

February 8, 2010

Dear Homeowner:

With our recent announcement of retaining an independent national engineering firm, Terracon, I'd like to share with you what the engineering team is currently doing onsite, and behind the scenes, over the next several weeks.

Terracon is specifically tasked with evaluating the slope failure area, evaluating the stability of the remaining slope and retaining wall alignment, as well as devising the ultimate solution to address the issues identified during their evaluation.

This past weekend, Terracon engineers drilled soil borings within the limits of the slope failure to collect soil samples so that engineers could examine and perform laboratory tests to determine the strength of the soil and other related data.

In addition, engineers also installed inclinometers within the failed slope area to detect where the slope failure plane occurred below the ground surface. (Inclinometers are essentially below ground surface vertical survey markers that can be used to measure the lateral movement in ground slopes and behind retaining walls.) With these inclinometers, engineers will be able to detect where the ground surface failed and how deep the failure plane is below the ground surface.

Concurrent with these field activities, Terracon will perform laboratory testing of the soil samples recovered during drilling, along with continued site inspections and information gathering. Once the data is collected and analyzed, Terracon will be performing engineering analyses to evaluate and design a fix for the failed slope area.

We understand there is a visual appearance that there isn't much work being performed and that the retaining wall is essentially like it was after the slope failure. To be completely thorough and ensure our homeowners' safety and wellbeing, Terracon estimates a 4-6 week time period to collect data, conduct testing and analyses, and ultimately prepare applicable recommendations.

Throughout this entire process, Centex remains committed to sharing information and scientific findings with the City of San Antonio, as well as work openly with the City to ensure we provide a safe and secure solution for the residents.

If you have any questions, please don't hesitate to contact us via www.rivermistinfo.com or via email at Rivermist@centex.com.

Sincerely,

Laurin Darnell