

Amend CSHB 2912 by adding the following appropriately numbered SECTION to the bill and renumbering accordingly the SECTIONS of the bill and the cross-references within added Sections 3959.005 and 3959.108, Special District Local Laws Code:

SECTION _____. (a) Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3959 to read as follows:

CHAPTER 3959. NORTH CELINA MUNICIPAL MANAGEMENT DISTRICT NO. 3

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3959.001. DEFINITIONS. In this chapter:

- (1) "Board" means the district's board of directors.
- (2) "City" means the City of Celina, Texas.
- (3) "Commission" means the Texas Commission on Environmental Quality.
- (4) "Director" means a board member.
- (5) "District" means the North Celina Municipal Management District No. 3.

Sec. 3959.002. 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. 3959.003. 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) The district is created to supplement and not to supplant city services provided in the district.

Sec. 3959.004. 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 creation of the district is in the public interest and is essential to further the public purposes of:

(1) developing and diversifying the economy of the state;

(2) eliminating unemployment and underemployment;

(3) developing or expanding transportation and commerce; and

(4) providing quality residential housing.

(d) 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 residential 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.

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

(f) 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. 3959.005. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section __ (b) of the Act enacting this chapter.

(b) The boundaries and field notes contained in Section

__ (b) 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 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 or collect an assessment or tax; or

(4) legality or operation.

Sec. 3959.006. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICT LAW. Except as provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Sec. 3959.007. CONFIRMATION AND DIRECTORS' ELECTION REQUIRED. The initial 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. 3959.008. CONSENT OF MUNICIPALITY REQUIRED. The initial directors may not hold an election under Section 3959.007 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. 3959.009. 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; or

(3) an enterprise zone created under Chapter 2303, 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 3959.201.

(c) If the city creates a tax increment reinvestment zone described by Subsection (a), the city may determine the percentage of the property in the zone that may be used for residential purposes and is not subject to the limitations provided by Section 311.006, Tax Code.

Sec. 3959.010. EFFECT OF ANNEXATION. Notwithstanding any other law, if all of the territory of the district is annexed by the city into the city's corporate limits, the district:

(1) retains all of the district's outstanding debt and obligations;

(2) is not dissolved; and

(3) continues to operate under this chapter until the district is dissolved under Subchapter F.

Sec. 3959.011. CONSTRUCTION OF CHAPTER. This chapter shall be construed liberally in conformity with the findings and purposes stated in this chapter.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3959.051. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.

(b) Except as provided by Section 3959.054, directors serve staggered four-year terms, with two or three directors' terms expiring June 1 of each odd-numbered year.

Sec. 3959.052. BOARD MEETINGS. The board shall hold meetings at a place accessible to the public and located in the city.

Sec. 3959.053. REMOVAL OF DIRECTORS. (a) The board may remove a director by unanimous vote of the other directors if the director has missed at least half of the meetings scheduled during the preceding 12 months.

(b) A director removed under this section may file a written appeal with the commission not later than the 30th day after the date the director receives written notice of the board action. The commission may reinstate the director if the commission finds that

the removal was unwarranted under the circumstances after considering the reasons for the absences, the time and place of the meetings, the business conducted at the meetings missed, and any other relevant circumstances.

Sec. 3959.054. INITIAL DIRECTORS. (a) The initial board consists of:

<u>Pos. No.</u>	<u>Name of Director</u>
<u>1</u>	<u>John Peavy</u>
<u>2</u>	<u>Charles Taylor</u>
<u>3</u>	<u>Steve Cook</u>
<u>4</u>	<u>Paul Schlosberg</u>
<u>5</u>	<u>Russell Miller</u>

(b) Initial directors serve until the earlier of:

(1) the date permanent directors are elected under Section 3959.007; or

(2) the fourth anniversary of the effective date of the Act enacting this chapter.

(c) If permanent directors have not been elected under Section 3959.007 and the terms of the initial directors have expired, successor initial 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 3959.007; 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 according to the most recent certified tax appraisal rolls for the county may submit a petition to the commission requesting that the commission appoint as successor initial directors the five persons named in the petition. The commission shall appoint as successor initial directors the five persons named in the petition.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3959.101. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 3959.102. PUBLIC IMPROVEMENT DISTRICT POWERS. The district has the powers provided by Chapter 372, Local Government Code, to a municipality or county.

Sec. 3959.103. IMPROVEMENT PROJECTS AND SERVICES. (a) Subject to Subsection (c), 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.

(b) 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.

(c) The district may not construct or finance an improvement project, other than a water, sewer, or drainage facility or road, without obtaining the written consent of the city's governing body.

Sec. 3959.104. LOCATION OF IMPROVEMENT PROJECT. A district improvement project may be located inside or outside of the district.

Sec. 3959.105. OWNERSHIP OF IMPROVEMENT PROJECTS. (a) Before a district improvement project may be put into operation, the district must transfer ownership of the project to the city.

(b) The transfer of ownership is complete on the city's acceptance of ownership.

Sec. 3959.106. RETAIL WATER AND SEWER SERVICES PROHIBITED. The district may not provide retail water or sewer services.

Sec. 3959.107. ADDING OR REMOVING TERRITORY. (a) Subject to Subsections (b) and (c), the board may add or remove territory as provided by Subchapter J, Chapter 49, Water Code.

(b) The district may add territory as described by Subsection (a) only if the district obtains written consent from the governing body of the city.

(c) The district and any district created under Section

3959.108 may not add a total area of more than 100 acres.

Sec. 3959.108. DIVISION OF DISTRICT. (a) 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.

(b) This chapter applies to any new district created by the division of the district, and a new district has all the powers and duties of the district.

(c) Any 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 __ (b) of the Act enacting this chapter.

(d) 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.

(e) The board may adopt an order dividing the district before or after the date the board holds an election under Section 3959.007 to confirm the creation of the district.

(f) 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 initial directors for each new district;
and

(4) provide for the division of assets and liabilities between or among the new districts.

(g) 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.

(h) Any new district created by the division of the district shall hold a confirmation and directors' election as required by Section 3959.007.

(i) Municipal consent to the creation of the district and to the inclusion of land in the district granted under Section 3959.008 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.

(j) Any new district created by the division of the district must hold an election as required by this chapter to obtain voter approval before the district may impose a maintenance tax or issue bonds payable wholly or partly from ad valorem taxes.

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

Sec. 3959.109. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS; ASSESSMENTS

Sec. 3959.151. 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. 3959.152. MONEY USED FOR IMPROVEMENTS OR SERVICES. The district may acquire, construct, operate, maintain, or finance an improvement project or service authorized by this chapter or Chapter 375, Local Government Code, using any money available to the district.

Sec. 3959.153. METHOD OF NOTICE FOR HEARING. The district may mail the notice required by Section 375.115(c), Local Government Code, by certified or first class United States mail. The board shall determine the method of notice.

Sec. 3959.154. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by order may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district 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) An assessment, a reassessment, or an assessment resulting from an addition to or correction of the assessment roll by the district, penalties and interest on an assessment or reassessment, an expense of collection, and reasonable attorney's

fees incurred by the district are:

(1) a first and prior lien against the property assessed;

(2) superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and

(3) the personal liability of and a charge against the owners of the property even if the owners are not named in the assessment proceedings.

(c) The lien is effective from the date of the board's resolution imposing the assessment until the date the assessment is paid. The board may enforce the lien in the same manner that the board may enforce an ad valorem tax lien against real property.

(d) The board may make a correction to or deletion from the assessment roll that does not increase the amount of assessment of any parcel of land without providing notice and holding a hearing in the manner required for additional assessments.

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

Sec. 3959.155. NOTICE OF ASSESSMENTS. Annually, the board shall file with the secretary of the city written notice 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.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3959.201. BONDS AND OTHER OBLIGATIONS. (a) The district may issue, by public or private sale, bonds, notes, or other obligations payable wholly or partly from ad valorem taxes or assessments in the manner provided by:

(1) Subchapter J, Chapter 375, Local Government Code;
or

(2) Subchapter A, Chapter 372, Local Government Code, if the improvements financed by an obligation issued under this section will be conveyed to or operated and maintained by a municipality or other retail utility provider pursuant to an

agreement with the district entered into before the issuance of the obligation.

(b) In exercising the district's borrowing power, the district may issue a bond or other obligation in the form of a bond, note, certificate of participation or other instrument evidencing a proportionate interest in payments to be made by the district, or other type of obligation.

(c) In addition to the sources of money described by Subchapter A, Chapter 372, and Subchapter J, Chapter 375, Local Government Code, district bonds may be secured and made payable wholly or partly by a pledge of any part of the money the district receives from improvement revenue or from any other source.

(d) Not later than the 30th day before the date the district holds a bond sale, the district shall provide the governing body of the city written notice of the sale.

(e) The district may issue bonds, notes, or other obligations to maintain or repair an existing improvement project only if the district obtains written consent from the governing body of the city.

SUBCHAPTER F. DISSOLUTION

Sec. 3959.251. DISSOLUTION BY CITY ORDINANCE. (a) The governing body of the city may dissolve the district by ordinance.

(b) The governing body may not dissolve the district until:

(1) water, sanitary, sewer, and drainage improvements and roads have been constructed to serve at least 80 percent of the net developable territory of the district; and

(2) the district has reimbursed a developer in the district for all costs advanced to or on behalf of the district.

(c) Until the district is dissolved, the district is responsible for all bonds and other obligations of the district.

Sec. 3959.252. 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, other than revenue from ad valorem taxes:

(1) the assessments remain in effect; and

(2) the city shall succeed 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.

Sec. 3959.253. ASSUMPTION OF ASSETS AND LIABILITIES. After the city dissolves the district, the city assumes, subject to the appropriation and availability of funds, the obligations of the district, including any bonds or other debt payable from taxes, assessments, or other district revenue and any assets of the district.

SUBCHAPTER Z. SPECIAL BOND PROVISIONS

Sec. 3959.901. APPLICABILITY. This subchapter applies to bonds payable wholly or partly from revenue derived from assessments on real property in the district.

Sec. 3959.902. CONFLICT OF LAWS. In the event of a conflict between this subchapter and any other law, this subchapter prevails.

Sec. 3959.903. WRITTEN AGREEMENT REGARDING SPECIAL APPRAISALS. Before an election may be held on the question of issuing bonds, including an election that combines the question of confirming the creation of the district with the question of authorizing the district to issue bonds, the district and any person to whom the governing body of the district intends that proceeds of the bonds be distributed, including the developer, another owner of land in the district, and any entity acting as a lender to the developer or other landowner for the purpose of a project relating to the district, must enter into a written agreement that:

(1) waives for the term of the agreement the right to a special appraisal with respect to taxation by the district under Subchapters B, C, D, E, F, and H, Chapter 23, Tax Code; and

(2) remains in effect for 30 years and is binding on the parties, on entities related to or affiliated with the parties,

and on their successors and assignees.

Sec. 3959.904. REQUIREMENTS FOR ADVERTISING BOND ISSUE. A district may not advertise for an issuance of bonds until the completion of at least 25 percent of the projected value of the improvements, including houses and other buildings, that are liable for district assessments and necessary to support the district bonds.

Sec. 3959.905. REQUIREMENTS FOR BOND ISSUE. The district may not issue bonds until:

(1) the issuance of the bonds is approved by a majority of the district voters voting at an election called for that purpose;

(2) the district submits to the commission:

(A) an engineer's report describing the project for which the bonds will provide funding, including data, profiles, maps, plans, and specifications related to the project; and

(B) a cash flow analysis to determine the projected rate of assessment, which includes the following assumptions:

(i) each ending balance for debt service in the analysis is not less than 25 percent of the following year's debt service requirement;

(ii) interest income is only shown on the ending balance for debt service for the first two years; and

(iii) the projected rate of assessment is level or decreasing for the life of the bonds issued by the district;

(3) the completion of at least 75 percent of the projected value of the improvements, including houses and other buildings, that are liable for district assessments and necessary to support the district bonds; and

(4) the district has obtained an independent market study from a firm recognized in the area of real estate market analysis supporting the development projects for the real property that is liable for district assessments and necessary to support the district bonds.

Sec. 3959.906. REQUIREMENTS FOR COLLECTION OF REVENUE TO

PAY BONDS. The district may not collect an assessment to be used for the payment of bonds until:

(1) the completion of at least 95 percent of the underground water, wastewater, and drainage facilities financed from bond proceeds that are necessary to serve the projected build-out, as certified by the district's engineer;

(2) the district or other appropriate party has secured the groundwater, surface water, and water discharge permits that are necessary to secure capacity to support the projected build-out;

(3) the completion of at least 95 percent of lift station, water plant, and sewage treatment plant capacity sufficient to serve the connections constructed in the project for a period of not less than 18 months, as certified by the district's engineer; and

(4) the completion of at least 95 percent of the streets and roads that are necessary to provide access to the areas served by utilities and financed by the proceeds of bonds issued by the district, as certified by the district's engineer and constructed in accordance with municipal or county standards.

(b) The North Celina Municipal Management District No. 3 initially includes all the territory contained in the following area:

TRACT 1: 2178 ACRES MORE OR LESS

LEGAL DESCRIPTION CONSISTING OF 2178.085 ACRES MORE OR LESS BY COMPILING DEEDS DESCRIBED AS TRACT II IN THE DEED TO DYNAVEST JOINT VENTURE AS RECORDED IN VOLUME 2288, PAGE 119 OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS, A 218.360 ACRE TRACT OF LAND DESCRIBED AS TRACT NO. 1, A CALLED 161.910 ACRE TRACT OF LAND DESCRIBED AS TRACT NO. 2 IN THE DEED TO DYNAVEST JOINT VENTURE AS RECORDED IN VOLUME 2288, PAGE 125 OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS AND A 1215.843 ACRE TRACT DESCRIBED IN THE DEED TO DYNAVEST JOINT VENTURE AS RECORDED IN VOLUME 2288, PAGE 110, OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS.

BEING ALL THAT CERTAIN TRACT OR PARCEL OF LAND SITUATED IN THE J. W. HAYNES SURVEY, ABSTRACT # 453, J, CUMBA SURVEY, ABSTRACT # 242, THE J DAVIS SURVEY, ABSTRACT # 254, THE B.B.B. & C.R.R. SURVEY, ABSTRACT

131, THE H. COCHRAN SURVEY, ABSTRACT # 192, THE T & P. RR CO. SURVEY, ABSTRACT # 1054, THE J.F. SMILEY SURVEY, ABSTRACT 869, THE J. WORRALL SURVEY, ABSTRACT # 1036, THE J. QUEEN SURVEY, ABSTRACT # 733, THE J. H. BIGGS SURVEY, ABSTRACT # 51, THE E. ALEXANDER SURVEY, ABSTRACT # 19, THE SA & MG RR CO SURVEY, ABSTRACT # 876 AND THE P. NEWSON, SURVEY, ABSTRACT # 665 AND BEING ALL OF A CALLED 579.400 ACRE TRACT OF LAND DESCRIBED AS TRACT II IN THE DEED TO DYNAVEST JOINT VENTURE AS RECORDED IN VOLUME 2288, PAGE 119 OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS, ALL OF A CALLED 218.360 ACRE TRACT OF LAND DESCRIBED AS TRACT NO. 1 AND ALL OF A CALLED 161.910 ACRE TRACT OF LAND DESCRIBED AS TRACT NO. 2 IN THE DEED TO DYNAVEST JOINT VENTURE AS RECORDED IN VOLUME 2288, PAGE 125 OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS AND ALL OF A CALLED 1215.843 ACRE TRACT DESCRIBED IN THE DEED TO DYNAVEST JOINT VENTURE AS RECORDED IN VOLUME 2288, PAGE 110, OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS AND BEING MORE PARTICULAR DESCRIBED AS FOLLOWS:

BEGINNING AT A THE SOUTHWEST CORNER OF THE TRACT BEING DESCRIBED HEREIN AT THE SOUTHWEST CORNER OF SAID 579.400 ACRE TRACT IN THE NORTH RIGHT-OF-WAY LINE OF F. M. # 455;

THENCE NORTH 00 DEGREES 12 MINUTES 53 SECONDS EAST A DISTANCE OF 6447.04 FEET TO A POINT FOR CORNER AT THE NORTHWEST CORNER OF SAID 579.400 ACRE TRACT;

THENCE SOUTH 89 DEGREES 27 MINUTES 28 SECONDS EAST A DISTANCE OF 2678.28 FEET TO A POINT FOR CORNER;

THENCE NORTH 00 DEGREES 23 MINUTES 38 SECONDS EAST A DISTANCE OF 1013.53 FEET TO A POINT FOR CORNER AT THE MOST NORTHERLY NORTHWEST CORNER OF SAID 579.400 ACRE TRACT;

THENCE NORTH 89 DEGREES 27 MINUTES 02 SECONDS EAST A DISTANCE OF 2192.86 FEET TO A POINT FOR CORNER IN ELM CREEK;

THENCE NORTH 41 DEGREES 45 MINUTES 00 SECONDS EAST ALONG THE CENTER OF ELM CREEK A DISTANCE OF 693.00 FEET TO A POINT FOR CORNER;

THENCE NORTH 48 DEGREES 30 MINUTES 00 SECONDS EAST ALONG THE CENTER OF ELM CREEK A DISTANCE OF 417.00 FEET TO A POINT FOR CORNER;

THENCE NORTH 10 DEGREES 40 MINUTES 00 SECONDS EAST ALONG THE CENTER OF ELM CREEK A DISTANCE OF 274.20 FEET TO A POINT FOR CORNER;

THENCE NORTH 74 DEGREES 54 MINUTES 00 SECONDS EAST ALONG THE CENTER OF ELM CREEK A DISTANCE OF 211.00 FEET TO A POINT FOR CORNER;

THENCE NORTH 65 DEGREES 52 MINUTES 00 SECONDS EAST ALONG THE CENTER OF ELM CREEK A DISTANCE OF 282.00 FEET TO A POINT FOR CORNER;

THENCE NORTH 26 DEGREES 53 MINUTES 00 SECONDS EAST ALONG THE CENTER OF ELM CREEK A DISTANCE OF 1077.50 FEET TO A POINT FOR CORNER TO THE MOST NORTHERLY NORTHWEST CORNER OF SAID 1215.843 ACRE TRACT;

THENCE SOUTH 87 DEGREES 54 MINUTES 00 SECONDS EAST A DISTANCE OF 271.00 FEET TO A POINT FOR CORNER;

THENCE SOUTH 89 DEGREES 54 MINUTES 00 SECONDS EAST A DISTANCE OF 127.00 FEET TO A POINT FOR CORNER;

THENCE NORTH 88 DEGREES 58 MINUTES 00 SECONDS EAST A DISTANCE OF 560.00 FEET TO A POINT FOR CORNER;

THENCE NORTH 87 DEGREES 46 MINUTES 00 SECONDS EAST A DISTANCE OF 917.00 FEET TO A POINT FOR CORNER;

THENCE SOUTH 86 DEGREES 43 MINUTES 00 SECONDS EAST A DISTANCE OF 411.00 FEET TO A POINT FOR CORNER TO THE MOST NORTHERLY NORTHEAST CORNER OF SAID 1215.843 ACRE TRACT

THENCE SOUTH 01 DEGREES 44 MINUTES 00 SECONDS EAST A DISTANCE OF 889.00 FEET TO A POINT FOR CORNER;

THENCE SOUTH 58 DEGREES 17 MINUTES 00 SECONDS EAST A DISTANCE OF 675.00 FEET TO A POINT FOR CORNER;

THENCE NORTH 89 DEGREES 55 MINUTES 00 SECONDS EAST A DISTANCE OF 611.00 FEET TO A POINT FOR CORNER;

THENCE SOUTH 00 DEGREES 52 MINUTES 00 SECONDS WEST A DISTANCE OF 529.00 FEET TO A POINT FOR CORNER;

THENCE SOUTH 00 DEGREES 19 MINUTES 00 SECONDS WEST A DISTANCE OF 3775.00 FEET TO A POINT FOR CORNER;

THENCE SOUTH 03 DEGREES 39 MINUTES 54 SECONDS WEST A DISTANCE OF 491.83 FEET TO A POINT FOR CORNER;

THENCE SOUTH 00 DEGREES 21 MINUTES 00 SECONDS WEST A DISTANCE OF 271.50 FEET TO A POINT FOR CORNER;

THENCE SOUTH 02 DEGREES 03 MINUTES 09 SECONDS EAST A DISTANCE OF 560.34 FEET TO A POINT FOR CORNER;

THENCE SOUTH 86 DEGREES 42 MINUTES 28 SECONDS WEST A DISTANCE OF 66.00 FEET TO A POINT FOR CORNER;

THENCE SOUTH 01 DEGREES 07 MINUTES 18 SECONDS EAST A DISTANCE OF 2883.84 FEET TO A POINT FOR CORNER AT THE MOST EASTERLY SOUTHEAST CORNER OF SAID 1215.843 ACRE TRACT AND THE NORTHEAST CORNER OF SAID

161.91 ACRE TRACT;
THENCE SOUTH 01 DEGREES 59 MINUTES 59 SECONDS EAST A DISTANCE OF
271.54 FEET TO A POINT FOR CORNER;
THENCE SOUTH 02 DEGREES 49 MINUTES 01 SECONDS EAST A DISTANCE OF
698.98 FEET TO A POINT FOR CORNER;
THENCE SOUTH 02 DEGREES 27 MINUTES 24 SECONDS EAST A DISTANCE OF
849.68 FEET TO A POINT FOR CORNER TO THE SOUTHEAST CORNER OF SAID
161.91 ACRE TRACT;
THENCE SOUTH 88 DEGREES 39 MINUTES 30 SECONDS WEST A DISTANCE OF
2104.21 FEET TO A POINT FOR CORNER;
THENCE SOUTH 87 DEGREES 44 MINUTES 05 SECONDS WEST A DISTANCE OF
986.67 FEET TO A POINT FOR CORNER;
THENCE SOUTH 89 DEGREES 09 MINUTES 32 SECONDS WEST A DISTANCE OF
508.11 FEET TO A POINT FOR CORNER;
THENCE SOUTH 87 DEGREES 55 MINUTES 18 SECONDS WEST A DISTANCE OF
230.84 FEET TO A POINT FOR CORNER;
THENCE SOUTH 88 DEGREES 45 MINUTES 02 SECONDS WEST A DISTANCE OF
285.38 FEET TO A POINT FOR CORNER;
THENCE NORTH 74 DEGREES 25 MINUTES 03 SECONDS WEST A DISTANCE OF
1160.29 FEET TO A POINT FOR CORNER;
THENCE NORTH 74 DEGREES 36 MINUTES 18 SECONDS WEST A DISTANCE OF
404.97 FEET TO A POINT FOR CORNER TO A POINT IN THE NORTH
RIGHT-OF-WAY LINE OF FM # 455;
THENCE NORTH 15 DEGREES 23 MINUTES 42 SECONDS EAST WITH SAID
RIGHT-OF-WAY LINE A DISTANCE OF 40.00 FEET TO A POINT FOR CORNER;
THENCE NORTH 74 DEGREES 36 MINUTES 18 SECONDS WEST WITH SAID
RIGHT-OF-WAY LINE A DISTANCE OF 179.93 FEET TO A POINT FOR CORNER;
THENCE NORTH 52 DEGREES 06 MINUTES 25 SECONDS WEST WITH SAID
RIGHT-OF-WAY LINE A DISTANCE OF 697.67 FEET TO A POINT FOR CORNER;
THENCE WITH SAID RIGHT-OF-WAY LINE AND WITH A CURVE TURNING TO THE
LEFT WITH AN ARC LENGTH OF 363.14 FEET, WITH A RADIUS OF 986.86 FEET,
WITH A CHORD BEARING OF NORTH 62 DEGREES 38 MINUTES 55 SECONDS WEST,
AND WITH A CHORD LENGTH OF 361.09 FEET TO A POINT FOR CORNER;
THENCE NORTH 73 DEGREES 11 MINUTES 25 SECONDS WEST WITH SAID
RIGHT-OF-WAY LINE A DISTANCE OF 199.75 FEET TO A POINT FOR CORNER;
THENCE WITH SAID RIGHT-OF-WAY LINE AND WITH A CURVE TURNING TO THE
LEFT WITH AN ARC LENGTH OF 254.11 FEET, WITH A RADIUS OF 1367.32

FEET, WITH A CHORD BEARING OF NORTH 78 DEGREES 37 MINUTES 35 SECONDS WEST, AND WITH A CHORD LENGTH OF 253.75 FEET;
THENCE NORTH 83 DEGREES 34 MINUTES 06 SECONDS WEST WITH SAID RIGHT-OF-WAY LINE A DISTANCE OF 104.02 FEET TO A POINT FOR CORNER;
THENCE NORTH 83 DEGREES 34 MINUTES 06 SECONDS WEST WITH SAID RIGHT-OF-WAY LINE A DISTANCE OF 2140.11 FEET TO A POINT FOR CORNER;
THENCE WITH SAID RIGHT-OF-WAY LINE AND WITH A CURVE TURNING TO THE RIGHT WITH AN ARC LENGTH OF 283.92 FEET, WITH A RADIUS OF 528.70 FEET, WITH A CHORD BEARING OF NORTH 68 DEGREES 22 MINUTES 06 SECONDS WEST, AND WITH A CHORD LENGTH OF 280.52 FEET TO A POINT FOR CORNER,;
THENCE NORTH 53 DEGREES 10 MINUTES 06 SECONDS WEST WITH SAID RIGHT-OF-WAY LINE A DISTANCE OF 766.67 FEET TO THE POINT OF BEGINNING AND ENCLOSING 2178.085 ACRES OF LAND, MORE OR LESS.

TRACT 2: 100.474 ACRES MORE OR LESS

LEGAL DESCRIPTION CONSISTING OF 100.474 ACRES MORE OR LESS BY COMPUTING EXHIBIT A IN THE DEED TO THE TRACT OF LAND DESCRIBED AS TRACT I IN THE DEED TO DYNAVEST JOINT VENTURE AS RECORDED IN VOLUME 2288, PAGE 119 OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS

BEING ALL THAT CERTAIN TRACT OR PARCEL OF LAND SITUATED IN THE J. DAVIS SURVEY, ABSTRACT # 254, THE W.P. ALLEN SURVEY, ABSTRACT # 24, AND THE J. HOWARD SURVEY, ABSTRACT # 442 AND BEING ALL OF A CALLED 100.474 ACRE TRACT OF LAND DESCRIBED AS TRACT I IN THE DEED TO DYNAVEST JOINT VENTURE AS RECORDED IN VOLUME 2288, PAGE 119 OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE TRACT BEING DESCRIBED HEREIN AT THE INTERSECTION OF THE WEST LINE OF SAID COLLIN COUNTY WITH THE SOUTHWEST CORNER OF SAID 100.474 ACRE TRACT OF LAND;

THENCE NORTH 00 DEGREES 12 MINUTES 53 SECONDS EAST, A DISTANCE OF 1213.34 FEET TO A POINT FOR CORNER;

THENCE NORTH 89 DEGREES 57 MINUTES 51 SECONDS EAST, A DISTANCE OF 3608.95 FEET TO A POINT FOR CORNER;

THENCE SOUTH 00 DEGREES 56 MINUTES 02 SECONDS EAST, A DISTANCE OF 1192.20 FEET TO A POINT FOR CORNER;

THENCE SOUTH 89 DEGREES 11 MINUTES 58 SECONDS WEST, A DISTANCE OF 1594.31 FEET TO A POINT FOR CORNER;

THENCE SOUTH 89 DEGREES 57 MINUTES 51 SECONDS WEST, A DISTANCE OF

2038.77 FEET TO THE POINT OF BEGINNING AND ENCLOSING 100.474 ACRES OF LAND, MORE OR LESS.

TRACT 3: 958.042 ACRES MORE OR LESS

LEGAL DESCRIPTION CONSISTING OF 958.042 ACRES MORE OR LESS BY COMPUTING EXHIBIT A IN THE DEED TO THE TRACT OF LAND DESCRIBED IN THE DEED TO DYNAVEST JOINT VENTURE AS RECORDED IN VOLUME 2288, PAGE 114 OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS

BEING ALL THAT CERTAIN TRACT OR PARCEL OF LAND SITUATED IN THE J. W. HAYNES SURVEY, ABSTRACT # 453, J, CUMBA SURVEY, ABSTRACT # 242, THE J. QUEEN SURVEY, ABSTRACT # 733, THE J. QUEEN SURVEY, ABSTRACT # 1111, THE A. H. GEE SURVEY, ABSTRACT # 1104, THE H. COCHRAN SURVEY, ABSTRACT # 191, THE J. RAGSDALE SURVEY, ABSTRACT # 735 AND THE GERMAN IMIGRATION CO. SURVEY, ABSTRACT # 356 AND BEING ALL OF A CALLED 957.743 ACRE TRACT OF LAND DESCRIBED IN THE DEED TO DYNAVEST JOINT VENTURE AS RECORDED IN VOLUME 2288, PAGE 144 OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE TRACT BEING DESCRIBED HEREIN AT A POINT AT THE NORTHWEST CORNER OF SAID 957.743 ACRE TRACT IN THE SOUTH RIGHT-OF-WAY LINE OF FM # 455;

THENCE SOUTH 53 DEGREES 10 MINUTES 06 SECONDS EAST WITH SAID SOUTH RIGHT-OF-WAY LINE A DISTANCE OF 699.50 FEET TO A POINT FOR CORNER;

THENCE WITH SAID SOUTH RIGHT-OF-WAY LINE AND WITH A CURVE TURNING TO THE LEFT WITH AN ARC LENGTH OF 332.25 FEET, WITH A RADIUS OF 618.70 FEET, WITH A CHORD BEARING OF SOUTH 68 DEGREES 22 MINUTES 06 SECONDS EAST, AND WITH A CHORD LENGTH OF 328.27 FEET TO A POINT FOR CORNER;

THENCE SOUTH 83 DEGREES 34 MINUTES 06 SECONDS EAST WITH SAID SOUTH RIGHT-OF-WAY LINE A DISTANCE OF 2243.84 FEET TO A POINT FOR CORNER;

THENCE WITH SAID SOUTH RIGHT-OF-WAY LINE AND WITH A CURVE TURNING TO THE RIGHT WITH AN ARC LENGTH OF 237.99 FEET, WITH A RADIUS OF 1277.20 FEET, WITH A CHORD BEARING OF SOUTH 78 DEGREES 38 MINUTES 21 SECONDS EAST, AND WITH A CHORD LENGTH OF 237.64 FEET TO A POINT FOR CORNER;

THENCE SOUTH 73 DEGREES 11 MINUTES 25 SECONDS EAST WITH SAID SOUTH RIGHT-OF-WAY LINE A DISTANCE OF 131.75 FEET TO A POINT FOR CORNER;

THENCE SOUTH 16 DEGREES 58 MINUTES 43 SECONDS WEST A DISTANCE OF 103.35 FEET TO A POINT FOR CORNER;

THENCE SOUTH 40 DEGREES 22 MINUTES 29 SECONDS WEST A DISTANCE OF 414.21 FEET TO A POINT FOR CORNER;

THENCE SOUTH 50 DEGREES 17 MINUTES 10 SECONDS EAST A DISTANCE OF 174.16 FEET TO A POINT FOR CORNER;

THENCE SOUTH 04 DEGREES 36 MINUTES 13 SECONDS EAST A DISTANCE OF 103.17 FEET TO A POINT FOR CORNER;

THENCE SOUTH 53 DEGREES 02 MINUTES 05 SECONDS WEST A DISTANCE OF 256.14 FEET TO A POINT FOR CORNER;

THENCE SOUTH 23 DEGREES 11 MINUTES 46 SECONDS WEST A DISTANCE OF 269.21 FEET TO A POINT FOR CORNER;

THENCE SOUTH 66 DEGREES 05 MINUTES 31 SECONDS EAST A DISTANCE OF 178.82 FEET TO A POINT FOR CORNER;

THENCE SOUTH 04 DEGREES 58 MINUTES 45 SECONDS EAST A DISTANCE OF 193.80 FEET TO A POINT FOR CORNER;

THENCE SOUTH 50 DEGREES 28 MINUTES 50 SECONDS WEST A DISTANCE OF 169.49 FEET TO A POINT FOR CORNER;

THENCE SOUTH 87 DEGREES 27 MINUTES 53 SECONDS WEST A DISTANCE OF 174.71 FEET TO A POINT FOR CORNER;

THENCE SOUTH 00 DEGREES 14 MINUTES 15 SECONDS WEST A DISTANCE OF 763.18 FEET TO A POINT FOR CORNER;

THENCE NORTH 86 DEGREES 32 MINUTES 52 SECONDS EAST A DISTANCE OF 1464.77 FEET TO A POINT FOR CORNER;

THENCE NORTH 89 DEGREES 13 MINUTES 02 SECONDS EAST A DISTANCE OF 524.81 FEET TO A POINT FOR CORNER IN THE WEST RIGHT-OF-WAY LINE OF FM # 455;

THENCE SOUTH 03 DEGREES 06 MINUTES 54 SECONDS WEST WITH SAID WEST RIGHT-OF-WAY LINE A DISTANCE OF 37.23 FEET TO A POINT FOR CORNER;

THENCE WITH SAID WEST RIGHT-OF-WAY LINE AND WITH A CURVE TURNING TO THE LEFT WITH AN ARC LENGTH OF 577.39 FEET, WITH A RADIUS OF 1477.38 FEET, WITH A CHORD BEARING OF SOUTH 08 DEGREES 00 MINUTES 36 SECONDS EAST , AND WITH A CHORD LENGTH OF 573.72 FEET TO A POINT FOR CORNER;

THENCE SOUTH 19 DEGREES 08 MINUTES 06 SECONDS EAST WITH SAID WEST RIGHT-OF-WAY LINE A DISTANCE OF 354.02 FEET TO A POINT FOR CORNER;

THENCE SOUTH 89 DEGREES 08 MINUTES 02 SECONDS WEST A DISTANCE OF 974.20 FEET TO A POINT FOR CORNER;

THENCE SOUTH 00 DEGREES 24 MINUTES 13 SECONDS EAST A DISTANCE OF 1724.68 FEET TO A POINT FOR CORNER;

THENCE SOUTH 01 DEGREES 25 MINUTES 40 SECONDS EAST A DISTANCE OF 2948.48 FEET TO A POINT FOR CORNER;
THENCE NORTH 88 DEGREES 01 MINUTES 35 SECONDS EAST A DISTANCE OF 1138.15 FEET TO A POINT FOR CORNER;
THENCE SOUTH 01 DEGREES 46 MINUTES 21 SECONDS EAST A DISTANCE OF 1965.29 FEET TO A POINT FOR CORNER;
THENCE SOUTH 89 DEGREES 32 MINUTES 30 SECONDS WEST A DISTANCE OF 5389.11 FEET TO A POINT FOR CORNER;
THENCE NORTH 00 DEGREES 12 MINUTES 53 SECONDS EAST A DISTANCE OF 10550.55 FEET TO A POINT FOR CORNER;
AND ENCLOSING 958.042 ACRES OF LAND, MORE OR LESS.

(c) The legal notice of the intention to introduce a bill to create the North Celina Municipal Management District No. 3, setting forth the general substance of this section of this Act, has been published as provided by law, and the notice and a copy of a bill to create the North Celina Municipal Management District No. 3 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.

(d) The governor, one of the required recipients, has submitted the notice and a copy of a bill to create the North Celina Municipal Management District No. 3 to the Texas Commission on Environmental Quality.

(e) The Texas Commission on Environmental Quality has filed its recommendations relating to a bill to create the North Celina Municipal Management District No. 3 with the governor, lieutenant governor, and speaker of the house of representatives within the required time.

(f) 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 a bill to create the North Celina Municipal Management District No. 3 have been fulfilled and accomplished.