



Control Number 44947



Item Number 31

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PUC DOCKET NO. 44947

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APPLICATION OF DENTON COUNTY §. BEFORE THE
MUNICIPAL UTILITY DISTRICT NO. 7 §
TO OBTAIN WATER AND SEWER § PUBLIC UTILITY COMMISSION
CERTIFICATES OF CONVENIENCE § FILING CLERK
AND NECESSITY IN DENTON COUNTY § OF TEXAS.

**DENTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 7'S RESPONSE TO
COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION**

Staff 2-1. Please provide a letter from the district's financial advisor indicating that Denton County MUD #7 is able to issue debt (bonds) in an amount to cover capital requirements to provide continuous and adequate water and sewer service for Denton County MUD #7's customers.

Response: Denton County Municipal Utility District No. 7 (the "District") has not engaged a financial advisor at this time. However, the voters in the District have authorized the issuance of a total of \$172,965,000 in bonds for water, sewer, and drainage purposes. A copy of the Order Canvassing Election Returns is enclosed.

Respectfully submitted,
COATS ROSE, P.C.

By: Angela M. Stepherson
Angela M. Stepherson
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ATTORNEYS FOR DENTON COUNTY
MUNICIPAL UTILITY DISTRICT NO. 7

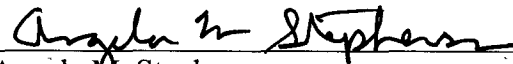
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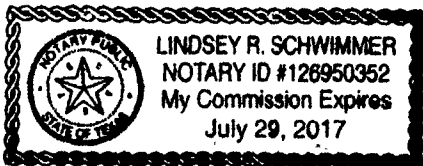
VERIFICATION

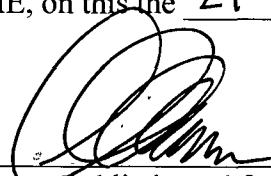
STATE OF TEXAS §
§
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority, on this day personally appeared Angela M. Stepherson, who after being duly sworn, did on her oath depose and say that she has reviewed Denton County Municipal Utility District No. 7's Response to Commission Staff's Second Request for Information in the above-referenced matter, and that the answers are within her personal knowledge and are true and correct.


Angela M. Stepherson

SUBSCRIBED AND SWORN TO BEFORE ME, on this the 24th day of August, 2016.




Notary Public in and for the State of Texas

2

CERTIFICATE FOR ORDER CANVASSING ELECTION RETURNS

THE STATE OF TEXAS §
COUNTY OF DENTON §
DENTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 7 OF DENTON COUNTY §

We; the undersigned officers of the Board of Directors (the "Board") of Denton County Municipal Utility District No. 7 (the "District"), hereby certify as follows:

1 The Board convened in special session, open to the public, on the 17th day of May, 2010 at a designated meeting place outside the boundaries of the District, and the roll was called of the members of the Board, to-wit:

David Keith Bennett	President
David A. McGee	Vice President
Gary Ray Lee, Jr.	Secretary
Keith E. Koop	Asst. Secretary/Asst. Vice President
Truman M. Wolf	Asst. Secretary/Asst. Vice President

All members of the Board were present, except the following _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at such meeting:

ORDER CANVASSING ELECTION RETURNS

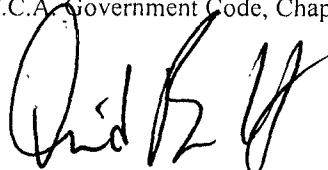
was duly introduced for the consideration of the Board. It was then duly moved and seconded that such Order be adopted; and, after due discussion, such motion, carrying with it the adoption of said Order, prevailed and carried by the following vote:

AYES: 5

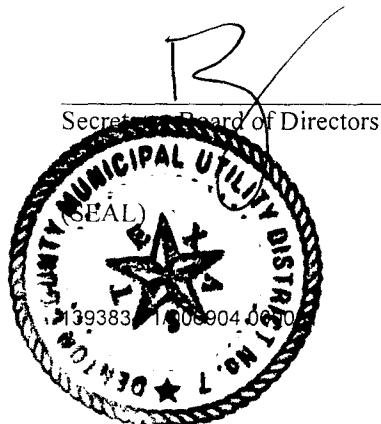
NOES: 0

2. A true, full, and correct copy of the aforesaid Order adopted at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; such Order has been duly recorded in said Board's minutes of such meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Board's minutes of such meeting pertaining to the adoption of such Order; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Board as indicated therein; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance of the time, place, and purpose of such meeting and that such Order would be introduced and considered for adoption at such meeting and each of such officers and members consented, in advance, to the holding of such meeting for such purpose; such meeting was open to the public, as required by law, and public notice of the time, place and purpose of such meeting was given as required by V.T.C.A. Government Code, Chapter 551.

SIGNED AND SEALED this 17th day of May, 2010.



President, Board of Directors



ORDER CANVASSING ELECTION RETURNS

THE STATE OF TEXAS §

COUNTY OF DENTON §

DENTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 7 §

WHEREAS, Denton County Municipal Utility District No. 7 (the "District") was heretofore duly created by House Bill No. 4061 (the "Bill"), 80th Legislature of Texas, Regular Session, codified at Chapter 8190, Texas Special District Local Laws Code, effective June 15, 2007 as a conservation and reclamation district created under and essential to accomplish the purposes of Section 52, Article III, and Section 59, Article XVI, of the Texas Constitution and operating pursuant to Chapters 49 and 54 of the Texas Water Code;

WHEREAS, the temporary directors of the District, appointed by the Texas Commission on Environmental Quality (the "TCEQ"), have met and organized and have qualified to serve as directors of the District by taking the oath and making the bond required by law; and

WHEREAS, on March 8, 2010, the Board of Directors of the District properly ordered an election to be held in the District on May 8, 2010, to confirm the creation of the District, elect permanent directors, authorize bonds, and to approve a maintenance tax (collectively, the "Election"); and

WHEREAS, the following propositions were submitted in accordance with the law:

PROPOSITION I

SHALL THE CREATION OF DENTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 7 BE CONFIRMED?

PROPOSITION II

SHALL THE BOARD OF DIRECTORS OF DENTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 7 BE AUTHORIZED TO ISSUE THE BONDS OF SAID DISTRICT IN ONE OR MORE ISSUES OR SERIES IN THE MAXIMUM AMOUNT OF \$172,965,000 MATURING SERIALY OR OTHERWISE IN SUCH INSTALLMENTS AS ARE FIXED BY SAID BOARD OVER A PERIOD OR PERIODS NOT EXCEEDING FORTY (40) YEARS FROM THEIR DATE OR DATES, BEARING INTEREST AT ANY RATE OR RATES, AND TO SELL SAID BONDS AT ANY PRICE OR PRICES, PROVIDED THAT THE NET EFFECTIVE INTEREST RATE, AS DEFINED BY CHAPTER 1204, TEXAS GOVERNMENT CODE, AS AMENDED, ON

ANY ISSUE OR SERIES OF SAID BONDS SHALL NOT EXCEED THE MAXIMUM LEGAL LIMIT IN EFFECT AT THE TIME OF ISSUANCE OF EACH SUCH ISSUE OR SERIES, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF SAID DISTRICT FOR THE PURPOSE OR PURPOSES OF PURCHASING, CONSTRUCTING, ACQUIRING, OWNING, LEASING OR OPERATING A WATERWORKS SYSTEM, A SURFACE WATER SYSTEM, A SANITARY SEWER SYSTEM AND A DRAINAGE AND STORM SEWER SYSTEM FOR SAID DISTRICT AND ADDITIONS, EXTENSIONS AND IMPROVEMENTS THERETO AND PURCHASING OR OTHERWISE ACQUIRING ANY AND ALL PROPERTY CONTRACT RIGHTS, RIGHTS OF USE AND INTERESTS IN PROPERTY NECESSARY APPROPRIATE OR INCIDENT TO THE PURCHASE, CONSTRUCTION, ACQUISITION, OWNERSHIP, LEASING OR OPERATION OF SUCH WATERWORKS SYSTEM, SURFACE WATER SYSTEM, SANITARY SEWER SYSTEM, AND DRAINAGE AND STORM SEWER SYSTEM; AND ADDITIONS, EXTENSIONS AND IMPROVEMENTS THERETO, AND FOR THE ADDITIONAL PURPOSE OF PAYING ALL EXPENSES IN ANY MANNER INCIDENTAL THERETO AND SUCH EXPENSES AS ARE INCIDENTAL TO THE ORGANIZATION, ADMINISTRATION, AND FINANCING OF THE DISTRICT WHICH UNDER APPLICABLE LAW MAY PROPERLY BE PAID FROM THE PROCEEDS OF SUCH BONDS; AND IN AN AMOUNT NOT IN EXCESS OF ONE AND ONE-HALF TIMES THE AMOUNT OF BONDS OR OTHER EVIDENCES OF INDEBTEDNESS PREVIOUSLY ISSUED FOR THE PURPOSE OF REFUNDING ANY BONDS OR OTHER EVIDENCES OF INDEBTEDNESS ISSUED BY THE DISTRICT FOR ANY OF THE FOREGOING PURPOSES, AND TO PROVIDE FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON SUCH BONDS BY THE LEVY AND COLLECTION OF A SUFFICIENT TAX UPON ALL TAXABLE PROPERTY WITHIN SAID DISTRICT ALL AS AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, INCLUDING PARTICULARLY (BUT NOT BY WAY OF LIMITATION) CHAPTERS 49 AND 54 OF THE TEXAS WATER CODE, TO THE EXTENT APPLICABLE, TOGETHER WITH ALL AMENDMENTS AND ADDITIONS THERETO?

PROPOSITION III

SHALL THE BOARD OF DIRECTORS OF DENTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 7 BE AUTHORIZED TO ISSUE THE BONDS OF SAID DISTRICT IN ONE OR MORE ISSUES OR SERIES IN THE MAXIMUM AMOUNT OF \$198,305,000 MATURING SERIALY OR OTHERWISE IN SUCH INSTALLMENTS AS ARE FIXED BY SAID BOARD OVER A PERIOD OR PERIODS NOT EXCEEDING FORTY (40) YEARS FROM THEIR DATE OR DATES, BEARING INTEREST AT ANY RATE OR RATES, AND TO SELL SAID BONDS AT ANY PRICE OR PRICES, PROVIDED THAT THE NET EFFECTIVE INTEREST RATE, AS DEFINED BY CHAPTER 1204, TEXAS GOVERNMENT CODE, AS AMENDED, ON

ANY ISSUE OR SERIES OF SAID BONDS SHALL NOT EXCEED THE MAXIMUM LEGAL LIMIT IN EFFECT AT THE TIME OF ISSUANCE OF EACH SUCH ISSUE OR SERIES, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF SAID DISTRICT FOR THE PURPOSE OR PURPOSES OF CONSTRUCTING, ACQUIRING, IMPROVING, MAINTAINING, OR OPERATING MACADAMIZED, GRAVELED, OR PAVED ROADS OR IMPROVEMENTS IN AID OF THOSE ROADS, INCLUDING STORM DRAINAGE, FOR SAID DISTRICT AND ADDITIONS, EXTENSIONS AND IMPROVEMENTS THERETO AND PURCHASING OR OTHERWISE ACQUIRING ANY AND ALL PROPERTY CONTRACT RIGHTS, RIGHTS OF USE AND INTERESTS IN PROPERTY NECESSARY APPROPRIATE OR INCIDENT TO THE CONSTRUCTING, ACQUIRING, IMPROVING, MAINTAINING, OR OPERATING SUCH MACADAMIZED, GRAVELED, OR PAVED ROADS OR IMPROVEMENTS IN AID OF THOSE ROADS, AND ADDITIONS, EXTENSIONS AND IMPROVEMENTS THERETO, AND FOR THE ADDITIONAL PURPOSE OF PAYING ALL EXPENSES IN ANY MANNER INCIDENTAL THERETO WHICH UNDER APPLICABLE LAW MAY PROPERLY BE PAID FROM THE PROCEEDS OF SUCH BONDS; AND IN AN AMOUNT NOT IN EXCESS OF ONE AND ONE-HALF TIMES THE AMOUNT OF BONDS OR OTHER EVIDENCES OF INDEBTEDNESS PREVIOUSLY ISSUED FOR THE PURPOSE OF REFUNDING ANY BONDS OR OTHER EVIDENCES OF INDEBTEDNESS ISSUED BY THE DISTRICT FOR ANY OF THE FOREGOING PURPOSES, AND TO PROVIDE FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON SUCH BONDS BY THE LEVY AND COLLECTION OF A SUFFICIENT TAX UPON ALL TAXABLE PROPERTY WITHIN SAID DISTRICT ALL AS AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS, INCLUDING PARTICULARLY (BUT NOT BY WAY OF LIMITATION) ARTICLE III, SECTION 52(b)(3) OF THE TEXAS CONSTITUTION, AND CHAPTERS 49 AND 54 OF THE TEXAS WATER CODE, TO THE EXTENT APPLICABLE, TOGETHER WITH ALL AMENDMENTS AND ADDITIONS THERETO?

PROPOSITION IV

SHALL THE BOARD OF DIRECTORS OF DENTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 7 BE AUTHORIZED TO ASSESS, LEVY AND COLLECT AN ANNUAL MAINTENANCE TAX NOT TO EXCEED \$1.00 PER \$100 VALUATION OF ALL TAXABLE PROPERTY WITHIN SAID DISTRICT IN AMOUNTS SUFFICIENT TO SECURE FUNDS FOR OPERATION AND MAINTENANCE PURPOSES, INCLUDING BUT NOT LIMITED TO FUNDS FOR PLANNING, CONSTRUCTING, ACQUIRING, MAINTAINING, REPAIRING AND OPERATING ALL NECESSARY LAND, PLANTS, WORKS, FACILITIES, IMPROVEMENTS, APPLIANCES AND EQUIPMENT OF SUCH DISTRICT AND FOR PAYING COSTS OF PROPER SERVICES, ENGINEERING AND LEGAL FEES, AND ORGANIZATION AND ADMINISTRATIVE EXPENSES, IN ACCORDANCE WITH THE

CONSTITUTION AND LAWS OF THE STATE OF TEXAS, INCLUDING PARTICULARLY (BUT NOT BY WAY OF LIMITATION) SECTION 49.107 OF THE TEXAS WATER CODE, TOGETHER WITH ALL AMENDMENTS AND ADDITIONS THERETO?

WHEREAS, notice of the Election was duly posted as required by law at the District's administrative office and at the location where notices of District meetings are posted; and

WHEREAS, the Board of Directors has investigated all matters pertaining to the election, including the ordering, giving notice, officers, holding, and making returns of the election; and

WHEREAS, the election officers who held the election have duly made the returns of the result thereof, and the returns have been duly delivered to this Board of Directors.

THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF DENTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 7 THAT

1. The Board of Directors officially finds and determines that the Election was duly ordered, that proper notice of the election was duly given, that proper election officers were duly appointed prior to the election, that the election was duly held, that the District has complied with the Federal Voting Rights Act and the Texas Election Code, that due returns of the result of the election have been made and delivered, and that the Board of Directors has duly canvassed the returns, all in accordance with law and the Order Calling Confirmation and Directors Election, Bond Elections and Maintenance Tax Election.

2. The Board of Directors officially finds and determines that the following votes were cast at the Confirmation and Directors Election, Bond Elections, and Maintenance Tax Election by the resident, qualified electors of said District, who voted at said election.

PROPOSITION I

1 Vote: FOR

DISTRICT

0 Votes: AGAINST

PROPOSITION II

1 Vote: FOR

THE ISSUANCE OF \$172,965,000 IN BONDS AND THE LEVY OF AD VALOREM TAXES IN PAYMENT OF THE BONDS (WATER, SANITARY SEWER, DRAINAGE AND

STORM SEWER, ORGANIZATION AND
ADMINISTRATION)

0 Votes: AGAINST

PROPOSITION III

1 Vote: FOR

THE ISSUANCE OF \$198,305,000 IN BONDS
AND THE LEVY OF AD VALOREM TAXES
IN PAYMENT OF THE BONDS (ROADS)

0 Votes: AGAINST

PROPOSITION IV

1 Vote: FOR

THE LEVY OF A MAINTENANCE TAX NOT
TO EXCEED ONE DOLLAR (\$1.00) PER ONE
HUNDRED DOLLARS (\$100.00) OF
ASSESSED VALUATION

0 Votes: AGAINST

DIRECTORS

Keith E. Koop 1 Vote

Truman M. Wolf 1 Vote

David A. McGee 1 Vote

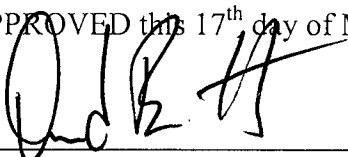
Gary Ray Lee, Jr. 1 Vote

David Keith Bennett 1 Vote

3. The Board of Directors officially finds, determines and declares the results of the Confirmation and Directors Election, Bond Elections and Maintenance Tax Election to be that the propositions so submitted have received a favorable majority vote and that the creation of the District has been confirmed; the temporary directors listed above have been elected as permanent directors of the District; the Board of Directors of the District has authority to issue bonds in the maximum aggregate amount of One Hundred Seventy Two Million Nine Hundred Sixty Five Thousand (\$172,965,000) for water, sewage and drainage purposes and facilities and organization and administration; to issue bonds in the maximum aggregate amount of One Hundred Ninety Eight Million Three Hundred and Five Thousand Dollars (\$198,305,000) for roads; and to impose a maintenance tax not to exceed \$1.00 per \$100 assessed valuation.

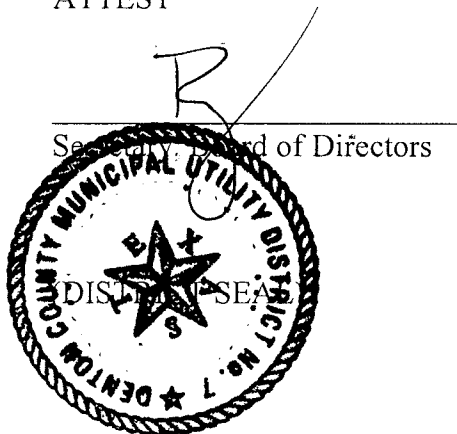
The President or Vice President is authorized to execute and the Secretary or any Assistant Secretary is authorized to attest this Order on behalf of the Board of Directors.

PASSED, ADOPTED, ORDERED and APPROVED this 17th day of May, 2010.



President, Board of Directors

ATTEST



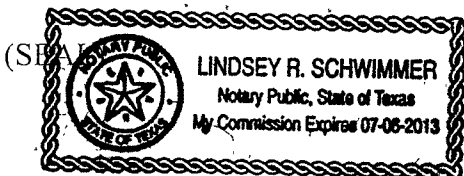
THE STATE OF TEXAS

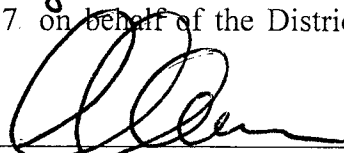
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COUNTY OF DENTON

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This instrument was acknowledged before me on May 17th 2010 by David Keith Bennett, President of the Board of Directors and Gary Ray Lee, Secretary of the Board of Directors, of Denton County Municipal Utility District No. 7 on behalf of the District and in the capacity herein stated.





Notary Public in and for the State of Texas

EXHIBIT A
METES AND BOUNDS

SITUATED in Denton County, Texas, in the J. Melroy Survey. Abstract No. 895, the MEP & 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. Doc. 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°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°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 $48^{\circ}31'$ west, 1100.0 feet; South $45^{\circ}39'$ west, 100.1 feet;

South $48^{\circ}31'$ west, 1298.93 feet; South $51^{\circ}23'$ west, 100.1 feet;

South $48^{\circ}31'$ 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 $1^{\circ}08'42''$ 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 $89^{\circ}26'26''$ 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 $2^{\circ}40'26''$ 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 $2^{\circ}49'23''$ 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.