A BILL TO BE ENTITLED

## AN ACT

relating to the creation of the Cottonwood Municipal Utility District No. 2 of Grayson County; providing authority to impose a tax and issue bonds; granting a limited power of eminent domain. BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS: SECTION 1. Subtitle F, Title 6, Special District Local Laws Code, is amended by adding Chapter 8309 to read as follows:

CHAPTER 8309. COTTONWOOD MUNICIPAL UTILITY DISTRICT NO. 2 OF
GRAYSON COUNTY
SUBCHAPTER A. GENERAL PROVISIONS
Sec. 8309.001. 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 Cottonwood Municipal Utility

District No. 2 of Grayson County.
Sec. 8309.002. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. 8309.003. 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. 8309.004. CONSENT OF MUNICIPALITY REQUIRED. The temporary directors may not hold an election under Section 8309.003 until each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district.

Sec. 8309.005. 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. 8309.006. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.
(b) The boundaries and field notes contained in Section 2 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.

Sec. 8309.007. ELIGIBILITY FOR INCLUSION IN TAX INCREMENT REINVESTMENT ZONE. (a) The district is eligible to be included in a tax increment reinvestment zone created under Chapter 311, Tax Code.
(b) If the City of Dorchester creates a tax increment reinvestment zone described by Subsection (a) that includes all or part of the territory of the district, the City of Dorchester and the board of directors of the zone, by contract with the district, may grant money to the district from the tax increment fund to be used for a permissible purpose of the district, including the right to pledge the money as security for a bond or other obligation issued by the district and for any permissible purpose of a corporation under Section $380.002(\mathrm{~b})$, Local Government Code.
[Sections 8309.008-8309.050 reserved for expansion] SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8309.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
(b) Except as provided by Section 8309.052, directors serve staggered four-year terms.

Sec. 8309.052. 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 8309.003; or
(2) September 1, 2015.
(c) If permanent directors have not been elected under Section 8309.003 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 8309.003; 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 8309.053-8309.100 reserved for expansion] SUBCHAPTER C. POWERS AND DUTIES

Sec. 8309.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 8309.102. 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. 8309.103. 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. 8309.104. 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. 8309.105. 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 8309.103 in accordance with all applicable ordinances and rules of the political subdivision authorized to exercise jurisdiction over the

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road, regardless of whether the district conveys the road to this
state, a county, or a municipality.
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Sec. 8309.106. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. (a) The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165 , Water Code, and that consents to the creation of the district or to the inclusion of land in the district.
(b) In addition to all the rights and remedies provided by other law, if the district violates the terms of an ordinance or resolution described by Subsection (a), the municipality is entitled to injunctive relief or a writ of mandamus issued by a court requiring the district and the district's officials to observe and comply with the terms of the ordinance or resolution.

Sec. 8309.107. MUNICIPAL CONSENT. Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 8309.004 acts as municipal consent to the creation of any new district created by the division of the district and to the inclusion of land in the new district.

Sec. 8309.108. EFFECT OF ANNEXATION BY CITY OF DORCHESTER. Notwithstanding Section 54.016(f)(2), Water Code, an allocation agreement between the City of Dorchester and the district that provides for the allocation of the taxes or revenues of the district and the city following the date of inclusion of all the district's territory in the corporate limits of the city may provide that the total annual ad valorem taxes collected by the city and the district from taxable property in the district may exceed the city's ad

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valorem tax on that property.
    Sec. 8309.109. 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 8309.103; or
    (2) a recreational facility as defined by Section
49.462, Water Code.
    [Sections 8309.110-8309.150 reserved for expansion]
    SUBCHAPTER D. DIVISION OF DISTRICT INTO MULTIPLE DISTRICTS
    Sec. 8309.151. DIVISION OF DISTRICT; PREREQUISITES. The
    district may be divided into two or more new districts only if the
    district:
        (1) has never issued any bonds; and
        (2) is not imposing ad valorem taxes.
    Sec. 8309.152. 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. 8309.153. 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 2 of the Act enacting this chapter.
Sec. 8309.154. 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
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before or after the date the board holds an election under Section
8309.003 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. 8309.155. 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
    8309.003.
    (b) If the creation of the new district is confirmed, the
new district shall provide the election date and results to the
    commission.
    Sec. 8309.156. 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 8309.157-8309.200 reserved for expansion]
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SUBCHAPTER E. GENERAL FINANCIAL PROVISIONS
Sec. 8309.201. 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 8309.203.
(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. 8309.202. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section 8309.201, 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. 8309.203. 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 8309.204-8309.250 reserved for expansion] SUBCHAPTER F. BONDS AND OTHER OBLIGATIONS

Sec. 8309.251. 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. 8309.252. 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. 8309.253. 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 2. The Cottonwood Municipal Utility District No. 2 of Grayson County initially includes all the territory contained in the following area:

### 829.133 ACRES

BEING A 833.173 ACRE TRACT OF LAND SITUATED IN THE JAMES MCKINNEY SURVEY, ABSTRACT NUMBER 777, THE JOHN M. HILLIS SURVEY, ABSTRACT

NO. 534 AND THE JOHN BROOKE SURVEY, ABSTRACT NUMBER 109, GRAYSON COUNTY, TEXAS, AND BEING PART OF TRACT 1, TRACT 2 AND ALL OF TRACT 3, CONVEYED TO WALTON TEXAS, L.P., AS RECORD IN VOLUME 4338. PAGE 149 DEED RECORDS, GRAYSON COUNTY, TEXAS, ALL OF A 99.012 ACRE TRACT OF LAND CONVEYED TO WALTON TEXAS, L.P., AS RECORDED IN COUNTY CLERK'S FILE NO. 2009-00018804, DEED RECORDS, GRAYSON COUNTY, TEXAS. SAID 833.173 ACRE TRACT WITH BEARING BASIS BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD83, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS: BEGINNING AT A $1 / 2$ INCH IRON ROD FOUND FOR THE SOUTHWEST CORNER OF SAID TRACT 2 AND THE COMMON SOUTHEAST CORNER OF A TRACT OF LAND CONVEYED TO BLYTHE STANLEY ET AL, AS RECORDED IN VOLUME 1258, PAGE 155, DEED RECORDS, GRAYSON COUNTY, TEXAS; THENCE, NORTH 00 DEGREES 49 MINUTES 34 SECONDS WEST, ALONG THE WEST LINE OF SAID TRACT 2 AND THE COMMON EAST LINE OF SAID STANLEY TRACT, A DISTANCE OF 2418.62 FEET TO A $1 / 2$ INCH IRON ROD FOUND FOR THE NORTHWEST CORNER OF SAID TRACT 2, SAID POINT BEING ON THE SOUTH RIGHT-OF-WAY LINE OF FARM TO MARKET ROAD NO. 902; THENCE, ALONG THE NORTH LINE OF SAID TRACT 2 AND THE COMMON SOUTH RIGHT-OF-WAY LINE OF SAID FARM TO MARKET ROAD NO. 902, THE FOLLOWING COURSES AND DISTANCES:

NORTH 89 DEGREES 12 MINUTES 09 SECONDS EAST, A DISTANCE OF 542.22 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "JACOBS" SET FOR CORNER; SOUTH 83 DEGREES 24 MINUTES 22 SECONDS EAST, A DISTANCE OF 151.28 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "JACOBS" SET FOR CORNER;

NORTH 89 DEGREES 13 MINUTES 54 SECONDS EAST, A DISTANCE OF 1240.55 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 2640.00 feet, A CENTRAL ANGLE OF 35 DEGREES 58 MINUTES 22 SECONDS, A CHORD THAT BEARS SOUTH 15 DEGREES 17 MINUTES 02 SECONDS EAST, A CHORD DISTANCE OF 1630.41 FEET;

THENCE OVER AND ACROSS SAID TRACT 1 AND TRACT 2, THE FOLLOWING CORSES AND DISTANCES:

ALONG SAID NON-TANGENT CURVE TO THE LEFT AN ARC LENGTH OF 1657.50 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 2640.00 FEET, A CENTRAL ANGLE OF 26 DEGREES 26 MINUTES 43 SECONDS, A CHORD THAT BEARS SOUTH 45 DEGREES 42 MINUTES 20 SECONDS WEST, A CHORD DISTANCE OF 1207.72 FEET;

ALONG SAID NON-TANGENT CURVE TO THE RIGHT, AN ARC LENGTH OF 1218.51 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 2640.00 FEET, A CENTRAL ANGLE OF 22 DEGREES 23 MINUTES 04 SECONDS, A CHORD THAT BEARS SOUTH 19 DEGREES 35 MINUTES 45 SECONDS WEST, A CHORD DISTANCE OF 1024.86 FEET;

ALONG SAID NON-TANGENT CURVE TO THE RIGHT, AN ARC LENGTH OF 1031.40 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 2640.00 FEET, A CENTRAL ANGLE OF 30 DEGREES 40 MINUTES 25 SECONDS, A CHORD THAT BEARS SOUTH 38 DEGREES 23 MINUTES 39 SECONDS EAST, WITH A CHORD DISTANCE OF 1396.52 FEET;

ALONG SAID NON-TANGENT CURVE TO THE LEFT, AN ARC DISTANCE OF 1413.33 FEET TO A POINT FOR CORNER;

THENCE CONTINUING OVER AND ACROSS SAID TRACT 1, TRACT 2 AND ALONG THE CENTERLINE OF A SQUIRREL CREEK, THE FOLLOWING COURSES AND DISTANCES:

SOUTH 25 DEGREES 15 MINUTES 26 SECONDS EAST A DISTANCE OF 21.66 FEET TO A POINT FOR CORNER;

SOUTH 12 DEGREES 11 MINUTES 08 SECONDS EAST A DISTANCE OF 41.70 FEET TO A POINT FOR CORNER; SOUTH 05 DEGREES 52 MINUTES 59 SECONDS EAST A DISTANCE OF 47.64 FEET TO A POINT FOR CORNER; SOUTH 05 DEGREES 39 MINUTES 30 SECONDS EAST A DISTANCE OF 136.64 FEET TO A POINT FOR CORNER;

SOUTH 06 DEGREES 26 MINUTES 05 SECONDS WEST A DISTANCE OF 51.12 FEET TO A POINT FOR CORNER; SOUTH 16 DEGREES 41 MINUTES 27 SECONDS WEST A DISTANCE OF 90.38 FEET TO A POINT FOR CORNER;

SOUTH 27 DEGREES 34 MINUTES 42 SECONDS EAST A DISTANCE OF 35.69 FEET TO A POINT FOR CORNER;

SOUTH 17 DEGREES 03 MINUTES 31 SECONDS EAST A DISTANCE OF 34.71 FEET TO A POINT FOR CORNER;

SOUTH 01 DEGREES 29 MINUTES 19 SECONDS EAST A DISTANCE OF 88.46 FEET TO A POINT FOR CORNER;

SOUTH 44 DEGREES 52 MINUTES 39 SECONDS WEST A DISTANCE OF 24.13 FEET TO A POINT FOR CORNER; SOUTH 06 DEGREES 13 MINUTES 55 SECONDS WEST A DISTANCE OF 13. 74 FEET TO A POINT FOR CORNER;

SOUTH 36 DEGREES 27 MINUTES 00 SECONDS EAST A DISTANCE OF


SOUTH 03 DEGREES 29 MINUTES 03 SECONDS EAST A DISTANCE OF 87.00 FEET TO A POINT FOR CORNER;

SOUTH 12 DEGREES 06 MINUTES 40 SECONDS EAST A DISTANCE OF 100. 19 FEET TO A POINT FOR CORNER;

SOUTH 04 DEGREES 50 MINUTES 54 SECONDS EAST A DISTANCE OF 101. 13 FEET TO A POINT FOR CORNER;

SOUTH 17 DEGREES 30 MINUTES 56 SECONDS EAST A DISTANCE OF 45.37 FEET TO A POINT FOR CORNER; SOUTH 07 DEGREES 14 MINUTES 40 SECONDS EAST A DISTANCE OF 83.49 FEET TO A POINT FOR CORNER; SOUTH 09 DEGREES 43 MINUTES 11 SECONDS WEST A DISTANCE OF 159.89 FEET TO A POINT FOR CORNER;

SOUTH 18 DEGREES 37 MINUTES 50 SECONDS WEST A DISTANCE OF 245.20 FEET TO A POINT FOR CORNER;

SOUTH 18 DEGREES 23 MINUTES 26 SECONDS WEST A DISTANCE OF 204.08 FEET TO A POINT FOR CORNER;

SOUTH 11 DEGREES 10 MINUTES 06 SECONDS EAST A DISTANCE OF 304.68 FEET TO A POINT FOR CORNER;

SOUTH 03 DEGREES 39 MINUTES 54 SECONDS EAST A DISTANCE OF 172.25 FEET TO A POINT FOR CORNER;

SOUTH 05 DEGREES 37 MINUTES 16 SECONDS WEST A DISTANCE OF 87.78 FEET TO A POINT FOR CORNER;

SOUTH 06 DEGREES 17 MINUTES 14 SECONDS EAST A DISTANCE OF 136.06 FEET TO A POINT FOR CORNER;

SOUTH 09 DEGREES 23 MINUTES 35 SECONDS EAST A DISTANCE OF 121.64 FEET TO A POINT FOR CORNER;

SOUTH 02 DEGREES 15 MINUTES 16 SECONDS EAST A DISTANCE OF

### 249.17 FEET TO A POINT FOR CORNER;

SOUTH 16 DEGREES 22 MINUTES 44 SECONDS WEST A DISTANCE OF 294.95 FEET TO A POINT FOR CORNER;

SOUTH 19 DEGREES 19 MINUTES 10 SECONDS WEST A DISTANCE OF 540.50 FEET TO A POINT FOR CORNER;

SOUTH 00 DEGREES 07 MINUTES 25 SECONDS WEST A DISTANCE OF 170.72 FEET TO A POINT FOR CORNER ON THE SOUTH LINE OF SAID TRACT 1;

THENCE, SOUTH 89 DEGREES 19 MINUTES 53 SECONDS WEST, ALONG THE SOUTH LINE OF SAID TRACT 1, A DISTANCE OF 1098.53 FEET TO A POINT CORNER; THENCE, SOUTH O1 DEGREES 21 MINUTES 45 SECONDS EAST, WITH THE EAST LINE OF SAID 99.012 TRACT, A DISTANCE OF 3585.11 FEET TO A P. K. NAIL FOUND IN THE NORTH LINE OF A TRACT OF LAND DESCRIBED IN DEED TO WAYNE CAVENDER, RECORDED IN VOLUME 953, PAGE 529 DEED RECORDS, GRAYSON COUNTY, TEXAS AND IN SAID HALL CEMETERY ROAD;

THENCE, SOUTH 89 DEGREES 18 MINUTES 15 SECONDS WEST, WITH SAID NORTH LINE AND GENERALLY ALONG SAID HALL CEMETERY ROAD A DISTANCE OF 524.30 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" FOUND FOR CORNER AT AN ANGLE POINT IN THE EAST LINE OF A TRACT OF LAND DESCRIBED IN DEED TO DAVID CATCHING, RECORDED IN VOLUME 1438, PAGE 765 DEED RECORDS, GRAYSON COUNTY, TEXAS; THENCE, NORTH 29 DEGREES 20 MINUTES 45 SECONDS WEST, WITH THE EAST LINE OF SAID DAVID CATCHING TRACT, AND GENERALLY ALONG SAID HALI CEMETERY ROAD A DISTANCE OF 590.10 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" FOUND FOR THE NORTHEAST CORNER OF SAID DAVID CATCHING TRACT;

THENCE, NORTH 89 DEGREES 57 MINUTES 45 SECONDS WEST, WITH THE NORTH

LINE OF SAID DAVID CATCHING TRACT, AND GENERALLY ALONG SAID HALL CEMETERY ROAD A DISTANCE OF 734.90 FEET TO A PK NAIL FOUND FOR THE SOUTHWEST CORNER OF SAID 99.012 ACRE TRACT, AND THE SOUTHEAST CORNER OF A TRACT OF LAND CONVEYED TO MURRY H. AKINS, BY DEED RECORDED IN VOLUME 2352, PAGE 350, DEED RECORDS, GRAYSON COUNTY, TEXAS;

THENCE, NORTH 01 DEGREES 20 MINUTES 45 SECONDS WEST, PASSING AT A DISTANCE OF 25.01 FEET A 1/2" IRON ROD FOUND AT A FENCE CORNER POST, AND CONTINUING ALONG SAID FENCE LINE, AND WITH THE COMMON EAST LINE OF SAID MURRY H. AKINS TRACT, A TOTAL DISTANCE OF 2134.20 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" FOUND FOR CORNER IN THE SOUTH LINE OF A TRACT OF LAND DESCRIBED IN DEED TO ERNEST B. STRAWN, RECORDED IN VOLUME 1094, PAGE 234 DEED RECORDS, GRAYSON COUNTY, TEXAS AND AT THE NORTHEAST CORNER OF SAID MURRY H. AKINS TRACT;

THENCE, NORTH 88 DEGREES 41 MINUTES 48 SECONDS EAST, WITH THE SOUTH LINE OF SAID ERNEST B. STRAWN TRACT AND ALONG A FENCE LINE A DISTANCE OF 752.93 FEET TO A 5/8" IRON ROD FOUND AT THE SOUTHEAST CORNER OF SAID ERNEST B. STRAWN TRACT; THENCE, NORTH 00 DEGREES 35 MINUTES 13 SECONDS WEST, WITH THE WEST LINE OF SAID 90.012 ACRE TRACT, AND THE COMMON EAST LINE OF SAID ERNEST B. STRAWN TRACT AND ALONG A FENCE LINE A DISTANCE OF 915.93 FEET TO A POINT CORNER ON THE SOUTH LINE OF AFORESAID TRACT 1; THENCE, SOUTH 89 DEGREES 19 MINUTES 53 SECONDS WEST, WITH THE SOUTH LINE OF SAID TRACT 1, A DISTANCE OF 34.25 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" FOUND FOR THE SOUTHWEST CORNER OF SAID TRACT 1, AND BEING AN INTERIOR ELL CORNER

OF SAID ERNEST B. STRAWN TRACT; THENCE, NORTH 00 DEGREES 40 MINUTES 07 SECONDS WEST, ALONG THE WEST LINE OF SAID TRACT 1, AND THE COMMON EAST LINE OF SAID ERNEST B. STRAWN TRACT, A DISTANCE OF 1947.25 FEET TO A $1 / 2$ INCH IRON ROD FOUND FOR CORNER AT THE "T" INTERSECTION OF PUBLIC ROADS FOR THE NORTHEAST CORNER OF SAID ERNEST B. STRAWN TRACT SAME BEING COMMON WITH THE SOUTHEAST CORNER OF AFORESAID TRACT 3; THENCE, SOUTH 88 DEGREES 22 MINUTES 39 SECONDS WEST, ALONG THE SOUTH LINE OF SAID TRACT 3 AND THE COMMON NORTH LINE OF SAID STRAWN TRACT, A DISTANCE OF 2627.91 FEET TO A $1 / 2$ INCH IRON ROD FOUND FOR THE SOUTHWEST CORNER OF SAID TRACT 3 AND A SOUTHEAST CORNER OF A TRACT OF LAND CONVEYED TO JERRY RAY EPTING, AS RECORDED IN VOLUME 2232, PAGE 622, DEED RECORDS, GRAYSON COUNTY, TEXAS; THENCE, NORTH 01 DEGREES 00 MINUTES 50 SECONDS WEST, ALONG THE WEST LINE OF SAID TRACT 3 AND THE COMMON EAST LINES OF THE FOLLOWING TRACTS: SAID EPTING TRACT, A TRACT OF LAND CONVEYED TO TAYLOR LEE STRAWN, AS RECORDED IN VOLUME 1251, PAGE 142, DEED RECORDS, GRAYSON COUNTY, TEXAS, A TRACT OF LAND CONVEYED TO DOROTHY A. CHESLEY, AS RECORDED IN VOLUME 1537, PAGE 61, DEED RECORDS, GRAYSON COUNTY, TEXAS, A DISTANCE OF 4842.77 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" FOUND FOR A NORTHWEST CORNER OF SAID TRACT 3 AND THE COMMON SOUTHWEST CORNER OF A TRACT OF LAND CONVEYED TO ROBERT CATCHING, JR., AS RECORDED IN VOLUME 2343, PAGE 580, DEED RECORDS, GRAYSON COUNTY, TEXAS, SAID POINT BEING IN THE EAST LINE OF SAID CHESLEY TRACT; THENCE, NORTH 89 DEGREES 05 MINUTES 47 SECONDS EAST, ALONG A NORTH LINE OF SAID TRACT 3 AND THE COMMON SOUTH LINE OF SAID ROBERT

CATCHING, JR. TRACT, A DISTANCE OF 979.12 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" FOUND FOR CORNER;

THENCE, NORTH 00 DEGREES 54 MINUTES 13 SECONDS WEST, ALONG A WEST LINE OF SAID TRACT 3 AND THE COMMON EAST LINE OF SAID ROBERT CATCHING, JR. TRACT, A DISTANCE OF 447.55 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" FOUND FOR A NORTHWEST CORNER OF SAID TRACT 3 AND A COMMON NORTHEAST CORNER OF SAID ROBERT CATCHING, JR. TRACT, SAID POINT BEING IN THE SOUTH LINE OF A TRACT OF LAND CONVEYED TO FURIZON LIMITED L.P., AS RECORDED IN VOLUME 3697, PAGE 766, DEED RECORDS, GRAYSON COUNTY, TEXAS; THENCE, NORTH 89 DEGREES 05 MINUTES 47 SECONDS EAST, ALONG THE NORTH LINE OF SAID TRACT 3, THE SOUTH LINE OF SAID FURIZON LIMITED, L.P. TRACT AND THE SOUTH LINE OF AFORESAID STANLEY TRACT, A DISTANCE OF 1686.53 FEET TO THE POINT OF BEGINNING, AND CONTAINING 833.2173 ACRES OF LAND, MORE OR LESS.

SAVE AND EXCEPT

### 4.040 ACRES

BEING A 4.040 ACRE TRACT OF LAND SITUATED IN THE JOHN M. HILLIS SURVEY, ABSTRACT NO. 534, GRAYSON COUNTY, TEXAS, AND BEING ALL OF A TRACT OF LAND CONVEYED TO ROBERT L. CATCHING, SR., AS RECORED IN VOLUME 4018, PAGE 792, DEED RECORDS, GRAYSON COUNTY, TEXAS AND BEING PART OF A TRACT OF LAND CONVEYED AS "TRACT 1" TO WALTON TEXAS, L.P., AS RECORD IN VOLUME 4338. PAGE 149 DEED RECORDS, GRAYSON COUNTY, TEXAS. SAID 4.040 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED
"CARTER BURGESS" FOUND IN A GRAVEL ROAD FOR THE NORTHEAST CORNER OF THIS TRACT FROM WHICH THE SOUTHEAST CORNER OF SAID TRACT 1, BEARS NORTH 89 DEGREES 46 MINUTES 00 SECONDS EAST, A DISTANCE OF 386.61 AND SOUTH 00 DEGREES 40 MINUTES 07 SECONDS EAST, A DISTANCE OF 1960.86 FEET, AND THE NORTHEAST CORNER OF THE CATCHING TRACT RECORDED IN SAID VOLUME 4018, PAGE 792, BEARS SOUTH 78 DEGREES 27 MINUTES 14 SECONDS WEST, A DISTANCE OF 105.81 FEET; THENCE, SOUTH 00 DEGREES 11 MINUTES 32 SECONDS EAST, A DISTANCE OF 378.50 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" FOUND FOR THE SOUTHEAST CORNER OF THIS TRACT, FROM WHICH THE SOUTHEAST CORNER OF THE CATCHING TRACT RECORDED IN SAID VOLUME 4018, PAGE 792, BEARS NORTH 61 DEGREES 27 MINUTES 23 SECONDS WEST, A DISTANCE OF 115.62 FEET;

THENCE, SOUTH 89 DEGREES 19 MINUTES 53 SECONDS WEST, A DISTANCE OF 464.84 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" FOUND FOR THE SOUTHWEST CORNER OF THIS TRACT, FROM WHICH THE SOUTHWEST CORNER OF THE CATCHING TRACT RECORDED IN SAID VOLUME 4018, PAGE 792, BEARS NORTH 52 DEGREES 29 MINUTES 24 SECONDS EAST, A DISTANCE OF 94.36 FEET; THENCE, NORTH 00 DEGREES 11 MINUTES 32 SECONDS WEST, A DISTANCE OF 378.63 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" FOUND IN SAID GRAVEL ROAD FOR THE NORTHWEST CORNER OF THIS TRACT, FROM WHICH THE NORTHWEST CORNER OF THE CATCHING TRACT RECORDED IN SAID VOLUME 4018, PAGE 792, BEARS SOUTH 75 DEGREES 17 MINUTES 27 SECONDS EAST, A DISTANCE OF 75.22 FEET; THENCE, NORTH 89 DEGREES 20 MINUTES 50 SECONDS EAST, GENERALLY ALONG THE CENTER OF SAID GRAVEL ROAD, A DISTANCE OF 464.84 FEET TO

THE POINT OF BEGINNING, AND CONTAINING 4.040 ACRES OF LAND, MORE OR LESS, LEAVING A NET ACREAGE OF 829.133 ACRES OF LAND, MORE OR LESS.

SECTION 3. (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act 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 Act to the Texas Commission on Environmental Quality.
(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act 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 Act are fulfilled and accomplished.

SECTION 4. (a) Section 8309.109, Special District Local Laws Code, as added by Section 1 of this Act, 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 8309, Special District Local Laws Code, as added by Section 1 of this Act, is

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    amended by adding Section 8309.109 to read as follows:
    Sec. 8309.109. 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 5. Except as provided by Section 4 of this Act:
            (1) this Act takes effect immediately if it receives a
    vote of two-thirds of all the members elected to each house, as
        provided by Section 39, Article III, Texas Constitution; and
(2) if this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2011.
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