

**AGREEMENT RELATING TO DECERTIFICATION OF PROPERTY
(SORENTO)**

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

This Agreement Relating to Decertification of Property (this "Agreement") is entered into by the **City of Pflugerville**, a Texas home rule municipality (the "City") and **Sorento Holdings 2012 LLC**, a Texas limited liability company ("Sorento"). The City and Sorento are hereinafter referred to collectively as the "Parties."

RECITALS

A. WHEREAS, Sorento is the owner of, or otherwise intends to acquire, certain real property located in Travis County, Texas that it desires to develop for residential and commercial purposes;

B. WHEREAS, a portion of the real property proposed to be developed by Sorento is located within the certificated water service territory of Manville Water Supply Corporation ("Manville"), as defined by Certificate of Convenience and Necessity No. 11144, and the remaining portion of the real property to be developed by Sorento is located within the certificated water and sewer service territories of the City;

C. WHEREAS, Sorento desires that the City provide retail water and wastewater service to the entirety of the development, and Sorento has therefore requested that Manville consent to the decertification of that portion of the proposed development that is located within Manville's certificated water service territory;

D. WHEREAS, Sorento intends to enter into an agreement with Manville substantially in the form attached hereto as **Exhibit "A"** (the "Manville Agreement") setting forth the terms and conditions for decertification of property from Manville's certificated water service territory;

E. WHEREAS, the City desires to be the sole provider of retail water and wastewater services to the entirety of the Sorento development;

F. WHEREAS, Sorento and the City desire to enter this Agreement in order to set forth the terms and conditions pursuant to which Sorento shall seek decertification of its property from Manville's certificated water service territory, pursuant to which the City shall pay and reimburse certain costs incurred by Sorento relating to such decertification, and to otherwise establish the agreement of the Parties relating to decertification of certain real property from Manville's certificated service territory.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereafter set forth, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

I.
DECERTIFICATION

1.1 Decertification of Sorento Property.

(a) Within thirty (30) days after the date of execution of both this Agreement and the Manville Agreement by all parties to each of the respective agreements, Sorento agrees to prepare and file a petition with the Texas Commission on Environmental Quality ("TCEQ") pursuant to Section 13.254(a-5) of the Texas Water Code (the "Decertification Petition") requesting expedited release of that certain real property more particularly described in **Exhibit "B"** attached hereto (the "Sorento Property") from Manville's certificated water service territory.

(b) Sorento agrees to provide a copy of the Decertification Petition to the City for review and comment not later than ten (10) days prior to filing thereof at TCEQ.

(c) Subject to payment and reimbursement of its costs by the City in accordance with Article III below, Sorento agrees to pay all costs and expenses associated with preparation, filing and prosecution of the Decertification Petition.

1.2 Decertification of Additional Project Lands.

(a) The City acknowledges that Sorento desires to acquire and develop those additional tracts of real property more particularly identified on **Exhibit "C"** attached hereto (the "Additional Project Lands"). The City further acknowledges that the Additional Project Lands are not currently eligible for expedited release from Manville's certificated water service territory under Section 13.254(a-5) of the Texas Water Code for various reasons, including that Sorento does not currently own the Additional Project Lands, Manville may be providing service to one or more service connections thereon, and the Additional Project Lands consist of tracts less than 25 contiguous acres.

(b) Although not eligible for expedited release under Section 13.254(a-5), the Manville Agreement provides for decertification of the Additional Project Lands in the event Sorento acquires ownership thereof. Accordingly, in the event Sorento acquires ownership of all or any portion of the Additional Project Lands, Sorento shall provide written notice thereof to the City. Upon request by Sorento, the City agrees to cooperate with Sorento and Manville as necessary to cause the release of the Additional Project Lands from Manville's certificated service territory. By way of example and without limitation, the City agrees as follows:

- (i) Upon request by Sorento, the City shall prepare, enter into, file and prosecute at TCEQ one or more service territory agreements at the City's sole cost and expense with Manville pursuant to Section 13.248 of the Texas Water Code providing for the City to be the retail service provider to the Additional Project Lands (or portion(s) thereof secured by Sorento). Except as otherwise agreed by Manville, any

such agreement shall be limited to the Additional Project Lands (or portions thereof acquired by Manville);

- (ii) In the event that Manville does not enter into such a service territory agreement or the agreement is not approved by TCEQ for any reason, then upon request of Sorento, the City agrees to prepare, file and prosecute at its sole cost and expense an application for certification of the Additional Project Lands (or portion(s) thereof secured by Sorento). Except as agreed by Manville, any such application shall be limited to the Additional Project Lands; and
- (iii) The City shall cooperate with Sorento and Manville as necessary to cause the disconnection of any service connections within the Additional Project Lands from Manville's water system, and to accomplish the transition of service to Pflugerville, at no cost to Sorento.

II. PROVISION OF CITY SERVICE

2.1 City Service. Upon decertification of the Sorento Property and all or any portion of the Additional Project Lands (collectively, the "Project Lands") from Manville's certificated water service territory, the City agrees that it shall provide retail water and wastewater services thereto in accordance with the standard terms and conditions of service applicable to other retail customers within the City except as set forth in Section 2.2 below. In the event the acquisition of the Additional Project Lands by Sorento is delayed or does not occur for any reason, the City shall nevertheless provide service to the Sorento Property.

2.2 Terms of City Service. Notwithstanding any other terms of this Agreement, the City specifically agrees as follows with respect to the provision of retail water service to the Project Lands:

- (a) Sorento shall not be responsible for costs associated with, or construction of, any offsite water infrastructure required to serve the Project Lands except those water infrastructure improvements more particularly identified in **Exhibit "D"** attached hereto; and
- (b) Sorento shall not be responsible for any impact fees, capital recovery fees, or other fees and charges associated with the provision of water service to the Project Lands, except as specifically set forth in the development agreement entered into by Sorento and the City, it being understood that the applicants for service shall be responsible for payment of all standard City connection fees and charges as applied on a City-wide basis to all applicants.

III.
PAYMENT AND REIMBURSEMENT OF COSTS

3.1 Decertification Payment.

(a) The City shall provide payment to Sorento in the amount of TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$250,000) (the “Decertification Payment”), which represents the compensation to be paid by Sorento to Manville under the Manville Agreement for release of the Sorento Property and all or any portion of the Additional Project Lands from Manville’s certificated water service territory. The City shall provide such payment within seven (7) days after Sorento provides a fully executed copy of the Manville Agreement to the City.

(b) The Decertification Payment shall be made payable to “Sorento Holdings 2012 LLC.” Sorento agrees that the Decertification Payment shall be utilized to provide compensation to Manville for release of property from its certificated water service territory, and for no other reason.

(c) Sorento agrees that if decertification of the Project Lands does not take place and Manville returns the Decertification Payment, Sorento shall tender payment thereof to the City within ten (10) days of receipt.

3.2 Reimbursement of Other Costs and Expenses.

(a) The City agrees to reimburse all costs and expenses incurred by Sorento related to or arising out of the decertification of the Project Lands from Manville’s certificated water service territory (the “Sorento Decertification Costs”). By way of example and without limitation, the Sorento Decertification Costs shall include (i) all legal fees and expenses incurred by Sorento relating to negotiation and preparation of this Agreement and the Manville Agreement; (ii) the surveying and mapping fees incurred by Sorento in connection with preparing descriptions of all or any portion of the Project Lands for decertification purposes; and (iii) costs and expenses incurred by Sorento in connection with preparation and prosecution of the Decertification Petition.

(b) Sorento will prepare and send to the City a written invoice for payment for all Sorento Decertification Costs. Each invoice submitted by Sorento for reimbursement will clearly describe the cost or expense for which reimbursement is sought, and will not seek reimbursement or payment for any costs or expenses other than Sorento Decertification Costs. Upon request of the City, Sorento agrees to make available documentation in reasonable detail evidencing any Sorento Decertification Costs for which reimbursement is sought.

(c) The City agrees to pay each invoice in full within 30 days after delivery of the invoice (the “**Due Date**”). Any amounts due to Sorento which are not paid within 30

days of delivery will accrue interest at the rate of 8% per annum from the Due Date until paid in full.

(d) Sorento agrees that the total amount of the Sorento Decertification Costs for which the City shall be obligated to reimburse Sorento shall not exceed \$25,000.00.

IV. MISCELLANEOUS

3.1 **Compliance with City Code of Ordinances.** Sorento hereby certifies that it is in compliance with, and agrees to the terms of, those requirements set forth in Sections 38.01 through 38.07 of the City of Pflugerville Code of Ordinances.

3.2 **Execution.** This Agreement may be simultaneously executed in any number of counterparts, each of which will serve as an original and, will constitute one and the same instrument.

3.3 **Governing Law.** This Agreement will be governed by the Constitution and laws of the State of Texas.

3.4 **Successors and Assigns.** The assignment of this Agreement by either Party is prohibited without the prior written consent of the other Party, which consent shall not be unreasonably withheld, delayed, or denied. All of the respective covenants, undertakings, and obligations of each of the Parties will bind that Party and will apply to and bind any successors or assigns of that Party.

3.5 **Headings.** The captions and headings appearing in this Agreement are inserted merely to facilitate reference and will have no bearing upon its interpretation.

3.6 **Partial Invalidity.** If any of the terms, covenants or conditions of this Agreement, or the application of any term, covenant, or condition, is held invalid as to any person or circumstance by any court with jurisdiction, the remainder of this Agreement, and the application of its terms, covenants, or conditions to other persons or circumstances, will not be affected.

3.7 **Waiver.** Any waiver by any Party of its rights with respect to a default or requirement under this Agreement will not be deemed a waiver of any subsequent default or other matter.

3.8 **Amendments.** This Agreement may be amended or modified only by written agreement duly authorized by the Parties.

3.9 **Cooperation.** Each Party agrees to execute and deliver all such other and further instruments and undertake such actions as are or may become necessary or convenient to effectuate the purposes and intent of this Agreement.

3.10 **Venue.** All obligations of the Parties are performable in Travis County, Texas and venue for any action arising hereunder will be in Travis County.

3.11 **Third Party Beneficiaries.** Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the Parties, any rights, benefits, or remedies under or by reason of this Agreement.

3.12 **Exhibits.** All exhibits attached to this Agreement are hereby incorporated in this Agreement as if the same were set forth in full in the body of this Agreement.

3.13 **Entire Agreement.** This Agreement, including the attached exhibit, contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes all previous communications, representations, or agreements, either verbal or written, between the Parties with respect to such matters.

3.14 **Notices.** Any notices given under this Agreement will be effective if (i) forwarded to a Party by hand-delivery; (ii) transmitted to a Party by confirmed telecopy; or (iii) deposited with the U.S. Postal Service, postage prepaid, certified, to the address of the Party indicated below:

PFLUGERVILLE:

Brandon Wade, City Manager
City of Pflugerville
100 East Main Street, Suite 300
P.O. Box 589
Pflugerville, TX 78691
Fax: 512-990-4364

SORENTO:

Mr. David Nairne
Sorento Holdings 2012 LLC
9111 Jollyville Road
Suite 212
Austin, Texas 78731
Fax: 604-681-8861

With copy to:

Mr. Anthony S. Corbett
Freeman & Corbett
8500 Bluffstone Cove, Suite B-104
Austin, Texas 78759
Fax: (512)453-0865

5.15 **Exhibits.** The following exhibits are attached to this Agreement and incorporated herein by reference:

- Exhibit A - Manville Agreement
- Exhibit B - Description of Sorento Property
- Exhibit C - Description of Additional Project Lands

5.16 **Authority.** Each Party represents and warrants that it has the full right, power and authority to execute this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be signed, sealed and attested in duplicate by their duly authorized officers, to be effective as of the last date of execution below.

ATTEST:

CITY OF PFLUGERVILLE:

City Secretary

By: _____
Printed Name: _____
Title: _____
Date: _____

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

THIS INSTRUMENT was acknowledged before me on this ___ day of _____, 2013, by _____, as _____, of the City of Pflugerville, a Texas home-rule city, on behalf of said city.

SORENTO HOLDINGS 2012, LLC

By: _____

Printed Name: _____

Title: _____

Date: _____

THE STATE OF TEXAS

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COUNTY OF TRAVIS

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THIS INSTRUMENT was acknowledged before me on this ___ day of _____, 2013, by _____, as _____, of Sorento Holdings 2012, LLC, a Texas limited liability company, on behalf of said limited liability company.

EXHIBIT A

Form of Manville Agreement

AGREEMENT RELATING TO DECERTIFICATION OF PROPERTY

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

This Agreement Relating to Decertification of Property (this "Agreement") is entered into by **Manville Water Supply Corporation**, a Texas nonprofit water supply corporation ("Manville") and **Sorento Holdings 2012 LLC**, a Texas limited liability company ("Sorento"). Manville and Sorento are hereinafter referred to collectively as the "Parties."

RECITALS

A. WHEREAS, Sorento is the owner of, or otherwise intends to acquire, certain real property located in Travis County, Texas that it desires to develop for residential and commercial purposes;

B. WHEREAS, a portion of the real property proposed to be developed by Sorento is located within the certificated water service territory of Manville, as defined by Certificate of Convenience and Necessity No. 11144, and the remaining portion of the real property to be developed by Sorento is located within the certificated water and sewer service territories of the City of Pflugerville, Texas;

C. WHEREAS, Sorento desires that a single retail public utility provide retail water and wastewater service to the entirety of the development, and has therefore requested that Manville consent to the decertification of that portion of the proposed development that is located within Manville’s certificated water service territory; and

D. WHEREAS, Manville and Sorento desire to enter into this Agreement to provide for the release of certain property proposed to be developed by Sorento from Manville’s certificated water service territory so that the City of Pflugerville may provide retail water and sewer service thereto.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereafter set forth, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

I.

RELEASE OF SERVICE TERRITORY

1.1 Decertification of Sorento Property.

(a) Subject to the terms and conditions of this Agreement, Manville consents to the decertification and release of that certain real property more particularly described in **Exhibit "A"** attached hereto (the "Sorento Property") from Manville’s certificated water service territory, as defined by Certificate of Convenience and Necessity No. 11144.

(b) The Parties agree that Sorento shall file a petition with the Texas Commission on Environmental Quality (“TCEQ”) pursuant to Section 13.254(a-5) of the Texas Water Code (the “Decertification Petition”) requesting expedited release of the Sorento Property from Manville’s certificated water service territory. Sorento shall pay or cause to be paid all costs and expenses associated with preparation and filing of the Decertification Petition.

(c) Manville agrees to not oppose the Decertification Petition. By way of example and without limitation, Manville agrees that it will not request that TCEQ deny the Decertification Petition, and will not assert any rights under 7 U.S.C.A. §1926(b) to oppose decertification of the Sorento Property.

(d) Upon request by Sorento, Manville agrees that it shall promptly prepare and file correspondence with TCEQ and any other regulatory authorities with jurisdiction indicating that it has no objection to the release and decertification of the Sorento Property from Manville’s certificated service territory, and inclusion thereof in the City of Pflugerville’s certificated service territory.

(e) To the extent Manville has any federal indebtedness to the United States Department of Agriculture-Rural Development (“USDA-RD”) that is secured by Manville’s certificated water service territory, Manville agrees to promptly seek and secure the consent of USDA-RD for decertification of the Sorento Property from Manville’s certificated service territory and for release of the Sorento Property as collateral under the USDA-RD loan. Manville agrees to file a request for such consent within ten (10) days of the date of execution of this Agreement by the Parties, and thereafter diligently continue prosecution of the request to completion.

1.2 Decertification of Additional Lands.

(a) The Parties acknowledge and agree that Sorento intends to acquire and develop those additional tracts of real property more particularly identified on **Exhibit “B”** (the “Additional Lands”). The Parties further acknowledge that the Additional Lands are not currently eligible for expedited release from Manville’s certificated water service territory under Section 13.254(a-5) of the Texas Water Code for various reasons, including that Sorento does not currently own the Additional Lands, Manville may be providing service to one or more service connections thereon, and the Additional Lands consist of tracts less than 25 contiguous acres.

(b) In the event Sorento acquires ownership of all or any portion of the Additional Lands and desires retail water service for such lands from the City of Pflugerville, Manville consents to the decertification and release of the Additional Lands from Manville’s certificated water service territory, as defined by Certificate of Convenience and Necessity No. 11144.

(c) Manville agrees to cooperate as necessary to cause the release of the Additional Lands from Manville’s certificated service territory. By way of example, Manville agrees to enter into one or more service territory agreements with the City of Pflugerville

pursuant to Section 13.248 of the Texas Water Code providing for the City of Pflugerville to be the retail service provider to such lands and/or Manville agrees to not protest any application filed by the City of Pflugerville for certification of the Additional Lands.

(d) Sorento shall provide written notice to Manville in the event it acquires all or any portion of the Additional Lands and desires service for such tracts from the City of Pflugerville.

(e) Manville agrees to not oppose the decertification of the Additional Lands. By way of example, Manville will not assert any rights under 7 U.S.C.A. §1926(b) to oppose decertification of the Additional Lands. Upon request by Sorento, Manville agrees that it shall promptly prepare and file correspondence with TCEQ and any other regulatory authorities with jurisdiction indicating that it has no objection to the release and decertification of the Additional Lands from Manville's certificated service territory, and inclusion thereof in the City of Pflugerville's certificated service territory.

(f) To the extent Manville has any federal indebtedness to the United States Department of Agriculture-Rural Development ("USDA-RD") that is secured by Manville's certificated water service territory, Manville agrees to promptly seek and secure the consent of USDA-RD for decertification of the Additional Lands from Manville's certificated service territory and for release of the Additional Lands as collateral under the USDA-RD loan, upon receipt of written notice from Sorento under Section 1.2(c) above.

1.3 Service by Pflugerville.

(a) Sorento agrees that it shall not seek or allow retail water service to be provided to any lands within the Sorento Property or Additional Lands by the City of Pflugerville until after Sorento provides the Decertification Payment to Manville, as described in Article II below.

(b) In the event that Manville is a party to any contract(s) with the City of Pflugerville or any other person or entity that provides Manville shall be the retail water service provider to the Sorento Property or Additional Lands, Manville agrees to promptly amend or terminate such agreements concurrent with receipt of the Decertification Payment as necessary to allow the City of Pflugerville to provide retail water service to the Sorento Property and Additional Lands.

(c) Subject to receipt of the Decertification Payment, Manville shall take no action that interferes with the provision of retail water and sewer services to the Sorento Property or Additional Lands by the City of Pflugerville.

(d) In the event, after receipt by Manville of the Decertification Payment, the City of Pflugerville desires to amend its water certificate of convenience and necessity to include the Sorento Property or Additional Lands, Manville agrees that it shall not

oppose such efforts, and will not protest the application filed by the City of Pflugerville.

(e) In the event the Decertification Petition is not approved by TCEQ for any reason, Manville agrees that the City of Pflugerville may file an application to remove the Sorento Property and/or Additional Lands from Manville's certificated water service territory and to include the Property within the City's certificated water service territory. Manville agrees that it will not oppose any such application for decertification and certification..

II. COMPENSATION

2.1 Decertification Payment.

(a) Within fifteen (15) days of execution of this Agreement by both of the Parties, Sorento agrees to deposit with Manville the amount of TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$250,000) (the "Decertification Payment"), to be held in trust subject to satisfaction of both of the following (collectively, the "Payment Release Conditions"):

- (i) final approval by TCEQ of the Decertification Petition (or certification of the Sorento Property by the City of Pflugerville in the event the Decertification Petition is not approved); and
- (ii) receipt of evidence that USDA-RD has consented to release of the Sorento Property as collateral under the USDA-RD loan, if applicable.

(b) The Decertification Payment shall be held in trust in the "Karl H. Moeller Trustee IOLTA Account" at Frost Bank Texas, Account Number 591280732, pending satisfaction of both of the Payment Release Conditions.

(c) Upon satisfaction of both of the Payment Release Conditions, Manville shall be entitled to the Decertification Payment. In the event the Sorento Property is not released from Manville's service territory notwithstanding the Parties' efforts pursuant to the terms of this Agreement, then Manville shall return the Decertification Payment to Sorento upon the request of Sorento following the determination by Sorento that the decertification will not be achieved.

(d) Notwithstanding any other provision in this Agreement, in the event that TCEQ approves the Decertification Petition but Manville does not secure USDA-RD consent to release of the Sorento Property as loan collateral, Sorento may nevertheless elect to receive retail water service to the Sorento Property from the City of Pflugerville. Under such circumstances, Manville shall be entitled to the Decertification Payment.

(e) The Parties acknowledge that the Decertification Payment is intended to compensate Manville for release of the Sorento Property and the Additional Lands.

2.2 **No Methodology.** The Parties acknowledge and agree that the Decertification Payment is an arbitrary number not supported by any particular methodology or calculation, and shall not be precedential as to any future similar transactions. Sorento acknowledges that the amount of payment has been agreed to by Manville primarily as a gesture of cooperation, conciliation, and good will toward Sorento and the City of Pflugerville, and in furtherance of Manville and the City's joint efforts to collaborate in water planning in the general area.

III. MISCELLANEOUS

3.1 **Execution.** This Agreement may be simultaneously executed in any number of counterparts, each of which will serve as an original and, will constitute one and the same instrument.

3.2 **Governing Law.** This Agreement will be governed by the Constitution and laws of the State of Texas.

3.3 **Successors and Assigns.** The assignment of this Agreement by either Party is prohibited without the prior written consent of the other Party. All of the respective covenants, undertakings, and obligations of each of the Parties will bind that Party and will apply to and bind any successors or assigns of that Party.

3.4 **Headings.** The captions and headings appearing in this Agreement are inserted merely to facilitate reference and will have no bearing upon its interpretation.

3.5 **Partial Invalidity.** If any of the terms, covenants or conditions of this Agreement, or the application of any term, covenant, or condition, is held invalid as to any person or circumstance by any court with jurisdiction, the remainder of this Agreement, and the application of its terms, covenants, or conditions to other persons or circumstances, will not be affected.

3.6 **Waiver.** Any waiver by any Party of its rights with respect to a default or requirement under this Agreement will not be deemed a waiver of any subsequent default or other matter.

3.7 **Amendments.** This Agreement may be amended or modified only by written agreement duly authorized by all Parties.

3.8 **Cooperation.** Each Party agrees to execute and deliver all such other and further instruments and undertake such actions as are or may become necessary or convenient to effectuate the purposes and intent of this Agreement.

3.9 **Venue.** All obligations of the Parties are performable in Travis County, Texas and venue for any action arising hereunder will be in Travis County.

3.10 **Third Party Beneficiaries.** Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the Parties, any rights, benefits, or remedies under or by reason of this Agreement.

3.11 **Exhibits.** All exhibits attached to this Agreement are hereby incorporated in this Agreement as if the same were set forth in full in the body of this Agreement.

3.12 **Entire Agreement.** This Agreement, including the attached exhibit, contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes all previous communications, representations, or agreements, either verbal or written, between the Parties with respect to such matters.

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be signed, sealed and attested in duplicate by their duly authorized officers, as of the last date of execution below.

Manville:

Manville Water Supply Corporation

By: _____
Name: _____
Title: _____
Date: _____

Sorento:

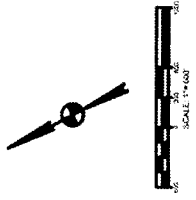
Sorento Holdings 2012, LLC

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT A

Description of Sorento Property

The Sorento Property consists of that certain approximate 119.023-acre tract of real property, and that certain approximate 237.56-acre tract of real property, both of which are more particularly described in the Special Warranty Deed dated September 28, 2012 and recorded as Document No. 2012164042 in the Official Public Records of Travis County, Texas



SORENTO
EXHIBIT A
PROPERTY AREA
374.21 AC.

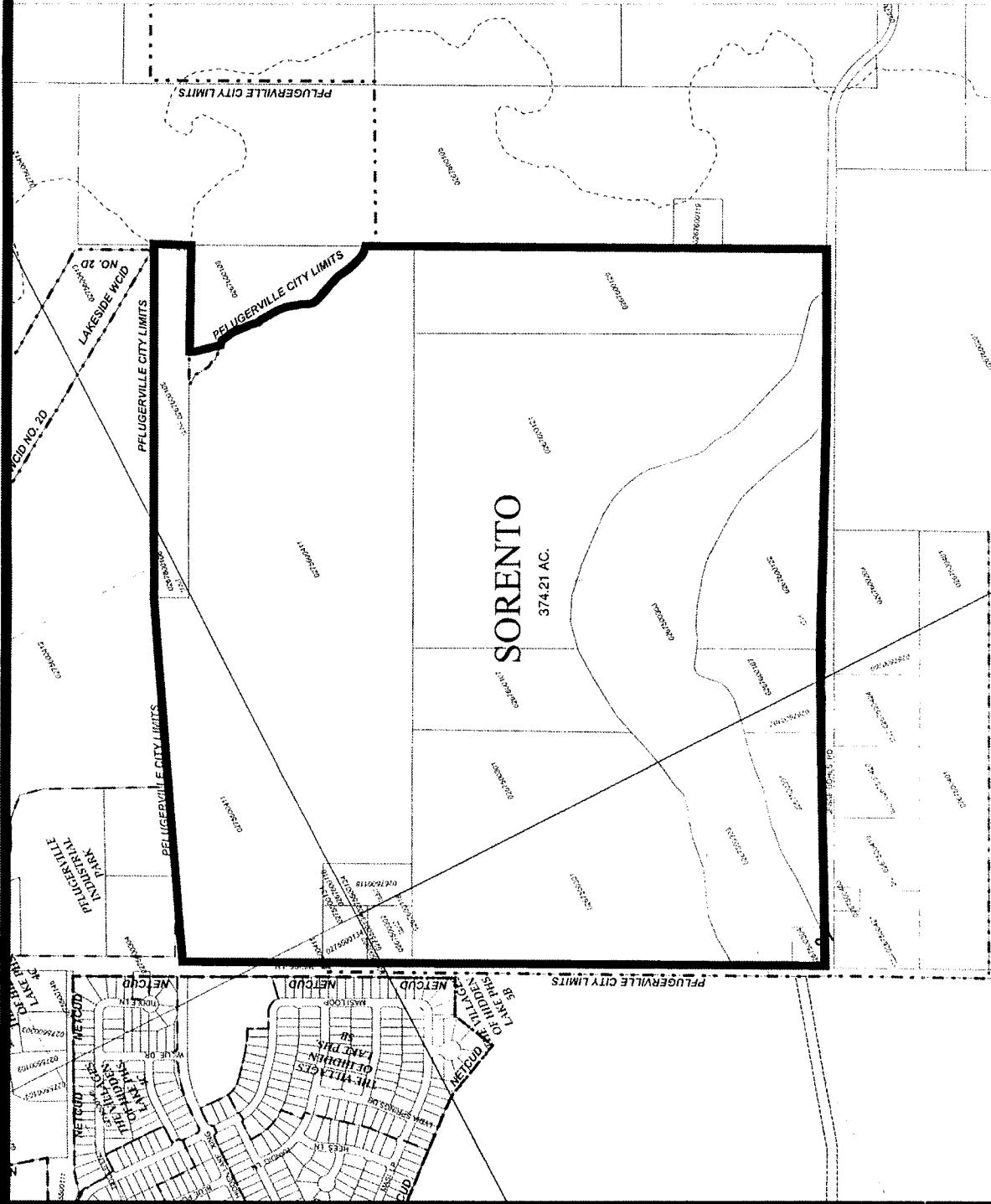


Exhibit "B"

Description of Additional Lands

The Additional Lands consist of the following tracts of real property:

1. That certain approximate 3.00-acre tract of real property more particularly described in the Warranty Deed with Vendor's Lien dated December 1, 1999 and recorded as Document No. 199148172 in the Official Public Records of Travis County, Texas;
2. That certain approximate 2.00-acre tract of real property more particularly described in the Warranty Deed with Vendor's Lien dated May 23, 2000 and recorded as Document No. 2000087383 in the Official Public Records of Travis County, Texas;
3. That certain approximate 2.00-acre tract of real property more particularly described in the General Warranty Deed dated January 25, 1999 and recorded at Volume 13357, Page 889. of the Official Public Records of Travis County, Texas; and
4. That certain approximate 10.00-acre tract of real property more particularly described in the General Warranty Deed dated October 29, 1997 and recorded at Volume 13115, Page 987. of the Official Public Records of Travis County, Texas;

EXHIBIT "B"

Description of Sorento Property

The Sorento Property consists of that certain approximate 119.023-acre tract of real property, and that certain approximate 237.56-acre tract of real property, both of which are more particularly described in the Special Warranty Deed dated September 28, 2012 and recorded as Document No. 2012164042 in the Official Public Records of Travis County, Texas.

EXHIBIT "C"

Description of Additional Project Lands

The Additional Project Lands consist of the following tracts of real property:

1. That certain approximate 3.00-acre tract of real property more particularly described in the Warranty Deed with Vendor's Lien dated December 1, 1999 and recorded as Document No. 199148172 in the Official Public Records of Travis County, Texas;
2. That certain approximate 2.00-acre tract of real property more particularly described in the Warranty Deed with Vendor's Lien dated May 23, 2000 and recorded as Document No. 2000087383 in the Official Public Records of Travis County, Texas;
3. That certain approximate 2.00-acre tract of real property more particularly described in the General Warranty Deed dated January 25, 1999 and recorded at Volume 13357, Page 889. of the Official Public Records of Travis County, Texas; and
4. That certain approximate 10.00-acre tract of real property more particularly described in the General Warranty Deed dated October 29, 1997 and recorded at Volume 13115, Page 987. of the Official Public Records of Travis County, Texas;

Exhibit "D"

Description of Offsite Water Improvements