

STATE OF TEXAS

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COUNTY OF WILLIAMSON

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PETITION FOR ESTABLISHMENT OF PUBLIC IMPROVEMENT DISTRICT

TO THE COMMISSIONER'S COURT OF WILLIAMSON COUNTY, TEXAS:

The undersigned landowners (the "Petitioners"), pursuant to the Public Improvement District Assessment Act, Chapter 372.001 et seq., Local Government Code, V.A.T.S. (The "Act"), respectfully petition the Williamson County Commissioner's Court for the establishment of the Clearwater Ranch Public Improvement District (the "District"). This Petition is submitted and filed upon the express condition that prior to the approval and adoption by the governing body of the County of an Order creating and authorizing the District, the Petitioners and the County shall have agreed upon the form and content of all orders and other documents and agreements necessary to create the District and levy special assessments upon the property that will pay for the creation and administration of the District and for the design, acquisition, and construction of the District Improvements (hereinafter defined) including, but not limited to, the form and content of: (1) the Order; (2) an agreement for private sector management of the District; (3) an order determining the total cost of the District Improvements, establishing the method of assessment, and apportioning all costs of the District Improvements to the District; (4) the proposed assessment roll for the District; and (5) the order levying special assessments against the Property.

In support of said Petition, Petitioners would show the City Council the following:

1. General nature of proposed improvements.

The creation of this District will provide for public infrastructure improvements classified into the following categories: public roadways and related

appurtenances, drainage improvements and common area walkways, and landscaping; and other improvement expenses as is detailed and more fully listed and shown in pictures in Exhibit "A" (hereinafter "District Improvements").

2. Estimated cost of District Improvements.

The estimated cost of the District Improvements is \$5.5 Million and is set forth in Exhibit "A" attached hereto.

3. Proposed boundaries of District.

The District is proposed to include approximately 600 acres located in Williamson County, Texas. The boundaries of the District are described in Exhibit "B," attached hereto and incorporated herein.

4. Proposed method of Assessment.

The proposed method of assessment is based upon a fixed amount for each lot in the Clearwater Ranch PID. The proposed assessments are set forth below:

<u># of Lots</u>	<u>Reimbursement</u>	<u>20 Year Annual Payment</u>	<u>Monthly Payment</u>
447 lots	\$5.5 M	\$12,080	\$50/month

5. Apportionment of Costs Between the District and the County.

All costs of the Capital Improvements for the District shall be borne by the land within the boundaries of the District. All Capital Improvement Assessments collected shall be placed into a special fund, which shall be used to pay Petitioner or its assigns for any costs incurred for the construction of the Capital Improvements within the District, or to repay any debts incurred for the construction of the Capital Improvements with the District. **The County shall not be liable for Capital Improvement costs.**

The County will not issue debt to fund or reimburse the Developer or District for funds expended on the project, unless the Attorney General and County Attorney opine that debt issuance is necessary to fund project(s) and/or provide Developer reimbursement AND that the County is absolved from any financial responsibility of such debt.

6. Management of District.

The District shall be privately managed by the Owner or its assigns pursuant to the terms of the Management Agreement to be approved by County at a later date.

7. Legal Sufficiency and Concurrence in the Establishment of the District.

This Petition is legally sufficient under the Act to establish the District because it has been signed (1) by the record owners of taxable real property representing 100% of the appraised value of taxable real property liable for assessment under this Petition, as determined by the current roll of the Williamson County Appraisal District (the "Appraisal District"); (2) by the record owners of taxable real property who constitute 100% of all record owners of property that is liable for assessment under this Petition, as determined by the current roll of the Appraisal District; and (3) by the record owners of real property liable for assessment under this Petition who own taxable property that constitutes 100% of the area of all taxable real property that is liable for assessment under this Petition, as determined by the current roll of the Appraisal District. All the undersigned Petitioners request and/or concur with the establishment of the Clearwater Ranch Public Improvement District.

The County shall be absolved from any current or future legal complaint or claim by current or future property owners and/or the Developer of the Project.

8. Establishment of an Advisory Body.

The Petitioners propose that the District be established without the creation of an Advisory Body.

SIGNED this the 12th day of March, 2008.

Respectfully submitted,



Lookout Development Group, L.P.

Whose General Partner is Lookout Group, Inc.

And Lookout Partners, L.P. whose General Partner is
Morningside Land & Cattle Co., LLC

Exhibit A
Improvements in the Clearwater Ranch PID

ALL IMPROVEMENTS WILL BE ACCESSIBLE AND OPEN TO THE PUBLIC

Hardscape Items

Bicycle Lanes	\$400,000
Entry features	\$800,000
Parks	\$200,000
Public Pavilion	\$100,000
Bridge treatments	\$100,000
Road drainage improvements	\$150,000
Decorative Signage and Streetlights	\$175,000
Recreation area	\$100,000
Hike/Bike Trails	\$750,000
Fencing	\$2,500,000
Park Landscaping	\$100,000
<u>Professional Fees</u>	<u>\$125,000</u>

GRAND TOTAL **\$5,500,000**