

ORDER NO. 113

HAYS TRINITY GROUNDWATER §
CONSERVATION DISTRICT §

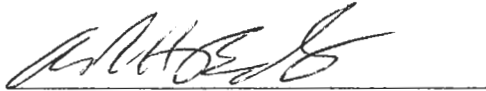
AGREED ORDER: MONARCH UTILITIES I, L.P.
RIVERE OAKS RANCH PRODUCTION PERMIT

At its August 31, 2005 board meeting, the Hays Trinity Groundwater Conservation District (the District) Board of Directors, considered this agreement of the parties, resolving the applications of Monarch Utilities I, L.P. (the Applicant), for a production permit from the Middle/Lower Trinity Aquifer, located at on Bell Springs Road in River Oaks Ranch, Dripping Springs, in Hays County, Texas (the Property). William Jasura, on behalf of Monarch Utilities I, L.P. and the District stipulate that:

1. The Applicant applied for a production permit in the Middle/Lower Trinity Aquifer on the Property. The Applicant is a public water supply system and is seeking a total of 50 acre-feet per year for the duration of the one year permit. The produced well water will be used solely for domestic use.
2. The District and the Applicant agree that the District has jurisdiction and authority to enter this Agreed Order and that the wells are under the District's jurisdiction.
3. Any notice and procedures that might otherwise be authorized or required in this matter are waived in the interest of resolution of this matter.
4. The Applicant agrees to waive any right to appeal of the permits issued under this Order.
5. As authorized in Permit No. 23, the proposed use of water is not anticipated to unreasonably affect existing groundwater and surface water resources or existing permit holders.
6. The Applicant has agreed to avoid waste and achieve water conservation.
7. The Applicant has agreed to use reasonable diligence to protect groundwater quality.
8. The Applicant has agreed to follow well plugging guidelines at the time of well closure.

9. The conditions and limitations imposed in Permit No. 23 are reasonably necessary to protect existing uses, prevent waste, achieve water conservation, minimize as far as practicable the drawdown of the water table or the reduction of artesian pressure, or lessen interference between wells.

THEREFORE, the Board of Directors approves and issues Permit No. 23, which is made a part of this Agreed Order.



Andrew Backus
President

Hays Trinity Groundwater Conservation District

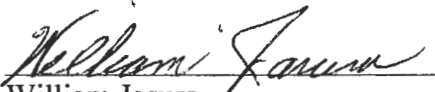
Date: 9/27/05

Attested by:



Date: 9/27/05

I, the undersigned, have read and understand the foregoing Agreed Order. I am authorized to agree to the foregoing Agreed Order on behalf of Monarch Utilities I, L.P., and I do agree to the terms and conditions specified herein.



William Jasura
Vice President
Monarch Utilities I, L.P.

Date: 9/30/05