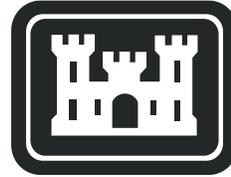


NEWS RELEASE



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Release No: CESWF-PA_07-019

FOR IMMEDIATE RELEASE

DATE: April 19, 2007

Recovery on Lewisville Lake Destruction Announced

(Plano, TX) United States Attorney Matthew D. Orwig announced today that a settlement has been reached regarding damages to the land and fish habitat at Lewisville Lake.

Kerr Real Estate, Inc. and Frank Kerr have agreed to pay for damages on and near their new development on the Hickory Creek Arm of Lewisville Lake known as The Bluffs at Pinnell Pointe. The U.S. Attorney's Office for the Eastern District of Texas has reached a civil settlement with Kerr Real Estate, Inc. and Frank Kerr regarding damage to U.S. Army Corps of Engineers land and fish habitat at Lewisville Lake.

The settlement follows a major investigation involving the U.S. Army Corps of Engineers, U.S. Army Criminal Investigation Division, and United States Attorney's Office. In January 2006, about the time Kerr Real Estate, Inc. began major work on the new development, Corps Rangers observed that over 83 acres of standing timber had been cut in the then dry lake bed. Additionally, the development had altered terrain and channeled storm-water drainage in a manner that damaged Corps property. Kerr Real Estate, Inc. and Frank Kerr have agreed to pay \$630,000.00 to settle these claims.

This fish habitat area was created in the 1980s when the normal pool level on Lewisville Lake was raised from 515 feet to 522 feet above sea level. The Hickory Creek Arm of the lake was then impounded as a shallow lake area where the Corps intentionally left thousands of trees

standing in the lake bed. The standing trees, though dead, provided a habitat for fish and birds and also provided a warning that the shallow section was unsafe for large boats and skiers. Most trees extended a few feet above the normal water level.

Until recently, lake levels had been low following a two-year drought. In about December 2005, unknown individuals with chainsaws went onto the dry lake bed and cut an estimated 4000 standing trees nearly to the ground, in an area of about 83 acres just south of the new development. When the water of Lewisville Lake returns to normal levels, the cut stumps will be below the water's surface.

Kerr Real Estate, Inc. and Frank Kerr deny any wrongdoing but agreed to pay the settlement to keep their development progressing. They also agreed to fix storm water drainage running from the development to protect Corps land and the lake below. Kerr Real Estate, Inc. also granted an easement to the City of Corinth for public use to connect the roads in the development with Corps trails.

Last summer, the Corps, with the help of volunteers, secured the cut stumps on the dry lake bed so that they would not become floating hazards when the lake levels return to normal. The settlement recovery announced today will help the Corps repair and restore the damaged habitat and keep the area marked with warning signs for boaters and skiers. While this settlement resolves matters with Kerr Real Estate, Inc. and Frank Kerr, the Corps will continue to investigate to determine the extent of involvement by any other parties.

Assistant United States Attorney Kevin McClendon negotiated the settlement. Agents and Rangers from the U.S. Army Corps of Engineers, U.S. Army Criminal Investigation Division, and United States Attorney's Office investigated the case.

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