

SECOND AMENDMENT TO DEVELOPMENT AGREEMENT

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This Second Amendment to Development Agreement (the "Amendment") is entered into between the **CITY OF BEE CAVE, TEXAS**, (formerly Village of Bee Cave), a general law municipality located in Travis County, Texas (the "City") and **SPILLMAN INVESTMENT GROUP, LTD.**, a Texas limited partnership ("Owner").

RECITALS

A. Spillman Development Group, Ltd. ("Spillman Development") and the City executed a Development Agreement effective as of August 22, 2000 (as amended by that certain First Amendment to Development Agreement dated May 13, 2003, the "Agreement") governing the development of approximately 492.314 acres of land located within the extraterritorial jurisdiction of the City more fully described in the Agreement ("Land").

B. Pursuant to that certain Partial Assignment of Development Agreement dated as of November 20, 2001 (the "Initial Assignment"), Spillman Development assigned its rights and interests under the Agreement to Owner to the extent the Agreement related to approximately 231.148 acres of land owned by Owner (the "Assigned Tract").

C. Pursuant to that certain Partial Assignment of Development Agreement dated as of May 30, 2002 (the "Second Assignment"), Owner assigned its rights and interests under the Agreement to Palisades Developers, Ltd. ("Palisades") to the extent the Agreement related to approximately 181.861 acres of land out of the Assigned Tract which Owner had conveyed to Palisades.

D. Owner has retained its fee title to, and rights under the Agreement with respect to, approximately 52.946 acres of land more particularly described on Exhibits B-2, B-3 and B-4 to the Second Assignment, a portion of which said land is the proposed site for the Hotel/Club Resort described in Exhibit "A" attached to the Agreement.

E. Owner and the City desire to amend the Agreement to allow portions of the Hotel/Club Resort building to be five stories in height.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner and the City hereby agree as follows:

1. Defined Terms. All terms delineated with initial capital letters in this Amendment that are defined in the Agreement have the same meanings in this Amendment as in the Agreement. Other terms have the meanings commonly ascribed to them.

2. Amendments. The Agreement is hereby amended as follows:

A. Building Height.

(1) The Non-Residential Land Use Standards for the Hotel/Club Resort site set forth in the Agreement are hereby modified to provide that 25% of the total building footprint area of the hotel and conference center buildings to be constructed in the Hotel/Club Resort shall be limited to a 5-story maximum, and the remainder of the building footprint areas within the Hotel/Club Resort shall be limited to a 4-story maximum as depicted in Exhibit "B" which is attached hereto and incorporated herein.

(2) The City hereby acknowledges that the 55 foot building height restriction for Hotel/Club Resort development set forth in the Agreement is not a maximum height, and that portions of the Hotel/Club Resort building may exceed 55 feet; provided, however, that the average height of the Hotel/Club Resort building, taken as a whole and measured from the finished floor elevation to the average height of the roof line, shall not exceed 55 feet, and provided that the Hotel/Club Resort building does not exceed 5 stories. In calculating the 55 foot average height limitation and the 5 story height limitation set out above, improvements not intended for human occupation (such as stairwells, elevator equipment rooms, mechanical rooms and the like) shall not be considered.

3. Effect of Amendment. Except as specifically provided in this Amendment, the terms of the Agreement continue to govern the rights and obligations of the parties, and all terms of the Agreement, except as amended by this Amendment, remain in full force and effect. If there is any conflict or inconsistency between this Amendment and the Agreement, this Amendment will control and modify the Agreement.

EXECUTED by the City and Owner on the date or dates set forth on the counterpart signature pages attached hereto, to be effective on the date the last party signs.

COUNTERPART SIGNATURE PAGE FOR ATTACHMENT TO
SECOND AMENDMENT TO DEVELOPMENT AGREEMENT

CITY:

CITY OF BEE CAVE, TEXAS,
a general law municipality

By: *Caroline Murphy*
Printed Name: Caroline Murphy
Title: Mayor
Date: 1-10-07

ATTEST: *Sherry Mashburn*
Printed Name: Sherry Mashburn
Title: City Secretary

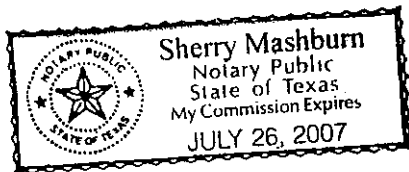
THE STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me this 10th day of January, 2007
by Caroline Murphy, Mayor of
the City of Bee Cave, Texas, a general law municipality.

(SEAL)

Sherry Mashburn
Notary Public Signature



COUNTERPART SIGNATURE PAGE FOR ATTACHMENT TO
SECOND AMENDMENT TO DEVELOPMENT AGREEMENT

OWNER:

SPILLMAN INVESTMENT GROUP,
LTD., a Texas limited partnership

By: SDG MANAGEMENT, INC., a
Texas corporation, its General
Partner

By: [Signature]
Name: Steve Gurasich
Title: Partner

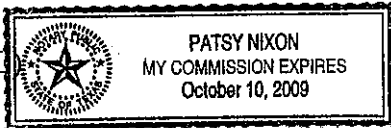
Date: 1-24-07

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me this 24th day of
JANUARY, 2006 by Steve Gurasich of SDG
Management, Inc., a Texas corporation, general partner of Spillman Investment Group,
Ltd., a Texas limited partnership, on behalf of said corporation and limited partnership.

(SEAL)



[Signature]
Notary Public Signature

FIRST AMENDMENT TO DEVELOPMENT AGREEMENT

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This First Amendment to Development Agreement (the "Amendment") is entered into between the **VILLAGE OF BEE CAVE, TEXAS**, a general law municipality located in Travis County, Texas (the "Village") and **KENNETH C. MARGOLIS, TRUSTEE** ("Margolis") and ("Owner") **SPILLMAN DEVELOPMENT GROUP, LTD.** ("Spillman") (collectively "Owners").

RECITALS

A. Margolis and the Village executed a Development Agreement effective as of July 25, 2000 ("Morningside Agreement"), governing the development of approximately 36 acres of land located within the extraterritorial jurisdiction of the Village, locally known as Morningside PUD and more fully described in the Morningside Agreement ("Morningside Tract"); and

B. Spillman and the Village executed a Development Agreement effective as of August 22, 2000 ("Spillman Agreement") governing the development of approximately 492.314 acres of land located within the extraterritorial jurisdiction of the Village more fully described in the Spillman Agreement ("Spillman Tract").

C. Owner and the Village desire to amend certain provisions of the Morningside and Spillman Agreements (collectively "Agreements") in order to allow the development of a retail project generally in accordance with the conceptual development plan attached as Exhibit A ("Shops at Falconhead Retail Plan" or "Retail Plan").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner and the Village hereby agree as follows:

1. Defined Terms. All terms delineated with initial capital letters in this Amendment that are defined in the Agreements have the same meanings in this Amendment as in the Agreements. Other terms have the meanings commonly ascribed to them.

2. Notwithstanding anything in the Agreements to the contrary, the Agreements shall be amended as follows in the event the Retail Plan is developed:

A. Impervious Cover.

(1) 40,510.8 square feet of impervious cover from the development of Phase One, Section 6 of Spillman Ranch may be utilized in conjunction with the development of the Retail Plan. The allowable impervious cover for Phase One, Section 6 of the Spillman Ranch development is hereby reduced by 40,510.8 square feet.

(2) Impervious cover may be averaged, as if both the Morningside Tract and the Spillman Tract are one unified development project as long as the total actual impervious cover does not exceed the combined allowable impervious cover of 950,814 square feet of both tracts including the transfer of 40,510.8 square feet of impervious cover from the development of Phase I, Section 6. Attached as Exhibit "B" is a calculation of the allowable impervious cover.

(3) Provided however, that impervious cover associated with Phase 1 of the Retail Plan shall not exceed approximately 882,961 square feet. Impervious cover associated with Phase 2 shall not exceed approximately 67,853 square feet. To the extent less than 882,961 square feet of impervious cover is used in conjunction with Phase I of the Retail Plan, such impervious cover may be used in conjunction with Phase 2.

B. Non-Point Source Pollution Controls ("NPS"). The NPS requirements shall be averaged across both the Morningside and Spillman Tracts as if they are one unified development project. Pollution removal efficiency shall average at least 80%.

C. Land Use. Phase 1. All neighborhood services and general retail uses as designated in Exhibit "D" shall be permitted uses. Phase 2. Uses shall consist of office and/or residential uses and will be approved upon subsequent site plan and zoning approval.

D. Building Size. No retail store shall exceed 45,000 square feet of leaseable area, and a combination of retail stores shall not exceed a building footprint of 120,000 square feet.

E. Building Height. Buildings shall be limited to a maximum height of 35 feet, measured in accordance with standard Village height requirements. Parapets and screening for roof equipment are not included in the height calculation of 35'.

F. Maximum Buffer/Drainage Easement. The actual buffer/drainage easement shall be determined in accordance with applicable ordinances of the Village and established at the time of site plan approval.

G. Hike & Bike Trail. Owners shall construct and dedicate to the Village a hike and bike trail, which will tie in to the Village of Bee Cave hike and bike trail on the Home Depot development and the Spillman Ranch hike and bike trail.

H. Road. The project shall include a through road with a minimum pavement width of thirty (30) feet or greater, if greater is required by the Traffic Impact Analysis, for the purpose of carrying traffic from Home Depot to Falconhead Blvd. and shall be dedicated to the public if requested by the Village.

I. Trees. The developer shall use reasonable efforts to preserve and protect specimen trees (hardwoods) having a diameter of 12" or greater and to replace such trees on an equivalent total caliper basis.

J. Additional terms and conditions. Owner agrees to terms and conditions described in Exhibit "C" which are incorporated herein by reference for all purposes.

3. In the event that construction on the Retail Plan is not commenced within forty-eight (48) months from the date of this Amendment, this Amendment shall terminate and be of no further force or effect. Upon termination of this Amendment, all original terms, conditions and requirements of the Morningside and Spillman Agreements shall govern the rights and obligations of the parties as if this Amendment had not occurred.

4. Effect of Amendment. Except as specifically provided in this Amendment, the terms of the Morningside and Spillman Agreements continue to govern the rights and obligations of the parties, and all terms of the Agreements, except as amended by this Amendment, remain in full force and effect. If there is any conflict or inconsistency between this Amendment and the Agreements, this Amendment will control and modify the Agreements. Any projects other than the Retail Plan constructed on either the Morningside or Spillman Tracts shall be governed by the provisions of the Spillman and Morningside Agreements, respectively, without this Amendment.

EXECUTED on the date or dates set forth below, to be effective on the date the last party signs.

VILLAGE:

VILLAGE OF BEE CAVE, TEXAS,
a general law municipality

By: Caroline Murphy
Printed Name: Caroline Murphy
Title: Mayor
Date: 5-13-03

ATTEST

Sherry Mashburn
Printed Name: Sherry Mashburn
Title: Village Secretary

OWNERS:

By: *Kenneth C. Margolis* *Attorney-in-Fact for*
Kenneth C. Margolis, Trustee

Date: *May 9, 2003*

SPILLMAN DEVELOPMENT GROUP, LTD., a Texas limited partnership

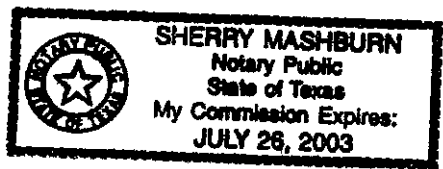
By: SDG MANAGEMENT, INC., a Texas corporation, its General Partner

By: *Stephen W. Gurasich, Jr.*
Stephen W. Gurasich, Jr., President
Date: *5/9/03*

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

Before me *Sherry Mashburn* (name), a Notary Public on this day personally appeared *Caroline Murphy*, *Mayor* of the Village of Bee Cave, Texas, a general law municipality, 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 consideration therein expressed.

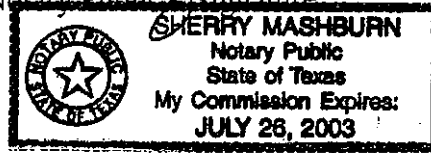
Given under my hand and seal of office this *13th* day of *May*, A.D., 2003.



Sherry Mashburn

[Seal]

Sherry Mashburn
Notary Public's Signature



THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

Before me Robbie D. Henwood (name), a Notary Public on this day personally appeared Kenneth C. Margolis, Trustee, 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 consideration therein expressed.

Given under my hand and seal of office this 9th day of May, A.D., 2003.



Robbie D. Henwood
Notary Public's Signature

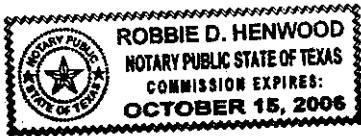
STATE OF TEXAS

COUNTY OF TRAVIS

Before me, Robbie D. Henwood (name), a Notary Public on this day personally appeared Stephen W. Gurasich, Jr., President of SDG Management, Inc., a Texas corporation, general partner of Spillman Development Group, Ltd., a Texas limited partnership, 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 consideration therein expressed.

Given under my hand and seal of office this 9th day of May, A.D., 2003.

[Seal]



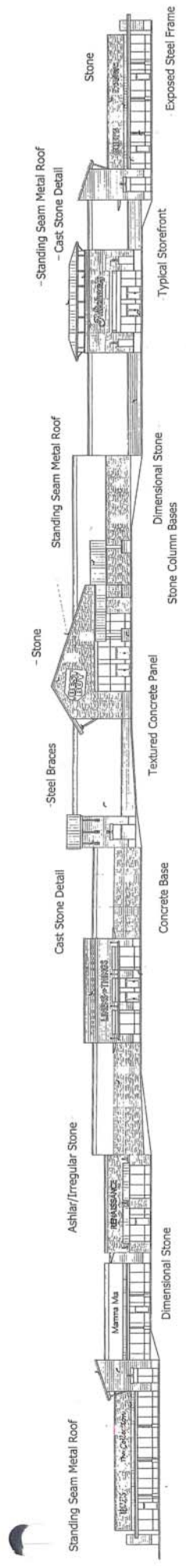
Robbie D. Henwood
Notary Public's Signature

Barry M. Lewis, Attorney-in-Fact for

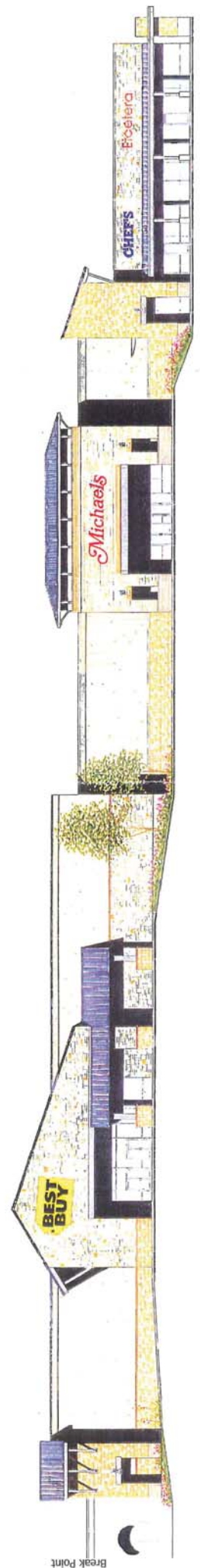
EXHIBIT "C"

1. Owners agree to commence annexation of the land covered by the Retail Plan into the Village prior to the commencement of development or approval of preliminary plats, whichever occurs first.
2. Owners agree to comply with the Village Non-Point Source Ordinance as it existed on June 13, 2000.
3. Owners agree to comply with the current Village of Bee Cave Code of Ordinances as follows:
 - a. Chapter 10, Section 10.100: Sign Regulations
 - b. Chapter 14, Section 14.132: Landscaping Requirements
 - c. Chapter 14, Section 14.131: Off-street Parking & Loading Requirements
 - d. Chapter 14, Section 14.137: Lighting and Glare Standards
 - e. Chapter 10, Section 10.200: Subdivision Regulations
 - f. Chapter 14, Section 14.134: Architectural Standards. In particular, Owners agree to construction of the facade of all buildings as follows:

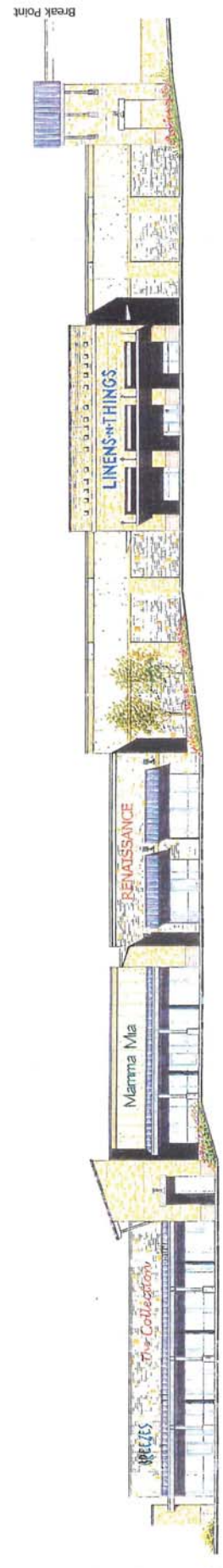
Vertical and horizontal articulation shall be constructed in accordance with the current Village ordinances for architectural standards. Exhibit "E" is an illustration of the minimum standards.
 - g. Current Village dam safety requirements for dams located on ponds in excess of six feet.
4. Owners agree to conduct a Traffic Impact Analysis and to mitigate adverse traffic impacts.
5. Owners shall use good faith efforts to study the feasibility of using a rain water collection system and will employ such system to the extent Owners determine that it is practical and economical.
6. The wet ponds shall be sized and built in Phase I for the ultimate proposed development condition for all impervious cover for all phases.



EXTERIOR ELEVATION - OVERALL



EXTERIOR ELEVATION - NORTHERN PORTION



EXTERIOR ELEVATION - SOUTHERN PORTION

The Shops at Falcon Head

Conceptual Design for Mixed Use Development
 EXHIBIT E

SPILLMAN RANCH

EXHIBIT D

RETAIL USE CHART

ZONING USE	ALLOWABLE	NOT ALLOWED	ZONING USE	ALLOWABLE	NOT ALLOWED
Administrative and Business Offices	X		Indoor Sports and Recreation	X	
Agricultural Sales and Services		X	Kennels		X
Art and Craft Studio (limited)	X		Laundry Services	X	
Art and Craft Studio (general)	X		Liquor Sales	X	
Art and Craft Studio (Industrial)		X	Marina		X
Automotive Rentals		X	Medical Offices	X	
Automotive Repair Services		X	Monument Retail Sales		X
Automotive Sales		X	Offsite Accessory Parking	X	
Automotive Washing (of any type)		X	Outdoor Entertainment		X
Building Maintenance Services		X	Outdoor Sports and Recreation		X
Business or Trade School		X	Pawn Shop Services		X
Business Support Services	X		Personal Improvement Services	X	
Campground		X	Personal Services	X	
Cocktail Lounge		X	Pet Services	X	
Commercial Off-Street Parking	X		Professional Office	X	
Communications Services	X		Recreational Equipment Maintenance and Storage		X
Construction Sales and Services	X		Recreational Equipment Sales		X
Consumer Convenience Services	X		Research Assembly Services	X	
Consumer Repair Services	X		Research Services		X
Convenience Storage		X	Research Testing Services	X	
Equipment Repair Services		X	Research Warehousing Services		X
Equipment Sales		X	Restaurant (drive-in, fast food)		X
Exterminating Services	X		Restaurant (limited)	X	
Financial Services	X		Restaurant (general)	X	
Food Sales	X		Scrap and Salvage		X
Funeral Services		X	Service Station		X
General Retail Sales (convenience)	X		Stables		X
General Retail Sales (convenience with gas sales)		X	Theater		X
General Retail Sales (general)	X		Vehicle Storage	X	
Hotel - Motel	X		Veterinary Services (with indoor kennels only)	X	
Indoor Entertainment	X				

DEVELOPMENT AGREEMENT

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This Development Agreement ("Agreement") is between the **Village of Bee Cave, Texas** ("the Village"), a general law municipality located in Travis County, Texas and **Spillman Development Group, Ltd.**, a Texas limited partnership ("SDG").

INTRODUCTION

SDG owns or controls approximately 492.314 acres of land located within the extraterritorial jurisdiction ("ETJ") of the Village ("Land"). The Land is more particularly described on Exhibit A, and its boundaries are depicted on the concept plan attached as Exhibit B ("Concept Plan"). This Agreement confirms that all of the Land is located within the ETJ of the Village of Bee Cave.

SDG intends to develop the Land as a master-planned, mixed-use community that will include residential and nonresidential uses ("Project"). The Project will also include a golf course, a club house and related facilities. Because the Land constitutes a significant area of the Village's ETJ that will be developed in phases under a master development plan, SDG and the Village wish to enter into this Agreement, which will provide an alternative to the Village's typical regulatory process for development in its ETJ, encourage innovative and comprehensive master-planning of the Land, provide certainty of regulatory requirements throughout the term of this Agreement and encourage the creation of a high-quality community for the benefit of the present and future residents of the Village and the Project.

SDG and the Village agree to work with each other in good faith to enhance and preserve the general area for the citizens of the Village and surrounding areas. Such cooperation shall include development of the Land in a manner which respects the environmental sensitivity of the area, planning for a regional utility system, and providing public access to at least some of the recreational amenities developed on the Land.

Therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, including the agreements set forth below, the parties agree as follows.

ARTICLE I DEFINITIONS

Section 1.01 Definitions. In addition to the terms defined elsewhere in this Agreement or in the Village's ordinances, the following terms and phrases used in this Agreement will have the meanings set out below:

Agreement: This Development Agreement between the Village and SDG.

Village Administrator: The Village Administrator of the Village.

Effective Date of this Agreement: The date when one or more counterparts of this Agreement, individually or taken together, bear the signature of all parties.

LCRA: The Lower Colorado River Authority.

ARTICLE II MASTER DEVELOPMENT PLAN

Section 2.01 Phased Development. SDG intends to develop the Land in phases, according to the phasing plan attached as Exhibit C. SDG may modify the phasing plan from time to time, and SDG may plat each phase in multiple, separate subdivision plats. The Village acknowledges that the portions of the Land not under active development may remain in use for agricultural lands or ranching purposes. SDG shall notify the Village of changes in the phasing plan.

Section 2.02 Concept Plan.

a. For purposes of this Agreement, the Concept Plan means and includes the land use map, land use standards, land use charts and all other matters set out on Exhibit "B" attached hereto. The Village hereby confirms its approval of the Concept Plan. The Village acknowledges that the Concept Plan complies with the Village's General Plan, as amended; approves the land uses, densities, exceptions, utility and roadway alignments and sizings and other matters shown on the Concept Plan, and confirms that the Concept Plan has been approved by all requisite Village administrative staff and the Board of Alderman of the Village. Preliminary plats and final subdivision plats that generally comply with the Concept Plan, applicable Village ordinances as modified by this Agreement, and state law will be approved by the Village when submitted for review and approval in accordance with standard ordinance procedures of the Village.

b. SDG shall have the right to develop the Land to a density which will require water and wastewater service not to exceed a total of 1125 living unit equivalents ("LUE's"). The term "LUE" is defined on Exhibit D. Portions of the Project may be developed to higher densities so long as the overall density within the Project does not exceed a total of 1125 LUE's.

c. SDG will, simultaneously with SDG's presentation to the Village of an initial preliminary plan for the Project, submit to the Village a traffic impact analysis covering the Project. SDG will cooperate with the Village's traffic engineers in the development of recommendations for inclusion in the traffic impact analysis.

d. The individual commercial tracts within the Project are subject to the limitations on impervious cover which are set out in the Concept Plan. The single family residential lots within the Project will not be subject to impervious cover limits, but the Village and SDG have each assumed that the 80 foot single family residential lots will be developed with an average of 3,500 square feet of impervious cover and that the 50 foot garden home single family residential lots will be developed with an average of 2,500 square feet of impervious cover. Based upon these assumptions and based upon the limitations on impervious cover for the commercial tracts which are set out in the Concept Plan, it is the goal of both the Village and SDG to complete ultimate build-out of the Project with impervious cover in an amount not to exceed 24% of the total land area of the Project.

Section 2.03 Review Process. The Village acknowledges that SDG intends to proceed with the development of the Land within a compressed time schedule, and that efficient Village reviews are necessary for the effective implementation of SDG's development program. Therefore, the Village agrees that it will review and respond with substantive comments or approval to all construction and development applications and any requests for approvals under this Agreement within the shorter of sixty (60) days or any time frames established by any statutory or internal Village timeframes for development reviews. If the Village fails to respond to an application within such time frame, the application will be deemed to have been approved as submitted. The Village further agrees that if, at any time, SDG believes that an impasse has been reached with the Village staff, its consultants or other representatives on any development issue affecting The Project, SDG may immediately appeal to the Village Administrator for a resolution and that the Village Administrator's decision is immediately appealable to the Village Council at its next regularly scheduled Village Board of Alderman meeting. The Village will post the items in a timely manner in accordance with applicable law. Finally, the Village agrees that SDG may commence construction of the golf course within the Project immediately upon the final execution of the Agreement without necessity of obtaining any other approvals or consents from the Village.

Section 2.04 Term of Approvals. The Concept Plan will be effective for the term of this Agreement, including any renewals as provided by Section 9.01.

Section 2.05 Amendments. Due to the fact that the Project comprises a significant land area and its development will occur in phases over a number of years, modifications to the Concept Plan may become desirable due to changes in market conditions or other factors. SDG may make minor changes to that Concept Plan (Exhibit "B") upon notification to the Village Administrator. Minor changes shall include minor adjustments to street alignments, minor changes in lot lines, lot sizes, adjustments to the golf course boundaries or any other changes in land use which: (a) are residential in nature or are consistent with the non-residential land uses on the Concept Plan; and (b) do not result in overall increases to traffic, density or impervious cover as set forth in

Section 2.02. Major amendments to the Concept Plan shall require approval by the Village, which approval will not be unreasonably withheld or delayed.

Section 2.06 **Review/Submittal Fees.** SDG shall pay the Village's standard application, review and development fees which are applicable to all other development applicants. The Village's current fees are set forth in Exhibit E. Such fees shall neither be increased nor any new fees added which are not based upon reasonable costs incurred by the Village in processing development applications. Upon approval of the Development Agreement, SDG shall reimburse the Village for its reasonable out of pocket engineering, legal and land planning costs incurred by the Village in reviewing this Agreement and the Project.

Section 2.07 **Building Code Compliance.** Permanent structures constructed on the Land shall comply with the uniform building code and the design guidelines adopted by the Village in effect at the time the construction is commenced. Such building code and design guidelines shall apply uniformly to all property within the corporate limits of the Village. The Village shall provide timely inspections and shall provide adequate staff and resources so as not to unreasonably delay any construction activities on the Land.

ARTICLE III ANNEXATION

Section 3.01 **Annexation.**

a. The Land will be annexed as follows: SDG shall petition the Village to annex the Land in phases on a tract by tract basis as applications for final plat are filed for each tract. The Village shall use reasonable efforts to annex the area within each final plat within sixty (60) days of its receipt of the petition, and in all events will complete such annexation within ninety (90) days of receipt of the petition.

b. Contemporaneously with the annexation by the Village of any land within the Project, the Village will zone any undeveloped property within the Project consistently with the land uses shown on the Concept Plan, as amended from time to time, and will zone all developed property consistently with the land uses in existence on the date of the annexation as shown on the Concept Plan.

ARTICLE IV WATER AND WASTEWATER UTILITY INFRASTRUCTURE AND CONSTRUCTION

Section 4.01 **Water and Wastewater Services.** The Village and SDG acknowledge and agree that water and wastewater service will be provided to the Project by the LCRA and/or Travis County Water Controlled Improvement District No. 17. The Village consents to the construction and installation of all facilities necessary to provide such services. SDG, at its option, may elect to convey

any facilities to LCRA or any other qualified utility provider for ownership, operation and maintenance.

Section 4.02 Subdivision Construction Agreement. In recognition of the contractual relationship between the Village and SDG, the Village and SDG agree that SDG and the Village will, upon the approval of a final plat for any tract within the Project, enter into a subdivision construction agreement in the form attached hereto as Exhibit F with respect to the tract being subdivided.

ARTICLE V OTHER UTILITIES

Section 5.01 Generally. SDG will have the right to select the providers of water, wastewater, cable television, gas, electric, telephone, telecommunications and all other utilities and services, including solid waste collection and recycling services, or to provide "bundled" utilities within the Project.

ARTICLE VI PARK AND RECREATIONAL AMENITIES

Section 6.01 Park Land and Improvements. In recognition of the character of the Project as a master-planned community and in acknowledgment of the substantial public access and private parkland, greenbelts, trails and park improvements that will be provided by SDG within the Project, as set forth on the Concept Plan the Village agrees that no additional parkland dedication or park and fees will be required from SDG.

Section 6.02 Public Access. Prior to the time that any portion of the Land is opened for "public access" to residents of the Village, SDG and the Village shall enter into a written agreement addressing such issues as liability, capital expenditures and improvements and cost sharing for operations and maintenance, hours of operation and appropriate uses.

ARTICLE VII EXCEPTIONS

Section 7.01 Exceptions. SDG has applied for, and the Village hereby grants and approves, the exceptions, waivers, variances and credits to the Village's development regulations, ordinances and requirements which may be needed to develop, construct and utilize the Project in conformance with the Concept Plan.

**ARTICLE VIII
AUTHORITY AND VESTING OF RIGHTS**

Section 8.01 Authority. This Agreement is entered into, in part, under the statutory authority of Section 42.044 of the Texas Local Government Code, "Creation of Industrial District in Extraterritorial Jurisdiction", which authorizes the Village to make written contracts with the owners of land within an industrial district, establishing lawful terms and considerations that the parties agree to be reasonable, appropriate, and not unduly restrictive of business activities. In accordance with the authority granted to the Village under Section 42.044, Texas Local Government Code, the Village hereby designates the Land as an industrial district, which includes not only industrial uses, but also areas in which tourist-related businesses and facilities will be located. The parties intend that this Agreement guarantee the continuation of the extraterritorial status of portions of the Land except as provided in this Agreement; authorize certain land uses and development on the Land; provide for the uniform review and approval of plats and development plans for the Land; provide exceptions to certain ordinances; and provide other terms and consideration, including the continuation of land uses and zoning after annexation of the Land.

Section 8.02 Vesting of Rights. This Agreement constitutes an application by SDG for the subdivision and development of the Project, and initiates the subdivision and development permit process for the Project. The Village acknowledges that SDG has vested authority to develop the Project in accordance with this Agreement. It is the intent of the Village and SDG that these vested development rights include the character of land uses, the number of LUE's, the general location of roadways, the design standards for streets and roadways, and development of the Land in accordance with the standards and criteria set forth in this Agreement and applicable Village ordinances in existence on the Effective Date of this Agreement, only as modified in accordance with the exceptions described in Article VII.

Section 8.03 Landowner's Right to Continue Development. In consideration of SDG's agreements hereunder, the Village agrees that it will not, during the term of this Agreement, impose or attempt to impose: (a) any moratorium on building or development within the Project or (b) any land use or development regulation that limits the rate or timing of land use approvals, whether affecting preliminary plats, final plats, site plans, building permits, certificates of occupancy or other necessary approvals, within the Project. The preceding sentence does not apply to temporary moratoriums uniformly imposed throughout the Village due to an emergency constituting imminent threat to the public health or safety, provided that such a moratorium will continue only during the duration of the emergency.

**ARTICLE IX
TERM, ASSIGNMENT AND REMEDIES**

Section 9.01 Term. The term of this Agreement will commence on the Effective Date and continue for fifteen (15) years, unless terminated on an earlier date under other provisions of this Agreement or by written agreement of the Village and SDG. Upon the expiration of fifteen (15)

years, this Agreement may be extended, at SDG's request, with Village Council approval, for up to three successive five-year periods.

Section 9.02 Addition of Land. The Village acknowledges that SDG may, in the future, desire to add additional land to the property that is subject to this Agreement. If SDG intends to acquire land from within Outparcels 1-5 and/or the North Davenport Tract, as depicted on Exhibit G (the "Additional Lands"), and if SDG desires to add such land to the Project and make such land subject to this Agreement, then SDG will give written notice to the Village of the acquisition or proposed acquisition. Such notice will include a description of the land that has been or will be acquired and a proposed concept plan for that land which will show the proposed land uses on the land to be acquired. Land uses within any portion of the Additional Lands added to the Project will be in addition to those currently shown on the Concept Plan and will require additional LUE's of water and wastewater service over and above the amount referenced in Section 2.02.b. hereof, but: (i) such land uses will be similar in nature and scope to the land uses currently reflected on the Concept Plan; (ii) any portion of the Additional Lands utilized for commercial purposes will be subject to the same limitations on impervious cover as are applied against the commercial tracts currently in the Project, as reflected on Exhibit B; (iii) any portion of the Additional Lands utilized for single family residential purposes will not be subject to impervious cover limits, but will remain subject to the impervious cover goal which is referenced in Section 2.02.d. hereinabove; and (iv) SDG will, concurrently with the filing of an initial preliminary plan for any portion of the Additional Lands added to the Project, update the traffic impact analysis for the Project to include the land which is being added. The addition of any land outside of the Additional Lands depicted on Exhibit G shall require the prior consent of the Village, which consent shall not be unreasonably withheld or delayed. The Village's approval of the addition of any portion of the Additional Lands depicted on Exhibit G will not be required. After the completion of any addition of land as allowed hereunder, the term "Land" as used throughout this Agreement shall include such additional land.

Section 9.03 Termination and Amendment by Agreement. This Agreement may be terminated or amended as to all of the Land at any time by mutual written consent of the Village and SDG or may be terminated or amended only as to a portion of the Land by the mutual written consent of the Village, the owners of the portion of the Land affected by the amendment or termination and SDG. In addition, SDG may terminate this Agreement if SDG determines in good faith that it is not economically feasible to proceed with the Project.

Section 9.04 Assignment.

a. This Agreement, and the rights and obligations of SDG, in whole or in part, may be assigned by SDG to a subsequent developer and/or builder of all or a portion of the Land upon written notice to the Village. Any assignment will be in writing, specifically set forth the assigned rights and obligations and be executed by the proposed assignee.

b. SDG will provide to the Village at least 45 days advance written notice of any assignment or partial assignment of SDG's rights and obligations under this Agreement. If SDG assigns its rights and obligations as to a portion of the Land, then the rights and obligations of any

assignee and SDG will be severable, and SDG will not be liable for the nonperformance of the assignee and vice versa. In the case of nonperformance by one developer, the Village may pursue all remedies against that nonperforming developer, but will not impede development activities of any performing developer as a result of that nonperformance.

c. This Agreement is not intended to be binding upon, or create any encumbrance to title as to, any ultimate consumer who purchases any portion of Land.

d. Upon SDG's request and at SDG's expense and subject to Village's approval, Village and SDG may elect to seek legislative validation of this Agreement and statutory authorization to extend the term of this Agreement beyond fifteen (15) years.

Section 9.05 Remedies.

a. If the Village defaults under this Agreement, SDG may enforce this Agreement by seeking a writ of mandamus from a Travis County District Court, or may give notice setting forth the event of default ("Notice") to the Village. In addition, if the Village fails to cure any alleged default within forty-five (45) days from the date the Village receives the Notice, SDG may terminate this Agreement by providing written notice to the Village as to all of the Land owned by SDG, or as to the portion of the Land affected by the default and/or SDG may pursue any injunctive relief from a court or proper jurisdiction.

b. If SDG defaults under this Agreement, the Village shall give Notice to SDG. If SDG fails to commence the cure of an alleged default specified in the Notice within a reasonable period of time, not less than forty-five (45) days, after the date of the Notice, and thereafter to diligently pursue such cure to completion, the Village may terminate this Agreement or seek injunctive relief from a court of proper jurisdiction.

c. Each party waives any action for damages against the other except for the recovery of attorneys' fees, as per subparagraph d below.

d. If either party defaults, the prevailing party in the dispute will be entitled to recover its reasonable attorney's fees, expenses and court costs from the non-prevailing party.

Section 9.06 Cooperation.

a. The Village and SDG each agree to cooperate with each other as may be reasonably necessary to carry out the intent of this Agreement, including but not limited to the execution of such further documents as may be reasonably necessary.

b. The Village agrees to cooperate with SDG at SDG's expense, in connection with any waivers, permits or approvals SDG may need or desire from Travis County Water Control Improvement District No. 17, Travis County, TNRCC, United States Environmental Protection Agency, United States Fish & Wildlife Service or any other regulatory authority in order to carry out the Concept Plan.

c. In the event of any third party lawsuit or other claim relating to the validity of this Agreement or any actions taken hereunder, SDG and the Village agree to cooperate in the defense of such suit or claim, and to use their respective reasonable efforts to resolve the suit or claim without diminution in their respective rights and obligations under this Agreement. SDG and the Village will each be responsible for its own attorneys' fees and other expenses which may be incurred in connection with any such lawsuit or claim.

d. SDG or the Village may initiate mediation on any issues in dispute between SDG and the Village and the other party shall participate in good faith. The cost of mediation shall be a joint expense.

ARTICLE X MISCELLANEOUS PROVISIONS

Section 10.01 Notice. Any notice given under this Agreement must be in writing and may be given: (i) by depositing it in the United States mail, certified, with return receipt requested, addressed to the party to be notified and with all charges prepaid; or (ii) by depositing it with Federal Express or another service guaranteeing "next day delivery", addressed to the party to be notified and with all charges prepaid; (iii) by personally delivering it to the party, or any agent of the party listed in this Agreement, or (iv) by facsimile with confirming copy sent by one of the other described methods of notice set forth. Notice by United States mail will be effective on the earlier of the date of receipt or 3 days after the date of mailing. Notice given in any other manner will be effective only when received. For purposes of notice, the addresses of the parties will, until changed as provided below, be as follows:

Village: Village of Bee Cave
13333-A Hwy. 71 West
Bee Cave, Texas 78738
Attn: Village Administrator

With Required Copy to: Mike Willatt
Village Attorney
2001 N. Lamar
Austin, TX 78705

SDG: Spillman Development Group, Ltd.
2317 Resaca Blvd.
Austin, TX 78733
Attn: Don Walden

With Required Copy to: Steve Gurasich
828 West Sixth Street
Austin, TX 78703

With Required Copy to: David Armbrust
Armbrust Brown & Davis, LLP
100 Congress Avenue, Suite 1300
Austin, TX 78701

The parties may change their respective addresses to any other address within the United States of America by giving at least five (5) days' written notice to the other party. SDG may, by giving at least five (5) days' written notice to the Village, designate additional parties to receive copies of notices under this Agreement.

Section 10.02 Severability; Waiver. If any provision of this Agreement is illegal, invalid, or unenforceable, under present or future laws, it is the intention of the parties that the remainder of this Agreement not be affected, and, in lieu of each illegal, invalid, or unenforceable provision, that a provision be added to this Agreement which is legal, valid, and enforceable and is as similar in terms to the illegal, invalid or enforceable provision as is possible. Any failure by a party to insist upon strict performance by the other party of any material provision of this Agreement will not be deemed a waiver or of any other provision, and such party may at any time thereafter insist upon strict performance of any and all of the provisions of this Agreement.

Section 10.03 Applicable Law and Venue. The interpretation, performance, enforcement and validity of this Agreement is governed by the laws of the State of Texas. Venue will be in a court of appropriate jurisdiction in Travis County, Texas.

Section 10.04 Entire Agreement. This Agreement contains the entire agreement of the parties. There are no other agreements or promises, oral or written, between the parties regarding the subject matter of this Agreement. This Agreement can be amended only by written agreement signed by the parties. This Agreement supersedes all other agreements between the parties concerning the subject matter.

Section 10.05 Exhibits, Headings, Construction and Counterparts. All schedules and exhibits referred to in or attached to this Agreement are incorporated into and made a part of this Agreement for all purposes. The paragraph headings contained in this Agreement are for convenience only and do not enlarge or limit the scope or meaning of the paragraphs. The parties acknowledge that each of them have been actively and equally involved in the negotiation of this Agreement. Accordingly, the rule of construction that any ambiguities are to be resolved against the drafting party will not be employed in interpreting this Agreement or any exhibits. If there is any conflict or inconsistency between the provisions of this Agreement and otherwise applicable Village ordinances, the terms of this Agreement will control. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, and all of which will together constitute the same instrument. This Agreement will become effective only when one or more counterparts, individually or taken together, bear the signatures of all of the parties.

Section 10.06 Time. Time is of the essence of this Agreement. In computing the number of days for purposes of this Agreement, all days will be counted, including Saturdays, Sundays and legal holidays; however, if the final day of any time period falls on a Saturday, Sunday or legal

holiday, then the final day will be deemed to be the next day that is not a Saturday, Sunday or legal holiday.

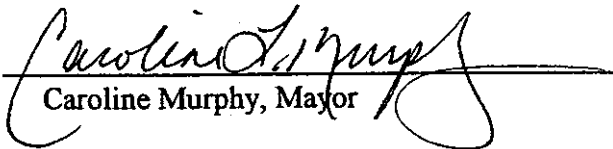
Section 10.07 Authority for Execution. The Village certifies, represents, and warrants that the execution of this Agreement is duly authorized and adopted in conformity with Village ordinances. SDG hereby certifies, represents, and warrants that the execution of this Agreement is duly authorized and adopted in conformity with the articles of incorporation and bylaws or partnership agreement of each entity executing on behalf of SDG.

Section 10.08 Exhibits. The following exhibits are attached to this Agreement, and made a part hereof for all purposes:

- Exhibit A - The Land
- Exhibit B - The Concept Plan
- Exhibit C - The Phasing Plan
- Exhibit D - LUE Criteria
- Exhibit E - Bee Cave Fee Schedule for Development Permits
- Exhibit F - Subdivision Construction Agreement
- Exhibit G - The Additional Lands

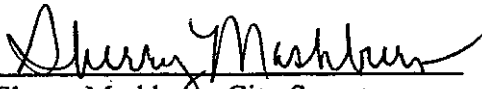
The undersigned parties have executed this Agreement on the dates indicated below.

VILLAGE OF BEE CAVE

By: 
Caroline Murphy, Mayor

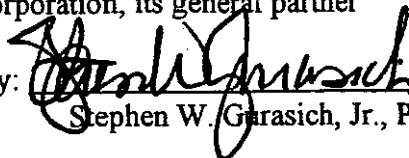
Date: 8-22-00

ATTEST:


Sherry Mashburn, City Secretary

SPILLMAN DEVELOPMENT GROUP, LTD.,
a Texas limited partnership

By: SDG MANAGEMENT, INC., a Texas corporation, its general partner

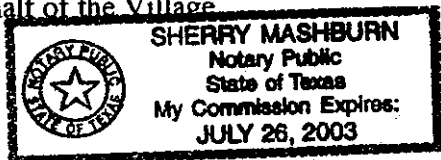
By: 
Stephen W. Gurasich, Jr., President

Date: _____

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me the 22nd day of August, 2000, by Caroline Murphy, Mayor of the Village of Bee Cave, Texas, a general law municipality, on behalf of the Village.

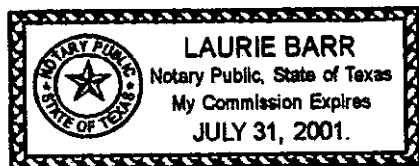



Notary Public Signature

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me the 16 day of August, 2000, by Stephen W. Gurasich, Jr., President of SDG Management, Inc., a Texas corporation, general partner of Spillman Development Group, Ltd., a Texas limited partnership, on behalf of the limited partnership.




Notary Public Signature

EXHIBIT A

THE LAND

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

FIELDNOTE DESCRIPTION of a 492.314 acre tract of land in the J. Beck survey No. 91, the I. & G. R. R. Company Survey No. 56, the Ben Wightman Survey No. 55, and the J. Beck Survey No. 524, Travis County, Texas and being all of that 177 acre tract (Second Tract), all of the remainder of that 196.5 acre tract (First Tract), all of the remainder of that 160 acre tract (Third Tract) as described in Deed of Trust recorded in Volume 403, Page 341 of the Deed Records of Travis County, Texas and further being all of the remainder of that 80 acre tract conveyed to Lydia Spillman by deed recorded in Volume 741, Page 494 of the Deed Records of Travis County, Texas; said 492.314 acre tract of land is more particularly described by metes and bounds as follows:

BEGINNING at a brass right-of-way monument found for the southeast corner of that 2.618 acre tract (Part 2) described in Proceedings in Eminent Domain to the State of Texas and recorded in Volume 10378, Page 114 of the Deed Records of Travis County, Texas and being on the present southwesterly right-of-way line of RM 620, a variable width right-of-way;

THENCE leaving the southwesterly right-of-way line of FM 620, with the southerly line of the aforesaid 160 acre tract, same being the northerly line of that 36.171 acre tract described in deed to Kenneth C. Margolis, Trustee as recorded in Volume 8730, Page 729 of the Deed Records of Travis County, Texas for the following three (3) courses:

- 1) S64°00'06"W, a distance of 141.47 feet to a ½" iron rod found for an angle point;
- 2) S67°01'57"W, a distance of 252.29 feet to a ½" iron rod found for an angle point;
- 3) S63°12'31"W, a distance of 1411.89 feet to a 1" iron pipe found for the northeast corner of that 7.00 acre tract of land conveyed to J. Frank Spillman and wife Noel Spillman by deed recorded in Volume 5571, Page 2266 of the Deed Records of Travis County, Texas;

THENCE, with the northeast, west and south lines of said 7.00 acre tract the following four (4) courses:

- 1) N08°25'33"W, a distance of 379.76 feet to a ¾" iron pipe found for corner;
- 2) S30°58'40"W, a distance of 550.82 feet to a ½" iron pipe found for an angle point;
- 3) S27°04'48"W, at 532.52 feet passing a found ½" iron rod, and continuing for a total distance of 803.04 to a ½" iron rod found for corner;
- 4) S62°17'27"E, a distance of 259.61 feet to a ½" iron pipe found for corner on the easterly line of the aforesaid 196.5 acre tract;

THENCE, S27°37'36"W, with the easterly line of said 196.5 acre tract, same being the northwesterly line of that 52.77 acre tract of land (Tract 1) as described in deed to Edward A. Morgan and recorded in Volume 12361, Page 1004 of the Deed Records of

Travis County, Texas, for a distance of 177.79 feet to a ½" iron rod found for the common westerly corner of said 52.77 acre tract and northerly corner of that 30.00 acre tract of land (Tract 2) as described in the above referenced deed;

THENCE, continuing with the easterly line of said 196.5 acre tract, same being the westerly line of said 30.00 acre tract, the following two (2) courses:

- 1) S26°57'18"W, a distance of 1117.71 feet to a ¼" iron pipe found for an angle point;
- 2) S27°13'27"W, at 70.13 feet, passing a ½" iron pipe found 0.10 feet east, and continuing for a total distance of 571.14 feet to a ½" iron pipe found for the northwest corner of that 2.876 acre tract of land described in deed to Key Enterprises, Inc. and recorded in Volume 13196, Page 3010 of the Deed Records of Travis County, Texas;

THENCE, S27°31'56"W, continuing with the easterly line of said 196.5 acre tract, same being the westerly line of said 2.876 acre tract and the westerly line of that 10.10 acre tract described in the above referenced deed to Key Enterprises, at 419.34 feet passing a ½" iron rod found 0.12 feet east, at 750.89 feet passing a ¼" iron pipe found 0.10 west for the northwest corner of L.B.A.A. Acres, a subdivision of record in Volume 87, Page 141C of the Plat Records of Travis County, Texas, at 1052.66 feet passing a found ½" iron rod and continuing for a total distance of 1053.01 feet to a ½" iron rod set for corner on the northerly right-of-way line of State Highway No. 71, from which a found concrete right-of-way marker bears S77°31'03"E, 2458.76 feet;

THENCE, N77°31'03"W, with the northerly right-of-way line of State Highway No. 71 at 141.2 feet passing a found concrete right-of-way marker, and continuing for a total distance of 925.95 feet to a ½" iron rod found for corner from which a found concrete right-of-way marker bears N77°31'03"W, 179.91 feet;

THENCE, N26°25'58"E, leaving the northerly right-of-way line of State Highway No. 71, with the southwesterly line of said 196.5 acre tract, same being the easterly line of that 23.27 acre tract described in deed to the City of Austin as recorded in Volume 9777, Page 239 of the Deed Records of Travis County, Texas, a distance of 766.33 feet to a ½" iron rod found for the northeast corner of said 23.27 acre tract;

THENCE, N62°03'34"W, with the common southerly line of said 196.5 acre tract and northerly line of said 23.27 acre tract, a distance of 1164.81 feet to a ½" iron rod set for the common northwest corner of said 23.27 acre tract, the southwest corner of said 196.5 acre tract and the southeast corner of the aforesaid 177 acre tract;

THENCE, with the southerly line of said 177 acre tract the following six (6) courses:

- 1) N62°03'56"W, with the northerly line of the remainder of that 160 acre tract described in Volume 362, Page 69 of the Deed Records of Travis County, Texas, a distance of 967.97 feet to a ½" iron rod found for the northeast corner of the Figer Subdivision as recorded in Volume 80, Page 184 of the Plat Records of Travis County, Texas;
- 2) N62°40'04"W, with the northerly line of said Figer Subdivision, a distance of 209.12 feet to the common northwest corner of said Figer Subdivision

and northeast corner of that 1.809 acre tract described in Volume 11921, Page 1308 of the Deed Records of Travis County, Texas;

- 3) N62°24'19"W, with the northerly line of said 1.809 acre tract, a distance of 184.94 feet to a ½" iron rod found for the common northwest corner of said 1.809 acre tract and northeast corner of that 5.43 acre tract described in Volume 12735, Page 673 of the Deed Records of Travis County, Texas;
- 4) N61°42'21"W, with the northerly line of said 5.43 acre tract, at 276.44 feet passing a 3/8" iron rod found for the common northwest corner of said 5.43 acre tract and northeast corner of the KSS Subdivision according to the plat thereof recorded in Volume 92, Page 352 of the Plat Records of Travis County, Texas, and continuing for a total distance of 488.33 feet to a ½" iron rod found for the common northwest corner of said KSS Subdivision and northeast corner of the Darrell Dunten Addition a subdivision of record in Volume 83, Page 44 of the Plat Records of Travis County, Texas;
- 5) N61°10'38"W, with the northerly line of said Darrell Dunten Addition, at 219.96 feet passing a ½" iron rod found 0.18 feet south, and continuing with the southerly line of the Charles Kullenberg Addition, a subdivision of record in Volume 80, Page 218 of the Plat Records of Travis County, Texas, for a total distance of 439.35 feet to a ½" iron rod found for the northwest corner of said Charles Kullenberg Addition, same being an "ell" corner in the easterly line of that tract described in deed to Mrs. O. H. Davenport as recorded in Volume 1221, Page 112 of the Deed Records of Travis County, Texas;
- 6) N61°54'32"W, with the easterly line of said Davenport tract, a distance of 675.63 feet to a ½" iron rod found for the common southwest corner of said 177 acre tract and an "ell" corner in the easterly line of said Davenport tract;

THENCE, with the common westerly line of said 177 acre tract and easterly line of said Davenport tract, the following two (2) courses:

- 1) N27°15'34"E, a distance of 1113.00 feet to a ½" iron rod set for an angle point;
- 2) N28°12'53"E, a distance of 1204.20 feet to a 5/8" iron rod found for the common northeast corner of said Davenport tract and the southeast corner of the Flint Rock Hill Subdivision as recorded in Volume 87, Page 76A of the Plat Records of Travis County, Texas;

THENCE, with the common westerly line of said 177 acre tract and southeasterly line of said Flint Rock Hill Subdivision, the following three (3) courses:

- 1) N25°33'09"E, a distance of 61.33 feet to a ½" iron rod found for an angle point;
- 2) N24°07'48"E, a distance of 101.10 feet to a ½" iron rod found for an angle point;
- 3) N24°56'55"E, at 414.54 feet passing a found ½" iron rod and continuing for a total distance of 445.62 feet to a ½" iron rod set for the common northwest corner of said 177 acre tract, an angle point in the southeasterly line of said

Flint Rock Hill Subdivision and the most westerly corner of the aforesaid 80 acre tract;

THENCE, with the common southeasterly line of said Flint Rock Hill Subdivision and northwesterly line of said 80 acre tract, the following two (2) courses:

- 1) N30°17'44"E, a distance of 63.05 feet to a ½" iron rod found for an angle point;
- 2) N34°47'05"E, a distance of 116.63 feet to a ¼" iron rod found for the most easterly corner of said Flint Rock Hill Subdivision, same being the southwesterly corner of Cherry Mountain Phase II, a subdivision of Record in Volume 76, Page 67 of the Plat Records of Travis County, Texas;

THENCE, with the common northwesterly line of said 80 acre tract and southerly line of said Cherry Mountain Phase II subdivision, the following three (3) courses:

- 1) N35°57'38"E, a distance of 43.43 feet to a ¼" iron rod found for an angle point;
- 2) N53°21'32"E, a distance of 479.54 feet to a 5/8" iron rod found for an angle point;
- 3) N48°24'46"E, a distance of 834.51 feet to a ½" iron rod set for corner, from which a found ¼" iron rod bears N48°24'46"E, 6.83 feet and a found ½" iron rod bears N42°04'53"W, 0.31;

THENCE, S42°04'53"E, with the southwesterly line of that called 24.94 acre tract, described in Travis County Court at Law No. 1, Cause No. 1358 to Lake Travis Independent School District, a distance of 24.79 feet to a ½" iron rod found for the most northerly corner of that 25.00 acre tract described in deed to Lake Travis Independent School District as recorded in Volume 13258, Page 3066 of the Deed Records of Travis County, Texas;

THENCE, with the westerly line of said 25.00 acre tract, the following three (3) courses:

- 1) S02°06'21"E, a distance of 1303.55 feet to a ½" iron rod found for an angle point;
- 2) S47°33'29"W, a distance of 674.80 feet to a ½" iron rod found for the most westerly corner of said 25.00 acre tract;
- 3) S39°36'47"E, a distance of 444.28 feet to a ½" iron rod found for the most southerly corner of said 25.00 acre tract and being on the northwesterly line of that 55.00 acre tract described in deed to Lake Travis Independent School District as recorded in Volume 7941, Page 395 of the Deed Records of Travis County, Texas;

THENCE, S46°17'35"W, a distance of 20.29 feet to an 8" diameter wood fence post for the most westerly corner of said 55.00 acre tract and being on the northerly line of the aforesaid 177 acre tract;

THENCE, with the common southwesterly line of said 55.00 acre tract and northerly line of said 177 acre tract, the following two (2) courses:

- 1) S40°53'42"E, a distance of 583.87 feet to a ¼" iron rod found for an angle point;
- 2) S41°42'14"E, a distance of 191.87 feet to an 8" diameter wood fence post found for the common southerly corner of said 55.00 acre tract and an "ell" corner in the northerly line of said 177 acre tract;

THENCE, with the common southeasterly line of said 55.00 acre tract and northerly line of said 177 acre tract, the following six (6) courses:

- 1) N49°43'29"E, a distance of 443.51 feet to a 60d nail found for an angle point;
- 2) N47°40'08"E, a distance of 214.94 feet to a ½" iron rod found for an angle point;
- 3) N46°00'45"E, a distance of 905.22 feet to a ½" iron rod found for an angle point;
- 4) N61°22'17"E, a distance of 47.55 feet to a ½" iron rod found for an angle point;
- 5) N48°31'23"E, a distance of 735.42 feet to a ½" iron rod found for an angle point;
- 6) N68°42'40"E, a distance of 95.41 feet to a ½" iron rod found for an angle point in the southeasterly line of said 55.00 acre tract and being the southwest corner of the aforesaid 160 acre tract;

THENCE, with the common easterly line of said 55.00 acre tract and westerly line of said 160 acre tract, the following two (2) courses:

- 1) N29°13'08"E, a distance of 370.40 feet to a ½" iron rod found for an angle point;
- 2) N28°50'16"E, a distance of 411.49 feet to a brass right-of-way monument found for the southwest corner of the aforesaid 2.618 State of Texas tract and being on the southerly right-of-way line of RM 620, from which a found brass right-of-way monument bears N36°14'47"W, 49.27 feet;

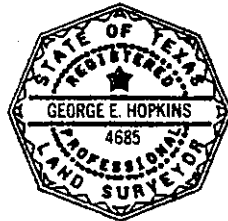
THENCE, with the common southerly line of said 2.618 acre tract and southerly right-of-way line of RM 620, the following six courses:

- 1) Southeasterly with a curve to the left, having a radius of 1220.92 feet and a central angle of 36°57'03" (chord bears S55°52'42"E, 773.81 feet) for an arc distance of 787.39 feet to a found brass right-of-way monument;
- 2) S74°18'23"E, with a line non-tangent to the previous curved course, a distance of 296.35 feet to a found brass right-of-way monument at the beginning of a curve to the left;

- 3) Southeasterly with said curve to the left having a radius of 3894.72 and a central angle of $04^{\circ}40'59''$ (chord bears $S76^{\circ}40'51''E$, 318.25 feet) for an arc distance of 318.34 feet to a found brass right-of-way monument;
- 4) $S80^{\circ}00'23''E$, with a line non-tangent to the previous curved course, a distance of 296.88 feet to the beginning of a curve to the right, from which a found brass right-of-way monument bears $S80^{\circ}00'23''E$, 0.39 feet;
- 5) Southeasterly with said curve to the right having a radius of 1075.92 feet and a central angle of $45^{\circ}34'09''$ (chord bears $S56^{\circ}13'47''E$, 833.34 feet) for an arc distance of 855.71 feet to a found brass right-of-way monument;
- 6) $S33^{\circ}27'08''E$, with a line non-tangent to the previous curved course, a distance of 719.67 feet to the POINT OF BEGINNING, CONTAINING within these metes and bounds 492.314 acres of land area, more or less.

I, George E. Hopkins, a Registered Professional Land Surveyor, do hereby certify that the above description is true and correct to the best of my knowledge and that the property described herein was determined by a survey made on the ground under my direction and supervision. All $\frac{1}{2}$ " iron rods set with "Capital Surveying Company, Inc." plastic cap.

WITNESS MY HAND AND SEAL at Austin, Travis County, Texas this the 5
day of JUNE, 2000.



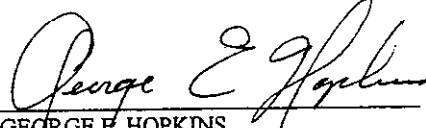

GEORGE E. HOPKINS
Registered Professional Land Surveyor
No. 4685 - State of Texas

EXHIBIT B

THE CONCEPT PLAN

Parcel	Acres	Units
Single Family	127.0 ac	423 units
Multi-Family	52.0 ac	34 units
Mobile County Parc	27.8 ac	244 units
Total	206.8 ac	701 units

Golf Course	94.8 ac
18 Hole Championship	
Golf Maintenance	3.3 ac
Wastewater Treatment	1.0 ac
Recreation/Clubhouse	33.1 ac
Retail and Health Serv.	17.1 ac
Office	14.3 ac
Hotel / Clubhouse	14.0 ac
Earth Open Buffer	14.0 ac
Pond, Trails	13.3 ac
Major R.O.W.	
Total	436.8 ac

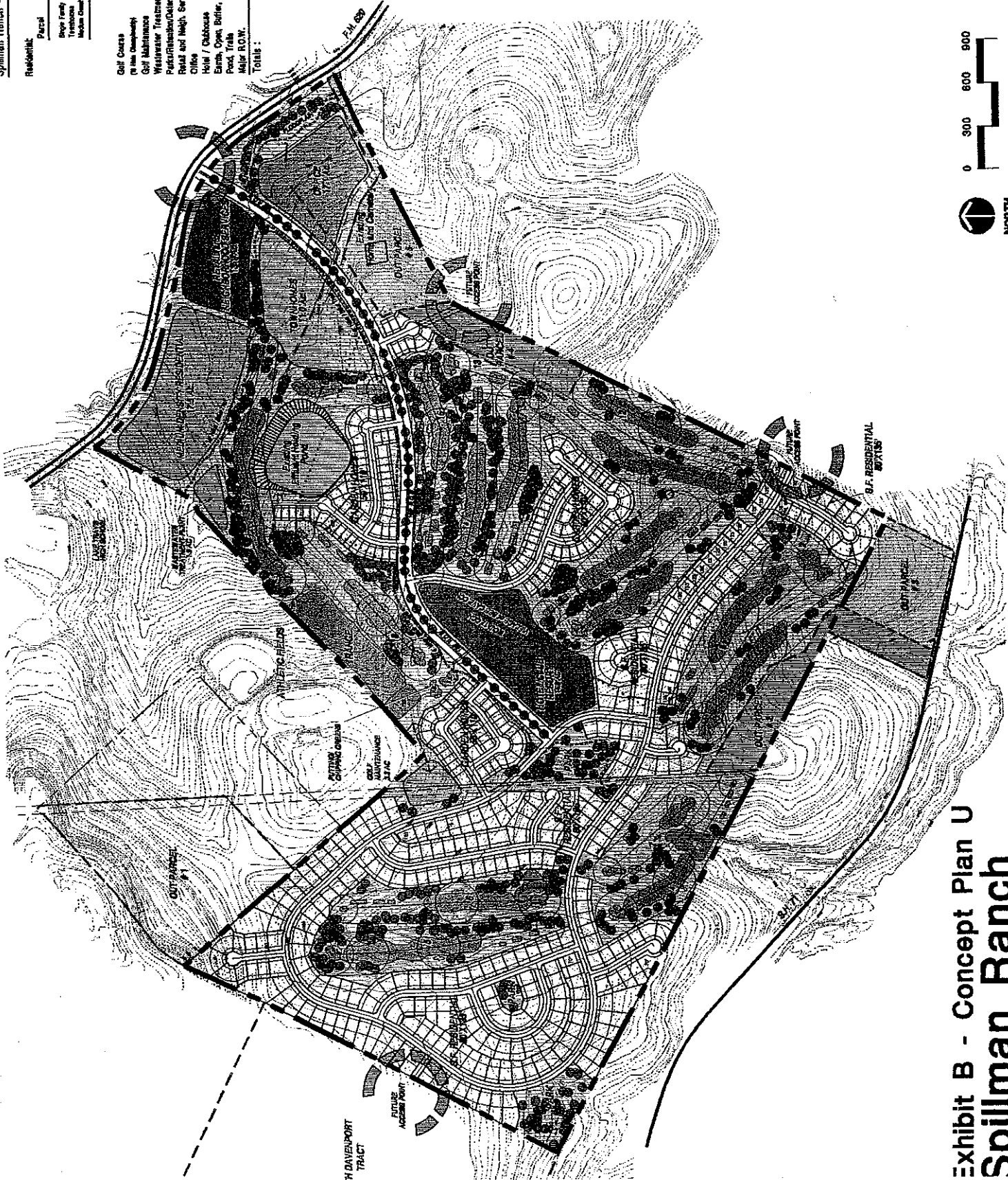
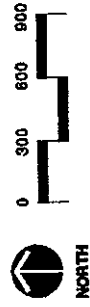



Exhibit B - Concept Plan U Spillman Ranch

Computer File: E:\022100\Spillman-U




Planning Development Consultants, Inc.
 ARCHITECTS
 LANDSCAPE ARCHITECTS
 1800 N. WISCONSIN
 SUITE 400
 CHICAGO, IL 60610
 Date: July 7, 2000

The developer has reserved the right, without notice, to make changes to this map and other aspects of the development to comply with governmental requirements and

SPILLMAN RANCH
EXHIBIT B
RETAIL and NEIGHBORHOOD SERVICES USE CHART

ZONING USE	ALLOWABLE	NOT ALLOWED	ZONING USE	ALLOWABLE	NOT ALLOWED
Administrative and Business Offices	X		Indoor Sports and Recreation	X	
Agricultural Sales and Services		X	Kennels		X
Art and Craft Studio (limited)	X		Laundry Services	X	X
Art and Craft Studio (general)	X		Liquor Sales		X
Art and Craft Studio (Industrial)		X	Marina		X
Automotive Rentals		X	Medical Offices	X	
Automotive Repair Services		X	Monument Retail Sales		X
Automotive Sales		X	Offsite Accessory Parking	X	
Automotive Washing (of any type)		X	Outdoor Entertainment		X
Building Maintenance Services		X	Outdoor Sports and Recreation		X
Business or Trade School		X	Pawn Shop Services		X
Business Support Services	X		Personal Improvement Services	X	
Campground	X		Personal Services	X	
Cocktail Lounge		X	Pet Services	X	
Commercial Off-Street Parking	X		Professional Office	X	
Communications Services	X		Recreational Equipment Maintenance and Storage		X
Construction Sales and Services		X	Recreational Equipment Sales	X	X
Consumer Convenience Services	X		Research Assembly Services	X	X
Consumer Repair Services	X		Research Services	X	
Convenience Storage		X	Research Testing Services		X
Equipment Repair Services		X	Research Warehousing Services		X
Equipment Sales		X	Restaurant (drive-in, fast food)	X	X
Exterminating Services		X	Restaurant (limited)		
Financial Services	X		Restaurant (general)	X	
Food Sales	X		Scrap and Salvage		X
Funeral Services	X		Service Station		X
General Retail Sales (convenience)	X		Stables		X
General Retail Sales (convenience with gas sales)	X		Theater	X	
General Retail Sales (general)	X	X	Vehicle Storage		X
Hotel - Motel	X		Veterinary Services (with indoor kennels only)	X	
Indoor Entertainment	X				

**Spillman Ranch
Exhibit B - Non-Residential Land Use Standards**

Land Use	Estimated AC	Maximum Impervious Cover	Maximum Building Height ¹	DU/AC	Estimated Units	SF of Building
Townhouse	11 AC	50%	50'	8.5	94	-
Medium Density Residential	17.5 AC	50%	50'	14.5	252 ²	-
Retail and Neighborhood Service	13.1 AC	50%	35'	-	-	85,000 SF (max. 35,000 SF footprint for one user)
Office	17.16 AC	50%	50' (3-story maximum)	-	-	120,000
Hotel / Club Resort	14.8 AC	70%	55' (4-story maximum)	-	275	-

¹ As measured from the finished floor elevation to the average height of the roof line of the building.

² 50% of units will have access to a one-car garage.

EXHIBIT C

THE PHASING PLAN

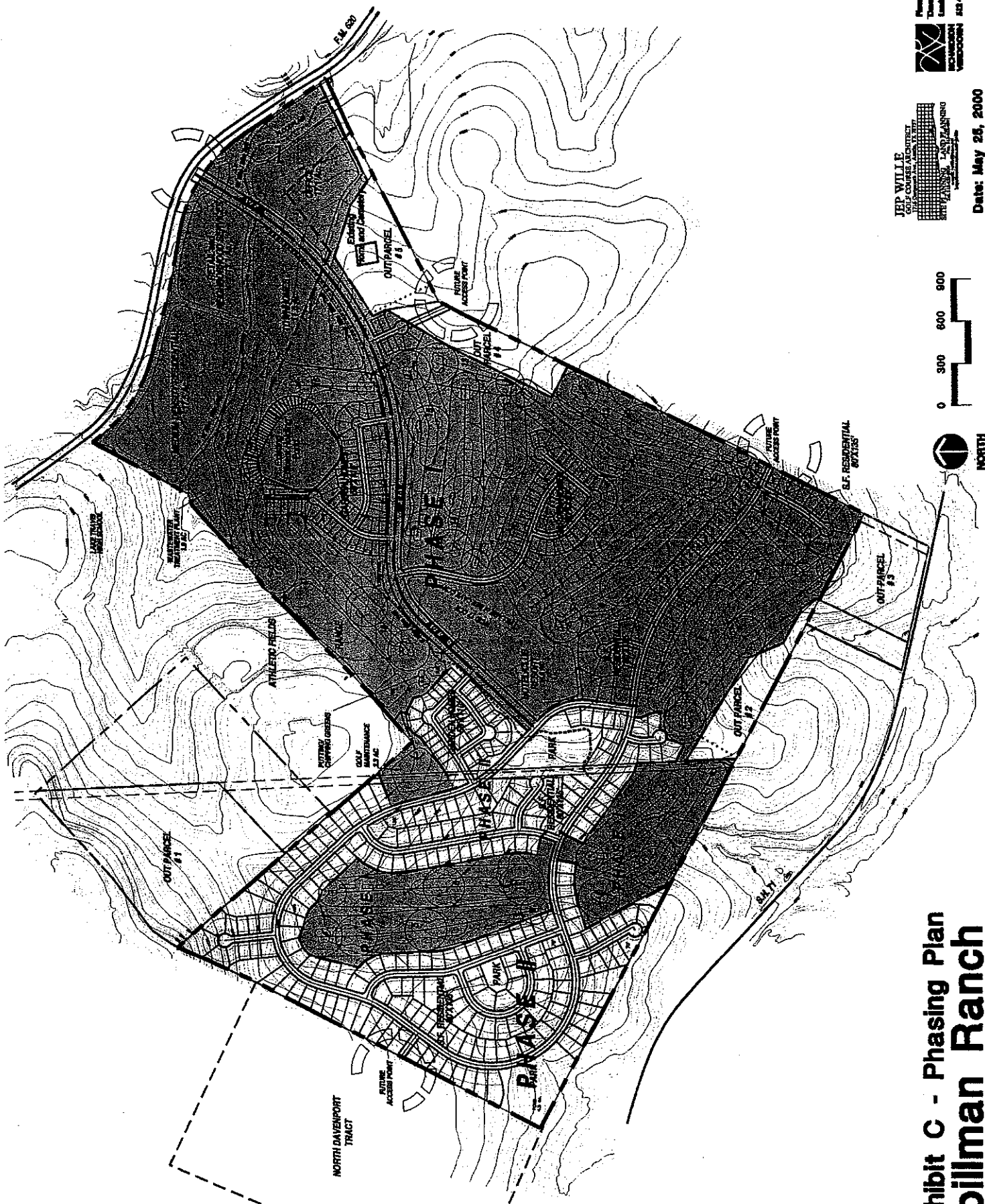


Exhibit C - Phasing Plan Spillman Ranch

Computer File: E:\042166\Spillman-U

JEP WILLE
 CIVIL ENGINEER
 1000 N. 10TH ST., SUITE 100
 DENVER, CO 80202
 PHONE: 303.733.1111
 FAX: 303.733.1112



PREPARED BY
 THE ENGINEERING CONSULTANTS
 COMPANY
 1000 N. 10TH ST., SUITE 100
 DENVER, CO 80202
 PHONE: 303.733.1111
 FAX: 303.733.1112

Date: May 25, 2000

The developer has reserved the right, without notice, to make changes to the map and other aspects of the instrument in accordance with the provisions of the instrument.

EXHIBIT D

LUE CRITERIA

- A. A living unit equivalent is defined as the typical flow that would be produced by a single family residence (SFR) located in a typical subdivision. For water this includes consumptive uses such as lawn watering and evaporative coolers. The wastewater system does not receive all of these flows, so the flows expected differ between water and wastewater. The number of LUE's for a project are constant; only the water and wastewater flows are different.

One (1) LUE produces: 2.2 GPM (Peak Hour) of water flow
1.3 GPM (Peak Day) of water flow
350 GPD (0.243 G.P.M.) average wastewater flow

- B. Peak Flow Factor Formula

$$PPF = \frac{18 + [0.0144 (F)]^{0.5}}{4 + [0.0144 (F)]^{0.5}} \quad F = \text{AVERAGE FLOW (GPM)}$$

RESIDENTIAL

LUE CONVERSION

One (1) Single Family Residence Modular Home; Mobile Home	1 LUE
One (1) Duplex	2 LUEs
One (1) Triplex; Fourplex: Condo Unit P.U.D. unit (6+ Units/Acre to 24 Units/Acre)	0.7 LUE/Unit
One (1) apartment Unit (24 + Units/Acre)	0.5 LUE/Unit
One (1) Hotel or Motel Room	0.5 LUE/Room

COMMERCIAL

LUE CONVERSION

Office	1 LUE/3000 Square Feet of Floor
Office Warehouse	1 LUE/4000 Square Feet of Floor
Retail; Shopping Center	1 LUE/1660 Square Feet of Floor
Restaurant; Cafeteria	1 LUE/200 Square Feet of Floor
Hospital	1 LUE/Bed
Rest Home	1 LUE/2 Beds
Church (worships services only)	1 LUE/70 Seats
School (includes Gym and Cafeteria)	1 LUE/13 Students

EXHIBIT E

BEE CAVE FEE SCHEDULE FOR DEVELOPMENT PERMITS

FEE SCHEDULE

ORDINANCE 95-07-08

AN ORDINANCE SETTING A FEE SCHEDULE FOR ALL FEES ASSESSED WITHIN THE VILLAGE OF BEE CAVE AND THE ETJ.

BUILDING PERMIT FEES

1. Building Permits: \$0.10 per square foot of total foundation and floor area including garages connected or not, porches, and patios, but not less than \$25.00.

2. Plumbing Permits:

(a) Residential: \$0.10 per square foot for total foundation and floor area, but not less than \$25.00. Water lines, gas lines, and sewer line permits not associated with regular plumbing permit: \$25.00 each.

(b) Commercial : \$0.10 per square foot for total foundation and floor area, but not less than \$25.00. \$0.05 per square foot for outside utility construction.

(c) Sprinkler System: \$0.05 per linear foot for outside system. \$0.10 per square foot for inside system. \$50.00 for inside, automatic extinguishing type.

3. Electrical Permits:

(a) Residential: \$0.10 per square foot of total foundation/floor area including porches and patios, but not less than \$25.00.

(b) Commercial : \$0.15 per square foot, of total foundation/floor area including porches and patios, but not less than \$25.00. or

(c) Commercial : \$0.10 per square foot of total foundation/floor area for shell buildings, plus \$0.05 per square foot for lease space.

(d) Meter Loops : \$25.00 for 100 amp; \$40.00 for over 100 amp.

4. Mechanical Permits:

(a) Residential: \$100.00 per living unit plus \$25.00 per floor above the first floor.

(b) Commercial: \$100.00 for first 2,000 square feet of floor area, plus \$75.00 for each additional 2,500 square feet of floor area or part thereof. (fees are for heated and/or cooled area only).

5. Fire Code Permits:

\$60.00 for the first 20,000 square feet, and \$25.00 for each additional 10,000 square feet, or part of. Lease space build-out will be an additional \$20.00 each.

6. Gas Code Permits: \$25.00

7. Gasoline Permits: Gasoline Pumps-\$25.00, Underground Bulk Storage \$75.00

8. Plan Review Fees:

- (a) Residential: \$35.00 for each plan.
- (b) Commercial: Shell Buildings: \$100.00 for the first 20,000 square feet, and \$25.00 for each additional 10,000 square feet, or part of.
- (c) Lease space build-out: \$35.00 each

9. Re-inspection Fees:

\$25.00 for each re-inspection due to locked buildings, or for each inspection that must be repeated, or red tagged.

10. Electrical License Fees:

(a) No fee is required, All electrical work done within performed within the Village, shall be required to be permitted by a Master Electrician licensed by the City of Austin, or Travis County, and will be required to file said licenses with the Village.

11. Engineering Fees:

For Subdivision Plats, Site Plan Reviews, Septic Reviews and Construction plan Reviews \$80.00 per hour.

12. Subdivision Plat Fees:

Preliminary Plats-\$500.00 plus \$100.00 per lot.
Final Plat-\$500.00 plus \$100.00 per lot

13. Board of Adjustments Fees:

Filing Fee-\$200.00, engineering and legal review fees at the rate of \$80.00 per hour. Additional consultants fees shall be paid as required by the Village.

14. Legal Notification Fees:

Legal Notification of property owners, \$5.00 per letter.

15. General Requirements:

(a) All permit fees and re-inspection fees shall be paid prior to obtaining a final inspection.

(b) All engineering fees, legal fees, filing fees, and notification fees (if applicable) shall be paid prior to accepting such plat for filing and processing.

16. Inspection and Licensing of Private Sewage System:

(a) Single Family Dwellings, New and Modification of systems:(process application and field inspection) \$300.00.
Re-inspection and issuance of new License \$100.00.

(b) Commercial and Multiple Family Dwellings \$500.00.
Re-inspection and issuance of new License \$200.00.

17. Site Development Plan Fee:
\$50.00 per acre/\$50.00 minimum.

18. Sign Control Permit Fee: \$25.00

19. Fireworks Stand Permit Fees: \$150.00

20. Road Construction Inspection Fees: shall be \$3.25 percent of the total final construction cost.

21. Non-Point Source Pollution Fees:

	Small (0to5 ac)	Medium (5to100ac.)	Large (>100ac.)
Preliminary Plat	\$90.00	\$750.00	\$1,500.00
Final Plat	\$70.00	\$500.00	\$1,000.00
Construction Permit	\$100.00	\$750.00	\$1,500.00
Construction Inspection	\$200.00	\$1,000.00	\$4,000.00

Total Fees \$460.00 \$3,000.00 \$8,000.00

Note: Total Fees are to be collected before preliminary plat will be processed.

Utility Line Construction:

per linear foot	Small 0to1,000	Medium 1to5,000	Large >5000
	\$200.00	\$750.00	\$1,000.00

Revisions:

Preliminary Plat	\$100.00	\$150.00	\$200.00
Final Plat	\$100.00	\$150.00	\$200.00
Construction Permit	\$100.00	\$150.00	\$200.00

Annual Inspection: \$100.00 \$200.00 \$300.00

22. Fees for Copies of Ordinances:

(a) Non-Point Source	\$3.00
(b) Zoning	\$4.00
(c) Septic Systems	\$3.00
(d) Sign Control	\$3.00
(e) Septic Construction Manual	\$3.00
(f) Site Development	\$3.00
(g) Landscape Plan	\$2.50
(h) LCRA NPS Manual	\$4.50

23. Variance Requests: \$250.00

24. Zoning Change Request Fees: \$1,000.00

25. Flat Fee (Driveways, Sidewalks, etc): \$0.05 per square foot.

26. Swimming Pool Permit Fees: \$35.00

PASSED AND APPROVED THIS THE _____ DAY OF _____ 1996

Mayor Gene Butler

Attest:

Debi Freitag, City Secretary

ORDINANCE No. 95-10-12-A

An Ordinance amending Ordinance No. 95-07-08 number twenty (20) Road Construction Inspection Fees.

Section 1. The Village of Bee Cave, Texas Board of Commissioners hereby amend number twenty (20) to read: "Road Construction Inspection Fees shall be 3.25 percent of the total final construction cost".

Passed and Approved this the 10 day of October 1995

Gene Butler
Mayor Gene Butler

Attest:

Debi Freitag
Debi Freitag, City Secretary

EXHIBIT F

SUBDIVISION CONSTRUCTION AGREEMENT

1. Parties. The parties to this Subdivision Construction Agreement (the "Agreement") are Spillman Development Group, Ltd. (the "Subdivider") and the Village of Bee Cave Texas (the "Village").
2. Effective Date. This Agreement is effective on the date the Village approves the final plat for the subdivision described in Paragraph 3 of this Agreement (the "Effective Date").

Recitals

3. Subdivider is the owner of the land included in the proposed final subdivision plat of _____, as shown in Village's File Number _____, (the "Subdivision") and more particularly described by the metes and bounds description attached and incorporated into this Agreement as Exhibit "A" (the "Property").
4. Subdivider seeks authorization from the Village to subdivide the Property in accordance with the requirements imposed by Texas statutes and the Village's ordinances, regulations, and other requirements.
5. Village ordinances require the completion of various improvements in connection with the development of the Subdivision to protect the health, safety, and general welfare of the community and to limit the harmful effects of substandard subdivisions.
6. The purpose of this Agreement is to protect the Village from the expense of completing subdivision improvements required to be installed by the Subdivider; and
7. This Agreement is authorized by and consistent with state law and the Village's ordinances, regulations, and other requirements governing development of a subdivision.

IN CONSIDERATION of the foregoing recitals and the mutual covenants, promises, and obligations by the parties set forth in this Agreement, the parties agree as follows:

8. Improvements. The Subdivider agrees to construct and install, at Subdivider's expense, the following listed improvements (collectively, the "Improvements," any one of which is an "Improvement"):
 - (a) all internal roadways within the Subdivision;
 - (b) all water and wastewater lines within the Subdivision;
 - (c) all drainage improvements within the Subdivision; and

- (d) erosion control measures within the Subdivision as required under the terms of applicable ordinances (the "Erosion Controls").

9. Completion. All Improvements shall be constructed in conformance with the Village's ordinances. Construction of all the Improvements shall be completed no later than three (3) years after the Effective Date. Upon completion of the Improvements, the Subdivider agrees to provide to the Village a complete set of construction plans for the Improvements, certified "as built" by the engineer responsible for preparing the approved construction plans and specifications-

10. Warranty. The Subdivider warrants each Improvement constructed by Subdivider or Subdivider's agents, contractors, employees, tenants, or licensees will be free from defects for a period of one (1) year from the date the Village accepts the dedication of such Improvement.

11. Restrictive Covenant. Except for model homes, no certificates of occupancy will be issued for buildings within the Subdivision until the Improvements have been completed.

12. Security. Subdivider agrees to provide adequate financial guarantees of performance in the form of a surety bond reasonably acceptable to the Village, a cash deposit to be held by the Village in escrow or an irrevocable letter of credit in form reasonably acceptable to the Village (the "Fiscal Security"). The amount of the Fiscal Security will be equal to the estimated total cost of constructing and installing the Erosion Controls, as reasonably determined by the Village. If the Subdivider fails to complete the construction and installation of the Erosion Controls as required under this Agreement, then the Village shall deliver to the Subdivider written notice of default and shall afford to the Subdivider a reasonable opportunity to cure the default. If the Subdivider fails to commence curative action within a reasonable period of time or fails to thereafter diligently pursue curative action to completion, then the Village may complete the Erosion Controls and draw upon the Fiscal Security to pay for costs reasonably incurred by the Village to complete the Erosion Controls. Upon completion of the Erosion Controls, all Fiscal Security posted under this Agreement will be returned by the Village to the Subdivider.

13. Inspection and Certification. The Village agrees to inspect Improvements during and at the completion of construction and, if completed in accordance with the Village's standards and specifications for such Improvements, to certify the Improvements as being in compliance with Village standards and specifications. The inspections and certifications will be conducted in accordance with standard Village policies and requirements. The Subdivider grants the Village, its agents, employees, officers, and contractors an easement and license to enter the Property to perform such inspections as it deems appropriate.

14. Notice of Defect. The Village will provide timely notice to the Subdivider whenever inspection reveals that an Improvement is not constructed or completed in accordance with the standards and specifications for such Improvement or is otherwise defective. The Subdivider will have sixty (60) days from such notice to cure or substantially cure the defect. The Village may not declare a default under this Agreement during the 60-day cure period on account of any such defect unless it is clear that the subdivider does not intend to cure the defect. Notwithstanding the previous sentences in this Paragraph, if, in the reasonable opinion of the Village, the defect creates an immediate and substantial harm to the public health or safety, and the notice of defect includes a

statement explaining why the defect creates such immediate and substantial harm, the cure period may be shortened to no less than ten (10) days and the Village may declare a default under this Agreement if not satisfied that the defect is cured after the cure period.

15. Completion by Village. The Village may, at its option and in its sole discretion, complete some or all of the unfinished Improvements at the time of default, regardless of the extent to which development has taken place in the Subdivision or whether development ever commenced, and without incurring any obligation to complete any of the unfinished Improvements.

16. Cost Participation by Village. If the Village and Subdivider agree the Village will participate in the expense of installing any of the Improvements, the respective benefits and obligations of the parties shall be governed by the terms of a Community Facilities Construction Agreement executed by the parties thereto, and the terms of that agreement shall control to the extent of any inconsistency with this Agreement.

17. Measure of Damages. The measure of damages for breach of this Agreement by the Subdivider is the reasonable cost of completing the Improvements in conformance with the Village's ordinances.

18. Remedies. The remedies available to the Village and the Subdivider under this Agreement and the laws of Texas are cumulative in nature.

19. Third Party Rights. No person or entity who or which is not a party to this Agreement shall have any right of action under this Agreement.

20. Attorney's Fees. Should either party be required to resort to litigation to enforce the terms of this Agreement, the prevailing party, plaintiff or defendant, shall be entitled to recover its costs, including reasonable attorney's fees, court costs, and expert witness fees, from the other party. If the court awards relief to both parties, each will bear its own costs in their entirety.

21. Assignability. The benefits and burdens of this Agreement are personal obligations of the Subdivider and also are binding on the heirs, successors, and assigns of the Subdivider and on any person acquiring an ownership interest in the Property through the Subdivider. The Subdivider's obligations under this Agreement may not be assigned without the express written approval of the Village. The Village's written approval may not be unreasonably withheld or unduly delayed. Immediately upon any approved assignment, the Subdivider shall be automatically released from Subdivider's obligations under this Agreement. Upon request by the Subdivider, the Village will execute, acknowledge and deliver to the Subdivider a written release of Subdivider from the obligations imposed by this Agreement.

22. Expiration. This Agreement shall terminate upon the expiration of the final plat of the Subdivision or if the Subdivision is vacated by the Subdivider.

23. Notice. Any notice required or permitted by this Agreement is effective when personally delivered in writing or three (3) days after notice is deposited with the U.S. Postal Service, postage prepaid, certified with return receipt requested, and addressed as follows:

if to Subdivider: Spillman Development Group, Ltd.
2317 Resaca Blvd.
Austin, TX 78733
Attn: Don Walden

With Required Copy to: Steve Gurasich
828 West Sixth Street
Austin, TX 78703

With Required Copy to: David Armbrust
Armbrust Brown & Davis, LLP
100 Congress Avenue, Suite 1300
Austin, TX 78701

if to Village: Village of Bee Cave
13333-A Hwy. 71 West
Bee Cave, Texas 78738
Attn: Village Administrator

With Required Copy to: Patty Akers
Village Attorney
1700 Frost Bank Plaza, 816 Congress
Austin, Texas 78701

The parties may, from time to time, change their respective addresses listed above to any other location in the United States for the purpose of notice under this Agreement. A party's change of address shall be effective when notice of the -change is provided to the other party in accordance with the provisions of this Paragraph.

24. Severability. If any part, term, or provision of this Agreement is held by the courts to be illegal, invalid, or otherwise unenforceable, such illegality, invalidity, or unenforceability shall not affect the validity of any other part, term, or provision, and the rights of the parties will be construed as if the part, term, or provision was never part of this Agreement.

25. Personal Jurisdiction and Venue. Personal jurisdiction and venue for any civil action commenced by either party to this Agreement will be deemed to be proper only if such action is commenced in District Court for Travis County, Texas, or the United States District Court for the Western District of Texas, Austin Division.

26. Release Upon Completion. Upon acceptance of all Improvements, the Village agrees to complete, execute, acknowledge and deliver to the Subdivider a release in recordable form releasing the Subdivider and Subdivider's heirs, successors and assigns, and the Property from all provisions of this Agreement except those contained in Paragraph 10.

27. Captions Immaterial. The numbering, order, and captions or headings of the paragraphs of this Agreement are for convenience only and shall not be considered in construing this Agreement.

28. Entire Agreement. This Agreement contains the entire agreement between the parties and correctly sets forth the rights, duties, and obligations of each to the other as of the Effective Date. Any oral representations or modifications concerning this Agreement shall be of no force or effect excepting a subsequent written modification executed by both parties.

29. Binding Agreement. The execution and delivery of this Agreement and the performance of the transactions contemplated thereby have been duly authorized by all necessary corporate and governmental action of the Village. This Agreement has been duly executed and delivered by each party, and constitutes a legal, valid, and binding obligation of each party enforceable in accordance with the terms as of the Effective Date.

EXECUTED by the parties to be effective as of the 22nd day of August, 2000.

VILLAGE OF BEE CAVE

By: Caroline L. Murphy
Caroline Murphy, Mayor
Date: 8-22-00

SPILLMAN DEVELOPMENT GROUP, LTD.,
a Texas limited partnership

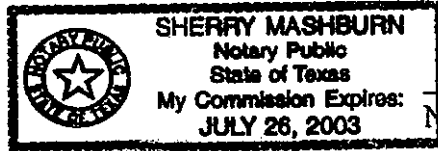
By: SDG MANAGEMENT, INC., a Texas corporation, its general partner

By: Stephen W. Garasich
Stephen W. Garasich, Jr., President
Date: _____

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me the 22nd day of August, 2000, by Caroline Murphy, Mayor of the Village of Bee Cave, Texas, a general law municipality, on behalf of the Village.

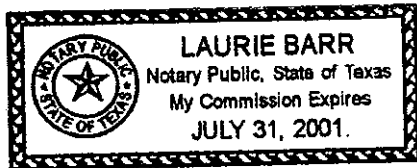


Sherry Mashburn
Notary Public Signature

STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me the 16 day of August, 2000, by Stephen W. Gurasich, Jr., President of SDG Management, Inc., a Texas corporation, general partner of Spillman Development Group, Ltd., a Texas limited partnership, on behalf of the limited partnership.



Laurie Barr
Notary Public Signature

EXHIBITS:

Exhibit "A" - Property Description

EXHIBIT G

THE ADDITIONAL LANDS

