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SIXTH AMENDMENT TO DEVELOPMENT AGREEMENT

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

The City of Lakeway, Texas (the "City"), a home-rule city located in Travis County, Texas, and Lakeway Partners, LLC; Lakeway Highlands, Ltd.; Lakeway Vista Royale, Ltd.; Lakeway Rough Hollow, Ltd. and Lakeway Water Properties, Ltd. (collectively the "Original Landowners") previously entered into an "Agreement" dated effective December 19, 1997 and recorded in Volume 13100, Page 376, Real Property Records of Travis County, Texas (the "Original Agreement") regarding the development of certain real property in Travis County, Texas (the "Land"). The City and subsequent owners of portions of the Land have entered into a "First Amendment to the Development Agreement dated December 19, 1997", dated effective October 12, 2000 and recorded under Document No. 2003125317, Official Public Records of Travis County, Texas (the "First Amendment"); a "Second Amendment to Development Agreement" dated November 11, 2004 and recorded under Document No. 2005011194, Official Public Records of Travis County, Texas (the "Second Amendment"); a "Third Amendment to Development Agreement" dated January 4, 2006, and recorded under Document No. 2006070852, Official Public Records of Travis County, Texas (the "Third Amendment"); a "Fourth Amendment to Development Agreement" dated November 16, 2005 (the "Fourth Amendment") and a "Fifth Amendment to Development Agreement" dated July 27, 2006 and recorded under Document No. 2006147712, Official Public Records of Travis County, Texas (the "Fifth Amendment"). The Original Agreement, as amended by the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment and the Fifth Amendment, is referred to in this Sixth Amendment to Development Agreement (this "Sixth Amendment") as the "Agreement".

The City and Las Ventanas Land Partners, Ltd. ("Las Ventanas"), a Texas limited partnership; Rough Hollow Development, Ltd. ("Rough Hollow Development"), a Texas limited partnership and JH West Land Ventures, Ltd., a Texas limited partnership (collectively, the "Landowners") now mutually desire to further amend certain provisions of the Agreement as they relate to the portions of the land covered by the Agreement which are owned by the Landowners and, in consideration of the mutual covenants contained in this Sixth Amendment and in the Agreement, agree as follows:

1. Section 2.03.a., Dedication of Greenbelts, is amended to read as follows:
 - a. Lakeway Rough Hollow and Lakeway Highlands.

At the City's request, the Landowners will dedicate any greenbelt, open space and endangered species habitat preserve areas shown on the approved development plans for Lakeway Rough Hollow and Lakeway Highlands to the City. Any land which is conveyed or dedicated to the City under this Subsection will be conveyed subject to appropriate restrictive covenants which require that the land be maintained as open space or greenbelt, and providing that no

improvements may be constructed within such areas other than hike and bike trails unless approved by Rough Hollow Development, which approval will not be unreasonably withheld. In addition, any endangered species habitat preserve area which is conveyed or dedicated to the City will be conveyed subject to appropriate easements and restrictive covenants to ensure compliance with habitat preservation requirements of the U.S. Fish & Wildlife Service in connection with permits or other authorizations issued or to be issued under the Federal Endangered Species Act. These areas will be shown on the preliminary subdivision plans and will be dedicated to the City, in increments, by final plat at the time the adjacent property is final platted.

2. Section 4.07, Model Homes, is amended to read as follows:

4.07 Model Homes; Sales and Construction Trailers.

Builders designated by Landowner may construct model homes to use for business purposes; however, this use will be limited to marketing and sale of homes and home sites within the Tract owned by or under contract to the Builder owning the model homes. Each Section will be limited to two model homes. Model homes will be clustered together. Each Builder must provide additional off-street parking for its model home customers. No later than the time 90% of the lots in a Section are sold, the models in that Section must be closed and all model home signage removed. Each Builder may install and utilize (i) one sales trailer, which may be utilized as a sales office until such time as a model home is completed by that builder and (ii) one construction trailer within the portion of each Tract under contract to that builder. No additional City approvals for such sales trailers and construction trailers will be required.

3. Section 7.01, Term, is amended to extend the term of the Agreement until December 19, 2022.
4. Section 8.02, Notice, is amended to read as follows:

Any notice given under this Agreement must be in writing and may be given: (i) by depositing it in the United States mail, certified, with return receipt requested, addressed to the party to be notified and with all charges prepaid; or (ii) by depositing it with Federal Express or another service guaranteeing "next day delivery", addressed to the party to be notified and with all charges prepaid; (iii) by personally delivering it to the party, or any agent of the party listed in this Agreement, or (iv) by facsimile with confirming copy sent by one of the other described methods of notice set forth. Notice by United States mail will be effective on the earlier of the date of receipt or 3 days after the date of mailing. Notice given in any other manner will be effective only when received. For purposes of notice, the addresses of the parties will, until changed as provided below, be as follows:

CITY: City of Lakeway

1102 Lohman's Crossing
Lakeway, Texas 78734
Attn: Mayor

WITH COPY TO: City Manager
1102 Lohman's Crossing
Lakeway, Texas 78734
Telephone: (512) 314-7504
Facsimile: (512) 314-7541
Email: SteveJones@cityoflakeway.com

LANDOWNERS: c/o Rough Hollow Development, Ltd.
2101 Lakeway Blvd.
Suite 205
Austin, Texas 78734
Attn: Haythem Dawlett
Telephone: (512) 306-1444
Facsimile: (512) 306-1620
Email: hdawlett@aol.com

WITH COPY TO: Sue Brooks Littlefield
Armbrust & Brown, L.L.P.
100 Congress Ave., Ste. 1300
Austin, Texas 78701
Telephone: (512) 435-2307
Facsimile: (512) 435-2360
Email: slittlefield@abaustin.com

The parties may change their respective addresses to any other address within the United States of America by giving at least 5 days' written notice to the other party. The Landowners may, by giving at least 5 days' written notice to the City, designate additional parties to receive copies of notices under this Agreement.

5. Section 9.02 , Park Dedications and Improvements Within the Butler Tract, is amended to read as follows:

Landowner will dedicate to the City all open space and greenbelt areas shown on the approved developed plan for the Butler Tract, which will include a connection to the trail easements granted within Lakeway Highlands. These areas will be shown on the preliminary plan for the Butler Tract, and dedicated to the City, in increments, by final plat. Any trails within these areas will be constructed by the City.

Landowner will dedicate to the City a ten acre park suitable for organized sports activities, such as soccer and baseball, out of the Butler Tract. This park

will be shown on the preliminary plan for the Butler Tract, and dedicated to the City by final plat.

6. Exhibit A to the Agreement is amended as follows:

a. Paragraph B.2.(b) of Exhibit A to the Agreement is deleted.

b. Paragraph B.3.(b) of Exhibit A to the Agreement is deleted and replaced with the following:

(b) At the initial closing of each residential unit constructed on a platted Lot within Lakeway Highlands (each, a "Residential Unit"), the Landowner will pay to the City a fee of \$350, which will be used by the City solely for improvements to the City's waterfront park or any park within Lakeway Highlands. This per-Lot fee will be a one-time-only fee, will be payable only at the initial closing of each Residential Unit to a third party, and will not be payable (a) upon the sale or transfer of land within Lakeway Highlands prior to subdivision ("undeveloped land") or (ii) upon the sale or transfer of a Lot prior to construction of a residential unit on the Lot ("unimproved land") (although this obligation will, as to such undeveloped land or unimproved land, continue and be binding on the subsequent owner until the fee is paid at the time of the initial sale of each Residential Unit constructed on such undeveloped land or unimproved land), (b) upon a subsequent sale of a Residential Unit after its initial sale; or (c) as to any drainage lot, greenbelt or open space lot, roadway or similar area. The City agrees to issue a recordable receipt confirming the satisfaction of this obligation as to each Residential Unit as to which the \$350 fee is paid.

(c) The following Paragraph J is added to Exhibit A:

J. The parkland dedications and contributions provided under this Agreement are in lieu of any fees or donations otherwise required by City ordinance or policy, with the exception of the payments to the Lakeway Property Maintenance Trust Fund required under Section 2.04 of this Agreement, which will continue to apply and be paid as provided in Section 2.04.

7. A new paragraph 3(b) is added to Exhibit C to the Agreement, and existing Paragraph 3(b) is renumbered as Paragraph 3(c):

(b) The following to be approved administratively by the City Engineer:

1. Cut and fill and balancing in excess of 12 feet to a maximum of 16 feet for items (a) 1 and (a) 2 above

2. Cut and fill and balancing in excess of 12 feet to a maximum of 20 feet for the construction of The Highlands Boulevard;

The City Engineer will brief the City's Zoning and Planning Commission on a monthly basis on all variances which are approved by the City Engineer administratively under subsections (b) 1 and 2, above.

8. All terms delineated with initial capital letters in this Sixth Amendment that are defined in the Agreement have the same meanings in this Sixth Amendment as in the Agreement. Other terms have the meanings commonly ascribed to them.

9. Except as specifically provided in this Sixth Amendment, the terms of the Agreement continue to govern the rights and obligations of the parties, and all terms of the Agreement remain in full force and effect. If there is any conflict or inconsistency between this Sixth Amendment and the Agreement, this Sixth Amendment will control and modify the Agreement.

EXECUTED on the date or dates set forth below, to be effective on the date the last party signs.

CITY:

CITY OF LAKEWAY

By: *Steve Swan*
Steve Swan, Mayor

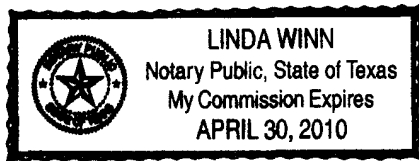
Date: March 1, 2007

THE STATE OF TEXAS §
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COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 1st day of March, 2007, by Steve Swan, Mayor of the City of Lakeway, a Texas home-rule law city, on behalf of the city.

Linda Winn
Notary Public Signature

(seal)



LAS VENTANAS LAND PARTNERS, LTD.,
a Texas limited partnership

By: **JHLV GP, INC.**, a Texas corporation,
General Partner

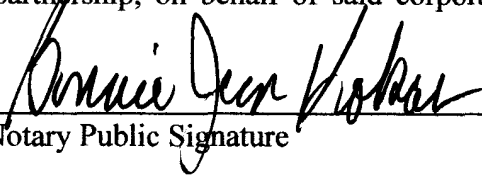
By: 
Haythem Dawlett, Vice President

Date: 3/1/2007

THE STATE OF TEXAS §
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COUNTY OF TRAVIS §

This instrument was acknowledged before me on the 1st day of March, 2007, Haythem Dawlett, Vice President of JHLV GP, Inc., a Texas corporation, general partner of Las Ventanas Land Partners, Ltd., a Texas limited partnership, on behalf of said corporation and limited partnership.

(seal) 


Notary Public Signature

**ROUGH HOLLOW DEVELOPMENT,
LTD., a Texas limited partnership**

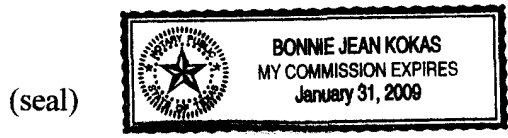
By: **JHLV GP, INC.**, a Texas corporation, its
General Partner

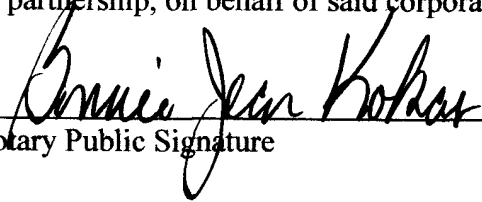
By: 
Haythem S. Dawlett, Vice President

Date: 3/1/2007

THE STATE OF TEXAS §
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This instrument was acknowledged before me on the 1st day of March, 2007, Haythem Dawlett, Vice President of JHLV GP, Inc., a Texas corporation, general partner of Rough Hollow Development, Ltd., a Texas limited partnership, on behalf of said corporation and limited partnership.




Notary Public Signature

JH WEST LAND VENTURES, LTD., a
Texas limited partnership

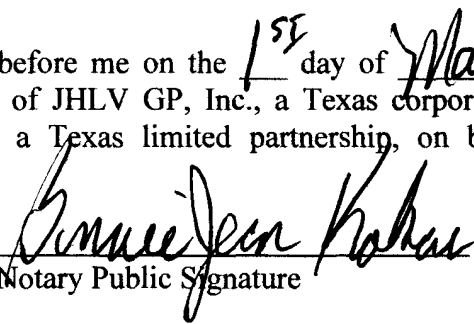
By: **JHLV GP, INC.**, a Texas corporation, its
General Partner

By: 
Haythem Dawlett, Vice President

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This instrument was acknowledged before me on the 1st day of March,
2007, by Haythem Dawlett, Vice President of JHLV GP, Inc., a Texas corporation, General
Partner of JH West Land Ventures, Ltd., a Texas limited partnership, on behalf of said
corporation and limited partnership.




Notary Public Signature

AFTER RECORDING, RETURN TO:

Sue Brooks Littlefield
Armbrust & Brown, L.L.P.
100 Congress Ave., Ste. 1300
Austin, Texas 78701

FILED AND RECORDED

OFFICIAL PUBLIC RECORDS

Dana DeBeauvoir

2007 Mar 13 11:18 AM 2007044535

RANEYJ \$52.00

DANA DEBEAUVOIR COUNTY CLERK
TRAVIS COUNTY TEXAS