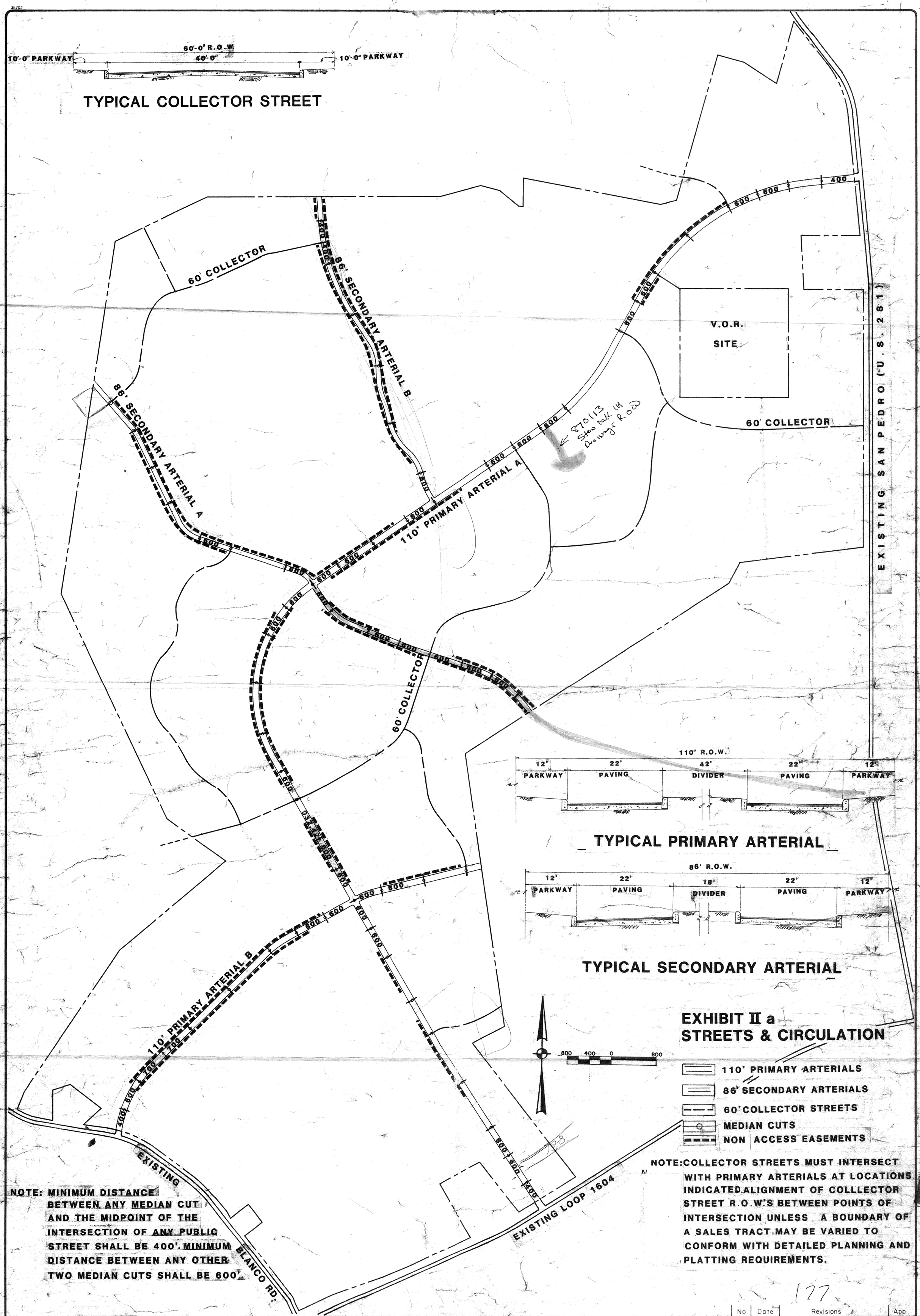
35702



177

No.	Date	Revisions	App.

Sheet ___ of ___

STONE OAK

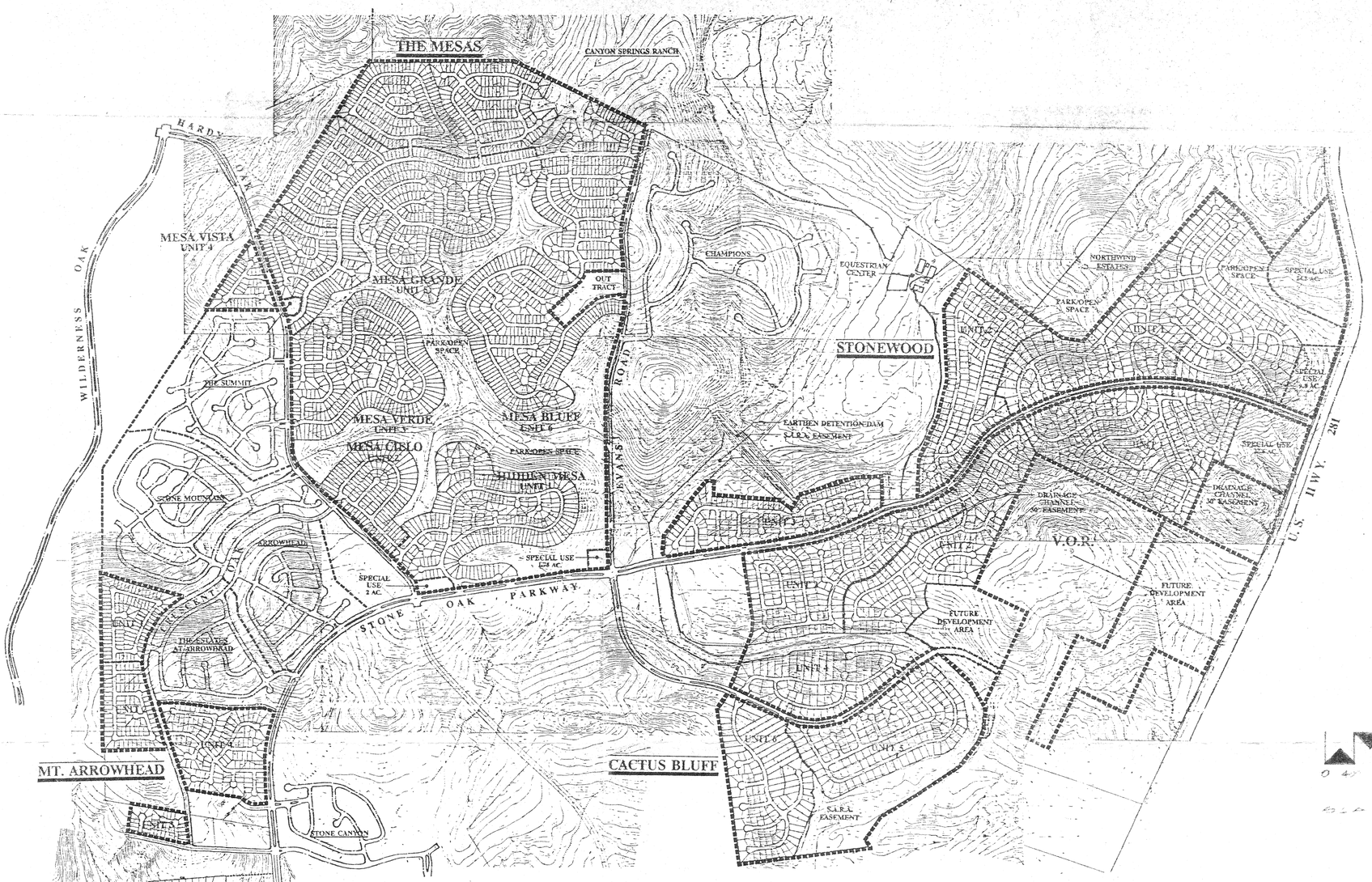
STONE OAK, INC.
11306 Sir Winston
San Antonio, Texas 78216

STREETS/ CIRCULATION

Date 4/15/83
Designed by H-T
Drawn by J.K.
Checked by SOJV
Scale 1"=800'

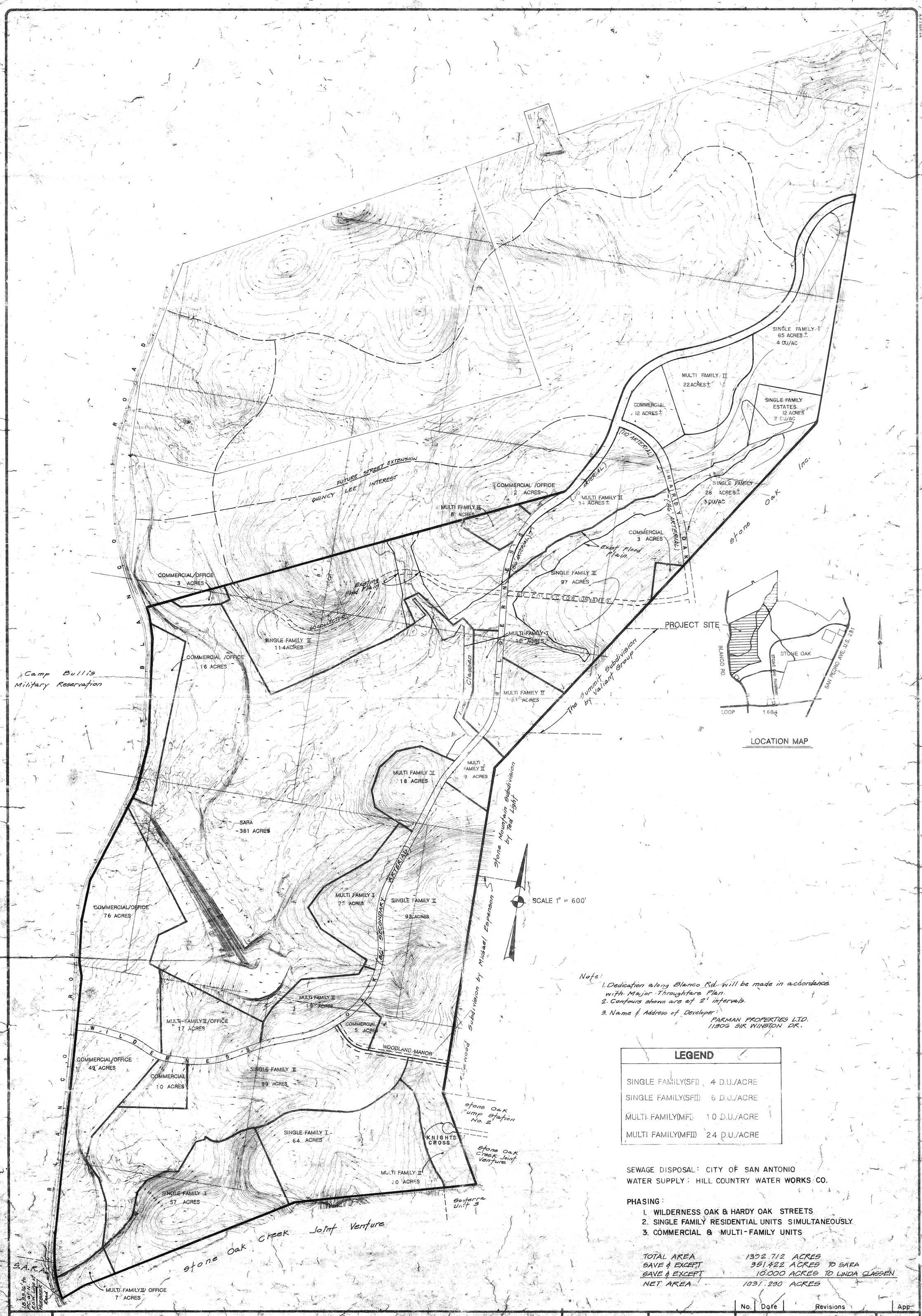
HALLENBERGER TELFORD INC.
PLANNERS
ENGINEERS
ARCHITECTS
SAN ANTONIO, TEXAS 78216

Drawing No. 2



177

STONE OAK



Note:
1. Dedication along Blanco Rd. will be made in accordance with Major Throughfare Plan.
2. Contours shown are at 2' intervals.
3. Name & Address of Developer: PARMAN PROPERTIES LTD. 11306 SIR WINSTON DR.

LEGEND	
SINGLE FAMILY(SFI)	4 D.U./ACRE
SINGLE FAMILY(SFII)	6 D.U./ACRE
MULTI FAMILY(MFI)	10 D.U./ACRE
MULTI FAMILY(MFII)	24 D.U./ACRE

SEWAGE DISPOSAL: CITY OF SAN ANTONIO
WATER SUPPLY: HILL COUNTRY WATER WORKS CO.

PHASING:
1. WILDERNESS OAK & HARDY OAK STREETS
2. SINGLE FAMILY RESIDENTIAL UNITS SIMULTANEOUSLY
3. COMMERCIAL & MULTI-FAMILY UNITS

TOTAL AREA	1392.712 ACRES
SAVE & EXCEPT	351.422 ACRES TO SARA
SAVE & EXCEPT	10.000 ACRES TO LINDA GLASSEN
NET AREA	1031.290 ACRES

No.	Date	Revisions	App

Sheet 4 of 6

STONE OAK II POADP #177

REVISED: JUNE 5, 1985
REVISED: MAY 22, 1986

Date MAY, 1986
Designed by
Drawn by
Checked by
Scale

HALLENBERGER/ TELFORD INC.
Planners
Engineers
Architects
11322 SIR WINSTON • P.O. BOX 16337 • (512) 349-6571
SAN ANTONIO, TEXAS 78216

Drawing No. 5362

#177

Sheet ____ of ____

CENTRAL CORRIDOR

Date:	4-19-83
Designed by:	HTI
Drawn by:	JK
Checked by:	HTI.
Scale	1" = 2000'
Horiz.:	
Vert.:	

HALLENBERGER/ TELFORD INC.

Planners
Engineers
Architects

#177

11322 SIR WINSTON • P.O. BOX 16337 • (512) 349-6571
SAN ANTONIO, TEXAS 78216

8

35702

SAN PEDRO AVE.(US. 281)

LOOP 1604

BLANCO RD.

JL

EXHIBIT VI a

LOCATIONS OF REQUIRED SCREENING AND FENCING IN ACCORDANCE WITH SECTION VI OF THE STONE OAK DEVELOPMENT CONTROLS.

JL REQUIRED ENTRY WITH DESIGN TO BE DETERMINED AT TIME OF CONSTRUCTION WITH APPROVAL BY ARCHITECTURAL REVIEW COMMITTEE

800 400 0 800

#177

No.	Date	Revisions	App.

Sheet ___ of ___

STONE OAK

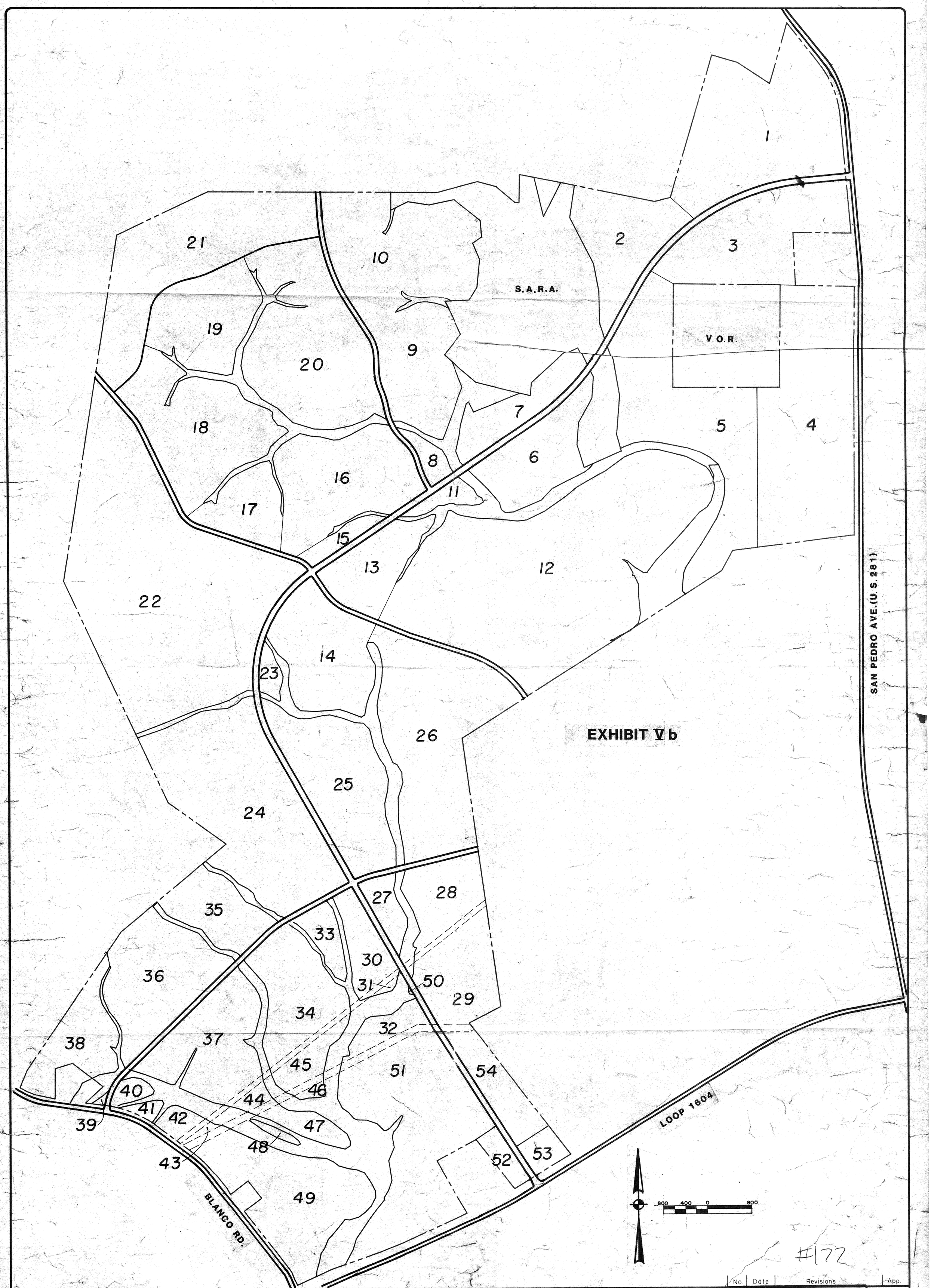
STONE OAK, INC.
11306 Sir Winston
San Antonio, Texas 78216

FENCING / SCREENING PLAN

Date: 4/15/83
Designed by: H-T
Drawn by: J.K.
Checked by: SOJV
Scale: 1" = 800'

HALLENBERGER TELFORD INC.
PLANNERS
ENGINEERS
ARCHITECTS
SAN ANTONIO, TEXAS 78216

Drawing No. 7



No.	Date	Revisions	App.

Sheet ___ of ___

STONE OAK

STONE OAK, INC.
11306 Sir Winston
San Antonio, Texas 78216

DISPOSITION AREAS

Date 4/15/83
Designed by H-T
Drawn by J.K.
Checked by SOJV
Scale 1"=800'

HALLENBERGER TELFORD INC.
PLANNERS
ENGINEERS
ARCHITECTS
SAN ANTONIO, TEXAS 78216

Drawing No. 6

35702

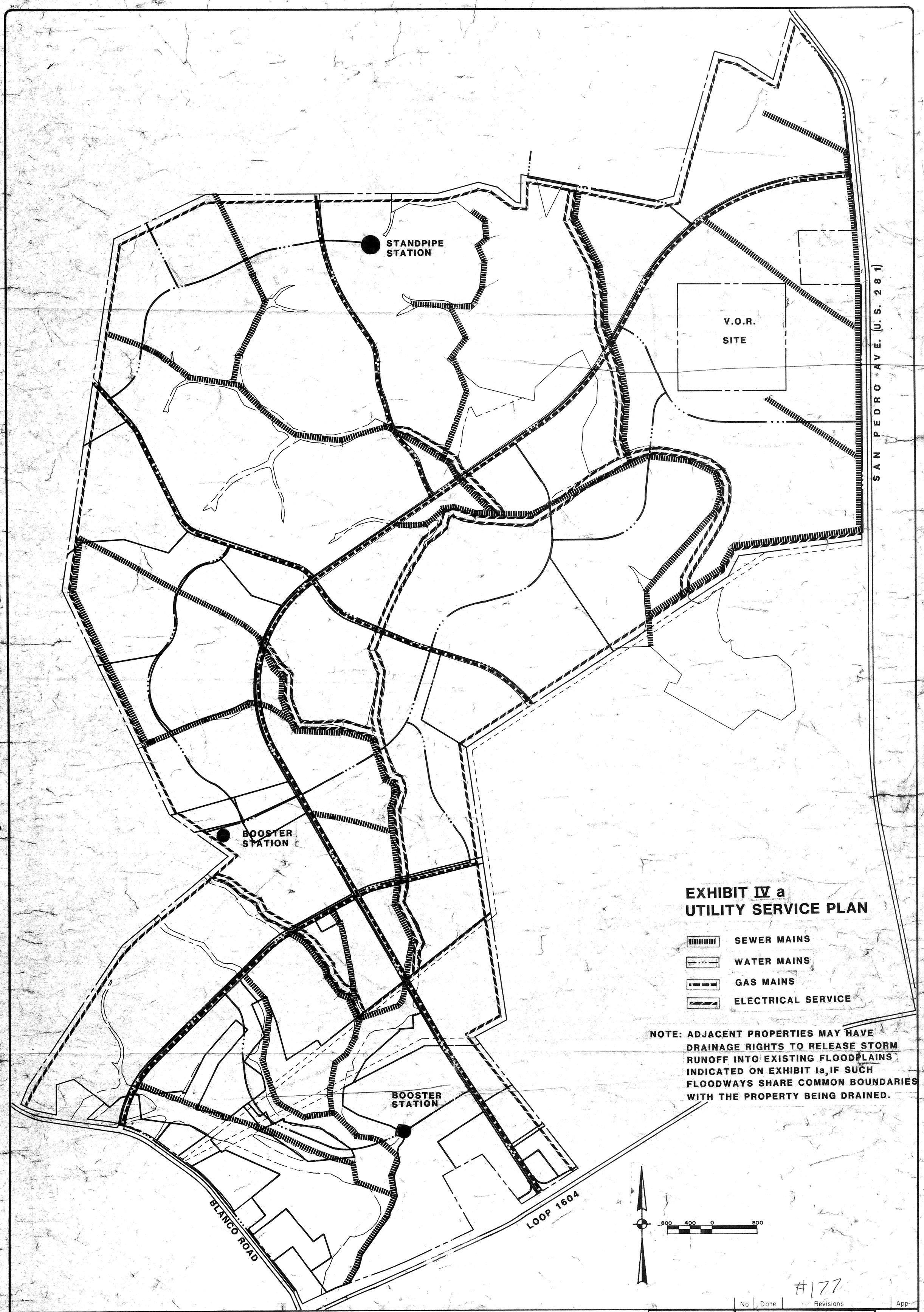


EXHIBIT IV a
UTILITY SERVICE PLAN

- SEWER MAINS
- WATER MAINS
- GAS MAINS
- ELECTRICAL SERVICE

NOTE: ADJACENT PROPERTIES MAY HAVE DRAINAGE RIGHTS TO RELEASE STORM RUNOFF INTO EXISTING FLOODPLAINS INDICATED ON EXHIBIT Ia, IF SUCH FLOODWAYS SHARE COMMON BOUNDARIES WITH THE PROPERTY BEING DRAINED.

#177

No	Date	Revisions	App

Sheet ___ of ___

STONE OAK

STONE OAK, INC.
11306 Sir Winston
San Antonio, Texas 78216

UTILITY SERVICE PLAN

Date 4/15/83
Designed by H-T
Drawn by J.K.
Checked by SOJV
Scale 1"=800'

HALLENBERGER TELFORD INC.
PLANNERS
ENGINEERS
ARCHITECTS
SAN ANTONIO, TEXAS 78216

Drawing No. 5

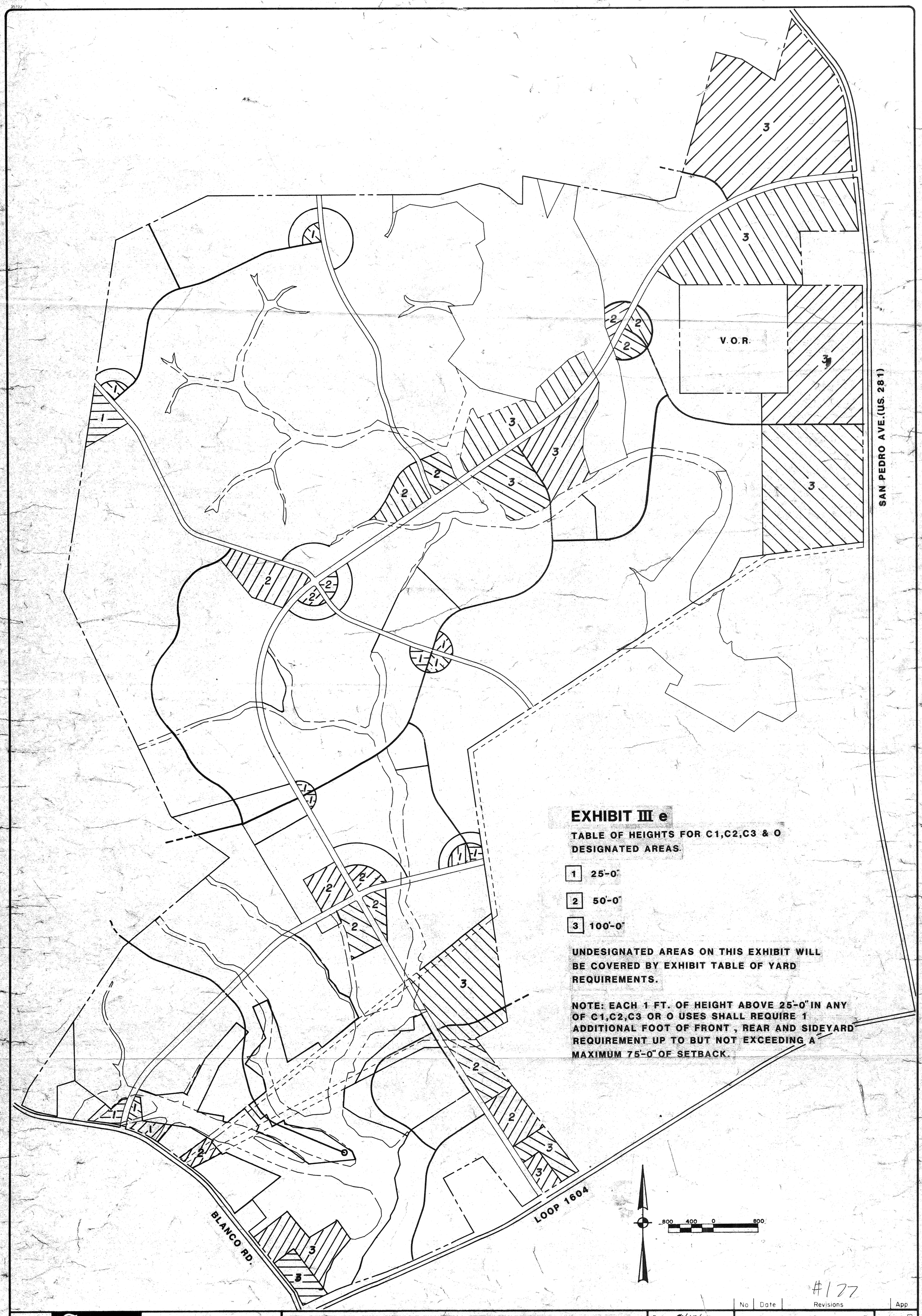


EXHIBIT III e

TABLE OF HEIGHTS FOR C1,C2,C3 & O DESIGNATED AREAS.

1 25'-0"

2 50'-0"

3 100'-0"

UNDESIGNATED AREAS ON THIS EXHIBIT WILL BE COVERED BY EXHIBIT TABLE OF YARD REQUIREMENTS.

NOTE: EACH 1 FT. OF HEIGHT ABOVE 25'-0" IN ANY OF C1,C2,C3 OR O USES SHALL REQUIRE 1 ADDITIONAL FOOT OF FRONT, REAR AND SIDEYARD REQUIREMENT UP TO BUT NOT EXCEEDING A MAXIMUM 75'-0" OF SETBACK.

#177

No	Date	Revisions	App

Sheet ___ of ___

STONE OAK

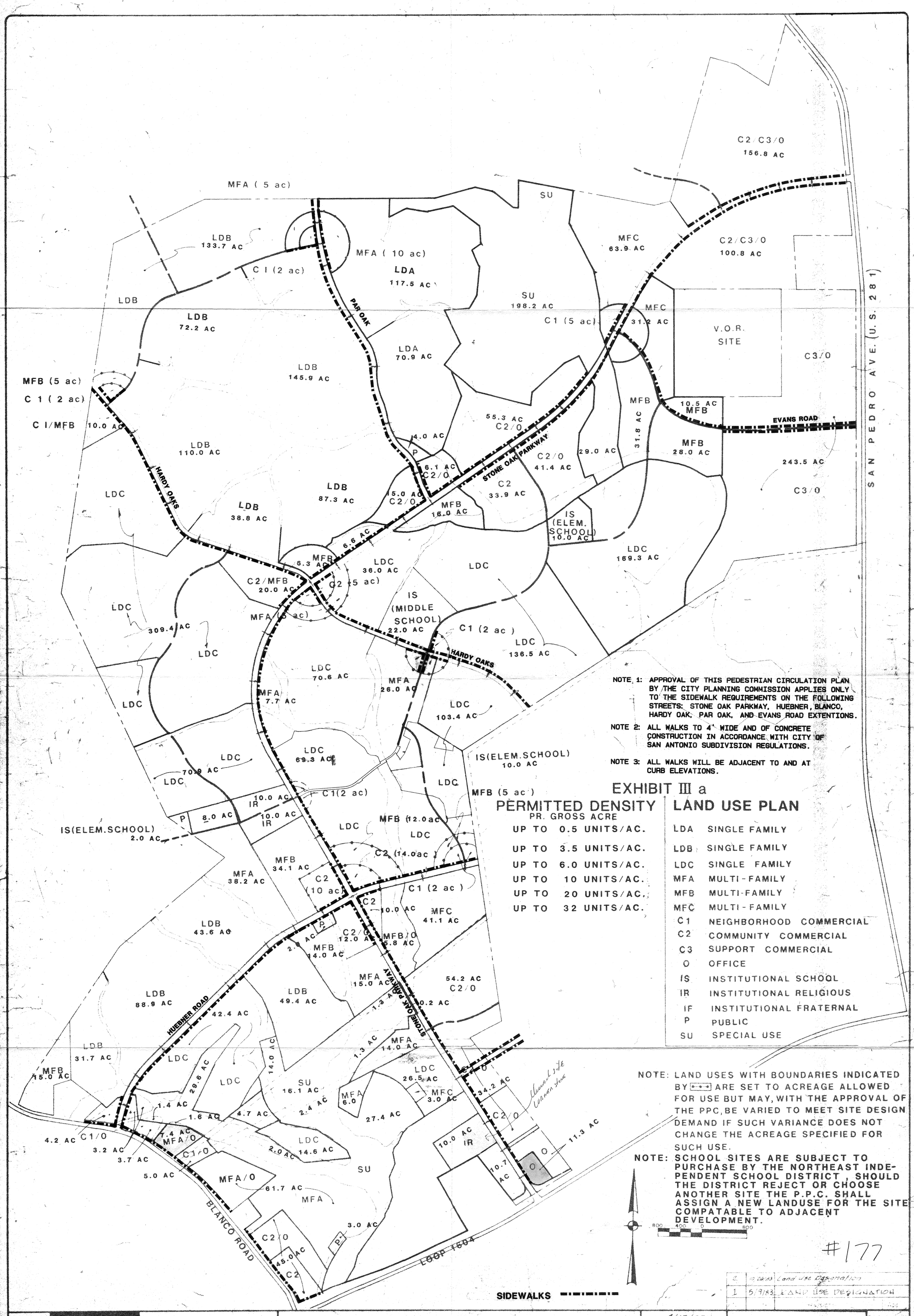
STONE OAK, INC.
11306 Sir Winston
San Antonio, Texas 78216

DESIGNATED MAXIMUM HEIGHTS FOR C1,C2,C3 & O DESIGNATED LAND USES

Date 4/15/83
Designed by H-T
Drawn by J.K.
Checked by SOJV
Scale 1"=800'

HALLENBERGER TELFORD INC.
PLANNERS
ENGINEERS
ARCHITECTS
SAN ANTONIO, TEXAS 78216

Drawing No. 4



NOTE 1: APPROVAL OF THIS PEDESTRIAN CIRCULATION PLAN BY THE CITY PLANNING COMMISSION APPLIES ONLY TO THE SIDEWALK REQUIREMENTS ON THE FOLLOWING STREETS: STONE OAK PARKWAY, HUEBNER, BLANCO, HARDY OAK, PAR OAK, AND EVANS ROAD EXTENTIONS.

NOTE 2: ALL WALKS TO 4' WIDE AND OF CONCRETE CONSTRUCTION IN ACCORDANCE WITH CITY OF SAN ANTONIO SUBDIVISION REGULATIONS.

NOTE 3: ALL WALKS WILL BE ADJACENT TO AND AT CURB ELEVATIONS.

EXHIBIT III a

PERMITTED DENSITY PR. GROSS ACRE	LAND USE PLAN	
UP TO 0.5 UNITS/AC.	LDA	SINGLE FAMILY
UP TO 3.5 UNITS/AC.	LDB	SINGLE FAMILY
UP TO 6.0 UNITS/AC.	LDC	SINGLE FAMILY
UP TO 10 UNITS/AC.	MFA	MULTI-FAMILY
UP TO 20 UNITS/AC.	MFB	MULTI-FAMILY
UP TO 32 UNITS/AC.	MFC	MULTI-FAMILY
	C1	NEIGHBORHOOD COMMERCIAL
	C2	COMMUNITY COMMERCIAL
	C3	SUPPORT COMMERCIAL
	O	OFFICE
	IS	INSTITUTIONAL SCHOOL
	IR	INSTITUTIONAL RELIGIOUS
	IF	INSTITUTIONAL FRATERNAL
	P	PUBLIC
	SU	SPECIAL USE

NOTE: LAND USES WITH BOUNDARIES INDICATED BY [• • •] ARE SET TO ACREAGE ALLOWED FOR USE BUT MAY, WITH THE APPROVAL OF THE PPC, BE VARIED TO MEET SITE DESIGN DEMAND IF SUCH VARIANCE DOES NOT CHANGE THE ACREAGE SPECIFIED FOR SUCH USE.

NOTE: SCHOOL SITES ARE SUBJECT TO PURCHASE BY THE NORTHEAST INDEPENDENT SCHOOL DISTRICT, SHOULD THE DISTRICT REJECT OR CHOOSE ANOTHER SITE THE P.P.C. SHALL ASSIGN A NEW LANDUSE FOR THE SITE COMPATABLE TO ADJACENT DEVELOPMENT.

#177

2	10/26/83	Land Use Designation
1	5/9/83	LAND USE DESIGNATION

STONE OAK

STONE OAK, INC.
11306 Sir Winston
San Antonio, Texas 78216

PROPOSED CIRCULATION PLAN

AND REQUIRED SIDEWALK LOCATIONS FOR STONE OAK DEVELOPMENT

4/15/83
H-T
J.K.
SOJV
1" = 800'

HALLENBERGER TELFORD INC.
PLANNERS
ENGINEERS
ARCHITECTS
SAN ANTONIO, TEXAS 78216

3

5343

HALLENBERGER/
TELFORD INC.

CERTIFICATE OF REVIEW

Date: March 8, 1988
H.T.I. #5357.5

STATE OF TEXAS §

COUNTY OF BEXAR §

I hereby declare that responsible members of this firm have conducted a review of the water facilities installed in connection with the Stone Oak Phase II, Unit 1 Water Construction, CWB Job No. N/A CWB Contract No. N/A and state to the best of their knowledge, information and belief that construction has been accomplished in accordance with the plans and specifications approved by the City Water Board.

Engineer's Seal

STATE OF TEXAS
ROBERT H. LEININGER
29175
REGISTERED PROFESSIONAL ENGINEER

Registered Professional Engineer

Call Stolz

TF:amt
11/22/85

AN ORDINANCE 61893

AUTHORIZING THE CITY MANAGER TO EXECUTE THE SEWER SERVICE CONTRACT BETWEEN THE CITY AND DAN F. PARMAN, DEVELOPER FOR A 1666.765 ACRE TRACT WITHIN THE STONE OAK II PROJECT.

* * * * *

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

The City Manager is authorized to execute a sewer service contract on behalf of the City with Dan F. Parman, developer of a 1666.765 acre tract of land within the Stone Oak II Project.

A copy of the contract is attached hereto and incorporated herein.

PASSED AND APPROVED this 25th day of November, 1985.

Henry Cisneros
MAYOR

ATTEST: Lorna S. Rodriguez
City Clerk

APPROVED AS TO FORM: for City Attorney

Attachment 3

AGREEMENT FOR SEWER SERVICE

STATE OF TEXAS }

COUNTY OF BEXAR }

This Contract, entered into by and between the City of San Antonio, a Texas Municipal Corporation, acting by and through its City Manager pursuant to Ordinance No 61393 hereinafter called "City", and Dan F. Parman as agent for the "Owners" named below, hereinafter called "Developer",

Witnesseth:

Whereas, the Owners plan to develop an approximate 1666.765 acre tract of land located outside the City's Regional Agent Boundary, such tract being shown on the map attached hereto as Attachment 1, and described by metes and bounds in Attachment 2, hereinafter called "tract"; and

Whereas, it is in the public interest for wastewater generated from the tract to be treated by the City; and

Whereas, the present terms and conditions of this Contract are SUBJECT TO amendment when, and if, the Director of the Department of Wastewater Management (the "Director") determines that these terms and conditions are in conflict with a new comprehensive sanitary sewer

policy (the Policy) which is presently under study and which may be formally adopted by the City for supplying sewer service to the Upper Salado Watershed located outside the City's Regional Agent Boundary.

NOW THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

I. DEFINITIONS

A. Code. City Code of the City of San Antonio, Texas and amendments thereto.

B. Designated Regional Agent Boundary. By the authority of the Texas Water Quality Board Order No. 72-0120-11 passed and approved on January 20,1972, as amended and as may be amended, the City of San Antonio was designated as the responsible governmental agency to construct, operate, and maintain sewerage systems within a defined geographic Regional Agent Boundary area approximating 360 square miles.

C. Developer. Dan F. Parman as agent for the owners of parcels within the Project, and their subsequent purchasers, heirs, successors and/or assigns.

D. Project or tract. Tract A-1, a 1,666.765 acre tract generally located off Blanco Road in Bexar County, Texas. Said tract is comprised of several parcels described as follows:

(1) 157.515 acre parcel owned by Dan F. Parman (Attachment 2-A)

(2) 292.421 acre parcel owned by Danny E. Welch (Atachment 2-B)

(3) 150 acre parcel owned by Toni J. Trimble (Attachment 2-C)

(4) 310.693 acre parcel owned by Dan F. Parman, Trustee (Attachment 2-D)

(5) 755.996 acre parcel owned by Dan F. Parman, Trustee (Attachment 2-E)

E. Off-site. Any structure, facility, equipment, or installation, the purpose and function of which is to receive wastewater from the Project's internal collection system and to transport, treat, and ultimately discharge that wastewater

to a receiving stream at a permanent location as determined by City policy. All systems between the on-site system and the receiving stream, and the on-site systems other than properly sized gravity lines, shall be considered temporary facilities until such system(s) are determined by the Director to be an integral part of the City's regional sewerage system. Examples of off-site facilities include, but are not limited to the following: pump, truck, haul and treat operations; temporary treatment plants; lift station and force main systems; gravity flow mains; permanent regional wastewater plants and supporting facilities and improvements or approved modifications to existing facilities, such improvements or approved modifications as more fully defined in Article I, Section I. Unless otherwise specified in writing by the Director of the Department of Wastewater Management, the City Code and its amendments shall govern the design and construction of the off-site facilities.

F. On-site. Any structure, facility, equipment, or installation that collects and transports wastewater generated from within the Project to the off-site system at a designated point. The City Code and its amendments shall govern the design and construction of the on-site facilities. On-site public sewage facilities must be located in adequately sized, and appropriately dedicated public right-of-way in accordance with applicable sections of the City Subdivision Code Regulations.

G. Project Master Plan. A document or documents furnished by the Owners and submitted by the Developer to the Director of the Department of Wastewater Management that includes, but is not limited to the following: the overall project boundaries, phases of development, schedule of development phases, projection of wastewater flows anticipated to be generated at each development phase; detailed descriptions of sewerage facilities (off-site and on-site) projected to be built during each development phase.

H. SAWPAC Study. A presently ongoing study by the Department of Wastewater Management of alternative schemes or methods the City of San Antonio can implement to provide sanitary sewer service to the Upper Salado Watershed outside the existing Regional Agent Boundary.

I. Improvements or Approved Modifications. Improvements or approved modifications to existing facilities that are determined by the Director of the Department of Wastewater Management to be required in order to accommodate the flows generated by the Project.

J. Owners. Dan F. Parman, individually and as Trustee, Danny F. Welch and Toni J. Trimble, and their subsequent purchasers, heirs, successors, and/or assigns.

K. Participation Agreement. The Agreement for Construction of Utilities and Roadway Systems among the Owners covering 910.68 acres of the Project dated May 23, 1984 and recorded in Volume 3116, Pages 575 of the Official Public Records of Real Property of Bexar County, Texas. A copy of such agreement is attached hereto and incorporated herein as Attachment 2.F.

L. Basic Sharing Ratio. The ratio determined for each owner which shall be expressed as a fraction, the numerator of which is the area of such Owner's parcel as determined in Section D above and the denominator of which is the total area of the Project.

II. GENERAL TERMS AND CONDITIONS

The Parties hereto agree to the following general terms and conditions:

A. The Owners, shall, through the Developer, submit to the Director of the Department of Wastewater Management a Project Master Plan and an Engineering Report (Attachment #3 hereto, as may be amended) as a condition precedent to receiving plat approval for recordation and initial sewer service. The initial Master Plan and Engineering Report, along with subsequent amendments and revisions to same should they occur, are included instruments to this Contract and are binding upon the Owners for the purpose of demonstrating to the Director of the Department of Wastewater Management proposed and actual land uses and the resulting sewage flows reasonably expected to be generated from such land uses. The Owners, through the Developer, shall modify the Plan as to their respective parcels as may be reasonably required by the Director of the Department of Wastewater Management and shall provide the Director of the Department of Wastewater Management with subsequent updated revisions of the Plan and/or Engineering Report made independently by such Owners.

B. The Director of the Department of Wastewater Management, or his designated representative, hereby agrees to forward to the Owners, through the Developer, upon his request, a copy of the final draft report containing the Upper Salado Watershed Study and related policy issues prior to same being formally acted upon by the Planning Commission of the City of

Initials: _____ _____

San Antonio. Further, City representatives shall provide Owners through the Developer upon request, any subsequently revised draft proposals and a copy of the final Upper Salado Watershed Study and related policies as formally adopted by the San Antonio City Council.

C. Any development within the Project shall be in accordance with Chapters 36 (with the specific exception of Item A (4) of Chapter 36-35, "Extension for Developer Customer") and Article VI of Chapter 42 of the City Code and any revisions thereto as that Article specifically relates to land use, occupancy and resulting wastewater flows. (This section does not place the land within project under the jurisdiction of the City's zoning authority; such jurisdictional authority shall only be acquired upon annexation.) It is the intent of the parties hereto that these Chapters of the City Code, read together with the specific provisions of this Contract, are meant to be cumulative in effect and application. However, in the event of a conflict in effect and/or application, the parties agree that the Contract terms and Attachment #4, Flow Rate Table shall prevail over the City Code Chapter provisions. (The Flow Rate Table establishes the highest flow per category of use to be required by the City. Such rates of flow may be lowered upon the approval of the Director or his designated representative.)

D. In the event that the appropriate regulatory agency(ies) will allow short term interim sewer services to the Project while permanent off-site facilties are being put into operation, the Owners, as to each of their individual parcels, shall be responsible to provide for interim temporary sanitary sewer pump, truck, haul, and treat operations in accordance with the applicable rules and regulations of the Texas Water Development Board as amended or as may be amended.

The Owners, as to each of their individual parcels, shall supply a suitable performance guarantee approved by the Director of the Department of Wastewater Management covering the cost of temporary pump, truck, haul, and treat operations for a twelve (12) month period or any portion thereof should the Owners, or Developer fail to provide acceptable service.

In the event the City has the necessary and available manpower and equipment resources to provide this temporary service, the City may supply the temporary pump, truck, haul and treat operations as set out herein. In the event the City does supply such service, upon the request of any Owner(s) and with prior approval by the appropriate regulatory agency(ies), and in accordance with the rules and regulations of the applicable Edwards Board Order as amended

or as may be amended, the rate of compensation shall be reflective of the cost of supplying such service to the individual parcel or parcels of the Owner(s) as determined by the Director of the Department of Wastewater Management. The conditions upon which the service shall be provided to such Owner(s) are the following:

1. The total aggregate flows generated by each parcel shall not exceed a maximum daily average of 10,000 gallons per day, or a maximum peak hourly flow rate of 7.0 gallons per minute.

2. In no event shall such pump, truck, haul and treat operation exceed the service period of 12 months from the inception of the service.

3. An Owner must, as a further condition to receiving this service, provide and maintain at his expense, adequate holding tank facility(ies) and all-weather access site(s) approved by the Director of the Department of Wastewater Management or his designated representative.

4. Timely payment of the then current monthly service charge for pump, truck, haul, and treat operations in accordance with a schedule to be determined by the Director of the Department of Wastewater Management.

E. All initial platting fees shall be paid by the Owners in accordance with the following criteria and shall be a condition precedent for the recordation of each approved plat in the Plat and Deed Records of Bexar County.

The platting fee shall consist of two components. The first is a fixed collection fee for each platted acre. Each Owner must develop a minimum of sixty (60) acres of land, or pay an amount equivalent to sixty (60) acres of fixed collection fee. The second is a charge for the projected daily volume of sewerage generated by the uses for which the property shall be platted. The volume will be based upon the average flow per acre per day for various land uses as shown in Attachment #4 Flow Rate Table. Each Owner must pay a minimum charge for the second component equivalent to 50,000 gallons projected daily volume.

The initial fees for platting in the Project shall be as follows:

1. The fixed collection fee component shall be not less than $900.00 per platted acre; and

2. The volume fee component shall be not less than $2.00 per gallon per platted acre.

F. The requirement for a minimum of sixty (60) acres and 50,000 gallons of projected daily volume will not be applicable where a permanent off-site sewer main is available to serve the property, or if the owners decide to build the permanent off-site main as per Section VI.A. of the contract and shall supply to the City a suitable performance guarantee covering the cost of the off-site main.

G. It is hereby understood that a rebate or credit shall be provided to each of the Owners by the City if the fees adopted by the Upper Salado policy are priced lower than those originally paid to City in accordance with Paragraph E, above. Developer, as agent for the Owners and City hereby agree to negotiate the format for that rebate or credit should it become necessary. The above notwithstanding, until such Policy is adopted, these platting fees are subject to any amendments, updates, and revisions adopted by formal City Council action.

III. RIGHT OF WAY

A. Right-of-way (Gravity or Pressure Mains and Related Facilities)

If an existing public right-of-way cannot be used for the placement of the off-site sewer facilities, the Owners, through Developer shall provide at least a sixteen foot (16') wide right-of-way or easement for the off-site system facilities together with a temporary twenty five foot (25') wide temporary construction easement, and shall either dedicate and convey or cause to be dedicated and conveyed the right-of way or easement to the City or shall grant unto the City by appropriate instruments the right to construct and maintain within said right-of-way or easement any wastewater facilities the City may desire to place therein or on, with said grants to be made to the City by the Owners through Developer, prior to any construction of the off-site system. On-site lines shall be located in adequate public right-of-way or easements in accordance with applicable sections of the City Subdivision Regulations.

B. Right-of-way (Lift Stations)

The Owners, through the Developer, shall provide suitable amounts of real property or easements and shall convey title to same to the City at the location(s) of any wastewater lift

station which may be constructed as part of both the on-site system or the off-site system, with the size of such site(s) being within the reasonable discretion of the City's Director of the Department of Wastewater Management. The Owner's through the Developer, shall further provide suitable all-weather access to such site(s) for heavy equipment as well as provide suitable electric service to such sites, all as approved by, and at no cost, to the City.

Suitable all-weather access is achieved by incorporating construction materials and dimensions which equal or conform, at a minimum, to that specified for residential alleys in "Exhibit A", of Chapter 36 of the City Code.

City may approve, when requested by Owners, through the Developer, an alternate type of surface treatment for each site(s) as it deems necessary to satisfy access requirements.

Legal instruments shall include metes and bounds description and a survey plat, conveying appropriate easement interests to the City for such sites and access right of way thereto and shall contain a reversionary clause that, on the abandonment of such sites and access by the City, as evidenced by certification of abandonment by the City's Director of the Department of Wastewater Management, title reverts to the original Owner or Owners. The Owners, through the Developer, shall submit to the City for the City's approval, the proposed location of any proposed lift station or treatment plant installation as well as all engineering data pertaining thereto, as the City's Director of the Department of Wastewater Management, or his designated representative deems necessary. Following review by the City, approval or disapproval of proposed location will be given the Owners in writing by the City's Director of the Department of Wastewater Management, whose decision is final. It is expressly understood by the Owners that any site or sites must be above either the twenty five (25) year ultimate development flood plain elevation or the one hundred (100) year flood plain base elevation (as defined by City Ordinance No. 48700 as amended or as may be amended) whichever is the most stringent, to be eligible for consideration.

C. Acquisition

If the City determines that it is both necessary and in the City's best interest, to acquire any portion of said right-of-way for lines or lift stations, the City may exercise its powers of eminent domain, where the City has the jurisdiction to so exercise. The Owners shall pay non-City staff costs in connection therewith including independent

appraisal fees, expert witness fees, if required, and the amount of Commissioners' or Jury award and court costs.

IV. SANITARY SEWER MAINS, LIFT STATIONS, AND TEMPORARY TREATMENT PLANT

A. Main-Sizing, Grade and Elevation

The Owners, through the Developer, shall prepare an engineering report covering the on-site and off-site sewer systems to be constructed to serve the tract including adequate provisions of right-of-way, to ultimately connect the Project to permanent off-site wastewater transportation and treatment facilities which are a part of the City's Regional Wastewater Transportation and Treatment System.

City shall review such report and make a determination as to its total adequacy and suitability. City approval in all respects as to system location, size, and grade and invert elevation is a condition precedent to any further obligation of the City.

B. Oversizing

City shall have the right to require the oversizing of both the on-site and the off-site facilities, and shall so notify the Owners, through the Developer, in writing at the time of approval by the City of the Preliminary Engineering Report. Such oversizing on the part of the City shall be in accordance with the applicable sections of Chapter 36, City of San Antonio Subdivision Regulations.

Should the City elect to oversize any part of the on-site and/or off-site systems, the City is to be responsible to the Owners for the difference in costs of construction of the size desired by the City and that which the Owners are being required to construct to service his Project. The construction cost for City required oversizing is to be ascertained and agreed to by the City and the Owners, through the Developer, and reviewed by the Planning Commission prior to any construction of the on-site and/or off-site systems.

Should the Owners desire to have capacity in the system in excess of that required, then the Owners shall have the right, with City's prior approval, to oversize any line at no cost to the City. Such additional capacity shall be agreed upon by the Owners through the Developer and City's Director of the Department of Wastewater Management in writing prior to any construction of oversize lines.

C. Ownership and Operation

The Owners, through Developer, shall dedicate, grant and convey all of their right, title and interest in both the realty and personalty associated with the on-site and the off-site systems to the City upon their completion and acceptance by the City. City shall thereafter own, operate, and maintain said systems.

D. Capacity

1. The average daily flows for platting fees determination shall be based on the Flow Rate Table (Attachment #4). The sewer main size and the treatment system shall be designed based on the criteria of twelve (12) persons per net acre developed and flows of 250 gallons per person per day or as determined by the Director of the Department of Wastewater Management or his designated representative.

2. Proposed land uses shall be indicated on the Project Master Plan at the time of plat approval and shall be periodically updated as further provided for in Section II.A. above herein.

3. The Director of the Department of Wastewater Management or his designated representative, shall evaluate the Owner's projected maximum capacity needs and make a final determination of the maximum allowable capacity flows prior to any plat approval.

4. The City shall maintain accurate records regarding the Owner's capacity right in the off-site system, and in the event the Owners exceed those rights as a result of any subsequent platting or replatting of tract properties, the City shall have the right to either deny plat approvals or refuse to accept flows into the San Antonio Regional Wastewater Transportation and Treatment System that are in excess of the capacity rights reserved to the Owners. Each Owner's relative right, among all of the Owners, as to all capacity shall be in acordance with such Owner's Basic Sharing Ratio. It is hereby expressly understood that determining the amount of capacity to be allocated to each Owner shall be the responsibility of Developer.

5. The above not withstanding, prior to the time that the Owners recoup all eligible off-site construction costs through the credit format outlined in Section VI herein below, the City is hereby granted the qualified and

conditional right to connect non-Project wastewater flows to either on-site and/or off-site systems, whether or not such systems were oversized by City but only pursuant to the following requirements:

(a) Upon request by Owners, through Developer, City's Director of the Department of Wastewater Management, or his representative, employing sound engineering principles and practices, shall demonstrate to the Owners through Developer, in writing prior to proposed use of Project designated capacity (distinguished from City oversized capacity reserved to City) for connection of non-Project flows, that the potentially impacted project on-site and/or off-site systems then contain available, unused, excess, or reserve capacities that could temporarily accommodate limited projected non-Project wastewater flows. City's report will also contain a detailed description and schedule whereby non-Project wastewater flows are projected to be accommodated through new sewer main installations or other forms of relief. The Owners, through Developer, shall be afforded the right to submit a written response to the proposal and City will incorporate appropriate portions of same into any engineering decision or report of the Director which would precede any proposed agreement on the part of the City to allow non-Projected flows to temporarily utilize designated Project capacity.

(b) The City hereby acknowledges that it must afford the Owners this protection in order to preserve the designated Project capacity in both the original on-site and off-site systems in order that the Owners can achieve reasonable, full, timely and complete platted development of the Project and meet any contractual obligations the Owners might have with others.

It is expressly understood by the parties hereto that upon the recoupment of all eligible off-site construction costs through the credit format outlined in Section VI herein below, the City shall own all permanent off-site facilities and all capacity therein but City shall continue to service the Project by recognizing designated Project capacity and actual Project flows. The Owners shall not be denied plat approvals solely on the basis that the remaining designated Project capacity is insufficient to accommodate the flows of the anticipated plat and that such insufficiency in the remaining designated project capacity is the result of the City connecting flows to the permanent off-site and/or

on-site system generated by non-Project wastewater generators.

E. Sewer Lift Station and Pressure Mains

1. It is expressly recognized that a parcel within the tract may be situated in more than one drainage sub-basin and that the Owner of such parcel, through Developer may seek approval to install on-site and/or off-site pressure main and lift station systems to serve the tract subject to prior approval by the Director of the Department of Wastewater Management. Should an Owner so elect, and the City so concur, all systems shall be designed and constructed at such Owner's total expense and at no cost to the City. The Owner may have the option of constructing gravity off-site lines so as to develop preferred gravity flows and eliminate the necessity for the pressure mains and lift stations, subject to prior approval by the City of all design plans and construction of such systems.

2. In the event that prerequisite approvals to install on-site and/or off-site pressure main and lift station systems are secured by an Owner, such Owner, through the Developer, shall establish a fund as approved by the City Attorney and the Director of Finance for each lift station and force main system constructed to serve any property within his parcel. The creation and approval of said fund shall be a condition precedent for approval by the City, of the plat of the properties for which the lift station and force main system shall be constructed to serve. This fund shall guarantee the payment of a minimum annual fee of $4,600.00 to the City of San Antonio for each lift station constructed to serve property within said tract for a period of ten (10) years following the post-construction acceptance date of each lift station. This minimum annual fee may be adjusted in the event that the City formally adopts a new lift station operation and maintenance fee schedule.

3. The minimum annual fee of $4,600.00 may be waived by the Director of the Department of Wastewater Management within 30 days after a written request by the Owner, through the Developer, when an off-site lift station, in close proximity to the Project boundary, is constructed to facilitate transportation of Project flows to other City-designated off-site facilities in lieu of constructing a temporary package treatment plant to individually serve the Project.

V. MONTHLY SERVICE FEES, WATER PURVEYOR CONTRACT, INDUSTRIAL WASTES

A. Cost of Treatment

Upon completion of the on-site and off-site systems, the City shall be reimbursed monthly for the treatment and disposal of all flows generated by the Project in accordance with the following requirements:

1. Water Service By City Water Board

In the event water service to a subdivision plat within the tract is provided by the City Water Board of the City of San Antonio, the amount of the monthly sanitary sewer service fees for the collection and treatment of wastewater will be those charged to the various customer classifications as set by City ordinances, with collection thereof being the responsbility of the City and its Water Board.

2. Water Service By Other Than City Water Board

In the event water service to a subdivision plat within the tract is not provided by the City Water Board of the City of San Antonio, the amount of the monthly sanitary sewer service fees for the collection and treatment of the wastewater will be those charged to the various customer classifications as set by City ordinances, with the billing and collection thereof on behalf of the City of San Antonio being the responsbility of the water purveyor. In order to facilitate this arrangement, the Owners are required to insert into any service agreement with whatever water purveyor is to supply water services to a subdivision plat within the tract, a provision requiring said water purveyor to enter into a Contract with the City of San Antonio to bill and collect the City's monthly sanitary sewer service fees and transmit said fees to the City all in accordance with a standard City-water purveyor contract. Pursuant to the City-water purveyor contract terms, the water purveyor shall advise all sanitary sewer service customers that delinquent non-payment of any of the City's sewer fees will call for possible termination of water service in the event that all Administrative remedies of appeal set forth in the City's Sewer User Ordinance No. 58526, as may be amended, are either exhausted or waived by customer. The City of San Antonio shall not be obligated to approve any plat within the Developer's tract unless and until the water purveyor has executed a contract with the City to

provide sanitary sewer service billing and collection services.

B. Enforcement of Industrial Waste Ordinance

The Owners shall cause to be recorded in the deed and plat records of Bexar County a restrictive covenant covering the entire tract. This restrictive covenant shall run with the land in the tract herein described. Such covenant shall contain language expressly granting to the City of San Antonio the right, should the City so elect, to enforce or otherwise pursue to the extent provided at law or in equity, the provisions of the City of San Antonio's Industrial Waste Ordinance, Ordinance No. 57214 as amended or as may be amended, (codified as Chapter 33A of the City Code). The City's rights shall include, to the extent provided at law or in equity, the right of inspection, sampling and monitoring of the collection system to assure Ordinance compliance. Recordation of the covenant shall be a condition precedent for the City's approval of any plats within said tract. The covenant shall be in substantially the same form as the covenant attached hereto and incorporated herein as Attachment 5.

VI. CREDITS

A. The Owners may jointly choose to construct off-site sewer lines and facilities to accelerate extension of sanitary sewer service to the tract. Should the Owners so elect, all such systems shall be designed and constructed at the Owners' cost and in accordance with other appropriate sections of this Contract. The Owners expressly recognize and understand that should they construct such off-site lines and facilities, they may not be ultimately considered by the Director of the Department of Wastewater Management as an integral part of the permanent wastewater transportation and treatment system for the Upper Salado Watershed.

In the event that the Director of the Department of Wastewater Management rules that a properly sized, gravity flow off-site line or facility constructed by the Owners is a permanent integral part of the wastewater transportation and treatment system for the Upper Salado Watershed, payment of the fixed collection fee component of the platting fees by Owners for further development of this Project in the Upper Salado Watershed shall be offset by credit(s) to the Owners on a per acre basis as established by the Director of the Department of Wastewater Management. The City shall establish a fixed collection platting fee component credit

account in the Owners' name to reimburse Owners for "as built" construction costs (engineering costs excluded) paid by Owners to a completing contractor for construction of properly sized, permanent off-site gravity flow lines and facilities. Such fund shall benefit each Owner in accordance with his Basic Sharing Ratio. It is hereby expressly understood that it shall be the sole responsibility of Developer to assure that each Owner is benefited in accordance with his Basic Sharing Ratio.

Such credit account shall set out the number of acres which the Owners shall be allowed to plat without the requirement to pay the fixed collection fee component of the platting fee. Such acreage amount shall be determined by dividing the "as built" construction costs by the amount of the collection fee component of the platting fee which is current at the time the "as built" construction costs are determined. Such acreage shall be allocated pro rata to each of the Owners in accordance with the Basic Sharing Ratio. In the event the number of acres credited to the Owners is greater than the acres platted within the Owners' project then the Owners may use such credit towards any other project within the Upper Salado Watershed where permanent off-site sewer service is available.

In addition to any credit granted to Owners as set forth above:

B. Should the minimal collection fee amount paid by any Owner based upon Section II.E.1. herein, be higher than the fixed fee component times the number of acres actually platted such Owners' parcel within the Project, such Owner will be eligible for a credit upon the approval of the Director the Department of Wastewater Management, equal to the difference in these two amounts. Such credit shall only be applied to additional property platted by the Owner, which is situated outside the Regional Agent Boundary and both within the Upper Salado Watershed and within the Project, as such Project and Watershed are used and defined in this Contract.

C. In the event the minimum charge paid by any Owner for projected daily volume in accordance with Section II.E.2., herein, is higher than the amount of the fee component times the actual daily volume flow generated by such Owner's parcel within the Project, upon the approval of the Director of the Department of Wastewater Management, such Owner will be eligible for a credit equal to the difference between these two amounts. Such credit shall also only be applied to additional property platted by such Owner outside the

Regional Agent Boundary and both within the Upper Salado Watershed and within the Project, as such Project and Watershed are used and defined in this Contract.

VII. DESIGN AND CONSTRUCTION PROCEDURES

A. Design and Construction

All design, as well as construction of on-site and off-site sewerage facilities shall be, as a minimum, in accordance with any and all requirements pertaining to wastewater collection and treatment set forth by the City, County of Bexar, State of Texas and any agency or departments thereof having regulatory authority, such as but not limited to the Texas Department of Water Resources and Texas Department of Health. Additionally, all facilities shall be constructed under the inspection of the City, and until written notice of approval of their construction by the City's Director of the Department of Wastewater Management, no flows therein shall be accepted by the City for treatment.

B. The Owners shall be responsible to pay for all costs associated with the design, right-of-way acquisition, materials, and construction of wastewater treatment plant effluent transportation pipelines, if any, and related appurtenances, if any, at the point of actual discharge to the receiving stream.

C. Award of Construction Contracts By Owners

When the Owners anticipate receiving "credit" from the City for as-built construction costs expended by the Owners to build permanent off-site facilities pursuant to Section VI.A above and when the City elects to financially participate in the oversizing of off-site facilities to be constructed by the Owners, the Owners agree to publicly advertise, award, and construct all portions of these off-site system(s) addressed in this agreement. The public advertisement and award of these construction contracts by the Owners shall be as approved by the City and generally in accordance with the State's public competitive bidding statutes governing award and construction of City projects.

VIII. CITY'S OBLIGATION OF PERFORMANCE CONDITIONED

The obligations of the City herein to render services for the acceptance and treatment of wastewater from the tract is conditioned upon present rules, regulations, and statutes of the

United States of America and the State of Texas and any court orders that directly affect either the City's Regional Wastewater Transportation and Treatment System or the Project's sanitary sewer collection system. The Owners recognize and acknowledge that if the rules, regulations, and statutes of the United States of America and/or the State of Texas that are in effect upon the execution date of the contract are ever revised or amended to such an extent that the City may be incapable of or prevented from transporting and/or treating the Project's wastewater, then no liability of any nature is to be imposed upon the City resulting from a City compliance with such legal or regulatory mandates resulting in the City's inability, refusal or failure to provide transportation and/or treatment of the wastewater generated by the Project due to the above described final actions which are beyond the City's control. The City agrees that it will use its best efforts to prevent the enactment or adoption of such provisions or amendments or the imposition of such Court orders. Nothing herein contained is intended to, or shall create a right in any such state or federal court or agency to enact, adopt, or impose such requirements upon the City to the disadvantage of the Owners. Further in the event that an administrative or judicial proceeding is commenced either by or against the City concerning the right of the City to perform its obligations hereunder, the City shall move for the joinder of the Owners as a party thereto.

The above notwithstanding, the Owners specifically recognize that the City is currently being sued by both the State of Texas and the San Antonio River Authority. Such cases are styled State of Texas vs. City of San Antonio, 85-CI3806, and San Antonio River Authority vs. City of San Antonio, 85-CI-03677.

The Owners specifically recognize that any obligations of the City set out in this Contract are subject to the courts' holdings in the above-referenced lawsuits.

IX. PRIVATE JOINT VENTURE AGREEMENTS

In the event the Owners, or any of them, enter into a Private Joint Venture Agreement covering the costs for supplying sewer service to said tract, the Owners shall send a copy of such agreement to the attention of the Director of the Department of Wastewater Management. However, the City shall not be obligated under this contract to monitor the proper disbursement of credits between the parties to said Private Joint Venture Agreement. The Participation Agreement, as defined in Section I.K. herein is hereby recognized as such an agreement.

X. ASSIGNMENT

No assignment of this Contract in whole or in part shall be made by the Owners without prior written approval by the City in accordance with the following procedure:

A. The Owners, through the Developer, shall notify in writing the City's Director of the Department of Wastewater Management evidencing the purpose, intent, terms and effects of the proposed assignment. The Owners shall provide the City's Director of the Department of Wastewater Management with a copy of the proposed assignment.

B. The Director of the Department of Wastewater Management will review the proposed assignment and shall within thirty (30) days of initial receipt, respond to the Owners, through the Developer, in writing announcing City's approval, proposed modifications, or disapproval of the proposed assignment.

C. The City expressly reserves the right to disapprove any proposed assignment for reasonable cause and agrees to provide the Owners, through the Developer, with a written explanation outlining why a proposed assignment is viewed by the City to be adverse to the City's Regional Sanitary Sewer System.

D. Any assignment by the Owners executed in violation of this submittal, review, and approval procedure shall be void ab initio as to its effects upon the City of San Antonio, and the Owners will continue to be bound by the terms and conditions of this Contract.

E. In the event that the City approves an assignment, the City will acknowledge same in writing within thirty days of receipt of the proposed assignment and at such time will further provide a written release to the Owners, through the

Developer, in whole or in part from further responsibilities under this Contract as appropriately determined by an interpretation of the assignment document.

XI. SEVERABILITY

If for any reason, any one or more paragraphs of this Contract are held legally invalid, such judgment shall not prejudice, affect, impair or invalidate the remaining paragraphs of the Contract or

the Contract as a whole, but shall be confined to the specific sections, sentences, clauses or paragraphs of this Contract held legally invalid.

XII. TERM OF CONTRACT

The provisions of this Contract shall remain in full force and effect until either the City of San Antonio formally adopts a new comprehensive policy for supplying sanitary sewer service to the Upper Salado Watershed, or ten (10) years from the effective date of this Contract has elapsed, whichever occurs first. In the event the first occurrence is the formal adoption by the City of a new comprehensive policy for supplying sanitary sewer service to the Upper Salado Watershed, the parties hereby agree to amend any provisions of this Contract which may be in conflict with such new comprehensive policies, and to negotiate the number of years that the amended Contract shall be in effect. In the event ten (10) years elapses from the effective date of this Contract, and a new policy for supplying sanitary sewer service to the Upper Salado Watershed has not been formally adopted by the City of San Antonio, the parties hereby agree to the following:

A. The City will continue to (i) accept Project wastewater flows for transportation and treatment; (ii) recognize the Owners' right to connect to the City's regional wastewater system to the extent of the remaining unused project capacity; and (iii) exercise the credit procedures set forth herein until all eligible costs are recouped by the Owners, if the Director is satisfied with the Owners' performance record in complying with the provisions of this Contract. If the City is dissatisfied with the Owners' performance record under this Contract it shall notify the Owners, through the Developer, of such dissatisfaction on or before the termination date of the Contract. However, if the City is dissatisfied with the Owners' performance, it shall give the Owners at least thirty (30) days to cure such defect in performance.

B. The Parties agree to review the provisions of this Contract for possible amendment and re-execution for a term to be negotiated and agreed to by the Parties.

XIII. NOTICES

Any notice, request, demand, report, certificate or other instrument which may be required or permitted to be furnished to or served upon the parties shall be deemed sufficiently given or furnished or served if in writing and deposited in the United States mail, registered or certified, return receipt requested, addressed to such party at the address set forth below:

IF TO CITY:

CITY OF SAN ANTONIO
POST OFFICE BOX 9066
SAN ANTONIO, TEXAS 78285
ATTN: MR. JOE ACEVES
DIRECTOR OF THE DEPARTMENT
OF WASTEWATER MANAGEMENT

IF TO OWNERS:

DAN F. PARMAN
11306 SIR WINSTON
SAN ANTONIO, TEXAS 78216
ATTN: MR. STEVE GOLDEN

or such other address or addresses of which either party may notify the other party. Without affecting the validity of the service of any notice, request, demand, report, certificate or other instruments, copies thereof intended for the parties shall be sent to their respective counsel as follows:

IF TO CITY:

CITY OF SAN ANTONIO
P. O. BOX 9066
SAN ANTONIO, TEXAS 78285
ATTN: MR. LOWELL F. DENTON
CITY ATTORNEY

IF TO OWNERS:

MATTHEWS & BRANSCOMB
106 S. ST. MARY'S
SAN ANTONIO, TEXAS 78205
ATTN: MARSHALL STEVES, JR.

FULBRIGHT & JAWORSKI
300 CONVENT ST.
SAN ANTONIO, TEXAS 78205
ATTN: JOHN M. SUDYKA

or such other counsel as may be hereafter designated either party from time to time, by written notice to the other party.

Date:10-01-85 Initials: _____

XIV. INCORPORATION OF DOCUMENTS AND ATTACHMENTS

All documents and other materials that are either attached hereto, or referenced therein, are incorporated into this Agreement as an inseparable part hereof, by such reference thereto, and this Agreement shall be constructed to include all of any such attached or referenced documents and other materials unless the contrary shall have been provided herein.

IN WITNESS OF WHICH THIS AGREEMENT HAS BEEN EXECUTED ON DUPLICATE ON the 6TH day of DECEMBER 1985.

CITY OF SAN ANTONIO

BY: _____
CITY MANAGER

ATTEST: _____
CITY CLERK

OWNERS

By: _____
DAN F. PARMAN, as agent
for the Owners named herein

Date:10-01-85

Initials: _____

CONSENT TO EXECUTION OF AGREEMENT
FOR SEWER SERVICE

The undersigned, owners of individual parcels within the "Project" defined in the Agreement for Sewer Service attached hereto, hereby consent to the execution of such Agreement by Dan F. Parman as their agent and agree that such Agreement shall inure to the benefit of, and shall be binding upon, them and their respective heirs and assigns.

Signed this 17th day of October, 1985.

Dan F. Parman, Individually
and as Trustee

Toni J. Trimble

Danny F. Welch

Date:10-01-85

Initials:

EXECUTIVE SUMMARY

STONE OAK SEWER CONTRACTS

Stone Oak Joint Venture, the owner of 4,350 acres lying outside of the City's Regional Agent Boundary, has made a proposal in which the City would agree to accept wastewater from this acreage upon certain terms and conditions. The acreage spans four basins from which wastewater would be generated, and separate contracts will be prepared for each basin. The contract delivered to you with this memorandum is a format that would be used to document an agreement for each basin if the City accepts this offer.

A material part of the agreement is set out in an ancillary document titled "Administrative Memorandum." The Administrative Memorandum is a binding agreement between the Owner and the City.

There are certain conditions to the Owner's right to require the City to accept wastewater from the Project. In brief, those requirements are as follows:

(A) The Owner must pay all costs that are associated with the construction of off-site facilities (meaning those types of sewer mains and improvements that are typically constructed by the City).

(B) The costs of acquiring all right-of-ways necessary for off-site facilities must be paid for by the Owner.

(C) The construction of all on-site facilities and right-of-ways must also be paid for by the Owner.

(D) The Owner must pay the costs incurred by the City in retaining a Project Engineer. The Project Engineer shall: (i) design all system components, (ii) prepare plans, specifications and contract documents, and (iii) supervise all construction. This work shall be undertaken by the Project Engineer on behalf of the City.

(E) The Owner must pay all administrative costs incurred by the City in handling a refund account created by fees paid to the City for plats filed on properties in the Project Area. The Owner may recover certain costs incurred in the construction of off-site facilities and acquisition of off-site right-of-ways solely from this fund.

The Owner is required to secure his obligations with respect to each of the items mentioned above. The security must be in the form of a letter of credit which permits the City to draw against the account established by the Owner with the issuer of the letter of credit. Draws shall be monthly and in amounts that are sufficient to pay obligations of the City under the contract.

The Owner is required to prepare a master plan for the development of each basin. The master plan must provide relevant information required by the City. The master plan will enable the City to assess the types of off-site facilities that are required to serve the project. The City has the right to require oversizing of these facilities so that other properties may also be served. The cost of oversizing will be paid by the City in as provided in the Subdivision Ordinance (Table I of Sections 36-35 of the City Code).

Ownership and operation of all facilities necessary to serve the project shall be vested in the City. The Owners shall pay an operations fee for City management of on-site facilities. The City has full control over the types and quality of facilities to be built whether they are off-site or on-site. All contracts for construction of off-site facilities will be between the City and the general contractor.

The Owner's sole method of recouping its costs advanced by the construction of off-site facilities shall be from revenues generated by sewer platting fees in the project area. Fees will be collected by the City from parties requesting plats and paid to the Owner on a monthly basis in accordance with an agreed schedule.

All platting fees paid to the City prior to the completion of off-site facilities shall be credited to the Owner's account. After completion of the off-site facilities, the City shall refund 95% of platting fees in the first year, and the percentage of platting fees refunded to the Owner shall decrease 5% per year thereafter to a minimum of 50%. The Owner's participation fees shall never be less than 50% of platting fees until it has recovered all of its eligible costs, thereafter, all platting fees will be retained by the City.

The Administrative Memorandum provides that the Owner's participation in platting fee payments is reduced to 50% whenever the need for construction of additional treatment facilities to serve the Upper Salado Watershed is imminent. The need for such a change would be indicated by the intensity of use of off-site facilities from customers in the Upper Salado Watershed.

The contract provides for initial platting fees that are based upon a schedule of uses and estimated daily flows that have been approved by the Sewer Engineer's Office. Platting fees will be reviewed every two years. If a policy is adopted by the City, the platting fees required by the policy shall apply to the contract.

The contract contains many standard provisions summarized briefly:

(A) The City's obligation is conditioned upon its ability to perform. Any rules, regulations or court orders now, or hereafter, in effect that limit the ability of the City to comply with the contract will limit the City's obligations under the agreement.

(B) There are limits on the rights of the Owner to assign its interest in the contract. The City has the right to exercise reasonable approval of any assignee.

(C) The Owner agrees to enforce the Industrial Waste Ordinance. That obligation will be reflected in a covenant or deed restriction encumbering the entire project area.

(D) The Owner agrees that it will provide a means satisfactory to the City for the collection of sewer service fees from customers in the project area.

The overrriding condition to all obligations of the City is that the establishment of a policy for the extension of services to areas outside of the City's Regional Agent Boundary will terminate all rights of the Owner under the contract if it has not commenced construction of off-site facilities as of the date such a policy is adopted by the City Council. The policy must be a formal one that is adopted by ordinance.

DAN F. PARMAN

11322 SIR WINSTON, SUITE B
SAN ANTONIO, TEXAS 78216-2467
OFFICE 210-308-8312
FAX 210-308-9347

F A X T R A N S M I T T A L

SEND TO	BILL TELFORD
FAX NUMBER	207-7897
NUMBER OF PAGES	7 (including this page)

MESSAGE	BILL , I HAVE INCLUDED THE LETTERS FROM OUR ATTORNEYS ON THE JPSI TRACT IN STONE OAK II, AND THE CIRI TRACT IN STONE OAK. ALONG WITH THESE LETTERS WE ALSO SENT THE POADP'S WE HAVE ON THE PROPERTIES TO SAWS. I AM ALSO SENDING YOU THE LETTER FROM THE BALCOR ATTORNEY AND THE CONFIRMATION LETTER FROM KIT CAHILL. (PLEASE NOTE THE TIMELY RESPONSE TO THE BALCOR LETTER) DAN

95 DEC 20 PM 2:41
CITY OF SAN ANTONIO
DEPARTMENT OF PLANNING

AKIN, GUMP, STRAUSS, HAUER & FELD, L.L.P.
ATTORNEYS AT LAW
A REGISTERED LIMITED LIABILITY PARTNERSHIP
INCLUDING PROFESSIONAL CORPORATIONS
1500 NATIONSBANK PLAZA
300 CONVENT STREET
SAN ANTONIO, TEXAS 78205
(210) 270-0800
FAX (210) 224-2035

WASHINGTON, D.C.
DALLAS, TEXAS
AUSTIN, TEXAS
HOUSTON, TEXAS
NEW YORK, NEW YORK

BRUSSELS, BELGIUM
MOSCOW, RUSSIA

DRAFT

November 14, 1995

Ms. Katherine B. Cahill, Esq.
Legal Department
San Antonio Water System
100 East Market
San Antonio, Texas 78205

RE: Water Quality Ordinance Adopted By the San Antonio City Council on January 12, 1995 (San Antonio City Code Chapter 34, Article VI): Request for Confirmation of Status.

Dear Kit:

This firm represents CIRI Apartments, Ltd., the owner of certain property in the City of San Antonio, Texas (the "Property"). I am writing to request that you confirm that the Property is a "Category 1" Property as that term is used in Section 34-925 of the San Antonio City Code (the "Code").

In order to assist you in making that determination, I have enclosed a copy of the Centre Park POADP with the Property outlined in red. The POADP was approved in 1985.

Please confirm that the Property is presently a "Category 1" Property under the Code. Thank you in advance for your assistance in this matter. If you have any questions or require further information, please do not hesitate to call.

Very truly yours,

Cathleen L. Chapman

CLC/cer
cc: Mr. Brad Parman

[illegible]

AKIN, GUMP, STRAUSS, HAUER & FELD, L.L.P.
ATTORNEYS AT LAW
A REGISTERED LIMITED LIABILITY PARTNERSHIP
INCLUDING PROFESSIONAL CORPORATIONS
1500 NATIONSBANK PLAZA
300 CONVENT STREET
SAN ANTONIO, TEXAS 78205
(210) 270-0800
FAX (210) 224-2035

WASHINGTON, D.C.
DALLAS, TEXAS
AUSTIN, TEXAS
HOUSTON, TEXAS
NEW YORK, NEW YORK

BRUSSELS, BELGIUM
MOSCOW, RUSSIA

DRAFT

November 14, 1995

Ms. Katherine B. Cahill, Esq.
Legal Department
San Antonio Water System
100 East Market
San Antonio, Texas 78205

RE: Water Quality Ordinance Adopted By the San Antonio City Council on January 12, 1995 (San Antonio City Code Chapter 34, Article VI): Request for Confirmation of Status.

Dear Kit:

This firm represents Jane P. Super Inc. the owner of certain property in the extraterritorial jurisdiction of the City of San Antonio, Texas (the "Property"). I am writing to that you confirm that the Property is a "Category 1" Property as that term is used in Section 34-925 of the San Antonio City Code (the "Code").

In order to assist you in making that determination, I have enclosed a copy of the Stone Oak II POADP with the Property outlined in red. The POADP was approved in 1985. Pursuant to the POADP, two (2) roadways (Wilderness Oak and Hardy Oak) have been constructed through the Property and accepted by Bexar County. It is contemplated that the Property will be developed generally in accordance with the POADP.

Please confirm that the Property is presently a "Category 1" Property under the Code. Thank you in advance for your assistance in this matter. If you have any questions or require further information, please do not hesitate to call.

Very truly yours,

Cathleen L. Chapman

cc: Mr. Brad Parman

H:\public\4016-000\cahill.ltr

GRAVES, DOUGHERTY, HEARON & MOODY
A PROFESSIONAL CORPORATION

816 CONGRESS AVENUE
SUITE 2300
AUSTIN, TEXAS 78701
(512) 480-5600
FAX: (512) 478-1976

MAILING ADDRESS:
POST OFFICE BOX 98
AUSTIN, TEXAS 78767

WRITER'S DIRECT NUMBER:
(512) 480-5662

February 8, 1995

Katherine B. Cahill, Esq.
Legal Department
San Antonio Water System
100 East Market
San Antonio, Texas 78205

BY CERTIFIED MAIL
RETURN RECEIPT REQUESTED
AND BY FIRST CLASS MAIL

Re: Water quality ordinance adopted by the San Antonio City Council on January 12, 1995 (San Antonio City Code Chapter 34, Article VI): Request for confirmation of status

Ladies and Gentlemen:

This firm represents Balcor Stone Oak II Limited Partnership ("Balcor"), the owner of certain property in the extraterritorial jurisdiction of the City of San Antonio, Texas (the "Property"). At the instruction of City Attorney Lloyd Garza, I am writing to request that you confirm that the Property is a "Category 1" property as that term is used in Section 34-925 of the San Antonio City Code (the "Code").

In order to assist you in making that determination, I have enclosed a copy of the Stone Oak II POADP with the Property outlined in red. The POADP was approved in 1985. Portions of the Property have been platted, and copies of the plats recorded in Volume 9519, Pages 198 et seq and Volume 9520, Pages 83 et seq, Deed and Plat Records of Bexar County, Texas are also enclosed. Pursuant to the POADP, two (2) roadways (Wilderness Oak and Hardy Oak) have been constructed through the Property and accepted by Bexar County, and a water and wastewater system installed to serve the Property (see the enclosed sewer and water master plan). It is contemplated that the Property will be developed generally in accordance with the POADP. However, portions of the Property may be developed for uses which are less intense than the uses set forth on the POADP; for example, portions now shown as non-residential may be developed for single family residences.

Please confirm that (i) the Property is presently a "Category 1" property under the Code, and (ii) if Balcor or its successor determines that development for a less intensive

Katherine B. Cahill, Esq.
San Antonio Water System
February 6, 1995
Page 2

use such as "single family" is appropriate, such change will not be a "substantial alteration" as that term is used in Section 34-928(c) of the Code.

Should you have any questions regarding this letter, feel free to call the undersigned or Terry Bray of this office. Thank you for your prompt consideration of this request.

Sincerely,

GRAVES, DOUGHERTY, HEARON & MOODY
A Professional Corporation

By: Rebecca Baird

cc: Mr. Mark Saturno (Balcor)
Mr. Ron Hallenberger

P:\RAB\FD\BALCOR\SAWS.LTR.02/06/95

SAN ANTONIO WATER SYSTEM

Possibly include reply

February 13, 1995

Rebecca Baird
Graves, Dougherty, Hearon & Moody,
A Professional Corporation

Re: Water quality ordinance adopted by the San Antonio City Council on Jan. 12, 1995 (San Antonio City Code Chapter 34, Article VI); Request for confirmation of status.

Dear Ms. Baird:

This letter is in response to your referenced request for confirmation that the property owned by your client Balcor Stone Oak II Limited Partnership (Balcor) shown on the Stone Oak II POADP is (i) presently a Category I property under Section 34-925 of the City Code and (ii) a change to a less intensive use of the property as established in the POADP will not constitute a substantial alteration pursuant to Section 34-926 (c) of the Code.

The property in question is an approximate 310 acre tract as outlined in red on the Stone Oak II POADP, revised June 5, 1985, and May 22, 1986.

The 1985 POADP entitles the property to Category I status in accordance with Section 34-925 (A copy of the ordinance is enclosed for your review).

Your second request for confirmation can not be definitively answered at this time. While it is generally true that a change to a less intense use will not increase the potential for degradation, a blanket determination can not be made without knowing the particular fact situation. The burden rests with the landowner to show that any change in land use intensity (even to a less intense use) will not cause degradation as the term is defined in the Code.

Once your client or their successor in interest can definitively show the proposed change in land use intensity, such change should be submitted to San Antonio Water System Watershed Protection and Management Department for a factual determination.

1001 E. MARKET ST. P.O. BOX 2449 SAN ANTONIO, TEXAS 78298-2449 210/225/7461

I hope this response will prove helpful to you in advising your client. If this office can be of any further assistance to you, please do not hesitate to call at 210-704-7236.

Sincerely,

Katherine Cahill

Katherine Cahill A.I.C.P.
Supervisor in House Counsel

cc: Scott Halty, Director, Watershed Protection and Management Department
Rebecca Cedillo, Vice President, Planning Group

AKIN, GUMP, STRAUSS, HAUER & FELD, L.L.P.
ATTORNEYS AT LAW
A REGISTERED LIMITED LIABILITY PARTNERSHIP
INCLUDING PROFESSIONAL CORPORATIONS

WASHINGTON, D.C.
DALLAS, TEXAS
AUSTIN, TEXAS
HOUSTON, TEXAS
NEW YORK, NEW YORK

1500 NATIONSBANK PLAZA
300 CONVENT STREET
SAN ANTONIO, TEXAS 78205
(210) 270-0800
FAX (210) 224-2035

BRUSSELS, BELGIUM
MOSCOW, RUSSIA

DRAFT

November 14, 1995

Ms. Katherine B. Cahill, Esq.
Legal Department
San Antonio Water System
100 East Market
San Antonio, Texas 78205

RE: Water Quality Ordinance Adopted By the San Antonio City Council on January 12, 1995 (San Antonio City Code Chapter 34, Article VI): Request for Confirmation of Status.

Dear Kit:

This firm represents CIRI Apartments, Ltd., the owner of certain property in the City of San Antonio, Texas (the "Property"). I am writing to request that you confirm that the Property is a "Category 1" Property as that term is used in Section 34-925 of the San Antonio City Code (the "Code").

In order to assist you in making that determination, I have enclosed a copy of the Centre Park POADP with the Property outlined in red. The POADP was approved in 1985.

Please confirm that the Property is presently a "Category 1" Property under the Code. Thank you in advance for your assistance in this matter. If you have any questions or require further information, please do not hesitate to call.

Very truly yours,

Cathleen L. Chapman

CLC/cer
cc: Mr. Brad Parman

[illegible]

AKIN, GUMP, STRAUSS, HAUER & FELD, L.L.P.
ATTORNEYS AT LAW
A REGISTERED LIMITED LIABILITY PARTNERSHIP
INCLUDING PROFESSIONAL CORPORATIONS
1500 NATIONSBANK PLAZA
300 CONVENT STREET
SAN ANTONIO, TEXAS 78205
(210) 270-0800
FAX (210) 224-2035

WASHINGTON, D.C.
DALLAS, TEXAS
AUSTIN, TEXAS
HOUSTON, TEXAS
NEW YORK, NEW YORK

BRUSSELS, BELGIUM
MOSCOW, RUSSIA

DRAFT

November 14, 1995

Ms. Katherine B. Cahill, Esq.
Legal Department
San Antonio Water System
100 East Market
San Antonio, Texas 78205

RE: Water Quality Ordinance Adopted By the San Antonio City Council on January 12, 1995 (San Antonio City Code Chapter 34, Article VI): Request for Confirmation of Status.

Dear Kit:

This firm represents Jane P. Super Inc. the owner of certain property in the extraterritorial jurisdiction of the City of San Antonio, Texas (the "Property"). I am writing to that you confirm that the Property is a "Category 1" Property as that term is used in Section 34-925 of the San Antonio City Code (the "Code").

In order to assist you in making that determination, I have enclosed a copy of the Stone Oak II POADP with the Property outlined in red. The POADP was approved in 1985. Pursuant to the POADP, two (2) roadways (Wilderness Oak and Hardy Oak) have been constructed through the Property and accepted by Bexar County. It is contemplated that the Property will be developed generally in accordance with the POADP.

Please confirm that the Property is presently a "Category 1" Property under the Code. Thank you in advance for your assistance in this matter. If you have any questions or require further information, please do not hesitate to call.

Very truly yours,

Cathleen L. Chapman

cc: Mr. Brad Parman

H:\public\4016-000\cahill.ltr

GRAVES, DOUGHERTY, HEARON & MOODY
A PROFESSIONAL CORPORATION

515 CONGRESS AVENUE
SUITE 2300
AUSTIN, TEXAS 78701
(512) 480-5600
FAX: (512) 479-8315

MAILING ADDRESS:
POST OFFICE BOX 98
AUSTIN, TEXAS 78767

WRITER'S DIRECT NUMBER
(512) 480-5682

February 6, 1995

Katherine B. Cahill, Esq.
Legal Department
San Antonio Water System
100 East Market
San Antonio, Texas 78205

BY CERTIFIED MAIL
RETURN RECEIPT REQUESTED
AND BY FIRST CLASS MAIL

Re: Water quality ordinance adopted by the San Antonio City Council on January 12, 1995 (San Antonio City Code Chapter 34, Article VII): Request for confirmation of status

Ladies and Gentlemen:

This firm represents Balcor Stone Oak II Limited Partnership ("Balcor"), the owner of certain property in the extraterritorial jurisdiction of the City of San Antonio, Texas (the "Property"). At the instruction of City Attorney Lloyd Garza, I am writing to request that you confirm that the Property is a "Category 1" property as that term is used in Section 34-925 of the San Antonio City Code (the "Code").

In order to assist you in making that determination, I have enclosed a copy of the Stone Oak II POADP with the Property outlined in red. The POADP was approved in 1985. Portions of the Property have been platted, and copies of the plats recorded in Volume 9519, Pages 198 et seq and Volume 9520, Pages 83 et seq, Deed and Plat Records of Bexar County, Texas are also enclosed. Pursuant to the POADP, two (2) roadways (Wilderness Oak and Hardy Oak) have been constructed through the Property and accepted by Bexar County, and a water and wastewater system installed to serve the Property (see the enclosed sewer and water master plan). It is contemplated that the Property will be developed generally in accordance with the POADP. However, portions of the Property may be developed for uses which are less intense than the uses set forth on the POADP; for example, portions now shown as non-residential may be developed for single-family residences.

Strike

Please confirm that (i) the Property is presently a "Category 1" property under the Code, and (ii) if Balcor or its successor determines that development for a less intensive

Katherine B. Cahill, Esq.
San Antonio Water System
February 6, 1995
Page 2

use such as "single family" is appropriate, such change will not be a "substantial alteration" as that term is used in Section 34-926(c) of the Code.

Should you have any questions regarding this letter, feel free to call the undersigned or Terry Bray of this office. Thank you for your prompt consideration of this request.

Sincerely,

GRAVES, DOUGHERTY, HEARON & MOODY
A Professional Corporation

By: _____
Rebecca Baird

cc: Mr. Mark Saturno (Balcor)
Mr. Ron Hallenberger

P:\RABAIRD\BALCOR\SAWS.LTR.02/06/95

SAN ANTONIO WATER SYSTEM

Possibly include reply

February 13, 1995

Rebecca Baird
Graves, Dougherty, Hearon & Moody,
A Professional Corporation

Re: Water quality ordinance adopted by the San Antonio City Council on Jan. 12, 1995 (San Antonio City Code Chapter 34, Article VI); Request for confirmation of status.

Dear Ms. Baird:

This letter is in response to your referenced request for confirmation that the property owned by your client Balcor Stone Oak II Limited Partnership (Balcor) shown on the Stone Oak II POADP is (i) presently a Category I property under Section 34-925 of the City Code and (ii) a change to a less intensive use of the property as established in the POADP will not constitute a substantial alteration pursuant to Section 34-926 (c) of the Code.

The property in question is an approximate 310 acre tract as outlined in red on the Stone Oak II POADP, revised June 5, 1985, and May 22, 1986.

The 1985 POADP entitles the property to Category I status in accordance with Section 34-925 (A copy of the ordinance is enclosed for your review).

Your second request for confirmation can not be definitively answered at this time. While it is generally true that a change to a less intense use will not increase the potential for degradation, a blanket determination can not be made without knowing the particular fact situation. The burden rests with the landowner to show that any change in land use intensity (even to a less intense use) will not cause degradation as the term is defined in the Code.

Once your client or their successor in interest can definitively show the proposed change in land use intensity, such change should be submitted to San Antonio Water System Watershed Protection and Management Department for a factual determination.

1001 E. MARKET ST. P.O. BOX 2449 SAN ANTONIO, TEXAS 78298-2449 210/225/7461

F625-579R
3-86

CITY WATER BOARD
ACCEPTANCE CHECK LIST

HILL COUNTRY
PRIVATE WATER CO

Bilateral _____ Trilateral Phase I ✓ Joint _____

MEARP _____ Trilateral Phase II ✓ Permit _____

Job No. _____ Location WILDERNESS OAK + HARDY OAKS PHASE II UNIT I Date 1-20-88

TRENCH LINE

PART I - ONSITE ACCEPTANCE

✓ 1. Valve boxes to grade, extension straight and box 1 1/2" above extension pipe.
✓ 2. Valves open and shut freely and are left in the open position.
✓ 3. Valves subject to traffic have a concrete collar.
✓ 4. Are the 2" blow-off visible and in tact.
✓ 5. Fire hydrant set to proper grade, clear of traffic and all caps in place.
✓ 6. Fire hydrant valve boxes visible and operable, & open.
✓ 7. Has each fire hydrant been operated under pressure, & has it been painted.
✓ 8. All asphalt trimmed straight.
9. Asphalt placed flush with existing.
10. Have all street signs and mail boxes been reset.
11. Fences repaired or replaced as required.
12. Driveway approach, curbs, and sidewalks repaired were damaged.
✓ 13. All material removed from job site.
✓ 14. Main has been pressure tested and chlorinated.

METER BOXES AND SERVICE LINE TRENCHES

✓ 15. Meter boxes, level and to grade with top soil.
✓ 16. Meter in box level and not more than 8" below lid.
17. C.V. box w/lid installed to grade (where required).
18. Riser pipe covered with insulation.
19. All trash removed from customer's property.
✓ 20. Other.

GENERAL

✓ 21. Contractor cleaned his yard.
22. Has all C.W.B. salvage been turned into storeroom.
✓ 23. General appearance of project O.K.

Inspected By [signature] Contractor Matt Rose ROM

[signature] Project Engineer

R.W. Stout
HCWW

PART II - ADMINISTRATIVE ACCEPTANCE

Phase I Completion Certificate Received Date _____

Phase II Completion Certificate Received Date _____

"As-Built" Received, Date Accepted _____

Contract Management Specialist _____ Date _____

HARLES R. HALLENBERGER, P.E.
incipal
!!HAM L. TELFORD, A.I.C.P.
ncipal

HALLENBERG
TELFORD

Plan
Archi
Engin
Surve

FACSIMILE MESSAGE LEAD SHEET

Date: 9/15

H.T.I. Job Number: _____

To: Mr. Dan Parman 490-1391

From: Ron Hallenberger

Re: Stone Oak II

Number of pages to follow this lead sheet 13

To transmit a message to our NEFAX-14 Facsimile Machine, Dial 1-512-349-1549.

IF YOU HAVE PROBLEMS RECEIVING THIS TRANSMISSION, DIAL 1-512-349-6571.

Additional message/instructions:

SEWER APPROVALS. - STONE OAK II UNIT II

WATER APPROVALS. - STONE OAK II UNIT I (WILDERNESS OAK & HARDY O

DRAINAGE " - " " " " " " "

STREET " - " " " " " " "

11322 SID WIMS

CITY OF SAN ANTONIO

P. O. BOX 9066
SAN ANTONIO, TEXAS 78285

Date: November 17, 1987
Date of Acceptance: 11-9-87
Ref: Stone Oak Phase II-Unit 2

H.B. Zachry Company
P.O. Box 21130
San Antonio, Texas 78285

Gentlemen:

The final inspection has been made on completed sanitary sewer work in the above referred subdivision by Stanley C. Scheel, Construction Inspector Supervisor. He has found that the quality of construction conforms to City of San Antonio Specifications, as outlined in the Subdivision Regulations.

Based upon Mr. Scheel's inspection and recommendation, the City of San Antonio does hereby accept the following for maintenance:

Line A-1	24" AC Pipe	374.40 Linear Feet
Line A-1	24" DI Pipe	45.00 Linear Feet
Line A-1	21" AC Pipe	4200.09 Linear Feet
Line A-1	18" AC Pipe	4479.65 Linear Feet
Line A-1	18" DI Pipe	158.00 Linear Feet
Line A-1	18" CSC Pipe	500.00 Linear Feet
Line A-1	10" PVC Pipe	2078.77 Linear Feet
Line A-2	8" PVC Pipe	1719.53 Linear Feet
Line A-3	8" PVC Pipe	2165.92 Linear Feet
Line A-4	12" PVC Pipe	800.36 Linear Feet
Line A-5	8" PVC Pipe	1128.87 Linear Feet
Line A-6	8" PVC Pipe	742.24 Linear Feet

Line A-7 8" PVC Pipe 175.95 Linear Feet

Pipe Mfg - Carlon (PVC ASTM 3034 SDR 35)
Certainteed (AC ASTM 428)
McWane (D.I.)
Gifford Hill (CSC AWWA C301)

Sincerely,

Frank G. Vega

Frank G. Vega, P.E.
City Engineer

FGV:DB:no

Note: This subdivision is located outside city limits. This subdivision is located over the Edwards Recharge Zone as defined by the Texas Water Commission, Revised Chapter 331 Subchapter "A" 331.1-331.11 and was constructed in accordance with said order.

RECEIVED SEP 18 1987

RECEIVED SEP 10 1987 5359

CITY OF SAN ANTONIO

P. O. BOX 9066
SAN ANTONIO, TEXAS 78285

Date: 9-15-87

FINAL INSPECTION

Project Name: Stone Oak Phase-II Unit 2

Contractor: Zachry Inc.

Engineer: Hallenberger / Felford, Inc

Gentlemen:

Final inspection by the City of San Antonio has been made on completed (Sanitary Sewer), ~~Streets, and/or Drainage~~ work (circle the word(s) that apply) in the above subdivision. It has been determined that the quality of construction conforms to the City of San Antonio Specifications, as outlined in the Subdivision Regulations.

Based upon this inspection, the City of San Antonio will accept the above work with a formal letter of acceptance forthcoming.

Sincerely,

Oscar Anza
Chief Construction Inspector
Department of Public Works

Comments: Blasting Done.
Need Sanitary Sewer Release from Environmental Management.

Distribution: Contractor: White
Inspector: Yellow
File: Pink

xc: Orig. to Brenda
Hector
Line - Job 3310
Hallenberger / Felford attn: Larry Heimer ✓
Dan Parman

RECEIVED FEB C

RECEIVED FEB 0 7 1986

Texas Department of Health

Robert Bernstein, M.D., F.A.C.P.
Commissioner

DIVISION OF WATER HYGIENE
1100 West 49th Street
Austin, Texas 78756-3192
(512)458-7111

Robert A. MacLean, M.D.
Deputy Commissioner
Professional Services

Hermas L. Miller
Deputy Commissioner
Management and Administra

Februrary 5, 1986

Mr. Larry G. Heimer, P.E.
Hallenberger/Telford, Inc.
P. O. Box 16337
San Antonio, Texas 78216

Subject: Wastewater Collection System Extensions
Stone Oak Phase II, Unit 2
City of San Antonio
TDH Log 601/9
Bexar County, Texas

Supercedes TWC .3 Approval

Dear Mr. Heimer:

We have completed review of 27 sheets of engineering drawings originally submitted to the Texas Water Commission with Mr. Ron Trepanier's letter of November 18, 1985. These drawings describe the installation of approximately 22,000 linear feet of 8, 10, 12, 15, 18, 21 and 24-inch diameter gravity sanitary sewer lines to serve the referenced development. This collection line will tie into an existing 24 inch outfall which will transport the collected wastewater for treatment at the City's Salado Creek Sewage treatment facility (TWC Permit No. 10137-08). All construction is to be in accordance with the City of San Antonio's Standard Specifications for Public Works Construction. Since part of this line will intersect the Edwards Aquifer Recharge Zone, the provisions of the Texas Admistrative Code Sections 331.1 through 331.11 will be complied with.

Our review indicated that the proposed construction is in accordance with this Department's Design Criteria and we would not object to construction.

Please let us know if we may be of further assistance.

Sincerely,

F. G. (Jerry) Hidalgo, P.E., Chief
Plan Review Branch
Division of Water Hygiene

FGH/bal

ccs: City San Antonio
San Antonio Metropolitan Health District
Texas Water Commission District 8 Office
Attn: Mr. Kit Pitkin

Public Health Region 9
Texas Water Commission
Attn: Water Quality Division
Ms. Liska Mercer

F625-579R
3-86

HILL COUNTRY
PRIVATE WATER CO

CITY WATER BOARD
ACCEPTANCE CHECK LIST

Bilateral _____ Trilateral Phase I ✓ Joint _____

MEARP _____ Trilateral Phase II ✓ Permit _____

Job No. _____ Location WILDERNESS OAK & HARDY OAK PHASE II UNIT I Date 1-20-88

TRENCH LINE

PART I - ONSITE ACCEPTANCE

✓ 1. Valve boxes to grade, extension straight and box 1 1/2" above extension pipe.
✓ 2. Valves open and shut freely and are left in the open position.
✓ 3. Valves subject to traffic have a concrete collar.
✓ 4. Are the 2" blow-off visible and in tact.
✓ 5. Fire hydrant set to proper grade, clear of traffic and all caps in place.
✓ 6. Fire hydrant valve boxes visible and operable, & open.
✓ 7. Has each fire hydrant been operated under pressure, & has it been painted.
✓ 8. All asphalt trimmed straight.
9. Asphalt placed flush with existing.
10. Have all street signs and mail boxes been reset.
11. Fences repaired or replaced as required.
12. Driveway approach, curbs, and sidewalks repaired were damaged.
✓ 13. All material removed from job site.
✓ 14. Main has been pressure tested and chlorinated.

METER BOXES AND SERVICE LINE TRENCHES

✓ 15. Meter boxes, level and to grade with top soil.
✓ 16. Meter in box level and not more than 8" below lid.
17. C.V. box w/lid installed to grade (where required).
18. Riser pipe covered with insulation.
✓ 19. All trash removed from customer's property.
20. Other.

GENERAL

✓ 21. Contractor cleaned his yard.
22. Has all C.W.B. salvage been turned into storeroom.
✓ 23. General appearance of project O.K.

Inspected By [signature] Contractor Matt Ron ROM

[signature]
Project Engineer

R.W. Stout
HCWW

PART II - ADMINISTRATIVE ACCEPTANCE

Phase I Completion Certificate Received Date _____

Phase II Completion Certificate Received Date _____

"As-Built" Received, Date Accepted _____

Contract Management Specialist _____ Date _____

CONTRACT COMPLETION CERTIFICATE

City Water Board
San Antonio, Texas

CWB Contract No.: N/A
CWB Job No.: N/A
Location: STONE OAK PHASE II, UNIT 1
WATER CONSTRUCTION
(Wilderness Oak & Hardy Oak)

Contractor: R.D.M. CONSTRUCTION, INC.

Engineer: Hallenberger/Telford, Inc.
Developer/Customer: DAN F. PARMAN, INDIVIDUALLY OR AUTHORIZED AGENT

Engineer's final measurement of work completed 01/20/88

ITEM	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	AMOUNT
BASE BID ITEMS:					
000A	CAST IRON FITTINGS, CLASS 250	TON	20.85	$2,200.00	$45,870.00
801	2 IN. PERMANENT BLOW-OFF	EACH	11.00	$700.00	$7,700.00
804	2 IN. AIR RELEASE VALVE	EACH	1.00	$1,200.00	$1,200.00
804A	1 IN. AIR RELEASE VALVE	EACH	4.00	$800.00	$3,200.00
809	1 1/2 IN. SERVICE	EACH	11.00	$800.00	$8,800.00
816	METER BOXES, CAST IRON	EACH	11.00	$100.00	$1,100.00
817	FURNISH & INSTALL FIRE HYDRANT, COMPLETE	EACH	16.00	$1,200.00	$19,200.00
818	THRUST BRACING	C.Y.	45.33	$75.00	$3,399.75
819	CHLORINATION	LBS.	111.00	$1.00	$111.00
831	8 IN. D.I. PIPE, CLASS 50	L.F.	753.50	$20.00	$15,070.00
833	16 IN. D.I. PIPE, CLASS 50	L.F.	13,696.50	$28.00	$383,502.00
835A	24 IN. D.I. PIPE, CLASS 50	L.F.	2,338.50	$45.00	$105,232.50
841	8 IN. GATE VALVE w/ BOX M.J.	EACH	10.00	$480.00	$4,800.00
842	12 IN. GATE VALVE w/BOX M.J.	EACH	1.00	$812.00	$812.00
843	16 IN. GATE VALVE w/BOX M.J.	EACH	24.00	$2,100.00	$50,400.00
855A	24 IN. FLANGED BUTTERFLY VALVE w/BOX	EACH	4.00	$4,000.00	$16,000.00
				SUBTOTAL	$666,397.25
				TOTAL	$666,397.25
				PREVIOUS PAYM	$599,757.52
				TOTAL DUE	$66,639.73

APPROVED:

By: [signature]
Hallenberger/Telford, Inc.
Engineer

3-8-88
Date

Engineering Fee $47,066.65

SAN ANTONIO CITY WATER BOARD

[signature]
Director of Engineering

3/9/88
Date

CITY OF SAN ANTONIO

P.O. BOX 9066
SAN ANTONIO, TEXAS 78285

Date:8/19/88
Date of Approval:7/29/88
Ref: Stone Oak Phase II Unit I

RDM Construction
5122 Leon Hardt
San Antonio, TX 78233

Gentlemen:

The final inspection has been made on completed storm drainage facilities in the above referred subdivision by Stanley C. Scheel, Construction Inspector Supervisor. He has found that the quality of construction conforms to City of San Antonio Specifications, as outlined in the Subdivision Regulations.

Based upon Mr. Scheel's inspection and recommendation, the City of San Antonio does hereby approve the completed construction work on the following:

Storm System A consists of 345.99 l.f . of 30" smooth lined corrugated metal pipe, beginning right of centerline 9+69.58 running east to curb inlet at station 13+34.79, 58.70 l.f. of 42" smooth lined corrugated metal pipe at center line station 13+34.79 of Wilderness Oak with curb inlets on right and left sides running to junction box at station 16+22. 230.95 l.f. of 54" corrugated metal pipe, beginning at junction box at 13+34.79 running northeast to existing low. 174.00 l.f. of two 8'X 8' multiple box culvert, with concrete headwalls, rip rap and concrete spillway. Located at centerline station 16+22 running from north to south to existing low. (Total linear footage 892.80)

Storm System B consists of 220.06 l.f. of two 6'X 6' multiple box culvert, concrete headwalls, rip rap, concrete spillway with baffle blocks, elevated sidewalks with handrail and concrete lined curb drains and 112 l.f. of concrete lined channel. Located at centerline station 50+78 of Wilderness Oak, running east to west to existing low. (Total linear footage 332.06)

Storm System C consists of 67 l.f. of 24" corrugated metal pipe running from curb inlet left of station 72+37 of Wilderness Oak south to junction box at station 71+74, 64 l.f. of 30" smooth lined corrugated metal pipe running from curb inlet at right of station 72+29 south to junction box at station 71+74, 81 l.f. of 48"

to existing low at box culvert. 58.13 l.f. of 30" corrugated metal pipe running from curb inlet right of centerline station 106+54.89 of Wilderness Oak, northwest to existing low at box culvert. 253.57 l.f. of 30" corrugated metal pipe, 29.20 l.f. of 36" corrugated metal pipe, 395.50 l.f. of 42" corrugated metal pipe, 315.51 l.f. of 48" corrugated metal pipe, three curb inlets and two junction boxes running from left of centerline station 117+09.33, south to existing low at box culvert. (Total linear footage 1,243.82)

Storm System G1 consists of 100 l.f. of four 8'X 4' multiple box culvert with concrete headwall and rip rap at upper end, concrete headwall with spillway at lower end. Located at centerline station 125+82 of Hardy Oak, running from northeast to southwest to existing low. 127 l.f. of 30" smooth lined corrugated metal pipe. Running from curb inlet right of station 124+83 west to curb inlet then northwest to existing low at box culvert.

Sincerely,

Frank G. Vega

Frank G. Vega, P.E.
City Engineer

FGV:TRS:SWH

Note: This subdivision is located outside the city limits.

CITY OF SAN ANTONIO

P O BOX 9066
SAN ANTONIO, TEXAS 78285

Date: 8/10/88

FINAL INSPECTION

Project Name: Stone Oak Phase II unit I

Contractor: R.D.M.

Engineer: HALLENBERGER TEXRED INC.

Gentlemen:

Final inspection by the City of San Antonio has been made on completed ~~Sanitary Sewer~~, ~~Streets~~, ~~and/or~~ Drainage work (circle the word(s) that apply) in the above subdivision. It has been determined that the quality of construction conforms to the City of San Antonio Specifications, as outlined in the Subdivision Regulations.

Based upon this inspection, the City of San Antonio will accept the above work with a formal letter of acceptance forthcoming.

Sincerely,

for Senior Construction Inspector
Department of Public Works

Comments: — None —

Distribution: Contractor: White
Inspector: Yellow
File: Pink

"AN EQUAL OPPORTUNITY EMPLOYER"

CITY OF SAN ANTONIO

P.O. BOX 9066
SAN ANTONIO, TEXAS 78285

Date:8/17/88
Date of Approval:8/10/88
Ref.:Stone Oak Phase II Unit I

RDM Construction
5122 Leon Hardt
San Antonio, TX 78233

Gentlemen:

The final inspection has been made on completed street work in the above referred subdivision by Stanley C. Scheel, Construction Inspector Supervisor. He has found that the quality of construction conforms to City of San Antonio Specifications, as outlined in the Subdivision Regulations.

Based upon Mr. Scheel's inspection and recommendation, the City of San Antonio does hereby approve the completed construction work of the following:

Wilderness Oak - 13,422.25 Type A	from Blanco Road, east then north, to 43 l.f. north of Hardy Oak, with barricaded guard post and header curb at centerline station 137+09.62.
Hardy Oak - 2,611.07 Type A	from existing pavement at centerline station 114+00, north then west to 46 l.f. west of Wilderness Oak, with barricaded guard posts and header curb at centerline station 140+11.07.

Sincerely,

Frank G. Vega

Frank G. Vega, P.E.
City Engineer

FGV:OG:swh

Note: This subdivision is located outside the city limits.

PUBLIC WORKS DEPARTMENT
BEXAR COUNTY COURTHOUSE
SAN ANTONIO, TEXAS 78205

August 18, 1988

Stone Oak II
19210 Huebner Road
San Antonio, Texas 78258

Attention: Mr. Dan F. Parman

Reference: Stone Oak Phase 2, Unit 1
Northwest Bexar County Road District No. 4.

Dear Mr. Parman,

Please be advised that the following named streets in Northwest Bexar County Road District No. 4 located in Stone Oak Phase 2, Unit 1 have been constructed in accordance with requirements of Bexar County, to wit:

Wilderness Oak - From Blanco Road to Hardy Oak

Hardy Oak - From Wilderness Oak south to existing pavement (s.o. #6) - approximately 2400 feet.

County maintenance will begin after the Road Dedication and Aquisition Contract for the referenced project has been executed by the Commissioners Court of Bexar County acting as the Board of Directors for Northwest Bexar County Road District No. 4. Until such time, maintenance of the above mentioned streets shall be the responsibility of the developer. Thirty days prior to final acceptance, an inspection will be made of said streets and any damage to same shall be corrected before maintenance will begin.

Very truly yours,

Edward J. Brown

Edward J. Brown, P.E.
County Engineer

EJB/vlc

cc: RDM Construction, Inc.
Mr. Ron Hollenberger, P.E.

CITY OF SAN ANTONIO

P O BOX 9066
SAN ANTONIO TEXAS 78285

Date: July 29, 1988

FINAL INSPECTION

Project Name: Stone Oak, Phase II unit I

Contractor: R.D.M.

Engineer: Hallenberger, Telford Inc.

Gentlemen:

Final inspection by the City of San Antonio has been made on completed ~~Sanitary Sewer~~, Streets, ~~and/or Drainage~~ work (circle the word(s) that apply) in the above subdivision. It has been determined that the quality of construction conforms to the City of San Antonio Specifications, as outlined in the Subdivision Regulations.

Based upon this inspection, the City of San Antonio will accept the above work with a formal letter of acceptance forthcoming.

Sincerely,

[signature]
Senior Construction Inspector
Department of Public Works

Comments: formal letter of acceptance to be forthcoming after Flex Beam Railing & Deliniator are installed as per County Dept of Public Works

Distribution: Contractor: White
Inspector: Yellow
File: Pink

Note: Street stub out for future street not built with this subdivision stub out located on southside of wilderness oak
℄ Sta 40+98.11

CITY OF SAN ANTONIO

P O BOX 9066
SAN ANTONIO TEXAS 78285

Date: 7-5-88

FINAL INSPECTION

Project Name: Stone Oak Phase II Unit 1

Contractor: R.D.M.

Engineer: Hallenberger Helford Inc

Gentlemen:

Final inspection by the City of San Antonio has been made on completed ~~Sanitary Sewer~~, Streets, ~~and/or Drainage~~ work (circle the word(s) that apply) in the above subdivision. It has been determined that the quality of construction conforms to the City of San Antonio Specifications, as outlined in the Subdivision Regulations.

Based upon this inspection, the City of San Antonio will accept the above work with a formal letter of acceptance forthcoming.

Sincerely,

Senior Construction Inspector
Department of Public Works

Comments: this field letter is for the acceptance of Hardy Oaks from exist pavement sta 114+00 to 48.52 L.F west of Wilderness Oak sta 140+11.07

Distribution: Contractor: White
Inspector: Yellow
File: Pink

"AN EQUAL OPPORTUNITY EMPLOYER"

County Regulation of Rural Subdivisions

By Judon Fambrough

Urban flight and the resulting division of rural land are Texas realities. The extensive division of rural acreage and the associated problems were among the topics addressed at the 1996 Agriculture Summit III Conference in Kerrville. Summit participants discussed ways to resolve pressures causing land fragmentation, such as declining farm and ranch incomes, increasing suburban developments and reducing both federal gift and estate taxes and Texas inheritance taxes.

With the problems caused by land division comes the question about the government's authority to regulate. The problems created in the Rio Grande Valley by colonias prompted the 74th Texas Legislature to pass specific laws regarding their sale. Generally, the power to govern rural subdivisions lies with the commissioners court.

The Texas Local Government Code (TLGC) requires landowners outside the city limits and outside the extra-territorial jurisdiction of a city who divide land into two or more parts for a subdivision to file a plat when lots or streets or other areas are to be dedicated to public use.

Before a subdivision plat can be recorded, however, it must be approved by the commissioners court in the county where the land is located. For approval, an order must be entered into the minutes after all statutory requirements have been met. After the order is entered and publication of notice made, the court may prescribe standards for streets (width, specifications and so forth), drainage and water availability and require a bond.

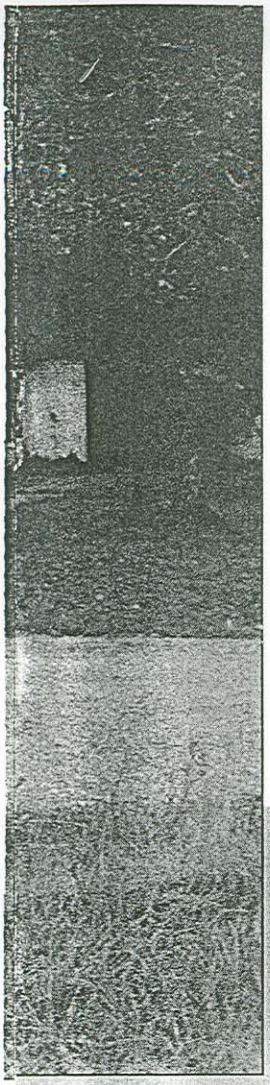
Within limits, the county regulates subdivisions by the standards imposed on the streets, drainage and water availability.

Developers complained that many of the standards were too burdensome and expensive. Others said the standards were impractical, such as requiring a 60-foot easement to the subdivision when a narrower one would be sufficient.

Eventually, challenges reached the courts. The most significant challenge was the 1995 case of *Elgin Bank of Texas v. Travis County, Texas.*

Elgin Bank owned approximately 150 acres in Travis County. The land was not within corporate limits or the extra-territorial jurisdiction of any municipality. Bank officials wanted to subdivide the property for sale in multiple tracts using metes and bounds descriptions, but they did not want to file a subdivision plat. Because the property had access to existing roads and because Elgin Bank did not plan to build streets or roads within the subdivision, bank officials believed the statute did not apply. Travis County authorities asserted that it did. According to the TLGC:

> The owner of a tract of land located outside the limits of a municipality who divides the tract into two or more parts to lay out a subdivision of the tract, including an addition, or to lay out suburban lots or building lots, **and** to lay out streets, alleys, squares, parks or other parts of the tract intended to be dedicated to public use or for the



In 1996, the Texas Supreme Court gutted much of a county's power to regulate development in unicorporated, nonmunicipal areas.

> use of purchasers or owners of lots fronting on or adjacent to the streets, alleys, squares, parks or other parts must have a plat of the subdivision prepared [emphasis added].

The trial court granted Travis County a summary judgment. Elgin Bank appealed. The question before the appellate court was whether Travis County could require the owner of a tract of land who subdivides—but does not plan to lay out streets, alleys, squares, parks or other parts of the tract for public or private use—to prepare a plat of the subdivision.

The appellate court reversed the trial court and rendered judgment that Travis County could not require the bank to plat the property under the circumstances.

The court based the decision on legislative history and on the strategic use and placement of the word *and*. "On its face, the plain language of the statute requires a plat **only if** the owner both divides the property **and** lays out streets of other public areas."

Travis County asked the Texas Supreme Court to review the decision. In January 1996, the high court declined, gutting much of a county's power to regulate development in unincorporated, nonmunicipal areas.

Property rights advocates hail the decision as a victory. They believe that Travis County officials were overzealous in interpreting the law. However, the unrestrained use of property may be a detriment to the community as a whole.

The following is an excerpt from a column written by Robert Elder, Jr., a senior editor at the *Texas Lawyer*, a weekly journal for attorneys. He illustrates how an obscure ruling can degrade the quality of life for thousands of people. The views expressed are those of the author, not the Real Estate Center, the Lowry Mays College & Graduate School of Business nor Texas A&M University. The column, "Obscure Appeals Ruling Produces Subdivision from Hell" is reprinted with permission.

"As a result of *Elgin Bank*, colonia-type developments are spreading far beyond the Texas-Mexico Border. (It's a fallacy that severely substandard development is just a Border problem: most urban and high-growth counties can point to a number of developments that are a short step up the development ladder from colonias.) In the heart of fast-growing Hays County, a half-hour drive south of the state capitol, developers have rushed in to take advantage of the decision—in some instances, says County Commissioner Jefferson W. Barton, literally brandishing a copy of the Third Court opinion as they inform the county that they know how big a loophole Elgin Bank created.

"Barton's precinct in northern Hays County contains some of the prettiest country around Austin—and it is that proximity, as well as its beauty, that makes it so attractive to developers, both ethical and unscrupulous. Last summer, several miles east of Interstate 35, a development called I-35 South Ranches was born as a direct result of the Elgin Bank case.

"'Despite the name,' Barton dryly noted in a memorandum to the Conference of Urban Counties, 'I-35 is nowhere near, and nothing about the lots could be mistaken for a ranchette, much less a ranch.' The misnomer is the least of the problems. The dilemma is that the Third Court held that a county doesn't have the power to require an owner of a tract of land to prepare a plat of a subdivision when the owner doesn't plan to lay out streets or parks or other parts of the tract dedicated to public use.

"In nondevelopment-speak, the opinion means that as long as a developer extends part of a subdivision to an existing street, he doesn't have to get subdivision approval from a county. Such lots are often called 'flag lots' because long, thin strips of land, resembling flag-poles, are extended to existing roads. As long as lots are 'flagged' to an existing road, the developer can escape virtually all county supervision.

"The I-35 South Ranches, developed by builder Robert (Bill) Sweeney of Del Valle, are a clear example of what *Elgin Bank* has brought to rural development. Acres of beautiful, rolling Hays County land are dotted with a patchwork of mobile homes and poorly built houses. The aesthetics are not the real problem, however.

"The lots are 'flagged' to two existing public roads, which lets the developer escape virtually all county regulation. In digging septic-tank holes in the region's blacklands clay soil, the developer loaded much of the out-fill into county ditches, which caused flooding, created stagnant pools of water and damaged the abutting county roads.

"Blacklands clay also is a bad surface on which to build and maintain roads. The two existing county roads were already of questionable quality, and the influx of residents has made them worse. Besides crumbling roads, there are no turnarounds for school busses and other large vehicles. And with no streets built inside the subdivision, emergency vehicles have an almost impossible job finding the correct home—assuming, that is, that they can maneuver through the muddy ruts that lead back to resident's houses.

"Sweeney is matter-of-fact about his development's shortcomings. 'We build that way to save us from the expense of building roads. We can offer more for less money,' he says. 'We are targeting the market that is less capable of spending money on a home. County officials,' Sweeney gripes, '"are just social engineers" who need less power, not more.'

"Hays County contains some extreme examples of *Elgin Bank*-type problems, but the county is by no means alone. About two dozen counties have reported similar problems to the Texas Association of Counties and a related group, the Conference of Urban Counties. The two groups sought legislation during the last session that would cure some of the regulation problems caused by the decision.

"What *Elgin Bank* produced is a situation in which market forces are unfettered by regulation, and free-market rule isn't pretty. For one thing, it has put a new twist on the brewing 'property rights' movement in Texas, in which landowners have claimed that governmental actions that adversely affect their land is an unconstitutional 'taking' of property.

"In Hays and other Texas counties, property owners who live near unregulated subdivisions are experiencing their own forms of takings—reduced property values. In a countryside that was fairly pristine, longtime landowners have found that shoddy subdivisions bring eyesore housing—sometimes with malfunctioning septic systems—and county roads that become less passable with increased traffic. The counties, in turn, find their costs skyrocketing in the form of road maintenance.

(continued on next page)

"*Elgin Bank* is a bad decision for a lot of reasons, not the least of which is that it is based on a poorly written statute. Section 232.001(a) of the TLGC governs preparations of plats by landowners who divide a tract of land—and, unfortunately, this part of the code is a masterpiece of run-on sentences and ungrammatical construction. The case hinged on the interpretation of and in the relevant section of the code.

"Travis County District Judge F. Scott McCown, sitting in the 250th District, granted summary judgment for Travis County in a case brought by the Elgin Bank of Texas, which wanted to subdivide a 150-acre tract without filing a subdivision plat or plan. Travis County officials, as counties across the estate have done for decades, read the law requiring a plat to be drawn up for almost any instance where land was being subdivided. The bank's argument was that the statute should be read to require a plat only if two conditions were met: the land was being subdivided and new roads or utility improvements were being constructed in the subdivision.

"Faced with two different interpretations—an unsurprising result, given the vagueness of the statute—McCown did the smart thing: he looked to the legislative history. What McCown found, going back to a 1927 act concerning city land development, was that the legislature always intended to make it unlawful to provide public utilities without approval of a plat. McCown also found that the county statutes were modeled on the city statutes—and that both were intended to give local officials a degree of control over development.

"In its short ruling, the Third Court ignored legislative history and instead interpreted the unwieldy grammar of the statute. The panel of Justices John Powers, J. Woodfin Jones and Mack Kidd sided with Elgin Bank, thus giving developers a huge escape clause from county regulation.

"Corrective legislation carried by Rep. Ron Lewis, D-Mauriceville, failed in a House committee. The Texas Association of Builders and the counties were at odds over how much lot acreage should continue to be exempt from county authority. The details were complex, but Andrew Erben, the builders' legislative director, acknowledges it boiled down to this: *the Elgin Bank* decision gave developers a gift that some are reluctant to return. Compromise is possible, Erben says, and his association will continue to negotiate with the counties' association, but he adds that 'some of my members' feel that even a small compromise is giving up a lot.

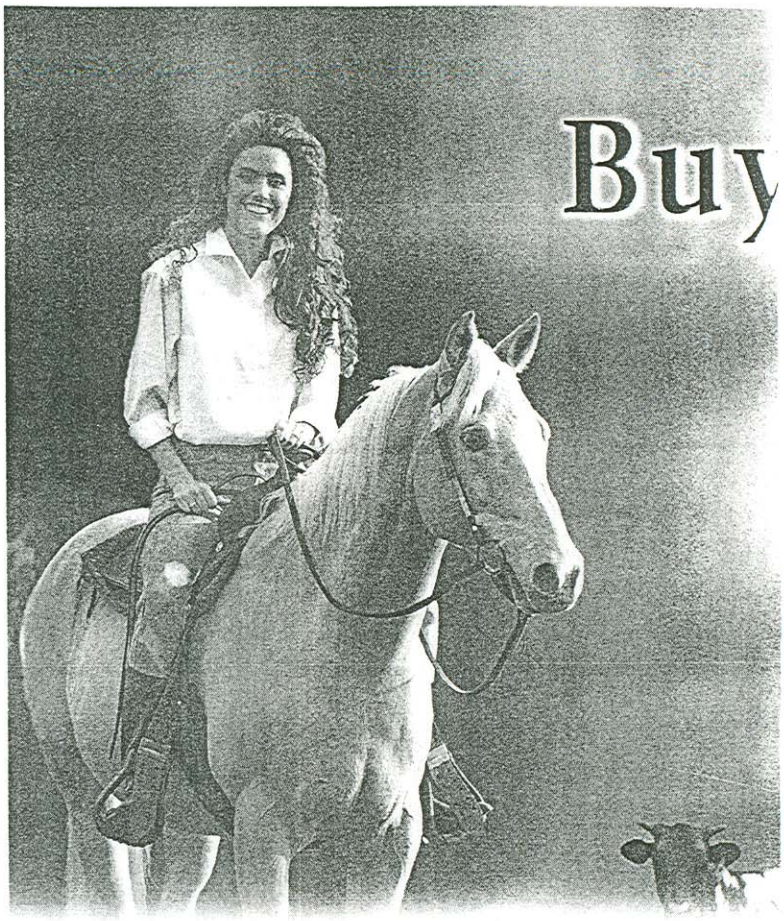
"The same market forces that drive the creation of colonias—scarcity of affordable housing, developers who offer homeowners little-to-no-money-down deals, proximity to jobs—are at work in Hays County, which is within commuting distance of Austin and even San Antonio. To most city dwellers of at least modest means, the I-35 South Ranches must look like barely habitable eyesores. But the demand for this type of housing clearly exists; the development started with 46 lots last summer and all sold out in a matter of weeks.

"*Elgin Bank* gives developments like the I-35 South Ranches a chance to proliferate, to be established almost overnight—and to put quality developers at a disadvantage. The legislature did not overturn *Elgin Bank* in the 1997 session. The next opportunity to rein in development will not come again until 1999. When it comes to developing unincorporated areas of a fast-growing county, that is an eternity.

"In the booming 1980s, Hays County's population soared by 62 percent to 65,614 residents in 1990. Already this decade the county population had increased to about 88,000.

"That's a big market for developers who work fast, sell hard and move on to the next parcel of land.

Fambrough is an attorney, member of the State Bar of Texas and senior lecturer with the Real Estate Center at Texas A&M University.



By Charles E. Gilliland

Many potential buyers find the process of purchasing rural land inherently stressful. Generally, such purchases represent a substantial investment; mistakes are especially costly. Inexperienced buyers may be unaware of possible pitfalls. Because of the underlying financial risks, they may be wise to engage an experienced real estate agent for assistance. In addition, some basic guidelines are useful.

Land buying involves four phases:

- locating the property,
- identifying desired land characteristics and property rights,
- valuing the property and
- completing the transaction.

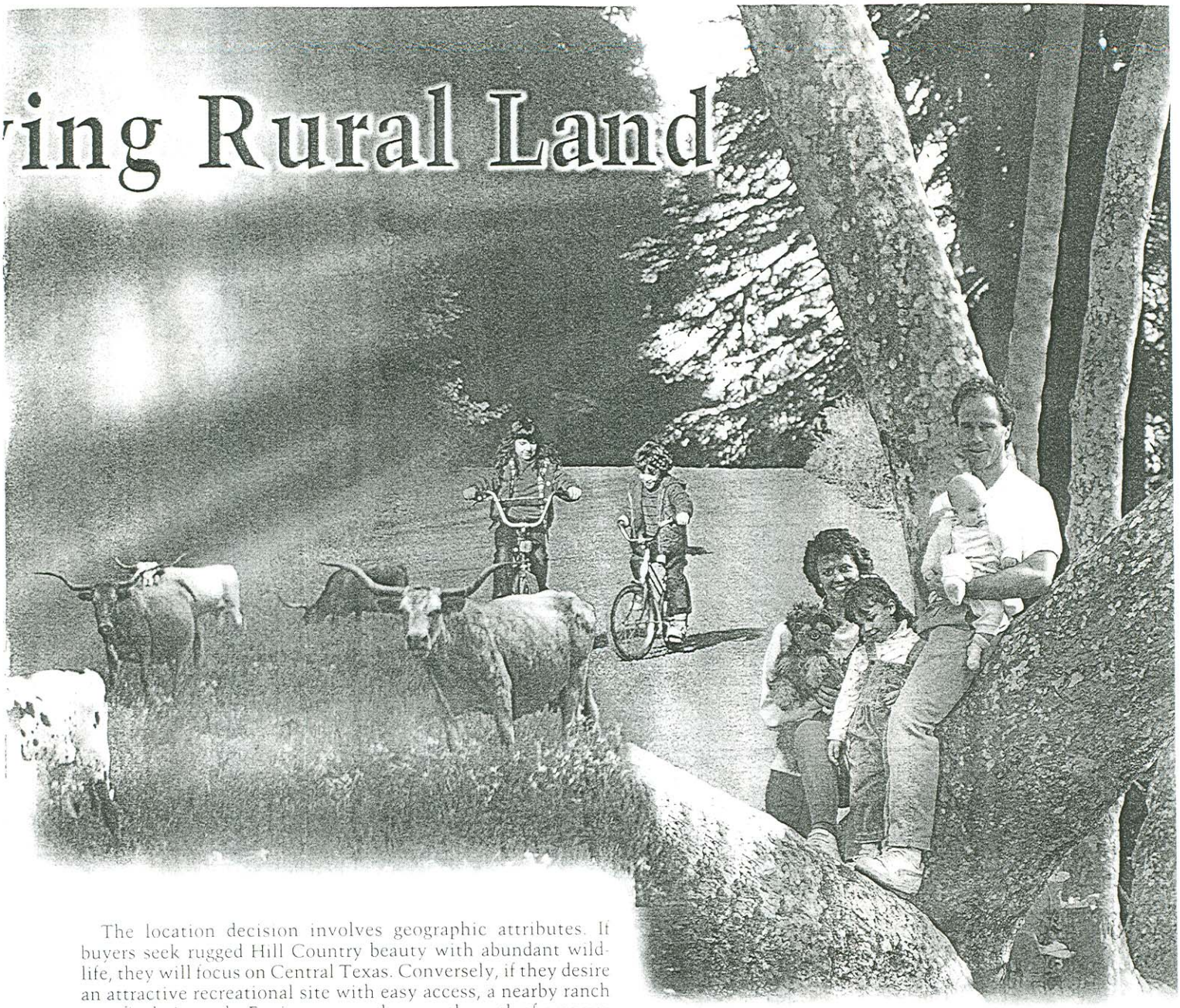
Focus on Specific Locations

Often cited as the most important attribute of real estate, location identifies the physical features of the property and defines its specific characteristics within the context of surrounding properties. More than any other single influence, location defines the potential uses of a property.

Locating a property begins with a list of specific property attributes sought by the buyer. Buyers should clearly define the major land uses they envision.

How far are they willing to drive to the property? How close should it be to a town? The distance issue also is affected by accessibility. Does the property have frontage on a paved road? Are buyers willing to sacrifice easy access for solitude and scenic beauty? Do they want access to a rural water supply system or are they willing to drill a well? The answers focus the search on specific locations.

ing Rural Land



The location decision involves geographic attributes. If buyers seek rugged Hill Country beauty with abundant wildlife, they will focus on Central Texas. Conversely, if they desire an attractive recreational site with easy access, a nearby ranch may fit their needs. For investment buyers, the path of progress determines location.

Identify Essential Features

Next, potential buyers should identify the essential features in their desired property. Do they want trees? Is a running creek a must? How much land is enough? Frequently buyers find that they have acquired too little or too much land to effectively accomplish their desired use. An honest appraisal of needs helps the buyer avoid inappropriate investments.

Often the size question depends on how much the buyer can afford to spend on land. Competing buyers and sellers have set a typical price per acre in the market, and the amount potential buyers can afford depends on their budgets. Other attributes being equal, distance from urban areas plays a determining role in land prices. For example, the closer the tract lies to San Antonio the higher the price per acre and the smaller the property many potential buyers can afford.

If a buyer needs a certain amount of land, for example 600 acres for a hunting property in the Hill Country, then typical price per acre becomes a critical issue. Price can determine size, or size can determine location. To clearly evaluate this size-distance tradeoff, potential buyers must know how much they can afford to spend. The general levels of land prices in various Texas areas are available in the Real Estate Center land value reports. These reports are published periodically, and the basic information is available at the Center's internet site (http://recenter.tamu.edu).

Understand Property Rights

Property characteristics define potential physical uses while property rights define legal ownership. Combined, the two create a market value for the land. A clear understanding of these influences assists in price negotiations.

Potential buyers should identify both physical attributes and detractions. Potential buyers should view the property as if they eventually intend to sell it. If an attribute repels potential buyers, the impact should be considered for future negotiations.

Property rights are less tangible and encompass issues from verifying ownership to identifying easements. Because they specify the potential legal uses of the land, available property

rights may be more important than physical features. If the structure of ownership prohibits a highly prized use, that defect will exert an impact on the value. For example, an attractive ranch with a pipeline easement through its center is less appealing than one without it. Until the property rights issue has been addressed, potential buyers have little basis for estimating a reasonable price.

Purchase of an undivided interest from one owner is possible, followed by action to partition the land. However, the value of a partial land interest is likely to be less than full ownership of only part of the land. For example, a buyer would likely pay less per acre for a 50 percent interest in a 100-acre tract than for full ownership of 50 acres.

Grazing lease provisions may exert a decided influence on the purchase process. The right-of-first-refusal can complicate matters for the buyer.

Some significant property rights issues include: existing lease provisions, undivided interests, mineral rights ownership, restrictive covenants, environmental regulations for endangered species, hazardous substances or wetlands, historical preservation regulations and property taxes.

Lease provisions. Initially a grazing or farming lease may seem insignificant. Most agricultural leases run for a short period; many are renewed annually. However, lease provisions may exert a decided influence on the purchase process. The right-of-first-refusal, often granted to long-term tenants, can complicate matters for a buyer. Specifically, the potential buyer invests time and effort in negotiating the best price possible only to see the tenant step in to purchase the land. Potential buyers may avoid negotiating for properties with a right-of-first-refusal.

Undivided interest. Another difficulty can arise when several individuals own undivided interests in the land, such as heirs to a family ranch or farm. Although it does not automatically guarantee problems, undivided interests complicate the negotiation process when all owners do not wish to sell. Purchasing such property may present a negotiating challenge. All owners must be committed to a sale.

"Potential buyers should inquire about the possibility of mineral exploration."

Mineral rights. Mineral ownership can be important for land buyers, especially when less than half of the minerals transfer with ownership. Mineral owners dominate surface owners. This means that a mineral owner, or the lessee, can enter the property to extract the minerals without obtaining permission from the landowner. Thus, if minerals belong to another person, a landowner has little control over oil and gas drilling. Furthermore, if the current owner has executed a lease with a producer, that lease remains in force even if the minerals transfer with the surface.

Mineral rights have been a fixture in the Texas land market for many years and do not doom a sale. However, a potential buyer should not purchase property without inquiring about the possibility of mineral exploration.

Restrictive covenants. Some land titles contain restrictive covenants that constrain use. Restrictive covenants are sometimes called *deed restrictions*, and they typically attempt to ensure a particular level of land use. A commonly encountered deed restriction requires an owner to build a home with a specified minimum area. Restrictive covenants have an effect similar to zoning. However, enforcement of restrictive

covenants for rural land generally depends on legal action by individuals rather than on government enforcement.

Most problems with restrictive covenants occur when a buyer is uninformed. The solution lies in identifying possible restrictions before completing the transaction. Then both buyer and seller can take the restrictions into account.

Environmental regulations. Environmental regulations may signal potential problems for landowners. Consequently, buyers should identify possible issues prior to closing. Like restrictive covenants, endangered species regulations or the presence of wetlands can limit land uses. The presence of hazardous substances may create an onerous liability for anyone taking title to land. The Real Estate Center has several publications on such issues.

Known endangered species are protected under federal law, including required preservation of their habitat. Owners of land harboring an endangered animal likely will find severe restrictions on land use. In some cases, restrictions have halted most human activity in endangered species habitat.

No one can predict whether a particular property may become the home of an endangered species as more endangered plants and animals are identified. However, the buyer's awareness of existing endangered species habitat and of the identity of threatened species that may acquire endangered status is helpful.

Historical sites need not prevent a transaction if buyers know the implications before purchase and negotiate accordingly.

Historic preservation regulations. Like environmental regulations, historic preservation regulations can affect owners of historical sites. When a land sale includes a historical structure, owners often regard the site with pride. However, buyers may find historic preservation restrictions troublesome. Historical sites need not prevent a transaction if buyers know the implications before purchase and negotiate price accordingly.

Property taxes. Another potential stumbling block for land buyers that could affect price negotiations is the appraisal method used to determine taxes. If the current owner has been taxed under the Texas open-space provision, the liability for a potential rollback tax passes to the new owner.

Open-space treatment depends on establishing a record of past and continuing land use for agriculture or timber production. Providing wildlife habitat qualifies as an agricultural use under certain conditions. When the land receives open-space treatment, property tax liability depends on agricultural use value rather than market value. Often, open-space status results in a substantial tax reduction. However, when land use changes, the *Texas Property Tax Code* imposes an additional tax equal to the difference between taxes based on market value and taxes based on use value for the past five years. It also imposes a liability for interest on the rollback taxes.

Frequently, open-space tax treatment creates no difficulties, but potential problems emerge when the seller has benefited from reduced taxes and a buyer adopts a nonqualifying land use soon after purchase. Changing the use triggers the rollback and imposes a tax lien on the land for the rollback tax plus interest. Despite the seller's receiving the benefit, the land buyer typically assumes this added tax burden.

This situation may generate law suits between buyers and former owners. Buyers point to the reduced tax enjoyed by the seller for the years preceding the change. Sellers contend that they have no control over a buyer's land-use decisions and did not anticipate the change to a nonqualifying use. After litigation, the owner still must pay the rollback tax to clear the land title. If open-space rollback taxes are a potential outcome of the purchase, buyers should resolve the issue during negotiations.

Valuing the Property

Valuing land is a specialized activity requiring knowledge of local markets and the influence of property features on prices. Landowners know about the positive features of their land and usually hope to receive more than top dollar. Land buyers may have little access to information about local prices. The specific price essentially summarizes a property's current condition and its future value in a competitive market.

Land price reports (see page 23) may assist buyers as they begin to formulate an offering price. However, these reports reflect general market conditions rather than particular farms or ranches. Buyers negotiating in unfamiliar markets may find an informed real estate professional's assistance valuable.

Completing the Transaction

After negotiating a price, a land purchase normally culminates in a contract. Typically, the buyer commits to buy and the seller promises to provide a deed, indicating a satisfactory transaction. However, all deeds are not equal, and some apparent sales are not sales. For example, a young couple wanted a particular tract and inquired about the property of a nearby homeowner. The homeowner offered to provide a deed for a cash payment. The couple paid the cash, and the homeowner delivered the deed.

The buyers, however, discovered that their deed was a *quit claim deed* instead of the more familiar *warranty deed*. The quit claim deed simply stipulates that the person providing the deed relinquishes any claim to the property in favor of the person receiving the deed. It does not guarantee or warrant that the person executing the deed even had a claim to the property. Had the homeowner owned the tract of land, title would have passed with the quit claim deed. However, in this case, the homeowner did not own an interest in the property, and the deed conveyed nothing.

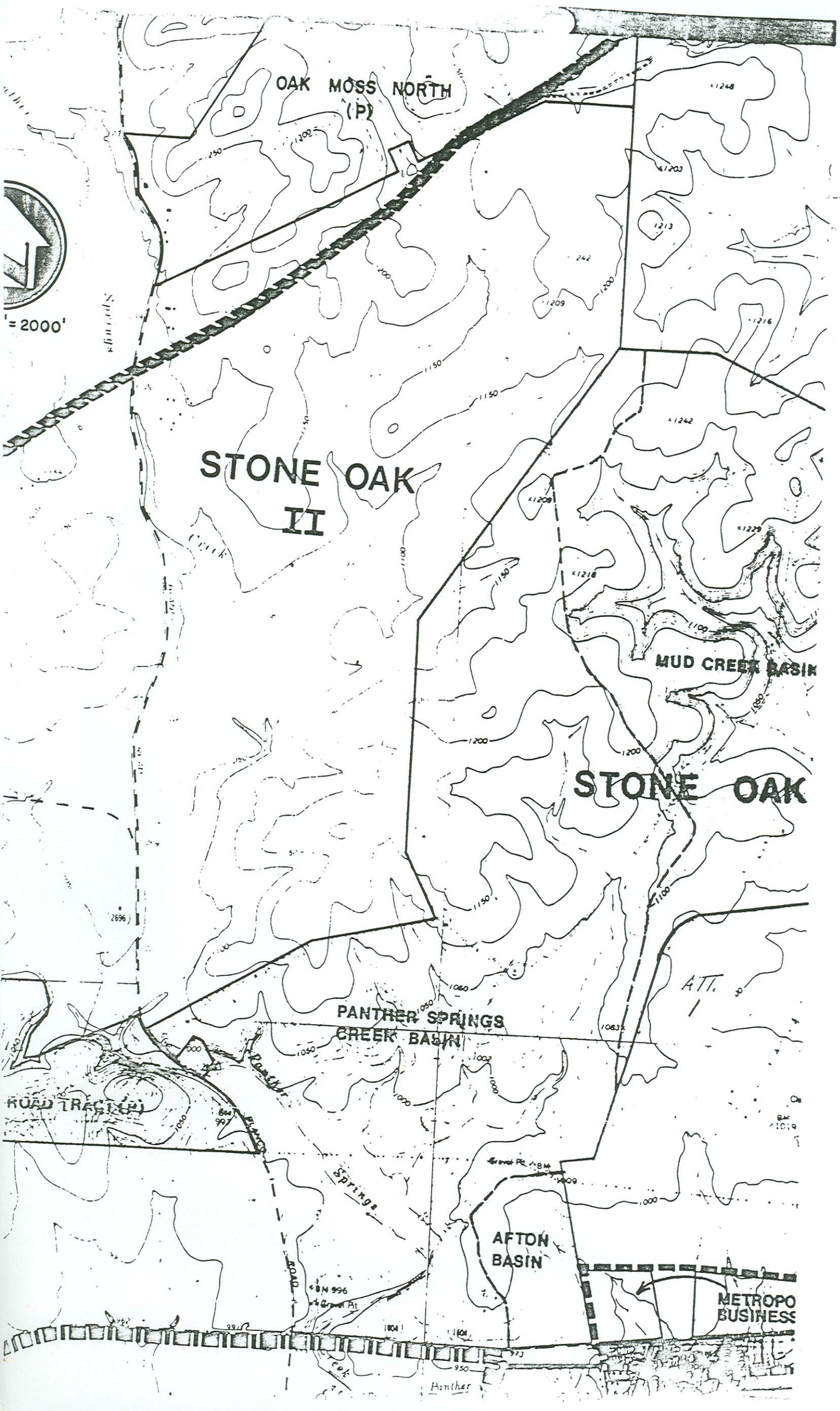
Buyers frequently enter a transaction through a *land contract* or *contract for deed*. These documents typically obligate the land owner to give the buyer a deed after a specified number of payments. These documents essentially represent installment sales contracts and normally include interest payments. They also provide for cancellation of the seller's obligation if the buyer defaults on scheduled payments. When that occurs, the buyer has no claim on the land, and the owner can sell it to another party.

A land contract is a legal way to provide owner financing. Difficulties arise when buyers mistakenly believe that they have purchased the land. However, they will receive a deed only when they have made all payments. This detail was pivotal in the 1980s when homebuyers purchased houses from a certain builder on a land contract. They paid the builder who had borrowed against the homes. The home sales market collapsed, and the builder ceased to pay the lender holding a lien on the houses. The homebuyers believed that they were making mortgage payments until the real mortgage company foreclosed on the homes.

These difficulties by no means represent all problems for land buyers. Buyers unfamiliar with different properties in their target area, property values and different legal documents should avoid completing a transaction without competent assistance. Because land investment represents a substantial financial commitment, buyers should reduce risk by gathering facts and seeking assistance from competent legal and real estate professionals, preferably those who specialize in rural land.

Dr. Gilliland is a research economist with the Real Estate Center at Texas A&M University.

Land buyers may have little access to information about local prices.


OAK MOSS NORTH
(P)
= 2000'
STONE OAK
II
MUD CREEK BASIN
STONE OAK
PANTHER SPRINGS
CREEK BASIN
ROAD TRACT (P)
AFTON
BASIN
METROPO
BUSINESS