Johnson Ranch Municipal Utility District
601 NW Loop 410, Suite 100
San Antonio, Texas 78216

June 10, 2025

Clyde Johnson
Clyde Johnson and Sons Hereford Ranch, Ltd.
420 Baltimore
San Antonio, Texas 78215

c/o counsel Ray Jeffery; Jeffery Law Firm *Via email:* ray@jeffreylegal.com

Re: Johnson Ranch Municipal Utility District; May 29, 2025, Spec. Request to MUD

Dear Sir:

This letter responds to your correspondence dated May 29, 2025, requesting water and sewer service to two tracts of land of 1.641 acres and 23.506 acres that you refer to as the "homestead lot."

As you know, on July 22, 2008, you, Clyde Johnson and Sons Hereford Ranch, Ltd., entered into the Johnson Ranch Subdivision Development Agreement (the "Development Agreement") - a binding contract with the City of Bulverde, DH/JB Development, Inc., DH/JB Partnership, Ltd., and Comal County Water Control and Improvement District No. 1 (a predecessor of Johnson Ranch Municipal Utility District). The Development Agreement incorporated the Johnson Ranch Master Plan as well as part of the City of Bulverde Subdivision Regulations.

The Development Agreement contains clear restrictions on density:

> [t]he density of all single-family residential areas shall be limited to one single-family lot per 30,000 square feet of gross land area within the residential portion of the Land (which includes all areas not developed as commercial, retail, industrial or mixed use).

Development Agreement § 3.02. Mixed use is defined within the Development Agreement § 3.04 as follows:

> Within the mixed use areas as shown on the Project Master Plan, Developer may develop all legal uses including, but not limited to, apartments, town homes, condominiums, hospital services, medical offices, convalescent services, assisted living, nursing homes, other congregate care facilities, general retail sales, restaurants, theatres, commercial recreation facilities, hotel or motel facilities, general or professional offices, childcare services, communication services, office warehouse and/or light manufacturing.

The Development Agreement incorporates several specific City Bulverde Ordinances which define "residential use" "to include single-family residential uses ***only***." Under these terms, it is only within areas designated "Mixed Use" that multi-family construction may occur. Similarly, single family residences must be used in calculations determining ongoing compliance with the density clause.

While in some instances, areas designated "residential use" were converted to mixed use properties,[1] including the Johnson Ranch Elementary (16.04 acres), a Fire & EMS Station (2.5 acres), Bella Groves (3.187 acres), and Highlander Senior Village (6.947 acres) there is no longer sufficient land available to comply with the Development Agreement's density requirements should additional residential use areas be converted to "mixed use" pursuant to your proposal for a multi-family development. Similarly, the density clause bars the development of 279 single family homes.

As such, the density limitations in the Development Agreement preclude the proposed development of the tract at issue, as further development would cause the existing construction to fall out of compliance with density requirements. Johnson Ranch MUD is unable to approve plans in violation of the Development Agreement to which you, and Johnson Ranch MUD are parties.

Please let us know if you would like to discuss in more detail.

By: Sheryl Short
Sheryl Short, Board President
Johnson Ranch Municipal Utility District

[1] Johnson Ranch MUD does not now opine on whether these prior conversions complied with the Development Agreement.