

LANCE R. HUGHES

1301 CAPITAL OF TEXAS HIGHWAY
SUITE A-306
AUSTIN, TEXAS 78746
(512) 328-8211
FAX (512) 328-0149

January 7, 2000

Dear Mr. And Mrs. Schimsk
Via Facsimile: 512-837-6757

As you know we own property at 2609 Westlake Drive legally described as:

Lot Forty-four (44), LAKE SHORE ADDITION, a subdivision in Travis County, Texas, according to the map or plat of record in Volume 3, Pages 30-31, Plat Records of Travis County, Texas, Save and Except 0.216 acres of land conveyed in instrument recorded in Volume 10049, Page 324, Real Property Records of Travis County, Texas and all land lying between the rear lot line of Lot 44, LAKE SHORE ADDITION, a subdivision in Travis County, Texas, according to the map of record in Volume 5, Pages 30-31, Plat Records, Travis County, Texas, and the Colorado River (Lake Austin) which land would be encompassed by an extension of the North and South lot lines of the said Lot 44 Easterly to the edge of the water of said Colorado River or Lake Austin.

Likewise, you are owner of property at 2611 Westlake Drive legally described as:

Lot Forty-five (45), LAKE SHORE ADDITION, a subdivision in Travis County, Texas, according to the map of plat thereof recorded in Volume 3, Page 30, Plat Records of Travis County, Travis; and all land lying Easterly of said Lot 45 and Westerly of the Colorado River (or Lake Austin) and which said land would be encompassed by an Easterly extension or prolongation of the Northerly and Southerly boundary lines of said lot to the edge of the waters of said river or lake, in a lawful manner.

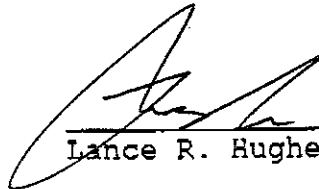
It is our desire to construct a boat dock on Lake Austin on our Northwesterly property line which abuts your Southeasterly property line. We understand that you desire to construct a boat dock on your Southeasterly property line. Each of our respective boat docks will not comply with a 10 foot side setback requirement by the City of Austin.

David Schimsk
January 7, 2000
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In order to induce the City of Austin to approve the above construction, we are proposing that we mutually agree as adjoining property owners to waive the 10 foot setback lines for improvements in the form of our two boat docks to be built on or near the Northwesterly property line of our lot and the Southeasterly property line of your lot. We desire that this letter serve as our mutual request and waiver to the City of Austin to grant approval to construct the docks on or closer than 10 feet from our respective property lines described above.

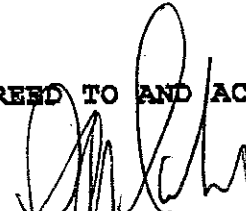
If the above arrangement is satisfactory to you, and you authorize us to release this letter to the City of Austin to be acted on by it, then please sign and date three copies of this letter in the space provided below and return two copies to us. We will submit one copy to the City of Austin for their approval of the mutual request.

Respectfully,

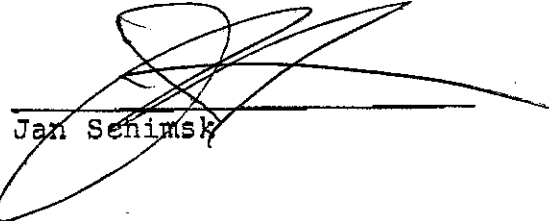

1/7/2000
Lance R. Hughes


1/10/2000
Jennifer F. Hughes

AGREED TO AND ACCEPTED:


David Schimsk

1/7/00
DATED


Jan Schimsk

1/7/00
DATED