

**House Bill 4657**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SECTION 1. Subtitle C, Title 4, Special District Local Laws Code, is amended by adding Chapter 3979 to read as follows:

CHAPTER 3979. MONTGOMERY COUNTY MANAGEMENT DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 3979.0101. DEFINITIONS. In this chapter:

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

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

(3) "County" means Montgomery County.

(4) "Director" means a board member.

(5) "District" means the Montgomery County Management District No. 1.

Sec. 3979.0102. CREATION AND NATURE OF DISTRICT; IMMUNITY. (a) The district is a special district created under Section 59, Article XVI, Texas Constitution.

(b) The district is a governmental unit, as provided by Section 375.004, Local Government Code.

(c) This chapter does not waive any governmental or sovereign immunity from suit, liability, or judgment that would otherwise apply to the district.

Sec. 3979.0103. PURPOSE; DECLARATION OF INTENT. (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.

(b) By creating the district, the legislature has established a program to accomplish the public purposes set out in Sections 52 and 52-a, Article III, Texas Constitution.

(c) The creation of the district is necessary to promote, develop, encourage, and maintain employment, commerce,

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transportation, housing, tourism, recreation, the arts, entertainment, economic development, safety, and the public welfare in the district.

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

Sec. 3979.0104. FINDINGS OF BENEFIT AND PUBLIC PURPOSE. (a) 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.

(b) The district is created to serve a public use and benefit.

(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; and
- (3) developing or expanding transportation and commerce.

(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 community and business center;

(3) promote the health, safety, welfare, and enjoyment of the public by providing pedestrian ways, road facilities, transit facilities, parking facilities, recreational facilities, and public

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art objects and by landscaping and developing certain areas in the district, which are necessary for the restoration, preservation, and enhancement of scenic beauty; and  
(4) provide for water, wastewater, and drainage facilities for the district.

(e) 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.

(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. 3979.0105. 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 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 bonds for the purposes for which the district is created or to pay the principal of and interest on the bonds;

(3) right to impose or collect an assessment or tax; or

(4) legality or operation.

Sec. 3979.0106. ELIGIBILITY FOR INCLUSION IN SPECIAL ZONES. 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;

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(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.

Sec. 3979.0107. APPLICABILITY OF MUNICIPAL MANAGEMENT DISTRICTS LAW. Except as otherwise provided by this chapter, Chapter 375, Local Government Code, applies to the district.

Sec. 3979.0108. LIBERAL CONSTRUCTION OF CHAPTER. This chapter shall be liberally construed in conformity with the findings and purposes stated in this chapter.

Sec. 3979.0109. CONFLICTS OF LAW. This chapter prevails over any provision of general law, including a provision of Chapter 375, Local Government Code, or Chapter 49, Water Code, that is in conflict or inconsistent with this chapter.

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 3979.0201. GOVERNING BODY; TERMS. (a) The district is governed by a board of five directors elected or appointed as provided by this chapter and Subchapter D, Chapter 49, Water Code.

(b) Except as provided by Section 3979.0203, directors serve staggered four-year terms.

Sec. 3979.0202. COMPENSATION. A director is entitled to receive fees of office and reimbursement for actual expenses as provided by Section 49.060, Water Code, Sections 375.069 and 375.070, Local Government Code, do not apply to the board.

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Sec. 3979.0203. TEMPORARY DIRECTORS. (a) On or after the effective date of the Act enacting this chapter, 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 roll for the county 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) The temporary directors shall hold an election to elect five permanent directors as provided by Section 49.102, Water Code.

(c) Temporary directors serve until the earlier of:

(1) the date permanent directors are elected under Subsection (b); or

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

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

(1) the date permanent directors are elected under Subsection (b); or

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

(e) If Subsection (d) 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 roll for the county may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition.

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Sec. 3979.0204. DISQUALIFICATION OF DIRECTORS. Section 49.052, Water Code, applies to the members of the board.

SUBCHAPTER C. POWERS AND DUTIES

Sec. 3979.0301. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.

Sec. 3979.0302. IMPROVEMENT PROJECTS AND SERVICES. (a) The district, using any money available to the district for the purpose, may 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 contract with a governmental or private entity to carry out an action under Subsection (a).

(c) The implementation of a district project or service is a governmental function or service for the purposes of Chapter 791, Government Code.

Sec. 3979.0303. RECREATIONAL FACILITIES. The district may develop or finance recreational facilities as authorized by Chapter 375, Local Government Code, Sections 52 and 52-a, Article III, Texas Constitution, Section 59, Article XVI, Texas Constitution, and any other law that applies to the district.

Sec. 3979.0304. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may own, operate, maintain, design, acquire, construct, finance, issue bonds, notes, or other obligations for, improve, and convey to this state, a county, or a municipality for ownership, operation, and maintenance macadamized,

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graveled, or paved roads or improvements, including storm drainage, in aid of those roads.

Sec. 3979.0305. CONVEYANCE AND APPROVAL OF ROAD PROJECT. (a) The district may convey a road project authorized by Section 3979.0304 to:

(1) a municipality or county that will operate and maintain the road if the municipality or county has approved the plans and specifications of the road project; or

(2) the state if the state will operate and maintain the road and the Texas Transportation Commission has approved the plans and specifications of the road project.

(b) Except as provided by Subsection (c), the district shall operate and maintain a road project authorized by Section 3979.0304 that the district implements and does not convey to a municipality, a county, or this state under Subsection (a).

(c) The district may agree in writing with a municipality, a county, or this state to assign operation and maintenance duties to the district, the municipality, the county, or this state in a manner other than the manner described in Subsections (a) and (b).

Sec. 3979.0306. NONPROFIT CORPORATION. (a) The board by resolution may authorize the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service authorized by this chapter.

(b) The nonprofit corporation:

(1) has each power of and is considered to be a local government corporation created under Subchapter D, Chapter 431, Transportation Code; and

(2) may implement any project and provide any service authorized by this chapter.

(c) The board shall appoint the board of directors of the nonprofit corporation. The board of directors of the nonprofit

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Sec. 3979.0307. LAW ENFORCEMENT SERVICES. Section 49.216, Water Code, applies to the district.

Sec. 3979.0308. MEMBERSHIP IN CHARITABLE ORGANIZATIONS. The district may join and pay dues to a charitable or nonprofit organization that performs a service or provides an activity consistent with the furtherance of a district purpose.

Sec. 3979.0309. ECONOMIC DEVELOPMENT PROGRAMS. (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. 3979.0310. STRATEGIC PARTNERSHIP AGREEMENT. The district may negotiate and enter into a written strategic partnership agreement with a municipality under Section 43.0751, Local Government Code.

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Sec. 3979.0311. REGIONAL PARTICIPATION AGREEMENT. The district may negotiate and enter into a written regional participation agreement with a municipality under Section 43.0754, Local Government Code.

Sec. 3979.0312. PARKING FACILITIES. (a) The district may acquire, lease as lessor or lessee, construct, develop, own, operate, and maintain parking facilities or a system of parking facilities, including lots, garages, parking terminals, or other structures or accommodations for parking motor vehicles off the streets and related appurtenances.

(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

(c) The district's parking facilities are parts of and necessary components of a street and are considered to be a street or road improvement.

(d) The development and operation of the district's parking facilities may be considered an economic development program.

Sec. 3979.0313. ADDING OR EXCLUDING LAND. (a) The district may add land as provided by Subchapter J, Chapter 49, Water Code.

(b) The district may exclude land as provided by Subchapter J, Chapter 49, Water Code. Section 375.044(b), Local Government Code, does not apply to the district.

(c) The district may include and exclude land as provided by Sections 54.739-54.747, Water Code. A reference in those sections to a "tax" means an ad valorem tax for the purposes of this subsection.

(d) If the district adopts a sales and use tax authorized at an election held under Section 3979.0602 and subsequently

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(b) The district's parking facilities serve the public purposes of the district and are owned, used, and held for a public purpose even if leased or operated by a private entity for a term of years.

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includes new territory in the district under this section, the district:

(1) is not required to hold another election to approve the imposition of the sales and use tax in the included territory; and

(2) shall impose the sales and use tax in the included territory as provided by Chapter 321, Tax Code.

(e) If the district adopts a sales and use tax authorized at an election held under Section 3979.0602 and subsequently excludes territory in the district under this section, the sales and use tax is inapplicable to the excluded territory, as provided by Chapter 321, Tax Code, but is applicable to the territory remaining in the district.

Sec. 3979.0314. 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 district money.

Sec. 3979.0315. AUDIT EXEMPTION. (a) The district may elect to complete an annual financial report in lieu of an annual audit under Section 375.096(a)(6), Local Government Code, if:

(1) the district had no bonds or other long-term (more than one year) liabilities outstanding during the fiscal period;

(2) the district did not have gross receipts from operations, loans, taxes, assessments, or contributions in excess of \$250,000 during the fiscal period; and

(3) the district's cash and temporary investments were not in excess of \$250,000 during the fiscal period.

(b) Each annual financial report prepared in accordance with this section must be open to public inspection and accompanied by an affidavit signed by a duly authorized

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(2) shall impose the sales and use tax in the included territory as provided by Chapter 321, Tax Code.

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representative of the district attesting to the accuracy and authenticity of the financial report.

(c) The annual financial report and affidavit shall be substantially similar in form to the annual financial report and affidavit forms prescribed by the executive director of the commission under Section 49.198, Water Code.

Sec. 3979.0316. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

SUBCHAPTER D. ASSESSMENTS

Sec. 3979.0401. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Sec. 3979.0402. 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. 3979.0403. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(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

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representative of the district attesting to the accuracy and authenticity of the financial report.

(c) The annual financial report and affidavit shall be substantially similar in form to the annual financial report and affidavit forms prescribed by the executive director of the commission under Section 49.198, Water Code.

Sec. 3979.0316. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

SUBCHAPTER D. ASSESSMENTS

Sec. 3979.0401. PETITION REQUIRED FOR FINANCING SERVICES AND IMPROVEMENTS WITH ASSESSMENTS. (a) The board may not finance a service or improvement project with assessments under this chapter unless a written petition requesting that service or improvement has been filed with the board.

(b) A petition filed under Subsection (a) must be signed by the owners of a majority of the assessed value of real property in the district subject to assessment according to the most recent certified tax appraisal roll for the county.

Sec. 3979.0402. 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. 3979.0403. ASSESSMENTS; LIENS FOR ASSESSMENTS. (a) The board by resolution may impose and collect an assessment for any purpose authorized by this chapter in all or any part of the district.

(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

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reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

- (1) are a first and prior lien against the property assessed;
- (2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and
- (3) are 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.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3979.0501. TAX ELECTION REQUIRED. The district must hold an election in the manner provided by Chapter 49, Water Code, or, if applicable, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax.

Sec. 3979.0502. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election under Section 3979.0501, the district may impose an operation and maintenance tax on taxable property in the district in the manner provided by Section 49.107, Water Code, for any district purpose, including to:

- (1) maintain and operate the district;

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reassessment, an expense of collection, and reasonable attorney's fees incurred by the district:

- (1) are a first and prior lien against the property assessed;
- (2) are superior to any other lien or claim other than a lien or claim for county, school district, or municipal ad valorem taxes; and
- (3) are 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.

SUBCHAPTER E. TAXES AND BONDS

Sec. 3979.0501. TAX ELECTION REQUIRED. The district must hold an election in the manner provided by Chapter 49, Water Code, or, if applicable, Chapter 375, Local Government Code, to obtain voter approval before the district may impose an ad valorem tax.

Sec. 3979.0502. OPERATION AND MAINTENANCE TAX. (a) If authorized by a majority of the district voters voting at an election under Section 3979.0501, the district may impose an operation and maintenance tax on taxable property in the district in the manner provided by Section 49.107, Water Code, for any district purpose, including to:

- (1) maintain and operate the district;

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(2) construct or acquire improvements; or  
(3) provide a service.  
(b) The board shall determine the operation and maintenance tax rate. The rate may not exceed the rate approved at the election.  
(c) Section 49.107(h), Water Code, does not apply to the district.  
Sec. 3979.0503. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS.  
(a) The district may borrow money on terms determined by the board.  
(b) The district, by competitive bid or negotiated sale, may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.  
(c) The limitation on the outstanding principal amount of bonds, notes, or other obligations provided by Section 49.4645, Water Code, does not apply to the district.  
Sec. 3979.0504. BONDS SECURED BY REVENUE OR CONTRACT PAYMENTS. The district may issue, without an election, bonds secured by:  
(1) revenue other than ad valorem taxes, including contract revenues; or  
(2) contract payments, provided that the requirements of Section 49.108, Water Code, have been met.  
Sec. 3979.0505. BONDS SECURED BY AD VALOREM TAXES; ELECTIONS. (a) If authorized at an election under Section 3979.0501, the district may issue bonds payable from ad valorem taxes.

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(2) construct or acquire improvements; or  
(3) provide a service.  
(b) The board shall determine the operation and maintenance tax rate. The rate may not exceed the rate approved at the election.  
(c) Section 49.107(h), Water Code, does not apply to the district.  
Sec. 3979.0503. AUTHORITY TO BORROW MONEY AND TO ISSUE BONDS AND OTHER OBLIGATIONS.  
(a) The district may borrow money on terms determined by the board.  
(b) The district, by competitive bid or negotiated sale, may issue bonds, notes, or other obligations payable wholly or partly from ad valorem taxes, assessments, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources of money, to pay for any authorized district purpose.  
(c) The limitation on the outstanding principal amount of bonds, notes, or other obligations provided by Section 49.4645, Water Code, does not apply to the district.  
Sec. 3979.0504. BONDS SECURED BY REVENUE OR CONTRACT PAYMENTS. The district may issue, without an election, bonds secured by:  
(1) revenue other than ad valorem taxes, including contract revenues; or  
(2) contract payments, provided that the requirements of Section 49.108, Water Code, have been met.  
Sec. 3979.0505. BONDS SECURED BY AD VALOREM TAXES; ELECTIONS. (a) If authorized at an election under Section 3979.0501, the district may issue bonds payable from ad valorem taxes.

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(b) Section 375.243, Local Government Code, does not apply to the district.

(c) 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 annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Sec. 3979.0506. CONSENT OF MUNICIPALITY REQUIRED. (a) The board may not issue bonds 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.

(b) This section applies only to the district's first issuance of bonds payable from ad valorem taxes.

SUBCHAPTER F. SALES AND USE TAX

Sec. 3979.0601. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS. (a) Chapter 321, Tax Code, governs the imposition, computation, administration, enforcement, and collection of the sales and use tax authorized by this subchapter except to the extent Chapter 321, Tax Code, is inconsistent with this chapter.

(b) A reference in Chapter 321, Tax Code, to a municipality or the governing body of a municipality is a reference to the district or the board, respectively.

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(b) Section 375.243, Local Government Code, does not apply to the district.

(c) 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 annual ad valorem tax, without limit as to rate or amount, for each year that all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.

(d) All or any part of any facilities or improvements that may be acquired by a district by the issuance of its bonds may be submitted as a single proposition or as several propositions to be voted on at the election.

Sec. 3979.0506. CONSENT OF MUNICIPALITY REQUIRED. (a) The board may not issue bonds 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.

(b) This section applies only to the district's first issuance of bonds payable from ad valorem taxes.

SUBCHAPTER F. SALES AND USE TAX

Sec. 3979.0601. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS. (a) Chapter 321, Tax Code, governs the imposition, computation, administration, enforcement, and collection of the sales and use tax authorized by this subchapter except to the extent Chapter 321, Tax Code, is inconsistent with this chapter.

(b) A reference in Chapter 321, Tax Code, to a municipality or the governing body of a municipality is a reference to the district or the board, respectively.

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Sec. 3979.0602. ELECTION; ADOPTION OF TAX. (a) The district may adopt a sales and use tax if authorized by a majority of the voters of the district voting at an election held for that purpose.

(b) The board by order may call an election to authorize the adoption of the sales and use tax. The election may be held on any uniform election date and in conjunction with any other district election.

(c) The ballot shall be printed to provide for voting for or against the proposition: "Authorization of a sales and use tax in the Montgomery County Management District No. 1 at a rate not to exceed \_\_\_\_\_ percent" (insert rate of one or more increments of one-eighth of one percent).

Sec. 3979.0603. SALES AND USE TAX RATE. (a) On or after the date the results are declared of an election held under Section 3979.0602, at which the voters approved imposition of the tax authorized by this subchapter, the board shall determine and adopt by resolution or order the initial rate of the tax, which must be in one or more increments of one-eighth of one percent.

(b) After the election held under Section 3979.0602, the board may increase or decrease the rate of the tax by one or more increments of one-eighth of one percent.

(c) The initial rate of the tax or any rate resulting from subsequent increases or decreases may not exceed the lesser of:

(1) the maximum rate authorized by the district voters at the election held under Section 3979.0602; or

(2) a rate that, when added to the rates of all sales and use taxes imposed by other political subdivisions with territory in the district, would result in the maximum combined rate

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Sec. 3979.0602. ELECTION; ADOPTION OF TAX. (a) The district may adopt a sales and use tax if authorized by a majority of the voters of the district voting at an election held for that purpose.

(b) The board by order may call an election to authorize the adoption of the sales and use tax. The election may be held on any uniform election date and in conjunction with any other district election.

(c) The ballot shall be printed to provide for voting for or against the proposition: "Authorization of a sales and use tax in the Montgomery County Management District No. 1 at a rate not to exceed \_\_\_\_\_ percent" (insert rate of one or more increments of one-eighth of one percent).

Sec. 3979.0603. SALES AND USE TAX RATE. (a) On or after the date the results are declared of an election held under Section 3979.0602, at which the voters approved imposition of the tax authorized by this subchapter, the board shall determine and adopt by resolution or order the initial rate of the tax, which must be in one or more increments of one-eighth of one percent.

(b) After the election held under Section 3979.0602, the board may increase or decrease the rate of the tax by one or more increments of one-eighth of one percent.

(c) The initial rate of the tax or any rate resulting from subsequent increases or decreases may not exceed the lesser of:

(1) the maximum rate authorized by the district voters at the election held under Section 3979.0602; or

(2) a rate that, when added to the rates of all sales and use taxes imposed by other political subdivisions with territory in the district, would result in the maximum combined rate

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prescribed by Section 321.101(f), Tax Code, at any location in the district.

Sec. 3979.0604. TAX AFTER MUNICIPAL ANNEXATION. (a) This section applies to the district after a municipality annexes part of the territory in the district and imposes the municipality's sales and use tax in the annexed territory.

(b) If at the time of annexation the district has outstanding debt or other obligations payable wholly or partly from district sales and use tax revenue, Section 321.102(g), Tax Code, applies to the district.

(c) If at the time of annexation the district does not have outstanding debt or other obligations payable wholly or partly from district sales and use tax revenue, the district may:

(1) exclude the annexed territory from the district, if the district has no outstanding debt or other obligations payable from any source; or

(2) reduce the sales and use tax in the annexed territory by resolution or order of the board to a rate that, when added to the sales and use tax rate imposed by the municipality in the annexed territory, is equal to the sales and use tax rate imposed by the district in the district territory that was not annexed by the municipality.

Sec. 3979.0605. NOTIFICATION OF RATE CHANGE. The board shall notify the comptroller of any changes made to the tax rate under this subchapter in the same manner the municipal secretary provides notice to the comptroller under Section 321.405(b), Tax Code.

Sec. 3979.0606. USE OF REVENUE. Revenue from the sales and use tax imposed under this subchapter is for the use and benefit of the district and may be used for any district

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prescribed by Section 321.101(f), Tax Code, at any location in the district.

Sec. 3979.0604. TAX AFTER MUNICIPAL ANNEXATION. (a) This section applies to the district after a municipality annexes part of the territory in the district and imposes the municipality's sales and use tax in the annexed territory.

(b) If at the time of annexation the district has outstanding debt or other obligations payable wholly or partly from district sales and use tax revenue, Section 321.102(g), Tax Code, applies to the district.

(c) If at the time of annexation the district does not have outstanding debt or other obligations payable wholly or partly from district sales and use tax revenue, the district may:

(1) exclude the annexed territory from the district, if the district has no outstanding debt or other obligations payable from any source; or

(2) reduce the sales and use tax in the annexed territory by resolution or order of the board to a rate that, when added to the sales and use tax rate imposed by the municipality in the annexed territory, is equal to the sales and use tax rate imposed by the district in the district territory that was not annexed by the municipality.

Sec. 3979.0605. NOTIFICATION OF RATE CHANGE. The board shall notify the comptroller of any changes made to the tax rate under this subchapter in the same manner the municipal secretary provides notice to the comptroller under Section 321.405(b), Tax Code.

Sec. 3979.0606. USE OF REVENUE. Revenue from the sales and use tax imposed under this subchapter is for the use and benefit of the district and may be used for any district

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purpose. The district may pledge all or part of the revenue to the payment of bonds, notes, or other obligations, and that pledge of revenue may be in combination with other revenue, including tax revenue, available to the district.

Sec. 3979.0607. ABOLITION OF TAX. (a) Except as provided by Subsection (b), the board may abolish the tax imposed under this subchapter without an election.

(b) The board may not abolish the tax imposed under this subchapter if the district has outstanding debt secured by the tax, and repayment of the debt would be impaired by the abolition of the tax.

(c) If the board abolishes the tax, the board shall notify the comptroller of that action in the same manner the municipal secretary provides notice to the comptroller under Section 321.405(b), Tax Code.

(d) If the board abolishes the tax or decreases the tax rate to zero, a new election to authorize a sales and use tax must be held under Section 3979.0602 before the district may subsequently impose the tax.

(e) This section does not apply to a decrease in the sales and use tax authorized under Section 3979.0604(c)(2).

SUBCHAPTER G. HOTEL OCCUPANCY TAX

Sec. 3979.0701. DEFINITION. In this subchapter, "hotel" has the meaning assigned by Section 156.001, Tax Code.

Sec. 3979.0702. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS. (a) For purposes of this subchapter:

(1) a reference in Subchapter A, Chapter 352, Tax Code, to a county is a reference to the district; and

(2) a reference in Subchapter A, Chapter 352, Tax Code, to the commissioners court is a reference to the board.

(b) Except as inconsistent with this subchapter, Subchapter A, Chapter 352, Tax Code, governs a hotel occupancy tax

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purpose. The district may pledge all or part of the revenue to the payment of bonds, notes, or other obligations, and that pledge of revenue may be in combination with other revenue, including tax revenue, available to the district.

Sec. 3979.0607. ABOLITION OF TAX. (a) Except as provided by Subsection (b), the board may abolish the tax imposed under this subchapter without an election.

(b) The board may not abolish the tax imposed under this subchapter if the district has outstanding debt secured by the tax, and repayment of the debt would be impaired by the abolition of the tax.

(c) If the board abolishes the tax, the board shall notify the comptroller of that action in the same manner the municipal secretary provides notice to the comptroller under Section 321.405(b), Tax Code.

(d) If the board abolishes the tax or decreases the tax rate to zero, a new election to authorize a sales and use tax must be held under Section 3979.0602 before the district may subsequently impose the tax.

(e) This section does not apply to a decrease in the sales and use tax authorized under Section 3979.0604(c)(2).

SUBCHAPTER G. HOTEL OCCUPANCY TAX

Sec. 3979.0701. DEFINITION. In this subchapter, "hotel" has the meaning assigned by Section 156.001, Tax Code.

Sec. 3979.0702. APPLICABILITY OF CERTAIN TAX CODE PROVISIONS. (a) For purposes of this subchapter:

(1) a reference in Subchapter A, Chapter 352, Tax Code, to a county is a reference to the district; and

(2) a reference in Subchapter A, Chapter 352, Tax Code, to the commissioners court is a reference to the board.

(b) Except as inconsistent with this subchapter, Subchapter A, Chapter 352, Tax Code, governs a hotel occupancy tax

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authorized by this subchapter, including the collection of the tax, subject to the limitations prescribed by Sections 352.002(b) and (c), Tax Code.

Sec. 3979.0703. TAX AUTHORIZED; USE OF REVENUE. The district may impose a hotel occupancy tax for any purpose described by Section 351.101 or 352.101, Tax Code.

Sec. 3979.0704. TAX RATE. (a) The amount of the hotel occupancy tax may not exceed the lesser of:

(1) the maximum rate prescribed by Section 352.003(a), Tax Code; or

(2) a rate that, when added to the rates of all hotel occupancy taxes imposed by other political subdivisions with territory in the district and by this state, does not exceed the sum of the rate prescribed by Section 351.0025(b), Tax Code, plus two percent.

(b) The district tax is in addition to a tax imposed by a municipality under Chapter 351, Tax Code, or by the county under Chapter 352, Tax Code.

Sec. 3979.0705. INFORMATION. The district may examine and receive information related to the imposition of hotel occupancy taxes to the same extent as if the district were a county.

Sec. 3979.0706. USE OF REVENUE. The district may use revenue from the hotel occupancy tax for any district purpose that is an authorized use of hotel occupancy tax revenue under Chapter 351 or 352, Tax Code. The district may pledge all or part of the revenue to the payment of bonds, notes, or other obligations and that pledge of revenue may be in combination with other revenue available to the district.

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authorized by this subchapter, including the collection of the tax, subject to the limitations prescribed by Sections 352.002(b) and (c), Tax Code.

Sec. 3979.0703. TAX AUTHORIZED; USE OF REVENUE. The district may impose a hotel occupancy tax for any purpose described by Section 351.101 or 352.101, Tax Code.

Sec. 3979.0704. TAX RATE. (a) The amount of the hotel occupancy tax may not exceed the lesser of:

(1) the maximum rate prescribed by Section 352.003(a), Tax Code; or

(2) a rate that, when added to the rates of all hotel occupancy taxes imposed by other political subdivisions with territory in the district and by this state, does not exceed the sum of the rate prescribed by Section 351.0025(b), Tax Code, plus two percent.

(b) The district tax is in addition to a tax imposed by a municipality under Chapter 351, Tax Code, or by the county under Chapter 352, Tax Code.

Sec. 3979.0705. INFORMATION. The district may examine and receive information related to the imposition of hotel occupancy taxes to the same extent as if the district were a county.

Sec. 3979.0706. USE OF REVENUE. The district may use revenue from the hotel occupancy tax for any district purpose that is an authorized use of hotel occupancy tax revenue under Chapter 351 or 352, Tax Code. The district may pledge all or part of the revenue to the payment of bonds, notes, or other obligations and that pledge of revenue may be in combination with other revenue available to the district.

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Sec. 3979.0707. ABOLITION OF TAX. (a) Except as provided by Subsection (b), the board may abolish the tax imposed under this subchapter.

(b) The board may not abolish the tax imposed under this subchapter if the district has outstanding debt secured by the tax, and repayment of the debt would be impaired by the abolition of the tax.

SUBCHAPTER I. DISSOLUTION BY BOARD

Sec. 3979.0901. DISSOLUTION OF DISTRICT WITH OUTSTANDING DEBT. (a)

The board may dissolve the district regardless of whether the district has debt.

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Sec. 3979.0707. ABOLITION OF TAX. (a) Except as provided by Subsection (b), the board may abolish the tax imposed under this subchapter.

(b) The board may not abolish the tax imposed under this subchapter if the district has outstanding debt secured by the tax, and repayment of the debt would be impaired by the abolition of the tax.

SUBCHAPTER I. DISSOLUTION BY BOARD

Sec. 3979.0901. DISSOLUTION.

(a) The board shall dissolve the district on written petition filed with the board by the owners of:

(1) 66 percent or more of the assessed value of the property subject to assessment by the district based on the most recent certified county property tax rolls; or

(2) 66 percent or more of the surface area of the district, excluding roads, streets, highways, utility rights-of-way, other public areas, and other property exempt from assessment by the district according to the most recent certified county property tax rolls.

(b) The board by majority vote may dissolve the district at any time.

(c) The district may not be dissolved by its board under Subsection (a) or (b) if the district:

(1) has any outstanding bonded indebtedness until that bonded indebtedness has been repaid or defeased in accordance with the order or resolution authorizing the issuance of the bonds;

(2) has a contractual obligation to pay money until that obligation has been fully paid in accordance with the contract; or

(3) owns, operates, or maintains public works, facilities, or improvements unless the district contracts with another

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Section 375.264, Local Government Code, does not apply to the district.

(b) If the district has debt when it is dissolved, the district shall remain in existence solely for the purpose of discharging its debts. The dissolution is effective when all debts have been discharged.

SECTION 2. The Montgomery County Management District No. 1 initially includes all the territory contained in the following area:

TRACT 1

A metes and bounds description of a 279.07 acre tract of land situated in the Edward Taylor Survey, Abstract Number 554, Montgomery County, Texas; being all of a called 279.65 acre tract conveyed to Mitchell Energy Corporation by Surface Deed and Subsurface Easement dated January 1, 1995 and filed for record under Clerk's File No. 9509774 of the Montgomery County Official Public Records of Real Property; said 279.07 acres being more particularly described as follows with all bearing based on the Texas Coordinate System of 1983, Central Zone:

BEGINNING at a found 1/2-inch iron rod in the apparent west right-of-way of Cripple Creek Drive North, for an angle corner in the north line of Lot 1 of Galleria Oaks Estates as shown on a plat filed for record in Cabinet B, Sheet 79 of the Montgomery County Map Records and the southeast corner of said 279.65 acres, same being the southeast corner of the herein described tract, from which a found 1/2-inch iron rod bears North 77°23'58" East, 38.23 feet;

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person for the ownership, operation, or maintenance of the public works, facilities, or improvements.

(d) Sections 375.261, 375.262, and 375.264, Local Government Code, do not apply to the district.

SECTION 2. Same as House version.

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THENCE, South 86°25'45" West, along the north line of Lots 1- 7 of said Galleria Oaks Estates and the south line of said 279.65 acres, passing a found 1-inch iron pipe at 244.84 feet, a found axle at 544.26 feet, 5.56 feet right, a found 8-inch by 8-inch concrete monument at 544.89 feet, 4.90 feet right, and a found 1-inch iron pipe at 1170.28 feet, continuing for a total distance of 1988.05 feet (called 1997.31) to a set 3/4-inch iron rod (with cap stamped "Jones|Carter Property Corner") in the northeast right-of-way of the Union Pacific Railroad (formerly I & G.N. Railroad Company) (width varies) filed for record under Volume 26, Page 351 of the Montgomery County Deed Records, for the south corner of the herein described tract, from which a found 8-inch by 8-inch concrete monument bears South 86°25'45" West, 9.14 feet;

THENCE, along the northeast right-of-way of the said Union Pacific Railroad and the southwest line of the herein described tract the following five (5) courses and distances:

1. North 59°15'02" West, 1127.60 feet, departing the north line of said Lot 7, to a set 3/4-inch iron rod (with cap stamped "Jones|Carter Property Corner");
2. North 30°44'58" East, 25.00 feet to a set 3/4-inch iron rod (with cap stamped "Jones|Carter Property Corner");
3. North 59°15'02" West, 600.00 feet to a set 3/4-inch iron rod (with cap stamped "Jones|Carter Property Corner");
4. South 30°44'58" West, 25.00 feet to a set 3/4-inch iron rod (with cap stamped "Jones|Carter Property Corner");
5. North 59°15'02" West, 1371.85 feet to a set 3/4-inch iron rod (with cap stamped "Jones|Carter Property Corner") in the south line of a called 139.384 acre tract conveyed to Norma Helen Schoessow by Special Warranty Deed dated October 23, 1995 and filed for record under Clerk's File No. 9559657

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of the Montgomery County Official Public Records of Real Property, for the west corner of the herein described tract, from which a found 8-inch by 8-inch concrete monument bears South 87°11'00" East, 8.79 feet;

THENCE, North 87°11'00" East, 2105.63 feet (called 2114.59 feet), departing the northeast right-of-way of the said Union Pacific Railroad, along the south line of said 139.384 acres, a north line of said 279.65 acres, and a north line of the herein described tract to a found 8-inch by 8-inch concrete monument, for an angle corner for said 139.384 acres, said 279.65 acres, and the herein described tract;

THENCE, North 32°44'24" East, along the southeast line of said 139.384 acres, the northwest line of said 279.65 acres, and the northwest line of the herein described tract, passing a found 1/2-inch iron rod (bent) at 2037.03 feet, 4.74 feet right, continuing for a total distance of 2056.48 feet to a found 1-inch pinched top pipe, for an angle corner for said 139.384 acres, said 279.65 acres, and the herein described tract;

THENCE, North 02°29'44" West, 2678.96 feet (called 2681.84 feet) along the east line of said 139.384 acres, the west line of said 279.65 acres, and the west line of the herein described tract to a found 8-inch by 8-inch concrete monument in the south line of a called 77.051 acre tract conveyed to Susan Halstead, Vincent S. Halstead, Steven B. Schoessow, Clarice J. Fore, Curtis F. Schoessow, Douglas P. Schoessow, Jana B. McNeil and Adrienne Leigh Fore by Gift Deed dated October 10, 2014 and filed for record under Clerk's File No. 2014100067 of the Montgomery County Official Public Records of Real Property, for the northeast corner of said 139.384 acres and the northwest corner of said 279.65 acres, same being the northwest corner of the herein

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described tract, from which a found 1/2-inch iron pipe bears North 01°41'45" East, 0.61 feet;

THENCE, North 86°56'34" East, along the south line of said 77.051 acres, the north line of said 279.65 acres, and the north line of the herein described tract, passing a found 1-inch pinched top pipe at 298.14 feet, continuing along the north line of said 279.65 acres and the north line of the herein described tract for a total distance of 715.80 feet to a set 3/4-inch iron rod (with cap stamped "Jones|Carter Property Corner") for an angle corner;

THENCE, North 86°38'34" East, 561.72 feet (called 561.50 feet), continuing along the north line of said 279.65 acres and the north line of the herein described tract to a found 1/2-inch iron pipe in the apparent east line of the Edward Taylor Survey, Abstract Number 554 and the apparent west line of the Leander Wescott Survey, Abstract Number 616, for the southeast corner of a called 10 acre tract conveyed to Axe Em Investments, L.P. by Special Warranty Deed dated October 1, 2003 and filed for record under Clerk's File No. 2003-134286 of the Montgomery County Official Public Records of Real Property and the northeast corner of said 279.65 acres, same being the northeast corner of the herein described tract, from which a found 1/2-inch iron rod bears North 03°18'03" West, 941.08 feet;

THENCE, South 02°35'38" East, along the apparent east line of the Edward Taylor Survey, Abstract Number 554, the apparent west line of the Leander Wescott Survey, Abstract Number 616, the east line of said 279.65 acres and the east line of the herein described tract, passing a found 1/2-inch iron pipe at a distance of 2090.96 feet, 12.71 feet right, a found 5/8-inch iron rod at a distance of 2094.87 feet, 12.74 feet right and a found 3/4-inch iron rod (with cap stamped

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"Jones|Carter Property Corner") (previously set for survey of adjoining acreage) at a distance of 2107.96 feet, continuing along apparent east line of the Edward Taylor Survey, Abstract Number 554, the apparent west line of the Robin George Survey, Abstract Number 470, the apparent west line of the Leander Wescott Survey, Abstract Number 615, the west line of Block 4 of Cripple Creek Farms North Section Three (an unrecorded subdivision), the east line of said 279.65 acres and the east line of the herein described tract, same being the common line of a Boundary Agreement dated August 11, 1958 filed for record in Volume 458, Page 386 of the Montgomery County Deed Records, passing a found 1/2-inch iron pipe at a distance of 2978.61 feet, 4.46 feet right, a found 1/2-inch iron pipe at a distance of 3178.70 feet, 4.50 feet right, a found 5/8-inch iron rod at a distance of 3408.76 feet, 4.96 feet right, a found 1/2-inch iron pipe at a distance of 3638.37 feet, 5.76 feet right, a found 1/2-inch iron pipe at a distance of 3846.97 feet, 5.42 feet right, a found 1/2-inch iron pipe at a distance of 4046.44 feet, 4.77 feet right, a found 3/4-inch iron rod at a distance of 4246.56 feet, 4.32 feet right, a found 1/2-inch iron pipe at a distance of 4446.96 feet, 5.22 feet right, a found 1/2-inch iron pipe at a distance of 4646.61 feet, 6.40 feet right, a found 5/8-inch iron rod at a distance of 4845.95 feet, 6.30 feet right, a found 1/2-inch iron pipe at a distance of 5044.96 feet, 6.79 feet right, a found 1/2-inch iron pipe at a distance of 5644.64 feet, 6.54 feet right, a found 1/4-inch iron pipe at a distance of 5665.25 feet, 7.16 feet right, a found 5/8-inch iron rod at a distance of 5665.30 feet, 6.86 feet right, continuing for a total distance of 6047.81 feet (called 6051.88 feet) to the POINT OF BEGINNING, CONTAINING 279.07 acres of

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land in Montgomery County, Texas, as shown on drawing number 9629-A.

TRACT 2

A METES AND BOUNDS description of a 842.23 acre tract of land situated in the Charles Frazier Survey, Abstract Number 206, the Andrew J. Hensley Survey, Abstract Number 255, the Azariah Prather Survey, Abstract Number 427 and the Leander Wescott Survey, Abstract Number 616, Montgomery County, Texas; being out of and a part of a called 881.183 acre tract (Tract 1) conveyed to Mitchell Energy Corporation by Special Warranty Deed dated July 31, 1997 and filed for record under Clerk's File No. 9746155 of the Montgomery County Official Public Records of Real Property; said 842.23 acres being more particularly described as follows with all bearings based on the Texas Coordinate System of 1983, Central Zone:

BEGINNING at a found 3-inch iron pipe for the north corner Greentree Forest Estates (an Unrecorded Subdivision), same being an interior corner of the herein described tract;

THENCE, South 42°47'48" West, along the northwest line of said Greentree Forest Estates and a southeast line of said 881.183 acres, passing a found 5/8-inch iron rod at 256.52 feet, a found 1/2-inch iron rod at 374.49 feet, 0.17 feet left, a found 5/8-inch iron rod at 847.40 feet, a found 5/8-inch iron rod at 965.59 feet, 0.38 feet right, a found 1/2-inch iron rod at 1202.01 feet, a found 1/2-inch iron rod at 1442.52 feet, 1.05 feet right, a found 5/8-inch iron rod at 1686.50 feet and a found 1/2-inch iron rod at 1921.45 feet, continuing for a total distance of 2155.95 feet (called 2155.95 feet) to a set 3/4-inch iron rod (with cap stamped "Jones|Carter Property Corner") in the northeast line of called 4.615 acre tract, known as Tract 17, Block 4 of Cripple Creek Farms North

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Section Three (an unrecorded subdivision), conveyed to Larry Dan McQuerry and wife, Mary Margaret McQuerry by General Warranty Deed dated April 2, 1980 and filed for record under Clerk's File No. 8011618 of the Montgomery County Official Public Records of Real Property, for a southwest corner of the herein described tract, from which a found 1/2-inch iron rod bears South 47°45'18" East, 171.07 feet;

THENCE, North 47°25'32" West, 433.31 feet (called 1246.42 feet), departing the northwest line of said Greentree Forest Estates, along the northeast line of said 4.615 acres and a southwest line of said 881.183 acres to a set 3/4-inch iron rod (with cap stamped "Jones|Carter Property Corner") in the east line of a called 279.65 acre tract conveyed to Mitchell Energy Corporation by Surface Deed and Subsurface Easement dated January 1, 1995 and file for record under Clerk's File No. 9509774 of the Montgomery County Official Public Records of Real Property, same being the apparent east line of the Edward Taylor Survey, Abstract Number 554 and the apparent west line of the Leander Wescott Survey, Abstract Number 616, from which found 3-1/2" iron pipe bears North 47°25'32" West, 812.94 feet, and a found 1/2-inch iron rod bears South 02°35'38" East, 3939.85 feet;

THENCE, North 02°35'38" West, departing the northeast line of said 4.615 acres, along the east line of said 279.65 acres, the apparent east line of the Edward Taylor Survey, Abstract Number 554 and the apparent west line of the Leander Wescott Survey, Abstract Number 616, passing a 5/8-inch iron rod at 13.09 feet, 12.74 feet left and a found 1/2-inch iron pipe at 17.01 feet, 12.71 feet left, continuing for a total distance of 2107.96 feet to a found 1/2-inch iron

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pipe for the southeast corner of a called 10 acre tract conveyed to Axe Em Investments, L.P. by Special Warranty Deed dated October 1, 2003 and filed for record under Clerk's File No. 2003-134286 of the Montgomery County Official Public Records of Real Property, the northeast corner of said 279.65 acres and an angle point in the west line of the herein described tract, from which a found 3/4-inch iron rod (with cap stamped "Jones|Carter Property Corner") bears South 86°38'34" West, 561.72 feet; THENCE, North 03°18'03" West, continuing along the apparent east line of the Edward Taylor Survey, Abstract Number 554, the apparent west line of the Leander Wescott Survey, Abstract Number 616, and the east line of said 10 acres, passing a 1/2-inch iron rod at 220.99 feet, continuing along the east line of said 10 acres, the east line of a called 5 acre tract and another called 10 acre tract (hereinafter referred to as "northern 10 acres"), both conveyed to Axe Em Investments, L.P. by Special Warranty Deed dated October 1, 2003 and filed for record under Clerk's File No. 2003-134286 of the Montgomery County Official Public Records of Real Property for a total distance of 941.08 feet to a found 1/2-inch iron rod in the north line of said 881.183 acres for an angle point in the south line of a called 757.02 acre tract ("Tract III") conveyed to 1488 Corp. by Special Warranty Deed dated December 29, 2015 and filed for record under Clerk's File No. 2016002467 of the Montgomery County Official Public Records of Real Property, same being the northwest corner of the herein described tract, from which a found axle bears North 48°48'43" West, 728.19 feet and a found 3/4-inch pinched top pipe bears North 03°04'57" West, 1286.89 feet;

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THENCE, departing the east line of said northern 10 acres, the apparent east line of the Edward Taylor Survey, Abstract Number 554 and the apparent west line of the Leander Wescott Survey, Abstract Number 616, along the south line of said 757.02 acres and the north line of said 881.183 acres the following six (6) courses and distances:

1. South 48°52'00" East, 593.66 feet (called 1321.86 feet) to a found 3-inch iron pipe for an angle point;
2. North 42°00'28" East, 807.36 feet (called 807.98 feet) to a found 3-inch iron pipe;
3. North 43°20'46" East, 781.14 feet (called 779.36 feet) to a found 3/4-inch iron pipe;
4. North 41°41'25" East, 1538.43 feet (called 1540.14 feet) to a found 3-inch iron pipe;
5. North 42°24'04" East, 777.81 feet (called 778.99 feet) to a found 1/2-inch iron rod;
6. North 42°15'57" East, 706.71 feet (called 710.25 feet) to a point in the centerline of Mill Creek, for the west corner of a called 6.11186 acre tract, known as Tract 12 of Wildwood Estates (an unrecorded subdivision), conveyed to John M. Burdick and wife, Sandra A. Burdick by Warranty Deed dated October 14, 1991 and file for record under Clerk's File No. 9148107 of the Montgomery County Official Public Records of Real Property, same being the north corner of said 881.183 acres and the herein described tract, from which a found 1-inch iron pipe bears North 42°15'57" East, 1881.50 feet;

THENCE, departing the south line of said 757.02 acres, along the centerline meanders of said Mill Creek, same being the east line of said 881.183 acres, the following two-hundred and forty-six (246) courses and distances:

1. South 12°18'18" East, 20.94 feet to a point;

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2. South 22°23'59" East, 74.66 feet to a point;
3. South 42°53'52" West, 46.44 feet to a point;
4. South 36°58'56" West, 46.01 feet to a point;
5. South 09°52'55" East, 37.33 feet to a point;
6. North 87°56'29" East, 80.12 feet to a point;
7. South 45°12'31" East, 17.10 feet to a point;
8. South 10°52'22" East, 26.87 feet to a point;
9. South 02°05'39" East, 26.13 feet to a point;
10. South 12°44'29" East, 19.29 feet to a point;
11. South 04°45'43" West, 43.16 feet to a point;
12. South 35°59'36" East, 36.12 feet to a point;
13. South 09°16'25" West, 32.54 feet to a point;
14. South 12°40'55" West, 171.14 feet to a point;
15. South 06°14'53" East, 70.78 feet to a point;
16. South 41°23'52" East, 61.54 feet to a point;
17. South 14°42'38" East, 130.27 feet to a point;
18. South 23°55'53" East, 126.21 feet to a point;
19. South 10°03'51" East, 50.67 feet to a point;
20. South 36°50'20" East, 107.39 feet to a point;
21. South 10°43'38" East, 60.21 feet to a point;
22. South 21°14'15" West, 153.28 feet to a point;
23. South 22°33'14" West, 58.07 feet to a point;
24. South 05°35'01" West, 20.25 feet to a point;
25. South 61°22'44" East, 38.41 feet to a point;
26. South 69°02'33" East, 58.99 feet to a point;
27. South 12°12'50" East, 124.16 feet to a point;
28. South 32°31'48" East, 44.10 feet to a point;
29. South 57°36'47" East, 61.05 feet to a point;
30. South 53°27'39" East, 56.94 feet to a point;
31. South 33°14'19" East, 97.80 feet to a point;
32. South 21°00'11" East, 47.88 feet to a point;
33. South 00°14'08" West, 9.48 feet to a point;

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34. South 35°38'34" West, 15.42 feet to a point;
35. South 05°09'49" West, 35.23 feet to a point;
36. South 41°24'16" East, 29.71 feet to a point;
37. South 59°26'29" East, 22.32 feet to a point;
38. South 69°02'33" East, 324.70 feet to a point;
39. South 85°20'52" East, 48.71 feet to a point;
40. North 78°12'44" East, 26.46 feet to a point;
41. North 42°26'02" East, 37.26 feet to a point;
42. North 09°57'57" East, 21.44 feet to a point;
43. North 71°11'45" West, 44.32 feet to a point;
44. North 43°20'43" West, 8.72 feet to a point;
45. North 01°04'41" West, 22.38 feet to a point;
46. North 21°27'17" East, 14.55 feet to a point;
47. North 35°12'16" East, 57.34 feet to a point;
48. South 40°49'24" East, 26.21 feet to a point;
49. South 26°33'49" East, 19.14 feet to a point;
50. South 78°44'47" East, 39.61 feet to a point;
51. South 42°37'50" East, 117.76 feet to a point;
52. South 63°31'02" East, 54.42 feet to a point;
53. North 86°22'35" East, 14.48 feet to a point;
54. South 83°23'38" East, 50.81 feet to a point;
55. South 41°53'26" East, 37.41 feet to a point;
56. South 10°42'29" East, 156.83 feet to a point;
57. South 50°37'37" East, 26.55 feet to a point;
58. South 35°05'48" East, 74.85 feet to a point;
59. South 34°45'59" East, 50.28 feet to a point;
60. South 63°14'51" East, 163.53 feet to a point;
61. South 87°53'24" East, 20.12 feet to a point;
62. North 48°15'22" East, 95.09 feet to a point;
63. South 57°40'49" East, 12.18 feet to a point;
64. South 55°52'46" East, 39.03 feet to a point;
65. South 30°38'19" East, 13.33 feet to a point;

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66. South 17°12'36" East, 20.13 feet to a point;
67. South 54°53'29" East, 145.28 feet to a point;
68. South 66°39'02" East, 56.87 feet to a point;
69. South 75°44'05" East, 87.52 feet to a point;
70. South 58°53'21" East, 90.35 feet to a point;
71. North 88°28'59" East, 42.27 feet to a point;
72. South 56°16'37" East, 181.99 feet to a point;
73. South 40°53'21" East, 125.58 feet to a point;
74. South 31°26'40" West, 50.99 feet to a point;
75. South 28°10'18" West, 24.21 feet to a point;
76. South 77°29'22" East, 19.73 feet to a point;
77. South 50°09'42" East, 96.47 feet to a point;
78. South 56°32'41" East, 38.23 feet to a point;
79. South 54°49'44" East, 31.98 feet to a point;
80. North 77°40'42" East, 30.26 feet to a point;
81. North 80°05'57" East, 64.03 feet to a point;
82. South 66°03'01" East, 290.35 feet to a point;
83. South 63°25'23" East, 170.62 feet to a point;
84. South 62°41'27" East, 181.12 feet to a point;
85. South 49°53'40" East, 59.94 feet to a point;
86. South 39°07'27" East, 46.28 feet to a point;
87. South 05°14'20" West, 92.52 feet to a point;
88. South 63°37'44" West, 38.32 feet to a point;
89. South 46°52'08" West, 17.69 feet to a point;
90. South 30°30'24" West, 32.48 feet to a point;
91. South 52°08'30" West, 30.87 feet to a point;
92. North 88°59'43" West, 56.63 feet to a point;
93. South 40°10'42" West, 137.98 feet to a point;
94. South 17°29'36" West, 77.42 feet to a point;
95. South 00°37'28" East, 30.27 feet to a point;
96. South 83°36'36" East, 64.24 feet to a point;
97. South 86°39'20" East, 105.45 feet to a point;

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- 98. South 46°06'16" East, 176.19 feet to a point;
- 99. South 56°22'42" East, 61.38 feet to a point;
- 100. South 53°51'41" East, 64.61 feet to a point;
- 101. North 46°16'54" East, 19.60 feet to a point;
- 102. North 42°53'51" East, 33.81 feet to a point;
- 103. North 81°54'47" East, 105.65 feet to a point;
- 104. South 78°49'30" East, 53.59 feet to a point;
- 105. South 39°53'14" East, 18.21 feet to a point;
- 106. South 27°02'07" East, 57.44 feet to a point;
- 107. South 40°36'08" East, 83.23 feet to a point;
- 108. South 36°14'03" East, 104.79 feet to a point;
- 109. South 21°55'33" West, 120.32 feet to a point;
- 110. South 45°28'18" West, 24.82 feet to a point;
- 111. North 87°16'18" West, 60.19 feet to a point;
- 112. South 04°03'57" West, 40.49 feet to a point;
- 113. South 19°30'55" West, 113.56 feet to a point;
- 114. South 17°09'33" West, 26.63 feet to a point;
- 115. South 06°32'51" West, 52.58 feet to a point;
- 116. South 48°03'00" East, 198.07 feet to a point;
- 117. South 78°07'22" East, 39.83 feet to a point;
- 118. South 45°15'38" East, 108.53 feet to a point;
- 119. South 15°27'32" East, 74.05 feet to a point;
- 120. South 29°42'12" East, 187.05 feet to a point;
- 121. South 10°51'23" East, 98.64 feet to a point;
- 122. South 13°57'22" West, 16.81 feet to a point;
- 123. South 05°41'13" East, 152.49 feet to a point;
- 124. South 04°31'17" East, 117.06 feet to a point;
- 125. South 04°48'51" West, 67.94 feet to a point;
- 126. South 20°51'03" West, 86.27 feet to a point;
- 127. South 48°35'35" West, 63.11 feet to a point;
- 128. South 48°58'11" West, 27.31 feet to a point;
- 129. South 41°19'59" West, 147.94 feet to a point;

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- 130. South 16°43'24" West, 51.25 feet to a point;
- 131. South 38°48'25" West, 129.88 feet to a point;
- 132. South 48°43'18" West, 33.26 feet to a point;
- 133. South 49°33'27" West, 63.28 feet to a point;
- 134. South 34°02'23" West, 138.93 feet to a point;
- 135. South 43°19'50" West, 77.02 feet to a point;
- 136. South 21°42'27" East, 21.32 feet to a point;
- 137. South 19°31'50" East, 69.55 feet to a point;
- 138. South 10°43'23" East, 164.23 feet to a point;
- 139. South 50°46'56" East, 96.05 feet to a point;
- 140. South 38°12'17" East, 124.95 feet to a point;
- 141. South 14°25'39" East, 40.20 feet to a point;
- 142. South 04°53'50" East, 123.95 feet to a point;
- 143. South 32°39'47" East, 115.61 feet to a point;
- 144. South 15°59'49" East, 145.05 feet to a point;
- 145. South 44°34'59" East, 144.65 feet to a point;
- 146. South 62°03'10" East, 95.40 feet to a point;
- 147. South 79°38'44" East, 72.91 feet to a point;
- 148. South 10°24'52" East, 229.66 feet to a point;
- 149. North 68°22'11" West, 80.47 feet to a point;
- 150. South 07°25'05" East, 48.42 feet to a point;
- 151. South 02°41'47" West, 198.27 feet to a point;
- 152. South 43°12'25" West, 88.27 feet to a point;
- 153. South 51°53'13" West, 53.80 feet to a point;
- 154. South 46°45'22" East, 42.20 feet to a point;
- 155. South 61°43'29" East, 161.36 feet to a point;
- 156. South 28°19'40" East, 101.12 feet to a point;
- 157. South 32°48'06" East, 144.76 feet to a point;
- 158. South 50°37'24" East, 51.47 feet to a point;
- 159. South 28°01'42" East, 126.58 feet to a point;
- 160. South 38°57'45" East, 107.31 feet to a point;
- 161. South 50°24'34" East, 71.71 feet to a point;

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- 162. South 09°29'22" East, 212.34 feet to a point;
- 163. South 00°20'59" West, 132.90 feet to a point;
- 164. South 19°40'54" East, 86.34 feet to a point;
- 165. South 14°58'26" West, 140.70 feet to a point;
- 166. South 10°08'09" West, 74.76 feet to a point;
- 167. South 53°21'21" West, 115.04 feet to a point;
- 168. South 27°54'49" West, 62.71 feet to a point;
- 169. South 34°48'30" East, 61.40 feet to a point;
- 170. South 66°20'22" East, 141.85 feet to a point;
- 171. South 72°53'56" East, 64.16 feet to a point;
- 172. South 80°40'10" East, 93.92 feet to a point;
- 173. North 88°21'42" East, 215.53 feet to a point;
- 174. North 72°22'13" East, 72.02 feet to a point;
- 175. North 30°33'22" East, 51.13 feet to a point;
- 176. North 53°06'11" East, 67.65 feet to a point;
- 177. South 89°23'41" East, 60.02 feet to a point;
- 178. North 69°42'48" East, 89.16 feet to a point;
- 179. North 84°21'21" East, 28.12 feet to a point;
- 180. South 65°03'29" East, 63.15 feet to a point;
- 181. South 24°31'20" East, 153.15 feet to a point;
- 182. South 79°55'10" East, 74.23 feet to a point;
- 183. South 30°19'44" East, 69.41 feet to a point;
- 184. South 26°36'17" West, 67.33 feet to a point;
- 185. South 51°53'55" East, 28.30 feet to a point;
- 186. South 48°09'02" East, 20.98 feet to a point;
- 187. South 69°54'32" East, 42.71 feet to a point;
- 188. South 49°35'02" East, 114.15 feet to a point;
- 189. South 61°51'29" East, 70.82 feet to a point;
- 190. North 56°45'53" East, 81.24 feet to a point;
- 191. North 10°22'42" West, 27.52 feet to a point;
- 192. North 44°20'07" West, 46.76 feet to a point;
- 193. North 14°23'02" West, 40.60 feet to a point;

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- 194. North 81°26'55" East, 88.16 feet to a point;
- 195. South 81°27'52" East, 225.26 feet to a point;
- 196. North 50°13'30" East, 52.21 feet to a point;
- 197. South 83°42'53" East, 38.65 feet to a point;
- 198. South 53°20'17" East, 54.33 feet to a point;
- 199. South 34°41'44" East, 78.36 feet to a point;
- 200. South 04°59'36" West, 17.83 feet to a point;
- 201. South 75°56'24" West, 26.48 feet to a point;
- 202. North 80°06'10" West, 22.44 feet to a point;
- 203. South 15°30'22" West, 102.03 feet to a point;
- 204. South 77°49'42" West, 77.55 feet to a point;
- 205. South 05°43'31" West, 17.16 feet to a point;
- 206. South 36°38'48" East, 52.50 feet to a point;
- 207. South 22°17'18" West, 18.42 feet to a point;
- 208. South 46°04'19" West, 106.13 feet to a point;
- 209. South 00°20'40" East, 46.25 feet to a point;
- 210. North 86°03'23" East, 65.78 feet to a point;
- 211. South 88°15'33" East, 59.39 feet to a point;
- 212. South 72°52'21" East, 84.16 feet to a point;
- 213. South 22°30'03" East, 31.04 feet to a point;
- 214. South 07°37'19" West, 34.13 feet to a point;
- 215. South 13°51'28" East, 32.68 feet to a point;
- 216. South 42°01'46" East, 82.75 feet to a point;
- 217. South 32°57'14" East, 31.07 feet to a point;
- 218. South 26°42'20" West, 36.83 feet to a point;
- 219. South 51°10'47" West, 104.44 feet to a point;
- 220. South 78°09'38" West, 133.44 feet to a point;
- 221. North 65°18'54" West, 40.51 feet to a point;
- 222. North 20°57'04" West, 19.22 feet to a point;
- 223. North 20°58'16" East, 21.54 feet to a point;
- 224. North 31°10'24" West, 21.19 feet to a point;
- 225. South 86°54'36" West, 98.56 feet to a point;

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226. South 62°17'52" West, 61.48 feet to a point;  
227. South 10°48'36" West, 14.13 feet to a point;  
228. South 68°28'09" West, 146.02 feet to a point;  
229. South 66°50'57" West, 13.98 feet to a point;  
230. South 54°14'31" West, 9.13 feet to a point;  
231. South 28°53'35" West, 47.36 feet to a point;  
232. South 14°53'51" East, 38.67 feet to a point;  
233. South 33°16'15" West, 110.49 feet to a point;  
234. South 25°51'57" West, 87.36 feet to a point;  
235. South 24°40'48" West, 168.46 feet to a point;  
236. South 18°07'49" West, 119.57 feet to a point;  
237. South 07°55'38" West, 73.03 feet to a point;  
238. South 30°22'38" East, 68.89 feet to a point;  
239. South 08°41'13" West, 43.89 feet to a point;  
240. South 20°25'31" West, 64.73 feet to a point;  
241. South 06°48'07" West, 63.29 feet to a point;  
242. South 07°37'07" West, 39.79 feet to a point;  
243. South 28°55'17" West, 36.09 feet to a point;  
244. South 66°13'24" West, 56.17 feet to a point;  
245. South 43°02'27" West, 59.63 feet to a point;  
246. South 13°44'31" West, 6.84 feet to a point in the northeast line of Mill Creek Forest as shown on a plat filed for record in Volume 5, Page 491 of the Montgomery County Deed Records for the most southerly corner of said 881.183 acres and the herein described tract;  
THENCE, North 46°43'05" West, departing the centerline meanders of said Mill Creek, along the northeast line of said Mill Creek Forest, and the southwest line of said 881.183 acres, passing a found 1/2-inch iron rod (with cap stamped "Reinke 3971") at 61.41 feet, continuing for a total distance of 397.79 feet (called 414.06) to a found 1/2-inch iron rod (with cap stamped "Geomatics Inc.") for the north corner of

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said Mill Creek Forest, and an interior corner of said 881.183 acres and the herein described tract;

THENCE, South 43°03'45" West, along the northwest line of said Mill Creek Forest and a southeast line of said 881.183 acres, passing a found 3/4-inch iron pipe at 104.79 feet, 0.97 feet right, continuing for a total distance of 198.18 feet (called 192.78 feet) to a set 3/4-inch iron rod (with cap stamped "Jones|Carter Property Corner") for the east corner of Lot 14, Block 44 of Hazy Hollow East Estates Section 7 (an unrecorded subdivision) conveyed to Malcom James Johnson by Warranty Deed dated April 5, 1991 and filed for record under Clerk's File No. 9230908 of the Montgomery County Official Public Records of Real Property, a south corner of said 881.183 acres and the herein described tract;

THENCE, departing the northwest line of said Mill Creek Forest along the southwest line of said 881.183 acres and the herein described tract the following seven (7) courses and distances:

1. North 47°15'15" West, along the northeast line said Hazy Hollow East Estates Section 7, passing a found 3/8-inch iron rod at 1321.03 feet, 1.17 feet left, passing a found 1/2-inch iron rod at 1429.95 feet, 1.21 feet left, continuing for a total distance of 1755.51 feet to an angle point, from which a found 1/2-inch iron rod bears North 21°27'43" West 4.22 feet;

2. North 47°29'30" West, along the northeast line of said Hazy Hollow East Estates Section 7 and the northeast line of Hazy Hollow East Estates Section 4 (an unrecorded subdivision), passing a found 3/8-inch iron rod at 393.30 feet, 1.24 feet right, continuing for a total distance of 711.72 feet to a point;

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3. North 47°20'39" West, along the northeast line of Hazy Hollow East Estates Section 10 (an unrecorded subdivision), passing a found 3/8-inch iron rod at 126.64 feet, 2.16 feet right, passing a found 3/8-inch iron rod at 375.33 feet, 1.09 feet right, passing a found 3/8-inch iron rod at 499.77 feet, 0.63 feet right, continuing for a total distance of 527.41 feet to a point;

4. North 47°17'20" West, along the northeast line of said Hazy Hollow East Estates Section 10, passing a found 5/8-inch iron rod at 96.90 feet, 0.38 feet right, a found 1/2-inch iron rod (bent) at 289.53 feet, a found 3/8-inch iron rod at 422.16 feet, 0.24 feet right, a found 1/2-inch iron rod at 554.92 feet, a found 5/8-inch iron rod at 687.54 feet, a found 3/8-inch iron rod at 1116.06 feet, 0.31 feet left, a found 3/8-inch iron rod at 1239.11 feet, 0.41 feet left, a found 3/8-inch iron rod at 1484.87 feet, 0.98 feet left, a found 3/8-inch iron rod at 1608.04 feet, 1.32 feet left, a found 3/8-inch iron rod at 1731.04 feet, 1.21 feet left, a found 3/8-inch iron rod at 1854.08 feet, 0.55 feet left, a found 5/8-inch square iron bar at 1977.47 feet, 0.11 feet right, a found 5/8-inch square iron bar at 2037.11 feet, 0.36 feet right, a found 3/8-inch iron rod at 2159.55 feet, 1.03 feet right, a found 1/2-inch iron rod (with cap stamped "C&C Surveying") at 2282.80 feet, 0.18 feet right, a found 1/2-inch iron rod (with cap stamped "C&C Surveying") at 2405.70 feet, and a found 3/8-inch iron rod at 2897.75 feet, 0.13 feet right, continuing for a total distance of 3015.29 feet to a point;

5. North 47°22'30" West, along the northeast line of Hazy Hollow East Estates Section 11 (an unrecorded subdivision), passing a found 3/8-inch iron rod at 5.37 feet, 2.20 feet left, a found 3/8-inch iron rod at 128.11 feet, 3.14 feet left, a found 3/8-inch iron rod at 251.00 feet, 3.59 feet left, a found

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3/8-inch iron rod at 373.97 feet, 3.79 feet left, a found 3/8-inch iron rod at 496.74 feet, 3.70 feet left, a found 3/8-inch iron rod at 619.44 feet, 3.76 feet left, a found 3/8-inch iron rod at 743.26 feet, 1.81 feet left, and a found 3/8-inch iron rod at 988.51 feet, 0.13 feet left, continuing for a total distance of 1784.65 feet to a found 1/2-inch iron rod for the north corner of said Hazy Hollow East Estates Section 11 and the east corner of Greentree Forest Estates (an unrecorded subdivision);

6. North 47°01'59" West, along the northeast line of said Greentree Forest Estates, passing a found 1/2-inch iron rod at 354.40 feet, passing a found 5/8-inch iron rod at 414.22 feet, continuing for a total distance of 498.04 feet to a found 3-1/2-inch iron pipe;

7. North 47°36'37" West, 270.64 feet (called 270.76 feet) to the POINT OF BEGINNING, CONTAINING 842.23 acres of land in Montgomery County, Texas, as shown on drawing number 9630-A.

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

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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 Act have been fulfilled and accomplished.

SECTION 4. 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. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2019.

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SECTION 4. Same as House version.

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