

**AGREEMENT FOR ANNEXATION OF
LEGENDS WAY SUBDIVISION IN AUSTIN, TRAVIS COUNTY TEXAS**

John K. Condon and Edward R. Coleman, General Partners, Williamson Creek Farms, Ltd. ("Developer"), Lumbermen's Investment Corporation ("LIC") and Onion Creek Homeowner's Association ("OCHA"), collectively referred to herein as the "Parties," enter into the following agreement concerning the development and provision of wastewater utility service to the Legends Way subdivision in Austin, Travis County, Texas, as herein provided:

WITNESSETH:

WHEREAS, Developer is a limited partnership organized and operating under the laws of the State of Texas, which owns approximately 114 acres of land on the east side of Bradshaw Road in Austin, Texas, as shown on the preliminary plat and legal description attached hereto and incorporated herein as Exhibit A, ("Preliminary Plat") which tract is adjacent to the Onion Creek and Legends Place subdivisions located on the west side of Bradshaw Road; and which Developer intends to develop as a residential subdivision to be known as Legends Way; and

WHEREAS, LIC is the owner and developer of the Onion Creek and Legends Place subdivisions; and

WHEREAS, OCHA is a property owner's association comprised of property owners in the Onion Creek and Legends Place subdivisions, the purpose of which is stated in Article IV of the Articles of Incorporation, Onion Creek Homeowners Association, Inc.; and

WHEREAS both LIC, and OCHA desire to maintain the property values, privacy, security and aesthetic beauty of the Onion Creek Subdivision; and

WHEREAS, Developer desires to develop the Legends Way subdivision with standards at a minimum commensurate with those in the Onion Creek and Legends Place subdivisions; and

NOW, THEREFORE, in consideration of the premises, mutual promises, and covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Developer, LIC, and OCHA covenant, stipulate, and agree as follows:

**ARTICLE 1
ANNEXATION OF LEGENDS WAY**

1.01 Within ten (10) days of execution of this Agreement, LIC, with the consent of Developer which is hereby granted, shall exercise its option to file a "Supplemental Declaration of Covenants" for Legends Way subdivision (the "Supplemental Declaration"), attached hereto and incorporated herein as Exhibit "B," annexing the Legends Way subdivision into the scheme of Onion Creek subdivision as permitted pursuant to Section 11(a) of the "Declaration of Covenants" for Onion Creek subdivision recorded at Volume 4678, Page 2228, et seq., of the

Deed Records of Travis County. Pursuant to such annexation, Legends Way subdivision shall become a part of the Onion Creek Homeowner's Association with all rights and duties therein.

1.02 In conjunction with and at the same time as filing the "Supplemental Declaration of Covenants" in Article 1.01 above, Developer shall file the "Declaration of Covenants, Conditions and Deed Restrictions for Legends Way Subdivision," attached hereto and incorporated herein as Exhibit "C," in the Deed Records of Travis County, Texas.

1.03 Developer shall provide a final plat for the subdivision which shall be substantially the same as the preliminary plat attached hereto as Exhibit A, subject only to revisions required for approval by the City of Austin. The final plat shall not have a greater density of Lots than that contemplated in the Preliminary Plat attached hereto and shall not exceed 268 single family residential Lots. Block L on the Preliminary Plat may be developed as a multi-family tract consisting of condominiums, townhomes, garden homes or patio homes. The final plat shall be reviewed and approved by OCHA and LIC for compliance with the covenants and deed restrictions prior to filing. If any inconsistencies with the covenants and deed restrictions exist, the final plat shall be revised accordingly prior to filing and approval by the City of Austin. The final plat shall also create and dedicate public utility easements as necessary and/or desirable for wastewater lines and operation of the wastewater utility system and shall be reviewed by OCWC prior to filing.

1.04 If Developer purchases the two (2) outlots shown on the Preliminary Plat located on Bradshaw Road and known as the "Daugherty Tracts", those lots may be subdivided into no more than a total of sixteen (16) additional single-family lots which shall not have a greater density of Lots than the previously platted Lots in the Legends Way subdivision. The Lots so created may be included on the final plat, or if previously approved, the final plat may be amended to include the Lots, and a "Supplemental Declaration of Covenants" may be filed to annex them into the scheme of Onion Creek subdivision in accordance with the terms of this agreement.

ARTICLE 2

CONSTRUCTION OF ENTRY AND CONVEYANCE OF COMMON PROPERTIES

2.01 Developer shall construct, at Developer's expense, a landscaped entry with monumentation at the entrance to the Legends Way subdivision at the intersection of Bradshaw Road and River Plantation, and a perimeter fence or wall along the subdivision boundary of Bradshaw Road. The perimeter fence shall consist of stone columns on an average of 60' centers with appropriate fencing between the columns. The fence shall extend along Bradshaw Road from the south end of Block L to the north end of Lot 12, Block A as shown on the Preliminary Plat. However, if the Daugherty Tracts are acquired by Developer, the fence shall extend north to the northern point of the northern Daugherty Tract. Developer shall, at Developer's expense, install an underground sprinkler system on all Common Properties to be conveyed to the OCHA and street lighting throughout the Legends Way subdivision. The entry, signage, landscaping, sprinkler system and street lighting plans shall be subject to approval of the New Construction Committee (as defined in Section 4.01 of the Declaration of Covenants,

Conditions and Restrictions for Legends Way Subdivision in Exhibit C attached hereto) and those improvements shall become part of the Common Properties and Common Facilities conveyed to the OCHA as herein described.

2.02 Developer agrees, at Developer's expense, to convey to OCHA all those areas of land within the Legends Way subdivision except the platted lots, streets, together with any and all existing improvements thereon, subject, however to the easements, limitations, restrictions, dedications and reservations applicable thereto by virtue of prior grants or dedications by Developer's predecessors in title. All areas of land so conveyed and improvements thereon shall be maintained by Developer until seventy-five percent (75%) of the Lots in the Property have been sold by Developer.

2.03 With regard to the property to be conveyed in 2.02 above, Developer will furnish OCHA with the following:

- (a) an owner's policy of title insurance issued by a title company designated and deemed acceptable to OCHA for all real property interests; and
- (b) tax certificates showing no delinquent taxes (current taxes to be prorated to date of closing as set forth herein); and
- (c) a general warranty deed conveying good and indefeasible title to the real property, subject only to exceptions approved by OCHA. Title shall be conveyed free and clear of any mechanics lien, materialman's lien, judgments or other encumbrances, and
- (d) copies of all recorded instruments evidencing easements affecting the property; and
- (e) a bill of sale to any personal property; and
- (f) a survey showing the location of property lines and the easements related thereto, which survey shall be sufficient to allow the title company to amend the survey exceptions; and
- (g) a copy of the final subdivision plat for Legends Way subdivision as filed with the County Clerk of Travis County, Texas.

2.04 At least thirty (30) days prior to the date of closing, Developer shall cause Title Company to furnish OCHA with a title insurance commitment for the real property involved in each conveyance, which shall include copies of all instruments referenced on Schedules "B" and "C" of said commitment, together with copies of all covenants, conditions, restrictions, and easements. OCHA shall have thirty (30) days to review the title commitment and the instruments supplied, and based upon such review, to notify Developer of any title exceptions which OCHA determines are adverse or detrimental to OCHA's intended use and maintenance of the land, by giving written notice of such determination to the Title Company. Developer shall have ninety (90) days to cure any such title exceptions. If exceptions are not cured within 90 days, OCHA may close the transaction concerning all the property including the property with the exceptions or OCHA may close the transaction concerning only the property not affected by the exception. Developer shall maintain the property so affected until any exception to title is cured and the property is conveyed to OCHA. If such written notice is not given on or before the expiration of the 30-day review period, OCHA will be considered to have approved the terms of the commitment and the instruments supplied.

2.05 The owner's policy of title insurance to be furnished hereunder shall be delivered at or subsequent to closing, dated as of the date of closing and issued to OCHA in the amount of the market value of the property guaranteeing OCHA's title to be good and indefeasible subject only to the permitted exceptions and all taxes for the current and subsequent years.

2.06 The closing hereunder shall occur on a mutually acceptable date and may be scheduled by either party upon seven (7) days prior notice to the other party of the date of the closing.

2.07 LIC may file amendments of plats or resubdivision documents for the Legends Place subdivision as needed and Developer agrees not to oppose same in any way.

2.08 Property owners in the Legends Way subdivision shall be permitted to apply for and purchase available memberships in the Onion Creek Club as provided in the Onion Creek Club rules, just as any other members of the public.

2.09 Developer shall take reasonable measures to limit and control traffic through the Onion Creek and Legends Place subdivisions, including, but not limited to directing all construction and delivery vehicles to enter the Legends Way subdivision by Bradshaw Road via the Old Lockhart Highway or FM 1327. Any contracts between Developer and contractors shall contain a contractual obligation that contractors and their subcontractors enter the Legends Way subdivision by Bradshaw Road via the Old Lockhart Highway or FM 1327 with a liquidated damages clause providing for payment of a one hundred dollar (\$100.00) fine per violation payable to OCHA.

ARTICLE 3 SALE OF PROPERTY/UTILITY

3.01 The Parties hereto acknowledge and understand that the proposed Legends Way subdivision may eventually be sold, either in part, or as a whole, and that this agreement "runs with the land" as described on Exhibit A and cannot be severed therefrom, but will continue in effect and cannot be terminated by any subsequent purchaser of either entity. Any purchaser, assign or subsequent owner of the Legends Way property is bound by the terms of this agreement which cannot be modified except by agreement of all the Parties hereto.

3.02 The parties acknowledge herein that the performance of various covenants and obligations arising hereunder shall not occur until after closing. Therefore, all covenants and obligations created by any terms and conditions of this Agreement shall survive closing of the real estate conveyances described herein and shall be binding on all parties, their heirs, successors, and assigns. Prior to filing and approval of a final plat for Legends Way subdivision, any sale of the proposed Legends Way subdivision, or any part thereof shall be made subject to the Preliminary Plat and this Agreement.

ARTICLE 4
NOTICE

4.01 The addresses of the parties for purposes of notice, correspondence or other matters arising here from shall be the following until written notice to the other parties of any change is provided:

Developer: Williamson Creek Farms, Ltd.
c/o John K. Condon, General Partner
405 Beardsley Lane
Austin, Texas 78746

Steven Hake, Attorney
1306 Guadalupe
Austin, Texas 78701
Fax: (512) 320-8809

LIC: Lumbermen's Investment Corporation
c/o Robert C. Mann
1300 South Mo-Pac Expwy. S.
Austin, Texas 78746

Wendall C. Braniff
819 Congress Avenue, Suite 1100
Austin, Texas 78701
Fax: (512) 291-1006

OCHA: President
Onion Creek Homeowner's Association
10816 Crown Colony, Suite 205
Austin, Texas 78747

Charles E. Brown
818 W. 10th Street
Austin, Texas 78701
Fax: (512) 477-5850

4.02 Any and all notices or other communications required or permitted by this Agreement or by law to be delivered to, served on or given to any party to this Agreement, by any other party to this Agreement, shall be in writing and shall be deemed properly delivered, given or served when personally delivered to any party to whom it is directed, or in lieu of personal service, three days after deposit in the United States Mail, certified, return receipt requested, postage prepaid, at the address for notices set forth in this Agreement. Any party may change this address for the purposes of this provision by giving written notice of the change to the other parties in the manner provided in this provision.

ARTICLE 5 REMEDIES

5.01 Prior to the commencement of litigation, the parties agree to submit any dispute arising hereunder not resolved by mutual agreement to non-binding arbitration, pursuant to Tex. Civ. Prac. & Rem. Code 154.027, before an impartial third party ("Arbitrator") qualified under Tex. Civ. Prac. & Rem. Code 154.052. The Arbitrator shall be selected by mutual agreement of the parties or by court order absent such agreement. Notwithstanding the foregoing, a party seeking injunctive relief may commence litigation for the purpose of seeking injunctive relief without first submitting to non-binding arbitration.

5.02 The parties acknowledge that full and faithful performance of this Agreement is material to each respective party and their willingness to be bound by the same. Accordingly, the parties agree that for any breach hereunder, excluding the failure of the TNRCC to issue a CCN, the Parties may (1) enforce the Agreement through judicially ordered specific performance; or (2) seek such other relief in equity or as may be provided by law.

ARTICLE 6 MISCELLANEOUS

6.01 This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the subject matter hereof, and no other agreement, statement or promise relating to the subject matter of this Agreement which is not contained herein shall be valid or binding,

6.02 This Agreement shall be binding on the heirs, executors, administrators, legal representatives, successors and assigns of the respective parties.

6.03 This Agreement may be amended by the mutual agreement of all of the Parties hereto in a written instrument specifically referencing this Agreement.

6.04 The headings used in this Agreement are used for administrative purposes only and do not constitute substantive matter to be considered in construing the terms of this Agreement.

6.05 Wherever the context shall so require, all words herein in the male gender shall be deemed to include the female or neuter gender, all singular words shall include the plural, and all plural words shall include the singular.

6.06 This Agreement is performable in Travis County, Texas. Venue over any cause of action arising from this agreement shall lie in the courts of Travis County, Texas and shall be subject to and interpreted by the laws of the State of Texas.

IN WITNESS WHEREOF, the Parties have executed this Agreement in duplicate originals effective on November 7, 2000.

WILLIAMSON CREEK FARMS, LTD.

By: _____

John K. Condon, General Partner

By: _____

Edward R. Coleman, General Partner

LUMBERMEN'S INVESTMENT CORPORATION

By: _____

Robert A. Mann, Senior Vice-President

ONION CREEK HOMEOWNER'S ASSOCIATION

By: _____

Wayne Sanders, President

ACKNOWLEDGMENTS

STATE OF TEXAS

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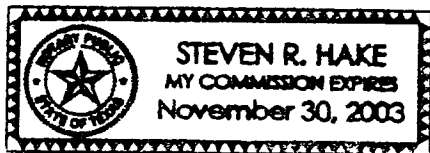
COUNTY OF TRAVIS

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Before me, the undersigned authority, on this day personally appeared John K. Condon, General Partner, WILLIAMSON CREEK FARMS, LTD. known to me to be the person whose name is subscribed on the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office on this the 2nd day of November, 2000.



Steven R. Hake
Notary Public in and for Travis County, Texas

My commission expires _____

(Printed or stamped name)

STATE OF TEXAS

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COUNTY OF TRAVIS

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Before me, the undersigned authority, on this day personally appeared Edward R. Coleman, General Partner, WILLIAMSON CREEK FARMS, LTD. known to me to be the person whose name is subscribed on the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office on this the 2nd day of November, 2000.



Steven R. Hake
Notary Public in and for Travis County, Texas

My commission expires _____

(Printed or stamped name)

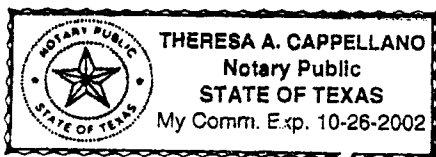
STATE OF TEXAS

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COUNTY OF TRAVIS

Before me, the undersigned authority, on this day personally appeared Robert C. Mann, Senior Vice-President, LUMBERMEN'S INVESTMENT CORPORATION known to me to be the person whose name is subscribed on the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office on this the 7th day of November, 2000.



Theresa A. Cappellano
Notary Public in and for Travis County, Texas

My commission expires 10-26-2002

(Printed or stamped name)

STATE OF TEXAS

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COUNTY OF TRAVIS

Before me, the undersigned authority, on this day personally appeared Wayne Sanders, President, UNION CREEK HOMEOWNER'S ASSOCIATION, known to me to be the person whose name is subscribed on the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office on this the 2nd day of November, 2000.

Teresa L. Hall

Notary Public in and for Travis County, Texas

My commission expires 6/11/01

Teresa L. Hall
(Printed or stamped name)

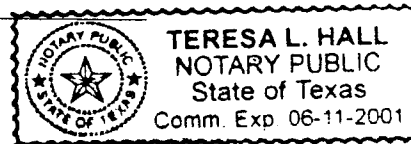


EXHIBIT "A"

BEGINNING at an iron pipe for the north corner of the
aforementioned 114.172 acre remainder of an original 130 acre
tract, same being a point in the centerline of Rinard Creek
and also being in the east right-of-way line of Bradshaw
Road (ROW Varies);

THENCE southerly along said centerline of Rinard Creek the
following seven (7) courses:

1. S 33°59'17" E a distance of 320.17 feet to a point
for corner;
2. S 01°14'21" E a distance of 476.79 feet to a point
for corner;
3. S 05°24'16" E a distance of 244.83 feet to a point
for corner;
4. S 02°43'44" E a distance of 141.43 feet to a point
for corner;
5. S 21°17'09" W a distance of 100.40 feet to a point
for corner;
6. S 12°50'30" E a distance of 92.44 feet to a point for
corner;
7. S 50°05'05" E a distance of 79.59 feet to a point for
the northwest corner of that certain 9.18 acre tract
described in deed to Alvin Kruemcke recorded in
Volume 856, Page 335 of the Deed Records of Travis
County, Texas;

THENCE southeasterly along the common line between said 9.18
acre tract and said 114.172 acre tract the following three
(3) courses:

1. S 22°52'19" W a distance of 35.75 feet to a point for
corner;
2. S 44°39'07" E a distance of 1,303.11 feet to a point
for corner;
3. N 28°14'07" W a distance of 136.34 feet to a point
for corner in the aforementioned Rinard Creek;

HENCE easterly along said centerline of Rinard Creek the
following sixteen (16) courses:

1. S 83°03'10" E a distance of 77.84 feet to a point for
corner;

2. S 55°39'28" E a distance of 59.94 feet to a point for corner;
3. N 64°20'34" E a distance of 54.21 feet to a point for corner;
4. N 67°09'47" E a distance of 107.86 feet to a point for corner;
5. N 70°03'40" E a distance of 22.86 feet to a point for corner;
6. S 84°38'01" E a distance of 10.93 feet to a point for corner;
7. S 54°02'36" E a distance of 35.29 feet to a point for corner;
8. S 26°36'03" E a distance of 120.59 feet to a point for corner;
9. S 24°08'48" E a distance of 55.95 feet to a point for corner;
10. S 70°12'39" E a distance of 80.95 feet to a point for corner;
11. N 44°34'35" E a distance of 102.57 feet to a point for corner;
12. N 11°31'40" E a distance of 150.31 feet to a point for corner;
13. N 21°55'53" E a distance of 71.48 feet to a point for corner;
14. N 61°12'03" E a distance of 23.55 feet to a point for corner;
15. S 61°33'53" E a distance of 304.70 feet to a point for corner;
16. S 52°07'34" E a distance of 367.96 feet to a point for corner in the north line of that certain 53.39 acre tract conveyed to J.B. Jones by deed recorded in Volume 946, Page 332 of the Deed Records of Travis County, Texas;

HENCE westerly along the common line between said 53.39 acre tract and said 114.172 acre tract the following five (5) courses:

1. S 73°22'20" W a distance of 613.94 feet to a 12' mesquite tree in fence line for corner;
2. S 75°10'24" W a distance of 857.94 feet to an iron rod for corner;
3. S 21°32'28" W a distance of 27.77 feet to an iron rod for corner;
4. S 73°10'30" W a distance of 237.18 feet to an iron rod for corner;
5. S 73°34'02" W a distance of 784.01 feet to an iron pipe for the northeast corner of Lot 1, Hawk's Hill Subdivision recorded in Volume 83, Page 119C of the Plat Records of Travis County, Texas;

THENCE, S 73°05'50" W along the common line between said Lot 1 and the herein described tract a distance of 548.85 feet to an iron pipe for the northwest corner of said Lot 1, same being the northeast corner of that certain 1.99 acre tract conveyed to J.H. & C.B. King by deed recorded in Volume 8477, Page 957 of the Deed Records of Travis County, Texas;

THENCE S 73°39'56" W, along the common line said 1.99 acre tract and said 114.172 acre tract a distance of 590.26 feet to an iron pipe found in the north line of the aforementioned Bradshaw Road;

THENCE westerly and northerly along said Bradshaw Road the following three (3) courses:

1. N 58°52'39" W a distance of 424.39 feet to the point of curvature of a curve to the right;
2. a distance of 398.09 feet along the arc of said curve to the right having a central angle of 88°25'36", a radius of 257.94 feet and a chord which bears 359.74 feet to the point of tangency of said curve;
3. N 29°33'04" E a distance of 1,685.52 feet to an iron rod found for the southwest corner of that certain 2.00 acre tract conveyed to Edgar M. Daugherty by deed recorded in Volume 5050, Page 1101 of the Deed Records of Travis County, Texas;

THENCE along the common line between said 2.00 acre tract and said 114.172 acre tract the following three (3) courses:

1. S 60°48'44" E a distance of 207.69 feet to an iron rod for corner;
2. N 29°33'53" E a distance of 416.56 feet to an iron rod for corner;
3. N 60°34'29" W a distance of 208.60 feet to a point for corner in the aforementioned east line of Bradshaw Road;

HENCE N 29°26'23" W along said east line a distance of 58.64 feet to a point for the southwest corner of that certain 2.00 acre tract conveyed to Roy N. Daugherty, Jr. by deed recorded in Volume 7916, Page 86 of the Deed Records of Travis County, Texas;

HENCE along the common line between said 2.00 acre tract and said 114.172 acre tract the following three (3) courses:

1. S 66°58'01" E a distance of 292.17 feet to an iron pipe found for corner;
2. N 29°45'51" E a distance of 300.70 feet to an iron pipe found for corner;
3. N 67°03'52" W a distance of 293.94 feet to an iron pipe found for corner in the aforementioned east line of Bradshaw Lane;

THENCE N 29°31'00" E along said east line of Bradshaw Lane
a distance of 696.78 feet to the POINT OF BEGINNING of the
herein described TRACT I and containing 114.172 acres of
land.