

TAPATIO SPRINGS SERVICE

Customer Detail

T/S GOLF RESORT

Account Number

80

T/S GOLF RESORT

MAINTENANCE

PO BX 550

BOERNE

TX

78006 +40 (830)537-4611

Service Address: GOLF MAINTENANCE

Social Security #:

Date Turned On 2/23/1998

Date Turned Off

Meter Check Date

Rate Code

1

Pump/Well Number

1

Last Reading

2575

Previous Reading

2559

Usage

16,000

Months On System

67

Total Usage

1,904,260

Average Usage

28,422

208

Sequence Number

3200

Meter Serial Number

43315024-5/8

Route Number

8

Last Read Date

7/3/2005

12 Month Average

13,750

Last Year Average

23,000

Previous Year Average

39,000

Last 'Paid On Time' Date

7/13/2005

Last Late Charge Date

12/7/2004

Number Of Late Months

25

Next Due Date

8/2/2005

Year To Date Charges

\$942.12

Deposit Information

Deposit Amount \$0.00

Deposit Date

Certificate Number

0

Deposit Amount 2 \$0.00

Deposit 2 Date

Usage

Charges

Read Date

Reading

Services

Current Balance

January

12,000

180.11

1/10/2005

2493

Water

\$60.50

February

10,000

175.57

2/7/2005

2503

Sewage

\$76.60

March

15,000

186.93

3/10/2005

2518

April

10,000

124.84

4/9/2005

2528

May

16,000

138.47

5/9/2005

2544

June

15,000

136.20

6/4/2005

2559

July

15,000

188.22

7/8/2004

240744

August

18,000

195.27

8/5/2004

2426

September

13,000

184.41

9/8/2004

2440

October

15,000

186.93

10/6/2004

2455

November

15,000

186.93

11/4/2004

2470

December

11,000

177.84

12/6/2004

2481

R.A.F.

\$1.37

Previous Charges

\$647.77

Paid This Month

\$724.91

Account Balance

61.33

Last Payment 7/13/2005 \$724.91 Check Number 37158

Age 1 \$0.00 Age 2 \$0.00 Age 3 \$0.00

TAPATIO SPRINGS SERVICE

Customer Detail

T/S GOLF RESORT

Account Number 82

T/S GOLF RESORT
WILD TURKEY / GC-RR
PO BX 550
BOERNE TX
78006 +40 (830)537-4611
Service Address: 303 WILD TURKEY
Social Security #:

Date Turned On		Sequence Number	340
Date Turned Off		Meter Serial Number	8253602-5/8
Meter Check Date		Route Number	2
Rate Code	1	Last Read Date	7/3/2005
Pump/Well Number	1	12 Month Average	6,583
Last Reading	1997	Last Year Average	7,000
Previous Reading	1991	Previous Year Average	5,000
Usage	6,000		
Months On System	67	Last 'Paid On Time' Date	7/13/2005
Total Usage	636,260	Last Late Charge Date	12/6/2004
Average Usage	9,496	Number Of Late Months	25
		Next Due Date	8/2/2005
		Year To Date Charges	\$494.65

181

Deposit Information

Deposit Amount	\$0.00	Deposit Date		Certificate Number	0
Deposit Amount 2	\$0.00	Deposit 2 Date			

	Usage	Charges	Read Date	Reading	Services	Current Balance
January	4,000	72.87	1/10/2005	1959	Water	\$38.00
February	3,000	70.60	2/7/2005	1962	Sewage	\$48.60
March	8,000	81.96	3/10/2005	1970		
April	8,000	92.01	4/9/2005	1978		
May	7,000	89.74	5/9/2005	1985		
June	6,000	87.47	6/4/2005	1991		
July	7,000	81.78	7/8/2004	191800		
August	5,000	77.19	8/5/2004	1924		
September	6,000	77.64	9/8/2004	1930		
October	15,000	97.87	10/6/2004	1945		
November	5,000	75.14	11/4/2004	1950	R.A.F.	\$0.87
December	5,000	75.14	12/6/2004	1955	Previous Charges	\$351.73
					Paid This Month	\$438.65
Last Payment	7/13/2005	\$438.65	Check Number	37158	Account Balance	0.55
Age 1	\$0.00	Age 2	\$0.00	Age 3	\$0.00	

RESTROOMS / GOLF COURSE

TAPATIO SPRINGS SERVICE

Customer Detail

T/S GOLF RESORT

Account Number

83

T/S GOLF RESORT
HOTEL #8 SPRINKLERS
PO BOX 550

BOERNE TX
78006 +40 (830)537-4611
Service Address: HOTEL #8/SPK
Social Security #:

Date Turned On
Date Turned Off
Meter Check Date
Rate Code 10
Pump/Well Number 1
Last Reading 6421
Previous Reading 6327
Usage 94,000

Months On System 67
Total Usage 1,087,070
Average Usage 16,225

182

Sequence Number 3160
Meter Serial Number M168100-2
Route Number 8
Last Read Date 7/3/2005

12 Month Average 24,889
Last Year Average 18,000
Previous Year Average 22,000

Last 'Paid On Time' Date 7/13/2005
Last Late Charge Date 12/7/2004
Number Of Late Months 19
Next Due Date 8/2/2005
Year To Date Charges \$274.40

Deposit Information

Deposit Amount	\$0.00	Deposit Date		Certificate Number	0
Deposit Amount 2	\$0.00	Deposit 2 Date			

	Usage	Charges	Read Date	Reading	Services	Current Balance
January	19,000	43.18	1/10/2005	6241	Water	\$258.48
February	15,000	34.09	2/7/2005	6256		
March	0	0.00	3/10/2005	6256		
April	11,000	30.53	4/9/2005	6267		
May	42,000	116.63	5/9/2005	6309		
June	18,000	49.97	6/4/2005	6327		
July	0	0.29	7/8/2004	610141		
August	66,000	166.19	8/5/2004	6168		
September	41,000	99.59	9/8/2004	6210		
October	11,000	25.00	10/6/2004	6221		
November	1,000	2.27	11/4/2004	6222		
December	0	0.00	12/6/2004	6222		

Last Payment	7/13/2005	\$458.19	Check Number	37158	
Age 1	\$0.00	Age 2	\$0.00	Age 3	\$0.00

R.A.F.	\$2.58
Previous Charges	\$197.13
Paid This Month	\$458.19
Account Balance	0.00

TAPATIO SPRINGS SERVICE

Customer Detail

T/S GOLF RESORT

Account Number 85

T/S GOLF RESORT
HOTEL / UNIT 1
PO BOX 550
BOERNE TX
78006 +40 (830)537-4611
Service Address: HOTEL #1
Social Security #:

Date Turned On		Sequence Number	3070
Date Turned Off		Meter Serial Number	8738089-1
Meter Check Date		Route Number	8
Rate Code	3	Last Read Date	7/3/2005
Pump/Well Number	1	12 Month Average	27,000
Last Reading	8202	Last Year Average	44,000
Previous Reading	8173	Previous Year Average	37,000
Usage	29,000		
		Last 'Paid On Time' Date	7/13/2005
Months On System	67	Last Late Charge Date	12/7/2004
Total Usage	2,310,650	Number Of Late Months	25
Average Usage	34,487	Next Due Date	8/2/2005
		Year To Date Charges	\$1,502.43
	184		

Deposit Information

Deposit Amount	\$0.00	Deposit Date		Certificate Number	0	
Deposit Amount 2	\$0.00	Deposit 2 Date				
	Usage	Charges	Read Date	Reading	Services	Current Balance
January	21,000	235.58	1/10/2005	8050	Water	\$107.17
February	20,000	233.31	2/7/2005	8070	Sewage	\$160.60
March	25,000	244.67	3/10/2005	8095		
April	26,000	262.87	4/9/2005	8121		
May	24,000	258.08	5/9/2005	8145		
June	28,000	267.92	6/4/2005	8173		
July	22,000	240.00	7/8/2004	787036		
August	52,000	314.83	8/5/2004	7923		
September	7,000	204.02	9/8/2004	7930		
October	60,000	335.57	10/6/2004	7990		
November	19,000	231.04	11/4/2004	8009	R.A.F.	\$2.68
December	20,000	233.31	12/6/2004	8029	Previous Charges	\$1,081.49
					Paid This Month	\$1,303.99
Last Payment	7/13/2005	\$1,303.99	Check Number	37158	Account Balance	47.95
Age 1	\$0.00	Age 2	\$0.00	Age 3	\$0.00	

TAPATIO SPRINGS SERVICE

Customer Detail

T/S GOLF RESORT

Account Number

86

T/S GOLF RESORT

HOTEL / UNIT 2

PO BOX 550

BOERNE

TX

78006

+40

(830)537-4611

Service Address: HOTEL #2

Social Security #:

Date Turned On

Date Turned Off

Meter Check Date

11/22/2004

Rate Code

3

Pump/Well Number

1

Last Reading

202

Previous Reading

111

Usage

91,000

Months On System

67

Total Usage

1,722,400

Average Usage

25,707

185

Sequence Number

3110

Meter Serial Number

61197280-1

Route Number

8

Last Read Date

7/3/2005

12 Month Average

24,833

Last Year Average

35,000

Previous Year Average

32,000

Last "Paid On Time" Date

7/13/2005

Last Late Charge Date

12/7/2004

Number Of Late Months

25

Next Due Date

8/2/2005

Year To Date Charges

\$1,352.26

Deposit Information

Deposit Amount \$0.00

Deposit Date

Certificate Number

0

Deposit Amount 2 \$0.00

Deposit 2 Date

Usage

Charges

Read Date

Reading

Services

Current Balance

January

19,000

247.72

1/10/2005

27

Water

\$272.42

February

12,000

231.82

2/7/2005

39

Sewage

\$125.60

March

23,000

256.81

3/10/2005

62

April

18,000

209.09

4/9/2005

80

May

17,000

206.82

5/9/2005

97

June

14,000

200.00

6/4/2005

111

July

20,000

252.20

7/8/2004

589655

August

20,000

251.59

8/5/2004

5917

September

61,000

357.12

9/8/2004

5979

October

24,000

259.09

10/6/2004

6003

November

22,000

254.54

11/4/2004

-40

December

48,000

319.43

12/6/2004

8

R.A.F.

\$3.98

Previous Charges

\$944.43

Paid This Month

\$1,274.72

Account Balance

71.71

Last Payment 7/13/2005 \$1,274.72 Check Number 37158

Age 1 \$0.00 Age 2 \$0.00 Age 3 \$0.00

TAPATIO SPRINGS SERVICE

Customer Detail

T/S GOLF RESORT

Account Number

87

T/S GOLF RESORT

HOTEL / UNIT 3

PO BOX 550

BOERNE

TX

78006

+40

(830)537-4611

Service Address:

HOTEL/UNIT 3-N

Social Security #:

Date Turned On

Date Turned Off

Meter Check Date

Rate Code

3

Pump/Well Number

1

Last Reading

6222

Previous Reading

6198

Usage

24,000

Months On System

67

Total Usage

1,778,330

Average Usage

26,542

186

Sequence Number

3100

Meter Serial Number

8737798-1

Route Number

8

Last Read Date

7/3/2005

12 Month Average

27,167

Last Year Average

29,000

Previous Year Average

22,000

Last "Paid On Time" Date

7/13/2005

Last Late Charge Date

12/7/2004

Number Of Late Months

25

Next Due Date

8/2/2005

Year To Date Charges

\$1,236.81

Deposit Information

Deposit Amount \$0.00

Deposit Date

Certificate Number

0

Deposit Amount 2 \$0.00

Deposit 2 Date

Usage

Charges

Read Date

Reading

Services

Current Balance

January

40,000

225.65

1/10/2005

6095

Water

\$94.92

February

16,000

167.33

2/7/2005

6111

Sewage

\$129.10

March

18,000

171.87

3/10/2005

6129

April

25,000

228.53

4/9/2005

6154

May

24,000

226.26

5/9/2005

6178

June

20,000

217.17

6/4/2005

6198

July

23,000

183.83

7/8/2004

589367

August

26,000

192.05

8/5/2004

5920

September

27,000

194.45

9/8/2004

5948

October

26,000

190.30

10/6/2004

5974

November

37,000

218.08

11/4/2004

6011

December

44,000

235.75

12/6/2004

6055

R.A.F.

\$2.24

Previous Charges

\$767.72

Paid This Month

\$1,070.09

Account Balance

-76.11

Last Payment 7/13/2005 \$1,070.09 Check Number 37158

Age 1 \$0.00 Age 2 \$0.00 Age 3 \$0.00

TAPATIO SPRINGS SERVICE

Customer Detail

T/S GOLF RESORT

Account Number 88

T/S GOLF RESORT
HOTEL / UNIT 4
PO BOX 550
BOERNE TX
78006 +40 (830)537-4611
Service Address: HOTEL #4
Social Security #:

Date Turned On		Sequence Number	3120
Date Turned Off		Meter Serial Number	57752463-1
Meter Check Date	4/22/2002	Route Number	8
Rate Code	3	Last Read Date	7/3/2005
Pump/Well Number	1	12 Month Average	20,667
Last Reading	1185	Last Year Average	28,000
Previous Reading	1161	Previous Year Average	33,000
Usage	24,000		
Months On System	67	Last "Paid On Time" Date	7/13/2005
Total Usage	2,170,160	Last Late Charge Date	12/7/2004
Average Usage	32,390	Number Of Late Months	25
		Next Due Date	8/2/2005
		Year To Date Charges	\$1,210.97

187

Deposit Information

Deposit Amount	\$0.00	Deposit Date		Certificate Number	0
Deposit Amount 2	\$0.00	Deposit 2 Date			

	Usage	Charges	Read Date	Reading	Services	Current Balance
January	14,000	203.91	1/10/2005	1068	Water	\$94.92
February	18,000	213.00	2/7/2005	1086	Sewage	\$108.10
March	13,000	201.64	3/10/2005	1099		
April	21,000	198.23	4/9/2005	1120		
May	20,000	195.96	5/9/2005	1140		
June	21,000	198.23	6/4/2005	1161		
July	28,000	237.37	7/8/2004	93924		
August	30,000	243.50	8/5/2004	970		
September	29,000	241.48	9/8/2004	1000		
October	16,000	208.45	10/6/2004	1016		
November	18,000	213.00	11/4/2004	1034	R.A.F.	\$2.03
December	20,000	217.54	12/6/2004	1054	Previous Charges	\$850.99
					Paid This Month	\$999.11
Last Payment	7/13/2005	\$999.11	Check Number	37158	Account Balance	56.93
Age 1	\$0.00	Age 2	\$0.00	Age 3	\$0.00	

TAPATIO SPRINGS SERVICE

Customer Detail

T/S GOLF RESORT

Account Number

89

T/S GOLF RESORT

HOTEL / UNIT 6

PO BOX 550

BOERNE

TX

78006

+40

(830)537-4611

Service Address: HOTEL #6

Social Security #:

Date Turned On

Date Turned Off

Meter Check Date

11/16/2001

Rate Code

3

Pump/Well Number

1

Last Reading

835

Previous Reading

817

Usage

18,000

Months On System

67

Total Usage

1,152,340

Average Usage

17,199

Sequence Number

3140

Meter Serial Number

57752464-1

Route Number

8

Last Read Date

7/3/2005

12 Month Average

29,250

Last Year Average

14,000

Previous Year Average

16,000

Last 'Paid On Time' Date

7/13/2005

Last Late Charge Date

12/7/2004

Number Of Late Months

25

Next Due Date

8/2/2005

Year To Date Charges

\$1,387.33

189

Deposit Information

Deposit Amount \$0.00

Deposit Date

Certificate Number

0

Deposit Amount 2 \$0.00

Deposit 2 Date

	Usage	Charges	Read Date	Reading	Services	Current Balance
January	6,000	99.50	1/10/2005	540	Water	\$81.42
February	21,000	133.58	2/7/2005	561	Sewage	\$97 60
March	66,000	250.24	3/10/2005	627		
April	137,000	501.49	4/9/2005	764		
May	34,000	219.44	5/9/2005	798		
June	19,000	183.08	6/4/2005	817		
July	12,000	113.72	7/8/2004	47688		
August	13,000	115.88	8/5/2004	490		
September	11,000	112.93	9/8/2004	502		
October	9,000	106.31	10/6/2004	511		
November	12,000	113.13	11/4/2004	523		
December	11,000	110.86	12/6/2004	534		
					R.A.F.	\$1.79
					Previous Charges	\$1,153.23
					Paid This Month	\$1,335.06

Last Payment 7/13/2005 \$1,335.06 Check Number 37158

Age 1 \$0.00 Age 2 \$0.00 Age 3 \$0.00

Account Balance -1.02

TAPATIO SPRINGS SERVICE

Customer Detail

T/S GOLF RESORT

Account Number

90

T/S GOLF RESORT

HOTEL / UNIT 7

PO BOX 550

BOERNE

TX

78006

+40

(830)537-4611

Service Address:

HOTEL #7

Social Security #:

Date Turned On

Date Turned Off

Meter Check Date

Rate Code

3

Pump/Well Number

1

Last Reading

7422

Previous Reading

7394

Usage

28,000

Months On System

67

Total Usage

2,370,170

Average Usage

35,376

Sequence Number

3150

Meter Serial Number

8738079-1

Route Number

8

Last Read Date

7/3/2005

12 Month Average

49,750

Last Year Average

58,000

Previous Year Average

30,000

Last 'Paid On Time' Date

7/13/2005

Last Late Charge Date

12/7/2004

Number Of Late Months

25

Next Due Date

8/2/2005

Year To Date Charges

\$1,631.47

190

Deposit Information

Deposit Amount

\$0.00

Deposit Date

Certificate Number

0

Deposit Amount 2

\$0.00

Deposit 2 Date

Usage

Charges

Read Date

Reading

Services

Current Balance

January

64,000

304.26

1/10/2005

7300

Water

\$104.67

February

23,000

197.71

2/7/2005

7323

Sewage

\$230.60

March

19,000

188.62

3/10/2005

7342

April

18,000

315.14

4/9/2005

7360

May

18,000

315.14

5/9/2005

7378

June

16,000

310.60

6/4/2005

7394

July

54,000

276.82

7/8/2004

684956

August

77,000

342.34

8/5/2004

6927

September

92,000

384.06

9/8/2004

7020

October

76,000

337.59

10/6/2004

7096

November

70,000

320.93

11/4/2004

7166

R.A.F.

\$3.35

December

70,000

320.93

12/6/2004

7236

Previous Charges

\$983.03

Paid This Month

\$1,468.12

Last Payment

7/13/2005

\$1,468.12

Check Number

37158

Account Balance

-146.47

Age 1

\$0.00

Age 2

\$0.00

Age 3

\$0.00

TAPATIO SPRINGS SERVICE

Customer Detail

T/S GOLF RESORT

Account Number

91

T/S GOLF RESORT

HOTEL / UNIT 8

PO BOX 550

BOERNE

TX

78006 +40 (830)537-4611

Service Address: HOTEL #8

Social Security #:

Date Turned On

Date Turned Off

Meter Check Date

Rate Code

Pump/Well Number

Last Reading

Previous Reading

Usage

Months On System

Total Usage

Average Usage

Sequence Number

Meter Serial Number

Route Number

Last Read Date

12 Month Average

Last Year Average

Previous Year Average

Last "Paid On Time" Date

Last Late Charge Date

Number Of Late Months

Next Due Date

Year To Date Charges

3180

8738072-1

8

7/3/2005

59,583

44,000

37,000

7/13/2005

12/7/2004

25

8/2/2005

\$2,064.91

191

Deposit Information

Deposit Amount \$0.00

Deposit Date

Certificate Number

0

Deposit Amount 2 \$0.00

Deposit 2 Date

Usage

Charges

Read Date

Reading

Services

Current Balance

January

75,000

337.56

1/10/2005

5885

Water

\$200.92

February

22,000

198.18

2/7/2005

5907

Sewage

\$206.10

March

56,000

284.79

3/10/2005

5963

April

67,000

416.65

4/9/2005

6030

May

68,000

419.42

5/9/2005

6098

June

64,000

408.31

6/4/2005

6162

July

38,000

238.33

7/8/2004

548446

August

55,000

282.98

8/5/2004

5540

September

68,000

318.64

9/8/2004

5608

October

65,000

309.79

10/6/2004

5673

November

61,000

298.68

11/4/2004

5734

December

76,000

340.34

12/6/2004

5810

R.A.F.

\$4.07

Previous Charges

\$1,346.56

Paid This Month

\$1,940.26

Last Payment 7/13/2005 \$1,940.26 Check Number 37158

Account Balance

-182.61

Age 1 \$0.00 Age 2 \$0.00 Age 3 \$0.00

TAPATIO SPRINGS SERVICE

Customer Detail

T/S GOLF RESORT

Account Number

92

T/S GOLF RESORT

LAUNDRY ROOM

PO BOX 550

BOERNE

TX

78006

+40

(830)537-4611

Service Address:

HOTEL/LAUNDRY

Social Security #:

Date Turned On 3/9/2000

Date Turned Off

Meter Check Date

Rate Code

Pump/Well Number

Last Reading

Previous Reading

Usage

Months On System

Total Usage

Average Usage

192

Sequence Number

3060

Meter Serial Number

98532624-1

Route Number

8

Last Read Date

7/3/2005

12 Month Average

79,167

Last Year Average

71,000

Previous Year Average

55,000

Last 'Paid On Time' Date

7/13/2005

Last Late Charge Date

12/7/2004

Number Of Late Months

25

Next Due Date

8/2/2005

Year To Date Charges

\$2,827.51

Deposit Information

Deposit Amount \$0.00

Deposit Date

Certificate Number

0

Deposit Amount 2 \$0.00

Deposit 2 Date

Usage

Charges

Read Date

Reading

Services

Current Balance

January

41,000

326.55

1/10/2005

4540

Water

\$228.42

February

42,000

329.08

2/7/2005

4582

Sewage

\$279.60

March

80,000

432.60

3/10/2005

4662

April

74,000

510.32

4/9/2005

4736

May

169,000

774.19

5/9/2005

4905

June

54,000

454.77

6/4/2005

4959

July

67,000

398.72

7/8/2004

407482

August

75,000

419.33

8/5/2004

4150

September

80,000

435.27

9/8/2004

4231

October

79,000

429.83

10/6/2004

4310

November

89,000

457.60

11/4/2004

4399

December

100,000

488.15

12/6/2004

4499

R.A.F.

\$5.08

Previous Charges

\$2,190.61

Paid This Month

\$2,684.98

Last Payment 7/13/2005 \$2,684.98 Check Number 37158

Account Balance

18.73

Age 1 \$0.00 Age 2 \$0.00 Age 3 \$0.00

TAPATIO SPRINGS SERVICE

Customer Detail

T/S GOLF RESORT

Account Number

93

T/S GOLF RESORT

HOTEL / UNIT 9

PO BOX 550

BOERNE

TX

78006 +40 (830)537-4611

Service Address: HOTEL #9

Social Security #:

Date Turned On

Date Turned Off

Meter Check Date

Rate Code

Pump/Well Number

Last Reading

Previous Reading

Usage

Months On System

Total Usage

Average Usage

Sequence Number

Meter Serial Number

Route Number

Last Read Date

12 Month Average

Last Year Average

Previous Year Average

Last "Paid On Time" Date

Last Late Charge Date

Number Of Late Months

Next Due Date

Year To Date Charges

3170

70020411-4

8

7/3/2005

59,917

64,000

39,000

7/13/2005

12/7/2004

25

8/2/2005

\$4,194.41

193

Deposit Information

Deposit Amount \$0.00

Deposit Date

Certificate Number

0

Deposit Amount 2 \$0.00

Deposit 2 Date

Usage

Charges

Read Date

Reading

Services

Current Balance

January

74,000

706.01

1/10/2005

4083

Water

\$497.17

February

34,000

598.95

2/7/2005

4117

Sewage

\$262.10

March

27,000

581.28

3/10/2005

4144

April

41,000

774.44

4/9/2005

4185

May

37,000

764.34

5/9/2005

4222

June

39,000

769.39

6/4/2005

4261

July

67,000

688.32

7/8/2004

360761

August

65,000

683.20

8/5/2004

3673

September

96,000

768.78

9/8/2004

3770

October

74,000

706.01

10/6/2004

3844

November

96,000

767.12

11/4/2004

3940

December

69,000

692.12

12/6/2004

4009

R.A.F.

\$7.59

Previous Charges

\$2,710.43

Paid This Month

\$3,656.31

Account Balance

-179.02

Last Payment 7/13/2005 \$3,656.31 Check Number 37158

Age 1 \$0.00 Age 2 \$0.00 Age 3 \$0.00

TAPATIO SPRINGS SERVICE

Customer Detail

T/S GOLF RESORT

Account Number

94

T/S GOLF RESORT

HOTEL / UNIT 5

PO BOX 550

BOERNE

TX

78006

+40

(830)537-4611

Service Address:

HOTEL #5

Social Security #:

Date Turned On

Date Turned Off

Meter Check Date

Rate Code

Pump/Well Number

Last Reading

Previous Reading

Usage

Months On System

Total Usage

Average Usage

3
1
6162
6141
21,000

67

1,372,230

20,481

188

Sequence Number

3130

Meter Serial Number

8738081-1

Route Number

8

Last Read Date

7/3/2005

12 Month Average

17,750

Last Year Average

21,000

Previous Year Average

19,000

Last 'Paid On Time' Date

7/13/2005

Last Late Charge Date

12/7/2004

Number Of Late Months

25

Next Due Date

8/2/2005

Year To Date Charges

\$986.99

Deposit Information

Deposit Amount \$0.00

Deposit Date

Certificate Number

0

Deposit Amount 2 \$0.00

Deposit 2 Date

	Usage	Charges	Read Date	Reading	Services	Current Balance
January	8,000	136.07	1/10/2005	6055	Water	\$88.17
February	10,000	140.61	2/7/2005	6065	Sewage	\$97.60
March	21,000	165.61	3/10/2005	6086		
April	18,000	180.81	4/9/2005	6104		
May	19,000	183.08	5/9/2005	6123		
June	18,000	180.81	6/4/2005	6141		
July	30,000	188.84	7/8/2004	595717		
August	30,000	187.96	8/5/2004	5987		
September	12,000	146.48	9/8/2004	6000		
October	16,000	154.25	10/6/2004	6016		
November	18,000	158.79	11/4/2004	6034		
December	13,000	147.43	12/6/2004	6047		
					R.A.F.	\$1.86
					Previous Charges	\$734.25
					Paid This Month	\$897.94

Last Payment 7/13/2005 \$897.94 Check Number 37158

Account Balance 23.94

Age 1 \$0.00 Age 2 \$0.00 Age 3 \$0.00

TAPATIO SPRINGS SERVICE

Customer Detail

T/S GOLF RESORT

Account Number

133

T/S GOLF RESORT

HOTEL #3 SPK-B

PO BOX 550

BOERNE

TX

78006 +40 (830)537-4611

Service Address: HOTEL #3/SPK

Social Security #:

Date Turned On

Date Turned Off

Meter Check Date

Rate Code

10

Pump/Well Number

7

Last Reading

7833

Previous Reading

7702

Usage

131,000

Months On System

67

Total Usage

3,175,790

Average Usage

47,400

182

Sequence Number

3080

Meter Serial Number

M168099-2

Route Number

8

Last Read Date

7/3/2005

12 Month Average

46,750

Last Year Average

49,000

Previous Year Average

49,000

Last 'Paid On Time' Date

7/13/2005

Last Late Charge Date

12/7/2004

Number Of Late Months

25

Next Due Date

8/2/2005

Year To Date Charges

\$547.35

Deposit Information

Deposit Amount \$0.00

Deposit Date

Certificate Number

0

Deposit Amount 2 \$0.00

Deposit 2 Date

Usage

Charges

Read Date

Reading

Services

Current Balance

Water

\$360.23

January

34,000

79.54

1/10/2005

7525

February

31,000

71.96

2/7/2005

7556

March

19,000

43.18

3/10/2005

7575

April

31,000

86.08

4/9/2005

7606

May

62,000

172.18

5/9/2005

7668

June

34,000

94.41

6/4/2005

7702

July

60,000

149.88

7/8/2004

719988

August

105,000

274.17

8/5/2004

7305

September

77,000

196.57

9/8/2004

7383

October

63,000

156.05

10/6/2004

7446

November

24,000

54.54

11/4/2004

7470

December

21,000

47.72

12/6/2004

7491

R.A.F.

\$3.60

Previous Charges

\$395.85

Paid This Month

\$759.68

Last Payment 7/13/2005 \$759.68 Check Number 37158

Account Balance

0.00

Age 1 \$0.00 Age 2 \$0.00 Age 3 \$0.00

TAPATIO SPRINGS SERVICE

Customer Detail

T/S GOLF RESORT

Account Number

139

T/S GOLF RESORT

EAGLE/GC-RR

PO BX 550

BOERNE

TX

78006

+40

(830)537-4611

Service Address:

EAGLE DR/GC-RR

Social Security #:

Date Turned On 11/1/1999

Date Turned Off

Meter Check Date 12/28/1999

Rate Code

1

Pump/Well Number

6

Last Reading

88

Previous Reading

87

Usage

1,000

Months On System

67

Total Usage

87,000

Average Usage

1,299

Sequence Number

3020

Meter Serial Number

98530211-5/8

Route Number

8

Last Read Date

7/3/2005

12 Month Average

1,182

Last Year Average

1,000

Previous Year Average

1,000

Last 'Paid On Time' Date

7/13/2005

Last Late Charge Date

12/7/2004

Number Of Late Months

25

Next Due Date

8/2/2005

Year To Date Charges

\$329.25

281

Deposit Information

Deposit Amount \$0.00

Deposit Date

Certificate Number

0

Deposit Amount 2 \$0.00

Deposit 2 Date

	Usage	Charges	Read Date	Reading	Services	Current Balance
January	1,000	54.86	1/10/2005	82	Water	\$26.75
February	1,000	54.86	2/7/2005	83	Sewage	\$27.60
March	1,000	54.86	3/10/2005	84		
April	1,000	54.89	4/9/2005	85		
May	1,000	54.89	5/9/2005	86		
June	1,000	54.89	6/4/2005	87		
July	1,000	55.61	7/8/2004	7339		
August	0	54.57	8/5/2004	74		
September	3,000	61.09	9/8/2004	78		
October	1,000	54.86	10/6/2004	79		
November	1,000	54.86	11/4/2004	80	R.A.F.	\$0.54
December	1,000	54.86	12/6/2004	81	Previous Charges	\$219.50
					Paid This Month	\$274.42

Last Payment 7/13/2005 \$274.42 Check Number 37158

Account Balance -0.03

Age 1 \$0.00 Age 2 \$0.00 Age 3 \$0.00

REST ROOMS / GOLF COURSE / EAGLE DRIVE / BY RIDGE PUMP STATION

TAPATIO SPRINGS SERVICE

Customer Detail

T/S GOLF RESORT

Account Number

195

T/S GOLF RESORT

HOTEL / SALES

P.O. BOX 550

BOERNE

TX

78006

+40

(830)537-4611

Service Address:

HOTEL/SALES

Social Security #:

Date Turned On 1/5/2001

Date Turned Off

Meter Check Date 2/5/2001

Rate Code

3

Pump/Well Number

1

Last Reading

352

Previous Reading

347

Usage

5,000

Months On System

53

Total Usage

347,000

Average Usage

6,547

Sequence Number

3090

Meter Serial Number

98532626-1

Route Number

8

Last Read Date

7/3/2005

12 Month Average

4,083

Last Year Average

4,000

Previous Year Average

6,000

Last 'Paid On Time' Date

7/13/2005

Last Late Charge Date

12/7/2004

Number Of Late Months

24

Next Due Date

8/2/2005

Year To Date Charges

\$578.50

Deposit Information

Deposit Amount \$0.00

Deposit Date

Certificate Number

0

Deposit Amount 2 \$0.00

Deposit 2 Date

Usage

Charges

Read Date

Reading

Services

Current Balance

January

5,000

101.91

1/10/2005

327

Water

\$52.17

February

4,000

99.64

2/7/2005

331

Sewage

\$41.60

March

5,000

101.91

3/10/2005

336

April

4,000

92.44

4/9/2005

340

May

4,000

92.44

5/9/2005

344

June

3,000

90.16

6/4/2005

347

July

5,000

103.00

7/8/2004

30217

August

3,000

98.73

8/5/2004

306

September

4,000

100.16

9/8/2004

310

October

3,000

97.36

10/6/2004

313

November

5,000

101.91

11/4/2004

318

December

4,000

99.64

12/6/2004

322

R.A.F.

\$0.94

Previous Charges

\$384.15

Paid This Month

\$471.66

Last Payment 7/13/2005 \$471.66 Check Number 37158

Account Balance

7.20

Age 1 \$0.00 Age 2 \$0.00 Age 3 \$0.00

TAPATIO SPRINGS SERVICE

Customer Detail

T/S GOLF RESORT

Account Number

236

T/S GOLF RESORT

TURN/CIBOLO

P.O. BOX 550

BOERNE

TX

78006 +40 (830)537-4611

Service Address: TURN - CIBOLO

Social Security #:

Date Turned On 5/1/2002

Date Turned Off

Meter Check Date 6/4/2002

Rate Code 3

Pump/Well Number 1

Last Reading 290

Previous Reading 283

Usage 7,000

Months On System 37

Total Usage 283,000

Average Usage 7,649

C/H-TURN

Sequence Number 3040

Meter Serial Number 58705598-1

Route Number 8

Last Read Date 7/3/2005

12 Month Average 7,333

Last Year Average 7,000

Previous Year Average 7,000

Last 'Paid On Time' Date 7/13/2005

Last Late Charge Date 12/7/2004

Number Of Late Months 21

Next Due Date 8/2/2005

Year To Date Charges \$627.21

Deposit Information

Deposit Amount \$0.00

Deposit Date

Certificate Number

0

Deposit Amount 2 \$0.00

Deposit 2 Date

	Usage	Charges	Read Date	Reading	Services	Current Balance
January	5,000	97.44	1/10/2005	245	Water	\$56.67
February	6,000	99.72	2/7/2005	251	Sewage	\$48.60
March	8,000	104.26	3/10/2005	259		
April	7,000	106.32	4/9/2005	266		
May	9,000	110.87	5/9/2005	275		
June	8,000	108.60	6/4/2005	283		
July	6,000	101.63	7/8/2004	20072		
August	7,000	102.10	8/5/2004	208		
September	7,000	102.52	9/8/2004	215		
October	13,000	115.62	10/6/2004	228		
November	2,000	90.63	11/4/2004	230	R.A.F.	\$1.05
December	10,000	108.81	12/6/2004	240	Previous Charges	\$432.78
					Paid This Month	\$536.37

Last Payment 7/13/2005 \$536.37 Check Number 37158

Age 1 \$0.00 Age 2 \$0.00 Age 3 \$0.00

Account Balance 2.73

R 080105

Water Supply Analysis for Tapatio Springs Service Company

CCN Nos. 12122 and 20698

August 2005

R 080105

Executive Summary

This report has been prepared in conjunction with the CCN Application of Tapatio Springs Service Company for the expansion into the 5000 acres that is bordered by Ranger Creek Road to the North. This property is known as The Broken "O" and is currently being platted through Kendall County as "Cielo Grande". A preliminary plat has been filed for the westernmost 2000 acres and a Master Development Plan has been filed for the entire 5000 acres.

Through the acquisition of GBRA water, Tapatio Springs Service Company has sufficient capacity by state regulations to serve this Property.

Existing Water Production

The existing water production is based upon wells that have been produced in Kendall County by Kendall County Utility Company and Tapatio Springs Service Company. A summary of these wells is provided in the attachments. The current pumping rates of these wells are a combined 1360 Ac-ft/ Year. We have accounted for a 75% reduction in maximum pumping capability, which will allow 1020 Ac-ft/ Year for water service by existing well Production.

GBRA Water

There is a current contract for the GBRA water signed July 14, 2005. This contract is for 750 AC-FT/ Year. This water will be available with the Western Canyon Regional Project. Matkin-Hoover Engineering, Inc. is currently designing the facilities and off-site infrastructure for this water to be delivered to the Tapatio Springs Service Company.

Storage

Currently, Tapatio Springs Service Company has storage facilities in excess of 1.65 Million Gallons.

Existing Water Demand and Future Demand

There is an existing customer base of 843 connections on Tapatio Springs Service Company. The 5000 acres that is currently being added to the CCN will result in additional 1700 connections to the system and future lots in Tapatio will yield 850 lots. The total ultimate connections for Tapatio Springs Service Company at this time are 3393. A total of 1697 Ac-ft/ Year will be required. Including the GBRA supply of water, the total production at this time will be 1770 Ac-ft/Year. This build out and ultimate demand will be phased in over the next ten years.

Kendall County Utility Company / Tapatio Springs Utility Company

2005 Water Production and Usage

	AC-FT/ YR	EDU
Maximum Well Production	1360	
Existing Well Production	1020	2040
75% Reduction		
Additional GBRA	750	1500
Total Production	1770	3540
Existing Customer Base		843
5000 acres		1700
Additional Tapatio		850
Net Customer Base		147

Notes :

- 1) 1700 homes committed to the 5000 acres for CDS
- 2) 850 Homes for future development of Tapatio

Prepared By:
Matkin-Hoover Engineering, Inc.

John-Mark Matkin
President, CEO

Peak Demand

TCEQ requires .6 GPM/ Connection for Peak Demand. The total connections of 3393 is equivalent to 2036 GPM. Our existing Peak Production is currently 2110 AC-FT/ Year with a maximum of 1308 GPM by a combination of existing well production and GBRA supply. To accommodate for future demand and peaking, we are accounting for the drilling of 10 additional commercial wells with an estimated pumping capacity of 75 GPM/ Well. These wells will be phase in over the next ten years. The well production that is required for the peak demand is offset by the enormous amount of storage capacity and the constant flow of GBRA Water. We anticipate that the wells will not be utilized.

Conclusion

Tapatio Springs Service Company has sufficient water to meet the demands of the additional requirements of the expansion of the CCN. The yearly requirement of production for water is met by the addition of the GBRA water and no new wells will have to be drilled to accommodate for this.

To meet Peaking demands, Tapatio Springs Service Company has allowed for the drilling of 10 additional commercial wells that will be drilled and phased in over the next 10 years. Tapatio Springs Service Company is also investigating the feasibility of creating surface water to mitigate the Peak Demands. It is by resolution of Tapatio Springs service company to use GBRA water to its maximum ability to service the needs of their customers.

The incorporation of the 5000 acres into the CCN of Tapatio Springs Service Company allows for the control of and monitoring of water usage in the county. The commercial wells that will be required for peaking will be much less damaging to the county than the allowed 850 individual domestic wells that would be required for a residential development without a central water system.

Existing Storage facilities meet all future demand at this time and mitigate the impact of peaking within the water system.

Tapatio Springs Service Company

P. O. Box 550 • Boerne, Texas 78006-0550

(830) 537-5755

*** NOTICE ***

WATER RATIONING PROGRAM

STAGE II

Dear Water Customer:

Beginning on **September 6, 2005** the Tapatio Springs Services Company must implement a water rationing program. We will employ **STAGE II**.

The **STAGE II** rationing program calls for " Outside watering by hand held hose anytime Monday thru Friday. Hose with sprinkler or automatic sprinkler systems, **ONLY ONCE A WEEK**, as shown by chart below, only between the hours of 3:00 AM to 8:00 AM and 8:00 PM to 11:00 PM. No outside water use on **SATURDAY** or **SUNDAY**!

LAST DIGIT OF ADDRESS

0 or 1

2 or 3

4 or 5

6 or 7

8 or 9

WATERING DAY

Monday

Tuesday

Wednesday

Thursday

Friday

Violation of Rationing Rules:

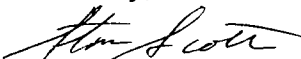
1. **First Violation** / the customer will be notified by written notice of their specific violation.
2. **Second Violation** / the utility may install a flow restriction in the line to limit the amount of water which will pass through the meter in a 24 hour period. The cost to be charged to the customer's account and will be the actual installed cost to the utility, not to exceed \$50.00.
3. **Subsequent Violations** / the utility may terminate service at the meter for a period of seven (7) days, or until the end of the calendar month, whichever is LESS. The normal reconnect fee of \$35.00 will apply for restoration of service.

The daily usage is **so high** that we have to **cut back outside watering to once-a-week!**

We will notify you when the Stage II is over or if we will need to go to Stage III. The rationing program will end only when the drought conditions cease.

Thank you for your cooperation.

Sincerely,



Stan Scott
Systems Operation Manager

2090605

TAPATIO SPRINGS SERVICE CO.
Balance Sheet
December 31, 2004

Page 1

ASSETS

Current Assets

Bank of America - Operating	\$	7,917.13
A/R - Trade		5,557.45
A/R - TSGR		10,000.00

Total Current Assets

23,474.58

Property and Equipment

Cable System	56,824.53
Sewer System	1,287,164.52
Chlorine Injection - Lake	4,589.80
HH - Lift Station	22,006.50
Tapatio West #2 - Lift Station	11,074.44
Water System	1,098,237.17
Underground Utilities	72,496.63
GBRA - Conn/Resv Fees	38,368.75
Accumulated Depreciation	(2,369,427.70)

Total Property and Equipment

221,334.64

Other Assets

Total Other Assets

0.00

Total Assets

\$ 244,809.22

RE 093005-3

TAPATIO SPRINGS SERVICE CO.
Balance Sheet
December 31, 2004

LIABILITIES AND CAPITAL

Current Liabilities		
A/P - KCUC - Note 8	\$ 35,000.00	
Intercompany - Golf Resort	201,406.81	
Intercompany - TS Dev	(357,153.05) <i>✓ A/C</i>	
I/C-KCDC NOTE 9	23,000.00	
Intercompany - KCUC	42,000.00	
Property Taxes Payable	4,500.00	
Regulatory Assessment Fee	7,360.80	
	<hr/>	
Total Current Liabilities		(43,885.44)
Long-Term Liabilities		
Clyde B. Smith - (TSSC)	905,146.35	
Allowance For Discount	48.60	
	<hr/>	
Total Long-Term Liabilities		905,194.95
		<hr/>
Total Liabilities		861,309.51
Capital		
Capital Stock	1,000.00	
Additional Paid-in Capital	634,104.75	
Beginning Retained Earnings	(1,293,378.10)	
Net Income	41,773.06	
	<hr/>	
Total Capital		(616,500.29)
		<hr/>
Total Liabilities & Capital	\$	244,809.22
		<hr/>

TAPATIO SPRINGS SERVICE CO.
Income Statement
For the Twelve Months Ending December 31, 2004

	Current Month		Year to Date	
Revenues				
Sewer	(26,852.43)	(174.31)	13,630.32	5.98
Water	42,242.12	274.22	206,368.55	90.52
Transfer Fees	15.00	0.10	375.00	0.16
Tap Fees - Sewer	0.00	0.00	4,000.00	1.75
Tap Fees - Water	0.00	0.00	3,600.00	1.58
Total Revenues	15,404.69	100.00	227,973.87	100.00
Cost of Sales				
Total Cost of Sales	0.00	0.00	0.00	0.00
Gross Profit	15,404.69	100.00	227,973.87	100.00
Expenses				
Sewer - Chemicals	20.70	0.13	2,226.21	0.98
Sewer - Electric	993.37	6.45	10,473.13	4.59
Sewer - M & R - Lift Stations	365.92	2.38	1,440.45	0.63
Sewer - M & R - Lines	0.00	0.00	29,206.91	12.81
Sewer - M & R - Plant	1,958.07	12.71	11,664.78	5.12
Sewer - Testing	71.00	0.46	871.00	0.38
Sewer - Water Use	0.00	0.00	466.37	0.20
Water - Chemicals	69.06	0.45	2,259.12	0.99
Water - Electric	2,104.11	13.66	26,427.83	11.59
Water - M & R - Distribution	0.00	0.00	2,699.94	1.18
Water - M & R - Fire Hydrants	0.00	0.00	1,090.79	0.48
Water - M & R - Meters	63.75	0.41	733.75	0.32
Water - M & R - Tanks	391.58	2.54	824.08	0.36
Water - M & R - P/S - Gardens	0.00	0.00	874.13	0.38
Water - M & R - P/S - Ridge	0.00	0.00	3,862.92	1.69
Water - M & R - Well 2	0.00	0.00	583.38	0.26
Water - M & R - Well 6	0.00	0.00	4,638.66	2.03
Water - Meter Reading	195.00	1.27	932.00	0.41
Water - Testing Fees	15.00	0.10	2,986.00	1.31
Assessment Fees	0.00	0.00	2,422.53	1.06
CCGCD Fees	1,230.44	7.99	2,060.66	0.90
Auto Expense	2,499.01	16.22	7,281.73	3.19
Bank Charges	0.00	0.00	13.00	0.01
Fees / Permits / Publications	0.00	0.00	2,060.43	0.90
Interest Expense	4,538.86	29.46	55,314.14	24.26
Office Expense	0.00	0.00	153.43	0.07
Postage	90.25	0.59	571.37	0.25
Taxes - Property	0.00	0.00	6,914.82	3.03
Telephone - Office	136.13	0.88	1,360.14	0.60
Telephone - Mobile	0.00	0.00	320.84	0.14
Telephone - Wells	57.86	0.38	716.27	0.31
Water Comm Assessment	2,750.00	17.85	2,750.00	1.21
Total Expenses	17,550.11	113.93	186,200.81	81.68
Net Income	\$ (2,145.42)	(13.93)	\$ 41,773.06	18.32

Plaintiff CDS Texas Realty, Ltd. alleged in this cause.

5. On or about August 31, 2004, Third Party Defendant JABAT Investments, Ltd. executed and delivered to Third Party Plaintiff CDS Texas Realty, Ltd. that certain Special Warranty Deed conveying to Third Party Plaintiff CDS Texas Realty, Ltd. certain real property located in Kendall County, Texas, and described more particularly in the Special Warranty Deed. A copy of the Special Warranty Deed is attached hereto as Exhibit A.

6. Subsequent to the execution and delivery of the Special Warranty Deed, Plaintiffs David A. Perez and Amy Perez filed this suit against Third Party Plaintiff CDS Texas Realty, Ltd. alleging that the property conveyed by the Special Warranty Deed is encumbered by restrictive covenants and equitable servitudes created and placed upon the title to the property by Third Party Defendant JABAT Investments, Ltd.

7. Third Party Plaintiff CDS Texas Realty, Ltd. denies and disputes the validity of the claims alleged by Plaintiffs David A. Perez and Amy Perez. In the unlikely event, however, that the restrictive covenants and equitable servitudes alleged by Plaintiffs David A. Perez and Amy Perez are held to be valid encumbrances on the title to the property, in whole or in part, then and in such event Third Party Defendant JABAT Investments, Ltd. will be liable for damages to Third Party Plaintiff CDS Texas Realty, Ltd. for breach of the warranty of title contained in the Special Warranty Deed.

8. Therefore, in the unlikely event that the restrictive covenants and equitable servitudes alleged by Plaintiffs David A. Perez and Amy Perez are held to be valid encumbrances on the title to the property, then and in such event Third Party Plaintiff CDS Texas Realty, Ltd. shall be entitled to and hereby seeks recovery of its actual damages and other recoverable sums, including reasonable attorney's fees and costs, for which Third Party

Defendant JABAT Investments, Ltd. will be liable by reason of its breach of the warranty of title contained in the Special Warranty Deed.

9. All conditions precedent have been performed or have occurred.

WHEREFORE, PREMISES CONSIDERED, Third Party Plaintiff CDS Texas Realty, Ltd. requests that Third Party Defendant JABAT Investments, Ltd. be cited to appear and answer in this cause, and upon final trial, in the unlikely event that the restrictive covenants and equitable servitudes alleged by Plaintiffs David A. Perez and Amy Perez are held to be valid encumbrances on the title to the property, then and in such event, Third Party Plaintiff CDS Texas Realty, Ltd. respectfully prays for judgment against Third Party Defendant JABAT Investments, Ltd. for recovery of actual damages, attorney's fees, and costs, and that Third Party Plaintiff CDS Texas Realty, Ltd. also recover such other and further relief, general or special, legal or equitable, to which it may show itself to be justly entitled.

Respectfully submitted,

OLIVER & OLIVER, P.C.

By Frank Oliver

Frank Oliver
State Bar No. 15260900
Andrew Oliver
State Bar No. 24046556
100 Congress Avenue, Suite 2100
Austin, Texas 78701
Mailing Address:
P.O. Box 489
Austin, Texas 78767-0489
Telephone: (512) 370-4050
Fax: (512) 370-4051

ATTORNEYS FOR DEFENDANT AND THIRD
PARTY PLAINTIFF CDS TEXAS REALTY,
LTD.

FILED

05 DEC 12 PM 1:23

SHIRLEY R. PIERCE, DIST. CLERK
KENDALL COUNTY, TEXAS

BY: Deputy

Certificate of Service

As required by Rule 21, I hereby certify that on December 12, 2005, I served this pleading by a method of service authorized under Rule 21a as follows:

BY FACSIMILE TRANSMISSION SENT TO:

Ricardo G. Cedillo
Davis, Cedillo & Mendoza, Inc.
McCombs Plaza, Suite 500
755 E. Mulberry Ave.
San Antonio, Texas 78212
Telephone: 210-822-6666
Telecopier: 210-822-1151

Randy Richards
The Law Office of Randy Richards
Post Office Box 1319
Boerne, Texas 78006-1319
Telephone: 830-995-5741
Telecopier: 830-995-5428



Frank Oliver

CIVIL CITATION

RETURN

CLERK OF THE COURT

Shirley R. Stehling
201 E. San Antonio, #201
Boerne, Texas 78006

ATTORNEY FOR THIRD PARTY PLAINTIFF

Frank Oliver
100 Congress Avenue, Suite 2100
Austin, Texas 78701

THE STATE OF TEXAS

NOTICE TO THIRD PARTY DEFENDANT: "You have been sued. You may employ an attorney. If you or your attorney do not file a written answer with the clerk who issued this citation by 10:00 a.m. on the Monday next following the expiration of twenty days after you were served this citation and petition, a default judgment may be taken against you."

TO **JABAT INVESTMENTS, LTD.** by serving its Registered Agent
BRADEN J. BROCK
1670 East Cardinal Drive
Beaumont, Texas 77705

Greeting;

You are hereby commanded to appear by filing a written answer to the **Third Party Plaintiff's THIRD PARTY PETITION** at or before 10:00 a.m. of the Monday next after the expiration of twenty days after the date of service of this citation before the **Honorable 216th Judicial District Court of Kendall County, Texas** at the Courthouse of said County in **Boerne, Texas**. Said document was filed on the 12th day of **December** A.D., 2005, in this cause numbered **05-460** on the docket of said court, and styled,

DAVID A. PEREZ AND AMY PEREZ

VS.

CDS TEXAS REALTY, LTD.

The nature of Third Party Plaintiff's demand is fully shown by a true and correct copy of the **THIRD PARTY PETITION** accompanying this citation and made a part hereof.

Also See **REQUEST FOR PRODUCTION TO THIRD PARTY DEFENDANT JABAT INVESTMENTS, LTD.** attached and being served herewith.

The Officer executing this writ shall promptly serve the same according to requirements of law, and the mandates thereof, and make due return as the law directs.

Issued and given under my hand and seal of said Court at Boerne, Texas, this the **13th** day of **December** A.D., 2005.

(SEAL)



SHIRLEY R. STEHLING, District Clerk
Kendall County, Texas

By Ray Pugh Deputy

Rule 106: "the citation shall be served by the officer delivering to each defendant, in person, a true copy of the citation with the date of delivery endorsed thereon and with a copy of the petition attached thereto."

CAUSE NO. 05-460

DAVID A. PEREZ and AMY PEREZ	§	IN THE DISTRICT COURT
	§	
v.	§	<u>216th</u> JUDICIAL DISTRICT
	§	
CDS TEXAS REALTY, LTD.	§	KENDALL COUNTY, TEXAS

PLAINTIFFS' ORIGINAL PETITION AND REQUEST FOR DECLARATORY JUDGMENT

NOW COMES Plaintiffs, DAVID A. PEREZ and AMY PEREZ, and files this their Original Petition for Declaratory Judgment, petitioning the Court pursuant to the Declaratory Judgment Act, Chapter 37 of the Texas Civil Practice and Remedies. In support thereof, Plaintiffs would show the Court as follows:

DISCOVERY CONTROL PLAN

1. Pursuant to Rule 190.1 of the Texas Rules of Civil Procedure, Plaintiffs intend discovery to be conducted under Level 2.

PARTIES

2. Plaintiffs, DAVID A. PEREZ and AMY PEREZ (hereinafter "Plaintiffs"), are individuals residing at 806 Ranger Creek Road, Boerne, Texas 78006.

3. Defendant, CDS TEXAS REALTY, LTD. (hereinafter "CDS Texas Realty"), (f.k.a "CDS Bandera Realty, LLC") is a partnership formed under the laws of the state of Texas and may be served with citation through its registered agent, Capitol Corporate Services, 800 Brazos, Suite 1100, Austin, Texas 78701.

JURISDICTION & VENUE

4. The Court has jurisdiction over the controversy because the relief sought is within the jurisdictional limits of the Court.

5. Venue is proper in Kendall County, Texas, under Section 15.002 of the Texas Civil Practices & Remedies Code because a substantial part of the events or omissions giving rise to this claim occurred in Kendall County, Texas.

FACTUAL ALLEGATIONS

6. Plaintiffs purchased 91.99 acres in Kendall County, Texas, with knowledge of restrictions which had been placed on 1705.77 acres of land in proximity to and for the benefit of their land. Five years later, JABAT Investments, Inc. ("JABAT") attempted to render restrictions on that 1705.77 acre tract null and void. More recently, CDS Texas Realty has taken actions to develop its property contrary to the restrictions which will substantially affect the established rights of Plaintiffs by proposing acreage tracts of less than 25 acres. A more specific timeline of these events is as follows:

7. On December 16, 1998, JABAT conveyed 1705.77 acres, out of Tract No. 2, Champee Springs Ranches, a previously platted subdivision in Kendall County, Texas ("Restricted Tract") to Mitchell Partners Limited Partnership ("Mitchell") in Special Warranty Deed with Vendor's Lien ("December 16th Warranty Deed"). *See* 12/16/98 Warranty Deed, Exhibit "A."

8. Along with the December 16th Warranty Deed, JABAT and Mitchell entered into an Agreement Regarding Additional Restrictive Covenants and Conditions on December 18, 1998 ("December 18th Agreement"), wherein the parties agreed that certain additional restrictions would encumber any portion of the Restricted Tract that Mitchell resold, unless prior to Mitchell reselling any portion of the Restricted Tract, JABAT and Mitchell agreed in writing to an amendment of the December 18th Agreement. *See* 12/18/98 Agreement Re Restrictive Covenants, Exhibit "B."

9. The December 18th Agreement included numerous restrictions ("Restrictions") including the following: "[n]o portion of the [Restricted Tract] shall be re-subdivided into smaller parcels or conveyed in any size less than 25 acres." These Restrictions were for the benefit of the Restricted Tract, as well as all owners and assigns of Tracts 1, 2, and 8 of Champee Springs Ranches.

10. On July 21, 1999, JABAT conveyed 91.99 acres in Tract 2, Champee Springs Ranches in Special Warranty Deed to Natalie Holdings, Ltd. ("July 19th Warranty Deed"). *See* 07/21/99 Warranty Deed, Exhibit "C"; *See* 03/30/00 Correction Special Warranty Deed, Exhibit "D." Natalie Holdings, Ltd. ("Natalie Holdings") signed the July 19th Warranty Deed with notice and in reliance of restrictions contained in the December 18th Agreement.

11. On May 27, 2004, Mitchell conveyed three tracts ("Three Tracts") of land in Warranty Deed with Vendor's Lien to WUDB, Ltd. ("WUDB"):

- a. Tract One: Tract 3A, Champee Springs Ranches, save and except 30.12 acres described in Vol. 622., Pg. 638;
- b. Tract Two: 30.12 acres Described in Vol. 622, Page 638 as follows described as being all of a certain tract or parcel of land out of CCSD & RGNGRR Co. Survey No. 259, Abstract No. 695, in Kendall County, Texas; part of 2326.12 acres conveyed to Greli N. Less from John R. Less, et al, by a Distribution Deed executed the 9th day of August, 1990 and recorded in Vol. 335, Pg. 431; and
- c. Tract Three: Tracts 1A, 1B, 1C, 2A, 2C, 8A and 8B, Champee Springs Ranches. *See* 05/27/04 Warranty Deed, Exhibit "E."

12. On August 30, 2004, Natalie Holdings conveyed the 91.99 acres in Tract 2, Champee Springs Ranches to David A. Perez and Amy Perez ("August 30th Warranty Deed"). *See* 08/30/04 Warranty Deed, Exhibit "F."

13. On August 30, 2004, JABAT executed a Termination of Restrictions and Covenants ("August 30th Termination") which purportedly rendered the Restrictions in the December 18th Agreement null and void. *See* 08/30/04 Termination, Exhibit "G." The August 30th Termination was recorded on September 2, 2004, after the August 30th Warranty Deed.

14. On August 31, 2004, JABAT conveyed Three Tracts in Special Warranty Deed with Vendor's Lien in Favor of Third to CDS Bandera Realty, LLC, (currently known as "CDS Texas Realty, Ltd.") not subject to the Restrictions contained in the December 18th Agreement. *See* 08/31/04 Warranty Deed, Exhibit "H."

15. On August 6, 2005, Matkin-Hoover Engineering filed a Master Development Plan ("Plan") on behalf of CDS Texas Realty which refers to the 1705.77 acre tract at issue. *See* 08/06/05 Master Plan, Exhibit "I." As part of the Plan, CDS Texas Realty has submitted a proposed preliminary plat to the Commissioners' Court of Kendall County, Texas, for Tract 1 (Ceilo Grande). However, Plaintiffs would show the Plan will substantially affect their established rights by proposing acreage tracts within the Restricted Tract of less than 25 acres.

REQUEST FOR DECLARATORY RELIEF

16. Plaintiffs request that the Court declare that the Restrictions contained in the December 18th Agreement "run with the land" to subsequent purchasers of the property. These Restrictions include, among others, that:

- (a) No portion of the Property shall be re-subdivided into smaller parcels or conveyed in any size less than 25 acres.
- (b) No structures shall be erected, placed or maintained on any portion of the Property other than a single family private residence with such customary

accessory structures and buildings such as a garage, guest house, servant's quarters, barns, stables, corrals, and/or other similar structures used in connection with the raising and keeping of horses, cattle, and other domestic animals, and the storage of equipment, machinery, feeds and other items related thereto. All residences and other structures constructed or erected shall be of new construction, and in no event shall any prefabricated or existing houses, buildings, garages or other structures be permanently or temporarily placed, stored or erected or otherwise permitted on any portion of the Property.

- (c) No mobile homes, house trailers, modular or other not on-site manufactured homes or structures of any kind shall be permanently or temporarily placed or erected or otherwise permitted on any portion of the Property. A mobile home is a "mobile home" within the meaning of this restriction even if its wheels have been removed and the structure set in or on a permanent foundation or slab or if connected to water, electrical and other utilities. No multi-family dwellings of any kind, including apartments or condominiums, shall be erected or otherwise permitted on any portion of the Property.
- (d) There shall be no operation of a commercial business of any kind on any portion of the Property. No tower of any kind, including without limitation, radio, microwave, cellular telephone and television towers, shall be erected, maintained or permitted on any portion of the Property. No oil or gas drilling, exploration, or development operations, oil or gas refining or treatment, quarrying or mining operation of any kind shall be permitted on any portion of the Property nor shall oil wells, tanks, mineral excavations or shafts be permitted on any portion on the Property. For purposes of this paragraph, the term "other minerals" shall include rock, gravel, sand, topsoil, caliche and other substances which may be associated with and/or appurtenant to the surface interest of the Property.
- (e) No single family residence erected on any portion of the Property shall have a living area of less than 2500 square feet, excluding porches, patios, garages or other appendages. The exterior walls of any single family residence constructed on any portion of the Property shall be composed of at least 50 percent masonry, such percentage to apply to the aggregate area of all walls of the residence, inclusive of door, window and similar openings. Masonry includes stucco, brick, rock and all other materials commonly referred to in Kendall County, Texas as masonry.
- (f) No building or other structure of any kind shall be located on any portion of the Property nearer than 125 feet to any perimeter boundary line of the portion of the Property on which the building or structure is located.
- (g) No trash, garbage, construction debris, rubbish, abandoned or junk cars, or any refuse, including any hazardous or toxic substances may be dumped,

disposed of or maintained on any portion of the Property. All trash, garbage or other waste shall be kept in a clean, sanitary and sightly condition and all containers shall be screened from view from adjoining landowners. No refuse shall be burned on any portion of the Property at any time except in accordance with the regulations of Kendall County, Texas. All trash, garbage and other refuse shall be removed from the Property and properly disposed of in the appropriate local landfill or other disposal facility.

- (h) No signs or advertisements of any kind may be displayed on any portion of the Property except to advertise its sale, or to identify the name of the building contractor during the construction of any buildings on any portion of the Property.
- (i) No above ground storage tanks for the storage of gasoline, diesel fuel, oil or any other petroleum product or any other hazardous substance, shall be erected, placed or permitted upon any portion of the Property.
- (j) No outside toilets shall be used, constructed or permitted on any portion of the Property. No means of sewage disposal may be installed, used or maintained on any portion of the Property except a three-phase enclosed septic system or other similar sewage disposal system which meets the requirements of and is approved by all governmental authorities having jurisdiction over the Property.
- (k) There is hereby reserved unto Grantor and Grantor's successors and assigns, a 10 foot wide right of way and utility easement over and upon a 10 foot wide strip of land running parallel to and adjacent to and inside of the perimeter boundary lines of the Property for the purposes of construction, reconstruction, installation, maintenance, inspecting, replacing and removing utility services and appurtenance thereto, together with the right of ingress and egress over and along said easement and right of way for the purposes above stated. The use of easements as reserved herein is also granted to the utility companies that service the Property for the purposes herein stated. No building, planting or other structure of any kind shall be erected or placed on the utility easement and right of way.
- (l) In the event that buildings and other structures ("Existing Structures") are situated on the Property as of the date of this deed and such Existing Structures are not in compliance with these restrictive covenants and conditions, then such Existing Structures are "grandfathered" and a variance is hereby granted to the extent of such noncompliance of the Existing Structures as of the date of this deed; provided that this variance applies only to the Existing Structures and if any such Existing Structure is destroyed, raised or removed from the Property, then and in such event, the variance herein granted shall terminate.

See 12/18/98 Agreement Re Restrictive Covenants, Exhibit "B." As more fully explained below, Plaintiffs are entitled to this relief under the following analysis:

I. PLAINTIFFS ARE ENTITLED TO ENFORCE THE RESTRICTIONS BECAUSE SUCH RESTRICTIONS "RUN WITH THE LAND" AND ARE FOR THE BENEFIT OF PLAINTIFFS.

17. An owner of land may impose any conditions and restrictions desired on the property, so long as the restrictions are not against public policy and so long as the contracts are otherwise legal. TEX. PROP. CODE § 5.002; *Curlee v. Walker*, 244 S.W. 497, 498 (Tex. 1922). In an action to enforce a restriction on the use of the land, it must be shown that the petitioner owns or has an interest in the land benefited by the restrictive promise. *Mitchell v. Rancho Viejo, Inc.*, 736 S.W.2d 757, 760-761 (Tex. App.—Corpus Christi 1987, ref. n.r.e.). Although an interest in the benefited land is necessary for enforcement of restrictions, neither knowledge of nor reliance upon the restrictions is required. A purchaser may enforce a restrictive covenant despite complete ignorance of its existence at the time of the purchase. *Ortiz v. Jeter*, 479 S.W.2d 752, 758-759. (Tex. Civ. App.—San Antonio 1972, ref. n.r.e.).

18. Restrictive covenants, as well as deeds and conveyances, are authorized to be recorded in the county in which the affected land is located. TEX. PROP. CODE §§ 12.001, 13.003. The record of any instrument authorized for recordation that has been recorded in the proper county serves as notice for all purposes of the existence of the instrument. *Musgrave v. Brookhaven Lake Property Owners Ass'n*, 990 S.W.2d 386, 396 (Tex. App.—Texarkana 1999, pet. denied) (conveyances and restrictions were on file in deed records of county, so buyer had constructive notice); *Hicks v. Loveless*, 714 S.W.2d 30, 34 (Tex. App.—Dallas 1986, writ refused n.r.e.) (purchaser had constructive notice of deed restrictions that were recorded at time he purchased property and that were referred to in predecessor's deed, even though they were not recorded at the time predecessor's deed was executed and were not part of purchaser's chain of

title); *see also Selected Lands Corp. v. Speich*, 702 S.W.2d 197, 199 (Tex. App. Houston [1st Dist.] 1985, ref. n.r.e.) (restrictive covenants enforceable against purchasers who took with notice of covenants and knowledge of general plan although their deeds do not contain covenants).

19. Applied to our facts, Plaintiffs purchased 91.99 acres in Tract 2, Champee Springs Ranches with knowledge of restrictions on the Restricted Tract. The Restrictions were filed with Kendall County before Natalie Holdings purchased that property from JABAT. Further, even if Natalie Holdings knew nothing of the Restrictions, neither knowledge of nor reliance upon the Restrictions is required. A purchaser may enforce a restrictive covenant despite complete ignorance of its existence at the time of the purchase. As a successor in interest to Natalie Holdings, David and Amy Perez have standing to enforce the Restrictions.

A. Creation of Covenants which Run with the Land

20. In order for a restrictive covenant running with the land to be created, the following requirements must be met: (1) there must be privity of estate between the covenanting parties. *Panhandle & S.F. Ry. Co. v. Wiggins*, 161 S.W.2d 501, 505 (Tex. Civ. App.—Amarillo 1942, writ ref'd w.o.m.). Horizontal privity refers to the original parties to the covenant, while vertical privity refers to those who subsequently obtain the property subject to the covenant (the successor-in-interest) and the original party from whom they got the property; (2) the covenant must relate to something in existence, or assigns must be named if they are to be bound by the covenant. *Gulf, C. & S.F. Ry. Co. v. Smith*, 72 Tex. 122, 9 S.W. 865, 866 (1888); *Panhandle*, 161 S.W.2d at 504; (3) the covenant must touch or concern the land. *Mobil Oil Corporation v. Brennan*, 385 F.2d 951, 953 (5th Cir. 1967); and (4) it must be the intention of the original covenanting parties that the restrictive covenant run with the land. *Beckham v. Ward County Irr.*

Dist. No. 1, 278 S.W. 316, 318 (Tex. Civ. App.—El Paso 1925, writ ref'd.). Applied to these facts, Plaintiffs satisfy all four requirements.

(1) There must be privity of estate between the covenanting parties

21. In order for a restrictive covenant to run with the land, there must be privity of estate between the parties. Privity of estate means that there must be a mutual or successive relationship to the same rights of property. *Panhandle*, 161 S.W.2d. at 505. Texas has accepted the view that this requirement is satisfied by either simultaneous or successive interests in the same land. Howard R. Williams, *Restrictions on the Use of Land--Covenants Running with the Land at Law*, 27 TEX. L. REV. 419, 446 (1949). The interest transferred must convey the land involved, or an easement in the land, in order to meet the privity of estate requirement. *Wayne Harwell Properties v. Pan American Logistics Center, Inc.* 945 S.W.2d 216, 218 (Tex. App.—San Antonio, 1997). Applied here, there was horizontal privity between JABAT and Mitchell. Additionally, there was vertical privity between Mitchell and those that were successive owners of the property after Mitchell sold it, who were successors in interest subject to the Restrictions.

(2) The covenant must relate to something in existence, or assigns must be named if they are to be bound by the covenant

22. In order to run with the land, the thing to be done by force of the covenant must be annexed to and appurtenant to the thing devised. *Gulf*, 9 S.W. at 866. Stated differently, a real covenant has for its object something annexed to, inherent in, or connected with, land or real property--one which relates to the land. *Panhandle*, 161 S.W.2d. at 504. Under our facts, the Restrictions made were directly tied to specific tracts of land in existence at the time of the conveyances. Therefore, this prong of the requirement is met.

(3) The covenant must touch or concern the land

23. If the promisor's legal relations with respect to the land in question are lessened or his legal interest as owner rendered less valuable by the promise the burden of the covenant touches or concerns that land, the burden of the covenant touches and concerns the land. *See Mobil*, 385 F.2d at 953. In the present case, because Mitchell promised to uphold the Restrictions, the rights with regard to the property were lessened, and the Restrictions touched and concerned the land Mitchell purchased from JABAT.

(4) It must be the intention of the original covenanting parties that the restrictive covenant run with the land

24. In attempting to ascertain the intention of the parties from a construction of the partitioning deed, we must look to the entire instrument in the light of the stated covenant. *Beckham*, 278 S.W. at 317-318. There must be either an express statement that the restrictive covenant will bind the heirs and/or assigns, or language in the deed to reflect that this was the intent of the parties. *Aull v. Kraft*, 286 S.W.2d 460, 461 (Tex. Civ. App.—Waco 1956, writ ref'd n.r.e.). Applied here, the intent that the Restrictions run with the land is clearly evident.

25. In the December 18th Agreement between JABAT and Mitchell, as well as the July 19th Warranty Deed between JABAT and Natalie Holdings, the verbiage used clearly manifests an intent for the Restrictions to run with the land. The December 18th Agreement between JABAT and Mitchell states:

...Additional restrictions shall be incorporated in and reserved in Mitchell's deed to any subsequent purchaser of all or portions of the restricted Property **for the benefit of Mitchell, all subsequent owners of the Restricted Property their respective heirs, successors and assigns and all owners and their heirs, successors and assigns of Tracts no. 1, No. 2, and No. 8 of Champee Springs Ranches...**

See Vol. 581, Pg. 915 (emphasis added). The restriction language is virtually identical in the deed to Natalie Holdings from JABAT:

Grantor hereby declares that all of the property shall be held, sold and conveyed subject to the following covenants, conditions and restrictions which are for the purpose of protecting the value and desirability of, and which shall run with the Property and **shall be binding upon Grantee, Grantee's heirs, successors and assigns and shall inure to the benefit of Grantor and all parties having any right, title or interest in the Property, or any part thereof, and their heirs, executors, successors and assigns.**

See Vol. 610, Pg. 647 (emphasis added).

26. The December 18th Agreement contained a clause which allowed for the Restrictions to be “amended by JABAT and Mitchell without joinder of the other benefited parties at any time PRIOR TO the conveyance of all or any portion of the restricted property by Mitchell.” See Vol. 581, Pg. 916 (emphasis added). Pursuant to their own agreement, the Restrictions were not to be changed after the sale of any or all of the Restricted Tract.

B. Purported Termination is Void

27. Modification by a subsequent instrument will not be effective to amend the original restrictive covenants unless: 1) the instrument creating the original restrictions establishes both the right and method of amendment; and 2) the amendments are legal and not against public policy. *Hancett v. East Sunnyside Civic League*, 696 S.W.2d 613, 615 (Tex. Civ. App.—Houston [14th Dist.] 1985, ref. n.r.e.). In our case, though the December 18th Agreement does contain a right and method of amendment between JABAT and Mitchell, JABAT and Mitchell did not abide by this method. The Restrictions could have been “amended by JABAT and Mitchell without joinder of the other benefited parties at any time prior to the conveyance of all or any portion of the [Restricted Tract] by Mitchell;” however, JABAT attempted to change the Restrictions *after* the Restricted Tract had already been sold.

28. Subsequent purchasers of the Restricted Tract were charged with knowledge of the executed and recorded Restrictions when they purchased property. Each subsequent purchaser after Mitchell had either actual knowledge or constructive knowledge of the Restrictions which burdened the land, and therefore are charged with upholding such covenants.

29. Plaintiffs relied on representations that restrictions would continue to successive owners. To allow the Restrictions to be terminated would harm Plaintiffs and would not allow them to receive the benefit of the land they purchased.

II. PLAINTIFFS MAY ENFORCE THE RESTRICTIONS ON THE LAND IRRESPECTIVE OF THE ORDER OF THE CONVEYANCES OR WHETHER THE COVENANTS RUN WITH THE LAND BECAUSE THE PARCELS OF LAND WERE SOLD WITH REFERENCE TO A UNIFORM PLAN TO PERSONS WHO HAD ACTUAL OR CONSTRUCTIVE NOTICE.

30. The doctrine of implied reciprocal negative easements (or easements by general plan of development) applies when an owner of real property subdivides it into lots and sells a substantial number of those lots with restrictive covenants designed to further the owner's general plan or scheme of development. The lots retained by the owner or sold without express restrictions to a grantee with notice of the restrictions in the other deeds are burdened with an implied reciprocal negative easement. Therefore, the lots may not be used in violation of the express restrictive covenants. *Evans v. Pollock*, 796 S.W.2d 465, 466 (Tex. 1990). Because the doctrine turns on a common plan or scheme of development, title to the various lots to be restricted by the implied reciprocal negative easements must derive from the same grantor. *H.H. Holloway Tr. v. Outpost Est. Civ. Club*, 135 S.W.3d 751, 756-757 (Tex. App.—Houston [1st Dist.] 2004, pet. denied) (when developer bought land and submitted plat for lots in conjunction with private landowner, and landowner subsequently granted adjacent plots with reference to restrictions, common grantor requirement was met).

31. In order to prove the existence of a general building or neighborhood scheme, it must be shown that the grantor intended that the protection of the restriction inure to the benefit of purchasers of lots in the tract. Such intent is said to arise from representations as to the restrictions that are made for the purpose of inducing the purchaser to pay a higher price because of the restrictions.

32. When restrictions are placed on land pursuant to a general plan of development by the owner of a subdivision, and lots are sold to separate grantees, any grantee may enforce these restrictions against any other grantee. *Nelson v. Jordan*, 663 S.W2d 82, 84-85 (Tex. App.—Austin 1983, ref. n.r.e). When parcels of land are sold with reference to a uniform plan to persons who have actual or constructive notice, grantees may enforce the restrictions, irrespective of the order of the conveyances or of whether the covenants run with the land. *Lehmann v. Wallace*, 510 S.W.2d 675, 680-681 (Tex. App.—San Antonio 1974, ref. n.r.e.). Under our facts, the original grantor sold the parcels of land pursuant to a general neighborhood scheme that restrict the certain uses of said parcels. As a grantee, Plaintiffs have the right to enforce such restrictions against other grantees who seek to violate such restrictions.

33. Additionally, restrictive covenants as to planned developments are to be liberally construed to give effect to their purposes and intent. TEX. PROP. CODE. §202.003(a); *See Village of Pheasant Run Homeowners Ass'n v. Kastor*, 47 S.W.3d 747, 751-752 (Tex. App.—Houston [14th Dist] 2001, pet. denied). This precedent serves to protect those, like Plaintiffs, who rely on restrictive covenants when making land purchases.

INJUNCTIVE RELIEF

34. A petitioner may limit the initial action to a request for a declaratory judgment and then follow it, if necessary, with an action for injunctive relief. TEX. CIV. PRAC. & REM.

CODE . §37.011. In this case, Plaintiffs are initially limiting their request for declaratory relief, but reserve their right to bring injunctive relief at any time and against any necessary or proper party in the future to enforce their respective rights.

ATTORNEY'S FEES

35. Plaintiffs have retained the services of the undersigned attorneys to protect their rights, and as such, are entitled to recover reasonable and necessary attorney's fees pursuant to the Section 37.009 Texas Civil Practice and Remedies Code and any other statutory law.

REQUEST FOR JURY TRIAL

36. Plaintiffs hereby demand a jury trial and tender the appropriate fee.

PRAYER

WHEREFORE, PREMISES CONSIDERED, Plaintiffs DAVID A. PEREZ and AMY PEREZ, request that Defendant be cited to appear and answer herein, and that on final hearing, the Plaintiffs have judgment as follows:

- (1) Plaintiffs request that the Court declare that the Restrictions contained in the December 18th Agreement "run with the land" to subsequent purchasers of the property;
- (2) judgment be granted in favor of Plaintiffs for their reasonable and necessary attorney's fees and costs of suit;
- (3) pre-judgment and post judgment interest be granted as allowed by law at the maximum lawful rate; and
- (4) such other and further relief be granted to which Plaintiffs may be justly entitled, whether at law or in equity.

Respectfully submitted,

DAVIS, CEDILLO & MENDOZA, INC.

McCombs Plaza, Suite 500

755 E. Mulberry Ave.

San Antonio, Texas 78212

Telephone: (210) 822-6666

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By: 
RICARDO G. CEDILLO

State Bar No. 04043600

LES J. STRIEBER III

State Bar No. 19398000

RYAN J. TUCKER

State Bar No. 24033407

- and -

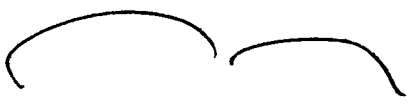
THE LAW OFFICE OF RANDY RICHARDS

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By: 
RANDY RICHARDS

State Bar No. 16851400

ATTORNEYS FOR PLAINTIFFS

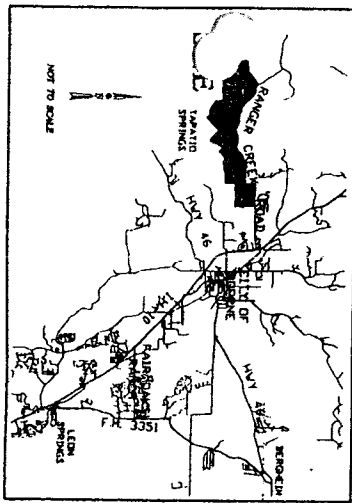
DAVID A. PEREZ and AMY PEREZ

FILED

05 OCT 13 PM 2:57

SHIRLEY R. SUTCHING, DIST. CLERK
KENDALL COUNTY, TEXAS

BY: 
DEPUTY



LOCATION MAP

	TRACT 1	TRACT 2	TRACT 3	TRACT 4	TRACT 5	TRACT 6	TRACT 7	TOTAL
NO. OF LOTS	149	500	338	100	180	60	73	1,410
ACREAGE OF LOTS	1,972 AC	-	-	-	-	-	-	-
STREET ROW	21 AC	-	-	-	-	-	-	-
TOTAL ACREAGE	1,978 AC	1,762 AC	313 AC	278 AC	120 AC	234 AC	231 AC	4,978 AC

OVERALL DENSITY = 13 AC/LOT

PROJECT SUMMARY TABLE

LEGEND
 --- EXISTING
 --- PROPOSED
 --- EASEMENT
 --- FLOOD ZONE
 --- RAILROAD
 --- HIGHWAY

BEING 4,922.68 ACRES COMPRISED OF TRACTS 1A, 1B, 1C, 2A, 2C, 3A, 8A AND 8B OF THE REPLAT OF CHAMPE SPRINGS RANCHES AS RECORDED IN VOLUME 3, PAGES 169-186 OF THE PLAT RECORDS OF KENDALL COUNTY, TEXAS

THESE PLANS WERE PREPARED BY THE ENGINEER AND ARCHITECT FOR THE PURPOSES OF THE CITY OF KENDALL COUNTY, TEXAS

DATE: 11/11/00
 BY: [Signature]
 TITLE: [Title]

MASTER DEVELOPMENT PLAN
 OF CEILO GRANDE
 FOR
 PRUDENCK DEVELOPMENT

MATKIN-HOOVER
 ENGINEERING, INC.
 CIVIL ENGINEERS

EXHIBIT

I

tabbies

CAUSE NO. 05-460

DAVID A. PEREZ AND AMY PEREZ	§	IN THE DISTRICT COURT OF
	§	
v.	§	KENDALL COUNTY, TEXAS
	§	
CDS TEXAS REALTY, LTD.	§	216th JUDICIAL DISTRICT

THIRD PARTY PETITION

TO THE HONORABLE JUDGE OF SAID COURT:

Defendant CDS Texas Realty, Ltd., as Third Party Plaintiff, files its Third Party Petition, and for cause of action against JABAT Investments, Ltd., a Texas limited partnership, would respectfully allege and show the following:

1. Discovery: Level 2.
2. Third Party Plaintiff CDS Texas Realty, Ltd. is a Texas limited partnership, which has been sued as a defendant in this cause by Plaintiffs David A. Perez and Amy Perez. Third Party Plaintiff CDS Texas Realty, Ltd. filed its answer in this cause on November 14, 2005. Third Party Plaintiff CDS Texas Realty, Ltd. is successor to CDS Bandera Realty LLC by conversion.
3. Third Party Defendant JABAT Investments, Ltd. is a Texas limited partnership, which may be served with process by delivery of citation and a true copy of this Third Party Petition to its registered agent, Braden J. Brock, 1670 East Cardinal Drive, Beaumont, Texas 77705. Third Party Plaintiff CDS Texas Realty, Ltd. requests issuance of citation and service of Third Party Defendant JABAT Investments, Ltd. by service upon its registered agent identified above.
4. Third Party Defendant JABAT Investments, Ltd. is or may be liable to Third Party Plaintiff CDS Texas Realty, Ltd. for all or part of Plaintiffs' claims against Third Party

12/2/2005

TEXAS

Auction of Kendall ranch is scrubbed

BOERNE — A Nov 10 auction of a 5,000-acre ranch off Ranger Creek Road has been canceled after drawing fire from Kendall County authorities in the process of reviewing development plans for the parcel, known as Cielo Grande at Champee Springs.

A full-page ad in Texas Ranch Connection magazine says "exclusive home sites" of 10 acres to 200 acres would be auctioned. But County Commissioner Rusty Busby said Tuesday no such sales can occur until the county approves the plan.

The auction by Higgenbotham Auctioneers International, canceled Monday, was planned by an unidentified person that has a contract to buy the land from CDS Texas Realty, said David Brock, attorney for CDS.

5.A Express News
10/20/05

10/20/05

SOAH DOCKET NO. 582-06-0425
TCEQ DOCKET NO. 2005-1516-UCR

APPLICATION OF TAPATIO SPRINGS
SERVICE COMPANY, INC.,
TO AMEND CERTIFICATES
OF CONVENIENCE AND NECESSITY
NOS. 12122 AND 20698 IN KENDALL
COUNTY, TEXAS

§
§
§
§
§
§


BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS

RATEPAYER'S REPRESENTED BY MS. MARTIN,
RESPONSE TO TAPATIO SPINGS SERVICE COMPANY, INC.'S
REQUESTS FOR PRODUCTION

TO: Tapatio Springs Service Company, Inc., by and through their attorney Patrick
Lindner, 7550 West IH-10, W. Northwest Center, Suite 800, San Antonio, TX
78229.

Pursuant to § 2001 *et seq.* of the Administrative Procedure Act ("APA"),
Government Code (Vernon), Rules 190-197 of the Texas Rules of Civil Procedure, and
30 Texas Administrative Code ("TAC") § 80.151, and TAC Title 1, Part VII, Section
155.23, the Ratepayers responds to Tapatio Springs Service Company, Inc. Requests for
Production at attached.

Law Office of Elizabeth R. Martin

By: 
Elizabeth R. Martin
State Bar No. 24027482
106 West Blanco, Suite 206
P.O. Box 1764
Boerne, TX 78006
(830) 816.8686
(830) 816.8282 (fax)

ATTORNEY FOR RATEPAYERS

CERTIFICATE OF SERVICE

I certify that on March 22, 2006 the Ratepayers Responses to Tapatio Springs Service Company, Inc. ("TCEQ") Requests for Production" was sent via Certified Mail to the attached mailing list.

A handwritten signature in cursive script, appearing to read "Elizabeth R. Martin", written over a horizontal line.

Elizabeth R. Martin,
Attorney for Ratepayers
State Bar No. 24027482