

Amend HB 534 (senate committee printing) as follows:

(1) Before SECTION 1 of the bill, between the enacting clause and "SECTION 1." (page 1, between lines 11 and 12), insert the following:

ARTICLE _____. GUNTER MUNICIPAL UTILITY DISTRICTS NOS. 1 AND 2

(2) Renumber the SECTIONS of ARTICLE 1 (page 1, line 12 through page 3, line 15) appropriately.

(3) In SECTION 5 of the bill (page 2, line 67), strike "Act" and substitute "article".

(4) In SECTION 5 of the bill (page 2, line 68), strike "Act" and substitute "article".

(5) In SECTION 5 of the bill (page 2, line 69), strike "Act" and substitute "article".

(6) In SECTION 5 of the bill (page 3, line 5), strike "Act" and substitute "article".

(7) In SECTION 5 of the bill (page 3, line 8), strike "Act" and substitute "article".

(8) In SECTION 5 of the bill (page 3, line 13), strike "Act" and substitute "article".

(9) In SECTION 6 of the bill (page 3, line 15), strike "Act" and substitute "article".

(10) After SECTION 6 of the bill (page 3, line 15), add the following appropriately numbered ARTICLES and SECTIONS:

ARTICLE _____. MUSTANG RANCH MUNICIPAL MANAGEMENT DISTRICT NO. 1

SECTION _____.01. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3885 to read as follows:

CHAPTER 3885. MUSTANG RANCH MUNICIPAL MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3885.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "City" means the City of Celina, Texas.

(3) "County" means Collin County, Texas.

(4) "Development agreement" means the development agreement between the city and Celina 682 Partners, L.P., initially effective June 11, 2007.

(5) "Director" means a board member.

(6) "District" means the Mustang Ranch Municipal Management District No. 1.

Sec. 3885.002. CREATION AND NATURE OF DISTRICT. The district is a special district created under Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

Sec. 3885.003. PURPOSE; LEGISLATIVE FINDINGS. (a) The creation of the district is essential to accomplish the purposes of Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other public purposes stated in this chapter. By creating the district and in authorizing the city and other political subdivisions to contract with the district, the legislature has established a program to accomplish the public purposes set out in Section 52-a, Article III, Texas Constitution.

(b) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce, transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

(c) This chapter and the creation of the district may not be interpreted to relieve the city or county from providing the level of services provided to the area in the district as of the effective date of the article of the Act enacting this chapter. The district is created to supplement and not to supplant the city and county services provided in the district.

Sec. 3885.004. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) The district is created to serve a public use and benefit.

(b) All land and other property included in the district will benefit from the improvements and services to be provided by the district under powers conferred by Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution, and other powers granted under this chapter.

(c) The district is created to accomplish the purposes of a municipal management district as provided by general law and Sections 52 and 52-a, Article III, and Section 59, Article XVI, Texas Constitution.

(d) The creation of the district is in the public interest and is essential to:

(1) further the public purposes of developing and diversifying the economy of the state;

(2) eliminate unemployment and underemployment; and

(3) develop or expand transportation and commerce.

(e) The district will:

(1) promote the health, safety, and general welfare of residents, employers, potential employees, employees, visitors, and consumers in the district, and of the public;

(2) provide needed funding for the district to preserve, maintain, and enhance the economic health and vitality of the district territory as a community and business center; and

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty.

(f) Pedestrian ways along or across a street, whether at grade or above or below the surface, and street lighting, street landscaping, parking, and street art objects are parts of and necessary components of a street and are considered to be a street or road improvement.

(g) The district will not act as the agent or instrumentality of any private interest even though the district will benefit many private interests as well as the public.

Sec. 3885.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section _____.02 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section _____.02 of the Act enacting this chapter form a closure. A mistake in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to contract;

(3) authority to borrow money or issue bonds or other obligations described by Section 3885.253 or to pay the principal and interest of the bonds or other obligations;

(4) right to impose or collect an assessment, or collect other revenue; or

(5) legality or operation.

Sec. 3885.006. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES.

(a) All or any part of the area of the district is eligible to be included in:

(1) a tax increment reinvestment zone created under Chapter 311, Tax Code;

(2) a tax abatement reinvestment zone created under Chapter 312, Tax Code;

(3) an enterprise zone created under Chapter 2303, Government Code; or

(4) an industrial district created under Chapter 42, Local Government Code.

(b) If the city creates a tax increment reinvestment zone described by Subsection (a), the city and the board of directors of the zone, by contract with the district, may grant money deposited in the tax increment fund to the district to be used by the district for:

(1) the purposes permitted for money granted to a corporation under Section 380.002(b), Local Government Code; and

(2) any other district purpose, including the right to pledge the money as security for any bonds or other obligations issued by the district under Section 3885.253.

(c) A tax increment reinvestment zone created by the city in the district is not subject to the limitations provided by Section 311.006, Tax Code.

Sec. 3885.007. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICT LAW. Except as provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Sec. 3885.008. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

[Sections 3885.009-3885.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3885.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors composed of:

(1) two directors appointed by the governing body of the city;

(2) one director appointed by the governing body of the city who is an employee of the Prosper Independent School District;

(3) the city manager; and

(4) the city's chief financial officer.

(b) An appointed director serves a term of four years.

Sec. 3885.052. QUALIFICATIONS OF DIRECTOR. (a) Section 375.063, Local Government Code, does not apply to a director employed by the city or the Prosper Independent School District.

(b) Section 49.052, Water Code, does not apply to the district.

Sec. 3885.053. VACANCY. The governing body of the city shall appoint a director to fill a vacancy on the board for the remainder of the unexpired term.

Sec. 3885.054. DIRECTOR'S OATH OR AFFIRMATION. A director shall file the director's oath or affirmation of office with the district, and the district shall retain the oath or affirmation in the district records.

Sec. 3885.055. OFFICERS. The board shall elect from among the directors a chair, a vice chair, and a secretary.

Sec. 3885.056. COMPENSATION; EXPENSES. (a) The district may compensate each director in an amount not to exceed \$150 for each board meeting.

(b) A director is entitled to reimbursement for necessary and reasonable expenses incurred in carrying out the duties and responsibilities of a director.

Sec. 3885.057. LIABILITY INSURANCE. The district may obtain and pay for comprehensive general liability insurance coverage from a commercial insurance company or other source that protects and insures the directors against personal liability and from all claims for actions taken as directors or actions and activities taken by the district or by others acting on its behalf.

Sec. 3885.058. BOARD MEETINGS. The board shall hold meetings at a place accessible to the public.

Sec. 3885.059. INITIAL DIRECTORS. (a) The initial board consists of the following directors:

(1) Rod Hogan, city manager;

- (2) Jay Toutounchian, city chief financial officer;
- (3) Jim Melino;
- (4) Drew Watkins, Prosper Independent School District employee; and
- (5) a director appointed by the governing body of the city.

(b) Of the initial directors, the term of the director appointed under Subsection (a)(3) expires May 31, 2014, and the terms of the directors appointed under Subsections (a)(4) and (5) expire May 31, 2012.

(c) This section expires September 1, 2014.

[Sections 3885.060-3885.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3885.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 3885.102. IMPROVEMENT PROJECTS. The district may provide, or it may enter into contracts with a governmental or private entity to provide, the improvement projects described by Subchapter C-1 or activities in support of or incidental to those projects.

Sec. 3885.103. WATER DISTRICT POWERS. The district has the powers provided by the general laws relating to conservation and reclamation districts created under Section 59, Article XVI, Texas Constitution, including Chapters 49 and 54, Water Code.

Sec. 3885.104. ROAD DISTRICT POWERS. The district has the powers provided by the general laws relating to road districts and road utility districts created under Section 52(b), Article III, Texas Constitution, including Chapter 441, Transportation Code.

Sec. 3885.105. PUBLIC IMPROVEMENT DISTRICT POWERS. The district has the powers provided by Chapter 372, Local Government Code, to a municipality or county.

Sec. 3885.106. CONTRACT POWERS. The district may contract with a governmental or private entity, on terms determined by the board, to carry out a power or duty authorized by this chapter or to accomplish a purpose for which the district is created.

Sec. 3885.107. EMERGENCY SERVICES. (a) This section

applies only to territory in the district:

(1) that is in the extraterritorial jurisdiction of the city;

(2) for which a plat has been filed; and

(3) that includes 100 or more residents.

(b) To protect the public interest, the district shall provide or contract with a qualified party to provide emergency services, including law enforcement, fire, and ambulance services, in the territory described by Subsection (a).

Sec. 3885.108. AMENDMENT OF DEVELOPMENT AGREEMENT. The parties to the development agreement may amend the agreement as necessary to accomplish the purposes of the district.

Sec. 3885.109. ECONOMIC DEVELOPMENT. (a) The district may engage in activities that accomplish the economic development purposes of the district.

(b) The district may establish and provide for the administration of one or more programs to promote state or local economic development and to stimulate business and commercial activity in the district, including programs to:

(1) make loans and grants of public money; and

(2) provide district personnel and services.

(c) The district may create economic development programs and exercise the economic development powers that:

(1) Chapter 380, Local Government Code, provides to a municipality; and

(2) Subchapter A, Chapter 1509, Government Code, provides to a municipality.

Sec. 3885.110. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

Sec. 3885.111. NO TOLL ROADS. The district may not construct, acquire, maintain, or operate a toll road.

[Sections 3885.112-3885.150 reserved for expansion]

SUBCHAPTER C-1. IMPROVEMENT PROJECTS AND SERVICES

Sec. 3885.151. IMPROVEMENT PROJECTS AND SERVICES. The district may provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service using money available to the district, or contract with a

governmental or private entity to provide, design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project or service authorized under this chapter or Chapter 375, Local Government Code.

Sec. 3885.152. BOARD DETERMINATION REQUIRED. The district may not undertake an improvement project unless the board determines the project:

(1) is necessary to accomplish a public purpose of the district; and

(2) complies with the development agreement or the parties to the development agreement agree to the project, in writing.

Sec. 3885.153. LOCATION OF IMPROVEMENT PROJECT. An improvement project may be inside or outside the district.

Sec. 3885.154. CITY REQUIREMENTS. (a) An improvement project in the city must comply with any applicable requirements of the city, including codes and ordinances, that are consistent with the development agreement.

(b) The district may not provide, conduct, or authorize any improvement project on the city's streets, highways, rights-of-way, or easements without the consent of the governing body of the city.

Sec. 3885.155. IMPROVEMENT PROJECT AND SERVICE IN DEFINABLE AREA. The district may undertake an improvement project or service that confers a special benefit on a definable area in the district and levy and collect a special assessment on benefited property in the district in accordance with:

(1) Chapter 372, Local Government Code; or

(2) Chapter 375, Local Government Code.

Sec. 3885.156. CONTRACTS. A contract to design, construct, acquire, improve, relocate, operate, maintain, or finance an improvement project is considered a contract for a good or service under Subchapter I, Chapter 271, Local Government Code.

[Sections 3885.157-3885.200 reserved for expansion]

SUBCHAPTER D. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 3885.201. DIVISION OF DISTRICT; PREREQUISITE. The district may be divided into two or more new districts only if the

district has no outstanding bonded debt.

Sec. 3885.202. LAW APPLICABLE TO NEW DISTRICT. This chapter applies to any new district created by division of the district, and a new district has all the powers and duties of the district.

Sec. 3885.203. DIVISION PROCEDURES. (a) The board, on its own motion or on receipt of a petition signed by an owner of real property in the district, may adopt an order proposing to divide the district.

(b) The board may not divide the district unless the division is approved by the governing body of the city by resolution. The resolution may set terms for the division under Subsection (c).

(c) If the board decides to divide the district, the board shall, subject to the city's resolution:

(1) set the terms of the division, including names for the new districts and a plan for the payment or performance of any outstanding district obligations;

(2) prepare a metes and bounds description for each proposed district; and

(3) appoint initial directors for each new district.

Sec. 3885.204. NOTICE AND RECORDING OF ORDER. Not later than the 30th day after the date of an order dividing the district, the district shall:

(1) file the order with the Texas Commission on Environmental Quality; and

(2) record the order in the real property records of the county in which the district is located.

Sec. 3885.205. CONTRACT AUTHORITY OF NEW DISTRICTS. (a) Except as provided by Subsection (b), the new districts may contract with each other for any matter the boards of the new districts consider appropriate.

(b) The new districts may not contract with each other for water and wastewater services.

[Sections 3885.206-3885.250 reserved for expansion]

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3885.251. DISBURSEMENTS AND TRANSFERS OF MONEY. The

board by resolution shall establish the number of directors' signatures and the procedure required for a disbursement or transfer of the district's money.

Sec. 3885.252. MONEY USED FOR IMPROVEMENTS OR SERVICES.
The district may undertake and provide an improvement project or service authorized by this chapter using any money available to the district.

Sec. 3885.253. BORROWING MONEY; OBLIGATIONS. (a) The district may borrow money for a district purpose without holding an election by issuing bonds, notes, time warrants, or other obligations, or by entering into a contract or other agreement payable wholly or partly from an assessment, a contract payment, a grant, revenue from a zone created under Chapter 311 or 312, Tax Code, other district revenue, or a combination of these sources.

(b) An obligation described by Subsection (a):

(1) may bear interest at a rate determined by the board; and

(2) may include a term or condition as determined by the board.

Sec. 3885.254. DEVELOPMENT AGREEMENT. Before the district borrows money or issues an obligation under Section 3885.253, the city must provide written certification to the district that no party to the development agreement is in default as of the date the district is authorized to borrow the money or enter the obligation.

Sec. 3885.255. ASSESSMENTS. (a) Except as provided by Subsection (b), the district may impose an assessment on property in the district to pay for an obligation described by Section 3885.253 in the manner provided for:

(1) a district under Subchapters A, E, and F, Chapter 375, Local Government Code; or

(2) a municipality or county under Subchapter A, Chapter 372, Local Government Code.

(b) The district may not impose an assessment on a municipality, county, or other political subdivision.

Sec. 3885.256. NOTICE OF ASSESSMENTS. (a) The board shall annually file written notice with the secretary of the city that specifies the assessments the district will impose in the

district's next fiscal year in sufficient clarity to describe the assessments for the operation and maintenance of the district and the assessments for the payment of debt service of obligations issued or incurred by the district.

(b) The board shall annually record in the deed records of the county a current assessment roll approved by the governing body of the city.

(c) The assessment roll must clearly state that the assessments in the assessment roll are in addition to the ad valorem taxes imposed by other taxing units that tax real property in the district.

(d) The district shall generate and implement a program to provide notification to a prospective purchaser of property in the district of the assessments that have been approved and are imposed by the district.

Sec. 3885.257. RESIDENTIAL PROPERTY NOT EXEMPT. Section 375.161, Local Government Code, does not apply to the district.

Sec. 3885.258. NO IMPACT FEES. The district may not impose an impact fee.

Sec. 3885.259. NO AD VALOREM TAX. The district may not impose an ad valorem tax.

[Sections 3885.260-3885.300 reserved for expansion]

SUBCHAPTER F. DISSOLUTION

Sec. 3885.301. DISSOLUTION BY CITY. (a) The city may dissolve the district by ordinance.

(b) The city may not dissolve the district until:

(1) the district's outstanding debt or contractual obligations have been repaid or discharged; or

(2) the city agrees to succeed to the rights and obligations of the district.

Sec. 3885.302. COLLECTION OF ASSESSMENTS AND OTHER REVENUE.

(a) If the dissolved district has bonds or other obligations outstanding secured by and payable from assessments or other revenue, the city succeeds to the rights and obligations of the district regarding enforcement and collection of the assessments or other revenue.

(b) The city shall have and exercise all district powers to

enforce and collect the assessments or other revenue to pay:

(1) the bonds or other obligations when due and payable according to their terms; or

(2) special revenue or assessment bonds or other obligations issued by the city to refund the outstanding bonds or obligations of the district.

Sec. 3885.303. ASSUMPTION OF ASSETS AND LIABILITIES. (a) After the city dissolves the district, the city assumes the obligations of the district, including any bonds or other debt payable from assessments or other district revenue.

(b) If the city dissolves the district, the board shall transfer ownership of all district property to the city.

SECTION ____ .02. The Mustang Ranch Municipal Management District No. 1 initially includes all the territory contained in the following area:

BEING a tract of land located in the COLEMAN WATSON SURVEY, ABSTRACT NO. 945, Collin County, Texas and being a part of a called 632.051 acre tract of land described in Deed to Twin Eagles, Ltd. recorded in County Clerk's Document Number 96-0013989, Deed Records, Collin County, Texas and being a part of a called 12.686 acre tract of land described in Deed to Robert S. Folsom, Trustee of the Twin Eagles Qualified Personal Residence Trust recorded in County Clerk's Document Number 95-0093145, Deed Records, Collin County, Texas and being a part of a called 50.00 acre tract of land described in Deed to Twin Eagles Ltd. recorded in Volume 4826, Page 2205, Deed Records, Collin County, Texas and being more particularly described as follows:

BEGINNING at a 5/8 inch iron rod found in the North line of Farm-To-Market Road 1461, a variable width right-of-way, at the Southwest corner of a called 19.93 acre tract of land described in Deed to Debra Folsom Jarma and Don M. Jarma recorded in Volume 3790, Page 267, Deed Records, Collin County, Texas, said point being the Southeast corner of said 50.00 acre tract;

THENCE South 89 degrees 41 minutes 18 seconds West, along the North line of said Farm-To-Market Road 1461, a distance of 750.84 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner, from which a 1/2 inch iron found bears South 76

degrees 31 minutes 14 seconds West, a distance of 2.08 feet;

THENCE South 89 degrees 16 minutes 18 seconds West, continuing long the North line of said Farm-To-Market Road 1461, a distance of 231.01 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set at the Southwest corner of Lot 30, Block C of TWELVE OAKS PHASE II, an Addition to Collin County, Texas according to the Plat thereof recorded in Cabinet P, Slide 486, Map Records, Collin County, Texas, from which a 1/2 inch iron rod with a yellow plastic cap stamped "EC&D RPLS 5439" bears South 06 degrees 27 minutes 24 seconds West, a distance of 0.32 feet;

THENCE North 00 degrees 54 minutes 55 seconds East, along the West line of said TWELVE OAKS PHASE II, a distance of 2,206.67 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set in the South line of said 632.051 acre tract at the Northeast corner of Lot 18, Block C of said TWELVE OAKS PHASE II, from which a 1/2 inch iron rod with a yellow plastic cap stamped "ROOME" bears South 50 degrees 24 minutes 07 seconds West, a distance of 0.44 feet;

THENCE South 89 degrees 37 minutes 23 seconds West, along the North line of said TWELVE OAKS PHASE II, a distance of 2,146.50 feet to a 3/8 inch iron rod found at the Southwest corner of said 632.051 acre tract;

THENCE North 00 degrees 07 minutes 29 seconds East, along the West line of said 632.051 acre tract, a distance of 1,637.32 feet to a point for corner in the approximate centerline of Wilson Creek and in the East line of Lot 5, Block A of WILSON CREEK ESTATES, an Addition to Collin County, Texas according to the Plat thereof recorded in Cabinet J, Slide 605, Map Records, Collin County, Texas;

THENCE Northerly, along the East line of said WILSON CREEK ESTATES and the approximate centerline of said Wilson Creek, the following five (5) courses and distances; North 39 degrees 31 minutes 50 seconds East, a distance of 1.00 feet to a point for corner; North 14 degrees 09 minutes 54 seconds East, a distance of 67.24 feet to a point for corner; North 01 degrees 45 minutes 24 seconds West, a distance of 113.30 feet to a point for corner; North 08 degrees 43 minutes 39 seconds West, a distance of 137.99 feet to point for corner; North 02 degrees 14 minutes 13 seconds West, a

distance of 113.37 feet to point at the Southeast corner of WILSON CREEK ESTATES 2, an Addition to Collin County, Texas according to the Plat thereof recorded in Cabinet K, Slide 192, Map Records, Collin County, Texas;

THENCE Northerly, along the East line of said WILSON CREEK ESTATES 2 and the approximate centerline of said Wilson Creek, the following eight (8) courses and distances; North 15 degrees 56 minutes 43 seconds East, a distance of 284.21 feet to point for corner; North 27 degrees 49 minutes 29 seconds East, a distance of 53.72 feet to a point for corner; North 13 degrees 03 minutes 17 seconds East, a distance of 109.39 feet to point for corner; North 10 degrees 02 minutes 27 seconds West, a distance of 235.76 feet to point for corner; North 04 degrees 58 minutes 53 seconds East, a distance of 56.26 feet to a point for corner; North 05 degrees 12 minutes 56 seconds West, a distance of 121.33 feet to point for corner; North 09 degrees 39 minutes 44 seconds West, a distance of 165.65 feet to point for corner; North 01 degrees 30 minutes 36 seconds East, a distance of 45.98 feet to a point for corner in the South line of a called 185.094 acre tract of land described as Tract One in Deed to J. Baxter Brinkman recorded in County Clerk's Document Number 92-0052450, Deed Records, Collin County, Texas, from which a 3/4 inch iron rod found bears South 89 degrees 38 minutes 46 seconds West; a distance of 39.22 feet;

THENCE North 89 degrees 38 minutes 46 seconds East, along the common line of said 185.094 acre tract and said 632.051 acre tract, a distance of 1,947.39 feet to a 1/2 inch iron rod found for corner;

THENCE North 00 degrees 14 minutes 27 seconds West, along the common line of said 185.094 acre tract and said 632.051 acre tract, a distance of 1,721.69 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set at the Southwest corner of a called 5.384 acre tract of land described as Tract Two in Deed to J. Baxter Brinkman recorded in County Clerk's Document Number 92-0052450, Deed Records, Collin County, Texas, from which a 1/2 inch iron rod found bears South 85 degrees 18 minutes 16 seconds West, a distance of 1.01 feet;

THENCE Easterly, along the common line of said 5.384 acre tract and said 632.051 acre tract, the following six (6) courses and

distances: North 89 degrees 48 minutes 09 seconds East, a distance of 2,167.88 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "COLLIS RPLS 1764" found for corner; North 89 degrees 49 minutes 55 seconds East, a distance of 465.82 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner, from which a 1/2 inch iron rod found bears South 35 degrees 46 minutes 01 seconds West, a distance of 0.39 feet; North 89 degrees 47 minutes 20 seconds East, a distance of 305.39 feet to a 1/2 inch iron rod found for corner; North 89 degrees 51 minutes 51 seconds East, a distance of 816.05 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner; South 89 degrees 56 minutes 24 seconds East, a distance of 311.73 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner; North 89 degrees 42 minutes 42 seconds East, a distance of 330.59 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set at the Northwest corner of a called 1.0000 acre tract of land described in Deed to Danville Water Supply Corporation recorded in Volume 1992, Page 738, Deed Records, Collin County, Texas;

THENCE South 00 degrees 15 minutes 01 seconds East, along the common line of said 1.0000 acre tract and said 632.051 acre tract, a distance of 146.88 feet to a 1/2 inch iron rod found for corner;

THENCE North 89 degrees 44 minutes 59 seconds East, continuing along the common line of said 1.0000 acre tract and said 632.051 acre tract a distance of 299.37 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner in the West line of Farm-To-Market Road 2478, a variable width right-of-way, from which a 1/2 inch iron rod found bears South 89 degrees 44 minutes 59 seconds East, a distance of 0.33 feet;

THENCE Southerly, along the West line of said Farm-To-Market Road 2478, the following eight (8) courses and distances: South 04 degrees 07 minutes 13 seconds East, a distance of 113.40 feet to a wood right-of-way marker found for corner; South 03 degrees 46 minutes 13 seconds East, a distance of 525.05 feet to a 1/2 inch iron rod found for corner; South 01 degrees 56 minutes 26 seconds West, a distance of 100.50 feet to a nail found in wood right-of-way marker for corner; South 03 degrees 46 minutes 13 seconds East, a distance of 200.00 feet to a 1/2 inch iron rod with a yellow plastic

cap stamped "DAA" set for corner, from which a wood right-of-way marker found bears North 78 degrees 39 minutes 45 seconds West, a distance of 0.95 feet; South 09 degrees 28 minutes 51 seconds East, a distance of 100.50 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner; South 03 degrees 46 minutes 13 seconds East, a distance of 415.90 feet to a wood right-of-way marker found for corner at the beginning of a curve to the right having a central angle of 03 degrees 41 minutes 00 seconds, a radius of 5,679.58 feet and a chord bearing and distance of South 01 degrees 55 minutes 43 seconds East, 365.06 feet; Southerly, along said curve to the right, an arc distance of 365.12 feet to a wood right-of-way marker found for corner; South 00 degrees 05 minutes 13 seconds East, a distance of 2,278.15 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set at the Northeast corner of a called 1.000 acre tract of land described in Deed to Rhea's Mill Baptist Church recorded in Volume 1745, Page 773, Deed Records, Collin County, Texas, from which a 1/2 inch square pipe found bears South 89 degrees 48 minutes 02 seconds West, a distance of 1.07 feet;

THENCE South 89 degrees 48 minutes 02 seconds West, a distance of 291.81 feet to a 1/2 inch iron rod found at the Northwest corner of said Rhea's Mill Baptist Church tract;

THENCE South 00 degrees 20 minutes 34 seconds East, a distance of 150.52 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner in the North line of Lot 4 of ROLLING MEADOWS ESTATES, an Addition to Collin County, Texas according to the Plat thereof recorded in Cabinet P, Slide 486, Map Records, Collin County, Texas;

THENCE South 89 degrees 40 minutes 07 seconds West, along the common line of said ROLLING MEADOWS ESTATES and said 632.051 acre tract, passing at a distance of 1,509.89 feet a 1 inch iron rod found at the Northwest corner of said ROLLING MEADOWS ESTATES and the Northeast corner of a called 81.104 acre tract described in Deed to Debra F. Jarma and Don M. Jarma recorded in County Clerk's Document Number 95-0092267, Deed Records, Collin County, Texas and continuing along the common line of said 81.104 acre tract and said 632.051 acre tract, in all for a total distance of 2,209.89 feet to

a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner;

THENCE South 00 degrees 52 minutes 41 seconds West, along the common line of said 81.104 acre tract and said 632.051 acre tract, a distance of 421.13 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner;

THENCE South 89 degrees 27 minutes 07 seconds West, continuing along the common line of said 81.104 acre tract and said 632,051 acre tract, a distance of 1,159.85 feet to a 1/2 inch iron square pipe found at the Northwest corner of said 81.104 acre tract and the Northeast corner of a called 11.252 acre tract of land described in Deed to Debra F. Jarma and Don M. Jarma recorded in Volume 4973, Page 3420, Deed Records, Collin County, Texas;

THENCE South 89 degrees 24 minutes 47 seconds West, along the common line of said 11.252 acre tract and said 632.051 acre tract, a distance of 281.99 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set at the Northwest corner of said 11.252 acre tract;

THENCE Southerly, along the West line of said 11.252 acre tract, the following six (6) courses and distances: South 00 degrees 55 minutes 08 seconds West, a distance of 420.00 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner; South 14 degrees 29 minutes 02 seconds East, a distance of 241.26 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner; South 00 degrees 55 minutes 08 seconds West, a distance of 320.00 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner; South 12 degrees 45 minutes 08 seconds West, a distance of 449.55 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner; South 19 degrees 10 minutes 32 seconds East, a distance of 436.57 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner; South 33 degrees 22 minutes 42 seconds East, a distance of 288.40 feet to a 1/2 inch iron rod with a yellow plastic cap stamped "DAA" set for corner in the West line of said 19.93 acre tract;

THENCE South 01 degrees 56 minutes 48 seconds West, along the West line of said 19.93 acre tract, a distance of 139.88 feet to the POINT OF BEGINNING and containing 681.999 acres of land, more or

less.

SECTION ____ .03. (a) The legal notice of the intention to introduce this article, setting forth the general substance of this article, has been published as provided by law, and the notice and a copy of this article have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and article to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this article with the governor, lieutenant governor, and speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this article have been fulfilled and accomplished.

SECTION ____ .04. This article takes effect September 1, 2011.

ARTICLE ____ . CASE CREEK MUNICIPAL UTILITY DISTRICT NO. 1 OF
GRAYSON COUNTY

SECTION ____ .01. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8249 to read as follows:

CHAPTER 8249. CASE CREEK MUNICIPAL UTILITY DISTRICT NO. 1 OF
GRAYSON COUNTY

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8249.001. DEFINITIONS. In this chapter:

(1) "Board" means the district's board of directors.

(2) "Commission" means the Texas Commission on Environmental Quality.

(3) "Director" means a board member.

(4) "District" means the Case Creek Municipal Utility District No. 1 of Grayson County.

Sec. 8249.002. NATURE OF DISTRICT. The district is a

municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8249.003. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. 8249.004. FINDINGS OF PUBLIC PURPOSE AND BENEFIT. (a) The district is created to serve a public purpose and benefit.

(b) The district is created to accomplish the purposes of:

(1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and

(2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8249.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section _____.02 of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section _____.02 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:

(1) organization, existence, or validity;

(2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;

(3) right to impose a tax; or

(4) legality or operation.

[Sections 8249.006-8249.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8249.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 8249.052, directors serve staggered four-year terms.

Sec. 8249.052. TEMPORARY DIRECTORS. (a) On or after September 1, 2011, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to

the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.

(b) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Section 8249.003; or

(2) September 1, 2015.

(c) If permanent directors have not been elected under Section 8249.003 and the terms of the temporary directors have expired, successor temporary directors shall be appointed or reappointed as provided by Subsection (d) to serve terms that expire on the earlier of:

(1) the date permanent directors are elected under Section 8249.003; or

(2) the fourth anniversary of the date of the appointment or reappointment.

(d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

[Sections 8249.053-8249.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8249.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 8249.102. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES. The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.

Sec. 8249.103. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate,

maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. 8249.104. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

(b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.

(c) If the state will maintain and operate the road, the Texas Transportation Commission must approve the plans and specifications of the road project.

Sec. 8249.105. COSTS OF ROAD PROJECT. The district shall bear the cost of maintaining, improving, operating, and repairing a road located in the district and authorized by Section 8249.103 in accordance with all applicable ordinances and rules of the political subdivision authorized to exercise jurisdiction over the road, regardless of whether the district conveys the road to this state, a county, or a municipality.

Sec. 8249.106. LIMITATION ON USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

- (1) a road project authorized by Section 8249.103; or
- (2) a recreational facility as defined by Section 49.462, Water Code.

Sec. 8249.107. LIMITATION ON WATER SUPPLY AND WASTEWATER SERVICES; USE OF DISTRICT FACILITIES BY TWO WAY SPECIAL UTILITY DISTRICT. (a) The district may not act as a retail provider of water or wastewater services in the district except as provided by this section.

(b) Except as provided by Subsection (c), the district shall convey or otherwise assign the district's water supply facilities and wastewater facilities to Two Way Special Utility District.

(c) If Two Way Special Utility District refuses or is unable to provide water supply or wastewater service to customers located in the district, the district may retain the necessary facilities and provide water supply or wastewater service, as applicable, to those customers.

[Sections 8249.108-8249.150 reserved for expansion]

SUBCHAPTER D. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS

Sec. 8249.151. DIVISION OF DISTRICT; PREREQUISITES. The district may be divided into two or more new districts only if the district:

- (1) has no outstanding bonded debt; and
- (2) is not imposing ad valorem taxes.

Sec. 8249.152. LAW APPLICABLE TO NEW DISTRICT. This chapter applies to any new district created by division of the district, and a new district has all the powers and duties of the district.

Sec. 8249.153. LIMITATION ON AREA OF NEW DISTRICT. A new district created by the division of the district may not, at the time the new district is created, contain any land outside the area described by Section _____.02 of the Act enacting this chapter.

Sec. 8249.154. DIVISION PROCEDURES. (a) The board, on its own motion or on receipt of a petition signed by the owner or owners of a majority of the assessed value of the real property in the district, may adopt an order dividing the district.

(b) The board may adopt an order dividing the district before or after the date the board holds an election under Section 8249.003 to confirm the district's creation.

(c) An order dividing the district must:

- (1) name each new district;
 - (2) include the metes and bounds description of the territory of each new district;
 - (3) appoint temporary directors for each new district;
- and
- (4) provide for the division of assets and liabilities between the new districts.

(d) On or before the 30th day after the date of adoption of an order dividing the district, the district shall file the order

with the commission and record the order in the real property records of each county in which the district is located.

Sec. 8249.155. CONFIRMATION ELECTION FOR NEW DISTRICT. (a) A new district created by the division of the district shall hold a confirmation and directors' election as required by Section 8249.003.

(b) If the creation of the new district is confirmed, the new district shall provide the election date and results to the commission.

Sec. 8249.156. TAX OR BOND ELECTION. Before a new district created by the division of the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes, the new district must hold an election as required by this chapter to obtain voter approval.

[Sections 8249.157-8249.200 reserved for expansion]

SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS

Sec. 8249.201. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:

- (1) revenue other than ad valorem taxes; or
- (2) contract payments described by Section 8249.203.

(b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.

(c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.

Sec. 8249.202. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8249.201, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.

(b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.

Sec. 8249.203. CONTRACT TAXES. (a) In accordance with Section 49.108, Water Code, the district may impose a tax other than

an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.

(b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

[Sections 8249.204-8249.250 reserved for expansion]

SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS

Sec. 8249.251. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.

Sec. 8249.252. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

Sec. 8249.253. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

SECTION ____ .02. The Case Creek Municipal Utility District No. 1 of Grayson County initially includes all the territory contained in the following area:

TRACT 1

BEING A 734.245 ACRE TRACT OF LAND SITUATED IN THE PATSY KITCHENS SURVEY, ABSTRACT NO. 666, THE RACHEL HANNING SURVEY, ABSTRACT NO. 547, THE JAMES THOMAS SURVEY, ABSTRACT NO. 1235, THE B.B.B. & C.R.R. SURVEY, ABSTRACT NO. 167 AND THE H.L. NOLAND SURVEY, ABSTRACT NO. 1550, GRAYSON COUNTY, TEXAS AND BEING ALL OF THE FOLLOWING TRACTS OF LAND, THAT TRACT OF LAND DESCRIBED IN DEED TO BLUE ISLAND PARTNERS, LTD., RECORDED IN VOLUME 4076, PAGE 824, THAT TRACT OF LAND

DESCRIBED IN DEED TO THE NICID LIMITED PARTNERSHIP, RECORDED IN VOLUME 3734, PAGE 246 AND THAT TRACT OF LAND DESCRIBED IN DEED TO 202 BOREN ROAD PARTNERS, LLC, RECORDED IN VOLUME 4223, PAGE 252 OF THE OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS. SAID 734.245 ACRE TRACT, WITH BEARING BASIS BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD83 (CORS96, EPOCH DATE 2002), DETERMINED BY GPS OBSERVATIONS BETWEEN JULIAN DAY 253, 2004 AND JULIAN DAY 259, 2004, CALCULATED FROM COLLIN CORS ARP (PID-DF8982) AND DENTON CORS ARP (PID-DF8986),

BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 60D NAIL FOUND FOR THE NORTHEAST CORNER OF SAID BLUE ISLAND TRACT, SAID NAIL BEING THE SOUTHEAST CORNER OF A TRACT AS DESCRIBED IN DEED TO JERRY TODD, FILED JUNE 27, 1977, AND RECORDED IN VOLUME 1392 PAGE 797 OF SAID DEED RECORDS, SAID NAIL ALSO BEING IN THE WEST LINE OF A TRACT AS DESCRIBED IN DEED TO JEFF JOHNSON AND WIFE CARYANN JOHNSON, FILED DECEMBER 05, 2002, AND RECORDED IN VOLUME 3363, PAGE 624 OF DEED RECORDS, GRAYSON COUNTY, TEXAS, SAID NAIL ALSO BEING AT THE INTERSECTION OF DAVIS ROAD AND MACOMB CEMETERY ROAD;

THENCE, SOUTH 00 DEGREES 41 MINUTES 37 SECONDS EAST, WITH THE EAST LINE OF SAID BLUE ISLAND TRACT, AND WITH THE WEST LINE OF SAID JOHNSON TRACT, AND ALONG SAID DAVIS ROAD, A DISTANCE OF 1738.20 FEET TO A 1/2 INCH STEEL SQUARE TUBING FOUND FOR AN ELL CORNER OF SAID BLUE ISLAND TRACT, AND THE SOUTHWEST CORNER OF SAID JOHNSON TRACT, AND AT A TURN IN SAID ROAD;

THENCE, NORTH 88 DEGREES 46 MINUTES 03 SECONDS EAST, WITH A NORTH LINE OF SAID BLUE ISLAND TRACT, AND WITH THE SOUTH LINE OF SAID JOHNSON TRACT, AND ALONG SAID DAVIS ROAD, A DISTANCE OF 620.31 FEET TO A 1/2 INCH STEEL REBAR FOUND FOR THE MOST EASTERLY NORTHEAST CORNER OF SAID BLUE ISLAND TRACT, SAID REBAR BEING ON THE SOUTH LINE OF SAID JOHNSON TRACT, SAID REBAR BEING THE NORTHWEST CORNER OF A TRACT AS DESCRIBED IN DEED TO THE NICID LIMITED PARTNERSHIP, FILED SEPTEMBER 22, 2004, AND RECORDED IN VOLUME 3734, PAGE 246, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS, SAID REBAR ALSO BEING IN SAID ROAD;

THENCE, NORTH 89 DEGREES 31 MINUTES 32 SECONDS EAST, WITH THE NORTH LINE OF SAID NICID TRACT, AND IN DAVIS ROAD, A DISTANCE OF 2414.87

FEET TO A 1/2 INCH STEEL SQUARE TUBING FOUND, SAID TUBING BEING THE NORTHEAST CORNER OF SAID NICID TRACT, AND THE NORTHWEST CORNER OF A TRACT AS DESCRIBED IN DEED TO DIAMOND H RANCH, LP, AND RECORDED IN VOLUME 4052, PAGE 184, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS, SAID TUBING ALSO BEING IN DAVIS ROAD;

THENCE, SOUTH 00 DEGREES 26 MINUTES 08 SECONDS EAST, WITH THE EAST LINE OF SAID NICID TRACT, AND THE WEST LINE OF SAID DIAMOND H TRACT, AND PASSING AT 20.34 FEET A PIPE FENCE CORNER POST ON THE SOUTH SIDE OF SAID DAVIS ROAD, AND CONTINUING ON SAID COURSE FOR A TOTAL DISTANCE OF 2645.90 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR AN ELL CORNER OF SAID NICID AND DIAMOND H TRACTS;

THENCE, SOUTH 89 DEGREES 24 MINUTES 16 SECONDS WEST, WITH THE SOUTH LINE OF SAID NICID TRACT, A DISTANCE OF 989.63 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR AN ELL CORNER OF SAID NICID AND DIAMOND H TRACT;

THENCE, SOUTH 00 DEGREES 31 MINUTES 07 SECONDS EAST, A DISTANCE OF 614.83 FEET TO A 1/2 INCH STEEL REBAR FOUND FOR A SOUTHEAST CORNER OF SAID NICID AND AN ELL CORNER OF SAID DIAMOND H TRACT;

THENCE, SOUTH 89 DEGREES 38 MINUTES 58 SECONDS WEST, WITH THE APPARENT SOUTH LINE OF SAID NICID TRACT, A DISTANCE OF 2189.66 FEET TO A POINT CORNER;

THENCE, SOUTH 00 DEGRESS 58 MINUTES 28 SECONDS WEST, PASSING AT A DISTANCE OF 14.49 FEET A 1/2" IRON ROD FOUND AT THE NORTHEAST CORNER OF SAID 202 BOREN ROAD PARTNERS TRACT AND THE NORTHWEST CORNER OF THAT TRACT OF LAND DESCRIBED IN DEED TO DEWEY MCGILL, JR., RECORDED IN VOLUME 2426, PAGE 836, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS, AND CONTINUING WITH THE EAST LINE OF SAID 202 BOREN ROAD PARTNERS TRACT, THE WEST LINE OF SAID MCGILL TRACT, CROSSING THE SOUTH LINE OF SAID NOLAND SURVEY AND THE NORTH LINE OF SAID B.B.B. & C.R.R. SURVEY, AND CONTINUING FOR A TOTAL DISTANCE OF 2317.78 FEET TO A 1/2 INCH IRON ROD FOUND ON THE NORTH LINE OF THAT TRACT OF LAND DESCRIBED IN DEED TO DIANE S. MORGAN, RECORDED IN VOLUME 3368, PAGE 355, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS;

THENCE, NORTH 88 DEGRESS 25 MINUTES 06 SECONDS WEST, WITH THE NORTH LINES OF SAID DIANE MORGAN TRACT, THE NORTH LINE OF A 20.000 ACRE TRACT OF LAND CONVEYED TO GLEN D. MORGAN BY DEED DATED APRIL 11,

2000, RECORDED IN VOLUME 2914, PAGE 61, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS AND THE SOUTH LINE OF SAID 202 BOREN ROAD PARTNERS TRACT, FOR A DISTANCE OF 1627.84 FEET TO A 60D NAIL FOUND AT THE SOUTHWEST CORNER OF BOTH SAID B.B.B. & C.R.R. SURVEY AND THE SOUTHEAST CORNER OF SAID THOMAS SURVEY, FOR THE MOST SOUTHERLY SOUTHWEST CORNER OF SAID 202 BOREN ROAD PARTNERS TRACT AND THE SOUTHEAST CORNER OF THAT TRACT OF LAND DESCRIBED IN DEED TO TOM W. PINGLETON, DATED AUGUST 15, 2006, RECORDED IN VOLUME 4105, PAGE 811, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS, THENCE, NORTH 01 DEGREES 40 MINUTES 41 SECONDS EAST, WITH THE WEST LINES OF BOTH SAID B.B.B. & C.R.R. SURVEY, AND SAID 202 BOREN ROAD PARTNERS TRACT AND THE EAST LINES OF THE FOLLOWING, SAID THOMAS SURVEY, TRACT 1 DESCRIBED IN DEED TO JAMES DOUGLAS SCHULTZ, RECORDED IN VOLUME 1646, PAGE 617 DEED RECORDS, GRAYSON COUNTY, TEXAS, SAID PINGLETON TRACT, THAT TRACT OF LAND DESCRIBED IN DEED TO GINGER BLALOCK, DATED AUGUST 28, 1998, RECORDED IN VOLUME 2695, PAGE 380, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS, THAT TRACT OF LAND DESCRIBED IN DEED TO JAMES C. BLAKE, ET UX, DATED OCTOBER 9, 1998, RECORDED IN VOIUME 2709, PAGE 366, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS, THAT TRACT OF LAND DESCRIBED IN DEED TO MICHAEL W. WALKER, AND MONIQUE R. WALKER, DATED DECEMBER 22, 2004, RECORDED IN VOLUME 3790, PAGE 348, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS AND THAT TRACT OF LAND DESCRIBED IN DEED TO NANCY SUSAN PARKER, DATED DECEMBER 1, 1993, RECORDED IN VOLUME 2306, PAGE 433, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS FOR A DISTANCE OF 2132.79 FEET TO A 1/2 INCH IRON ROD FOUND AT THE NORTHEAST CORNER OF SAID PARKER TRACT AT AN ELL CORNER OF SAID 202 BOREN ROAD PARTNERS TRACT;

THENCE, NORTH 86 DEGRESS 41 MINUTES 55 SECONDS WEST, WITH THE NORTH LINE OF SAID PARKER TRACT, AND A SOUTH LINE OF SAID 202 BOREN ROAD PARTNERS TRACT, A DISTANCE OF 1332.93 FEET TO A PK NAIL FOUND FOR THE NORTHWEST CORNER OF SAID PARKER TRACT IN THE EAST LINE OF THAT TRACT OF LAND DESCRIBED IN DEED TO MYRNA RHEUDASIL, INDIVIDUALLY BY DEED DATED APRIL 21, 1992, RECORDED IN VOLUME 2208, PAGE 492, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS IN THE CENTER OF A PUBLIC ROAD KNOWN AS BOREN ROAD;

THENCE NORTH 01 DEGREES, 59 MINUTES 16 SECONDS EAST, WITH THE CENTER

OF SAID BOREN ROAD, THE WEST LINE OF SAID 202 BOREN ROAD PARTNERS TRACT, THE EAST LINE OF SAID RHEUDASIL TRACT FOR A DISTANCE OF 411.44 FEET TO A 1/2 INCH IRON ROD FOUND AT THE NORTHEAST CORNER OF SAID RHEUDASIL TRACT, ON THE NORTH LINE OF SAID THOMAS SURVEY, THE SOUTH LINE OF BOTH SAID RACHEL HANNING SURVEY, AND SAID 202 BOREN ROAD PARTNERS TRACT;

THENCE, NORTH 88 DEGRESS 28 MINUTES 34 SECONDS WEST, WITH THE NORTH LINE OF BOTH SAID THOMAS SURVEY, AND SAID RHEUDASIL TRACT, THE SOUTH LINE OF BOTH SAID RACHEL HANNING SURVEY, AND SAID 202 BOREN ROAD PARTNERS TRACT, CONTINUING ALONG SAID BOREN ROAD, FOR A DISTANCE OF 1333.90 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET AT THE SOUTHWEST CORNER OF BOTH SAID RACHEL HANNING SURVEY, AND SAID 202 BOREN ROAD PARTNERS TRACT, THE SOUTHEAST CORNER OF THE JAMES M. THOMAS SURVEY, ABSTRACT NO. 1212, THE MOST SOUTHERLY SOUTHEAST CORNER OF THAT TRACT OF LAND DESCRIBED IN DEED TO CALVIN BLEDSOE, RECORDED IN VOLUME 2546, PAGE 224, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS;

THENCE, NORTH 01 DEGRESS 36 MINUTES 58 SECONDS EAST, WITH THE WEST LINE OF BOTH SAID RACHEL HANNING SURVEY, AND SAID 202 BOREN ROAD PARTNERS TRACT, THE EAST LINE OF SAID JAMES THOMAS SURVEY, ABST. NO. 1212, AND SAID BLEDSOE TRACT, FOR A DISTANCE OF 1595.82 FEET TO A 1/2 INCH IRON ROD CAPPED "COX 4577" FOUND AT THE NORTHWEST CORNER OF SAID 202 BOREN ROAD PARTNERS TRACT, THE MOST WESTERLY SOUTHWEST CORNER OF A 300.43 ACRE TRACT OF LAND DESCRIBED IN DEED TO BLUE ISLAND PARTNERS, LTD. BY DEED DATED JUNE 28, 2006, RECORDED IN VOLUME 4076, PAGE 824, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS;

THENCE, NORTH 01 DEGREES 26 MINUTES 55 SECONDS EAST, WITH THE WEST LINE OF SAID BLUE ISLAND TRACT, AND WITH THE EAST LINE OF SAID BLEDSOE TRACT, A DISTANCE OF 1631.30 FEET TO A 1/2 INCH IRON ROD CAPPED "COX 4577" FOUND FOR THE WESTERN MOST NORTHWEST CORNER OF BLUE ISLAND TRACT, AND THE NORTHEAST CORNER OF SAID BLEDSOE TRACT;

THENCE, NORTH 89 DEGREES 27 MINUTES 39 SECONDS EAST, WITH A NORTH LINE OF SAID BLUE ISLAND TRACT, A DISTANCE OF 1676.04 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR AN ELL CORNER OF SAID BLUE ISLAND TRACT, AND THE SOUTHEAST CORNER OF A TRACT AS DESCRIBED IN DEED TO NANCY SUSAN PARKER, FILED

SEPTEMBER 15, 1993, AND RECORDED IN VOLUME 2306 PAGE 433, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS;

THENCE, NORTH 00 DEGREES 18 MINUTES 02 SECONDS WEST, WITH THE WEST LINE OF SAID BLUE ISLAND TRACT, AND WITH THE EAST LINE OF SAID PARKER TRACT, A DISTANCE OF 1411.57 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR THE NORTHWEST CORNER OF SAID BLUE ISLAND TRACT, SAID IRON ROD BEING THE NORTHEAST CORNER OF SAID PARKER TRACT, SAID IRON ROD ALSO BEING ON THE SOUTH LINE OF SAID BLEDSOE TRACT, SAID IRON ROD BEING IN SAID MACOMB CEMETERY ROAD;

THENCE, SOUTH 88 DEGREES 57 MINUTES 45 SECONDS EAST, WITH THE NORTH LINE OF SAID BLUE ISLAND TRACT, ALONG SAID ROAD, PASSING THE SOUTHEAST CORNER OF SAID BLEDSOE TRACT, AND THE SOUTHWEST CORNER OF SAID TODD TRACT, AND CONTINUING ALONG SAID COURSE, A DISTANCE OF 2597.18 FEET TO THE POINT OF BEGINNING AND CONTAINING 734.245 ACRES OF LAND, MORE OR LESS.

TRACT 2

BEING A 558.197 ACRE TRACT OF LAND SITUATED IN THE BURK TRAMMEL SURVEY, ABSTRACT NUMBER 1229, GRAYSON COUNTY, TEXAS, SAID 558.132 ACRE TRACT BEING COMPRISED BY THE TOTAL OF 6 TRACTS OF LAND RECORDED IN THE OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS, A TRACT OF LAND DESCRIBED IN A DEED TO W.P. PELPHREY AND C.F. PELPHREY AS RECORDED IN VOLUME 205, PAGE 591, DEED RECORDS, GRAYSON COUNTY, TEXAS, A TRACT OF LAND DESCRIBED IN A DEED TO W.P. PELPHREY AS RECORDED IN VOLUME 234, PAGE 113, DEED RECORDS, GRAYSON COUNTY, TEXAS, A TRACT OF LAND DESCRIBED IN A DEED TO A.T. PELPHREY AS RECORDED IN VOLUME 129, PAGE 171, DEED RECORDS, GRAYSON COUNTY, TEXAS, A TRACT OF LAND DESCRIBED IN A DEED TO JACK M. DECORDOVA AND WIFE FRANCES M. DECORDOVA AS RECORDED IN VOLUME 1280, PAGE 29, DEED RECORDS, GRAYSON COUNTY, TEXAS, A TRACT OF LAND DESCRIBED IN A DEED TO C.F. PELPHREY AS RECORDED IN VOLUME 550, PAGE 399, DEED RECORDS, GRAYSON COUNTY, TEXAS, AND A TRACT OF LAND DESCRIBED IN A DEED TO W.P. PELPHREY AS RECORDED IN VOLUME 234, PAGE 113, DEED RECORDS, GRAYSON COUNTY, TEXAS, SAID 558.197 ACRE TRACT WITH BEARING BASIS BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD83 (CORS96, EPOCH DATE 2002), DETERMINED BY GPS OBSERVATIONS BETWEEN JULIAN DAY 253, 2004 AND JULIAN DAY 259, 2004,

CALCULATED FROM COLLIN CORS ARP (PID-DF8982) AND DENTON CORS ARP (PID-DF8986), BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A P.K. NAIL SET FOR THE NORTHWEST CORNER OF SAID W.P. PELPHREY AND C.F. PELPHREY TRACT, SAME POINT BEING IN THE APPROXIMATE INTERSECTION OF SOUTHMAYD ROAD (AN APPARENT PERSCRIPTIVE RIGHT OF WAY) WITH MCGEEHE ROAD (AN APPARENT PERSCRIPTIVE RIGHT OF WAY);

THENCE, SOUTH 88 DEGREES 22 MINUTES 04 SECONDS EAST, IN SAID SOUTHMAYD ROAD, A DISTANCE OF 2563.72 FEET TO A P.K. NAIL FOUND FOR THE NORTHWEST CORNER OF THE AFOREMENTIONED W.P. PELPHREY TRACT DESCRIBED IN VOLUME 234 AT PAGE 113, DEED RECORDS, GRAYSON COUNTY, TEXAS FOR AN ANGLE POINT;

THENCE, SOUTH 88 DEGREES 29 MINUTES 07 SECONDS EAST, CONTINUING IN SAID ROAD, FOR A DISTANCE OF 1926.86 FEET TO A P.K. NAIL SET FOR THE NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT AND THE NORTHWEST CORNER OF THAT CERTAIN TRACT OF LAND DESCRIBED IN A DEED TO GLEN D. MORGAN AS RECORDED IN VOLUME 2752, PAGE 321, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS

THENCE, SOUTH 00 DEGREES 58 MINUTES 51 SECONDS WEST, WITH THE WEST LINE OF SAID MORGAN TRACT AND ALONG A FENCE LINE AT A DISTANCE 3314.73 PASSING A 1/2" IRON ROD FOR THE SOUTHWEST CORNER OF SAID MORGAN TRACT, THE SAME BEING THE NORTHWEST CORNER OF THAT CERTAIN TRACT OF LAND DESCRIBED IN A DEED TO LOY RODERICK MAYFIELD AS RECORDED IN VOLUME 2889, PAGE 672 OF THE OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS AND WITH THE WEST LINE OF SAID MAYFIELD TRACT FOR A TOTAL DISTANCE 5469.03 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER THE SAME BEING THE SOUTHEAST CORNER OF THE AFOREMENTIONED JACK M. DECORDOVA TRACT;

THENCE, NORTH 88 DEGREES 58 MINUTES 51 SECONDS WEST, WITH THE SOUTH LINE OF SAID JACK M. DECORDOVA TRACT, IN BATES ROAD (AN APPARENT PERSCRIPTIVE RIGHT OF WAY) FOR A DISTANCE OF 2596.11 FEET TO A 1/2" CAPPED IRON ROD FOUND STAMPED "SARTIN" FOR CORNER IN THE EAST LINE OF THAT CERTAIN TRACT OF LAND DESCRIBED IN A DEED TO CHALLENGE MOTOR SPORTS AS RECORDED IN VOLUME 4224, PAGE 225, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS;

THENCE, NORTH 00 DEGREES 40 MINUTES 14 SECONDS WEST, AT TIMES WITHIN

SAID BATES ROAD, A DISTANCE OF 248.68 FEET A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER AND BEING THE SOUTHEAST CORNER OF THE AFOREMENTIONED C.F. PELPHREY TRACT;

THENCE, NORTH 88 DEGREES 23 MINUTES 47 SECONDS WEST, WITH THE SOUTH LINE OF SAID C.F. PHELPHREY TRACT AND GENERALLY ALONG SAID BATES ROAD A DISTANCE OF 1944.93 FEET TO A P.K. NAIL SET FOR CORNER AT THE INTERSECTION OF SAID BATES ROAD WITH RICE ROAD (AN APPARENT PERSCRIPTIVE RIGHT OF WAY) THE SAME BEING THE SOUTHWEST CORNER OF SAID C.F. PELPHREY TRACT;

THENCE NORTH 01 DEGREES 36 MINUTES 42 SECONDS EAST, WITH THE WEST LINE OF SAID PELPHREY TRACTS, AND GENERALLY ALONG SAID RICE AND SOUTHMAYD ROADS, A DISTANCE OF 5245.00 FEET TO THE POINT OF BEGINNING, CONTAINING 558.197 ACRES OR OF LAND MORE OR LESS.

TRACT 3

BEING A 185.677 ACRE TRACT OF LAND SITUATED IN THE SAMUEL GILMAN SURVEY, ABSTRACT NO. 456, GRAYSON COUNTY, TEXAS, AND BEING ALL OF A 185.677 ACRE TRACT OF LAND, CONVEYED TO WALTON TEXAS, L.P. BY DEED RECORDED IN VOLUME 4782, PAGE 760, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS, SAID 185.677 ACRE TRACT, WITH BEARING BASIS BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD83 (CORS96, EPOCH DATE 2002), DETERMINED BY GPS OBSERVATIONS BETWEEN JULIAN DAY 253, 2004 AND JULIAN DAY 259, 2004, CALCULATED FROM COLLIN CORS ARP (PID-DF8982) AND DENTON CORS ARP (PID-DF8986), BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2" IRON ROD FOND AT THE MOST WESTERLY SOUTHWEST CORNER OF SAID 185.677 ACRE TRACT, SAID POINT BEING ON THE EAST RIGHT-OF-WAY LINE OF F.M. HIGHWAY NO. 902 (A 100' RIGHT OF WAY);

THENCE, NORTH 00 DEGREES 36 MINUTES 33 SECONDS WEST, ALONG SAID EAST RIGHT OF WAY LINE, A DISTANCE OF 996.90 FEET TO A 60D NAIL FOUND FOR CORNER NEAR THE CENTER LINE OF A PUBLIC ROAD;

THENCE, NORTH 88 DEGREES 59 MINUTES 45 SECONDS EAST, WITH THE GENERAL DIRECTION OF SAID CENTERLINE OF SAID PUBLIC ROAD, A DISTANCE OF 839.41 FEET TO A 1/2" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "RPLS 5433" FOUND FOR AND ELL CORNER OF SAID 185.677 ACRE TRACT, SAID POINT BEING ON THE WEST LINE OF A 51.465 ACRE TRACT OF LAND CONVEYED BY DEED TO CHALLENGE MOTOR SPORTS, L.P., RECORDED IN

VOLUME 4224, PAGE 225, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS;

THENCE, SOUTH 01 DEGREES 09 MINUTES 35 SECONDS WEST, ALONG SAID WEST LINE, A DISTANCE OF 18.26 FEET TO A 1/2" IRON ROD FOUND FOR AN ELL CORNER OF SAID 185.677 ACRE TRACT AND THE COMMON SOUTHWEST CORNER OF SAID 51.465 ACRE TRACT;

THENCE, NORTH 87 DEGREES 42 MINUTES 40 SECONDS EAST, ALONG THE NORTH LINE OF SAID 185.677 ACRE TRACT AND THE SOUTH LINE OF SAID 51.465 ACRE TRACT, A DISTANCE OF 1953.64 FEET TO A 1/2" IRON ROD FOUND FOR CORNER;

THENCE, NORTH 88 DEGREES 42 MINUTES 58 SECONDS EAST, CONTINUING ALONG SAID NORTH LINE OF 185.677 ACRE TRACT, A DISTANCE OF 664.80 FEET TO A 1/2" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "RPLS 5433" FOUND FOR THE NORTHEAST CORNER OF SAID 185.677 ACRE TRACT, SAID POINT BEING THE ELL CORNER OF A 10.001 ACRE TRACT CONVEYED TO JESSE WHITTINGTON, RECORDED IN VOLUME 4272, PAGE 659, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS;

THENCE, ALONG THE EAST LINE OF SAID 185.677 ACRE TRACT, THE FOLLOWING COURSES AND DISTANCES

SOUTH 00 DEGREES 27 MINUTES 48 SECONDS EAST, ALONG THE WEST LINE OF SAID 10.001 ACRE TRACT, A DISTANCE OF 413.59 FEET TO A 1/2" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "RPLS 5433" FOUND FOR CORNER, SAID POINT BEING THE SOUTHWEST CORNER OF SAID 10.001 ACRE TRACT AND THE NORTHWEST CORNER OF A 136.85 ACRE TRACT OF LAND CONVEYED BY DEED TO SUTTER INVESTMENTS, L.P., RECORDED IN VOLUME 4224, PAGE 231, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS;

SOUTH 00 DEGREES 46 MINUTES 35 SECONDS EAST, ALONG THE WEST LINE OF SAID 136.85 ACRE TRACT, A DISTANCE OF 2334.85 FEET TO A 1" IRON PIPE FOUND FOR CORNER, SAID POINT BEING THE SOUTHWEST CORNER OF SAID 136.85 ACRE TRACT AND THE NORTHWEST CORNER OF 15.00 ACRE TRACT OF LAND CONVEYED BY DEED TO BILLY LYNN, RECORDED IN VOLUME 1462, PAGE 390, DEED RECORDS, GRAYSON COUNTY, TEXAS;

SOUTH 00 DEGREES 04 MINUTES 17 SECONDS WEST, ALONG THE WEST LINE OF SAID 15.00 ACRE TRACT, A DISTANCE OF 510.69 FEET TO A 1/2" SQUARE IRON ROD FOUND FOR CORNER, SAID POINT BEING THE

SOUTHWEST CORNER OF SAID 15.00 ACRE TRACT AND THE NORTHWEST CORNER OF A 16.866 ACRE TRACT OF LAND CONVEYED BY DEED TO JAMES D. HOOVER, RECORDED IN VOLUME 3245, PAGE 578, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS, SAID POINT ALSO LYING NEAR THE CENTER OF A PUBLIC ROAD KNOWN AS COBLER ROAD;

SOUTH 00 DEGREES 23 MINUTES 38 SECONDS EAST, ALONG THE WEST LINE OF SAID 16.866 ACRE TRACT AND WITH THE GENERAL DIRECTION OF THE CENTERLINE OF COBLER ROAD, A DISTANCE OF 407.48 FEET TO A 1/2" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "RPLS 5433" FOUND FOR THE SOUTHWEST CORNER OF SAID 185.677 ACRE TRACT, SAID POINT BEING AT THE INTERSECTION OF SAID COBLER ROAD AND A PUBLIC ROAD KNOWN AS MINNIS ROAD;

THENCE, SOUTH 89 DEGREES 02 MINUTES 11 SECONDS WEST, ALONG THE SOUTH LINE OF SAID 185.677 ACRE TRACT AND WITH THE GENERAL DIRECTION OF SAID COBLER ROAD, A DISTANCE OF 1748.05 FEET TO A 1/2" IRON ROD FOUND FOR CORNER; THE SOUTHWEST CORNER OF SAID 185.677 ACRE TRACT AND THE SOUTHEAST CORNER OF A 33.04 ACRE TRACT OF LAND CONVEYED BY DEED TO THOMAS W. BYROM, SR., RECORDED IN 3117, PAGE 40, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS;

THENCE, NORTH 00 DEGREES 49 MINUTES 46 SECONDS WEST, ALONG THE COMMON WEST LINE OF SAID 185.677 ACRE TRACT AND THE EAST LINE OF SAID 33.04 ACRE TRACT, A DISTANCE OF 2562.49 FEET TO A 1/2" IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID 33.04 ACRE TRACT AND THE SOUTHEAST CORNER OF A 12.352 ACRE TRACT OF LAND CONVEYED BY DEED TO THE MILDRED L. BROWN REVOCABLE TRUST, RECORDED IN VOLUME 3194, PAGE 344, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS;

THENCE, NORTH 01 DEGREES 43 MINUTES 38 SECONDS WEST, CONTINUING ALONG THE WEST LINE OF SAID 185.677 ACRE TRACT AND THE COMMON EAST LINE OF SAID 12.352 ACRE TRACT, A DISTANCE OF 103.58 FEET TO A 1/2" IRON ROD FOUND FOR AND INTERIOR ELL CORNER OF SAID 185.677 ACRE TRACT AND THE NORTHEAST CORNER OF SAID 12.352 ACRE TRACT;

THENCE, SOUTH 88 DEGREES 06 MINUTES 00 SECONDS WEST, ALONG THE COMMON SOUTH LINE OF SAID 185.677 ACRE TRACT AND THE NORTH LINE OF SAID 12.352 ACRE TRACT, A DISTANCE OF 1695.09 FEET; TO THE POINT OF BEGINNING AND CONTAINING 185.677 ACRES LAND, MORE OR LESS.

TRACT 4

BEING A 207.484 ACRE TRACT OF LAND SITUATED IN THE SAMUEL GILMAN

SURVEY, ABSTRACT NO. 456 AND THE S. PRATHER SURVEY, ABSTRACT NO. 934, GRAYSON COUNTY, TEXAS, AND BEING ALL OF A 207.51 ACRE TRACT OF LAND, CONVEYED AS TRACT 1 TO WALTON TEXAS, L.P., BY DEED RECORDED IN VOLUME 4861, PAGE 258, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS, SAID 207.484 ACRE TRACT, WITH BEARING BASIS BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD83 (CORS96, EPOCH DATE 2002), DETERMINED BY GPS OBSERVATIONS BETWEEN JULIAN DAY 253, 2004 AND JULIAN DAY 259, 2004, CALCULATED FROM COLLIN CORS ARP (PID-DF8982) AND DENTON CORS ARP (PID-DF8986), BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS: BEGINNING AT A 1/2" IRON ROD FOUND FOR THE SOUTHEAST CORNER OF SAID 207.484 ACRE TRACT, SAID POINT BEING THE NORTHEAST CORNER OF A 130.028 ACRE TRACT OF LAND CONVEYED BY DEED TO LITTLE CREEK INVESTMENTS, L.P., RECORDED IN VOLUME 3751, PAGE 802, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS, SAID POINT BEING ON THE WEST LINE OF F.M. HIGHWAY NO. 902 (A 100 FOOT RIGHT-OF-WAY) AND IN A PUBLIC ROAD KNOWN AS SPRING CREEK ROAD; THENCE, SOUTH 89 DEGREES 47 MINUTES 51 SECONDS WEST, ALONG THE COMMON SOUTH LINE OF SAID 207.484 ACRE TRACT AND THE NORTH LINE OF SAID 130.028 ACRE TRACT, A DISTANCE OF 1751.93 FEET TO A 1/2" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "RPLS 3688" FOUND FOR THE SOUTHWEST CORNER OF SAID 207.484 ACRE TRACT AND THE SOUTHEAST CORNER OF A 20.992 ACRE TRACT OF LAND CONVEYED BY DEED TO JOHN DANIEL BROWN JR. AND TWALLA Y. BROWN RECORDED IN VOLUME 4292, PAGE 423, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS; THENCE, NORTH 00 DEGREES 57 MINUTES 18 SECONDS EAST, ALONG THE COMMON WEST LINE OF SAID 207.484 ACRE TRACT AND THE EAST LINE OF SAID 20.992 ACRE TRACT, A DISTANCE OF 880.65 FEET TO A 1/2" IRON ROD WITH FOUND FOR AN INTERIOR ELL CORNER OF SAID 207.484 ACRE TRACT AND THE NORTHEAST CORNER OF SAID 20.992 ACRE TRACT; THENCE, SOUTH 88 DEGREES 18 MINUTES 15 SECONDS WEST, ALONG THE COMMON SOUTH LINE OF SAID 207.484 ACRE TRACT AND THE NORTH LINE OF SAID 20.992 ACRE TRACT AND THE NORTH LINES OF A 9.000 ACRE TRACT OF LAND CONVEYED BY DEED TO JONATHAN L. HACKETT, RECORDED IN VOLUME 3909, PAGE 579, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS; A 5.334 ACRE TRACT OF LAND CONVEYED BY DEED TO TIMOTHY A GARBACIK AND DEBBIE J. GARBACIK RECORDED IN VOLUME 3570, PAGE 885, OFFICIAL

PUBLIC RECORDS, GRAYSON COUNTY, TEXAS; AND A 13.000 ACRE TRACT OF LAND CONVEYED BY DEED TO DOYLE ALAN COULTER, RECORDED IN VOLUME 3356, PAGE 501, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS; A DISTANCE OF 2631.70 FEET TO A 1/2" IRON ROD FOUND FOR THE SOUTHWEST CORNER OF SAID 207.484 ACRE TRACT AND THE NORTHWEST CORNER OF SAID 13.000 ACRE TRACT AND BEING ON THE EAST LINE OF A TRACT OF LAND CONVEYED BY WILL TO NANCY L. LINDSAY, RECORDED IN VOLUME 4039, PAGE 877, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS;

THENCE, NORTH 01 DEGREES 06 MINUTES 22 SECONDS EAST, ALONG THE COMMON WEST LINE OF SAID 207.484 ACRE TRACT AND THE EAST LINE OF SAID LINDSAY TRACT, A DISTANCE OF 518.13 FEET TO A 60D NAIL FOUND IN FENCE POST FOR A NORTHWEST CORNER OF SAID 207.484 ACRE TRACT AND BEING THE SOUTHWEST CORNER OF A 78.974 ACRE TRACT OF LAND CONVEYED BY DEED TO TOW W. PINGLETON RECORDED IN VOLUME 4042, PAGE 73, OFFICIAL PUBLIC RECORDS, GRAYSON COUNTY, TEXAS;

THENCE, SOUTH 89 DEGREES 59 MINUTES 22 SECONDS EAST, ALONG THE COMMON NORTH LINE OF SAID 78.974 ACRE TRACT, A DISTANCE OF 409.90 FEET TO A 1/2" IRON ROD FOUND FOR AND INTERIOR ELL CORNER OF SAID 207.484 ACRE TRACT AND THE SOUTHEAST CORNER OF SAID 78.974 ACRE TRACT;

THENCE, NORTH 01 DEGREES 11 MINUTES 10 SECONDS EAST, ALONG THE COMMON WEST LINE OF SAID 207.484 TRACT AND THE EAST LINE OF SAID 78.974 ACRE TRACT, A DISTANCE OF 1352.83 FEET TO A 1/2" IRON ROD WITH PLASTIC CAP STAMPED "COX4577" FOUND FOR THE NORTHWEST CORNER OF SAID 207.484 ACRE TRACT;

THENCE, NORTH 88 DEGREES 22 MINUTES 08 SECONDS EAST, ALONG THE NORTH LINE OF SAID 207.484 ACRE TRACT, A DISTANCE OF 3816.13 FEET TO A 5/8" IRON ROD WITH PLASTIC CAP STAMPED "PEISER SUR" FOUND FOR THE NORTHEAST CORNER OF SAID 207.484 ACRE TRACT, SAID POINT BEING ON THE AFORESAID WEST LINE OF F.M. HIGHWAY 902 AND BEING THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 16 DEGREES 45 MINUTES 31 SECONDS, A RADIUS OF 1860.00 FEET, AND A LONG CHORD THAT BEARS SOUTH 08 DEGREES 38 MINUTES 43 SECONDS EAST, A DISTANCE OF 542.10 FEET;

THENCE, ALONG SAID NON-TANGENT CURVE TO THE RIGHT AND THE COMMON EAST LINE OF SAID 207.484 ACRE TRACT AND SAID WEST LINE OF F.M. HIGHWAY 902, AN ARC DISTANCE OF 544.04 FEET TO A 5/8" IRON ROD WITH

PLASTIC CAP STAMPED "PEISER SUR" FOUND FOR CORNER;
THENCE, SOUTH 00 DEGREES 36 MINUTES 33 SECONDS EAST, CONTINUING
ALONG SAID COMMON LINE, A DISTANCE OF 2239.76 FEET TO THE POINT OF
BEGINNING AND CONTAINING 207.484 ACRES LAND, MORE OR LESS.

SECTION _____.03. (a) The legal notice of the intention to introduce this article, setting forth the general substance of this article, has been published as provided by law, and the notice and a copy of this article have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor, one of the required recipients, has submitted the notice and article to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this article with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this article are fulfilled and accomplished.

SECTION _____.04. (a) Section 8249.106, Special District Local Laws Code, as added by Section _____.01 of this article, takes effect only if this Act receives a two-thirds vote of all the members elected to each house.

(b) If this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter 8249, Special District Local Laws Code, as added by Section _____.01 of this article, is amended by adding Section 8249.106 to read as follows:

Sec. 8249.106. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

(c) This section is not intended to be an expression of a legislative interpretation of the requirements of Section 17(c), Article I, Texas Constitution.

SECTION _____.05. Except as provided by Section _____.04 of this article, this article takes effect September 1, 2011.