

WINSTEAD

June 27, 2006

direct dial: 512.370.2862
phaag@winstead.com

Fern Bluff Municipal Utility District
c/o ECO Resources Inc.
9511 Ranch Rd. 620 North
Austin, TX 78726

Re: Engagement of Winstead Sechrest & Minick P.C. (the "Firm") by Fern Bluff
Municipal Utility District ("You" or "you")

Ladies and Gentlemen:

Thank you for engaging the Firm in connection with representation of Fern Bluff Municipal Utility District. The Firm is very pleased to undertake this representation. As a matter of Firm policy, it is required that the Firm provide you with this engagement letter in order to set out the specific terms applicable to the representation, including the terms set forth in this letter and the Standard Terms of Engagement for Legal Services ("Standard Terms of Engagement") attached hereto (collectively, the "Engagement Letter"). Please be aware that we may not commence work on your behalf until this letter has been signed and returned by you, along with your check for the retainer referred to below, so please respond promptly.

Specifically, the following terms and provisions apply to this engagement:

1. The Firm will charge a reasonable fee for services rendered based upon its standard hourly rates set forth in the Standard Terms of Engagement with the exception that the rates for the following attorneys shall be as follows: \$250/hour for Philip Haag; \$250/hour for Nancy Hagquist; \$190/hour for Karey Oddo; and \$125/hour for Georgia Canfield, paralegal.

2. In addition to the fee described above, you will be responsible for the Firm's regular charges and expenses incurred in connection with this engagement, as set forth in the Standard Terms of Engagement.

3. The Firm will provide you an invoice for services, expenses and charges on the earlier to occur of the conclusion of this engagement or as soon as possible following the end of each calendar month until such time as this engagement is completed. The Firm will endeavor to deliver these invoices to you on or about the 10th day of the month following the month in which the services were rendered and expenses or charges incurred. Payment of the amount reflected on each invoice is due upon receipt of invoice.

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WINSTEAD SECHREST & MINICK
Attorneys and Counselors
A Professional Corporation

*Austin, Dallas, Fort Worth,
Houston, San Antonio,
The Woodlands, Washington DC*

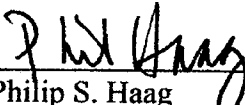
4. As discussed, in order to secure payment of the Firm's invoices, you are contemporaneously herewith depositing the amount of \$1,000 to be maintained by the Firm in a retainer account until this engagement is concluded. Funds from such retainer may be applied against outstanding invoices once 30 days have elapsed from the date of the invoice if payment thereof has not been received. To the extent any portion of the retainer is applied against outstanding invoices, it will be necessary for you to provide additional funds to be deposited in the retainer account such that \$1,000 is on account with this Firm at all times.

5. You have requested that the scope of this engagement be limited to general counsel work for the District. We will be pleased to consider expanding the scope of our representation upon request from the Board on other matters like environmental matters, real estate matters, litigation, administrative, labor and employment matters or other matters for which we have not specifically been engaged per the terms of this engagement letter. If other attorneys in the Firm are used in these matters, we will bill for those services in accordance with rates set forth on the Standard Terms of Engagement for such services.

Again, thank you for allowing the Firm to be of service to you in connection with this engagement. If the provisions of this Engagement Letter meet with your approval, please so indicate by signing and returning the original of this letter to me, along with a check in the amount of the retainer. Please maintain a counterpart of this Engagement Letter for your files.

Very truly yours,

WINSTEAD SECHREST & MINICK P.C.

By: 
Philip S. Haag
Authorized Signatory

AGREED TO AND ACCEPTED:

Dated: _____

WINSTEAD SECHREST & MINICK P.C.

Standard Terms of Engagement for Legal Services ("Standard Terms of Engagement")

Introduction

This Standard Terms of Engagement contains the standard terms of our engagement as your lawyers. Unless modified in writing by mutual agreement, these terms will be an integral part of the letter to which this Standard Terms of Engagement is attached (collectively, "Engagement Letter"). Therefore, we ask that you review this Standard Terms of Engagement carefully and contact us promptly if you have any questions. We suggest that you retain a copy of the Engagement Letter in your file.

Scope of Winstead's Representation

The scope of legal services we will provide is described in the accompanying letter. Any questions that you have should be addressed to us immediately.

We will at all times act on your behalf to the best of our ability. Depending upon the scope and requirements of the engagement we may perform certain services in a jurisdiction other than where our lawyers are admitted, and you agree to the performance of these services. Any expressions on our part concerning the outcome of your legal matters are expressions of our best professional judgment, but are not guarantees. Such expressions are necessarily limited by our knowledge of the facts and are based on our analysis of the law at the time they are expressed.

It is our policy that the person or entity that we represent is the person or entity that is identified in our Engagement Letter and does not include any affiliates of such person or entity, unless specifically referred to (i.e., if you are a corporation or partnership, affiliates include any parents, subsidiaries, employees, officers, directors, shareholders or partners of the corporation or partnership, or commonly owned corporations or partnerships; or, if you are a trade association, affiliates includes any members of the trade association).

It is also our policy that the attorney-client relationship will be considered terminated upon our completion of any services that you have retained us to perform. If you later retain us to perform additional services, our attorney-client relationship will be revived subject to these terms of engagement, as they may be supplemented at that time.

You agree to cooperate fully with us and to promptly provide all material information known or available to you relevant to our representation.

Approach to Providing Services

Customarily, each of our clients is served by a client relationship attorney (the "Client Relationship Attorney"). The Client Relationship Attorney should be someone in whom you have confidence and with whom you enjoy working; you should assume the attorney sending the Engagement Letter is the designated Client Relationship Attorney. You are free to request a change of Client Relationship Attorney at any time.

Subject to the supervisory role of the Client Relationship Attorney, the work or parts of it may be performed by other lawyers and support personnel in the firm. Such delegation may be for the purpose of involving lawyers or support personnel with

special experience in a given area or for the purpose of providing services on the most efficient and timely basis. Whenever practicable, we will advise you of the names of those attorneys and support personnel who work on your matters. If you are concerned about our performance or the performance of the Client Relationship Attorney, you may call our Chief Executive Officer at (214) 745-5400, or our Executive Director, at (214) 745-5400.

Establishment of Fee Structure

In determining the amount to be charged for the legal services we provide to you, we will consider:

1. The time and effort required, the novelty and complexity of the issues presented, and the skill required to perform the legal services properly;
2. The fees customarily charged in the community for similar services and the value of the services to you;
3. The likelihood that our representation will preclude other employment by the firm;
4. The amount of money or value of property involved and the results obtained;
5. The time constraints imposed by you as our client and other circumstances, such as an emergency closing, the need for injunctive relief from court, or substantial disruption of other office business;
6. The nature and longevity of our professional relationship with you; and
7. The experience, reputation and ability of the lawyers performing the services.

Among these factors, the time and effort required are typically weighed most heavily. We will keep contemporaneous records of the time we devote to your work, including conferences (both in person and over the telephone), negotiations, factual and legal research and analysis, document preparation and revision, travel on your behalf, and other related matters. We record our time in units of tenths of an hour.

The hourly rates of our lawyers and support personnel have an important bearing on the fees we charge.

Attorney	\$180 - \$625/hour
Patent Agents	\$210 - \$285/hour
Paralegals	\$125 - \$220/hour

These rates are adjusted periodically, typically on an annual basis, to reflect current levels of experience, changes in overhead costs, and other factors. We are often asked to estimate the amount of fees and costs likely to be incurred in connection with a particular matter. If requested we will endeavor to furnish such an estimate based upon our professional judgment, but always with a clear understanding that it is not, unless otherwise agreed, a maximum or fixed-fee quotation. The ultimate cost frequently is more or less than the amount estimated.

For certain well-defined services (for example, a simple business incorporation), we may quote a flat fee. It is our policy not to accept representation on a flat-fee basis except in such defined-service areas or pursuant to a special arrangement tailored to the needs of a particular client.

In undertaking representation of a client on a contingent fee basis, any such contingent fee arrangement must be reflected in a written contingent fee agreement.

Potential Conflicts

You should be aware that we represent many other companies and individuals. It is possible that during the time that we are representing you, some of our present or future clients may become involved in transactions or disputes with you. You agree that we may continue to represent or may undertake in the future to represent existing or new clients in any matter that is not substantially related to our work for you even if the interests of such clients in those other matters are directly adverse. We agree, however, that your prospective consent to conflicting representation contained in the preceding sentence shall not apply in any instance where, as a result of our representation of you, we have obtained proprietary or other confidential information of a nonpublic nature, that, if known to such other client, could be used in any such other matter by such client to your material disadvantage. You should know that, in similar circumstances with many of our other clients, we have asked for similar agreements to preserve our ability to represent you.

You agree that our representation of you in this matter does not give rise to an attorney-client relationship between us and any of your affiliates, unless specifically set forth herein. You also agree that during the course of our representation of you, we will not be given any confidential information regarding any of your affiliates unless you believe it necessary to do so. In such circumstances, you agree to identify such information as being confidential and discuss your reasons for revealing it with us prior to disclosing the information. Accordingly, in most instances, representation of you in this matter will not give rise to any conflict of interest in the event other clients of the firm are adverse to any of your affiliates.

Additional Services We Provide

We are a progressive business law firm. As such, we frequently offer business services, many at no charge, that provide significant value to our clients and friends. For example, we produce a variety of advisories that offer timely insights and legislative updates on a variety of issues. These issues range from land use, real estate, environmental, labor and employment, to tax, intellectual property and other matters from time to time. We conduct seminars on a variety of topics at various locations,

including the offices of our clients. Information received through these advisories and seminars are not to be considered as legal advice for any particular legal matter. We can provide our clients with networking opportunities with bankers, accountants and other community and business leaders. We conduct interviews to gain feedback from our clients on services we provide. We share information about community non-profit organizations and opportunities for community involvement. We have internal resources to provide in-depth marketing, financial and business research. We make our offices available for business meetings and video conferences. We are continually exploring ways to better serve our clients and we value your input.

Services We Expressly Do Not Provide to You

Members of our law firm, whether attorneys, paralegals, or other persons employed by the firm are from time to time serving in elected or appointed positions with various governmental or regulatory bodies at the federal, state, county, municipal, or local level. Such service could include, but is not limited to, service in the United States Congress, the Texas Legislature, as a board member of a State of Texas agency, board, or commission or the executive branch of state government, as a county commissioner, mayor, city council member, alderman, as a member of a planning and/or zoning board in charge of land use and entitlement issues, or a board of adjustment or variance. Members of our law firm must discharge those duties without regard to their employment or association with the firm, and more importantly, it would be a prohibited conflict of interest for them to give any special consideration, benefit, or access to you or any other client of the firm by virtue of your engagement of the firm in any capacity, including the actual lobbying of any such governmental body or agency. Accordingly, you acknowledge and confirm that this engagement of the firm is not in consideration for or in contemplation of any expected benefit to be derived from the activities of such persons in elected or appointed positions.

You also understand that in the course of such public service these persons may be called upon to take positions, cast votes, adopt rules and regulations or otherwise act in a manner adverse to your actual or perceived business interests and you acknowledge that such events are not conflicts of interest or ethical violations of the firm's duties to you as a client. You further acknowledge that in the course of the firm's engagement by other clients expressly for lobbying any governmental body at the federal, state, county, or municipal level we could be advocating positions or attempting to achieve outcomes or results for such clients that could adversely affect you or your industry (often without our knowledge) and your engagement of the law firm for the legal services contemplated herein does not, in and of itself, create a conflict of interest or ethical violation by virtue of our lobbying activities. We further do not undertake or assume any duty to advise you as to what clients or positions we have undertaken to represent in any lobbying role or engagement or any duty to explore with you those issues of interest to you or your industry, that if taken or advocated by us on behalf of our lobby clients, would be detrimental to you or your industry.

Billing Arrangements and Terms of Payment

We will bill you on a regular basis, normally each month, for fees, disbursements and charges. You agree to make payment

upon receipt of invoice unless other billing arrangements have been agreed to in writing. Moreover, you agree that your obligation to pay our fees is not dependent on the outcome of our legal representation.

We will give you prompt notice if your account becomes delinquent more than 30 days beyond the date of the invoice, and you agree to bring the account or the retainer deposit current. If the delinquency continues and you do not arrange satisfactory payment terms, we may terminate the representation. In litigation matters, our ability to terminate or withdraw from the case may be subject to court approval. We reserve the right to pursue collection of any unpaid balance of your account. You agree to pay the costs of collecting the debt, including court costs, filing fees and a reasonable attorney's fee.

Disbursements and Charges

Typically, we will charge our clients not only for legal services rendered, but also for other ancillary services provided. Examples include charges for in-house messenger deliveries, computerized research services, and the use of our facsimile, laser printing, and photocopy machines. While our charges for these services are measured by use, they do not, in all instances, reflect our actual out-of-pocket costs. For many of these items, the true cost of providing the services is difficult to establish. While we are constantly striving to maintain these charges at rates that are lower than those maintained by others in our markets, in some instances the amounts charged may exceed the actual costs to the firm. The current charges for some typical additional services are as follows:

Standard Duplication	\$.18/page*
Facsimile	\$1.00/page*
Messenger,	
Postage, Computer	
Assisted Research	At cost**
Long Distance Telephone	At cost**

*These charges represent our best estimate of our actual direct cost incurred for material, manpower, and equipment usage. Oversized and other unusual duplication may be charged at a higher rate.

**Cost is determined using standard rate scales of the vendors of these products.

In addition, we generally will disburse funds on your behalf for filing fees, overnight deliveries, necessary travel and other miscellaneous items as required to complete the scope of our services. We will bill you at actual cost for these types of expenses. When disbursements are significant, we often request that you pay the vendor direct. If you would prefer, in some situations we can arrange for ancillary services to be provided by third-parties with direct billing to you. Fees and expenses of others, such as governmental verification, lien searches, consultants, appraisers and local counsel, are required to be paid directly by you unless agreed otherwise.

Retainer and Clients' Funds

In accordance with Firm policy, we have asked you as a new client to provide a retainer deposit, and the engagement letter for

a new client and/or client matter will state the amount of the retainer and any special agreement regarding the retainer. By providing a retainer, you grant us a security interest in the retainer deposit. Typically, the retainer is equal to the fees and costs likely to be incurred during a two-month period of anticipated peak activity on your behalf. Unless otherwise agreed, the retainer deposit will be credited toward your unpaid invoices, if any, at the conclusion of services, and you will be expected to pay our bills immediately as provided above. If our bills are not paid within 30 days of the date of the invoice, we may apply the retainer to those unpaid bills. At the conclusion of our legal representation or at such time as the deposit is unnecessary or is appropriately reduced, the remaining balance or any appropriate part of it will be returned to you. If the retainer deposit proves insufficient to cover current expected fees, expenses and charges on at least a two-month basis, it may have to be increased. Any understanding regarding a retainer deposit, which is inconsistent with the foregoing, must be expressly confirmed in the engagement letter or subsequent written communication from us.

Retainer deposits which are received to cover specific cost items will be disbursed as provided in our agreement with you, and you will be notified from time to time of the amounts applied or withdrawn. Any amount remaining after disbursement will be returned to you.

All retainers and clients' funds are held in clients' funds accounts in trust for your benefit at financial institutions in Texas. The name and address of the financial institution holding your funds will be provided to you upon your request.

If the deposit, whether it be a retainer or other amount which we will hold for you, represents a significant amount and/or will be held for a long period of time, the deposit may, at your request, be placed in a segregated account (or other form of investment approved by you) provided that you supply us with a tax identification number and other necessary information. Interest earned on the segregated clients' funds account will be added to the deposit for your benefit and will be included in your taxable income.

When the funds are small or are to be held for only a short period of time, it is our practice to place the funds in a pooled account maintained in accordance with State Bar of Texas rules. Unless you instruct us otherwise, we will follow the above practices with respect to client funds held on your behalf.

Questions About Your Bill

If you disagree with the amount of our fee, please take up the question with the Client Relationship Attorney or with our Chief Executive Officer or Executive Director. Typically, such disagreements are resolved to the satisfaction of both sides with little inconvenience or formality.

Manner of Communication

You should be aware that we customarily communicate with our clients by letter, telephone (including, digital, analog, satellite or other portable telephones), fax and e-mail (including, wireless e-mail). All of these modes of communication are susceptible of being intercepted. Such interception, even though unauthorized