

KERR & WILSON, P.C.

Attorneys at Law

750 E. Mulberry, Suite 510
San Antonio, Texas 78212
Telephone: 210/738-8750
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April 16, 1999

Mr. Michael Cernech
City Manager
99 Saddletree Drive
San Antonio, Texas 78231
Via Hand Delivery

Re: Master Plan Development Agreement between The Rogers Shavano
Ranch, Ltd. and The City of Shavano Park, Texas

Dear Mike:

Enclosed for your records is a fully executed original Master Plan
Development Agreement referenced above. We are also forwarding fully
executed originals to Mr. Dan Kossl and Mr. Ruben Barrera for their files.

If you have any questions regarding this matter, please do not hesitate to
call me.

With best regards,



JAMIE M. WILSON

JMW/mlk
Enclosure

cc: Mr. Dan Kossl
(w/enclosure)
Via Hand Delivery

Mr. Ruben Barrera
(w/enclosure)
Via Hand Delivery

MASTER PLAN DEVELOPMENT AGREEMENT

This Master Plan Development Agreement ("Agreement") is made and entered into by and between **The Rogers Shavano Ranch, Ltd.**, a Texas limited partnership ("Owner") and **The City of Shavano Park, Texas** ("City").

RECITALS

Owner is the owner of approximately 733.62 acres of undeveloped land in the extraterritorial jurisdiction of the City and approximately 93.58 acres of undeveloped land within the City limits, as depicted on Exhibit A attached hereto and incorporated herein ("Property"). Owner has submitted to the City various plans for development of the Property.

On November 24, 1982, the City and the predecessors in interest of the Owner (collectively, the "Rogers Interests"), entered into the Agreement, dated November 24, 1982 ("1982 Agreement"), setting forth the agreements and certain rights and obligations of the parties with respect to the development of the Property. A dispute arose between the parties concerning the City's performance under the 1982 Agreement. The Rogers Interests filed a lawsuit seeking to compel performance by the City and implementation of the terms of the 1982 Agreement. *Shavano Joint Venture, et al. v. City of Shavano Park, Texas, et al.; Cause No. 83-CI-20018, In the 166th Judicial District Court of Bexar County, Texas.*

The Rogers Interests and the City settled their dispute and entered into the Compromise and Settlement Agreement, dated as of April 5, 1984 ("Settlement Agreement"), setting forth the agreements and certain rights and obligations of the parties with respect to the subdivision and development of the Property. After execution of the Settlement Agreement, the Owner developed a portion of the Property known as Unit 16 in accordance with the terms of the Settlement Agreement. However, much of the Property remains undeveloped.

The Owner and the City have continued to engage in extensive discussions regarding the development of the Property. Based on such discussions, the Owner prepared a master plan for the development of the Property ("Master Plan"), which Master Plan has been presented to the community in numerous public hearings and open meetings of the City Council. On or about August 25, 1998, the Owner and City executed a Letter of Intent reflecting approval of the Master Plan in the form attached hereto as Exhibit B and incorporated herein.

The City and the Owner now desire to provide for the orderly development of the Property in accordance with the Master Plan, and to avoid

further costly delay and protracted litigation concerning the development of the Property.

Now, therefore, for and in consideration of the mutual promises and agreements set forth herein, including the recitals set forth above, the parties hereto agree and by execution hereof, are bound to the mutual obligations herein contained and the performance and accomplishment of the matters herein described:

1. Annexation. Owner has petitioned and requested that the City annex the Property pursuant to Texas Local Government Code Section 43.028 ("Petition"). The City has commenced and will take all further action necessary to consider the annexation of the Property in phases as herein set forth and in accordance with applicable law, including, without limitation, publication of notice and conduct of public hearings.

(a) Initial Phase. The City Council will consider the approval and adoption on April 6, 1999, of an ordinance for annexation of a portion of Unit 17 and that portion of Unit 18 lying outside the City limits, as more fully described on Exhibit A.

(b) Subsequent Phases. If, as and when requested by the Owner designating the portion of the Property to be annexed, the City will take all action necessary to consider the annexation of the remaining Property in accordance with applicable law, including, without limitation, publication of notice and conduct of public hearings.

2. Zoning. The City has duly adopted Ordinance 100-03-99 ("Zoning Ordinance") establishing zoning classifications for residential and commercial uses within the City. If, as and when requested by Owner, the City shall take all action necessary to present for consideration, by the Planning and Zoning Commission and the City Council, of amending zoning ordinances establishing zoning districts within the Property in accordance with the zoning classifications shown on the Master-Plan.

(a) Initial Phase. On March 30, 1999, the City Council adopted an amendment to the Zoning Ordinance zoning that portion of Unit 18 lying within the City limits, under zoning classifications A-2 and B-2, respectively as shown on the Master Plan.

(b) Subsequent Phases. The consideration of the adoption of amending zoning ordinances designating zoning district classifications for the remaining parcels of the Property in accordance with the Master Plan shall take place on the same date(s) as, and immediately following, any adoption by the City of an annexation ordinance covering such parcel.

3. Drainage Issues.

(a) Flood Plain Revisions. Owner has submitted to the City and the City has approved the preliminary drainage plan for the Property. Owner has further submitted to the City revisions to the FEMA map affecting a portion of East Olmos Creek between DeZavala Road and Huebner Road, which revisions have been approved by the City and the City of San Antonio ("Flood Plain Revisions"). The City shall support the City of San Antonio's request to FEMA to modify the flood plain of East Olmos Creek as shown on the Flood Plain Revisions, provided that the City shall not be obligated to incur any cost or expense in connection therewith.

(b) Clearing. Owner has, at its expense, partially cleared East Olmos Creek between DeZavala Road and Huebner Road of scrub brush and debris, and improved the existing pilot channel within the drainage area by removal of rocks and debris that have filled the existing channel, in accordance with the Flood Plain Revisions submitted to FEMA.

(c) Detention Ponds. In order to enhance drainage and prevent flooding on the Property and surrounding areas, the City shall support the efforts by the City of San Antonio to build the three (3) proposed detention ponds substantially as shown on the Master Plan; subject, however, to reasonable conditions and restrictions mutually acceptable to Owner and the City relative to the construction and maintenance of such ponds.

4. Water Service. Owner and City acknowledge that a portion of the Property lies within the City's certificated water service area and a portion of the Property lies within the San Antonio Water System ("SAWS") certificated water service area, as shown on Exhibit C attached hereto and incorporated herein. The City may determine that it is not in the best interest of the City to provide water service to that portion of the Property within the City's water service area. SAWS is willing to provide water service to such area. The City may agree to assign and transfer such certificated water service area to SAWS in accordance with applicable laws and regulations. Within sixty (60) days after the date of this Agreement, the City shall either (i) commit to provide water service to the portion of the Property within the City's certificated water service area, or (ii) make application to TNRCC and initiate all other action necessary to effect such assignment and transfer of the City's certificated water service area within the Property to SAWS for inclusion in its certificated water service area.

5. Lockhill-Selma Road Extension. Owner proposes to extend Lockhill-Selma Road from its current terminus at DeZavala Road through the Property to the Loop 1604 access road, substantially as shown on the Master Plan ("Lockhill-Selma Road Extension"). In conjunction with the platting of any

portion of the Property abutting the Lockhill-Selma Road Extension, Owner shall dedicate to the City an entire segment of 86-foot right-of-way along the entire frontage of such Property, regardless of which side of the Lockhill-Selma Road Extension the Property abuts. The City and Owner agree that Owner will be required, at no cost or expense to the City, to build a segment of roadway within the dedicated eighty-six (86) foot right-of-way, in accordance with City specifications, for a distance equal to the entire frontage of any abutting property or such lesser distance as may be approved by the City, in conjunction with the development of any such portion of the Property.

6. Pedestrian and Bicycle Circulation Plan. Owner has submitted to the City and the City has approved a preliminary pedestrian and bicycle circulation plan for the Property which will integrate with the current property located within the City limits. Owner agrees to coordinate with the Metropolitan Planning Organization ("MPO"), TXDOT and the City in finalization and implementation of the pedestrian and bicycle circulation plan. Owner shall cooperate with the MPO, the City and other applicable governmental authority to provide adequate right-of-way for pedestrian and bicycle traffic in accordance with the approved pedestrian and bicycle plan.

7. Additional Consideration. In consideration of the City's obligations herein, Owner (or any subsequent owner of the Property) shall pay to the City additional consideration as development occurs on the Property in the amount of \$2,000.00 for each developable acre of the Property, to provide general fund revenue to the City for use in construction of capital improvements and purchases related to municipal infrastructure and the protection of the public health, safety and welfare. For purposes hereof, "developable acre" shall mean each acre of land comprising a platted lot or street, but shall not include any area located within a flood plain, greenbelt, conservation easement, or other public or similar dedication or non-buildable area. The fee shall be due and payable upon recordation of each plat of any developable acre within the Property. The obligation for payment of the fee shall constitute a covenant running with the land and shall be binding upon all subsequent owners of the Property.

8. Municipal Tract. Upon final annexation and zoning of all of the Property in accordance with Sections 1 and 2 herein, Owner shall transfer and convey to the City by special warranty deed the approximately twenty-two (22) acres of land designated as Unit 15D on the Master Plan ("Municipal Tract"), free and clear of all liens and monetary encumbrances, but subject to the restrictions set forth herein. The Municipal Tract shall be utilized by the City solely for municipal, recreational, or other community oriented purposes and/or facilities. The City agrees that in no event will the Municipal Tract be utilized for general residential purposes or for commercial purposes that compete with the proposed development of the Property, without the prior written consent of

the Owner. The City shall be responsible for all drainage improvements on the Municipal Tract. The City shall grant all utility easements over and across the Municipal Tract requested by Owner to service Units 18 and 19 of the Property. The location of such easements will be mutually agreed to by the City and Owner, and shall not unreasonably impede the City's permitted use of the Municipal Tract.

9. Good Faith and Fair Dealing. Owner and the City acknowledge and agree that given the nature and scope of this Agreement, it will be imperative for the parties to cooperate with one another in good faith as to all material terms hereof. The parties hereto agree to deal fairly with each other and to exercise good faith and reasonable judgment with respect to all matters within the scope of this Agreement.

10. Breach. In the event either party breaches any provision of this Agreement, by act or omission, the person affected by such breach shall be entitled to use any remedy available at law or in equity. Nothing herein shall constitute a waiver of any previously acquired vested rights to develop the Property.

11. Miscellaneous.

(a) Notices. Any notice to be given or to be served upon any party hereto, in connection with this Agreement, must be in writing, and may be given by certified or registered mail and shall be deemed to have been given and received when a certified or registered letter containing such notice, properly addressed, with postage prepaid, within three (3) business days after deposit in the United States Mails; and if given otherwise than by certified or registered mail, it shall be deemed to have been given when delivered to and received by the party to whom it is addressed. Such notices shall be given to the parties hereto at the following address:

OWNER: The Rogers Shavano Ranch, Ltd.
 c/o Jean Rogers Winchell
 23 Auburn Place
 San Antonio, Texas 78209

and

 c/o Wallace Rogers, III
 305 Geneseo Road
 San Antonio, Texas 78209

WITH COPY TO: Denton Development Company, Inc.
11 Lynn Batts Lane, Suite 100
San Antonio, Texas 78218
Attn: Lloyd A. Denton, Jr.

CITY: The City of Shavano Park, Texas
99 Saddletree Drive
San Antonio, Texas 78231
Attn: City Manager

Any party hereto may at any time, by giving three (3) days' written notice to the other party hereto, designate any other address in substitution of the foregoing address for that party.

(b) Entire Agreement; Modification. This Agreement (and the documents referenced herein) embodies and constitutes the entire understanding between the parties with respect to the transactions contemplated herein and all prior or contemporaneous agreements, understandings, representations, statements, negotiations or writings are merged into this Agreement. Neither this Agreement nor any provision hereof may be waived, modified, amended, discharged, or terminated except by an instrument in writing signed by all parties hereto, and then only to the extent set forth in such instrument.

(c) Applicable Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas, and venue shall be in the courts of Bexar County, Texas.

(d) Headings. Descriptive headings are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

(e) Binding Effect. Upon the sale of any parcel of the Property by Owner to a third party, such third party shall assume in writing and be responsible for all obligations of Owner hereunder with respect to such parcel and Owner shall be relieved of all obligations under this Agreement with respect to such parcel; provided, however, that the sale of any parcel of the Property by Owner to a third party shall not affect or impair Owner's obligations under Section 9 of this Agreement. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their legal representatives, heirs, executors, administrators, successors and assigns.

(f) Counterparts. This Agreement may be executed in any number of counterparts and each such counterpart hereof shall be deemed to

be an original instrument, but all such counterparts together shall constitute but one Agreement.

(g) Interpretation. Whenever the context hereof shall so require, the singular shall include the plural, the male gender shall include the female gender and the neuter, and vice versa.

(h) Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

(i) Time of Essence. Time is of the essence of this Agreement.

(j) Legal Holidays. Notwithstanding anything herein to the contrary, if the final date of any period, any date of performance or any deadline date which is set forth in this Agreement falls on a Saturday, Sunday or federal legal holiday, then such date shall be extended to the next following date which is not a Saturday, Sunday or federal legal holiday.

(k) Legal Construction. The parties acknowledge that the parties have reviewed and revised this Agreement and that the normal rule of interpretation to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments or exhibits hereto.

(l) Capitalized Terms. Capitalized terms used herein and not otherwise specifically defined shall have the same meaning as is ascribed to such terms in the Contract.

(m) Approval. Each of the parties hereto has approved the execution, delivery and performance of this Agreement.

Effective as of APRIL 6, 1999.

THE ROGERS SHAVANO RANCH, LTD.
a Texas limited partnership

By Its General Partners:

THE N.R. FAMILY GROUP, INC.

By: Jean Rogers Winchell
Jean Rogers Winchell
President

THE W.R. FAMILY GROUP, L.L.C.

By: Wallace Rogers, III
Wallace Rogers, III, Manager

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

This instrument was acknowledged before me on April 15th, 1999, by Jean Rogers Winchell, President of The N.R. Family Group, Inc., a General Partner of The Rogers Shavano Ranch, Ltd., a Texas limited partnership, on behalf of said limited partnership.



Sarah E. Carrington
Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

This instrument was acknowledged before me on April 15th, 1999, by Wallace Rogers, III, Manager of The W.R. Family Group, L.L.C., a General Partner of The Rogers Shavano Ranch, Ltd., a Texas limited partnership, on behalf of said limited partnership.



Sarah E. Carrington
Notary Public, State of Texas

THE CITY OF SHAVANO PARK, TEXAS

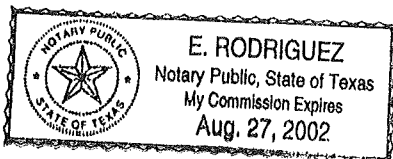
By: Thomas Peyton
Thomas Peyton, Mayor

ATTEST:

By: Stacy L. Henson
Stacy Henson, City Clerk

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

This instrument was acknowledged before me on April 12, 1999, by Thomas Peyton, Mayor of The City of Shavano Park, Texas and attested by Stacy Henson, City Clerk of the City of Shavano Park, a municipal corporation, on behalf of said City.



E. Rodriguez
Notary Public, State of Texas

- Exhibits:
Exhibit A - Property Parcels
Exhibit B - Master Plan
Exhibit C - Water Service Areas

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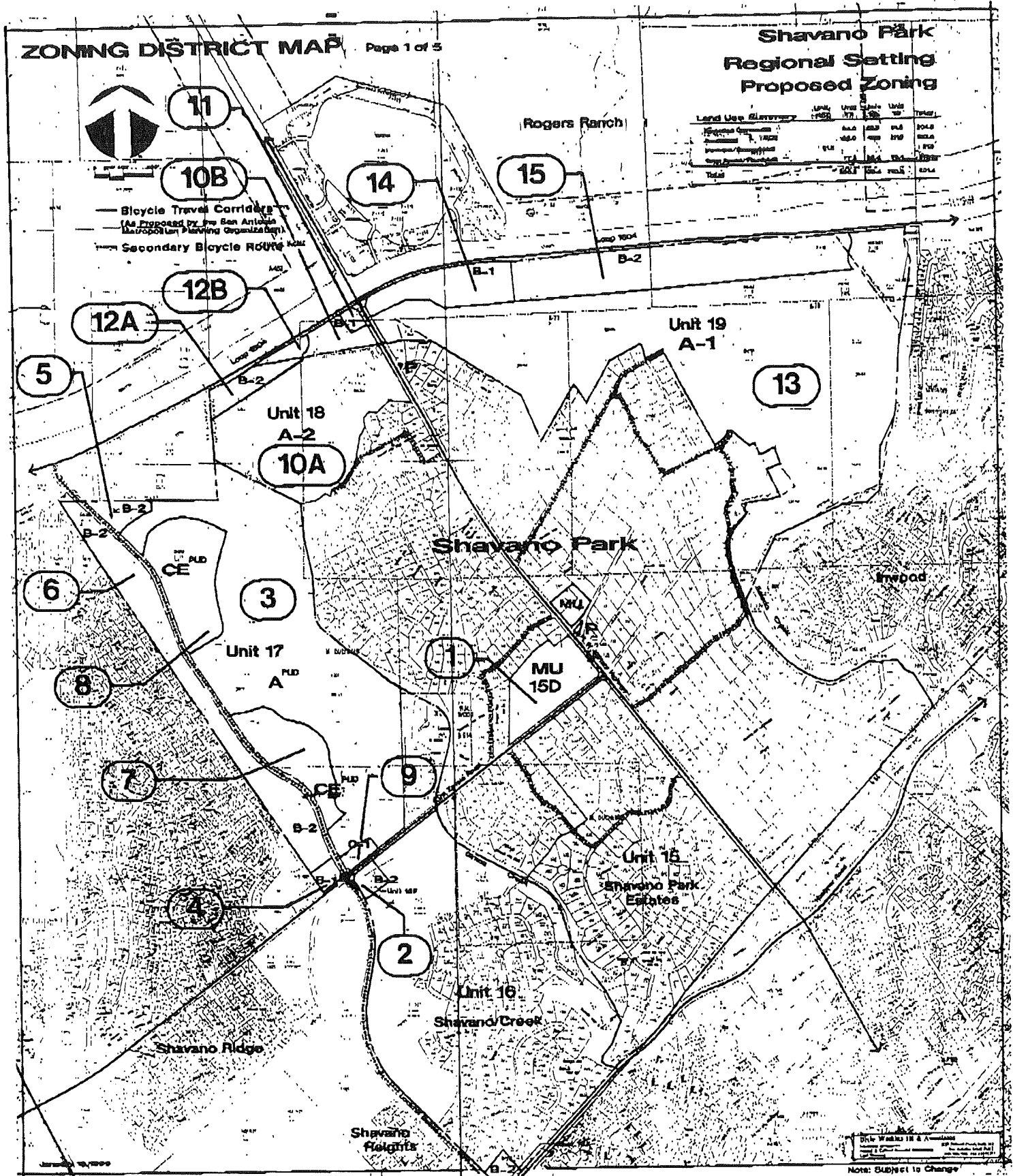


Exhibit "A"

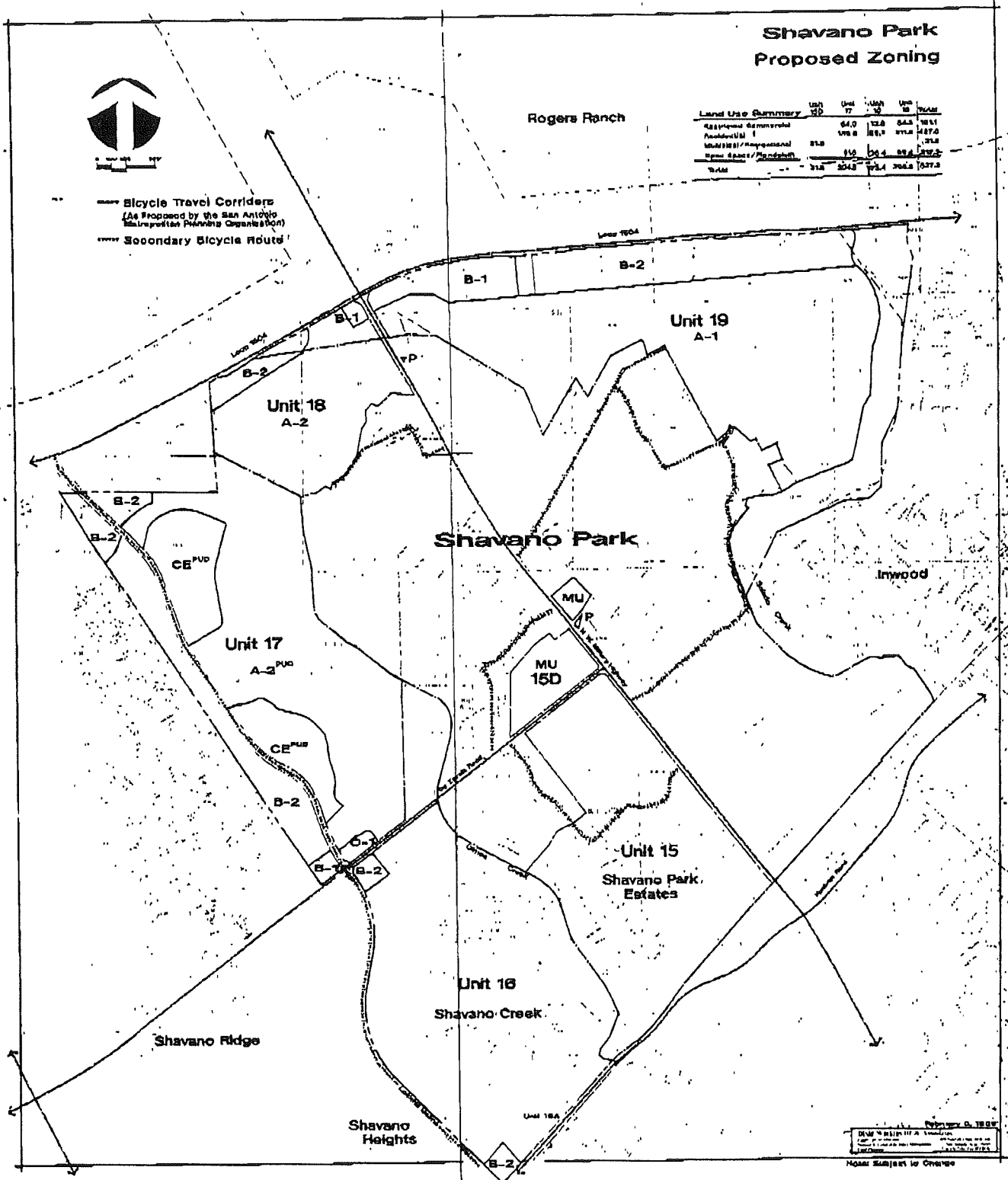
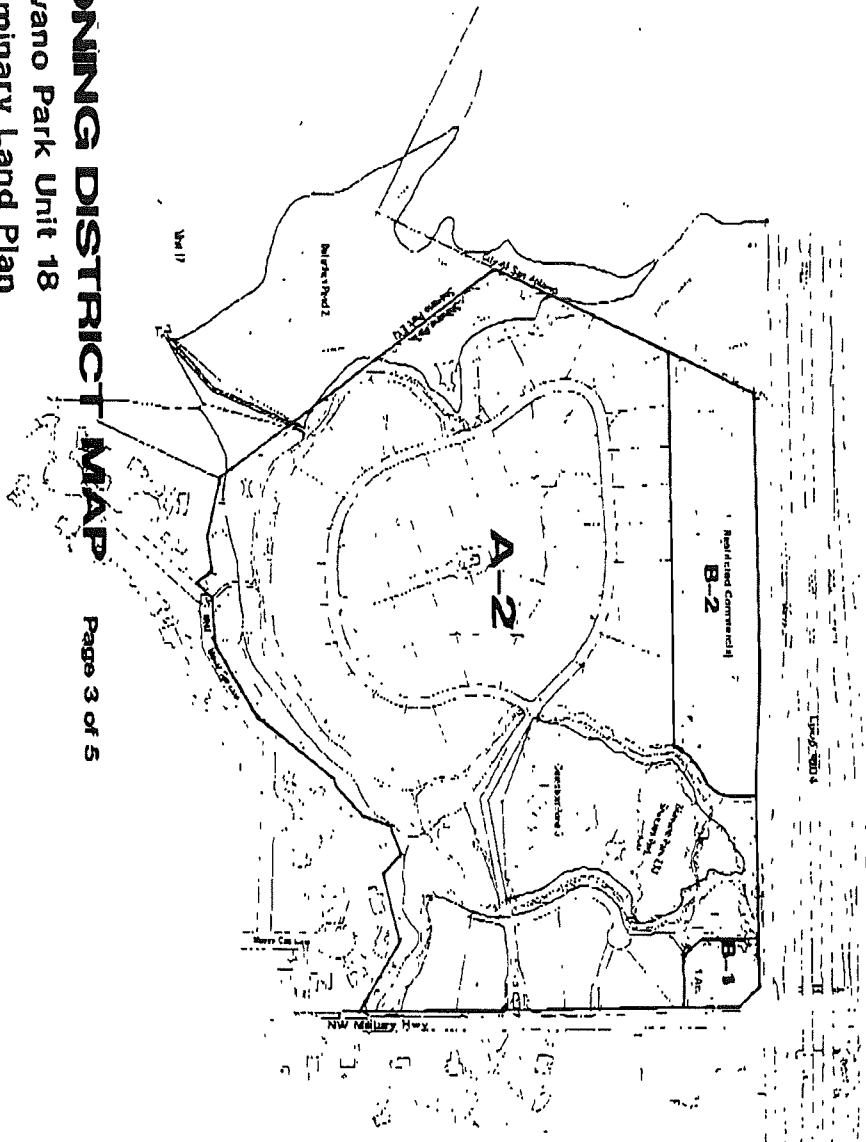


Exhibit "B" 1 of 5



ZONING DISTRICT MAP
Shavano Park Unit 18
Preliminary Land Plan

Page 3 of 5

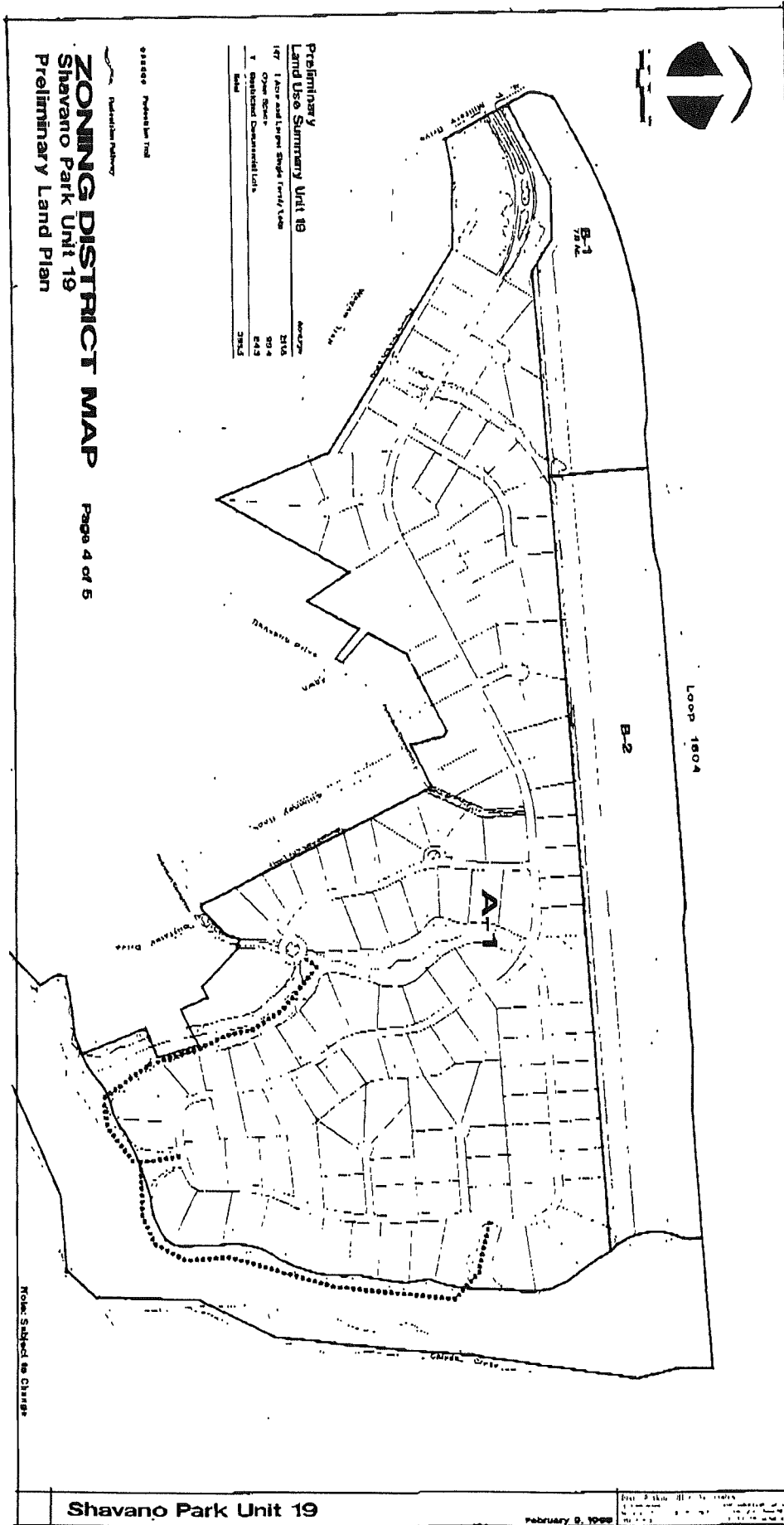


Preliminary Land Use Summary

Acres	Area
34	J Medium Density Single Family Unit
3	Residential Commercial Units
38.4	Other Spec/Proposed
105.4	TOTAL

PROVISIONAL PARKWAY

Note: Subject to Change



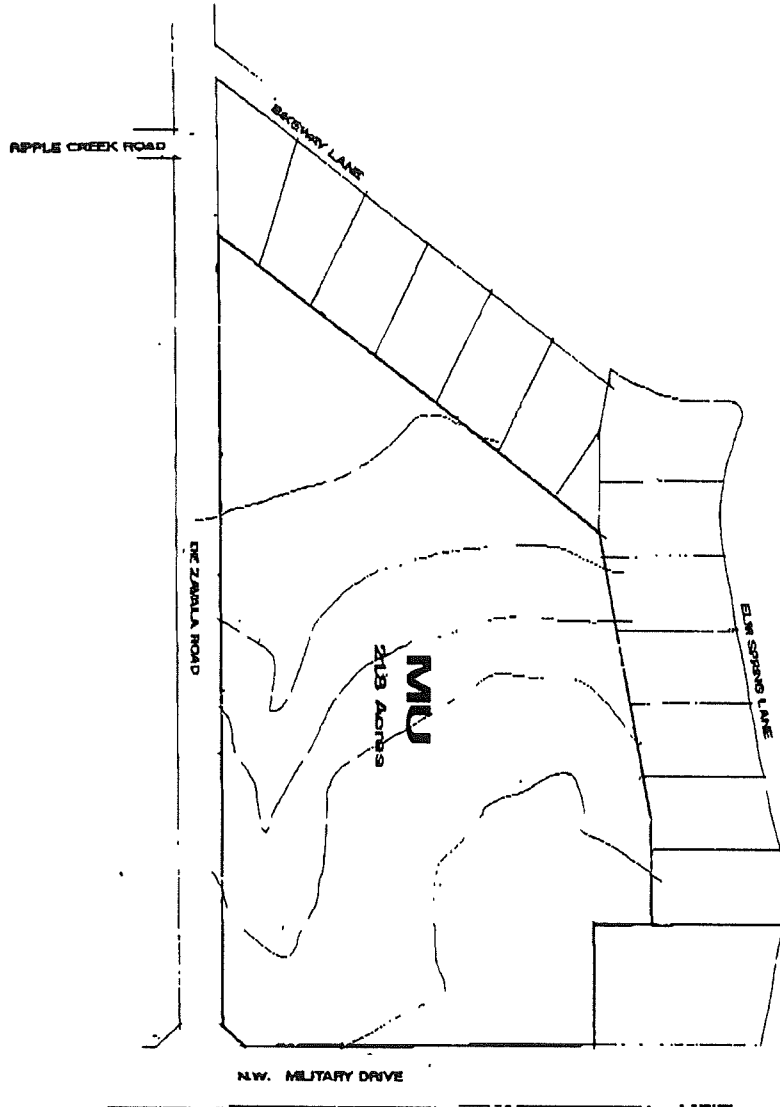
Shavano Park Unit 19

February 9, 1999

City of Denton Planning Department
 1000 Ross Street, Suite 100
 Denton, Texas 76201
 Phone: 940.383.2200
 Fax: 940.383.2201

ZONING DISTRICT MAP
City of Shavano Park,
Municipal & Recreational Site

Page 5 of 5



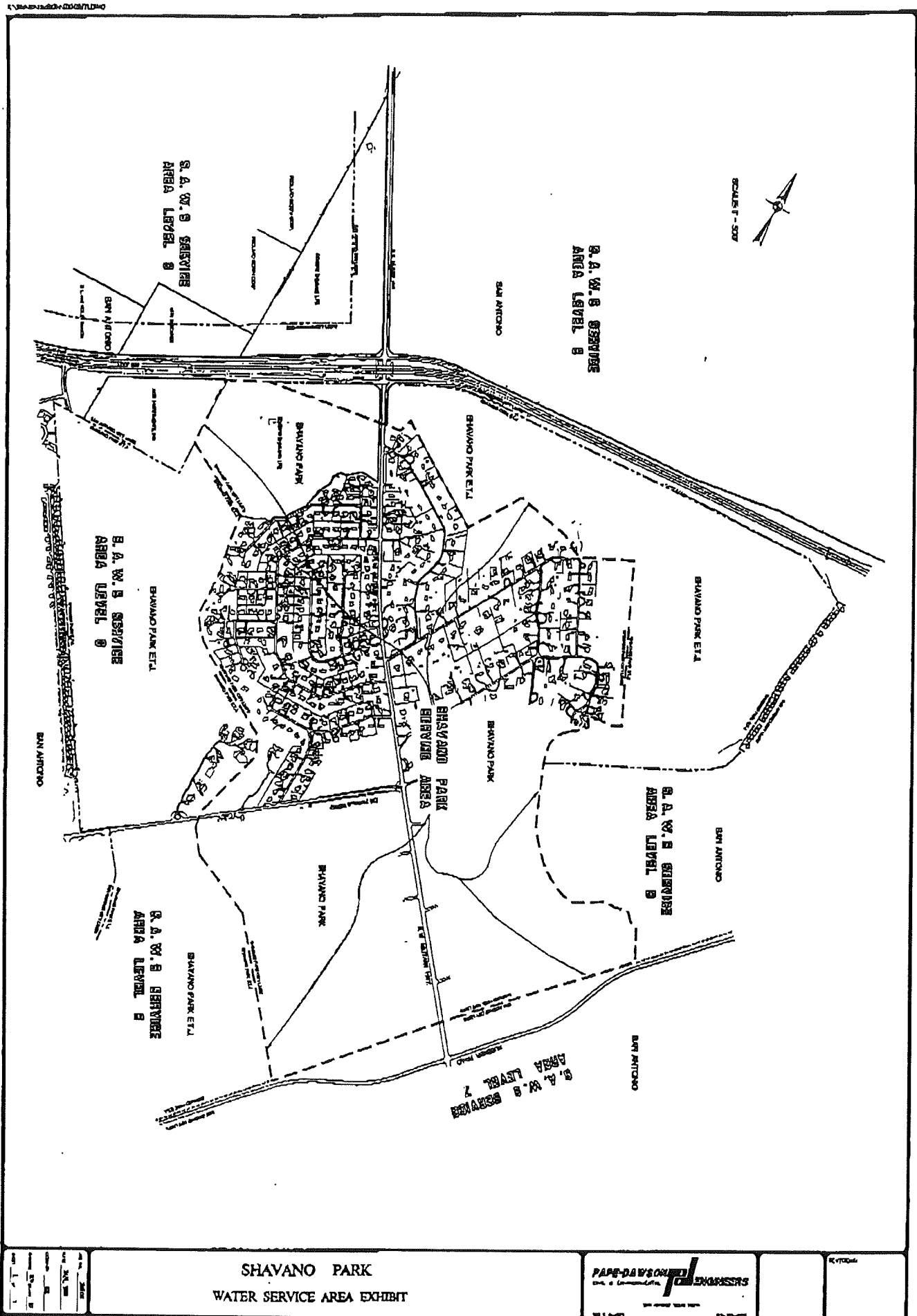
Note: Subject to Change



Shavano Park Unit 15D

Kerr Wilson III & Associates
 228 North Loop, Suite 110
 Dallas, Texas 75201
 February 9, 1999

Exhibit "B" 5 of 5



SHAVANO PARK
WATER SERVICE AREA EXHIBIT



Exhibit "C"