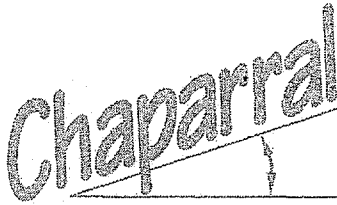


CARMA EASTON LLC

Pilot Knob MUD No. 4 Consent Agreement

Index of Exhibits

A	Land
B	Land Plan
C	Project Area
D	Post-Annexation Surcharge Formula
E	Civic Uses and Civic Reserve
F	Stormwater, Drainage, Water Quality and Environmental Protection Requirements
G	Tree and Landscaping Requirements
H	Proposed Terms of Fire Protection Plan
I	Transportation Requirements
J	Building and Urban Design Standards
K	Art in Public Places Participation
L	Affordable Housing Participation
M	Conceptual Water and Wastewater Plan
N	Cost Sharing for Oversizing
O	Form of Covenant Requiring Dedication of Easements
P	Park and Open Space Requirements
Q	Finance Plan
R	"Plain Speak" Notice Form



**Professional Land Surveying, Inc.
Surveying and Mapping**

Office: 512-443-1724
Fax: 512-389-0943

3500 McCall Lane
Austin, Texas 78744

345.581 ACRES (DISTRICT FOUR)

PART 1, 306.331 ACRES

PART 2, 39.250 ACRES

A DESCRIPTION OF 345.581 ACRES IN THE SANTIAGO DEL VALLE GRANT IN TRAVIS COUNTY, TEXAS, BEING ALL OF A 73.453 ACRE TRACT DESCRIBED IN A GENERAL WARRANTY DEED TO JONA ACQUISITION INC., DATED NOVEMBER 28, 2006 AND RECORDED IN DOCUMENT NO. 2006229773 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, ALL OF A 31.022 ACRE TRACT DESCRIBED IN A SPECIAL WARRANTY DEED TO JONA ACQUISITION INC., DATED DECEMBER 16, 2006 AND RECORDED IN DOCUMENT NO. 2006245700 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, ALL OF A 29.293 ACRE TRACT DESCRIBED IN A GENERAL WARRANTY DEED TO JONA ACQUISITION INC., DATED NOVEMBER 21, 2006 AND RECORDED IN DOCUMENT NO. 2006225633 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, ALL OF A 28.461 ACRE TRACT DESCRIBED IN A GENERAL WARRANTY DEED TO JONA ACQUISITION INC., DATED SEPTEMBER 15, 2006 AND RECORDED IN DOCUMENT NO. 2006182621 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, A PORTION OF A 55.222 ACRE TRACT DESCRIBED IN A SPECIAL WARRANTY DEED TO JONA ACQUISITION INC., DATED APRIL 2, 2006 AND RECORDED IN DOCUMENT NO. 2007060712 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, A PORTION OF A 60.921 ACRE TRACT DESCRIBED IN A SPECIAL WARRANTY DEED TO JONA ACQUISITION INC., DATED DECEMBER 12, 2006 AND RECORDED IN DOCUMENT NO. 2006239174 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, A PORTION OF A 51.942 ACRE TRACT DESCRIBED IN A GENERAL WARRANTY DEED TO JONA ACQUISITION INC., DATED DECEMBER 1, 2006 AND RECORDED IN DOCUMENT NO. 2006233636 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, A PORTION OF A 25.119 ACRE TRACT DESCRIBED IN A SPECIAL WARRANTY DEED TO JONA ACQUISITION INC., DATED APRIL 2, 2006 AND RECORDED IN DOCUMENT NO. 2007060707 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, A PORTION OF A 7.602 ACRE TRACT DESCRIBED IN A SPECIAL WARRANTY DEED TO JONA ACQUISITION INC., DATED APRIL 2, 2006 AND RECORDED IN DOCUMENT NO. 2007060704 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, A PORTION OF A 23.694 ACRE TRACT DESCRIBED IN A SPECIAL WARRANTY DEED TO JONA ACQUISITION INC., DATED APRIL 2, 2006 AND RECORDED IN DOCUMENT NO. 2007060710 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, ALL OF A 1.000 ACRE TRACT DESCRIBED IN A GENERAL WARRANTY DEED TO JONA ACQUISITION INC., DATED JANUARY 8, 2007 AND RECORDED IN DOCUMENT NO. 2007005138

OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, A PORTION OF LOT A, HARRY REININGER SUBDIVISION, A SUBDIVISION OF RECORD IN VOLUME 65, PAGE 47 OF THE PLAT RECORDS OF TRAVIS COUNTY TEXAS, CONVEYED TO JOHN HALDENSTEIN & RUTH HALDENSTEIN IN WARRANTY DEED WITH VENDOR'S LIEN DATED SEPTEMBER 29, 2000 AND RECORDED IN DOCUMENT NO. 2000161977 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY TEXAS, A PORTION OF A 42.558 ACRE TRACT DESCRIBED IN A GENERAL WARRANTY DEED TO JONA ACQUISITION INC., DATED MAY 16, 2008 AND RECORDED IN DOCUMENT NO. 2008083861 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, A PORTION OF A 20.005 ACRE TRACT DESCRIBED IN A WARRANTY DEED WITH VENDOR'S LIEN TO JOHN T. HALDENSTEIN AND JOSHUA N. HALDENSTEIN, DATED DECEMBER 14, 2000 AND RECORDED IN DOCUMENT NO. 2000203669 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, A PORTION OF A 98.656 ACRE TRACT DESCRIBED IN A GENERAL WARRANTY DEED TO JONA ACQUISITION INC., DATED OCTOBER 19, 2006 AND RECORDED IN DOCUMENT NO. 2006204344 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, ALL OF A 9.662 ACRE TRACT DESCRIBED IN A GENERAL WARRANTY DEED TO JONA ACQUISITION INC., DATED DECEMBER 14, 2007 AND RECORDED IN DOCUMENT NO. 2007224638 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, A PORTION OF A 232.233 ACRE TRACT DESCRIBED IN A SPECIAL WARRANTY WITH VENDOR'S LIEN TO JONA ACQUISITION INC., DATED JANUARY 8, 2009 AND RECORDED IN DOCUMENT NO. 2009003190 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, AND PORTIONS OF SASSMAN ROAD (70' RIGHT-OF-WAY); SAID 345.581 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

PART 1, 306.331 ACRES:

BEGINNING at a calculated point in the east right-of-way line of Thaxton Road (50' right-of-way) for the northwest corner of said 73.453 acre tract, same being the west corner of a 2.76 acre tract described in a deed to Carl H. Dittmar, recorded in Volume 12562, Page 428 of the Real Property Records of Travis County, Texas, from which a 1/2" rebar found bears North 61°56'44" West, a distance of 0.44 feet;

THENCE with the north line of said 73.453 acre tract, same being the south line of said 2.76 acre tract, the following two (2) courses and distances:

1. South 61°56'44" East, a distance of 404.65 feet to a 1/2" rebar found;
2. North 27°52'53" East, a distance of 294.18 feet to a 1/2" rebar found for a north corner of said 73.453 acre tract, same being the east corner of said 2.76 acre tract, also being in the southwest line of a tract called 21 acres in a deed to Max F. Ehrlich, recorded in Volume 1945, Page 416 of the Deed Records of Travis County, Texas;

THENCE South 60°59'42" East, with the northeast line of said 73.453 acre tract, same being the southwest line of said 21 acre tract, a distance of 2857.05 feet to a 60D nail found for the northeast corner of said 73.453 acre tract, same being the south corner of said 21 acre tract, also being in the northwest line of said 29.293 acre tract;

THENCE North 27°46'44" East, with the northwest line of said 29.293 acre tract, same being the southeast line of said 21 acre tract, a distance of 1083.71 feet to a 1/2" rebar with Chaparral cap found in the south right-of-way line of Sassman Road;

THENCE North 28°38'04" East, crossing Sassman Road, a distance of 70.04 feet to a calculated point for the north right-of-way line of Sassman Road, same being the southwest line of a 2.00 acre tract described in a deed to Anselmo Medina and spouse, Oralia Medina, recorded in Document No. 2002227115 of the Official Public Records of Travis County, Texas;

THENCE South 61°39'26" East, with the north right-of-way line of Sassman Road, same being the southwest line of said 2.00 acre tract, the southwest line of a 1.00 acre tract described in a deed to Gerald D. Shoulders and Rosemary Shoulders, recorded in Volume 12233, Page 1678 of the Real Property Records of Travis County, Texas, the southwest line of a 1.00 acre tract described in a deed to Amir Batoeinngi, recorded in Document No. 2008060410 of the Official Public Records of Travis County, Texas, and the southwest line of a 1.00 acre tract described in a deed to Abacu Perez and Felicitas Perez, recorded in Document No. 2006189910 of the Official Public Records of Travis County, Texas, a distance of 547.23 feet to a calculated point;

THENCE South 63°50'26" East, continuing with the north right-of-way line of Sassman Road, same being the southwest line of said 1.00 acre Perez tract, a distance of 14.13 feet to a 1/2" rebar found for the south corner of said 1.00 acre Perez tract, same being the west corner of said Lot A;

THENCE North 26°09'41" East, with the northwest line of said Lot A, same being the southeast line of said 1.00 acre Perez tract, a distance of 362.16 feet to a calculated point for the east corner of said 1.00 acre Perez tract, same being the south corner of said 20.005 acre tract;

THENCE North 61°26'42" West, with the southwest line of said 20.005 acre tract, same being the northeast line of said 1.00 acre Perez tract, a distance of 113.09 feet to a 1/2" rebar found for an angle point in the southwest line of said 20.005 acre tract, same being the north corner of said 1.00 acre Perez tract, also being in the southeast line of a 1.25 acre tract described in said deed to Amir Batoeinngi;

THENCE North 28°21'23" East, continuing with the southwest line of said 20.005 acre tract, same being the southeast line of said 1.25 acre tract, a distance of 106.07 feet to a 1/2" rebar found for the east corner of said 1.25 acre tract;

THENCE North 61°29'11" West, continuing with the southwest line of said 20.005 acre tract, same being the northeast line of said 1.25 acre tract, and a 1.25 acre tract described in said deed to Gerald Shoulders, a distance of 417.23 feet to a 1" iron pipe found for the west corner of said 20.005 acre tract, same being the north corner of said 1.25 acre Shoulders tract, also being in the southeast line of a 20.022 acre tract described in a deed to Janie Diaz, recorded in Document No. 2006101103, said 20.022 acre tract being further described in Document No. 2001200503, both of the Official Public Records of Travis County, Texas;

THENCE North 27°07'27" East, with the northwest line of said 20.005 acre tract, same being the southeast line of said 20.022 acre tract, a distance of 162.08 feet to a calculated point;

THENCE crossing said 20.005 acre tract, said Lot A, said 42.558 acre tract, Sassman Road, said 23.694 acre tract, said 7.602 acre tract, said 25.119 acre tract, said 55.222 acre tract, said 51.942 acre tract, said 60.921 acre tract, and said 98.656 acre tract, the following eleven (11) courses and distances:

1. South 61°48'21" East, a distance of 672.64 feet to a calculated point;
2. South 28°11'39" West, a distance of 1597.96 feet to a calculated point;
3. With a curve to the left, having a radius of 580.00 feet, a delta angle of 69°45'07", an arc length of 706.10 feet, and a chord which bears South 06°40'54" East, a distance of 663.29 feet to a calculated point;
4. South 41°33'28" East, a distance of 274.95 feet to a calculated point;
5. With a curve to the right, having a radius of 500.00 feet, a delta angle of 96°25'47", an arc length of 841.51 feet, and a chord which bears South 06°39'26" West, a distance of 745.65 feet to a calculated point;
6. South 54°52'19" West, a distance of 25.40 feet to a calculated point;
7. South 35°07'41" East, a distance of 344.76 feet to a calculated point;
8. With a curve to the right, having a radius of 1000.01 feet, a delta angle of 40°36'48", an arc length of 708.84 feet, and a chord which bears South 14°49'17" East, a distance of 694.09 feet to a calculated point;
9. South 05°29'07" West, a distance of 423.15 feet to a calculated point;
10. With a curve to the left, having a radius of 1800.01 feet, a delta angle of 68°24'29", an arc length of 2149.12 feet, and a chord which bears South 28°43'07" East, a distance of 2023.72 feet to a calculated point;

11. South 62°55'22" East, a distance of 149.13 feet to a calculated point in the west right-of-way line of F. M. 1625 (80' right-of-way), same being the southeast line of said 98.656 acre tract;

THENCE South 27°04'38" West, with the west right-of-way line of F. M. 1625, same being the southeast line of said 98.656 acre tract, a distance of 699.69 feet to a calculated point for the south corner of said 98.656 acre tract, same being the east corner of a 10.067 acre tract described in a deed to Carlos Yescas and Elvira Yescas, recorded in Document No. 2003084397 of the Official Public Records of Travis County, Texas;

THENCE North 62°25'04" West, with the southwest line of said 98.656 acre tract, same being the northeast line of said 10.067 acre tract, and the northeast line of Lot 6, Las Lomitas Subdivision, a subdivision of record in Document No. 200200226 of the Official Public Records of Travis County, Texas, at a distance of 0.11 feet passing a 1/2" rebar found, and continuing for a total distance of 1097.97 feet to a 1/2" rebar found in the northeast line of said Lot 6, for the southwest corner of said 98.656 acre tract, same being the southeast corner of said 60.921 acre tract;

THENCE North 62°26'10" West, with the southwest line of said 60.921 acre tract, same being the northeast line of said Lot 6 and Lot 15 Las Lomitas Subdivision, a distance of 1283.28 feet to a 1/2" rebar with Chaparral cap found for the southwest corner of said 60.921 acre tract, same being the south corner of a 58 acre tract described in a deed to Fred J. Wende, recorded in Volume 11849, Page 396 of the Real Property Records of Travis County, Texas;

THENCE North 27°00'49" East, with the northwest line of said 60.921 acre tract, same being the southeast line of said 58 acre tract, a distance of 1221.01 feet to an 80D nail found for the east corner of said 58 acre tract, same being the south corner of said 55.222 acre tract;

THENCE North 60°57'25" West, with the southwest line of said 55.222 acre tract, same being the northeast line of said 58 acre tract, a distance of 1295.20 feet to a 60D nail found for the southwest corner of said 55.222 acre tract, same being the southeast corner of said 28.461 acre tract;

THENCE North 61°18'16" West, with the southwest line of said 28.461 acre tract, same being the northeast line of said 58 acre tract, a distance of 329.98 feet to a 1" iron pipe found for the southwest corner of said 28.461 acre tract, same being the southeast corner of said 29.293 acre tract;

THENCE North 61°30'47" West, with the southwest line of said 29.293 acre tract, same being the northeast line of said 58 acre tract, a distance of 331.97 feet to a 1/2" rebar found for the southwest corner of said 29.293 acre tract, same being the north corner of said 58 acre tract, also being in the southeast line of a 77.22 acre tract described in a

deed to William D. Wende, Fred J. Wende and Price T. Wende, recorded in Volume 12171, Page 455 of the Real Property Records of Travis County, Texas;

THENCE North 27°46'44" East, with the northwest line of said 29.293 acre tract, same being the southeast line of said 77.22 acre tract, the southeast line of a 32.892 acre tract described in a deed to Mark Alexander, recorded in Volume 11513, Page 1451 of the Real Property Records of Travis County, Texas, and the southeast line of a remaining portion of 29.94 acres described in a deed to Santana C. Urias, Jr., recorded in Volume 6132, Page 1217 of the Deed Records of Travis County, Texas, a distance of 1047.38 feet to a 1/2" rebar with Chaparral cap found for the northeast corner of said remaining portion of 29.94 acres, same being the southeast corner of said 31.022 acre tract;

THENCE North 61°12'34" West, with the southwest line of said 31.022 acre tract, same being the northeast line of said remaining portion of 29.94 acres, and the northeast line of a 2.500 acre tract described in a deed to Cloe Bell Urias, recorded in Volume 9678, Page 891 of the Real Property Records of Travis County, Texas, at a distance of 3268.31 feet passing a 1/2" rebar found, and continuing for a total distance of 3268.82 feet to a calculated point in the east right-of-way line of Thaxton Road, for the west corner of said 31.022 acre tract, same being the north corner of said 2.500 acre tract;

THENCE North 28°02'32" East, with the east right-of-way line of Thaxton Road, with the northwest line of said 31.022 acre tract, a distance of 417.56 feet to a 1/2" rebar found for the north corner of said 31.022 acre tract, same being the west corner of a remaining portion of a 3.22 acre tract described in a deed to Carlin Ann Wilson, recorded in Volume 12562, Page 419 of the Real Property Records of Travis County, Texas, also being the west corner of an access easement described in Volume 12562, Page 407 of the Real Property Records of Travis County, Texas;

THENCE with the northeast line of said 31.022 acre tract, the following two (2) courses and distances:

1. South 61°16'30" East, with southwest line of said remaining portion of 3.22 acres, a distance of 406.03 feet to a 1/2" rebar with Chaparral cap found for the south corner of said remaining portion of 3.22 acres, same being the west corner of an 18.38 acre tract described in a deed to Consumer Solutions, LLC, recorded in Document No. 2010038770 of the Official Public Records of Travis County, Texas;
2. South 61°00'23" East, with the southwest line of said 18.38 acre tract, a distance of 1136.77 feet to a 1/2" rebar with cap found for the south corner of said 18.38 acre tract, same being the southwest corner of said 73.453 acre tract;

THENCE with the northwest line of said 73.453 acre tract, the following three (3) courses and distances:

1. North 27°53'08" East, with the southeast line of said 18.38 acre tract, a distance of 713.60 feet to a 1/2" rebar with cap found for the east corner of said 18.38 acre tract;
2. North 61°59'49" West, with the northeast line of said 18.38 acre tract, and the northeast line of a 3.20 acre tract described in a deed to James J. Williams, recorded in Volume 13116, Page 732 of the Real Property Records of Travis County, Texas, a distance of 1540.66 feet to a 1/2" rebar with Chaparral cap found in the east right-of-way line of Thaxton Road, for the north corner of said 3.20 acre tract;
3. North 28°02'32" East, with the east right-of-way line of Thaxton Road, a distance of 360.56 feet to the **POINT OF BEGINNING**, containing 306.331 acres of land, more or less.

PART 2, 39.250 ACRES:

BEGINNING at a 1/2" rebar with Chaparral cap found in the north right-of-way line of Sassman Road, for the southwest corner of said 232.233 acre tract, same being the southeast corner of a 174.4 acre tract described in a deed to Edward J. Gillen and wife, Mildred Gillen, recorded in Volume 1549, Page 268 of the Deed Records of Travis County, Texas;

THENCE North 27°21'05" East, with the west line of said 232.233 acre tract, same being the east line of said 174.4 acre tract, a distance of 1257.11 feet to a calculated point;

THENCE crossing said 232.233 acre tract, the following two (2) courses and distances:

1. South 36°26'06" East, a distance of 1284.36 feet to a calculated point;
2. With a curve to the left, having a radius of 1490.63 feet, a delta angle of 26°48'48", an arc length of 697.59 feet, and a chord which bears South 52°29'28" East, a distance of 691.24 feet to a calculated point in the east line of said 232.233 acre tract, same being the west line of said 20.022 acre tract;

THENCE South 26°53'42" West, with the west line of said 20.022 acre tract, same being the east line of said 232.233 acre tract and the east line of said 9.662 acre tract, a distance of 621.23 feet to a 1/2" rebar with 5418 cap found in the north right-of-way line of Sassman Road, for the southeast corner of said 9.662 acre tract, same being the southwest corner of said 20.022 acre tract;

THENCE South 29°00'48" West, crossing Sassman Road, a distance of 70.00 feet to a calculated point in the south right-of-way line of Sassman Road, same being the north line of said 21 acre tract;

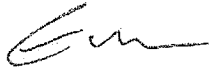
THENCE North 60°59'12" West, with the south right-of-way line of Sassman Road,

same being the north line of said 21 acre tract, a distance of 1838.40 feet to a calculated point;

THENCE North 29°00'48" East, crossing Sassman Road, a distance of 70.00 feet to the **POINT OF BEGINNING**, containing 39.250 acres of land, more or less.

Based on surveys made on the ground by Chaparral from June 20, 2006 through July 29, 2008. Bearing Basis: Grid Azimuth for Texas Central Zone, 1983/93 HARN values from LCRA control network. Attachments: Drawing 500-001-BD-EX4.

This document was prepared under 22 TAC §663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.

 9/17/2010
Eric J. Dannheim
Registered Professional Land Surveyor
State of Texas No. 6075

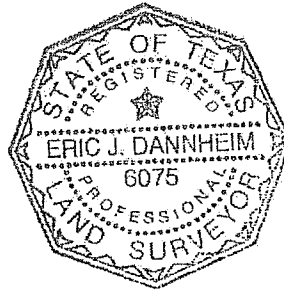
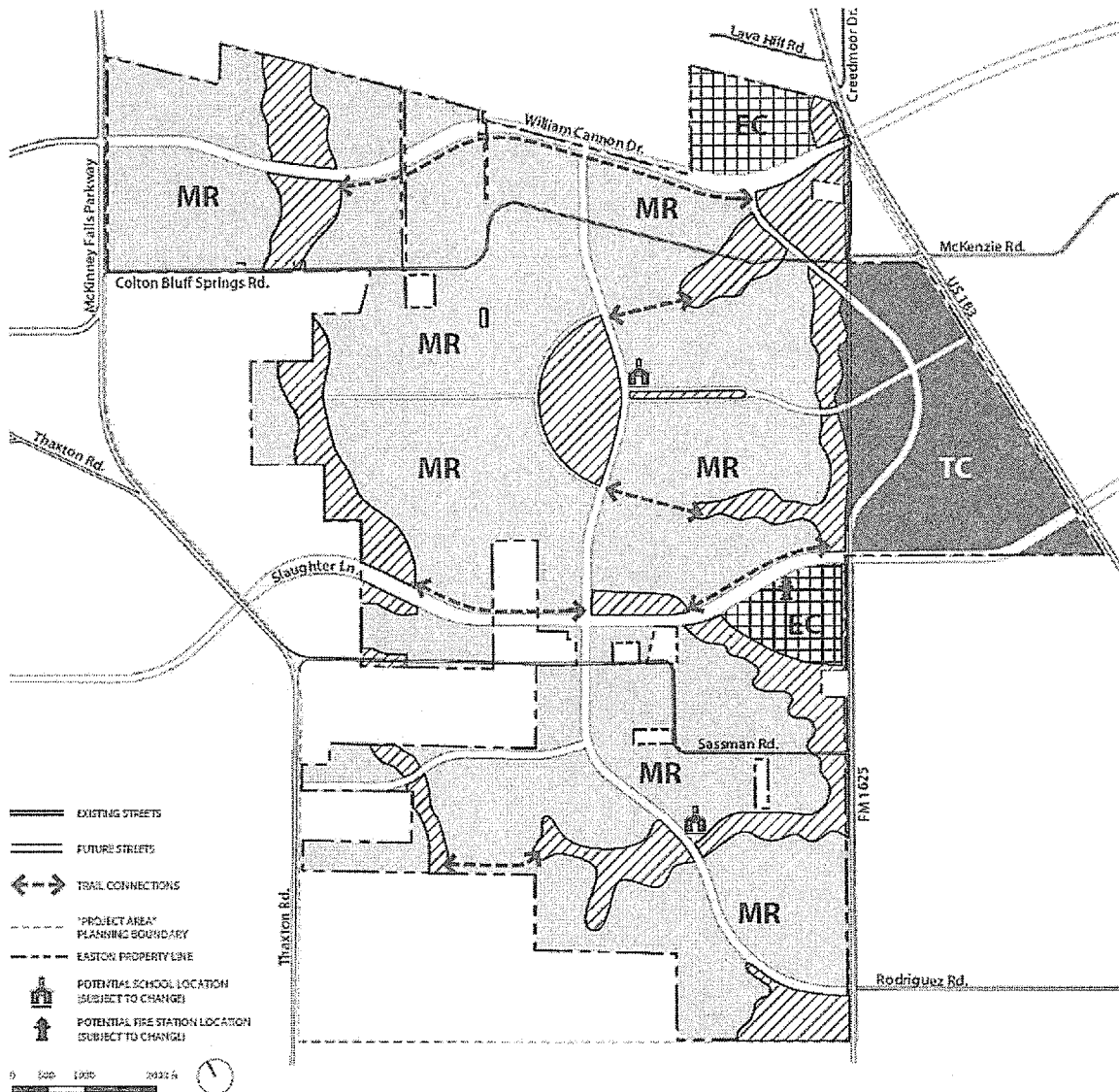


EXHIBIT B

Land Plan



PROPOSED LAND USE AREAS	APPROXIMATE ACREAGE	PROPOSED MAXIMUM DENSITY *	PROPOSED PERMITTED USES
MR - MIXED RESIDENTIAL	~ 1,400 AC	Up to: 9,300 DU; 530,000 SF Civic/Commercial	MIX OF SINGLE FAMILY RESIDENTIAL (DETACHED & ATTACHED), MULTIFAMILY RESIDENTIAL, NEIGHBORHOOD-SERVING COMMERCIAL AND CIVIC USES
EC - EMPLOYMENT CENTER	~ 80 AC	Up to: 1,500 DU; 750,000 SF Civic/Commercial/Industrial	MIX OF EMPLOYMENT, CIVIC, COMMERCIAL AND MULTIFAMILY RESIDENTIAL USES, LIGHT INDUSTRIAL, HOTEL
TC - TOWN CENTER	~ 200 AC	Up to: 3,500 DU; 1,000,000 SF Civic/Commercial	MIX OF COMMERCIAL, CIVIC, MULTIFAMILY AND ATTACHED SINGLE FAMILY RESIDENTIAL USES AT AN URBAN DENSITY, HOTEL
OS - OPEN SPACE	~ 360 AC	Up to: 50,000 SF Civic/Commercial	OUTDRYWAYS, TRAILS, PARKS AND RECREATIONAL AREAS, WITH CIVIC AND LIMITED COMMERCIAL USES PERMITTED

NOTES: * Final densities will be determined as part of the PUD.

A fire station site will be donated to the City of Austin within the districts of the Plan as described in Exhibit E of the MUD Consent Agreement.
The only existing roads within the Project Area are Colton Bluff Springs Road, Sassman Road and FM 1625.



the city of austin

CONCEPTUAL LAND PLAN

January 30, 2012

EXHIBIT C

Project Area

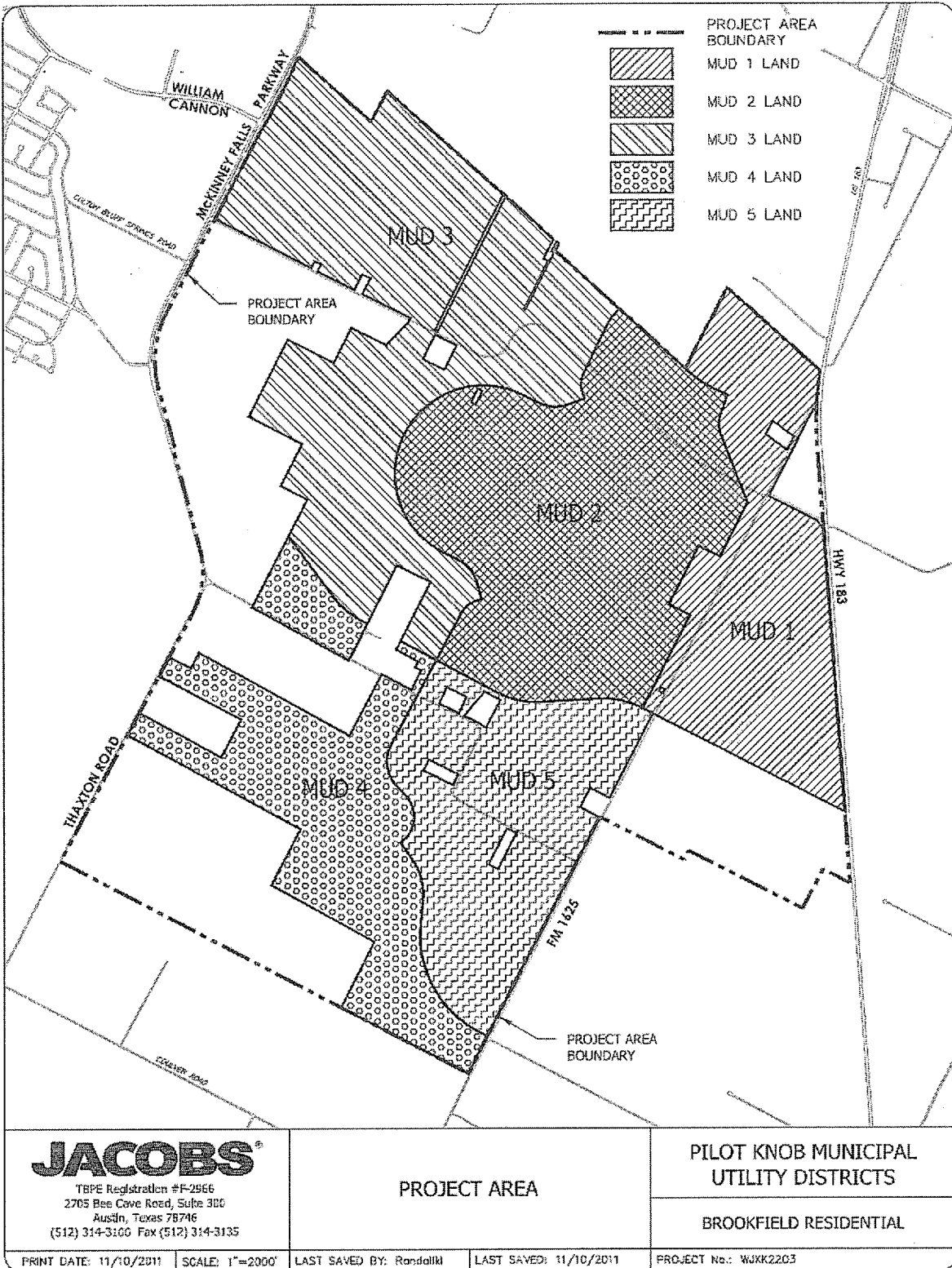


EXHIBIT D

Post Annexation Surcharge Formula

The following calculation is intended to allow the City to collect sufficient funds for payment of the debt service remaining on the District's Bonds at the time of annexation, as authorized by Section 54.016(h), Texas Water Code. After annexation, the rates charged to customers receiving water and sewer services at properties that were within the territorial boundary of the District at the time of annexation may vary from the rates charged to customers receiving services at other properties within the City in order to compensate the City for the assumption of the debt on the District's Bonds. These rates will be reflected as a post annexation surcharge on the customers' monthly utility bills and will be stated as a percentage of the water and sewer rates of the City. The amount of the post-annexation surcharge and the percentage of the City's rates will vary as the City's rates are amended, but in no event will the rates of customers charged the post annexation surcharge exceed 125% of the rates charged to other customers within the City who are not otherwise subject to a post-annexation surcharge.

FORMULA FOR SURCHARGE CALCULATION:

1.	$A = \frac{P \times I}{1 - [(1 + I)^{-n}]}$
2.	$S = \frac{A}{12 \times \text{ESFCs}}$

where:

A =	total annual post annexation surcharge
P =	principal outstanding on the District's Bonds, less any reduction provided for by Note 1, below
I =	average annual effective interest rate on the District's outstanding Bonds
n =	years remaining in debt retirement period
ESFCs =	total number of equivalent single family customer connections within the territorial boundary of the District
S =	monthly post annexation surcharge per equivalent single family connection, but in no event will S exceed 125% of the water and sewer rates charged to other customers within the City

Note 1: P will be reduced by the amount of District funds transferred to the City at the time of annexation or received by the City after annexation, including any debt service taxes paid to the City for the year of annexation as provided in this Agreement.

Note 2: For purposes of illustration, the following are examples of the application of the formula set forth above and the calculation of the post annexation surcharge under this Exhibit based on certain assumptions:

Example 1:

Principal Remaining: \$3,000,000

Interest Rate: 4.5 %

Remaining Term of bonds: 15 years

Equivalent Single Family Connections: 1,183

Monthly Surcharge: \$19.68

Example 2:

Principal Remaining: \$5,000,000

Interest Rate: 6.25 %

Remaining Term of bonds: 15 years

Equivalent Single Family Connections: 2,500

Monthly Surcharge: \$17.44

Example 3:

Principal Remaining: \$1,000,000

Interest Rate: 6.25 %

Remaining Term of bonds: 5 years

Equivalent Single Family Connections: 3,168

Monthly Surcharge: \$6.29

EXHIBIT E

Civic Reserve and Civic Uses

1. The Developer agrees to reserve school sites within the Project for the Del Valle Independent School District (the "School District") in such locations and upon such terms and subject to such conditions as may be mutually agreed between the Developer and the School District, which terms may include donation of such school site. The Developer will extend water, wastewater and streets to each school site at no cost to the School District. The Developer agrees to negotiate in good faith with the School District during the PUD process to address the number and types of schools within the Project.
2. The Developer agrees to donate up to a net buildable two-acre tract to the City, at no cost to the City, for a fire/EMS site, on the terms and conditions provided in Exhibit H (Proposed Terms of Fire Protection Plan).

EXHIBIT F

Stormwater, Drainage and Water Quality and Environmental Protection Requirements

The District and the Developer agree that the District will own, operate, and maintain the District's drainage infrastructure until full-purpose annexation of the District by the City. The District and the Developer agree that each water quality or detention pond which contains all or a portion of runoff water from industrial, commercial, or mixed-use development (as defined by the City) will be owned, operated, and maintained by the District or property owner on which the pond is located. The Developer and the District each agree to fully comply with the City's ordinances, regulations, and procedures related to drainage, as defined by the City Code. The Developer's construction plans will be consistent with this commitment.

The District and the Developer each agree to be good stewards of the environment relating to air quality, water quality, trees, buffer zones and greenbelt areas, critical environmental features, soils, waterways, topography, and the natural and traditional character of the land located within the District.

Unless otherwise specified herein or as modified by the PUD, the District and Developer each agree to fully comply with the City's ordinances, regulations, and procedures related to water quality and environmental preservation and protection, as defined by the City Code, as to the portion of the Land owned by it. All water quality and flood detention controls shall be designed to standards for City maintenance unless otherwise modified in the PUD or agreed to by the City.

In all phases of development, the Developer agrees to:

1. restore floodplains including the use of native prairie grass species and riparian trees species, in order to provide an enhanced public amenity, minimize impacts of urbanization, and reduce costs of future, long-term maintenance of the floodplain. The Watershed Protection Department can approve an alternate restoration plan when conditions and/or use warrant;
2. design modified channels based on geomorphic stability for full build-out hydrology. Such design requires a series of nested channels (e.g. Figure F-1) that includes a bankfull (1 yr. return interval) channel within the floodplain (100 yr) channel with distinct connections to an inset floodplain terrace. The top width to depth ratio of the bankfull channel shall be designed per accepted geomorphic principles (e.g., Osterkamp et al. 1983 or Osborn and Stypula 1987). The channel longitudinal profile (slope) shall be designed and demonstrated by calculation to be non-erosive via permissible shear or velocity calculations that consider the particle size of the native soil comprising the channel. If topographic and/or development constraints make the design of a non-erosive natural channel infeasible, the use of armoring (such as with geotextiles) will be allowed;
3. provide water quality controls superior to those otherwise required by Austin City Code by providing innovative controls listed in ECM Section 1.6.7 or others as approved by the Watershed Protection Department;
4. provide volumetric flood control detention if feasible. The critical time period used for the design will be provided by the Watershed Engineering Division. The Developer may also evaluate a scenario somewhere in between full volumetric control flood detention and standard peak discharge matching detention. As an alternative, the Developer will perform floodplain hydrologic and hydraulic modeling of downstream impacts and mitigate for any adverse

impacts; the model will evaluate to SH 130 for the North and South Fork watersheds and to US 183 for the Cottonmouth watershed;

5. for waterways having a contributing drainage area of less than 320 acres but more than 64 acres, provide a setback of 50' minimum from the centerline of the waterway. In cases where the provision of this setback causes hardship on the development of the property, a one-for-one credit based on linear foot of waterway will be given for each of the following:
 - a. providing a 50' setback from the centerline of waterways having a contributing drainage area of less than 64 acres, and/or
 - b. increasing the buffer width established by the 50' centerline setback (total width of 100' centered on the waterway) to an average total width of 200' for waterways having a contributing drainage area of less than 320 acres. The added buffer width does not need to be centered on the waterway centerline.
 - c. Refer to Figure F-2 for a scenario in which the project satisfies the requirement of waterway setbacks for waterways having a drainage area of less than 320 acres but more than 64 acres utilizing both subsection 5A and 5B of this item.
 - d. Additional mitigation methodologies may be presented to and reviewed for approval by the Watershed Protection Department, which may include but not be limited to such factors as the preservation of existing riparian zones or other features having superior environmental value.

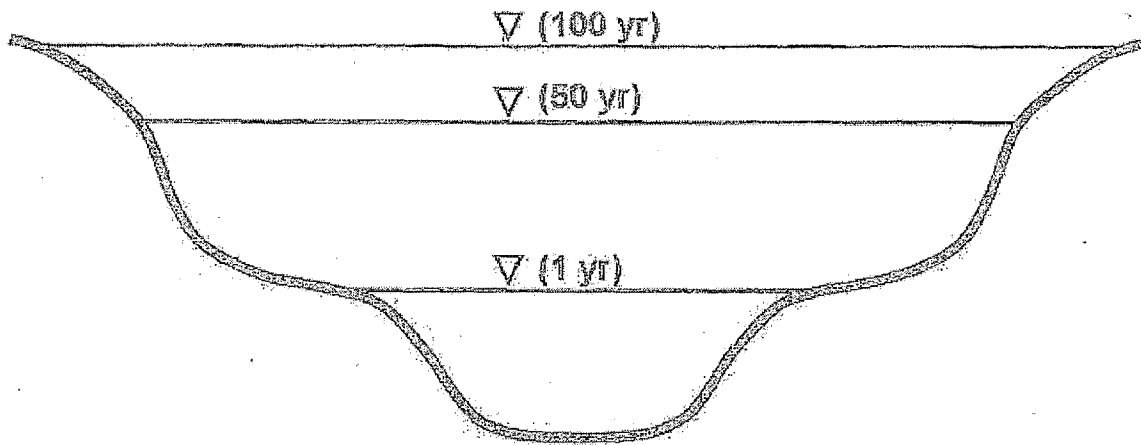
Unless otherwise stipulated in the PUD, permitted activity within the buffers created under this section shall be as follows:

- A. A fence that does not obstruct flood flows is permitted.
- B. A public or private park, golf course, sports field or similar recreational facility, or open spaces, other than a parking lot, is permitted if a program of fertilizer, pesticide, and herbicide use is approved by the Watershed Protection Department.
- C. A utility line may cross the buffer.
- D. A utility line may run within the buffer, parallel to the waterway, provided it is demonstrated that the utility line lies outside the erosion hazard zone.
- E. Roadways, including residential, may cross the buffer at a spacing of 900 feet. This minimum spacing may be administratively waived by the Watershed Protection Department as conditions and/or use warrant.
- F. Innovative water quality controls as listed in ECM 1.6.7 or as otherwise approved by the Watershed Protection Department may be placed within the buffer provided that no part of the control lies within the half of the buffer closest to the waterway.
- G. Detention basins and floodplain alterations are permitted within the buffer subject to the limitations in items 1 and 2 of this Exhibit.

6. prohibit through zoning ordinances uses that may contribute to air or water quality pollutants in the Land such as drilling for oil, gas or other hydrocarbons;
7. provide a Critical Water Quality Zone for all classified waterways as required by applicable code or as provided by the Consent Agreement or PUD. No Water Quality Transition Zone is required for classified waterways;
8. calculate impervious cover based on gross site area rather than net site area; and
9. develop a comprehensive pest management plan for commercial, residential and open space areas and educate residential property owners regarding integrated pest management and "Grow Green Earth-Wise" requirements.

Due to the size and scale of the project, the Developer has proposed an overall regional storm water quality and detention system, along with watershed restoration and enhancements that cannot be quantified at this time by staff, but the Developer will continue to pursue details and approvals during the PUD process.

Figure F-1



Typical modified channel cross-section. Designer shall ensure longitudinal slope meets non-erosive permissible shear requirements.

Figure F-2

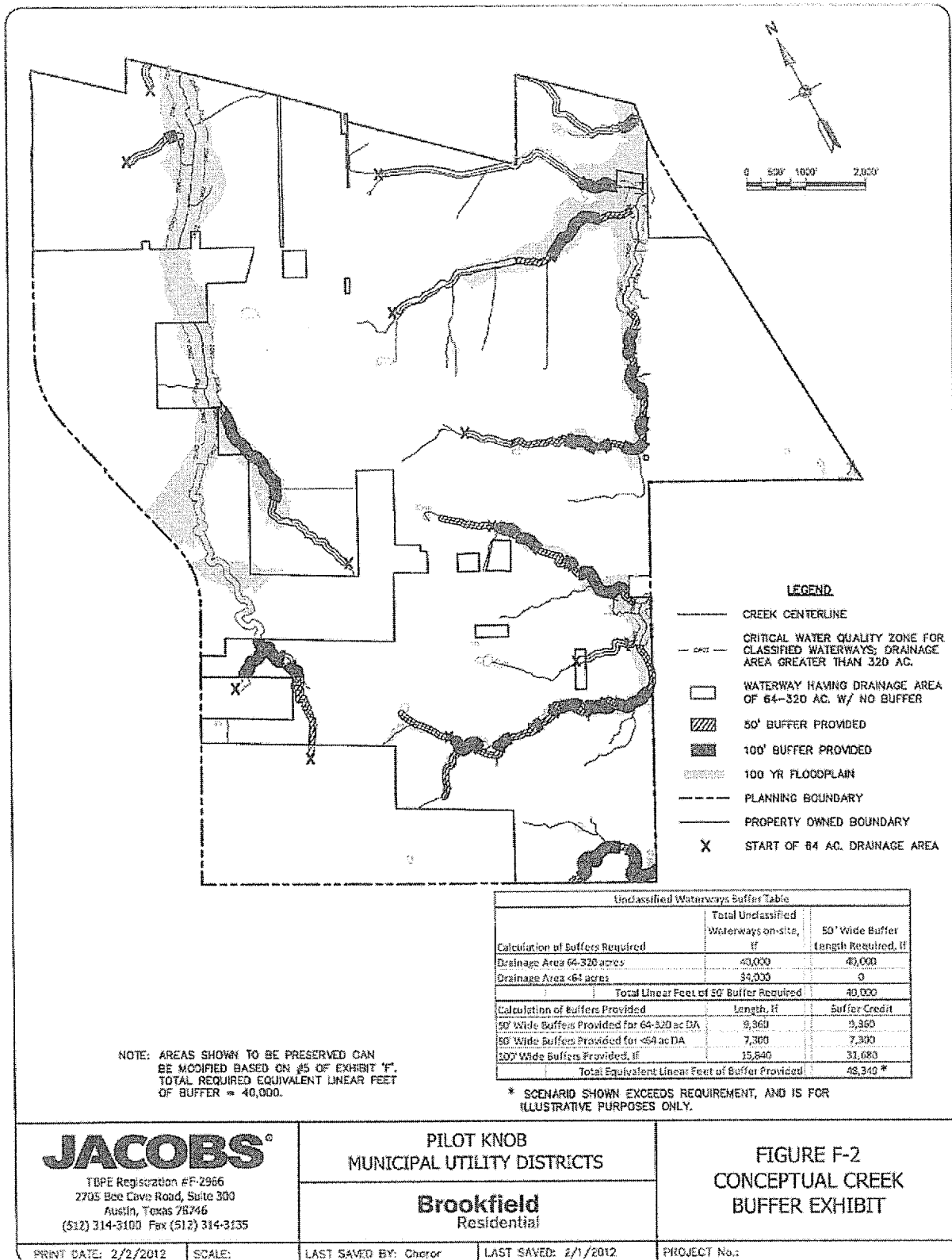


EXHIBIT G

Tree and Landscaping Requirements

A. Developer Agreements. The Developer (with respect to the portion of the Land owned by the Developer) agrees to exceed the tree preservation ordinance, Protected and Heritage Tree, and the minimum landscaping requirements in Chapter 25 of the Land Development Code by doing the following:

1. A tree preservation plan will be developed with the City's arborist during the PUD process that, at minimum, will satisfy the requirements of the tree preservation ordinance, Protected and Heritage Tree;
2. All preserved or planted trees for landscape requirements will come from the Environmental Criteria Manual, Appendix F; and
3. A tree care plan, prepared by a certified arborist, will be provided for construction-related impacts within the critical root zone of all trees which are required to be preserved.

B. District Agreements. The District (with respect to the portion of the Land owned by the District) agrees to exceed the minimum landscaping requirements of the City Code by doing the following:

1. Properly maintaining its property, subject to any applicable water use or other restrictions imposed by the City, or natural drought conditions; and
2. Upon Reclaimed Water being brought to the Project, to use Reclaimed Water for irrigation in open space areas where such use is economically feasible, subject to any applicable water use restrictions imposed by the City

EXHIBIT H

Proposed Terms of Fire Protection Plan

The City will coordinate negotiations between the City, the District, the Developer, and the Emergency Services District No. 11 (ESD) on a fire protection plan which includes the components identified below. The City and the District acknowledge and agree that any fire protection plan will be subject to approval by the Commission and the voters within the District.

Regardless, the Developer agrees to donate up to a net buildable two-acre tract to the City, at no cost to the City, for a fire/EMS site at a location within the Project to be mutually agreed upon by the Developer and the City (with a preferred location along future William Cannon or Slaughter Lane) (the "Site"). The deed for conveyance of title to the Site will be delivered by the Developer to the City within ten (10) years after the Effective Date of the Consent Agreement and will (i) contain requirements that the City or ESD commence construction of the fire/EMS station on the Site within ten (10) years after conveyance of the Site to the City (and, if construction does not commence within such time period, then the ownership of the Site will revert back to the Developer), and (ii) grant to the Developer the right to relocate the site to another location within the Project with the consent of the City, which consent shall not be unreasonably withheld, conditioned or delayed.

An agreement acceptable to the City and the Districts would include, but not limited to, the following provisions:

- A portion of the ESD tax revenue will fund the construction of a fire station which could accommodate both AFD and ESD units.
- The fire facility would be built by ESD or the District(s) after 50% of the combined area of the Districts is developed or the call volume in the area warrants a station.
- A four bay station design would be approved by the Austin Fire Department and the ESD.
- Fire protection would be provided by both Austin Fire Department and the ESD.

If an agreement is not reached by ESD, City, and District:

- Fire protection will be provided by the ESD.

EXHIBIT I

Transportation Requirements

The Developer agrees to provide for appropriate transportation and mass transit connections to areas adjacent to the Project, and for mitigation of adverse cumulative transportation impacts with sidewalks, trails, and roadways. The Developer also agrees do to the following within the Project:

1. dedicate rights-of-way (ROWs) for arterial street alignments and improvements in accordance with the Capital Area Metropolitan Planning Organization (CAMPO) 2035 Transportation Plan or its successor plan;
2. fund construction of arterial streets and other transportation improvements identified in the traffic impact analysis finalized during the PUD process (as the same is modified and updated from time to time thereafter), based upon a pro-rata share calculated by City and County staff;
3. designate in the PUD process a site of approximately ten acres for a future intermodal transfer station and related public transportation facilities within the Project, for market price sale to City/Capital Metro within a specified number of years after designation, and on such other terms and conditions as the parties may agree;
4. provide access for pedestrians and bicyclists to schools, parks and other destinations;
5. provide street cross-sections for all arterials and major collectors that include sidewalks, bicycle lanes, or other bicycle facilities. A determination as to which collectors are major collectors will be agreed upon during the PUD process. Other bicycle facilities will be as described in the Austin Bicycle Master Plan and agreed upon during the PUD process. Design specifications will comply with the City of Austin Transportation Criteria Manual, or other alternative street cross section standards as developed in the PUD, and the Developer will consider complying with the National Association of City Transportation Officials ("NACTO") and American Association of State Highway and Transportation Officials ("AASHTO") guidelines, including signage and markings, but not including signalization. Compliance with design specifications will be determined by Travis County-City of Austin Review;
6. provide connectivity with other City amenities such as multi-use hike and bike trails, sidewalks and pedestrian walkways through the District constructed to meet applicable provisions of federal, state and City accessibility requirements;
7. where the rear property lines of single-family residential lots are adjacent to William Cannon, Slaughter Lane, McKinney Falls Parkway and 1625 (south of Slaughter Lane), fund and construct durable, aesthetically-pleasing walls, subject to the review and approval of the City; and
8. collaborate with TxDOT to reconfigure or eliminate FM 1625 from Slaughter Lane to William Cannon Drive; and
9. during the development of the Project, maintain an on-going dialogue with Capital Metropolitan Transit Authority and any other mass transit service provider regarding mass transit service options and transportation issues.

All such requirements will be shown on construction plans, which are subject to the City's approval.

EXHIBIT J

Building and Urban Design Standards

Developer will comply with Subchapter E of the Land Development Code, with exceptions related to specific project conditions. These exceptions will be determined during the PUD process. The to-be-developed transportation framework plan for the PUD will designate certain roads with the same terms that are used in Subchapter E, such as "urban roadway", "suburban roadway", "core transit corridor", etc., and development along such roadway types will comply with the corresponding Subchapter E regulations. This will be done to facilitate the development review and administration of the PUD by the City. All roadways in the Project will be classified as "suburban roadways" unless otherwise designated in a different classification during the PUD process. An interconnected network of streets, pedestrian, and bicycle facilities that provide multiple routes, reduce travel distances, and provide a high level of "connectivity" are the foundation for an efficient, multi-modal transportation system. Connectivity can be measured by maximum block size, number or density of street intersections, pedestrian and bicycle connections, and number of dead-end or cul-de-sac streets. The District and the Other Pilot Knob Districts will incorporate a high level of connectivity whether development is permitted under interim single-family or Planned Unit Development (PUD) zoning. The Developer will consider the City's list of special use infill options to promote affordability and to preserve public space during the PUD process.

EXHIBIT K

Art in Public Places Participation

The Developer will prepare a Public Art Master Plan, which will identify opportunities, guiding principles and locations within the Project for outdoor art installations to be implemented and managed by the Developer. All subsequent operations and maintenance of the artwork will be the responsibility of the Developer or the Owners Association.

EXHIBIT L

Affordable Housing Participation

In order to meet the City's affordable housing goals, the Developer agrees as follows:

1. Ten percent of the rental units within the Project will be set aside for households with an income level of 60% or less of the median family income in the Austin metropolitan statistical area for a period of ____ years from the Effective Date of this Agreement.
2. Ten percent of the owner-occupied units within the Project will be priced, at the time of their initial offering for sale, at a price that is affordable to a household with an income level of 80% of the median family income in the Austin metropolitan statistical area.
3. The Developer will make a financial contribution to the City's affordable housing program equal to two percent of the total "hard" construction cost reimbursements actually received by the Developer out of the proceeds of bonds issued by the District and the Other Pilot Knob Districts, up to a maximum total contribution of \$8.0 Million. This contribution will be calculated as follows:

Total District Bond Issue Amount: \$_____

Less:

Non-Construction Costs, including:

Legal and Financial Advisory Fees: \$_____

Interest Costs, including
Capitalized and
Developer Interest \$_____

Bond Discount \$_____

Administrative and Organizational
(including creation costs and operating
advances) \$_____

Bond Application Engineering Report,
Market Study \$_____

Bond Issuance Expenses, including
TCEQ Bond Issuance Fee, Attorney
General Review Fee, Rating Agency Fees,
Bond Insurance \$_____

Application, Review and Inspection Fees \$_____

Site Costs \$_____

Offsite Costs \$_____

Engineering and Geotechnical: \$_____

Total Non-construction Costs: \$_____

NET ELIGIBLE MUD BOND ISSUE AMOUNT

\$ _____

AFFORDABLE HOUSING CONTRIBUTION
PERCENTAGE:

X 2%

AFFORDABLE HOUSING CONTRIBUTION:

\$ _____

4. Each contribution will be calculated based upon costs approved for reimbursement under applicable Commission rules and a report on reimbursable costs prepared by a certified professional accountant on behalf of the District at the time of each Bond issue. Each contribution, along with a copy of the report on reimbursable costs, will be delivered to the City Controller until the maximum contribution of \$8.0 Million has been paid. A copy of each report on reimbursable costs will be submitted to the Finance Director concurrently with the delivery of the contribution and report to the Controller.

EXHIBIT M

Conceptual Water and Wastewater Plan

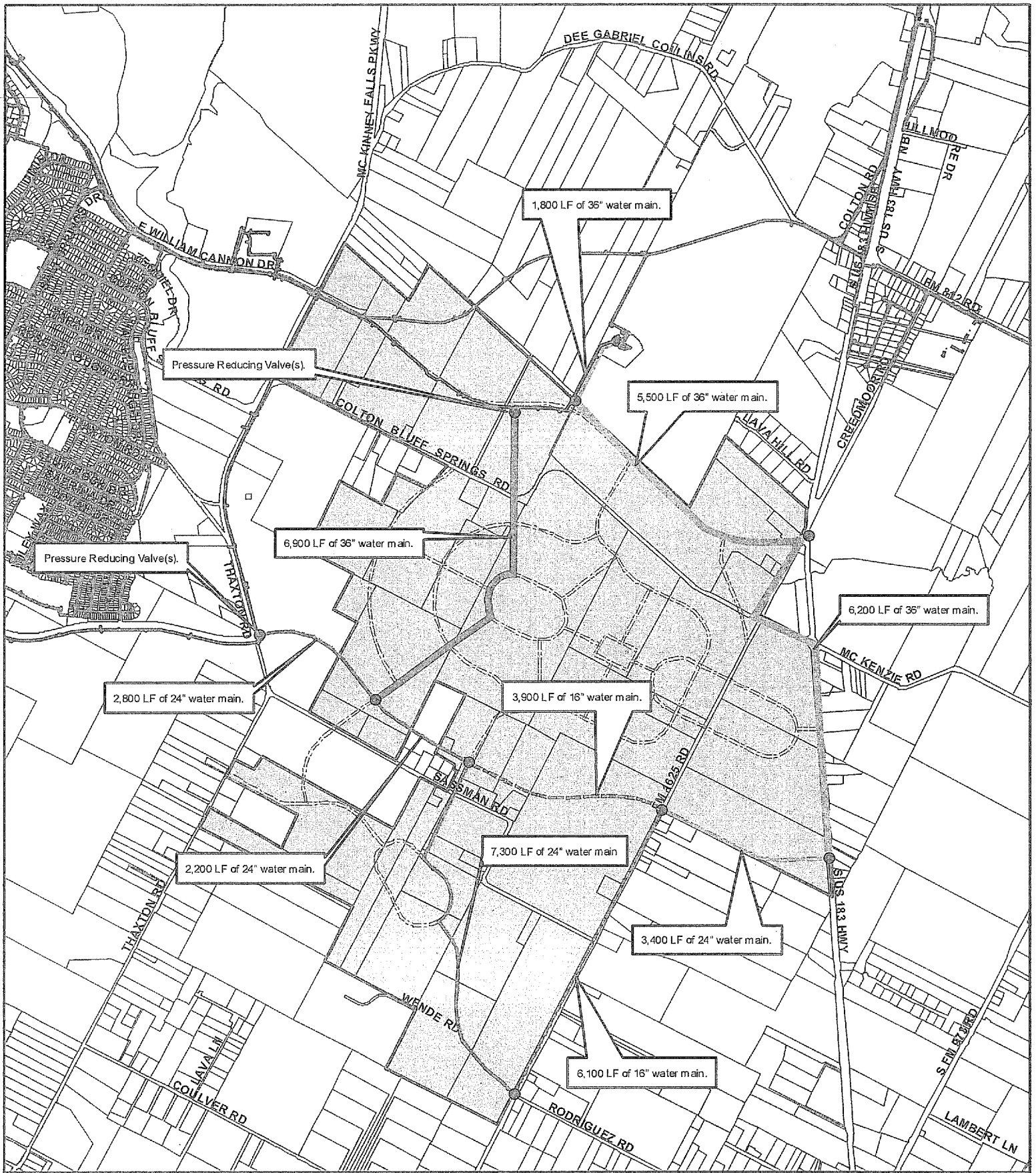
See the following attachments:

Exhibit M-1: Pilot Knob MUDs 1-5 Conceptual Major Water Facilities

Exhibit M-2: Pilot Knob MUDs 1-5 Conceptual Major Wastewater Facilities

Exhibit M-3: Pilot Knob MUD Lift Station Conceptual Plan

Exhibit M-4: Pilot Knob MUDs 1-5 Conceptual Easement Locations

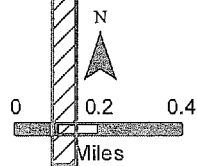


Conceptual Streets

Pilot Knob MUDs 1-5

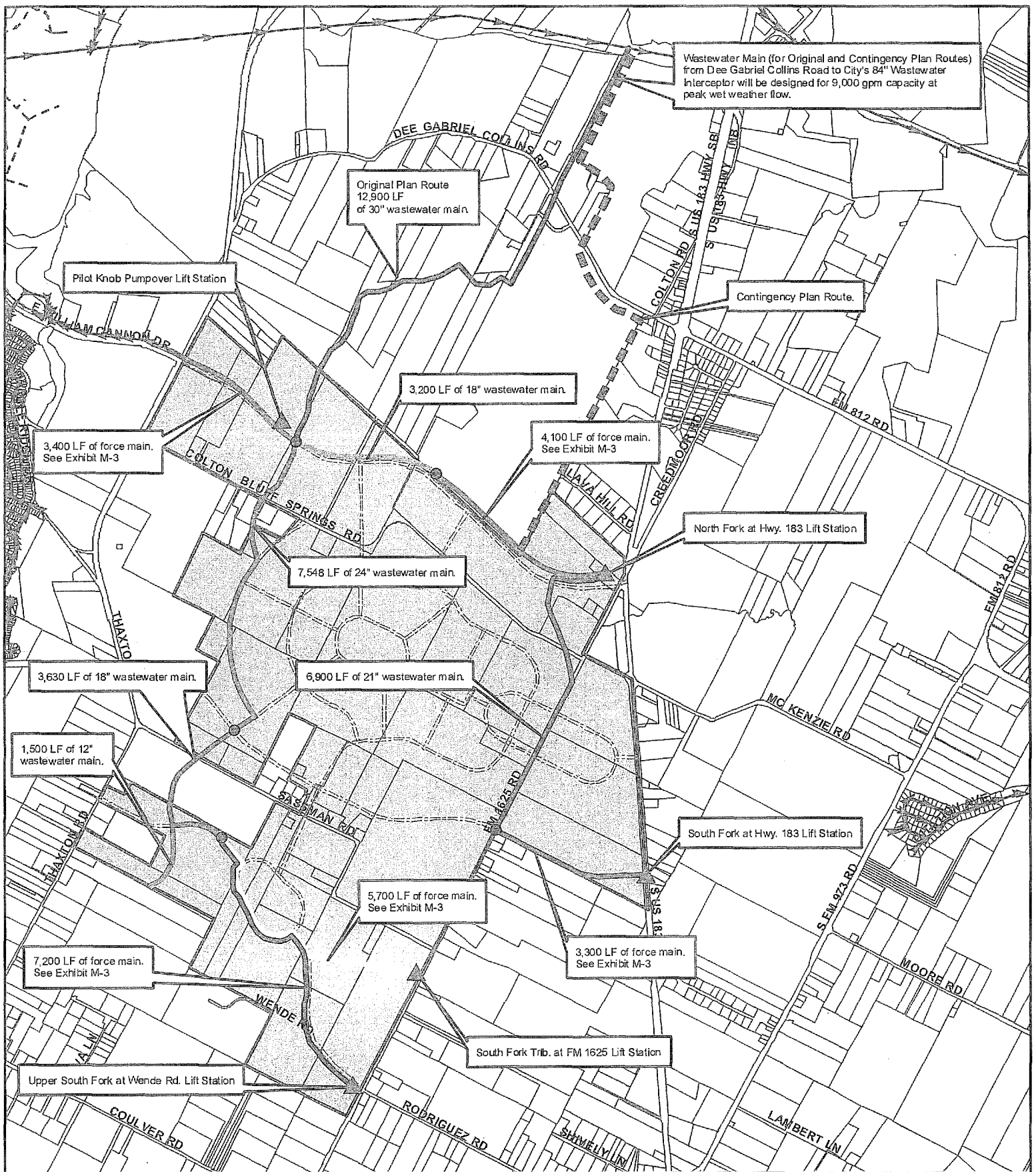
DRAFT

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. This product has been produced by the Austin Water Utility for the sole purpose of geographic reference. No warranty is made by the City of Austin regarding specific accuracy or completeness. 3428



City of Austin
Austin Water Utility
1/18/2012
Exhibit M-1
Pilot Knob MUDs 1-5
Conceptual Major Water Facilities
Produced by GIS Services





Conceptual Streets
Pilot Knob MUDs 1-5

DRAFT

The product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. This product has been produced by the Austin Water Utility for the sole purpose of geographic reference. No warranty is made by the City of Austin regarding specific accuracy or completeness. 3428



City of Austin
Austin Water Utility
1/19/2012



Exhibit M-2
Pilot Knob MUDs 1-5

Conceptual Major Wastewater Facilities
Produced by GIS Services



DRAFT

1/18/2012

Exhibit M-3

Pilot Knob MUD Lift Station Conceptual Plan

Lift Station Name (proposed)	Phase	Peak Flow Loading			FM sizes	Calc Velocity fps	Nominal LS Size Range for FM Performance			Site Area	See Notes
		MUD Load gpm	non-MUD Load gpm	Total Load gpm			FMat3fps gpm	FMat6fps gpm	FM length ft		
1 Pilot Knob Pumpover	Single	520	200	720	8"	4.5	480	950(2)	3400	2 acre	1,2,3,7,10
2 Upper South Fork at Wende Rd	Single	145	70	215	4"	5.4	118	240	7200	1 acre	4,7,10
3 North Fork at Hwy 183	Initial 22%	870	218	1088	10"	4.4	740	1500	4100	2 acre	3,5,6,8,10
	Ultimate	3913	978	4891	18"	6.2	2400	4800	4100		
4 South Fork at Hwy 183	Initial 22%	187	187	374	6"	4.3	265	530	3300	1 acre	5,8,9,10
	Ultimate	842	842	1684	12"	4.7	1080	2150	3300		
5 South Fork Trib at FM 1625	Initial 22%	452	180	632	8"	4.0	480	950	5700	1 acre	5,8,10
	Ultimate	2035	180	2216	12"	6.2	1080	2150	5700		

Notes

1 Key on 300 gpm average daily flow at Springfield LS as trigger to switch to Cottonmouth interceptor. Existing = 170 gpm. See Exhibit N.

Note 520 gpm LS MUD peak flow allocation calculated by $(300-170) \times 4 = 520$

Note capacity management limit of 1000 gpm available capacity in gravity 8" in William Cannon.

Note AWU to establish 2400 gpm nominal firm capacity at Springfield LS, keying on commissioning 2nd FM.

Nominal non-MUD capacity available during pumpover, using existing PF=6:

$$2400 - (170 \times 6) - 520 = 860 \text{ gpm}$$

2 MUD 520 gpm allocation plus Non-MUD 200 gpm = 720 gpm peak flow design basis and Exhibit N limit. Initial impellar trim approximately 480 gpm.

3 Site area is 2 acres for contingency plan.

4 Build parallel 8" FM for future non-MUD service at time of initial FM construction, per Exhibit N.

5 Initial design to show layout of ultimate size.

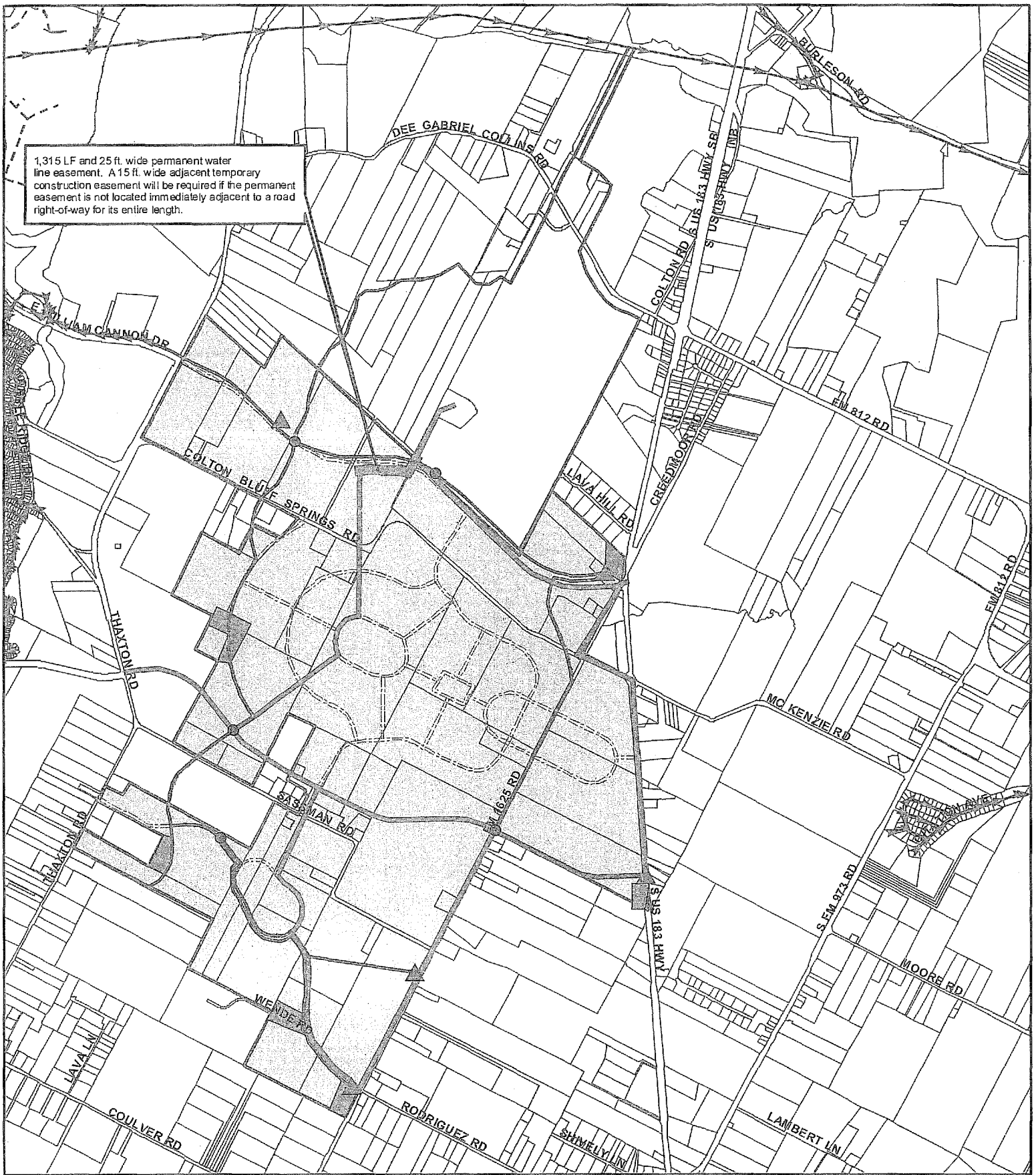
6 City may require size above 2000 gpm to be wet pit - dry pit configuration, not submersible.

7 Duplex lift station

8 Design concept is to start with 2 pumps initially and make impeller changes and add 3rd and 4th pumps as needed to reach ultimate capacity.

9 Design concept is wet well depth to serve both sides of creek by gravity.

10 Refer to Exhibit N for capacity allocation and flow monitoring on an average daily flow basis.



Easement

Conceptual Streets

Pilot Knob MUDs 1-5

Wastewater Facilities

Proposed Main

Proposed Lift Stations

Water Facilities

Proposed Main

DRAFT

N

0 0.2 0.4

Miles

This product is for informational purposes only and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of easement boundaries. This product has been produced by the Austin Water Utility for the sole purpose of geographic reference. No warranty is made by the City of Austin regarding specific accuracy or completeness. 3428

CITY OF AUSTIN
FOUNDED 1839

City of Austin
Austin Water Utility
1/19/2012
Exhibit M-4
Pilot Knob MUDs 1-5
Conceptual Easement Locations
Produced by GIS Services

Austin
WATER

EXHIBIT N— 3-14-12 (PK Comments w/o RW)
Terms of Cost Reimbursement and Participation (Pilot Knob)

Description	Terms of Cost Reimbursement and Participation
1. Exhibits	<p>Exhibits M-1, M-2, M-3 and M-4 are conceptual in nature, and the alignments and lengths of pipe shown thereon may increase or decrease as appropriate while maintaining the integrity of the overall distribution/collection systems. The size and capacity of Major Water and Wastewater Facilities may be decreased, at the City's sole discretion, if it is determined later that demands within the Districts on particular facilities will be less than originally estimated.</p> <p>The identified Major Water and Wastewater Facilities in the exhibits are based upon the report by the Developer's engineer (Jacobs Engineering Group, Inc.) dated October 2010 and sealed October 15, 2010. The sizing for the Districts' development and the City's oversizing is based upon that report.</p>
2. Easements in General	<p>With the exception of the Pilot Knob Pumpover Lift Station, all easements related to lift stations will extend to the edge of the District's outer boundary so that the City may send wastewater flows to each of the lift stations. All easements will be exclusive for water and wastewater and not for other utilities' or entities' use.</p>
3. Easement (temporary and permanent) for Internal Water and Wastewater Facilities, and Major Water and Wastewater Facilities	<p>The Developer and the District will convey easements to the City at no cost to the City. Width and length of the easements will be determined by the City in accordance with City design criteria, specifications, and policies. The Developer and the District, at its cost, are responsible for providing additional easements, if determined by the City, as a result of the Developer or the District increasing the capacity or to reach the ultimate capacity of any of the Major Water and Wastewater Facilities.</p>
4. Easement (temporary and permanent) for future extension of infrastructure by the City (see Exhibit M-4)	<p>The Developer and the District will convey to City, at no cost to City, (i) the easements required for the Major Water and Wastewater Facilities as indicated on Exhibits M-1, M-2, M-3, and M-4, and (ii) easements that are located on property owned by the Developer or the District. The Developer and the District will work cooperatively with the City to identify a utility alignment on property at the submittal of the UIR. Width and length of the easements will be determined by the City in accordance with City design criteria, specifications, and policies. Because the size and depth of the future infrastructure cannot be determined at this time, the Developer and the District agree that the easements will be sufficient to meet the City's future needs and will be conveyed to the City prior to the earlier to occur of City approval of construction plans or final plat for that portion of any District that will be affected by such easement.</p>

EXHIBIT N— 3-14-12 (PK Comments w/o RW)
Terms of Cost Reimbursement and Participation (Pilot Knob)

Description	Terms of Cost Reimbursement and Participation
	<p>These easements are in addition to the easements described above for any infrastructure that will be conveyed to the City such as Internal Water and Wastewater Facilities, and Major Water and Wastewater Facilities.</p>
<p>5. Internal Water and Wastewater Facilities, and Major Water and Wastewater Facilities</p>	<p>City's cost reimbursement ordinances and policies (where the City would pay more than just for its proportional share of costs for oversizing) will not be applied or used in any manner for any water, Reclaimed Water, and wastewater infrastructure (Austin City Code Chapter 25-9).</p> <p>For those Major Water and Wastewater Facilities identified on Exhibit M-1 and Exhibit M-2 which have been oversized at the request of the City, the Developer will pay 100% of all costs associated with the oversizing without reimbursement by the City or the District, but only up to the extent of the pipe diameters expressly set forth on Exhibit M-1 and Exhibit M-2. The Developer may seek reimbursement by the District for all infrastructure required to provide utility service to the development within the District.</p> <p>(Note: Issues regarding Reclaimed Water continue to be negotiated)</p>
<p>6. Easements (temporary and permanent) or land for Major Water and Wastewater Facilities oversized by the City in the future</p>	<p>If the City requests oversizing for Major Water and Wastewater Facilities that (i) results in facility sizing that is in excess of the sizing identified in Exhibit M-1 and Exhibit M-2, and quantified in Exhibit M-3, or (ii) have <u>not</u> been identified in Exhibit M-1, Exhibit M-2 or Exhibit M-4 and quantified in Exhibit M-3, the City will pay its proportionate share of costs based upon the increased amount of easement/land necessary, if any, to accommodate the City's increase in size of the Major Water and Wastewater Facilities. Width and length of the easement/land will be determined by the City in accordance with City design criteria, specifications, and policies.</p>
<p>7. Major Water and Wastewater Facilities oversized by the City in the future</p>	<p>If the City requests oversizing for Major Water and Wastewater Facilities that (i) results in facility sizing that is in excess of the sizing identified in Exhibit M-1 or Exhibit M-2, and quantified in Exhibit M-3, or (ii) have <u>not</u> been identified in Exhibit M-1 or Exhibit M-2, and quantified in Exhibit M-3, the City will pay its proportionate share of costs for the City's oversizing in accordance with City ordinances.</p>
<p>8. All Lift Stations</p>	<p>The Developer and the District agree to provide lawn maintenance, at its cost and discretion, for that portion of all lift stations that is located outside of the fencing of the lift station.</p> <p>Lift station sizing will be based on peak wet-weather flow consistent with the conceptual plan presented in Exhibit M-3. The Developer or the</p>

EXHIBIT N— 3-14-12 (PK Comments w/o RW)
Terms of Cost Reimbursement and Participation (Pilot Knob)

Description	Terms of Cost Reimbursement and Participation
	<p>District will donate a one-acre developable easement for each lift station, except the Pilot Knob Pumpover and North Fork at Hwy. 183 lift stations, prior to any City approval of construction plans for any District that would require such lift station to be constructed. The Developer or the District will donate a two-acre developable easement for the Pilot Knob Pumpover lift station and for the North Fork at Hwy. 183 lift station prior to any City approval of construction plans for any District that would require such lift stations to be constructed; provided, however, the easement for the Pilot Knob Pumpover Lift Station will contain a provision for vacation of a portion of such easement (up to one acre) in the event that the Original Plan Route is ultimately utilized by the Developer or the District. The City, at its sole discretion, can agree to reduce the acreage for the easements if it determines that a smaller easement is sufficient in light of the use of adjacent property. Portions of the easements may be located within the 100-year floodplain, subject to the City's approval, which approval will not be unreasonably withheld, conditioned or delayed; however, all mechanical and electrical components of the lift stations and access to such lift stations must be elevated out of the floodplain. Developable acreage calculations shall include portions of the floodplain to the extent that the lift station buffer area and facilities can be located therein.</p> <p>The Developer will design and construct, at its sole cost, all lift stations required for the Districts. The Developer or the District will donate to the City any additional easements if the Developer designs and constructs a lift station in phases and in such a manner that does not provide, in the City's reasonable determination, the same buffer as would be provided by a single lift station designed for the ultimate build-out wastewater flows for that lift station. Except as otherwise identified in Exhibits M and N, the City will design and construct, at its sole cost, any infrastructure required to convey waste generated outside of the Districts to the lift stations.</p> <p>For each lift station, the Developer, at its sole cost, will also design and construct additional capacity designated for the City's sole use for areas outside of the Districts as described for each lift station herein, but only to the extent quantified in Exhibit M-3. The City's capacity as quantified in Exhibit M-3 will not be used by the Developer or the Districts at any time unless approved in writing by the Director. If the Developer or the District exceeds its capacity for a lift station as provided in Exhibit M-3 for three consecutive 30-day periods, the Developer will design and construct, at its sole cost, an expansion sufficient to replace the capacity used by the Developer or the District in a timely manner. After the period of curing such default has expired and the City's capacity is still being used by the</p>

EXHIBIT N— 3-14-12 (PK Comments w/o RW)
Terms of Cost Reimbursement and Participation (Pilot Knob)

Description	Terms of Cost Reimbursement and Participation
	<p>Developer or the District, the City may choose to not approve any further construction plans and final plats for any areas within the Districts that contribute wastewater flows to the lift station until such expansion is completed (in addition to any other remedies available to the City).</p> <p>If the City exceeds its capacity as provided in this Exhibit N for a lift station for three consecutive 30-day periods, the City will construct and design, at the City's sole cost, an expansion to such lift station sufficient to replace the capacity used by the City in a timely manner. After the period of curing such default has expired and the District's capacity is still being used by the City, the District or the Developer may pursue all remedies available to them under this Agreement.</p> <p>Capacity usage will be measured as an average daily flow (Average Daily Flow) using flow meters, where feasible, and pump run times. The Average Daily Flow will be calculated over a 30-day period by taking all of the meter readings for the 30-day period and averaging all of the individual reading (recorded minimally every minute). The City will use its flow meters to measure District and non-District flows. If a flow meter cannot be used to measure flow due to the system configuration or flow characteristics, then the City and the District will calculate the flows using sound engineering principles.</p> <p>The initial design of each lift station will include the conceptual plan and layout for phasing the station and force mains to reach the ultimate capacity shown on Exhibit M-3. The City will work cooperatively with the Developer to prepare an annual report ("Five-Year Facility Plan") and submit such report to the Developer by September 31st of each year. The report will address issues such as:</p> <ol style="list-style-type: none"> 1. Existing District Average Daily Flow 2. Existing and projected non-District Average Daily Flow (information provided by the City) 3. District flow projections for a five year period 4. Peak wet weather flows 5. Five-year Facility Plan for lift station expansion 6. Total Average Daily Flows from District and non-District sources as indicated by lift station run time for the prior 12 months <p>Lift station expansion construction shall be underway when Average Daily Flow, for three consecutive months, reaches one-fourth of station firm capacity, at that time, as determined by drawdown testing, unless the Five-Year Facility Plan has determined that earlier or later construction is appropriate to address observed peak wet weather flows and projected</p>

EXHIBIT N— 3-14-12 (PK Comments w/o RW)
Terms of Cost Reimbursement and Participation (Pilot Knob)

Description	Terms of Cost Reimbursement and Participation
	<p>future flows.</p> <p>To the extent capital improvements related to repair and replacement of existing lift station facilities are reasonably necessary elements of a lift station expansion required hereunder, whether such expansion is to be performed by the Developer or the City, such capital improvements shall be considered to be part of such an expansion.</p> <p>The City's wastewater service to the Project through all of the wastewater facilities identified in Exhibits M and N will be provided to the Project regardless of whether the City provides wastewater service to other properties outside of the Project through such facilities.</p>
<p>9. Pilot Knob Pumpover Lift Station</p>	<p>(a) The Developer will design and construct the lift station to initially include 50 gpm Average Daily Flow designated for the City's use outside of the Districts. Per Exhibit M-3 it is anticipated that this station will be built to ultimate capacity in a single phase, with the District share being 130 gpm Average Daily Flow. If the City requires, for its sole use, additional capacity above the 50 gpm Average Daily Flow, then the City will be responsible for associated expansion costs for its additional capacity.</p> <p>(b) Upon the date that the District exceeds its capacity of 130 gpm Average Daily Flow for the Pilot Knob Pumpover Lift Station for three consecutive 30-day periods, the City may require that the Developer and Districts divert wastewater flows going to the Pilot Knob Pumpover Lift Station instead to the City's 84" wastewater interceptor (using the Original Plan Route or Contingency Plan Route as shown on Exhibit M-1 in accordance with the terms of this Agreement) at no cost to the City by delivery of a notice of such event (the "PKPLS Notice") to the Developer. Upon receipt of the PKPLS Notice, the Developer shall have 180 days to divert wastewater flows going to the Pilot Knob Pumpover Lift Station instead to the City's 84" wastewater interceptor. All facilities, including but not limited to the lift station and wastewater mains, required to redirect flows to the City's 84" wastewater interceptor (whether using the Original Plan Route or Contingency Plan Route) will be built by the Developer at no cost to the City. If the wastewater flows going to the Pilot Knob Pumpover Lift Station from the District have not been diverted to the City's 84" wastewater interceptor within 180 days after receipt of the PKPLS Notice, Developer will be subject to the restrictions set forth in paragraphs (c and d) below. In addition, within 30 days after receipt by Developer of an annual Five-Year Facility Plan that shows that the Average Daily Flow for the Pilot Knob Pumpover Lift Station is anticipated to reach 130 gpm of District-generated flow for a thirty-day</p>

EXHIBIT N— 3-14-12 (PK Comments w/o RW)
Terms of Cost Reimbursement and Participation (Pilot Knob)

Description	Terms of Cost Reimbursement and Participation
	<p>period within the one-year period following the date of delivery to Developer of such Five-Year Facility Plan, the Developer will deliver to the City evidence that (i) the Developer has obtained easements as necessary to redirect flows to the City's 84" wastewater interceptor through the Original Plan Route or the Contingency Plan Route (whichever is then applicable), and (ii) Developer has begun the design work necessary for redirection of flows to such 84" wastewater interceptor.</p> <p>(c) If the Original Plan Route will be utilized and the wastewater flows going to the Pilot Knob Pumpover Lift Station from the District have not been diverted to the City's 84" wastewater interceptor within 180 days after receipt of the PKPLS Notice, the Developer and the District agree that the City, at its discretion, will not approve any further preliminary plans, construction plans, and final plats until the Pilot Knob Pumpover Lift Station is decommissioned and those associated wastewater flows are permanently transported to the City's 84" wastewater interceptor through the Original Plan Route. If by necessity the Contingency Plan Route will be utilized and the wastewater flows going to the Pilot Knob Pumpover Lift Station from the District have not been diverted to the City's 84" wastewater interceptor within 180 days after receipt of the PKPLS Notice, the Developer and the District agree that the City, at its discretion, will not approve any further preliminary plans, construction plans, and final plats until the Pilot Knob Pumpover Lift Station is decommissioned and those associated wastewater flows are permanently transported to the North Fork at Hwy. 183 Lift Station and thence to the Contingency Plan Route gravity line.</p> <p>(d) Regardless of the above, unless by necessity the Contingency Plan Route is used, the Pilot Knob Pumpover Lift Station itself will be limited to a maximum of 180 gpm for Average Daily Flow, which may be increased at the City's sole discretion.</p>
10. Upper South Fork at Wende Rd. Lift Station	<p>The Developer will design and construct the lift station to initially include 18 gpm Average Daily Flow designated for the City's use outside of the Districts. Per Exhibit M-3 it is anticipated that this station will be built to ultimate capacity in a single phase. If the City requires, for its sole use, additional capacity above the 18 gpm Average Daily Flow, then the City will be responsible for associated expansion costs for its additional capacity. At the City's discretion, the Developer, at its cost, will also construct a parallel 8" force main in addition to the force main required for the lift station. The parallel force main will be capped at both ends of the pipe at the District's boundary and will only be used by the City for</p>

EXHIBIT N— 3-14-12 (PK Comments w/o RW)
Terms of Cost Reimbursement and Participation (Pilot Knob)

Description	Terms of Cost Reimbursement and Participation
	wastewater flows outside of the District's boundaries.
11. North Fork at Hwy. 183 Lift Station	The Developer will design and construct each phase of the lift station to include an additional 25% of the total amount of Average Daily Flow of capacity constructed for use by the Developer and the Districts. The added capacity will result in the City always having 20% of the lift station capacity assigned to the City for its use outside of the Districts, up to the ultimate loads identified in Exhibit M-3. The Developer will be responsible for lift station expansion unless the City requires additional capacity beyond the City's designated capacity available at that time. The City may require the station to be built in the dry pump pit configuration beyond a 2,000 gpm capacity.
12. South Fork at Hwy. 183 Lift Station	The Developer will design and construct each phase of the lift station to include an additional 100% of the total amount of Average Daily Flow of capacity constructed for use by the Developer and the Districts. The added capacity will result in the City always having 50% of the lift station capacity assigned to the City for its use outside of the Districts, up to the ultimate loads identified in Exhibit M-3. The Developer will be responsible for lift station expansion unless the City requires additional capacity beyond the City's designated capacity available at that time. The station will be designed to serve both sides of South Fork Creek by gravity; provided, however, Developer will only be required to construct a well to the depth of 40 feet and, if the well depth necessary to serve both sides of South Fork Creek by gravity exceeds 40 feet, then the City will be responsible for the associated costs to increase the well depth beyond 40 feet.
13. South Fork Trib. at FM 1625 Lift Station	The Developer will design and construct the lift station to initially include 45 gpm Average Daily Flow designated for the City's use outside of the Districts. If the City requires, for its sole use, additional capacity above the 45 gpm Average Daily Flow, then the City will be responsible for associated expansion costs for its additional capacity.

EXHIBIT N— 3-14-12 (PK Comments w/o RW)
Terms of Cost Reimbursement and Participation (Pilot Knob)

Description	Terms of Cost Reimbursement and Participation
14. Original Plan Route	If the Developer is unsuccessful after a good faith effort, as determined by the City, to obtain easements for the Original Plan Route by agreement, the City agrees, upon request, to promptly request City Council approval to acquire the acquisition of the easement in question utilizing the City's power of eminent domain and, upon such approval, to promptly initiate and diligently pursue the condemnation of the easement in question. If the City Council does not approve proceeding with condemnation of any required easement for the Original Plan Route within 120 days of being formally requested to do so in writing, then the Developer or the District, at its discretion, may use the Contingency Plan Route to provide wastewater service.
15. On-site Reclaimed Water facilities	(Note: Issues regarding Reclaimed Water continue to be negotiated)
16. Owners Association	(Note: Issues regarding Reclaimed Water continue to be negotiated)

EXHIBIT O

Form of Covenant Requiring Dedication of Easements

RESTRICTIVE COVENANT

OWNER: CARMA EASTON LLC, a Texas limited liability company (the "Owner")

ADDRESS: _____

CONSIDERATION: Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged

PROPERTY: _____ (the "Property")

- A. Owner, the City of Austin, Texas (the "City"), and Pilot Knob Municipal Utility District No. ____ (the "District") previously entered into the Consent Agreement for Pilot Knob Municipal Utility District No. ____, dated as of _____, 2012 (the "Consent Agreement").
- B. Section 6.08 of the Consent Agreement requires that, if the easements necessary to extend the Major Water and Wastewater Facilities (as defined in the Consent Agreement) across any portion of the Land (as defined in the Consent Agreement) have not been dedicated or conveyed to the City prior to sale by Owner, that portion of the Land must be impressed with a restrictive covenant requiring the purchaser to donate the easements in question to the City.
- C. Owner desires to sell the Property, and all easements across the Property required by Section 6.08 of the Consent Agreement have not yet been dedicated or conveyed to the City.

THEREFORE, for good and valuable consideration, and in compliance with Section 6.08 of the Consent Agreement, Owner hereby declares that the Property will be subject to the following covenants and restrictions, which will run with the land, and be binding upon Owner, and its successors and assigns:

1. Capitalized terms not otherwise defined herein will have the meanings ascribed to them in the Consent Agreement, a copy of which is on file with the City.
2. Land and easements within the Property that are required for the Major Water and Wastewater Facilities must be conveyed to the City, in lengths and widths which are consistent with the City's Utility Design Criteria and the Consent Agreement, on forms approved by the City and at no cost to the City, at the earlier of the City's approval of construction plans or a final plat for the land within which the facilities will be constructed.
3. If any person or entity shall violate or attempt to violate this agreement and covenant, it shall be lawful for the City to prosecute proceedings at law or in equity against such person or entity violating or attempting to violate such agreement or covenant, to prevent the person or entity from such actions, and to collect damages for such actions.

4. If any part of this agreement or covenant is declared invalid, by judgment or court order, the same shall in no way affect any of the other provisions of this agreement, and such remaining portion of this agreement shall remain in full effect.
5. If at any time the City fails to enforce this agreement, whether or not any violations of it are known, such failure shall not constitute a waiver or estoppels of the right to enforce it.
6. This agreement may be modified, amended or terminated only by joint action of both (a) the Director of the Austin Water Utility, or his successor, and (b) the owner(s) of the Property subject to the modification, amendment or termination at the time of such modification, amendment or termination.
7. This agreement will automatically terminate and be of no force or effect as to any of the Property for which the City has approved construction plans or for which a final plat, approved by the City, has been recorded.

EXECUTED this the ____ day of _____, 20____.

OWNER:

CARMA EASTON LLC,
a Texas limited liability company
By: Brookfield Residential (Texas) LLC,
its sole member

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

Assistant City Attorney
City of Austin

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on this ____ day of _____, 20____, by _____, the _____ of Brookfield Residential (Texas) LLC, a Delaware limited liability company and the sole member of Carma Easton LLC, a Texas limited liability company, on behalf of such limited liability company.

Notary Public
State of T E X A S

EXHIBIT P

Park and Open Space Requirements

Within the Project, the Developer agrees to provide at least 300 acres of open space (including regional detention and parkland and trails) as conceptually illustrated on the Land Plan, and, in addition, at least 100 acres of improved parkland with amenities. This proposed acreage of parks and open space exceeds PUD Tier I requirements by more than ten percent (10%).

Other than gated areas owned and operated by the Owners Association (which would not collectively exceed 40 acres throughout the Project), the park and open space areas in the Project will be open to the public.

Parks and publicly accessible open space will be dispersed throughout the Project, and located within ¼ mile of each residence where feasible/practical, and accessible by pedestrians and cyclists in all Project neighborhoods.

EXHIBIT Q

Finance Plan

Bond Plan for Entire Project

For the entire Project, the Developer presently contemplates that the District and the Other Pilot Knob Districts (collectively, the "Pilot Knob Districts" and each a "Pilot Knob District") will collectively issue Bonds according to the following schedule:

- Pilot Knob Municipal Utility District No. 3 will begin to issue Bonds within ten (10) years after the Effective Date;
- Pilot Knob Municipal Utility District No. 2 will begin to issue Bonds within fifteen (15) years after the Effective Date;
- The other three Pilot Knob Districts will each begin to issue Bonds within twenty (20) years after the Effective Date;
- The last Bond for each Pilot Knob District shall be issued on or before fifteen (15) years of the date of issuance of the first Bonds by such Pilot Knob District; and
- Once Bonds are issued by a Pilot Knob District, it is contemplated that additional Bonds will be issued every one to three years thereafter as assessed value is created within such district.

EXHIBIT R

"Plain Speak" Notice Form

The property that you are about to purchase is located within Pilot Knob Municipal Utility District No. __ (the "District"). The District is a governmental entity with taxing powers that was created by the Texas Legislature with the consent of the City of Austin (the "City"). The District and the City have entered into a Consent Agreement (the "Consent Agreement") that contains provisions that may affect you as a property owner. The following summary describes certain important provisions of the Consent Agreement, but does not include every provision of the Consent Agreement which may affect you or the property you are purchasing. You may obtain a full and complete copy of the Consent Agreement from the District upon your request.

1. Governance. The District is governed by a five-member Board of Directors. The City is authorized to appoint one member of the Board. The other four Board members are elected by the residents of the District to serve four-year, staggered terms. No Board member may serve more than two four-year terms of office. No Board member may receive fees of office for more than 16 days of service in any District fiscal year.
2. City Services. The City provides retail water and wastewater service and residential solid waste and recycling services within the District. Neither the District nor any other utility or service provider may provide these services. If any areas of the District are located within the CCN of any water and/or wastewater utility provider other than the City, no development may occur within those areas and no water and/or wastewater services may be provided to those areas until they are excluded from the service area of the other water and/or wastewater utility provider. The City will only provide City services provided for by the Consent Agreement, and any other services with the City may agree to provide under a separate contract, to areas within the District prior to the City's full purpose annexation of the District.
3. District Tax Rate. The Consent Agreement requires that the District's tax rate be no less than the City's tax rate.
4. Annexation; Creation of Limited District. The City has annexed all of the land in the District for the limited purposes of planning and zoning; therefore, development within the District is subject to City regulation, including the City's zoning ordinances. When the District is annexed by the City for full purposes, the District will be converted to a "limited district" that will continue to own and operate certain park and open space land, and related facilities. This limited district will levy and collect a tax, which will be in addition to the City's ad valorem tax, to provide the limited district with funds for operation and maintenance.
5. Restrictive Covenants. The District does not have the power to enforce restrictive covenants. All restrictive covenants will be enforced by the owners association for the development.
6. Park Facilities. The District is not authorized to own, finance, construct, or maintain swimming pools, splash pads, and community centers, or related improvements, land and infrastructure. These improvements may only be owned, operated and maintained by the owners association for the development.
7. Assessments by Owners Association. All property owners in the District are required to become members of the owners association, which will levy assessments on the property in the District and has

the power to place liens on property to enforce the payment of the assessments. The owners association's assessments are in addition to the taxes levied and collected by the District (or, after full purpose annexation, limited district and the City).

8. Post Annexation Surcharge. After full purpose annexation of the District, the Consent Agreement authorizes the City to charge and collect water and wastewater rates to customers within the territorial boundary of the District at the time of annexation which vary from the City's standard rates in order to compensate the City for the assumption of the debt on the District's Bonds. These rates will be reflected as a post annexation surcharge on the customers' monthly utility bills and will be stated as a percentage of the water and sewer rates of the City.