

SETTLEMENT AGREEMENT

This Settlement Agreement (the "Agreement") is executed effective as of January 8, 2001 (the "Effective Date") between the CITY OF AUSTIN, a Texas home rule city and municipal corporation (the "City"), and LUMBERMEN'S INVESTMENT CORPORATION, a Delaware corporation ("LIC"), relating to a lawsuit between the City and LIC, Cause No. 99-13013 in the 126th Judicial District Court of Travis County, Texas (the "Lawsuit").

RECITALS

A. LIC holds record title to two tracts of land containing approximately 1.94 acres and 3.19 acres, collectively referred to as the "**LIC Property**", located near the intersection of Lamar Boulevard and Cesar Chavez Street, as shown on the attached Exhibit "A".

B. The City holds record title to the land adjacent to the south boundary of the LIC Property known as the "**Sand Beach Reserve**", as shown on the attached Exhibit "A".

C. In the Lawsuit, the City alleges that the north boundary line of the Sand Beach Reserve (which forms the south boundary line of the LIC Property) was incorrectly located in a 1916 survey of the Sand Beach Reserve.

D. The City alleges that the proper location of the common boundary line between the LIC Property and the Sand Beach Reserve is somewhere north of the south boundary line of the LIC Property.

E. In response to the Lawsuit, LIC alleges that the south boundary line of the LIC Property, as shown on the attached Exhibit "A", is the correct boundary line between the LIC Property and the Sand Beach Reserve, and alleges that the City has ratified, acquiesced and caused others to rely on such boundary line through a course of conduct over a period of 84 years.

F. LIC wishes to develop and construct a mixed-use project on the LIC Property (the "**Project**"), but it has been unable to do so because of the uncertainty created by the Lawsuit.

G. The City wishes to have the LIC Project developed and constructed in a manner that is compatible with and enhances the Sand Beach Reserve parkland and the proposed redevelopment of the adjacent Seaholm Power Plant as a museum or other public facility (the "**Seaholm Project**").

H. LIC and the City wish to settle the Lawsuit by establishing the south boundary of the LIC Property, as shown on the attached Exhibit "A", as the common boundary line between the LIC Property and the Sand Beach Reserve (the "**Agreed Boundary Line**"), subject to the terms and conditions set forth in this Agreement.

B

I. LIC and the City also wish to enter into various agreements relating to the development and construction of the Project in a manner that is compatible with the adjacent Sand Beach Reserve parkland and the Seaholm Project.

NOW, THEREFORE, in consideration of the foregoing recitals; the mutual benefits to be received by the City and LIC by settling the Lawsuit; and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, LIC and the City hereby agree as follows:

1. Agreed Judgment. Within five (5) days after the Effective Date of this Agreement, LIC and the City shall jointly request the State of Texas, acting by and through the Texas Attorney General ("Attorney General"), to intervene in or to consent to be joined as a party in the Lawsuit for the purpose of giving his consent and approval on behalf of the State of Texas to the entry of the Agreed Judgment. If the Attorney General consents to and approves the Agreed Judgment, then LIC, the City and the Attorney General, on behalf of the State of Texas, shall execute an Agreed Judgment with respect to the Lawsuit substantially in the form attached hereto as Exhibit "E". If the Attorney General fails to give his consent and approval to the entry of the Agreed Judgment within sixty (60) days after the Effective Date of this Agreement, this Agreement and the documents executed pursuant thereto shall automatically become null and void, unless LIC and the City Manager mutually agree to extend the time period for obtaining such consent and approval for an additional thirty (30) days. Thereafter, any extension of the time period for obtaining such approval may only be granted by the City Council. As soon as possible after such execution of the Agreed Judgment, LIC and the City shall submit the Agreed Judgment for entry by the District Court of Travis County. If the District Court fails to enter the Agreed Judgment, this Agreement and all documents executed pursuant thereto shall automatically become null and void and the parties are relieved of their obligations hereunder.

2. Boundary Line Agreement. Simultaneously with the execution of this Agreement, LIC and the City shall execute a Boundary Line Agreement substantially in the form attached hereto as Exhibit "F", which establishes the Agreed Boundary Line as the common boundary line between the LIC Property and the Sand Beach Reserve. The executed Boundary Line Agreement shall not become effective and shall not be recorded until the entry of the Agreed Judgment referenced in Section 1 hereof.

3. Conveyance of LIC Parcel A. Simultaneously with the execution of this Agreement and the Boundary Line Agreement, LIC shall execute a Special Warranty Deed, in a form mutually acceptable to LIC and the City, which conveys to the City a tract of land at the southeast corner of the LIC Property adjacent to the Sand Beach Reserve ("LIC Parcel A"), as shown on the attached Exhibit "B" and to be more particularly described in a survey thereof to be provided by LIC. The executed Special Warranty Deed for LIC Parcel A shall not become effective and shall not be recorded until the entry of the Agreed Judgment referenced in Section 1 hereof.

4. Conveyance of LIC Parcel B. Subject to LIC receiving Project Approval pursuant to Section 8 hereof, LIC shall execute and deliver to the City a Special Warranty Deed, in a form mutually acceptable to LIC and the City, which conveys to the City a tract of land at the

SETTLEMENT AGREEMENT

northwest corner of the LIC Property adjacent to the Union Pacific Railroad Company right-of-way ("LIC Parcel B"), as shown on the attached Exhibit "C" and to be more particularly described in a survey thereof to be provided by LIC. If the City does not acquire the Union Pacific Parcel as provided in Section 5 hereof, the conveyance of LIC Parcel B to the City shall be subject to the City's agreement to maintain LIC Parcel B in such a manner that it does not become a nuisance or detriment to the LIC Project, and LIC, at its option and expense shall have the right to landscape and maintain LIC Parcel B for so long as it remains vacant.

5. Acquisition of Union Pacific Parcel. The City shall negotiate in good faith to acquire the tract of land now owned by Union Pacific Railroad Company adjacent to the LIC Property, as shown on the attached Exhibit "D" and to be more particularly described in a survey thereof to be provided by LIC (the "**Union Pacific Parcel**"). Subject to LIC receiving Project Approval pursuant to Section 8 hereof, LIC agrees to pay up to Seven Hundred Fifty Thousand Dollars (\$750,000) of the purchase price and closing costs, which amount shall be paid at the closing of the purchase of the Union Pacific Parcel, and the City shall pay any amount in excess thereof. If the City is not able to acquire the Union Pacific Parcel on terms acceptable to the City within the later of (i) one (1) year after the Effective Date of this Agreement, or (ii) thirty (30) days after LIC receives Project Approval pursuant to Section 8 hereof, the City shall have no obligation to acquire the Union Pacific Parcel; and the amount to be paid by LIC to the City for the purchase of the Union Pacific Parcel referenced in this Section 5 shall instead be paid by LIC to the City for the Alternative Parking as defined and provided in Section 6 hereof.

6. Parking Plaza. If LIC Parcel B and the Union Pacific Parcel are conveyed to the City, such Parcels shall be used to construct a landscaped public parking plaza consisting of a two-lane driveway with not less than one hundred twenty-five (125) head-in parking spaces (the "**Parking Plaza**") and a twelve (12) foot wide bikeway on the northern edge of the Parking Plaza. The Parking Plaza shall be designed and constructed in accordance with plans and specifications to be prepared by the City and approved by LIC, and shall be completed no later than the completion of the LIC Project. All costs relating to the construction of the Parking Plaza shall be paid by the City. If the City is unable to acquire the Union Pacific Parcel as provided in Section 5 hereof, and subject to LIC receiving Project approval pursuant to Section 8 hereof, the Seven Hundred Fifty Thousand Dollar (\$750,000) payment to be made by LIC to the City referenced in Section 5 hereof shall instead be paid by LIC to the City for the construction of no less than one hundred twenty-five (125) landscaped, public parking spaces at a mutually acceptable location on City-owned land near the LIC Project and the Seaholm Project (the "**Alternative Parking**"). Such amount shall be paid by LIC to the City upon the commencement of construction of the Alternative Parking. The Alternative Parking shall be designed and constructed in accordance with plans and specifications to be prepared by the City and approved by LIC in a manner that is consistent with the City's Seaholm District Master Plan.

7. Landscaping and Other Improvements. Subject to LIC receiving Project Approval pursuant to Section 8 hereof, LIC agrees to pay Five Hundred Thousand Dollars (\$500,000) for the installation and construction of landscaping, trees, trails, and other public amenities on the Sand Beach Reserve parkland, the Parking Plaza and LIC Parcel A to be conveyed to the City, in accordance with plans and specifications to be prepared by LIC and approved by the City. Such amount shall be paid by LIC to the City upon commencement of

construction of such landscaping and other improvements. The foregoing landscaping and improvements shall be provided in lieu of the landscaping and improvements referenced in Ordinance No. 85-0110-X, which shall no longer be applicable to the LIC Property; and shall be in addition to the landscaping that may otherwise be required for the Project under the applicable provisions of the City Land Development Code.

8. Project Approval. The term "Project Approval" shall mean the completion of all of the following with respect to the Project: (i) the approval of any required subdivision or resubdivision of the LIC Property pursuant to Section 13 hereof; (ii) the zoning of the LIC Property as part of the Downtown Mixed-Use (DMU) zoning district with the Central Urban Redevelopment Combining District Overlay referenced in Section 9 hereof; and (iii) the issuance of a Site Development Permit for the Project. To obtain Project Approval, the Project must have the following "Project Characteristics":

- a. The Project must be subject to the requirements of the Downtown Mixed-Use (DMU) zoning district and the current applicable provisions of the Waterfront Overlay Combining District and North Shore Central Subdistrict, except for the waivers and variances provided for in this Agreement or otherwise approved by the City.
- b. The completed Project must be a mixed-use project containing between four hundred thousand (400,000) and five hundred thousand (500,000) square feet of floor area and a parking garage for not less than six hundred (600) automobiles.
- c. The completed Project must have not less than sixty percent (60%) of the gross floor area for residential use and the balance for permitted commercial uses in the DMU zoning district.
- d. The Project must comply with all applicable subdivision, zoning and site plan requirements of the City, except for the waivers and variances provided for in this Agreement or otherwise approved by the City. If there are any conflicts between the design of the LIC Project and the Seaholm District Master Plan, LIC and the City will collaborate together and attempt to resolve such differences, but LIC shall not be obligated to make any changes to the LIC Project solely to address conflicts between the design of the LIC Project and the Seaholm District Master Plan.

The performance of LIC with respect to the payments and obligations referenced in Sections 4, 5, 6, 7, 9, 10 and 11 hereof shall be subject to and conditioned upon LIC receiving Project Approval from the City for the Project.

9. Release of Zoning Site Plan. Subject to LIC receiving Project Approval pursuant to Section 8 hereof, the existing zoning site plan for a proposed fifteen (15) story office and nine (9) story parking garage authorized for the LIC Property by Ordinance No. 84-1018-B shall be terminated simultaneously with the rezoning of such tracts of land as part of the Downtown Mixed-Used (DMU) zoning district, with a Central Urban Redevelopment Combining District

Overlay that permits one building to be located at the northwest corner of the LIC Property with a height (as defined in Section 25-1-21 of the City Land Development Code) not to exceed one hundred eighty (180) feet, so long as (i) the average height (to be determined as hereafter provided) of all buildings located outside the Capitol View Corridor (including the building at the northwest corner) does not exceed one hundred twenty (120) feet, (ii) the building heights are stair-stepped in a manner that provides a mix of building heights and minimizes the height of the buildings closest to Town Lake, and (iii) all of the buildings otherwise comply with the applicable setback and height restrictions and design guidelines of the Waterfront Overlay Combining District and North Shore Central Subdistrict. The above-referenced average height for all of the buildings in the Project (other than the parking garage and the buildings located in the Capitol View Corridor) shall be determined by (i) multiplying the height of each portion of the building by, (ii) the corresponding square footage of the building footprint beneath that height, (iii) totaling the calculations for all of such buildings, and (iv) dividing the total by the aggregate square footage of the footprints for all of the buildings. LIC agrees to consult with the Downtown Design Commission concerning the massing of the buildings in the Project and their impact on the adjacent parkland and along Lamar Boulevard.

10. Access. Subject to LIC receiving Project Approval pursuant to Section 8 hereof, including the proposed access from Sandra Muraida Way provided for in this Section 10, LIC agrees to release and quitclaim to the City all right, title and interest of LIC in the easements dedicated by implication across the Sand Beach Reserve in a previous lawsuit between the State of Texas, the City and Missouri Pacific Railroad Company, Cause No. 477,213 in the 201st Judicial District Court of Travis County, Texas, affirmed by the Third Court of Appeals in Case No. 3-92-466-CP. LIC also agrees to release and quitclaim to the City all right, title and interest in the street right-of-way across the Sand Beach Reserve dedicated by Ordinance No. 85-0110-X. In exchange for the release of such existing access, the City shall abandon, release and quitclaim to LIC all right, title and interest of the City in the Bowie Street right-of-way located on the LIC Property, without the payment of any additional consideration. The City shall also dedicate the necessary right-of-way and allow access across the Sand Beach Reserve from Sandra Muraida Way at a location mutually acceptable to LIC and the City, and the City waives any objection to the location of such right-of-way across the Sand Beach Reserve parkland. The City shall also permit LIC to have at least two points of access to the Project from the Parking Plaza at a location mutually acceptable to LIC and the City.

11. Utility Lines. The existing 30-inch sanitary sewer line currently located on the LIC Property shall be rerouted across the Parking Plaza or other location mutually acceptable to LIC and the City. Subject to LIC receiving Project Approval pursuant to Section 8 hereof, LIC agrees to pay the cost of relocating the sanitary sewer line. The City shall grant an easement or otherwise give its permission for LIC to connect the LIC Property to the existing utility lines located on the Sand Beach Reserve, at one or more locations mutually acceptable to LIC and the City, upon the payment by LIC of the City's standard utility connection fees.

12. Floodplain. The City agrees to grant variances so as to permit the LIC Project to be constructed in the 25-year and 100-year floodplains, so long as LIC's engineer demonstrates through a floodplain hydraulic study acceptable to the City and certifies to the City that (i) the Project will not result in additional identifiable adverse flooding on other property; (ii) the Project complies with the minimum requirements of the National Flood Insurance Program; and

SETTLEMENT AGREEMENT

(iii) adequate provisions are made for emergency access to the Project. The City also agrees to grant variances for the Project so that LIC will not have to dedicate an easement or right-of-way for the 25-year and 100-year floodplains.

13. Resubdivision. If the conveyance of the LIC Parcel to the City constitutes a subdivision or resubdivision of the LIC Property under the applicable City and State subdivision ordinances, statutes and regulations, or if any portion of the LIC Property is otherwise determined not to be a subdivided or legal lot, the City agrees to cooperate with LIC to expedite the processing and approval of any required new subdivision plat.

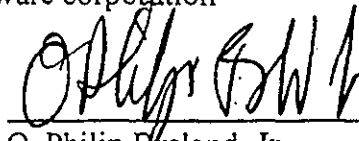
14. Miscellaneous.

- a. No term or provision of this Agreement shall constitute or be deemed to be an admission of liability on the part of any party hereto, all such liability being expressly denied.
- b. LIC and the City agree to cooperate with each other in the preparation and execution of the documents referenced in this Agreement or reasonably required to implement the terms and conditions of this Agreement, including but not limited to Special Warranty Deeds, Cost Reimbursement Agreements, Quitclaim Deeds, Releases, Contracts, Waivers, Consents and Approvals, and to take such other actions that may be reasonably necessary to implement the terms and conditions of this Agreement.
- c. The City and LIC represent and warrant to each other and agree (i) that they have been fully informed and have full knowledge of the terms, conditions and effects of this Agreement; (ii) that they have been represented by independent legal counsel of their choice throughout all negotiations preceding their execution of this Agreement; (iii) that they, either personally or through their independently retained attorneys, have fully investigated to their satisfaction all facts surrounding the various claims, controversies and disputes and are fully satisfied with the terms and effects of this Agreement; (iv) that no promise or inducement has been offered or made to any of them except as expressly stated in this Agreement, and that this Agreement is executed without reliance on any statement or representation by any other party or any other party's agent, and that this Agreement supercedes all prior negotiations and discussions; (v) that they are the sole owners of the claims or causes of action released in this Agreement and have not previously assigned or transferred or purported to assign or transfer any interest in such claims to any person or entity; and (vi) that they have full authority to enter into this Agreement, and are competent to do so, and that the person executing this Agreement on behalf of each party to this Agreement is duly authorized and empowered to do so. The City and LIC each recognize that the other has relied on the foregoing representations and warranties in entering into this Agreement, and each agrees that these representations and warranties shall survive the execution of this Agreement.

- b
- d. This Agreement constitutes the complete Agreement between the parties, and any prior oral representations or understandings are superceded by it. Further, this Agreement may not be altered or amended except in writing signed by the parties hereto.
 - e. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. All references herein to LIC shall be understood to mean LIC and its successors and assigns and any subsequent owner of the LIC Property and the Project to be constructed thereon.
 - f. This Agreement may be executed in multiple counterparts, each of which may be deemed to be an original, so long as all parties execute this Agreement.
 - g. This Agreement shall be construed in accordance with the laws of the State of Texas, and is performable in Travis County, Texas, and the prevailing party in any lawsuit to enforce this Agreement shall be entitled to recover reasonable attorneys' fees and court costs in accordance with applicable Texas law.
 - h. Each party hereto agrees to bear its own costs and attorneys' fees.

LUMBERMEN'S INVESTMENT CORPORATION,
a Delaware corporation

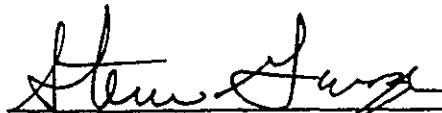
By:



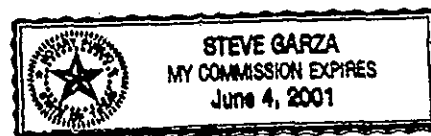
O. Philip Breland, Jr.
Senior Vice President

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on January 7, 2001, by O. Philip Breland, Jr., Senior Vice President of LUMBERMEN'S INVESTMENT CORPORATION, a Delaware corporation, on behalf of said corporation.



Notary Public, State of Texas
My Commission Expires: 6/4/01 J.G.



B

CITY OF AUSTIN
a Texas home-rule city and municipal corporation

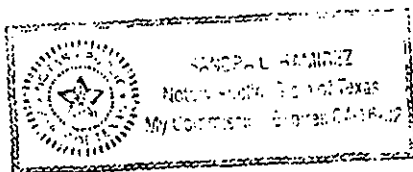
By: Jesus Garza
Jesus Garza,
City Manager

STATE OF TEXAS §

§

COUNTY OF TRAVIS §

This instrument was acknowledged before me on January 8th, 2001, by Jesus Garza, City Manager of the City of Austin, a Texas home rule city and municipal corporation, on behalf of said city.

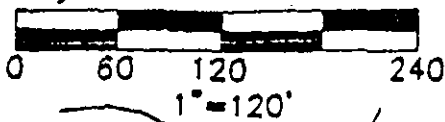


Sandra Ramirez
Notary Public, State of Texas
My Commission Expires: 04-16-02

31514 000001 : AUSTIN : 218002.14

B.R. REYNOLDS DRIVE

LAMAR BOULEVARD



SANDRA MURADA WAY

SAND BEACH RESERVE

WEST CESAR CHAVEZ STREET

1.94 ACRES—LOT A
JETCO PARTNERS
INTERNATIONAL
RESUBDIVISION ONE
BK. 83, PG. 184A

± 5.13 ACRES

3.19 ACRES
LUMBERMEN'S INVESTMENT
CORPORATION
VOL. 12038, PG. 535

NORTH LINE OF
SAND BEACH RESERVE
(AGREED BOUNDARY LINE)

RAILROAD

PACIFIC

MISSOURI

WEST 3RD STREET

16

15

14

13

BLOCK 4

12

11

10

9

BOWIE STREET
(80' R.O.W.)

b Bury+Partners

Consulting Engineers and Surveyors
Irvine, Texas Tel 918/328-0811 Fax 918/328-4388
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EXHIBIT "A"

LUMBERMENS INVESTMENT
CORPORATION TRACT

LUMBERMENS
INVESTMENT CORP.

SAND BEACH
RESERVE

DATE: 10/04/00

FILE: H:\634\14\63414EX2.dwg

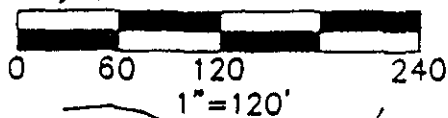
FN No.: NA

DRAWN BY: MVM

PROJ. No: 63414

B.R. REYNOLDS DRIVE

LAMAR BOULEVARD



SANDRA MURADA WAY

1.94 ACRES—LOT A
JETCO PARTNERS
INTERNATIONAL
RESUBDIVISION ONE
BK. 83, PG. 184A

N49°52'53"W
62.90'

3.19 ACRES
LUMBERMEN'S INVESTMENT
CORPORATION
VOL. 12038, PG. 535

NORTH LINE OF
SAND BEACH RESERVE
(AGREED BOUNDARY LINE)

SAND BEACH RESERVE

0.609 ACRES
L.I.C. PARCEL "A"

S14°55'01"E 321.86'
N49°52'53"W 363.61'

WEST CESAR CHAVEZ STREET

P.O.B.

C1

L1

RAILROAD
PACIFIC
(R.O.W. VARIES)

WEST 3RD STREET

16

15

14

13

BLOCK 4

12

11

10

9

BOWIE STREET
(80' R.O.W.)

LEGEND

- 1/2" IRON ROD FOUND
- PROPOSED CORNERS
- P.O.B. POINT OF BEGINNING

LINE TABLE

No.	Bearing	Distance
L1	N20°22'52"E	45.27'

CURVE TABLE

No.	Delta	Radius	Arc Length	Chord Length	Chord Bearing
C1	22°03'38"	520.00	200.22	198.98	S14°06'04"W

NORTH LINE IS ALONG PROPOSED CURBLINE

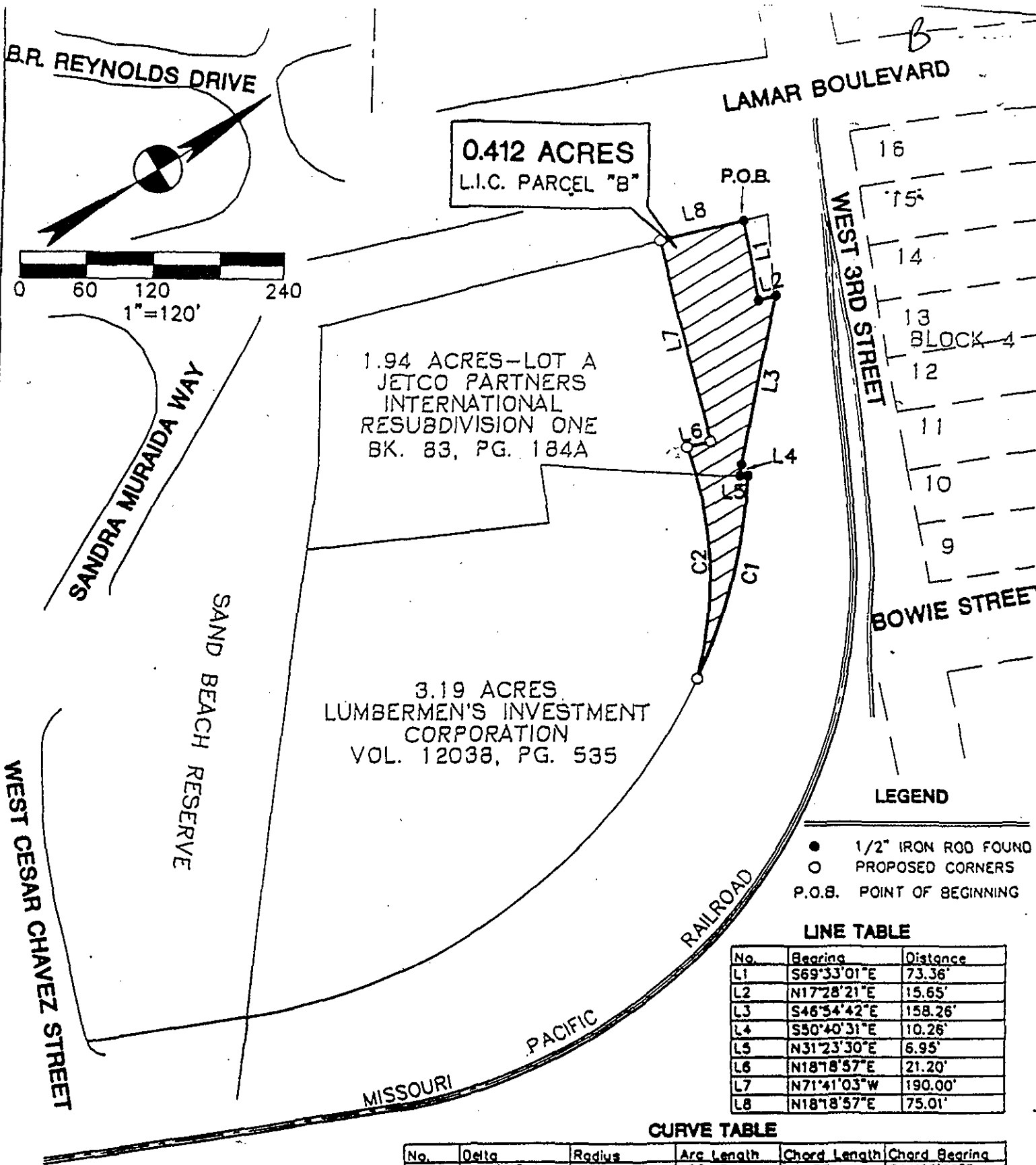
Bury+ Partners
Consulting Engineers and Surveyors
Austin, Texas Tel 512/328-0811 Fax 512/328-6325
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SKETCH TO ACCOMPANY DESCRIPTION OF

L.I.C. PARCEL "A"
EXHIBIT "B"

LUMBERMENS
INVESTMENT CORP.

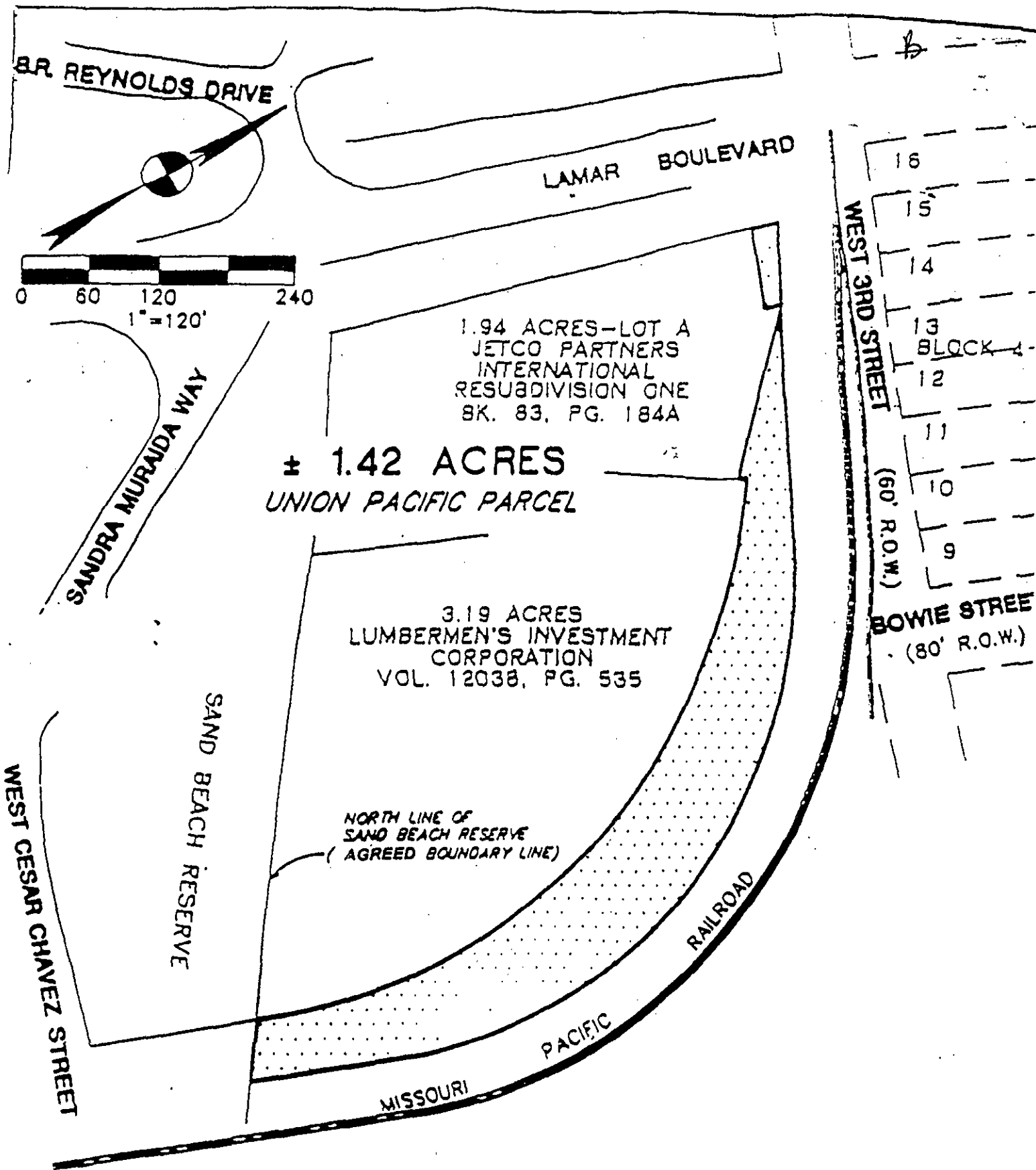
SAND BEACH
RESERVE



b Bury+ Partners
Consulting Engineers and Surveyors
Austin, Texas Tel 512/328-0811 Fax 512/328-3223
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SKETCH TO ACCOMPANY DESCRIPTION OF
L.I.C. PARCEL "B"
Exhibit "C"

LUMBERMENS
INVESTMENT CORP.
SAND BEACH
RESERVE



b Bury+ Partners
Consulting Engineers and Surveyors
Austin, Texas Tel 512/338-0811 Fax 512/338-0838
Surveyors License No. 0000000000

EXHIBIT "D"

**UNION PACIFIC
PARCEL BOUNDARY**

**LUMBERMENS
INVESTMENT CORP.**

**SAND BEACH
RESERVE**

Exhibit "E"

B

NO. 99-13013

CITY OF AUSTIN,

Plaintiff,

vs.

LUMBERMEN'S INVESTMENT
CORPORATION,

Defendant.

§
§
§
§
§
§
§
§
§

IN THE DISTRICT COURT OF

TRAVIS COUNTY, TEXAS

126TH JUDICIAL DISTRICT

AGREED JUDGMENT ESTABLISHING BOUNDARY

Came before the Court on this ____ day of _____, 2001, Plaintiff City of Austin ("City"), Defendant Lumbermen's Investment Corporation ("LIC") and Intervenor State of Texas ("State"), appearing by and through their respective counsel, and announced to the Court that they have reached a compromise and settlement of all matters in controversy between them regarding this boundary dispute and that they desire the entry of this Agreed Judgment Establishing Boundary. Accordingly, based upon the parties' agreement and the pleadings and papers on file in this cause, as well as the facts associated with the above-styled and numbered cause, it is hereby ORDERED, ADJUDGED and DECREED as follows:

1. The City is the owner of that certain property designated as the Sand Beach Reserve as described in a Patent to the City dated July 3, 1945, which is described therein as follows:

Seventy-seven (77) acres of land more or less, commonly known as "Reserve", bounded on the north by Outlots 1 and 11, Division "Z", City of Austin, as established by a survey made by William H. Sandusky under an Act of Congress of the Republic of Texas, passed January 5, 1840; on the east by West Avenue as located by the said survey; on the south by the Colorado River; and on the west by the east line of the George W. Spear League; said tract being marked "Reserve" on the Sandusky map above referred to.

B

2. Defendant LIC is currently the owner of approximately 5.13 acres of real property located at the northeast corner of the intersection of North Lamar Boulevard and Cesar Chavez Street in the City of Austin, Texas, which is more particularly described in Exhibit "A" attached hereto ("LIC Property"). LIC acquired the LIC Property in two parcels, the 1.94 acres west tract by foreclosure in 1987 and the 3.19 acre east tract by purchase from Missouri Pacific Railroad Company in 1993. The west tract and east tract together comprise the LIC Property.

3. The State has a reversionary interest in the Sand Beach Reserve, and the Permanent School Fund of Texas owns the oil, gas and sulphur in and under the Sand Beach Reserve.

4. The LIC Property abuts the northern boundary of the Sand Beach Reserve.

5. The City, LIC and the State have agreed that the common boundary between the LIC Property and the Sand Beach Reserve is the southern boundary of the LIC Property described in the attached Exhibit "A", which Agreed Boundary Line is more particularly described in the attached Exhibit "B".

6. All relief requested that is not expressly granted herein is hereby DENIED.

7. Each party shall bear its own attorneys' fees and costs of suit.

SO ORDERED on this _____ day of _____, 2001.

JUDGE PRESIDING

**AGREED AS TO FORM
AND SUBSTANCE:**

SCOTT, DOUGLASS & MCCONNICO, L.L.P.
600 Congress Avenue, Suite 1500
Austin, Texas 78701

By: _____
Casey L. Dobson
State Bar No. 05927600
Elizabeth N. Miller
State Bar No. 14071100

**ATTORNEYS FOR PLAINTIFF CITY OF
AUSTIN**

LOCKE LIDDELL & SAPP LLP
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Austin, Texas 78701

By: _____
William B. Steele III
State Bar No. 19107400
Jan Soifer
State Bar No. 18824530

**ATTORNEYS FOR LUMBERMEN'S
INVESTMENT CORPORATION,
DEFENDANT AND COUNTER-PLAINTIFF**

OFFICE OF THE ATTORNEY GENERAL OF
TEXAS
John Cornyn
Attorney General of Texas

Andy Taylor
First Assistant Attorney General

Jeffrey S. Boyd
Deputy Attorney General for Litigation

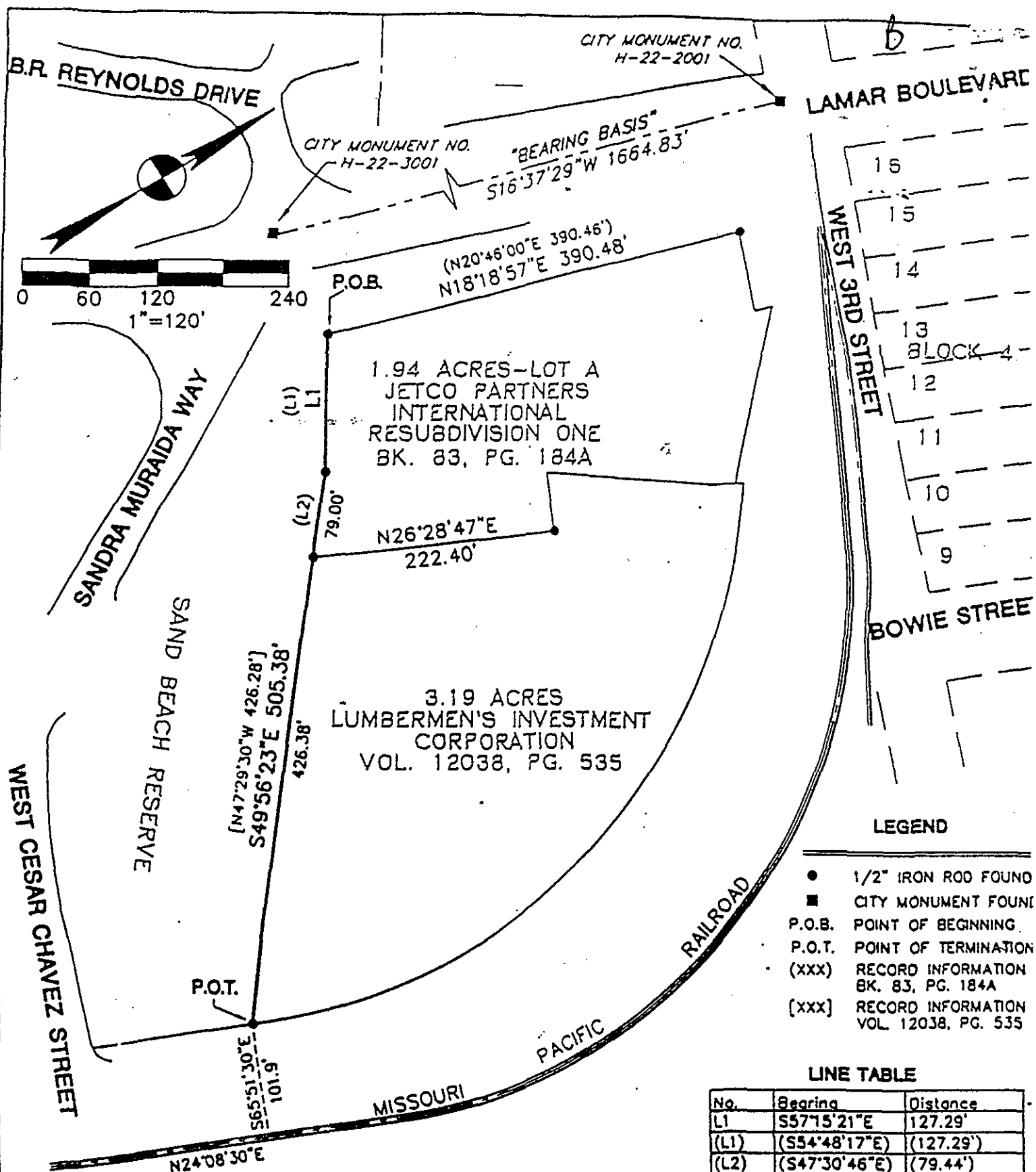
Karen W. Kornell
Assistant Attorney General
Chief, Natural Resources Division

By: _____
Joe Riddell
Assistant Attorney General
Texas Bar No. 16886500

Natural Resources Division
P.O. Box 12548, Capitol Station
Austin, Texas 78711-2548

(512) 463-2012 (telephone)
(512) 320-0052 (telecopier)

**ATTORNEYS FOR PLAINTIFF-INTERVENOR
STATE OF TEXAS**



b Bury+ Partners
 Consulting Engineers and Surveyors
 Austin, Texas Tel 512/328-0411 Fax 512/328-0225
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SKETCH TO ACCOMPANY DESCRIPTION OF

SOUTHERLY BOUNDARY LINES OF LOT A JETCO PARTNERS INTERNATIONAL RESUBDIVISION ONE, A SUBDIVISION OF RECORD IN BOOK 83, PAGE 184A OF THE PLAT RECORDS OF TRAVIS COUNTY, TEXAS, AND THAT 3.19 ACRE TRACT CONVEYED TO LUMBERMENS INVESTMENT CORPORATION BY DEED OF RECORD IN VOLUME 12038, PAGE 535 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS.

LUMBERMENS INVESTMENT CORP.

SAND BEACH RESERVE