January 27, 2005

U.S. Fish and Wildlife Service
Austin Ecological Services Field Office
10711 Burnet Road, Suite 200
Austin, Texas 78758

U.S. Fish and Wildlife Service
Division of Ecological Services
P.O. Box 1306
Albuquerque, New Mexico 87103

Kevin Connally
Environmental Specialist
Travis County Natural Resources
P.O. Box 1748
Austin, Texas 78767

Re: Schramm Ranch - Fish and Wildlife Service Permit (PRT-812696)
("The 10-A Permit") 2004 Annual Report

Ladies and Gentlemen:

This will advise you that development continues on the property covered by the permit referenced above. Golden-cheeked warbler survey updates for this property were included in the BCP 2003 Annual Report.

No disturbances have occurred in the habitat areas of approximately 200 acres. Building, utility infrastructure and street construction operations continue on the remaining 300 acres. Some 270 single family homes will be constructed on the non-habitat areas of Schramm . We expect construction to continue into 2007.

The agreement between the Developer and FWS allows installation of perimeter fencing between developed areas and preserves as development proceeds and became a condition of issuance of the City's certificate of occupancy for homes constructed in the development. Fencing has been completed.

The City of Lakeway as successor to the 10-A Permit will submit (*i*) written annual reports for next year's activities, (*ii*) any required presence/absence surveys for the golden-cheeked warbler as described in the implementing agreement, and (*iii*) status

reports for any clearance and construction activities on the property covered by this permit.

Sincerely,

CITY OF LAKEWAY
Assistant City Manager, Planning, Development
and Code Enforcement

By: _____
Sue Collyer-Potter
Authorized Agent