

**PETITION FOR CONSENT TO THE CREATION
OF MUNICIPAL UTILITY DISTRICT**

TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF AUSTIN,
TEXAS:

The undersigned ("Petitioner"), acting pursuant to the provisions of Chapters 49 and 54, Texas Water Code, respectfully petitions the City Council of the City of Austin, Texas (the "City"), for its written consent to the creation of a municipal utility district over the land described by metes and bounds on Exhibit "A", which is attached hereto and incorporated herein for all purposes (the "Land"), and, in support thereof, would show the following:

I.

The name of the proposed district is SOUTHEAST TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 1 (the "District").

II.

The District is proposed to be created and organized under the terms and provisions of Article XVI, Section 59 of the Constitution of Texas and Chapters 49 and 54, Texas Water Code.

III.

The District will contain approximately 187.720 acres of land, more or less, situated in Travis County, Texas. All of the land proposed to be included in the District is located within the extraterritorial jurisdiction of the City. All of the Land proposed to be included may properly be included in the District.

IV.

Petitioner holds title to and is the owner of a majority in value of the holders of title to the Land as indicated by the tax rolls of Travis County, Texas. There are no lienholders to the Land.

V.

The general nature of the work to be done by the District at the present time is the design, construction, acquisition, maintenance and operation of a waterworks and sanitary sewer system for domestic and commercial purposes; the construction, acquisition, improvement, extension, maintenance and operation of works, improvements, facilities, plants, equipment and appliances helpful or necessary to provide more adequate drainage for the District and to control, abate and amend local storm waters or other harmful excesses of waters; the provision of and construction, acquisition, maintenance and operation of parks and recreational facilities and the construction, acquisition, improvement, maintenance and operation of such other and

additional facilities, systems, plants and enterprises as may be consonant with any or all of the purposes for which the District is created.

VI.

There is a necessity for the above-described work, because there is not now available within the area, which will be developed for single family residential and commercial uses, an adequate waterworks system, sanitary sewer system, drainage and storm sewer system or parks and recreational facilities. The health and welfare of the present and future inhabitants of the area and adjacent areas require the purchase, design, construction, acquisition, ownership, operation, repair, improvement and extension of an adequate waterworks system, sanitary sewer system, drainage and storm sewer system, parks and recreational facilities and other facilities and systems. A public necessity, therefore, exists for the creation of the District in order to provide for the purchase, design, construction, acquisition, ownership, operation, repair, improvement and extension of a waterworks system, sanitary sewer system, drainage and storm sewer system, parks and recreational facilities and other systems to promote the purity and sanitary condition of the State's waters and the public health and welfare of the community.

VII.

A preliminary investigation has been made to determine the cost of the proposed District's project, and it is now estimated by Petitioner, from such information as it has available at this time, that such cost will be approximately \$22,000,000.

VIII.

Petitioner, by submission of this petition, requests the City's consent to the creation of the District and to the inclusion of the Land within the District.

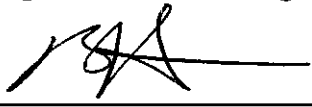
WHEREFORE, Petitioner prays that this petition be heard and that your Honorable Body duly pass and approve an ordinance or resolution granting consent to the creation of the District and authorizing the inclusion of the Land within the District.


RESPECTFULLY SUBMITTED this 25th day of March, 2011.

QUALICO CR, LP, a Texas limited partnership

By: Qualico CR Management, LLC, a Texas limited liability company, its general partner

By: Qualico Developments (U.S.), Inc., a Delaware corporation, its manager

By: 
Brian Higgins, Vice President

By: 
Vera Massaro, Assistant Secretary

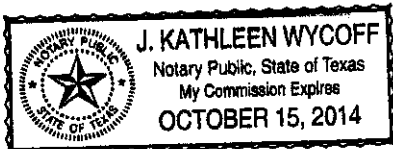
THE STATE OF TEXAS §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 25th day of March, 2011, by Brian Higgins, Vice President of Qualico Developments (U.S.), Inc., a Delaware corporation, Manager of Qualico CR Management, LLC, a Texas limited liability company, General Partner of Qualico CR, LP, a Texas limited partnership, on behalf of said corporation, limited liability company and limited partnership.

(SEAL)


Notary Public, State of Texas

THE STATE OF TEXAS §
COUNTY OF TRAVIS §



This instrument was acknowledged before me on the 25th day of March, 2011, by Vera Massaro, Assistant Secretary of Qualico Developments (U.S.), Inc., a Delaware corporation, Manager of Qualico CR Management, LLC, a Texas limited liability company, General Partner of Qualico CR, LP, a Texas limited partnership, on behalf of said corporation, limited liability company and limited partnership.

(SEAL)

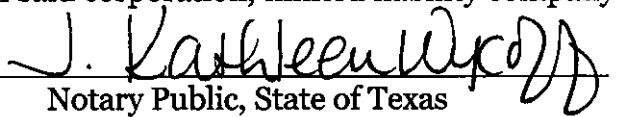

Notary Public, State of Texas



EXHIBIT "A"

187.720
JOSE ANTONIO NAVARRO SURVEY, ABS. NO. 18
TRAVIS COUNTY, TEXAS
SOUTHEAST TRAVIS COUNTY MUD #1

FIELD NOTES

BEING ALL THAT CERTAIN TRACT OR PARCEL OF LAND OUT OF AND A PART OF THE JOSE ANTONIO NAVARRO SURVEY, ABSTRACT 18, SITUATED IN TRAVIS COUNTY, TEXAS, SAID TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED AS BEING ALL OF THAT CERTAIN 54.350 ACRE TRACT OF LAND CONVEYED TO QUALICO CR, LP IN DOCUMENT NUMBER 2007154327, ALL OF THAT CERTAIN 110.263 ACRE TRACT OF LAND CONVEYED TO QUALICO CR, LP IN DOCUMENT NUMBER 2008139826 AND ALL OF THAT CERTAIN 23.106 ACRE TRACT OF LAND CONVEYED TO QUALICO CR, LP IN DOCUMENT NUMBER 2009141317, ALL OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, SAID 187.720 ACRE TRACT OF LAND BEING MORE FULLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING, at an iron rod found at the northeast corner of said 54.350 acre Qualico CR, LP tract, also being the northwest corner of Timber Hills Subdivision, a subdivision recorded in Book 72, Page 21 of the Plat Records of Travis County, Texas (P.R.T.C.TX.), also being a point located in the southern right-of-way line of Pearce Lane, a public roadway, for the northeast corner and **POINT OF BEGINNING** of the herein described tract,

THENCE, with the common boundary line of said Timber Hills Subdivision and said Qualico CR, LP tracts, the following six (6) courses and distances, numbered 1 and 6,

1. S27°56'54"W, a distance of 259.21 feet to an iron rod found ,
2. S27°34'16"W, a distance of 1900.84 feet to an iron rod found,
3. S27°39'26"W, a distance of 763.63 feet to an iron rod found,
4. S27°48'23"W, a distance of 644.68 feet to an iron rod found,
5. S27°43'28"W, a distance of 242.58 feet to an iron rod found and
6. S27°15'41"W, a distance of 252.18 feet to an iron rod found at the southeast corner of said 23.106 acre Qualico CR, LP tract for the southeast corner of the herein described tract,

THENCE, with the southern boundary line of said 23.106 acre Qualico CR, LP tract, and the northern boundary lines of that certain 67.70 acre tract of land conveyed to Billy J. Cannady, et. ux. in Volume 8080, Page 452 of the Deed Records of Travis County, Texas and that certain 25 acre tract of land conveyed to Bernard E. Stratman, Jr. in Volume 4488, Page 1362 of the Deed Records of Travis County, Texas, the following four (4) courses and distances, numbered 1 through 4,

1. N63°04'01"W, a distance of 214.78 feet to an iron rod found,
2. N62°26'16"W, a distance of 814.31 feet to an iron rod found,
3. N62°23'58"W, a distance of 121.87 feet to an iron rod found and
4. N62°25'02"W, a distance of 876.13 feet to an iron rod found at the southwest corner of said 23.106 acre Qualico CR, LP tract, for the southwest corner of the herein described tract,

THENCE, with the western boundary line of said all Qualico CR, LP tracts and that certain 46.041 acre tract of land conveyed to Son Dau Trust in Volume 12274, Page 200 in the Real Property Records of Travis County, Texas, N27°42'19"E, a distance of 4000.33 feet to an iron rod found at the northwest corner of said 54.350 acre Qualico CR, LP tract, for the northwest corner of the herein described tract,

THENCE, with the northern boundary line of said 54.350 acre Qualico CR, LP tract, S64°40'51"E, a distance of 1000.59 feet to an iron rod found, also being a point on the southern right-of-way of said Pearce Lane,

THENCE, continuing with the northern boundary line of said 54.350 acre Qualico CR, LP tract and the southern right-of-way of said Pearce Lane, the following two (2) courses and distances, numbered 1 and 2,

1. S64°40'52"E, a distance of 571.91 feet to an iron rod found at a point of curvature to the right,
2. with said curve to the right having a radius of 6411.14 feet, an arc length of 451.33 feet and whose chord bears, S62°50'33"E, a distance of 451.24 feet to the **POINT OF BEGINNING**, and containing 187.720 acres of land.