exhibit-11X17-Kra#2		DATE: 6/03

FOR PLANNING
PURPOSES ONLY

EXHIBIT C
LCRA SERVICE AREA

Burnet
Spicewood District
Lakeside Beach District
Williamson
Quail Creek District
Ridge Harbor District
Lake Travis
Blanco
Mansfield Dam
Westminister Glen District
Lake Austin
Glenlake District
Pedernales River
Bee Cave District
Tom Miller Dam
Town Lake
Travis
71
183
360
290
35
Mopac

Dripping Springs District
Hays

West Travis County Regional System

Water Service Area

EXHIBIT D
U.S. FISH AND WILDLIFE SERVICE LETTER

United States Department of the Interior

FISH AND WILDLIFE SERVICE
10711 Burnet Road, Suite 200
Austin, Texas 78758
(512) 490-0057

July 22, 2002

Mr. David B. Armbrust
Armbrust Brown & Davis, L.L.P.
100 Congress, Suite 1300
Austin, Texas 78701

Krasovec

2-15-I-02-529

Dear Mr. Armbrust:

Thank you for your, May 20, 2002, submission and subsequent clarifications (June 7, 2002, and July 16, 2002) outlining development parameters for the Vistas at Austin Ranch proposed development project. We discussed this project with you and reviewed the development plans through an informal consultation process on the Environmental Protection Agency's stormwater Construction General Permit. This was voluntarily initiated by your client, Krasovec-Reunion JV, and we appreciate your efforts to protect water quality at Barton Springs.

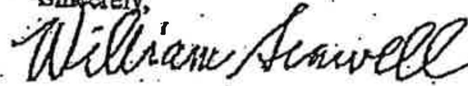
Based on the information provided, we believe that development of the proposed project is not likely to adversely affect the Barton Springs salamander. Your proposed project includes the type of water quality protections the Service believes will protect the Barton Springs salamander, and each aspect appears to address water quality protection in a site specific manner. We are satisfied with the level of commitment you have shown throughout this process and appreciate your patience as we explored the site specific alternatives for water quality treatment.

During the site review, your consultants identified golden-cheeked warbler habitat and potentially suitable black-capped vireo habitat. A formal consultation process with the Corps of Engineers, including an incidental take statement, will need to be completed before construction commences on this site. This process has already been initiated and should be completed during the fall of 2002.

The purpose of this letter is to clarify that the water quality plan is adequate for protection of the Barton Springs salamander. Your May 20, 2002, submission and subsequent clarifications (June 7, 2002, and July 16, 2002) are a commitment for Krasovec-Reunion JV to implement the project as described. Any changes to the project proposal, which could have an adverse impact on water quality, would require reinitiation of consultation to assure compliance with the Endangered Species Act.

We appreciate the opportunity to work with you and your willingness to promote sound water quality management. Thank you for working with us early in the development of your project. If you have any further questions please contact Matthew Lechner, 490-0057, extension 234.

Sincerely,



William M. Seawell
Acting Field Supervisor

cc: Jack Ferguson, EPA
Joe Beal, LCRA

EXHIBIT E
ENGINEER'S CERTIFICATION

ENGINEER'S CERTIFICATION

The undersigned person, a professional engineer registered with the State of Texas, hereby certifies to the following:

1. I am personally familiar with the following subdivision (the "Subdivision"): Vistas at Tustin Ranch

2. I am personally familiar with the development criteria for the Subdivision (the "Development Criteria") that was submitted to the United States Fish and Wildlife Service ("FWS"), based on which Development Criteria the FWS issued a determination that the Subdivision was not likely to adversely affect the Barton Springs salamander. This determination based on the Development Criteria was issued in a FWS letter dated July 22, 2002 (the "Letter Determination").

3. Final plats, deed restrictions and/or restrictive covenants for the Subdivision ("Plats and Restrictions") have been filed in the public record. The Plats and Restrictions are filed in:

   ____

   Copies of the Plats and Restrictions also have been provided to the LCRA.

4. It is my opinion, as a professional engineer, that the Plats and Restrictions for the Subdivision conform to, and incorporate the water quality protection features included in, the Development Criteria upon which FWS issued its Letter Determination.

____
Signature

____
Printed Name

____
Date

____
Texas Registration Number

(Seal)

EXHIBIT F
ENGINEER'S CONCURRENCE LETTER

ENGINEER'S CONCURRENCE LETTER
FOR FINAL INSPECTION

Date: ______________, 200_
Project Name: Vistas at Tustin Ranch
Address: ___________, Austin, Texas 787__
Site Plan Number: ______________________
Building Permit Number: ________________

To Whom It May Concern:

On this day ____________, I the undersigned professional engineer made a final visual inspection of the above referenced project. I am personally familiar with the development criteria for the Subdivision (the "Development Criteria") that was submitted to the United States Fish and Wildlife Service ("FWS"), based on which Development Criteria the FWS issued a determination that the Subdivision was not likely to adversely affect the Barton Springs salamander.

This determination based on the Development Criteria was issued in a FWS letter dated July 22, 2002 (the "FWS Letter"), a copy of which is attached hereto. I also have visited the site during construction and observed that the improvements were constructed in a manner substantially consistent with the approved plat, the plans and specifications approved by LCRA, and incorporated the water quality protection features included in the Development Criteria upon which United States Fish and Wildlife Service issued its FWS Letter dated July 22, 2002, with insignificant deviation.

____
Signature

____
Printed Name

(Seal)

____
Date

____
Texas Registration Number

EXHIBIT G
WATER CONSERVATION MEASURES