THIRD AMENDMENT TO THE FIRST AMENDED AND RESTATED AGREEMENT CONCERNING CREATION AND OPERATION OF SENNA HILLS MUNICIPAL UTILITY DISTRICT

This Third Amendment to the First Amended and Restated Agreement Concerning Creation and Operation of Senna Hills Municipal Utility District ("Third Amendment"), is made by and between the Senna Hills Municipal Utility District ("District"), a conservation and reclamation district and political subdivision of the State of Texas created and operating as a municipal utility district under Chapters 54 and 49, Texas Water Code; Taylor Woodrow Homes-Austin Division, Ltd., a Texas Limited partnership ("Developer"); and the City of Austin, a home-rule municipality and political subdivision of the State of Texas, acting by and through its duly authorized City Manager, or designee, ("the City").

I. RECITALS

A. The District is located within the extraterritorial jurisdiction of the City of Austin, on the north side of FM 2244 ("Bee Caves Road"), approximately 5.0 miles west of the intersection of Bee Caves Road and Loop 360 and 2.5 miles east of the intersection of Bee Caves Road and State Highway 71.

B. The District was created by an order of the Texas Water Commission (now the Texas Commission on Environmental Quality) on April 6, 1988.

C. The City adopted Ordinance No. 870115-E granting its consent to the creation of the District, and the City, the District, and Senna Hills, Ltd., a Texas limited partnership that assigned its interest to the Developer, entered into the Agreement Concerning Creation and Operation of the Senna Hills Municipal Utility District ("Original Consent Agreement") which set forth terms and conditions for creation and operation of the District.

D. In 1993, the City, the District, and Senna Hills Ltd. entered into that certain First Amended and Restated Agreement Concerning Creation and Operation of Senna Hills Municipal Utility District ("First Amended Consent Agreement") which detailed the terms and conditions upon which the property comprising the District was to be developed and the District was to be operated.

E. The City, the District, and the Developer wish to amend the First Amended Consent Agreement to add 0.708 acres, more particularly described in attached **Exhibit "A"** and referenced as "the Property", into the property comprising the District subject to conditions.

NOW, THEREFORE, for an in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City, the District, and the Developer hereby agree as follows:

II. AGREEMENT

A. Correction of Recital. The reference to "322.68 contiguous acres" in the first paragraph of the First Amended Consent Agreement is hereby changed to read "323.388 contiguous acres".

B. Correction of Legal Description. Exhibit A to the First Amended Consent Agreement, which contains a legal description of the property comprising the District, is deleted and replaced with the legal description attached hereto as **Exhibit "B".**

C. Correction of Land Plan. Exhibit F to the First Amended Consent Agreement, which contains the Land Plan for the District, is deleted and replaced with the Land Plan attached hereto as **Exhibit "C"**.

D. Preconditions to execution. The City will not execute this Third Amendment until the owner of the Property executes and files in the Official Records of Travis County, Texas the Declaration of Covenants and Restrictions attached hereto as **Exhibit "D"** and the Declaration of Restrictive Covenant Regarding Development of Property, attached hereto a**s Exhibit "E"**.

III. GENERAL PROVISIONS

A. Except as set forth in this Third Amendment and in prior amendments of the First Amended Consent Agreement, all terms and conditions of the First Amended Consent Agreement shall remain in full force and effect.

B. This Third Amendment to the First Amended Consent Agreement may be executed in duplicate originals each of equal dignity and is effective when executed by the authorized representative of each party.

IN WITNESS WHEREOF, the authorized representative of each party has signed this Third Amendment to the First Amended Consent Agreement as of the dates indicated below.

CITY OF AUSTIN, TEXAS:

By:_____
Rudy Garza
Assistant City Manager

Approved as to form:

_____
Assistant City Attorney
SENNA HILLS MUNICIPAL UTILITY DISTRICT:

By: _____
Chet Palesko
President, Board of Directors

Attest: _____
Mike Dansby
Secretary, Board of Directors

TAYLOR WOODROW HOMES – AUSTIN DIVISION, LTD.:
By: TWC/ Texas Homes, L.L.C. a Texas limited liability company, its general partner

By: _____

President

STATE OF TEXAS §

COUNTY OF TRAVIS §

This Third Amendment was acknowledged before me on this _____day of December, 2008, by Rudy Garza, Assistant City Manager of the City of Austin, Texas, a municipal corporation, on behalf of said municipal corporation.

_____
(seal) Notary Public-State of Texas

STATE OF TEXAS §

draft

COUNTY OF TRAVIS §

This Third Amendment was acknowledged before me on this _____day of December, 2008, by Chet Palesko, President of the Board of Directors of Senna Hills Municipal Utility District, a Texas municipal utility district, on behalf of said district.

_____

(seal) Notary Public-State of Texas

STATE OF TEXAS §

COUNTY OF TRAVIS §

This Third Amendment was acknowledged before me on this _____day of December, 2008, by Don P. (Rip) Miller, President of SH Development, L.C., a Texas limited liability company, acting in its capacity as general partner of Senna Hills, Ltd., a Texas limited partnership, on behalf of said limited partnership.

_____

(seal) Notary Public-State of Texas

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