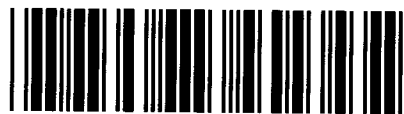




Control Number: 44947



Item Number: 1

Addendum StartPage: 0



PURSUANT TO PUC CHAPTER 24, SUBSTANTIVE RULES APPLICABLE TO WATER AND SEWER SERVICE PROVIDERS, SUBCHAPTER G: CERTIFICATES OF CONVENIENCE AND NECESSITY

Application to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity (CCN)

Docket Number: 44947

(this number will be assigned by the Public Utility Commission after your application is filed)

7 copies of the application, including the original, shall be filed with

Public Utility Commission of Texas
Attention: Filing Clerk
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

2015 JUL 16 AM 10:33
RECEIVED

If submitting digital map data, two copies of the portable electronic storage medium (such as CD or DVD) are required.

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Application to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity (CCN)

Purpose of Application

<input checked="" type="checkbox"/> Obtain	<input checked="" type="checkbox"/> New Water CCN	<input checked="" type="checkbox"/> New Sewer CCN
<input type="checkbox"/> Amend	<input type="checkbox"/> Water CCN# (s) _____	
<input type="checkbox"/> Amend	<input type="checkbox"/> Sewer CCN#(s) _____	

1. Applicant Information

Applicant

Utility name: Denton County Municipal Utility District No. 7

Certificate number: N/A

Street address (City/ST/ZIP/Code): c/o Coats Rose 5420 LBJ Freeway, Suite 600

Mailing address(City/ST/ZIP/Code): Dallas, TX 75240

Utility Phone Number and Fax: (972) 982-8450 Fax: (972) 982-8451

Contact information

Please provide information about the person(s) to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant manager, or other title related to the applicant.

Name: Angela Stepherson

Title: Attorney

Mailing address: Coats Rose, 5420 LBJ Freeway, Suite 600, Dallas, TX 75240

Email: astepherson@coatsrose.com

Phone and Fax: (972) 982-8450

List all counties in which service is proposed:
Denton

Fax : (972) 982-8451

A. Check the appropriate box and provide information regarding the legal status of the applicant:

- ☐ Investor Owned Utility ☐ Individual ☐ Partnership
- ☐ Home or Property Owners Association ☐ For-profit Corporation
- ☐ Non-profit, member-owned, member-controlled cooperative corporation
(Water Code Chapter 67, Water Supply or Sewer Service Corporation)
- ☐ Municipality ☒ District ☐ Other - Please explain:

B. If the applicant is a For-Profit business or corporation, please include the following information:

- i. A copy of the corporation's "Certification of Account Status" from the Texas State Comptroller of Public Accounts.
- ii. The corporation's charter number as recorded with the Office of the Texas Secretary of State: _____
- iii. A listing of all stockholders and their respective percentages of ownership.
- iv. A copy of the company's organizational chart, if available.
- v. A list of all directors and disclose the title of each individual.
- vi. A list of all affiliated organizations (if any) and explain the affiliate's business relationship with the applicant.

C. If the applicant is a Texas Water Code (TWC) Chapter 67 water supply or sewer service corporation please provide:

- i. A copy of the Articles of Incorporation and By-Laws.
- ii. The corporation's charter number as recorded with the Office of the Texas Secretary of State.
- iii. Identification of all board members including name, address, title, and telephone number.
- iv. A copy of the corporation's *Certificate of Account Status* from the Texas Comptroller of Public Accounts.

2. Location Information

- A. Are there people already living in the proposed area? ☐ Yes ☒ No
- If YES, are any currently receiving utility service? ☐ Yes ☐ No
- If YES, from WHOM? _____

B. Demonstrate the Need for Service by providing the following:

Have you received any requests for service in the requested service area?

☒ Yes ☐ No

If YES, provide the following: See attached

- i. Describe the service area and circumstances driving the need for service in the requested area. Indicate the name(s) and address(es) of landowner(s), prospective landowner(s), tenant(s), or resident(s) that have requested service; and/or
- ii. Describe the economic need(s) for service in the requested area (i.e. plat approvals, recent annexation(s) or annexation request(s), building permits, septic tank permits, hospitals, etc.); and/or
- iii. Discuss in detail the environmental need(s) for service in the requested area (i.e. failing septic tanks in the requested area, fueling wells, etc.); and/or
- iv. Provide copies of any written application(s) or request(s) for service in the requested area; and/or
- v. Provide copies of any reports and/or market studies demonstrating existing or anticipated growth in the requested area.
- vi. If none of these items exist or are available, please justify the need for service in the proposed area in writing.

Note: Failure to demonstrate a need for additional service in the proposed service area may result in the delay and /or possible denial of the application.

C. Is any portion of the proposed service area inside an incorporated city or district?

☒ Yes ☐ No

If YES, within the corporate limits of: Denton County Municipal Utility District No. 7

Provide a copy of any franchise, permit, or consent granted by the city or district. If not available please explain:

District is the applicant.

D. Is any portion of the proposed service area inside another utility's CCN area?

☒ Yes ☐ No

If YES, has the current CCN holder agreed to decertify the proposed area?

If NO, are you seeking dual or single certification of the area? Explain why decertification of the area is in the public interest:

Applicant is seeking dual certification with Mustang Special Utility District. Please see attached Agreement for Dual Certification whereby Mustang Special Utility District consents to the dual certification.

3. Map Requirements

Attach the following hard copy maps with each copy of the application:

- A. A location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.
- B. A map showing only the proposed area by:
 - i. metes and bounds survey certified by a licensed state or register professional land surveyor; or
 - ii. projectable digital data with metadata (proposed areas should be in a single record and clearly labeled). Also, a data disk labeled with the applicant's name must be provided; or
 - iii. following verifiable natural and man-made landmarks; or
 - iv. a copy of recorded plat map with metes and bounds.
- C. A written description of the proposed service area.
- D. Provide separate and additional maps of the proposed area(s) to show the following:
 - i. all facilities, illustrating separately facilities for production, transmission, and distribution of the applicant's service(s); and
 - ii. any facilities, customers or area currently being served outside the applicant's certificated area(s).

Note: Failure to provide adequate mapping information may result in the delay or possible denial of your application.

Digital data submitted in a format other than ArcView shape file or Arc/Info E00 file may result in the delay or inability to review applicant's mapping information.

For information on obtaining a CCN base map or questions about sending digital map data, please visit the Water Utilities section of the PUC website for assistance.

4. New System Information or Utilities Requesting a CCN for the First Time

- A. Please provide the following information: **See attached**
 - i. a list of public drinking water supply system(s) or sewer system(s) within a 2 mile radius of the proposed system;
 - ii. copies of written requests seeking to obtain service from each of the public drinking water systems or sewer systems listed in a. 1 above or documentation that it is not economically feasible to obtain service from each entity;
 - iii. copies of written responses from each system or evidence that they did not reply; and
 - iv. for sewer utilities, documentation showing that you have obtained or applied for a wastewater discharge permit.
- B. Were your requests for service denied? ☐ Yes ☐ No

- i. If yes, please provide documentation of the denial of service and go to c.
 - ii. If no, please provide a detailed analysis which justifies your reasons for not accepting service. A separate analysis must be prepared and submitted for each utility that granted your request for service.
- C. Please summarize how the proposed utility system will be constructed and describe each projected construction phase, if any:

Please see attached Agreement for Dual Certification.

D. Date of plat approval, if required: N/A
 Approved by: _____

E. Date Plans & Specifications submitted to the TCEQ for approval:
 Please see attached Agreement for Dual Certification. _____ Attach copy of approval letter, if available. If the letter is not available by the time your CCN application is submitted, please supplement your application with a copy of the letter once you receive it from the TCEQ.

F. Date construction is scheduled to commence: 1/1/2017

G. Date service is scheduled to commence: 9/1/2017

5. Existing System Information

A. Please provide the following information for each water and/or sewer system, attach additional sheets if necessary.

i. Water system(s): TCEQ Public Water System identification number(s):

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ii. Sewer system(s): TCEQ Discharge Permit number(s)

See
Attached
Agreement

See
Attached
Agreement

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- iii. Date of last TCEQ water and/or sewer system inspection(s): N/A
- iv. Attach a copy of the most recent TCEQ water and/or sewer inspection report letter(s).
- v. For each system deficiency listed in the TCEQ inspection report letter; attach a brief explanation listing the actions taken or being taken by the utility to correct the listed deficiencies, including the proposed completion dates.

B. Provide the following information about the utility's certified water and/or sewer operators

Name	Classes	License Number
Please see attached Agreement for Dual Certification.		

- Attach additional sheet(s) if necessary -

- C. Using the current number of customers, is any facility component in systems named in #5A above operating at 85% or greater of minimum standard capacity?
- ☐ Yes
- ☒ No

Attach a copy of the 85% rule compliance document filed with the TCEQ if the system is operating at 85% or greater of the TCEQ's minimum standard capacity requirements.

- D. In the table below, the number of existing and/or proposed metered and non-metered connections (by size). The proposed number should reflect the information presented in the business plan or financial **documentation** and reflect the number of service requests identified in Question 2.b in the application.

TCEQ Water System			TCEQ Sewer System		
Connection	Existing	Proposed	Connection	Existing	Proposed
5/8" or 3/4" meter	0	4,750	Residential	0	4,750
1" meter or larger	0	3	Commercial	0	3
Non-Metered	0	0	Industrial	0	0

TCEQ Water System			TCEQ Sewer System		
Other:	0	0	Other:	0	0
Total Water	0	4,758	Total Sewer	0	4,758

- E. If this application is for a water CCN only, please explain how sewer service is or will be provided:

N/A

- F. If this application is for a sewer CCN only, please explain how water service is or will be provided:

N/A

- G. Effect of Granting a Certificate Amendment. *See attached.*

Explain in detail the effect of granting of a certificate or an amendment, including, but not limited to regionalization, compliance and economic effects on the following:

- the applicant,
- any retail public utility of the same kind already serving the proximate area; and
- any landowner(s) in the requested area.

- H. Do you currently purchase or plan to purchase water or sewer treatment capacity from another source?

i. ☐ No, (skip the rest of this question and go to #6)

ii. ☒ Yes, Water

Purchased on a ☒ Regular ☐ Seasonal ☐ Emergency basis?

Water Source	% of Total Treatment
Please see attached Agreement for Dual Certification.	0.00%

Water Source	% of Total Treatment
	0.00%
	0.00%

iii. ☒ Yes, Sewer treatment capacity

Purchased on a ☒ Regular ☐ Seasonal ☐ Emergency basis?

Sewer Source	% of Total Treatment
Please see attached Agreement for Dual Certification.	0.00%
	0.00%
	0.00%

iv. Provide a signed and dated copy of the most current water or sewer treatment capacity purchase agreement or contract.

I. Ability to Provide Adequate Service. *See attached.*

Describe the ability of the applicant to provide adequate service, including meeting the standards of the commission, taking both of the following items into consideration:

- i. the current and projected density; and
- ii. the land use of the requested area.

J. Effect on the Land. Explain the effect on the land to be included in the certificated area.

Granting the CCNs will allow water and sewer service to be provided to the land in an orderly fashion in accordance with the agreement between Applicant and Mustang Special Utility District.

6. Financial Information

See attached

- A. For new water and/or sewer systems and for applicants with existing CCNs who are constructing a new stand-alone water and/or sewer system:
 - i. the applicant must provide an analysis of all necessary costs for constructing, operating, and maintaining the system, and the source of that capital (such as a financial statement for the developing entity) for which the CCN is requested for at least the first five years. In addition, if service has been offered by an existing retail water service provider as stated in #4.A., but the applicant has determined that the cost of service as finally offered renders the project not economically feasible, the applicant must provide a comparison analysis of all necessary costs for acquiring and continuing to receive service from the existing system for the same period.
 - ii. Attach projected profit and loss statements, cash flow worksheets, and balance sheets (projected five year financial plan worksheet is attached) for each of the first five years of operation. Income from rates

should correlate to the projected growth in connections, shown on the projected profit and loss statement.

- iii. Attach a proposed rate schedule or tariff. Describe the procedure for determining the rates and fees and indicate the date of last change, if applicable. Attach copies of any cost of service studies or rate analysis worksheets.
- B. For existing water and/or sewer systems:
 - i. Attach a profit and loss statement and current balance sheet for existing businesses (end of last fiscal year is acceptable). Describe sources and terms for borrowed capital such as loans, bonds, or notes (profit and loss and balance sheet worksheets are attached, if needed).
 - ii. Attach a proposed rate schedule or tariff.
- ❖ **Note: An existing water and/or sewer system may be required to provide the information in 6.A.i. above during the technical review phase if necessary for staff to completely evaluate the application**
- C. Identify any funds you are required to accumulate and restrict by lenders or capital providers.
- D. In lieu of the information in #6.A. thru #6.C., you may provide information concerning loan approvals within the last three (3) years from lending institutions or agencies including the most recent financial audit of the applicant.
- ❖ **Note: Failure to provide adequate financial information may result in the delay or possible denial of your application.**

7. Notice Requirements

- A. All proposed notice forms must be completed and submitted with the application. Do not mail or publish the notices until you receive written approval from the commission to do so.
- B. The commission cannot grant a CCN until proper notice of the application has been given. Commission rules do not allow a waiver of notice requirements for CCN applicants.
- C. It is the applicant's responsibility to ensure that proper notice is given to all entities that are required to receive notice.
- D. Recommended notice forms for publication, neighboring cities and systems, landowners with 25 acres or more, and customers are included with this application for use in preparing proposed notices. (Notice forms are available in Spanish upon request.)
- E. After reviewing and, if necessary, modifying the proposed notice, the commission will send the notice to the applicant after the application is accepted for filing along with instructions for publication and/or mailing. Please review the notice carefully before providing the notice.
- F. **Notice For Publication:**
The applicant shall publish the notice in a newspaper with general circulation in the county(ies) where a CCN is being requested. The notice must be published once each week for two consecutive weeks beginning with the week after the notice is received from the commission. Proof of publication in the form of a publisher's affidavit shall be submitted to the commission within 30 days of the last publication date. The affidavit shall state with specificity each county in which the newspaper is of general circulation.
- G. **Notice To Neighboring Utilities:**
 - i. List all neighboring retail public utilities and cities providing the same utility service within the following vicinities of the applicant's proposed certificate area.
 - ii. For applications for the issuance of a NEW CCN, the applicant must mail the notice with a copy of the proposed CCN map to all cities and neighboring retail public utilities providing the same utility service within five (5) miles of the requested service area.

- iii. For applications for the AMENDMENT of a CCN, the applicant must mail the notice with a copy of the proposed CCN map to all cities and neighboring retail public utilities providing the same utility service within two (2) miles of the requested service area.
- H. Notice to Customers:
Investor Owned Utilities (IOUs) that are currently providing service without a CCN must provide individual mailed notice to all current customers. The notice must contain the current rates, the date those rates were instituted and any other information required in the application.
- I. The commission may require the applicant to deliver notice to other affected persons or agencies.

Do not publish or send copies of the proposed notices to anyone at the time you submit the application to the commission. Wait until you receive written authorization to do so. Authorization occurs after the commission has reviewed the notices for completeness, and your application has been accepted for filing. Once the application is accepted for filing, you will receive written authorization to provide notice. Please check the notices for accuracy before providing them to the public. It is the applicant's burden to ensure that correct and accurate notice is provided.

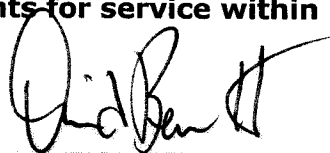
OATH

STATE OF TEXAS
COUNTY OF DENTON

I, David Bennett, being duly sworn, file this application as President (indicate relationship to Applicant, that is, owner, member of partnership, title as officer of corporation, or other authorized representative of Applicant); that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the maps and financial information filed with this application, and have complied with all the requirements contained in this application; and, that all such statements made and matters set forth therein are true and correct. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Public Utility Commission of Texas.

I further represent that the application form has not been changed, altered or amended from its original form.

I further represent that the Applicant will provide continuous and adequate service to all customers and qualified applicants for service within its certificated service area.



AFFIANT

(Utility's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas,
This day 15 of May 20 15

SEAL



NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

Lindsey Schwimmer

PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES 7/29/17

Notice for Publication

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO PROVIDE WATER/SEWER UTILITY SERVICE IN

Denton

COUNTY(IES), TEXAS

Name of Applicant Denton County Municipal Utility No. 7 has filed an application for a CCN to obtain or ~~amend~~ CCN No. (s) water and sewer CCNs and to decertify a portion(s) of _____ with the _____
(Name of Decertified Utility)

Public Utility commission of Texas to provide

water and sewer

(specify 1) water or 2) sewer or 3) water & sewer)

utility service in Denton

County
(ies).

See
attached

The proposed utility service area is located approximately _____ miles _____
[direction] of downtown _____, [City or Town] Texas, and is
generally bounded on the north by _____; on the east by
_____ ; on the south by _____ ; and on the west by _____

The total area being requested includes approximately 1,928 acres and 0
current customers.

A copy of the proposed service area map is available at (Utility Address and Phone
Number): Coats Rose, 5420 LBJ Freeway, Suite 600, Dallas, TX 75240 (972) 982-8450

A request for a public hearing must be in writing. You must state (1) your name, mailing address, and daytime telephone number; (2) the applicant's name, application number or another recognizable reference to this application; (3) the statement, "I/we request a public hearing"; (4) a brief description of how you or the persons you represent, would be adversely affected by the granting of the application for a CCN; and (5) your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Persons who wish to intervene or comment should file with the PUC at the following address:

Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

within thirty (30) days from the date of this publication or notice. A public hearing will be held only if a legally sufficient hearing request is received or if the commission on its own motion requests a hearing. Only those individuals who submit a written hearing request or a written request to be notified if a hearing is set will receive notice if a hearing is scheduled.

If a public hearing is requested, the commission will not issue the CCN and will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, the SOAH will submit a recommendation to the commission for final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

If you are a landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the proposed area, you may request to be excluded from the proposed area (or "opt out") by providing written notice to the commission within (30) days from the date that notice was provided by the applicant. All requests to opt out of the requested service area must include a scaled, general location map and a metes and bounds description of the tract of land.

Persons who meet the requirements to opt out, and wish to request this option should file the required documents with the:

Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

A copy of the request to opt out of the proposed area must also be sent to the applicant. Staff may request additional information regarding your request.

Si desea informacion en Espanol, puede llamar al 1-888-782-8477

Description of service area:

Tract 1:

The proposed utility service area is located approximately 5.5 miles east of downtown Aubrey, Texas and is generally bounded on the north by Little Elm Creek, on the east by Smiley Road, on the south by FM 428, and on the west by FM 1385.

Tract 2:

The proposed utility service area is located approximately 4 miles east-southeast of downtown Pilot Point, Texas and is generally bounded on the north by Light Ranch Road, on the east by Light Ranch Road, on the south by Shearer Road, and on the west by FM 1385.

The total area being requested includes approximately 1,928 acres and serves 0 current customers.

The area being requested is coterminous with the boundaries of Denton County Municipal Utility District No. 7.

Notice to Neighboring Systems, Landowners and Cities

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO
PROVIDE WATER/SEWER UTILITY SERVICE IN

Denton COUNTY(IES), TEXAS

To: _____ Date Notice Mailed _____ 20 ____
(Neighboring System, Landowner or City)

(Address)

City State Zip

Name of Applicant Denton County Municipal Utility District No. 7 has filed an application for a
CCN to obtain or ~~amend~~ CCN No. (s) water and sewer CCNs and to
decertify a portion(s) of _____ with the
(Name of Decertified Utility)

Public Utility Commission of Texas to provide water and sewer
utility service in Denton _____ County(ies).
(specify 1) water or 2) sewer or 3) water & sewer)

See
attached.

The proposed utility service area is located approximately _____ miles
[direction] of downtown _____, [City or Town] Texas, and is
generally bounded on the north by _____; on the east by
_____; on the south by _____; and on the west by _____

See enclosed map of the proposed service area.

The total area being requested includes approximately 1,928 acres and 0
current customers.

A request for a public hearing must be in writing. You must state (1) your name, mailing address, and daytime telephone number; (2) the applicant's name, application number or another recognizable reference to this application; (3) the statement, "I/we request a public hearing"; (4) a brief description of how you or the persons you represent, would be adversely affected by the granting of the application for a CCN; and (5) your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Persons who wish to intervene or comment should write the:

Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

within thirty (30) days from the date of this publication or notice. A public hearing will be held only if a legally sufficient hearing request is received or if the commission on its own motion requests a hearing. Only those individuals who submit a written hearing request or a written request to be notified if a hearing is set will receive notice if a hearing is scheduled.

If a public hearing is requested, the commission will not issue the CCN and will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, the SOAH will submit a recommendation to the commission for final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

If you are a landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the proposed area, you may request to be excluded from the proposed area (or "opt out") by providing written notice to the commission within (30) days from the date that notice was provided by the applicant. All requests to opt out of the requested service area must include a scaled, general location map and a metes and bounds description of the tract of land.

Persons who meet the requirements to opt out, and wish to request this option should file the required documents with the:

Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

A copy of the request to opt out of the proposed area must also be sent to the applicant. Staff may request additional information regarding your request.

Si desea informacion en Espanol, puede llamar al 1-888-782-8477

2.B. Applicant is a municipal utility district created to provide services and facilities to the land within its boundaries. The land within Applicant is currently within the water and sewer CCNs held by Mustang Special Utility District. In order to provide water and sewer service in an orderly fashion and in response to landowner request (see attached letter), Applicant and Mustang Special Utility District have entered into the attached Agreement for Dual Certification, which specifies how service will be provided and that Applicant will obtain dual certification with Mustang Special Utility District.

4.A The requested area is within the water and sewer CCNs held by Mustang Special Utility District. Applicant is requesting dual certification.

5.G. The land within Applicant's boundaries will be developed as a master planned residential community and will require centralized water and sewer service. The requested area is currently within the water and sewer CCNs held by Mustang Utility District. In order to provide water and sewer service in an orderly fashion, Applicant and Mustang Special Utility District have entered into the attached Agreement for Dual Certification, which specifies how service will be provided and that Applicant will obtain dual certification with Mustang Special Utility District. Granting the CCNs will allow implementation of the agreement between two retail public utilities, as provided by Water Code Section 13.248.

5.I. Applicant is a municipal utility district created under state law to provide services and facilities to the land within its boundaries and operating under Chapters 49 and 54 of the Water Code. Water and sewer service will be provided as set out in the attached Agreement for Dual Certification.

6. Applicant is a governmental entity. Proposed rates are as follows:

Water

Base Charges

3/4"	28.00
1"	35.00
1.5"	45.00
2"	73.00
3"	275.00
4"	350.00

Gallage Charge, per 1,000 gallons

0 to 3,000	2.45
3,001 to 9,000	3.40
9,001 to 15,000	4.30
15,001 to 25,000	5.25
25,001 to remaining	7.75

Sewer

Standard, 3/4" Meters

<8,000 usage	35.50
>8,000 usage	39.50

1", 1.5", 2" Meters

Base charge	13.00
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Gallorage Charge per 1,000 gallons 2.50
3", 4" Meters
Base charge 25.00
Gallorage Charge per 1,000 gallons 4.00

Landowners with 25 acres or more for notice list:

Eland Farms LP
16400 Dallas Parkway, Suite 100
Dallas, Texas 75248

SHDC Partners, Ltd.
8080 Park Lane
Dallas, Texas 75231-5930

Celina 231 Partners, LLC
1610 Elm Street, Suite 4000
Dallas, Texas 75201

Neighboring utilities and cities within 5 miles for notice list:

Aqua Texas, Inc.
City of Aubrey
City of Celina
City of Frisco
City of Gunter
City of Krugerville
City of Little Elm
City of Pilot Point
City of Prosper
City of Tioga
Denton County Fresh Water Supply District No. 8a
Denton County Fresh Water Supply District No. 9
Denton County Fresh Water Supply District No. 10
Marilee Special Utility District
Mustang Special Utility District
Pilot Point Rural Water Supply
Water Assn. of North Lake, Inc.

ELAND FARMS LP

January 20, 2015

Via E-mail Astepherson@coatsrose.com and U.S. Mail

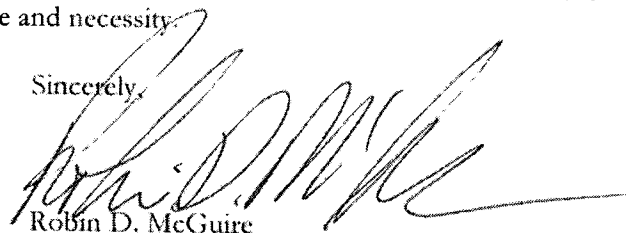
Denton County Municipal Utility District No. 7
Attn: David Bennett, President, MUD 7 Board of Directors
c/o Coats ' Rose
5420 LBJ Freeway, Suite 600
Dallas, TX 75240

Re: Water and sewer service to property owned by Eland
Farms, Ltd. in Denton County Municipal Utility District No. 7

Dear Mr. Bennett:

Eland Farms LP owns approximately 669 acres of property in MUD 7. Eland Farms would like MUD 7 to prepare to provide retail water and sewer service for Eland Farms' property in MUD 7. Accordingly, Eland Farms requests that the District take the necessary actions to obtain certificates of convenience and necessity covering the Eland Farms property. Eland Farms agrees to reimburse the District for the reasonable costs related to the acquisition of the certificates of convenience and necessity.

Sincerely,



Robin D. McGuire

**AGREEMENT FOR DUAL CERTIFICATION
BETWEEN MUSTANG SPECIAL UTILITY DISTRICT AND
DENTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 7**

This Agreement for Dual Certification ("Agreement") is entered into by and between Mustang Special Utility District ("Mustang") and Denton County Municipal Utility District No. 7 ("MUD 7") collectively referred to herein as the "Parties."

RECITALS

WHEREAS, MUD 7 encompasses the approximately 1,927.8255 acres of land in Denton County, Texas, described in Exhibit "A" and shown in Exhibit "B" attached hereto and incorporated herein by reference (the "Property");

WHEREAS, under the legislation creating MUD 7, and related constitutional and statutory provisions, MUD 7 is authorized to provide, directly and indirectly, water service and sewer service to the Property;

WHEREAS, the Property is located within Mustang's service area where Mustang owns and operates a retail public water system and a retail public sewer system under Certificate of Convenience and Necessity ("CCN") Nos. 11856 and 20930, respectively;

WHEREAS, Mustang was incorporated as a water supply corporation in 1966 and converted to a special utility district in 2002 and as such is a conservation and reclamation district under Section 59 of Article XVI of the Texas Constitution which is a political subdivision of the State of Texas;

WHEREAS, Mustang is a member of the Upper Trinity Regional Water District ("UTRWD") and contracts with the UTRWD for treated surface water supply and wastewater treatment capacity at the UTRWD's wastewater reclamation plants in its northeast regional wastewater reclamation system;

WHEREAS, Mustang owns and operates water wells that produce an additional supply of fresh water for use by Mustang's customers;

WHEREAS, Mustang currently provides water service to 4,717 Mustang customers and provides maintenance and operation services for an additional 7,106 customers of other utility districts operating in northeast Denton County;

WHEREAS, the Parties acknowledge that pursuant to Texas Water Code Section 13.254, under certain circumstances the owner of more than 25 acres may, at its sole discretion, petition the Public Utility Commission of Texas ("PUC") to remove its land from an existing CCN and obtain retail water and/or sewer service from another provider subject to the payment of adequate compensation to the CCN holder;

WHEREAS, MUD 7 represents that the owners of virtually all of the land in MUD 7 own more than 25 acres each;

WHEREAS, MUD 7 and the owners of some of the Property have requested that Mustang agree to dual certification of water service and sewer service for the Property;

WHEREAS, Mustang agrees to cooperate with MUD 7 to further MUD 7's application to obtain dual certificates of convenience and necessity for the Property;

WHEREAS, in return for Mustang's agreements herein, MUD 7 agrees, among other things, that MUD 7 will not seek a CCN to allow MUD 7 to provide retail water or sewer service outside the Property and within Mustang's CCN without Mustang's consent;

WHEREAS, pursuant to the terms of this Agreement, MUD 7 and Mustang agree to cooperate so that MUD 7 can make available water and sewer facilities and retail water and sewer services to the Property.

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that for and in consideration of the mutual promises hereinafter expressed, and other good and valuable consideration, the sufficiency of which is hereby acknowledged by the parties, Mustang and MUD 7 agree as follows:

1. Dual Water and Sewer Certifications.

Mustang agrees that MUD 7 may seek dual certificates of convenience and necessity for retail water service and retail sewer service to the Property. Mustang shall reasonably cooperate with MUD 7 so that MUD 7 may prepare and file one or more dual certification applications for the Property with the PUC. MUD 7 shall pay all costs associated with preparing and filing the application(s) and obtaining regulatory approvals. Mustang shall provide necessary signatures, information, and testimony required for the application(s) and shall cooperate in all respects in prosecuting and supporting such application(s).

2. Overview of Alternatives for Water and Wastewater Treatment Facilities.

- A. Wastewater treatment facilities to serve the Property will consist of capacity in a wastewater treatment plant, transmission lines and related appurtenances constructed within the Property by or for MUD 7 and sized to adequately serve the Property (collectively, the "MUD 7 Sewer Facilities"). If Mustang constructs (or proposes to construct) its own wastewater treatment facilities near the Property with sufficient capacity to provide the Property with an economical source of wastewater treatment service (the "Mustang Sewer Facilities") prior to development occurring within such portion of MUD 7, then wastewater treatment service will be provided by MUD 7 for such development through the Mustang Sewer Facilities upon agreement between Mustang and MUD 7 as set out in Section 3.

- B. Mustang owns a water supply line in the road right-of-way adjacent to the land described in Exhibit "A" and shown in Exhibit "B" as Tract 1 ("Tract 1"), in which there is sufficient capacity potentially to serve all or a portion of Tract 1. Water facilities to serve the portion of the Property described in Exhibit "A" and shown in Exhibit "B" as Tract 2 ("Tract 2") will consist of one or more water plants, transmission lines and related appurtenances constructed near or within Tract 2 by or for MUD 7 and sized adequately to serve Tract 2 (collectively, the "MUD 7 Water Facilities"). If Mustang constructs (or proposes to construct) its own water supply facilities (including either water wells or pipelines conveying surface water) closer to Tract 2 and sufficient to economically serve Tract 2 prior to development occurring within Tract 2 (Mustang's facilities to serve Tract 1 and/or Tract 2 collectively, "Mustang's Water Supply Facilities"), then water supply service will be provided by MUD 7 for such development through the Mustang Water Supply Facilities upon agreement between Mustang and MUD 7 as set out in Section 5.

3. Providing Wastewater Treatment Facilities.

- A. In the event Mustang does not have available (or propose to construct in a timely manner) the Mustang Sewer Facilities, or if Mustang does have the Mustang Sewer Facilities available but the parties are not able to agree on the terms under which MUD 7 may either (i) participate in the construction of the Mustang Sewer Facilities and be served by such constructed capacity, or (ii) purchase capacity in the Mustang Sewer Facilities from Mustang, or (iii) receive wholesale wastewater treatment service from Mustang, then MUD 7 shall construct the MUD 7 Sewer Facilities to serve the Property. The MUD 7 Sewer Facilities shall be constructed when needed to serve the Property, at no cost to Mustang. Upon completion, the MUD 7 Sewer Facilities shall be owned and operated as provided in subsection (i) below.

(i) In the event MUD 7 proceeds to construct the MUD 7 Sewer Facilities, the siting, design and plans for such facilities shall conform to all applicable local, state and federal laws and regulations including applicable provisions of Mustang's Rate Order and be subject to prior review and approval by Mustang, which approval shall not be unreasonably withheld, delayed or conditioned. During the construction of the MUD 7 Sewer Facilities, Mustang shall have access to the construction site during normal business hours to inspect the construction. Upon completion of construction of the MUD 7 Sewer Facilities, the engineer for MUD 7 shall certify to Mustang that the MUD 7 Sewer Facilities were completed substantially in accordance with the approved plans for such facilities. Thereafter, Mustang may inspect the completed facilities and confirm such construction was completed substantially in accordance with the approved plans as a condition to taking title as provided in subsection (iv) below.

(ii) Prior to the start of construction of the MUD 7 Sewer Facilities, MUD 7 shall provide to Mustang all of the engineering design and construction plans, for Mustang's review and approval. MUD 7 shall additionally provide to Mustang the details of all the real property and easements that are necessary for the proper construction and operation of the MUD 7 Sewer Facilities, for Mustang's review and approval. The proposed location of the MUD 7 Sewer Facilities shall include appropriate buffers from residential tracts and be sited in a manner to minimize the potential for odor, noise or other types of nuisance to neighbors.

(iii) Prior to the start of construction of the MUD 7 Sewer Facilities, MUD 7 shall obtain all the necessary permits for the construction and operation of the MUD 7 Sewer Facilities ("Permits"), including securing a TPDES wastewater discharge permit, which is final and not subject to appeal. MUD 7 shall additionally obtain all the necessary easements and rights-of-way for the discharge route for wastewater from the point of discharge to the nearest watercourse. For a period ending upon the earlier of (i) ten (10) years from the first day that the MUD 7 Sewer Facilities are put in service, or (ii) five years (5) following the date Mustang exercises its option under Paragraph 7A to become the retail provider of sewer service to any of the Property, MUD 7 shall be responsible for defending any litigation arising from opposition to the siting of the MUD 7 Sewer Facilities and any adverse impacts to downstream landowners or the location of the discharge route (but excluding any litigation regarding Mustang's alleged failure to operate MUD 7 Sewer Facilities in accordance with the Permits).

(iv) Upon proper completion of construction of the MUD 7 Sewer Facilities and final inspection and approval thereof by Mustang, and as security for MUD 7's obligations under this Agreement, MUD 7 shall convey the MUD 7 Sewer Facilities, the Permits, and all necessary real property and easements to Mustang, by an appropriate legal instrument approved by Mustang's attorney, but subject to and conditioned on the obligation of Mustang (a) to utilize the capacity of the MUD 7 Sewer Facilities to serve customers located within MUD 7 in accordance with Section 4 and Section 7 hereof and the applicable provisions of Mustang's Rate Order, or (b) to utilize the capacity to serve customers located within MUD 7, if Mustang exercises the hereinafter defined option under Section 7. In conjunction with the conveyance of the MUD 7 Sewer Facilities, MUD 7 shall provide to Mustang a maintenance bond in an amount of not less than twenty percent (20%) of the total construction cost of the MUD 7 Sewer Facilities and for a term of not less than two (2) years. The form of the maintenance bond shall be subject to the approval of Mustang's attorney.

B. In the event Mustang does have available (or proposes to construct in a timely manner) the Mustang Sewer Facilities, the parties hereto agree to negotiate in good faith the terms under which MUD 7 may either (i) participate

in the construction of the Mustang Sewer Facilities when it is built and be served by such constructed capacity, or (ii) purchase capacity in the Mustang Sewer Facilities from Mustang, or (iii) receive wholesale wastewater treatment service from Mustang. Nothing herein shall require either party to enter into an agreement on terms that are unacceptable to it for any reason.

4. Providing Retail Sewer Service to the Property.

After proper completion of construction of the MUD 7 Sewer Facilities in accordance with Section 3(A), or after MUD 7 (i) participates in the construction of the Mustang Sewer Facilities when they are built, or (ii) purchases capacity in the Mustang Sewer Facilities from Mustang, or (iii) receives wholesale wastewater treatment service from Mustang in accordance with a future wholesale wastewater treatment agreement, in accordance with Section 3(B), MUD 7 shall provide continuous and adequate retail sewer service to the Property, or portion thereof requesting retail service from MUD 7, in accordance with the rules and regulations of the Texas Commission on Environmental Quality ("TCEQ"), PUC and all other governmental agencies having jurisdiction. MUD 7 and Mustang agree to negotiate in good faith the terms under which Mustang will, on behalf of MUD 7, act as operator of the MUD 7 sewer collection system and bill customers. Nothing herein shall require either party to enter into an agreement on terms that are unacceptable to it for any reason.

5. Providing Water Supply Facilities.

- A. In the event Mustang does not have available (or propose to construct in a timely manner) the Mustang Water Supply Facilities, or if Mustang does have the Mustang Water Supply Facilities available but the parties are not able to agree on the terms under which MUD 7 may either (i) participate in the construction of such facilities and be served by its constructed capacity, or (ii) purchase capacity in the Mustang Water Supply Facilities from Mustang, or (iii) receive wholesale water supply service from Mustang, then MUD 7 shall construct the MUD 7 Water Facilities to serve such Property. The MUD 7 Water Facilities shall be constructed when needed to serve the Property, at no cost to Mustang. Upon completion, the MUD 7 Water Facilities shall be owned and operated as provided in subsection (v) below.

(i) In the event MUD 7 proceeds to construct the MUD 7 Water Facilities, the siting, design and plans for such facilities shall be subject to all applicable local, state and federal laws and regulations including the applicable provisions of Mustang's Rate Order and subject to prior review and approval by Mustang, which approval shall not be unreasonably withheld, delayed or conditioned. During the construction of the MUD 7 Water Facilities, Mustang shall have access to the construction site during normal business hours to inspect the construction. Upon completion of construction of the MUD 7 Water Facilities, the engineer for MUD 7 shall certify to Mustang that the MUD 7 Water Facilities was completed substantially in accordance with the

approved plans for such facilities. Thereafter, Mustang may inspect the completed plant and confirm such construction was completed substantially in accordance with the approved plans as a condition to taking title as provided in subsection (ii) below.

(ii) Prior to the start of construction of the MUD 7 Water Facilities, MUD 7 shall provide to Mustang all of the engineering design and construction plans, for Mustang's review and approval. MUD 7 shall additionally provide to Mustang the details of all the real property and easements that are necessary for the proper construction and operation of the MUD 7 Water Facilities, for Mustang's review and approval. The proposed location of the MUD 7 Water Facilities shall include appropriate buffers from residential tract and be sited in a manner to minimize the potential for odor, noise or other types of nuisance to neighbors.

(iii) Prior to the start of construction of the MUD 7 Water Facilities, MUD 7 shall obtain all the necessary permits for the construction and operation of the MUD 7 Water Facilities ("Permits"). MUD 7 shall be responsible for defending any litigation arising from opposition to the siting of the MUD 7 Water Facilities.

(iv). MUD 7 shall secure in one or more phases a reliable source of water supply to serve the full build-out of the portion of the Property it is proposing to serve, which may be from groundwater wells or a wholesale water supply contract, or both, but in the event it is purchasing water on a wholesale basis, must be on terms which are acceptable to Mustang.

(v). Upon proper completion of construction of the MUD 7 Water Facilities in accordance with Section 5(A) and final inspection and approval thereof by Mustang, and as security for MUD 7's obligations under this Agreement, MUD 7 shall convey the MUD 7 Water Facilities, the Permits, and all necessary real property and easements to Mustang, by an appropriate legal instrument approved by Mustang's attorney, but subject to and conditioned on the obligation of Mustang (a) to allow MUD 7 to utilize the capacity of the MUD 7 Water Facilities to serve customers located within MUD 7 in accordance with Sections 6 and 7 hereof and the applicable provisions of Mustang's Rate Order, or (b) to utilize the capacity to serve customers located within MUD 7 if Mustang exercises the hereinafter defined option under Section 7. In conjunction with the conveyance of the MUD 7 Water Facilities, MUD 7 shall provide to Mustang a maintenance bond in an amount of not less than twenty percent (20%) of the total construction cost of the MUD 7 Water Facilities and for a term of not less than two (2) years. The form of the maintenance bond shall be subject to the approval of Mustang's attorney.

B. In the event Mustang does have (or proposes to construct in a timely manner) the Mustang Water Supply Facilities available, the parties agree to negotiate

in good faith the terms under which MUD 7 may either (i) participate in the construction of the Mustang Water Supply Facilities when they are built, or (ii) purchase capacity in the Mustang Water Supply Facilities from Mustang, or (iii) receive wholesale water supply service from Mustang. Nothing herein shall require either party to enter into an agreement on terms that are unacceptable to it for any reason.

6. Providing Retail Water Service to the Property.

After proper completion of construction of the MUD 7 Water Facilities in accordance with Section 5(A) or MUD 7 (i) participates in the construction of the Mustang Water Supply Facilities when they are built, or (ii) purchases capacity in the Mustang Water Facilities from Mustang, or (iii) receives wholesale water supply service from Mustang in accordance with Section 5(B), MUD 7 shall provide continuous and adequate retail water service to the Property, or portion thereof requesting retail service from MUD 7, in accordance with the rules and regulations of the TCEQ, PUC and all other governmental agencies having jurisdiction. Mustang and MUD 7 agree to negotiate in good faith the terms under which Mustang will, on behalf of MUD 7, act as operator of the MUD 7 water distribution system and bill customers. Nothing herein shall require either party to enter into an agreement on terms that are unacceptable to it for any reason.

7. Options for Mustang To Become Retail Water and Sewer Provider.

- A. Mustang, as between MUD 7 and Mustang, shall have a one-time option to become the retail provider of water and sewer service to all of the existing and future retail water customers located in Tract 1 and a one-time option to become the retail provider of water and sewer service to all existing and future retail water and sewer customers within Tract 2 (each, an "Option"). Mustang may exercise the Option for one or both of such tracts. The parties acknowledge that the Options for Tract 1 and Tract 2 are triggered by the development schedule for each tract in accordance with (B) and (C) and, consequently, are likely to occur at different times.
- B. At such time as MUD 7 is providing retail water and sewer service to four hundred eleven (411) connections within Tract 1, MUD 7 shall promptly notify Mustang that 411 connections are being served by MUD 7 (the "Tract 1 Notice"). Mustang may exercise the Option to become the retail provider of water and sewer service to all of the existing customers located in Tract 1 and all future retail customers within Tract 1 by providing MUD 7 written notice thereof within earlier of (i) six (6) months after Mustang receives the Tract 1 Notice, or (ii) between January 1, 2025 and June 30, 2025 (the "Option Period").
- C. At such time as MUD 7 is providing retail water and sewer service to three hundred sixty (360) connections within Tract 2, MUD 7 shall promptly notify Mustang that 360 connections are being served by MUD 7 (the "Tract 2

Notice"). Mustang may exercise the Option to become the retail provider of water and sewer service to all of the existing customers located in Tract 2 and all future retail customers within Tract 2 by providing MUD 7 written notice thereof within six (6) months after Mustang receives the Tract 2 Notice.

- D. In the event Mustang exercises the Option for Tract 1 pursuant to (B) or for Tract 2 pursuant to (C) Mustang shall continue to own, and be obligated to maintain at Mustang's sole cost, the MUD 7 Water Facilities and MUD 7 Sewer Facilities required to serve such tract and shall be entitled and obligated to provide retail water service and sewer service to all existing and future customers within such tract using such MUD 7 Water Facilities and MUD 7 Sewer Facilities and such other facilities as Mustang may own or acquire. Notwithstanding any statements to the contrary herein, after Mustang exercises its option as to either Tract 1 or Tract 2, MUD 7 will be responsible at its cost to construct and dedicate to Mustang such additional water and wastewater facilities necessary to provide water and wastewater service to all future customers in such tract, pursuant to a Non-Standard Service Contract executed by Mustang and MUD 7 that is in substantial compliance with Mustang's then existing Rate Order. After Mustang exercises its option as to either Tract 1 or Tract 2, Mustang may, at its expense, file an application with the PUC to transfer or cancel MUD 7's water and sewer CCN for the Tract(s) that are the subject of the exercised option. MUD 7 will fully cooperate with Mustang in the preparation, execution and presentation of such application(s).
- E. In the event Mustang does not exercise the Option, whether as to Tract 1 pursuant to (B) or as to Tract 2 pursuant to (C), within the applicable Option Period, the MUD 7 Water Facilities and MUD 7 Sewer Facilities required to serve the tract for which Mustang declined to exercise the Option, including a percentage interest in common MUD 7 Water or Sewer Facilities that serve, or are designed to serve, both Tract 1 and Tract 2 (the "Transferred Facilities"), shall revert to MUD 7. Mustang and MUD 7 shall, within sixty (60) days after expiration of the Option Period, execute such documents as are necessary to memorialize MUD 7's ownership of the Transferred Facilities. Thereafter, MUD 7 shall own, and be obligated to maintain at MUD 7's sole cost, the Transferred Facilities and will be entitled and obligated to provide retail water service and retail sewer service to all existing and future customers located within the tract for which Mustang failed to exercise the Option, using the Transferred Facilities and such other facilities as MUD 7 may own or acquire.

8. Limitations on MUD 7 Service Outside the Property.

Without the prior approval of Mustang, MUD 7 shall not: (i) construct or install water or sewer lines or facilities to service areas outside the Property if such areas are located in Mustang's CCN; or (ii) except as otherwise provided in this Agreement, connect or serve any person or entity who, in turn, sells water or sewer service directly or indirectly to any other person or entity located within Mustang's CCN.

9. Election Concerning Retail Provider.

Inasmuch as the parties hereto are agreeing to dual certification for the providing of retail water and sewer service for the Property, each party hereto acknowledges that each individual landowner/developer or customer located within the Property shall have the right to choose between MUD 7 and Mustang regarding which shall be the retail provider for its land. By providing for dual certification, this Agreement grants MUD 7 the right to be the retail provider of water and/or sewer service to all or any portion of the Property, and (ii) provides the terms under which the parties shall interrelate when MUD 7 is requested to be the retail provider.

10. Limits on Transfer of CCNs; Cooperation by Parties to Defend CCNs.

MUD 7 will not voluntarily seek to transfer its CCNs to any entity other than Mustang without the express written approval and consent of Mustang. MUD 7 will take all reasonable and necessary actions to defend its CCNs from any and all actions filed against MUD 7 by a third party. Mustang will, to the extent possible, actively aid and assist MUD 7 in the defense of its CCNs. Mustang will take all reasonable and necessary actions to defend its CCNs within the geographical boundaries of MUD 7 from any all actions filed against Mustang by a third party. MUD 7 will, to the extent possible, actively aid and assist Mustang in the defense of its CCNs.

11. Effect of Force Majeure.

In the event a party is rendered unable by force majeure to carry out any of its obligations under this Agreement, in whole or in part, then the obligations of that party, to the extent affected by the force majeure shall be suspended during the continuance of the inability, provided however, that due diligence is exercised to resume performance at the earliest practical time. As soon as reasonably possible after the occurrence of the force majeure relied upon to suspend performance, the party whose contractual obligations are affected thereby shall give notice and full particulars of the force majeure to the other parties. The cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure" includes acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, orders of the government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides,

lightening, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, restraints of government and civil disturbances, explosions, breakage or accidents to equipment, pipelines or canals, partial or complete failure of water supply, and any other inability of a party, whether similar to those enumerated or otherwise, that are not within the control of the party claiming the inability and that could not have been avoided by the exercise of due diligence and care. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the party having the difficulty and that the requirement that any force majeure be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing parties if the settlement is unfavorable in the judgment of the party having the difficulty.

12. Notices.

Any notice to be given hereunder by any party to the other parties shall be in writing, by delivery in person or by facsimile, or by sending said notices by certified mail, return receipt requested, to the address set forth below. Notice shall be deemed given by mail when received if delivered or sent by facsimile or when deposited with the United States Postal Service with sufficient postage affixed if mailed.

To District: Mustang Special Utility District
Attn: General Manager
7985 FM 2931
Aubrey, Texas 76227

To MUD 7: Denton County Municipal Utility District No. 7
c/o Coats | Rose
5420 LBJ Freeway, Suite 600
Dallas, Texas 75240

Any party may change the address for notice to it by giving written notice of such change in accordance with the provisions of this paragraph.

13. Breach of Contract and Remedies.

- A. If either party believes that the other party has breached any term or condition of this Agreement, then the non-breaching party shall give the other party written notice of the breach within sixty (60) days of discovery of the breach by the non-breaching party. Upon its receipt of a notice of breach, the breaching party shall have sixty (60) days to cure the breach or, if such breach is not reasonably capable of being cured within such sixty (60) day period, to undertake such actions as are necessary to begin such cure. If the breaching party does not cure the breach or, if such breach is not reasonably capable of being cured within sixty (60) days, begin the required action to effect a cure, days, then the non-breaching parties shall have all rights and remedies at law and in equity including, without limitation, the right to enforce specific performance of this Agreement by the breaching party and the right

to perform the obligation in question and to seek restitution for all damages incurred in connection therewith, subject to Section 14.

- B. Termination of this Agreement by a party shall not affect any previous conveyance.
- C. The rights and remedies granted in this Agreement to the parties in the event of default are cumulative, and the exercise of such rights shall be without prejudice to the enforcement of any other right or remedy authorized by law or this Agreement.

14. Dispute Resolution.

If a dispute arises between the parties relating to this Agreement, the parties agree to use the following procedure prior to either party pursuing other available remedies:

- A. A meeting shall be held promptly between the parties, attended by individuals with decision-making authority regarding the dispute, to attempt in good faith to negotiate a resolution of the dispute.
- B. If within thirty (30) days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will jointly appoint a mutually acceptable neutral person not affiliated with either of the parties as a mediator. The fees of the mediator shall be shared equally by both parties.
- C. In consultation with the mediator, the parties will select or devise a nonbinding alternative dispute resolution procedure ("ADR Procedure") by which they will attempt to resolve the dispute, and time and place for the ADR Procedure to be held, with the mediator making the decision as to the procedure, and/or place and time (but unless circumstances require otherwise, not later than sixty (60) days after selection of the mediator) if the parties have been unable to agree on any of such matters within twenty (20) days after initial consultation with the mediator.
- D. The parties agree to participate in good faith in the ADR Procedure to its conclusion as agreed by the parties or as designated by the mediator as provided in (C) above. If the parties are not successful in resolving the dispute through the ADR Procedure, then the parties may agree to submit the matter to binding arbitration or a private adjudicator, or either party may then seek an adjudicated resolution through the appropriate court.

15. No Third Party Beneficiaries.

This Agreement is solely for the benefit of the parties hereto, and no other person has any right, interest or claim under this Agreement.

16. Context.

Whenever the context requires, the gender of all words herein shall include the masculine, feminine and neuter, and the number of all words shall include singular and plural.

17. Litigation Expenses.

Any party to this Agreement who is the prevailing party in any legal proceeding against the other party, brought in relation to this Agreement, shall be entitled to recover court costs and reasonable attorneys' fees from the non-prevailing parties.

18. Intent.

The parties hereto covenant and agree that they shall execute and deliver such other and further instruments and documents as are, or may become, necessary or convenient to effectuate and carry out the intent of this Agreement.

19. Authority.

The signatories hereto represent and affirm that they have authority to execute this Agreement on behalf of the respective parties hereto.

20. Severability.

The provisions of this Agreement are severable, and if any word, phrase, clause, sentence, paragraph, section, or other part of this Agreement or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such word, phrase, clause, sentence, paragraph, section, or other party of this Agreement to other persons or circumstances shall not be affected thereby and this Agreement shall be construed as if such invalid or unconstitutional portion had never been contained therein.

21. Entire Agreement.

This Agreement, including any exhibits and/or addendums attached hereto and made a part hereof, constitutes the entire agreement between the parties relative to the subject matter of this Agreement. All prior agreements, covenants, representations, or warranties, whether oral or in writing, between the parties are merged herein.

22. Amendment.

No amendment of this Agreement shall be effective unless and until it is duly approved by each party and reduced to a writing signed by the authorized representatives of Mustang

and MUD 7, respectively, which amendment shall incorporate this Agreement in every particular not otherwise changed by the amendment.

23. Governing Law.

This Agreement shall be construed under and in accordance with the laws of the State of Texas and all obligations of the parties are expressly deemed performable in Denton County, Texas.

24. Venue.

Any action at law or in equity brought to enforce or interpret any provision of this Agreement shall be brought in a state court of competent jurisdiction with venue in Denton County, Texas.

25. Successors and Assigns.

This Agreement shall be binding on and shall inure to the benefit of the heirs, successors and assigns of the parties.

26. Assignability.

No party may assign any other rights and obligations under this Agreement without the prior written consent of the other parties.

27. Approvals.

Approvals required pursuant to this Agreement shall not unreasonably withheld or delayed.

28. Effective Date.

This Agreement shall be effective from and after the date of due execution by all parties.

IN WITNESS WHEREOF each of the parties has caused this Agreement to be executed by its duly authorized representative in multiple copies, each of equal dignity, on the date or dates indicated below.

MUSTANG SPECIAL UTILITY DISTRICT

By: Bill Hathaway

Name: Bill Hathaway

Title: President

Date: 6-22-15

DENTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 7

By: David Bennett

Name: David Bennett

Title: President

Date: 5/15/15

EXHIBIT "A"
LEGAL DESCRIPTION OF PROPERTY

EXHIBIT "A"
LEGAL DESCRIPTION OF PROPERTY

TRACT 1

SITUATED in Denton County, Texas, in the J. Melroy Survey, Abstract No. 895, the MFP & P Railroad Survey, Abstract No. 926, the L. Robinson Survey, Abstract No. 1488, the McPherson Survey, Abstract No. 1481, the Cowan Survey, Abstract No. 211, the T & P Railroad Survey, Abstract No. 1299 and the Norwood Survey, Abstract No. 969, being a resurvey of the 693.6925 acres of land described in a deed from Winst, Inc. to Shiney Hiney Partners I dated Dec. 31, 1992, Recorded in Volume 3435, Page 478 and the 333.47 acres of land described in a deed from Winst, Inc. to Shiney Hiney Partners II dated Dec. 31, 1992, recorded in Volume 3435, Page 483, both deeds of the Denton County Deed Records, being described by metes and bounds as follows:

BEGINNING at an iron pin found at the northwest corner of said 693.6925 acre tract, in the east R.O.W. line of Farm Road No. 1385 and at the southwest corner of the TIGE INVESTMENTS LTD 77.880 acres, Ref. Doc. No. 05-45758;

Thence easterly with the north line of said 693.6925 acre tract, with the south line of said 77.880 acre tract, with the south line of the TIGE INVESTMENTS LTD 130.805 acres, Ref. Doc. No. 05-45758 and with an old fence as follows:

South 89° 04'12" East, 637.91 feet; South 89° 17'14" East, 426.71 feet;

South 89° 37'34" East, 154.91 feet; South 89° 42'47" East, 472.76 feet;

North 89° 56'39" East, 339.52 feet; South 89° 26'34" East, 188.6 feet;

South 88° 50'23" East, passing an iron pin found beside an old, old post at 236.3 feet and continuing in all 254.28 feet to an iron pipe set at the east, northwest corner of said 693.6925 acre tract and at the south, northwest corner said 333.47 acre tract, in the center of the old bed of Little Elm Creek;

Thence generally in a northeasterly direction with the northwest line said 333.47 acre tract, with the southeast line of the TIGE INVESTMENTS LTD 7.195 acres, Ref. Doc. No. 05-45758 and up the center of the old bed of Little Elm Creek as follows:

South 68°24'25" East, 119.81 feet; South 45°06' East, 161.3 feet;
South 25°50' East, 129.17 feet; South 76°01' East, 90.54 feet;
North 63°34' East, 121.24 feet; North 77°53' East, 61.98 feet;
North 59°26' East, 101.2 feet; North 51°05' East, 125.5 feet;
North 89°37' East, 182.51 feet; North 50°35' East, 76.66 feet;
North 36°17' East, 141.61 feet; North 18°45' East, 115.12 feet, an iron pipe set;
North 16°04' West, 35.56 feet; North 60°39' West, 93.52 feet;
South 74°35' West, 110.19 feet; North 59°58' West, 50.23 feet;
North 24°08' West, 48.85 feet; North 14°34' East, 147.11 feet;
North 60°10' West, 57.76 feet; North 1°29' West, 55.34 feet;
North 22°12' East, 47.74 feet; North 63°23' East, 112.42 feet, an iron pipe set;
South 55°13' East, 281.18 feet; South 22°14' East, 135.0 feet;
South 67°05' East, 56.0 feet; North 73°54' East, 40.2 feet;
North 35°49' East, 35.0 feet; North 12°01' East, 72.3 feet;
North 11°09' West, 67.0 feet; North 20°37' West, 182.3 feet, an iron pipe set;
North 2°23' West, 49.64 feet; North 22°37' East, 120.0 feet;
North 13°35' East, 113.3 feet; North 38°39' East, 61.2 feet;
North 60°37' East, 63.0 feet; South 85°01' East, 122.2 feet;
North 78°01' East, 115.0 feet; North 34°40' East, 60.0 feet;
North 10°53' East, 109.67 feet, an iron pipe set; North 36°21' East, 70.5 feet;
North 78°45' East, 70.0 feet; South 86°25' East, 134.8 feet;
North 74°24' East, 195.09 feet, an iron pipe set; South 74°44' East, 96.08 feet;
South 88°55' East, 107.86 feet; South 78°57' East, 134.98 feet;
North 77°07' East, 46.45 feet; South 80°46' East, 50.53 feet;
South 53°33' East, 111.6 feet; South 80°09' East, 54.06 feet;
North 48°08' East, 66.4 feet; South 56°57' East, 73.7 feet;

North 68°01' East, 90.24 feet; North 42°56' East, 55.92 feet;
North 10°29' East, 112.91 feet, an iron pipe set; North 22°56' West, 138.5 feet;
North 66°27' West, 142.4 feet; North 34°34' West, 117.0 feet;
North 81°20' West, 76.2 feet; South 81°46' West, 58.5 feet;
North 53°49' West, 140.0 feet; North 60°03' West, 31.7 feet;
North 89°40'58" West, 28.54 feet; North 61°10' West, 59.03 feet;
North 48°13' West, 50.2 feet to a point in said Creek from which a 1/2 inch iron pin set lies North
27°34' east, 61.0 feet; North 7°40' East, 89.2 feet;
North 25°05' East, 62.0 feet; North 53°10' East, 78.33 feet to a point in said Creek from which a
1/2 inch iron pin set lies North 79°09' east, 59.0 feet;
North 65°14' East, 102.08 feet; South 79°09' East, 91.04 feet,
South 68°14' East, 49.56 feet; South 79°13' East, 80.58 feet to a point in said Creek from which a
1/2 inch iron pin set lies South 64°02' east, 21.0 feet,
North 67°14' East, 140.87 feet, South 70°46' East, 55.18 feet,
North 77°32' East, 61.82 feet to a point in said Creek from which a 1/2 inch iron pin set lies South
26°06' east, 27.0 feet; North 51°37' 43" East, 88.62 feet;
North 7°03' East, 37.0 feet; North 25°07' West, 43.0 feet;
North 48°56' West, 38.0 feet; North 73°10' West, 41.0 feet;
North 4°39' West, 32.0 feet; North 28°33' East, 47.4 feet,
North 37°15' East, 52.5 feet; North 51°21' East, 71.8 feet;
South 88°50' East, 48.7 feet; North 63°40' East, 71.6 feet;
North 77°02' East, 65.0 feet; South 71°12' East, 48.0 feet, an iron pin set;
South 20°46' East, 130.0 feet to a point in said Creek where the man-made channel of said Creek
takes the waters of Little Elm Creek to the south and at the southeast corner of the Talley Ranch
Management 113.75 acres, Ref. Dec. No. 96-0089522;

Thence continuing up the center of Little Elm Creek and with the northwest line said 333.47 acre tract and with the southeast line of said 113.75 acre tract as follows:

South 89°00' East, 64.5 feet;

South 60°27' East, 56.2 feet; South 73°16' East, 53.0 feet;

North 84°45' East, 47.0 feet; North 78°45' East, 69.0 feet;

North 1°44' East, 225.0 feet; North 45°00' East, 98.0 feet;

North 63°50' East, 139.3 feet; North 74°27' East, 44.5 feet;

North 59°00' East, 80.5 feet; South 82°10' East, 57.2 feet;

North 69°32' East, 112.4 feet; North 80°09' East, 96.0 feet;

South 71°12'45" East, 83.84 feet to a point in said Creek from which a 1/2 inch iron pin set lies

South 58°18' east, 64.78 feet; South 81°12' East, 82.0 feet;

North 64°54' East, 111.5 feet; North 73°58' East, 92.0 feet;

South 89°09'35" East, 111.88 feet to a point in said Creek from which a 1/2 inch iron pin set lies

South 57°30' east, 33.65 feet; North 56°15' East, 41.5 feet;

North 39°34' East, 53.0 feet; North 23°29' East, 69.4 feet;

North 19°37' West, 49.0 feet; North 42°02' East, 35.0 feet;

North 15°56' East, 65.5 feet; North 18°18' West, 46.6 feet;

North 58°17' West, 64.7 feet; South 88°12' West, 183.5 feet;

North 60°20' West, 50.3 feet; North 87°25' West, 63.7 feet;

North 78°27' West, 123.0 feet; North 75°31' West, 119.5 feet;

North 13°48' West, 199.0 feet; North 24°51' East, 76.3 feet;

North 45°38' East, 155.0 feet; North 56°41'14" East, 78.49 feet to a point in said Creek at the northwest corner said 333.47 acre tract, the southwest corner of the Samuel A. Piga 127.2128 acres, Ref V 3369, P. 700 and in the east line of said 113.75 acre tract;

Thence south 33°34'02" east, 62.52 feet with the north line said 333.47 acre tract and with the south line of said 127.2128 acre tract to an iron pin found;

Thence south $66^{\circ}32'27''$ east, 1572.33 feet with the north line said 333.47 acre tract, with the south line of said 127.2128 acre tract and with a fence to an iron pin found beside a steel pipe corner post at the northeast corner said 333.47 acre tract and at an ell corner of said 127.2128 acre tract;

Thence south $0^{\circ}21'55''$ west, with the east line said 333.47 acre tract, the east line of said 693.6925 acre tract, with the west line of the Donnie J. Tamplen 61.016 acres, Ref. Doc. No. 96-0067653, the west line of the Sangani Properties Ltd 19.3670 acres, Ref. Doc. No. 04-1110047 and with the west line of the MBJ #2 LLC UNITED STATES POST OFFICE LOT 1, Ref. Doc. No. 04-85524, passing a 1/2 inch iron pin set at 300.0 feet and continuing with the center of Smiley Road, in all 3703.1 feet to an iron pin found in said east line and Road for an angle point,

Thence south $0^{\circ}02'08''$ east, 1826.54 feet with the east line of said 693.6925 acre tract, with the west line of said Lot 1 and with the center of Smiley Road to an iron pin found at the southeast corner of said 693.6925 acre tract, the southwest corner of said Lot 1 and in the north R.O.W. line of Farm Road No. 428;

Thence southwesterly with the south line of said 693.6925 acre tract and with the north R.O.W. line of Farm Road No. 428 as follows:

South $37^{\circ}48'16''$ West, 159.72 feet to the beginning of a curve to the left,

with said curve to the left an arc of 117.26 feet on a radius of 1196.28 feet, around a central angle of $5^{\circ}36'58''$ with a chord of 117.21 feet which bears South $68^{\circ}46'$ west;

South $60^{\circ}42'46''$ West, 104.26 feet to the beginning of a curve to the left;

with said curve to the left an arc of 258.7 feet around a central angle of $12^{\circ}26'32''$ on a radius of 1191.28 feet with a chord of 258.19 feet which bears South $54^{\circ}44'$ west to the end of said curve;

South $48^{\circ}31'$ west, 760.55 feet to a wood R.O.W. Mon.;

South $69^{\circ}26'30''$ West, 186.8 feet to a 1.2 inch iron pin set;

South $20^{\circ}33'24''$ East, 71.44 feet to a wood R.O.W. Mon.;

South $48^{\circ}31'$ west, 88.7 feet; South $54^{\circ}14'$ west, 100.5 feet;

South $48^{\circ}31'$ west, 300.0 feet; South $45^{\circ}39'$ west, 100.1 feet;

South 48°31'west, 1100.0 feet; South 45°39' west, 100.1 feet;

South 48°31'west, 1298.93 feet; South 51°23' west, 100.1 feet;

South 48°31'west, 169.23 feet to an iron pin found at the south corner of said 693.6925 acre tract and at the southeast corner of the Bilal K. Nabahani 73.861 acres, Ref. V. 2414, P. 583;

Thence north 1°08'42"east, 1802.89 feet with a west line of said 693.6925 acre tract, with the east line of said 73.861 acre tract and on a line near a fence to an iron pin found at an ell corner of said 693.6925 acre tract and at the northeast corner of said 73.861 acre tract;

Thence north 89°26'26"west, 4747.32 feet with a south line of said 693.6925 acre tract, with the north line of said 73.861 acre tract, the north line of the Bilal K. Nabahani 107.10 acres and 22.265 acres, Ref. V. 2414, P. 583 and with the center of the apparently abandoned Tom Cole Road to an iron pin found at the west, southwest corner of said 693.6925 acre tract, the northwest corner of said 22.265 acre tract and in the east R.O.W. line of Farm Road No. 1385;

Thence north 2°40'26"east, 3167.33 feet with the west line of said 693.6925 acre tract and with said east R.O.W. line to a R.O.W. Mon. for an angle point;

Thence north 2°49'23"east, 886.52 feet with said west line and said east R.O.W. line to the PLACE OF BEGINNING and containing 1027.0755 acres of land.

TRACT 2

BEING a tract of land situated in the W. H. Clement Survey, Abstract No. 263, Marshall University Survey, Abstract No. 799, J. Sears Survey, Abstract No. 1490 and the F. Warren Survey, Abstract No. 1401, Denton County, Texas, and being all of a called 669.211 acre tract of land, conveyed to 720/186 Limited Partnership, as evidenced in a Special Warranty Deed, recorded in Instrument No. 2003-199013 and all of a called 231.535 acre tract of land, conveyed to Celina 231 Partners, L.L.C. as evidenced in a Special Warranty Deed with Vendor's Lien, recorded in Instrument No. 2007-64961, both of the Official Records of Denton County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at the southwest corner of said 669.211 acre tract, same being the northwest corner of Lot 1 of Aubrey Ranch Estates, an Addition in Denton County, as recorded in Cabinet H, Page 374 of the Plat Records of Denton County, Texas, same being on the east right of way line of L. M. 1385;

South 48°31'west, 1100.0 feet; South 45°39' west, 100.1 feet;

South 48°31'west, 1298.93 feet; South 51°23' west, 100.1 feet;

South 48°31'west, 169.23 feet to an iron pin found at the south corner of said 693.6925 acre tract and at the southeast corner of the Bilal K. Nabahani 73.861 acres, Ref. V. 2414, P. 583.

Thence north 1°08'42"east, 1802.89 feet with a west line of said 693.6925 acre tract, with the east line of said 73.861 acre tract and on a line near a fence to an iron pin found at an ell corner of said 693.6925 acre tract and at the northeast corner of said 73.861 acre tract;

Thence north 89°26'26"west, 4747.32 feet with a south line of said 693.6925 acre tract, with the north line of said 73.861 acre tract, the north line of the Bilal K. Nabahani 107.10 acres and 22.265 acres, Ref. V. 2414, P. 583 and with the center of the apparently abandoned Tom Cole Road to an iron pin found at the west, southwest corner of said 693.6925 acre tract, the northwest corner of said 22.265 acre tract and in the east R.O.W. line of Farm Road No. 1385;

Thence north 2°40'26"east, 3167.33 feet with the west line of said 693.6925 acre tract and with said east R.O.W. line to a R.O.W. Mon. for an angle point;

Thence north 2°49'23"east, 886.52 feet with said west line and said east R.O.W. line to the PLACE OF BEGINNING and containing 1027.0755 acres of land

TRACT 2

BEING a tract of land situated in the W. H. Clement Survey, Abstract No. 263, Marshall University Survey, Abstract No. 799, J. Sears Survey, Abstract No. 1490 and the F. Warren Survey, Abstract No. 1401, Denton County, Texas, and being all of a called 669.211 acre tract of land, conveyed to 720/186 Limited Partnership, as evidenced in a Special Warranty Deed, recorded in Instrument No. 2003-199013 and all of a called 231.535 acre tract of land, conveyed to Celina 231 Partners, LLC, as evidenced in a Special Warranty Deed with Vendor's Lien, recorded in Instrument No. 2007-64961, both of the Official Records of Denton County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at the southwest corner of said 669.211 acre tract, same being the northwest corner of Lot 1 of Aubrey Ranch Estates, an Addition in Denton County, as recorded in Cabinet H, Page 374 of the Plat Records of Denton County, Texas, same being on the east right of way line of F. M. 1385;

THENCE in a northerly direction, along the east right of way line of said F. M. 1385 and the west line of said 669.211 acre tract, the following courses and distances:

North 02°46'35" East, a distance of 201.16 feet to the point of curvature of a curve to the left;

Along the arc of said curve to the left, through a central angle of 03°45'00", having a radius of 11,499.16 feet, a chord bearing of North 00°54'05" East, a chord distance of 752.48 feet and an arc length of 752.62 feet to the point of tangency of said curve;

North 00°58'25" West, a distance of 753.40 feet to a corner;

North 04°44'14" East, a distance of 100.50 feet to a corner;

North 00°58'25" West, a distance of 3,600.00 feet to a corner;

North 06°41'03" West, a distance of 100.50 feet to a corner;

North 00°58'25" West, a distance of 1717.54 feet to the northwest corner of said 669.211 acre tract, same being the most westerly, southwest corner of a called Tract One (900.453 acre), conveyed to Bert Fields, Jr., as evidenced in a General Warranty Deed, recorded in Volume 729, Page 561 of the Official Records of Denton County, Texas, same also being in an apparent public road known as Light Ranch Road;

THENCE in a southeasterly direction, along the common line of said 669.211 acre tract and said Tract One, and along said Light Ranch Road, the following:

South 88°50'32" East, departing the east right of way line of said F. M. 1385, a distance of 2,246.45 feet to a corner;

South 03°56'11" West, a distance of 1,282.80 feet to a corner;

South 88°04'59" East, a distance of 1,359.90 feet to a corner;

South 04°52'11" West, a distance of 677.40 feet to a corner;

South 84°19'39" East, a distance of 1,348.00 feet to a the most easterly common corner of said 669.211 acre tract and said Tract One, same being on the occupied west line of a tract of land, conveyed to Dorothy Maria Ford, as evidenced in a Deed, recorded in Volume 807, Page 913 of the Official Records of Denton County, Texas, same being on the recognized east line of the Marshall University Survey, Abstract No. 799 and the recognized west line of the J. Harris Survey, Abstract No. 522;

THENCE South 04°23'31" West, continuing along said Light Ranch Road, with the common line of said Marshall University Survey, Abstract No. 799, the J. Harris Survey, Abstract No. 522, and along the east line of said 669.211 acre tract, a distance of 2,716.01 feet to a corner;

THENCE South 04°06'36" West, continuing along said Light Ranch Road, with the common line of said Marshall University Survey, Abstract No. 799, the J. Harris Survey, Abstract No. 522, and along the east line of said 669.211 acre tract, a distance of 1,210.40 feet to the northwest corner of aforesaid 231.535 acre tract, same being the recognized southwest corner of said J. Harris Survey, Abstract No. 522, same being the recognized northwest corner of the J. Sears Survey, Abstract No. 1490;

THENCE South 88°44'13" East, departing the east line of said 669.211 acre tract and said Light Ranch Road, along the north line of said 231.535 acre tract and the recognized north line of said J. Sears Survey, a distance of 2,554.03 feet to the northeast corner of said 231.535 acre tract;

THENCE South 02°08'18" West, departing the recognized north line of said J. Sears Survey and along the east line of said 231.535 acre tract, a distance of 3,897.80 feet to the southeast corner of said 231.535 acre tract, same being the recognized common line of the F. Warren Survey, Abstract No. 1401 and the J. Tenison Survey, Abstract No. 1271;

THENCE North 87°21'32" West, along the south line of said 231.535 acre tract and the recognized common line of said J. Sears Survey and said J. Tenison Survey, a distance of 2,640.93 feet to the southwest corner of said 231.535 acre tract, same being in the center of aforesaid Light Ranch Road;

THENCE North 02°11'28" East, along the west line of said 231.535 acre tract and along said Light Ranch Road, a distance of 1,424.86 feet to a corner;

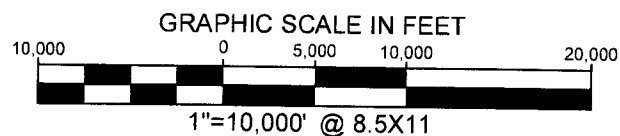
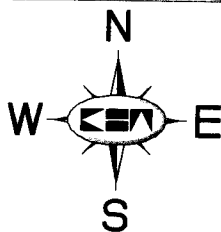
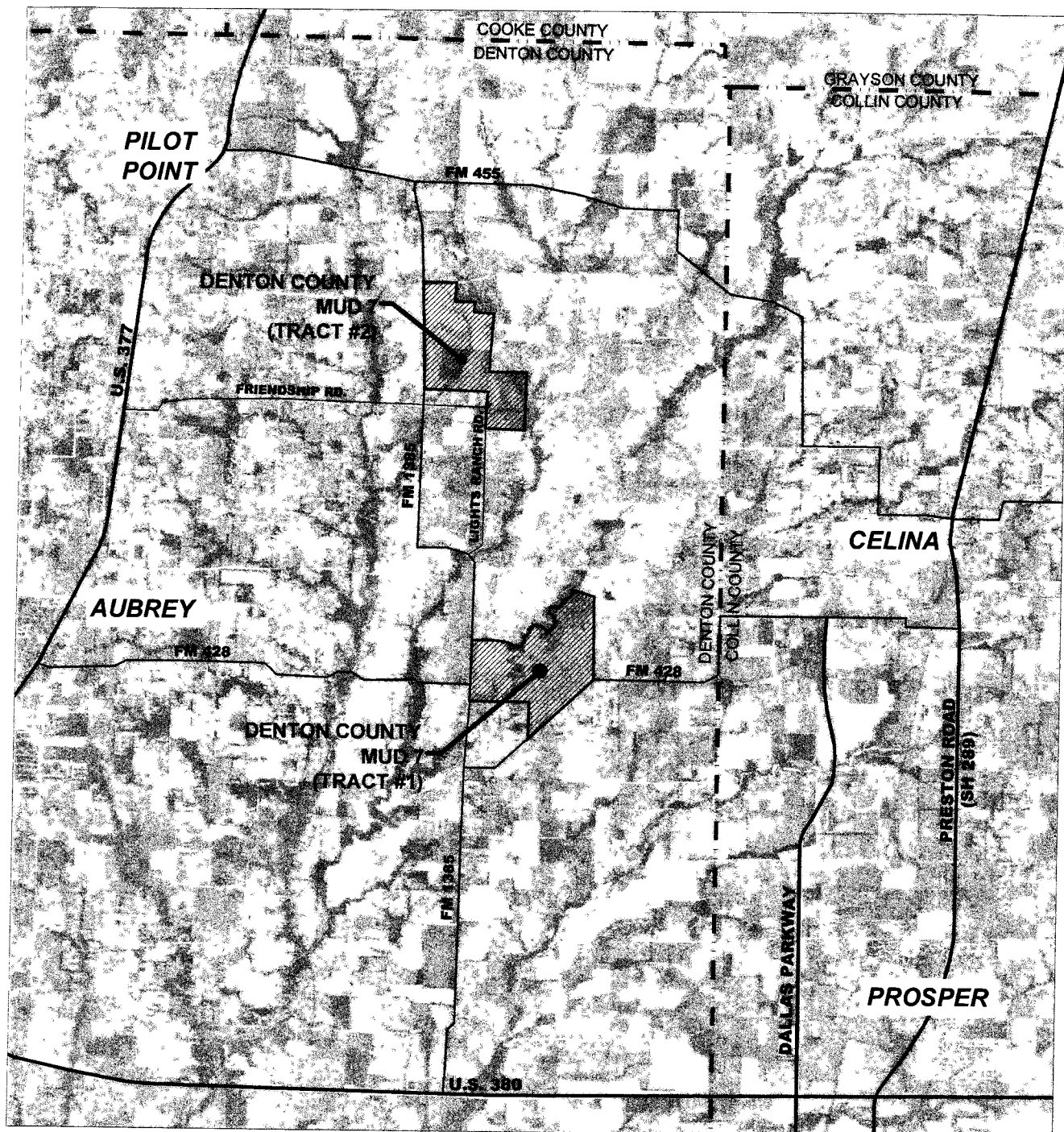
THENCE North 04°54'18" East, continuing along the west line of said 231.535 acre tract and said Light Ranch Road, a distance of 1,071.26 feet to the southeast corner of aforesaid 669.211 acre tract, same being the northeast corner of Lot 20 and aforesaid Aubrey Ranch Estates;

THENCE North 87°14'12" West, departing said Light Ranch Road, along the south line of said 669.211 acre tract and along the north line of said Aubrey Ranch Estates, a distance of 4,342.23 feet to the POINT OF BEGINNING and containing 900.75 acres of land, more or less.

4844-9543-5284, v. 1

EXHIBIT "B"
MAP OF PROPERTY

Plotted By Bussell, Allen Date April 17, 2013 09:07:09am File Path K:\FRI_Civil\Drawings\Land Forms - On-Call\Drawings\References\Utility-Districts.dwg
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Denton County M.U.D. No.7

LOCATION EXHIBIT
 DENTON COUNTY, TEXAS

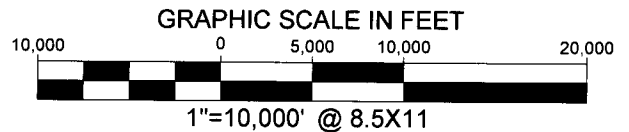
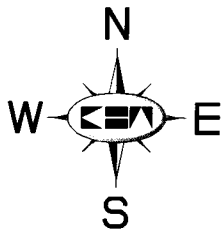
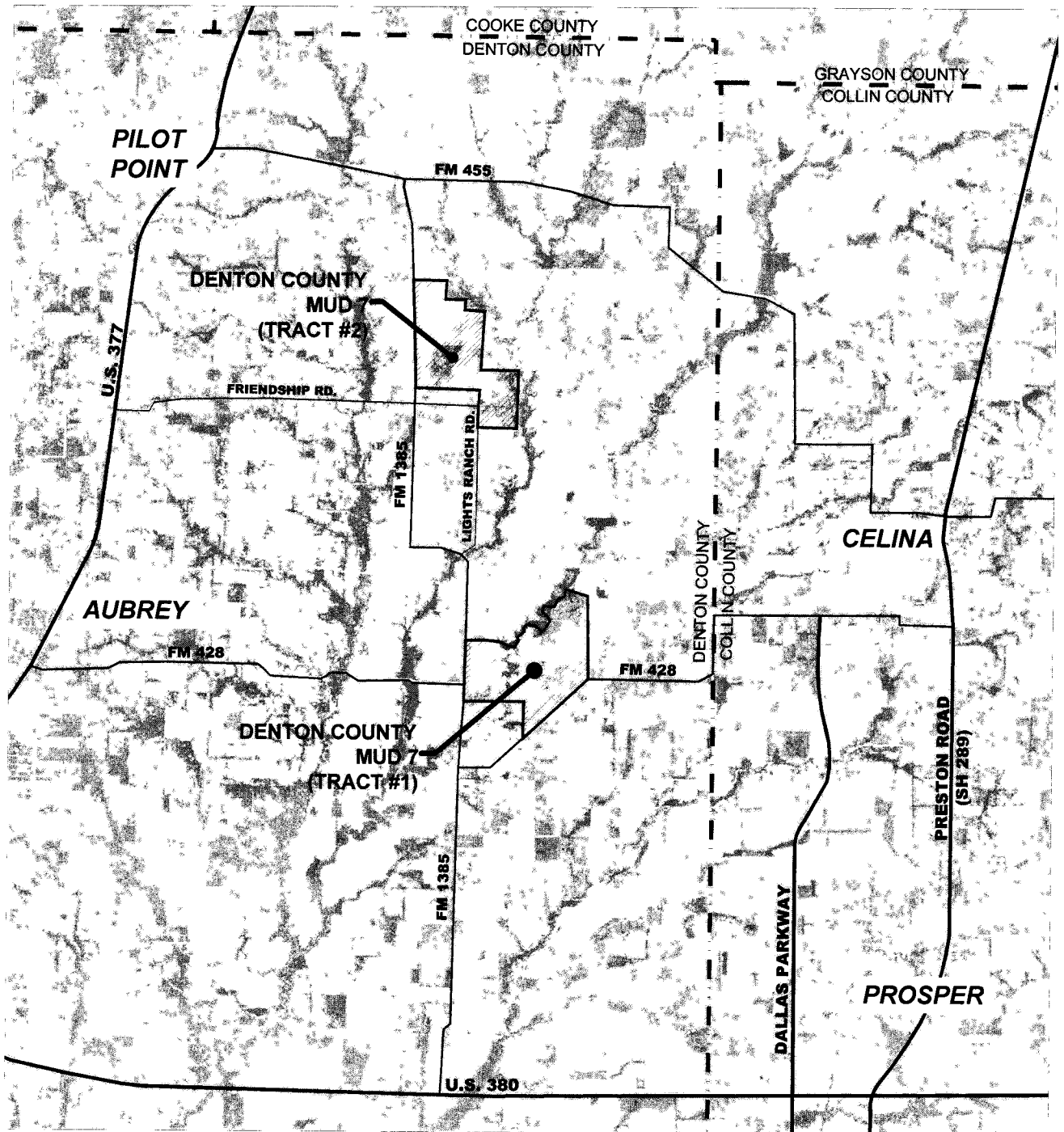
NOTE: THIS PLAN IS CONCEPTUAL IN NATURE AND HAS BEEN PRODUCED WITHOUT THE BENEFIT OF A SURVEY. TOPOGRAPHY, UTILITIES, CONTACT WITH THE CITY, ETC



**Kimley-Horn
 and Associates, Inc.**

5750 Genesis Court, Suite 200
 Frisco, Texas 75034
 972-335-3580
 State of Texas Registration No. F-928

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Denton County M.U.D. No.7

LOCATION EXHIBIT
DENTON COUNTY, TEXAS

NOTE: THIS PLAN IS CONCEPTUAL IN NATURE AND HAS BEEN PRODUCED WITHOUT THE BENEFIT OF A SURVEY. TOPOGRAPHY, UTILITIES, CONTACT WITH THE CITY, ETC.



Kimley-Horn
and Associates, Inc.

5750 Genesis Court, Suite 200
Frisco, Texas 75034
972-335-3580
State of Texas Registration No. F-928