

June 21, 2010

**RE:** Hills at River Mist and River Mist Subdivisions  
San Antonio, Texas  
Project N<sup>o</sup> 90105012-4-062110

Dear Realtors and Prospective River Mist Community Home Buyers:


Many of you are aware of the slope-retaining wall system failure that occurred in the River Mist community on January 24, 2010. The referenced slope-retaining wall system was constructed along a common area alignment between the Hills at River Mist Subdivision and the River Mist Subdivision. The slope-retaining wall system failure occurred at the south end of this slope-retaining wall alignment; specifically behind Lots 5, 6, and 7 of Block 21, Unit 2 in the Hills at River Mist. With reference to street designation, these lots are just west or southwest of the intersection of Trewell Glen and Valley Well in San Antonio, Texas.

Within days after the slope-retaining wall system failure occurred, Centex Homes employed Terracon Consultants, Inc. (Terracon) to assist them in determining the cause for the slope-retaining wall system failure and to develop measures to remediate the slope-retaining wall system. After analyses and evaluation of the subsurface data collected by our firm, including review of documents prepared by the initial consultants and contractors retained by Centex during construction, we have evaluated the cause for the slope-retaining wall system failure. We are currently advising Craig Olden, Inc. (Olden), the firm that Centex retained to design and construct the new retaining wall, with the planning and design of the new slope-retaining wall system, which soon should be under construction.

Based on our engineering analyses, which included evaluation of both the failed and non-failed areas within the slope-retaining wall system alignment, the following houses (or lots) are the only ones affected by or that were in the influence of the slope-retaining wall system failure. These houses are on Lots 5 through 24 of Block 21, Unit 2 in the Hills at River Mist and Lots 61, 62, 63, 73, 74, 75, and 76 of Block 19, Units 4 and 5 in River Mist; a total of 27 residences.

Within days after this event occurred, the City of San Antonio (COSA) revoked the certificates of occupancy for these 27 residences, which were affected by or within the influence of the slope-retaining wall system alignment, as a safety precaution; an action that we supported. Construction of the new slope-retaining wall system will fully restore the slope and the COSA will reinstate the certificates of occupancy for the previously referenced homes. All homes and lots outside the limits of the referenced 27 lots are at a safe distance away from the influence of the slope-retaining wall system failure, and they are not, and will not be, affected by this incident.

Sincerely,  
**Terracon Consultants, Inc.**

  
Chester J. Drash, P.E.  
Senior Vice President / Senior Principal



6-21-10