

EDWARDS AQUIFER AUTHORITY
State of Texas

IN THE MATTER OF THE FOLLOWING)
APPLICATION TO CONVERT BASE IRRIGATION)
GROUNDWATER:)

P100-503 LGI Homes - Texas, LLC, a Texas limited liability)
(BE00207) company)

FINAL ORDER GRANTING APPLICATION
TO CONVERT BASE IRRIGATION GROUNDWATER

ON THIS DAY CAME ON TO BE HEARD the above-styled and numbered Application to Convert Base Irrigation Groundwater (“Conversion Application” or “Application”) of LGI Homes - Texas, LLC, a Texas limited liability company (“Applicant”). As set forth below, the General Manager of the Edwards Aquifer Authority (“EAA”) issued notice of his proposed action on the Conversion Application. The Board of Directors (“Board”) of the EAA, after having reviewed and considered the summaries of the evidence for the Conversion Application as contained in the materials in the Board Packet, the arguments and presentation of the General Manager of the EAA, and the arguments and presentations of the Applicant, or their representatives, and other applicants or permittees, or their representatives, who may have appeared before the Board, is of the opinion and finds that:

1. The facts necessary to support the General Manager’s proposed action to grant the Conversion Application have been established by convincing evidence; and
2. The General Manager’s proposed action is entitled to prevail with reference to the above-styled and numbered application.

Accordingly, the Board is of the opinion and finds that the Conversion Application should be **GRANTED**. In support of this Final Order, the Board makes its Findings of Fact and Conclusions of Law as follows:

FINDINGS OF FACT

1. On March 15, 2001, J.H. Uptmore & Assoc., Inc., was granted Initial Regular Permit 2001-BE00207 (P100-499) by the EAA in the amount of 1,160.000 acre-feet/year ("AF/yr") (580.000 AF/yr Base Irrigation Groundwater ("BIG") and 580.000 AF/yr Unrestricted Irrigation Groundwater ("UIG")), based on the ownership and irrigation of 580.000 acres of land out of a 1,482.00-acre tract during the historical period (June 1, 1972 – May 31, 1993).

2. On July 28, 2005, due to the sale of 823.046 acres of land out of the 1,482.00-acre tract and containing 550.000 historically irrigated acres pursuant to Warranty Deed with Vendor's Lien dated May 18, 2004, and recorded as Document # 20040112881, Official Public Records, Bexar County, Texas, the EAA issued Regular Permit P100-503 (BE00207) in the amount of 550.000 AF/yr BIG to San Antonio Holdings Company, Ltd. The 550.000 AF/yr of UIG appurtenant to the conveyed 550.000 historically irrigated acres was reserved by J.H. Uptmore & Assoc., Inc. and not conveyed to San Antonio Holdings Company, Ltd.

3. On October 27, 2007, due to the sale of 610.544 acres of land containing 550.000 historically irrigated acres pursuant to Special Warranty Deed dated October 6, 2006, and recorded as Document # 20060248610, Official Public Records, Bexar County, Texas, the EAA reissued Regular Permit P100-503 (BE00207) in the amount of 550.000 AF/yr BIG to Luckey Ranch Global Associates, a Texas limited partnership.

4. On March 28, 2011, due to the sale of 92.20 acres of land, of which all was historically irrigated, pursuant to Special Warranty Deed dated June 28, 2010, recorded as Document # 20100116163, Official Public Records, Bexar County, Texas, the EAA issued Regular Permit P105-124 (BE00207) in the amount of 92.200 AF/yr BIG to LGI Homes – Luckey Ranch, LLC. Also on March 28, 2011, due to an amendment of the permit holder name, and due to an Irrevocable Designation of Historically Irrigated Lands Pertaining to Edwards Aquifer Groundwater rights approved on February 24, 2011 and recorded as Document # 20110036677, Official Public Records, Bexar County, Texas, the EAA reissued Regular Permit P100-503 (BE00207) to Luckey Ranch Global Associates, a Texas joint venture in the amount of 457.800 AF/yr BIG.

5. On July 2, 2013, due to the sale of 208.339 acres of land, of which 175.310 was historically irrigated, pursuant to Special Warranty Deed dated December 19, 2012, recorded as Document # 20120250268, Official Public Records, Bexar County, Texas, the EAA issued Regular Permit P106-383 (BE00207) in the amount of 175.310 AF/yr BIG to Luckey Ranch Partners, LLC, a Delaware limited liability company.

6. On March 8, 2016, due to the sale of 310.190 acres of land, out of the 823.046 acre tract and containing 282.490 historically irrigated acres, pursuant to Special Warranty Deed dated December 12, 2014, recorded as Document # 20140215524 and Special Warranty Deed dated November 6, 2015, recorded as Document # 20150216363, Official Public Records, Bexar County, Texas, the EAA reissued Regular Permit P100-503 (BE00207) in the amount of 282.490 AF/yr BIG to the applicant, LGI Homes - Texas, LLC, a Texas limited liability company.

7. On May 9, 2017, due to the sale of 18.871 acres of land, out of the 310.910 acres

and containing 16.770 historically irrigated acres, pursuant to Special Warranty Deed dated September 8, 2016, recorded as Document # 20160179475, Official Public Records, Bexar County, Texas, the EAA issued Regular Permit P108-425 (BE00207) in the amount of 16.770 AF/yr BIG to Medina Valley Independent School District.

8. On January 18, 2017, the Applicant filed a Conversion Application with the EAA at the official business offices located at 900 E. Quincy, San Antonio, Texas. Applicant seeks issuance of an order granting the Conversion Application by converting 49.003 AF/yr of BIG to UIG out of approximately 291.134 historically irrigated acres.

9. After receipt of the Conversion Application, the General Manager of the EAA conducted an initial review of the Application for administrative completeness.

10. By letter dated April 4, 2017, the General Manager notified the Applicant that he had determined that the Application was administratively complete.

11. After determining that the Conversion Application was administratively complete, the General Manager conducted a technical review of the Application for the purpose of determining if the Application should be granted or denied, in whole or in part.

12. After completing the technical review of the Conversion Application, the General Manager concluded that he should recommend to the Board that the Application be granted in whole.

13. In conjunction with the proposed action, the General Manager prepared a Technical Summary.

14. On April 7, 2017, Applicant waived the requirement that the General Manager provide a 30-day written notice by United States mail to Applicant stating a technical review of the Conversion Application was complete, and providing Applicant with a copy of the proposed action and Technical Summary in support thereof.

15. On April 14, 2017, the General Manager provided written notice by United States mail to Applicant that technical review of the Conversion Application was complete, and provided Applicant with a copy of the proposed action and Technical Summary in support thereof.

16. The Docket Clerk of the EAA scheduled before the Board a presentation by the General Manager on the Conversion Application, his proposed action, and the proposed issuance of a Regular Permit in accordance therewith. The presentation occurred at the regular meeting of the Board held on May 9, 2017, at the official offices of the Edwards Aquifer Authority, located at 900 E. Quincy, San Antonio, Texas. Notice of public meeting for this meeting was duly and properly posted in accordance with Chapter 551, Texas Government Code. Additionally, an agenda item that is the subject of this Final Order was duly and properly listed in the notice of public meeting.

17. The Conversion Application was, contemporaneous with its receipt, affixed with a “date stamp” by the EAA to the front page of the Application indicating its date of receipt by the EAA.

18. The Applicant paid the application fee of \$25 at the time the Conversion Application was filed with the EAA.

19. The Applicant is not delinquent in the payment of any fee due and owing to the

EAA, including but not limited to aquifer management fees.

20. The Applicant has filed with the EAA all applicable reports.
21. The place of use set out in the remaining portion of Regular Permit P100-503 (BE00207) after the prior transfers described in Findings of Facts Nos. 4-7 was irrigated land during the historical period. A description of the irrigated lands is as follows:

The tract(s) of land more fully described in Special Warranty Deed dated 12/12/2014 as recorded with Clerk as Document # 20140215524, Volume 17005, Pages 1938 - 1957, Official Public Records, Bexar County, Texas; the tract(s) of land more fully described in Special Warranty Deed dated 11/6/2015 as recorded with Clerk as Document # 20150216363, Volume 17549, Pages 987 - 1004, Official Public Records, Bexar County, Texas; and more specifically the tract(s) of land described in Irrevocable Designation of Historically Irrigated Lands Pertaining to Edwards Aquifer Groundwater Rights dated 2/24/2011 as recorded with Clerk as Document # 20110036677, Volume 14870, Pages 202 - 220, Official Public Records, Bexar County, Texas.
22. In accordance with EAA Rule 711.342(6)(A) Basis for Granting Conversion Applications, the 49.003 historically irrigated acres, the subject of the Application, qualify for conversion. The historically irrigated land that is the subject of the Application has been physically developed such that at least 75% of the land meets the characteristics of development and, accordingly, all of the applied-for historically irrigated acres qualify for conversion.
23. A map showing the location of the 49.003 acres is attached as Exhibit A.
24. The Applicant was not required to submit a groundwater conservation plan to the EAA.
25. The Applicant is in compliance with the Act, the EAA's rules, other permits, and

orders of the Board.

26. The Applicant is the owner of the land to which the BIG that is the subject of the Conversion Application is appurtenant.

27. The Applicant was not required to submit a new survey of the historically irrigated acres.

CONCLUSIONS OF LAW

1. Because the Conversion Application seeks to convert BIG to UIG associated with a Regular Permit issued by the EAA, the Board of Directors of the EAA has jurisdiction over the Application.

2. The Conversion Application otherwise complies with the Act and the EAA's Rules.

3. Accordingly, the Conversion Application should be granted in accordance with this Final Order hereby converting 49.003 AF/yr of BIG to UIG associated with Regular Permit P100-503 (BE00207) and the historically irrigated lands constituting the place of use for this Permit.

ORDERING PROVISION

IT IS THEREFORE ADJUDGED, ORDERED, AND DECREED that the above-styled and numbered Conversion Application is hereby **GRANTED** as follows:

1. The General Manager is directed to advise the Applicant in writing of the issuance and effect of this Final Order;

2. When appropriate as determined by the General Manager, the General Manager is

directed to prepare an amended Regular Permit reflecting the issuance and effect of this Final Order in the form of the approved Regular Permit form and subject to the Conditions for Regular Permits as may be in effect at the time of the issuance of this Final Order, for presentation to the Chairman of the Board of Directors of the EAA for signature; and

3. The General Manager is directed to make appropriate adjustments, changes, or modifications to the EAA's permits and water accounting database consistent with the issuance and effect of this Final Order.

PASSED AND APPROVED BY THE BOARD OF DIRECTORS OF THE EDWARDS
AQUIFER AUTHORITY THIS 9TH DAY OF MAY, 2017.

LUANA BUCKNER
Chairman, Board of Directors
Edwards Aquifer Authority

ATTEST:

ENRIQUE VALDIVIA
Secretary, Board of Directors
Edwards Aquifer Authority

APPROVED AS TO FORM:



DARCY ALAN FROWNFEYER
General Counsel