

not exceed two percent (2%) above the highest average interest rate reported by the Daily Bond Buyer in its weekly "20 Bond Index" during the one-month period next preceding the date notice of the sale of such bonds is given and bids for the bonds will be received not more than forty-five (45) days after notice of sale of the bonds is given; and

- (5) the resolution or order authorizing the issuance of the district's bonds must contain a provision that any pledge of the revenues from the operation of the district's utility facilities to the payment of debt service will terminate when and if the city takes over the assets and assumes all of the obligations of the district.

(d) No land may be added or annexed to the district until the City of Conroe has given its written consent by resolution of the City Council to such addition or annexation.

(e) Plans and specifications for the construction of any facilities financed in whole or in part with bond proceeds or any water, sanitary sewer, drainage or related facilities that are intended to become the property of district must be submitted to the director of community development of the City of Conroe and approved prior to the commencement of construction. All water wells, water meters, all valves, pipes and appurtenances installed or used within the district shall conform to the specifications of the City of Conroe. All water service lines and sewer service lines, lift stations, sewage treatment facilities, and appurtenances thereto, installed or used within the district shall comply with the City of Conroe's standard plans and specifications. Prior to the construction of such facilities the district, or its engineer, shall give written notice by registered or certified mail to the City's director of community development, stating the date that such construction will be commenced. The construction of the district's water, sanitary sewer and drainage facilities shall be in accordance with the approved plans and specifications and with applicable standards and specifications of the City of Conroe, and during the progress of the construction and installation of such facilities, the City of Conroe, or an employee thereof, shall be permitted to make periodic on-the-ground inspections.

(f) The district may not allow the owner of a tract of land to connect to the district's water or wastewater system unless such tract is a legally subdivided lot which is a part of a recorded subdivision plat or is otherwise exempt from the subdivision requirements of both the City of Conroe and Montgomery County.

Exhibit B

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



THE STATE OF TEXAS
COUNTY OF TARRANT
I hereby certify that this is a true and correct copy of a
Texas Commission on Environmental Quality document,
which is filed in the permanent records of the Commission.
Given under my hand and the seal of office on

LaDonna Castaneda DEC 02 2008
LaDonna Castaneda, Chief Clerk
Texas Commission on Environmental Quality

AN ORDER GRANTING THE PETITION FOR CREATION OF MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 126 AND APPOINTING TEMPORARY DIRECTORS

A petition by David B. Hendricks and Houston Intercontinental Trade Center, L.P. (hereafter "Petitioners") was presented to the Executive Director of the Texas Commission on Environmental Quality (hereafter "Commission") for consideration of approval of the creation of Montgomery County Municipal Utility District No. 126 (hereafter "District") pursuant to Article XVI, Section 59 of the TEXAS CONSTITUTION and TEX. WATER CODE Chapters 49 and 54.

The Commission, after having considered the petition, application material, and memorandum from the Executive Director dated November 4, 2008 (hereafter "Memorandum"), attached as Exhibit "B," finds that the petition for creation should be approved.

The Commission finds that the creation of the proposed District as set out in the application is feasible, practicable, and necessary, and would be a benefit to the land to be included in the proposed District.

The Commission further finds that the proposed District and its system and subsequent development within the proposed District will not have an unreasonable effect on land elevation, subsidence, groundwater level within the region, recharge capability of a groundwater source, natural runoff rates and drainage, water quality, or total tax assessments on all land located within the proposed District.

All of the land and property proposed may properly be included within the proposed District.

All statutory and regulatory requirements for creation of Montgomery County Municipal Utility District No. 126 have been fulfilled in accordance with TEX. WATER CODE § 54.021 and 30 TEX. ADMIN. CODE §§ 293.11-293.12.

NOW, THEREFORE, BE IT ORDERED BY THE TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY THAT:

1. The petition for the creation of Montgomery County Municipal Utility District No. 126 is hereby granted.

2. The District is created under the terms and conditions of Article XVI, Section 59 of the TEXAS CONSTITUTION and TEX. WATER CODE Chapter 54.

3. The District shall have, and shall be subject to, all of the rights, duties, powers, privileges, authority, and functions conferred and imposed by the Commission and the general laws of the State of Texas relating to municipal utility districts, including road powers under TEX. WATER CODE § 54.234, subject to the requirements of the Commission and general laws of the State of Texas relating to the exercise of such powers.

4. The District shall be composed of the area situated wholly within Montgomery County, Texas, described by metes and bounds in Exhibit "A" attached hereto and incorporated herein for all purposes.

5. The Memorandum dated November 4, 2008, attached as Exhibit "B," is hereby incorporated as part of this Order.

6. The persons listed in Recommendation No. 4 of the Memorandum are hereby named and appointed as temporary directors and shall, as soon as practicable after the date of entry of this Order, execute their official bonds and take their official oaths of office. All such bonds shall be approved by the Board of Directors of the District, and each bond and oath shall be filed with the District and retained in its records.

7. This Order shall in no event be construed as an approval of any proposed agreements or of any particular items in any documents provided in support of the petition for creation, nor as a commitment or requirement of the Commission in the future to approve or disapprove any particular items or agreements in future applications submitted by the District for Commission consideration.

8. The Order shall not constitute approval or recognition of the validity of any provision in City of Conroe creation consent Ordinance No. 1848-08, effective May 22, 2008, nor any other ordinance/resolution incorporated therein by reference to the extent that such provision exceeds the authority granted to the City of Conroe by the laws of the State of Texas.

9. The Chief Clerk of the Commission shall forward a copy of this Order to all affected persons.

10. If any provision, sentence, clause, or phrase of this Order is for any reason held to be invalid, the invalidity of any portion shall not affect the validity of the remaining portions of the Order.

Issue Date: **NOV 20 2008**

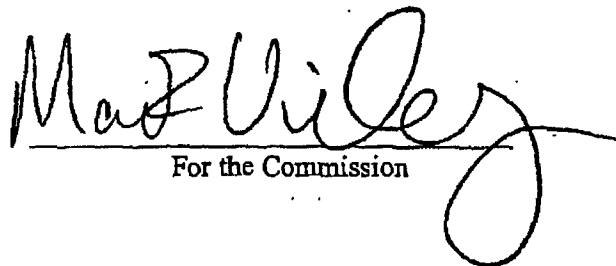

For the Commission

Exhibit A

METES AND BOUNDS DESCRIPTION
293.49 ACRES IN THE
JAMES EDWARDS SURVEY, ABSTRACT NO. 190 AND THE
ELIJAH COLLARD SURVEY, ABSTRACT NO. 7
MONTGOMERY COUNTY, TEXAS

A 293.49-ACRE TRACT OF LAND SITUATED IN THE JAMES EDWARDS SURVEY, ABSTRACT NO. 190, AND THE ELIJAH COLLARD SURVEY, ABSTRACT NO. 7, MONTGOMERY COUNTY, TEXAS, BEING A PORTION OF THAT CALLED 175.1768-ACRE TRACT CONVEYED TO HOUSTON INTERNATIONAL TRADE CENTER L.P. BY WARRANTY DEED RECORDED UNDER MONTGOMERY COUNTY CLERK'S FILE NO. 2007112579, ALL OF THAT CALLED 23.43-ACRE TRACT CONVEYED TO DAVID HENDRICKS BY GENERAL WARRANTY DEED WITH VENDOR'S LIEN RECORDED UNDER MONTGOMERY COUNTY CLERK'S FILE NO. 2006101070, ALL OF THAT CALLED 37.564-ACRE TRACT CONVEYED TO DAVID HENDRICKS BY SPECIAL WARRANTY DEED WITH VENDOR'S LIEN RECORDED UNDER MONTGOMERY COUNTY CLERK'S FILE NO. 2006062871, ALL OF THAT CALLED 33.861-ACRE TRACT CONVEYED TO HOUSTON INTERCONTINENTAL TRADE CENTER, L.P. BY GENERAL WARRANTY DEED WITH VENDOR'S LIEN RECORDED UNDER MONTGOMERY COUNTY CLERK'S FILE NO. 2007009290, AND ALL OF THAT CALLED 23.419-ACRE TRACT CONVEYED TO HOUSTON INTERNATIONAL TRADE CENTER L.P. BY WARRANTY DEED WITH VENDOR'S LIEN RECORDED UNDER MONTGOMERY COUNTY CLERK'S FILE NO. 2007112578 ALL OF THE OFFICIAL PUBLIC RECORDS OF REAL PROPERTY, SAID 293.49-ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS WITH ALL BEARINGS BASED ON THE TEXAS COORDINATE SYSTEM OF 1983, CENTRAL ZONE, AS DETERMINED BY GPS MEASUREMENTS;

BEGINNING at a 5/8-inch iron rod found on the north line of Longmire Way (60-foot right-of-way) recorded under Montgomery County Clerk's File No. 9536930 of the Official Public Records of Real Property, being the southeast corner of Reserve "C" of the Replat of Longmire on Lake Conroe Sections 1 and 2, plat of which is recorded in Cabinet J, Sheets 161 thru 163 of the Montgomery County Map Records;

- (1) THENCE North 12°45'59" East, along the east line of said Replat of Longmire on Lake Conroe Sections 1 and 2, at 912.84 feet passing the northeast corner of said Replat of Longmire on Lake Conroe Sections 1 and 2 and the southeast corner of Longmire on Lake Conroe Section 3, plat of which is recorded in Cabinet J, Sheets 59 thru 65 of the Montgomery County Map Records, and continuing in all 1255.98 feet to a 5/8-inch iron rod found for the northeast corner of said Longmire on Lake Conroe Section 3;
- (2) THENCE North 77°12'18" West, 1616.63 feet, along the north line of said Longmire on Lake Conroe Section 3, to a 5/8-inch iron rod with cap stamped "E.H.R. & A. 713-784-4500" set for an interior corner of said Longmire on Lake Conroe Section 3;
- (3) THENCE North 11°56'28" East, 565.74 feet, along an interior line of said Longmire on Lake Conroe Section 3, to a 5/8-inch iron rod found for the northeast corner of Reserve "D" of said Longmire on Lake Conroe Section 3, being on the 201-foot contour line;

THENCE along the 201-foot contour line, the following fifty (50) courses and distances:

- (4) South 87°23'59" East, 33.75 feet to a point;
- (5) North 60°22'00" East, 14.06 feet to a point;
- (6) South 88°53'51" East, 14.40 feet to a point;
- (7) South 44°41'08" East, 14.73 feet to a point;
- (8) South 25°42'16" East, 23.63 feet to a point;
- (9) South 21°31'26" East, 48.80 feet to a point;
- (10) South 24°18'55" East, 36.65 feet to a point;

- (11) South 23°02'23" East, 43.48 feet to a point;
- (12) South 32°41'37" East, 41.56 feet to a point;
- (13) South 39°04'34" East, 23.02 feet to a point;
- (14) South 43°05'41" East, 23.55 feet to a point;
- (15) South 89°57'44" East, 22.50 feet to a point;
- (16) North 62°41'04" East, 21.03 feet to a point;
- (17) North 32°09'28" East, 44.39 feet to a point;
- (18) North 10°10'15" West, 36.41 feet to a point;
- (19) North 09°26'25" West, 45.54 feet to a point;
- (20) North 15°23'27" East, 43.59 feet to a point;
- (21) North 11°14'01" East, 48.40 feet to a point;
- (22) North 13°00'46" East, 21.26 feet to a point;
- (23) North 10°49'35" East, 30.79 feet to a point;
- (24) North 32°19'05" East, 12.24 feet to a point;
- (25) North 58°33'18" East, 11.79 feet to a point;
- (26) South 80°41'18" East, 26.84 feet to a point;
- (27) South 63°13'35" East, 31.75 feet to a point;
- (28) South 56°59'25" East, 57.54 feet to a point;
- (29) South 59°37'32" East, 54.26 feet to a point;
- (30) South 59°24'03" East, 33.57 feet to a point;
- (31) South 57°44'53" East, 37.89 feet to a point;
- (32) South 58°14'18" East, 35.57 feet to a point;
- (33) South 59°55'00" East, 46.09 feet to a point;
- (34) South 50°39'40" East, 31.93 feet to a point;
- (35) South 81°19'12" East, 21.88 feet to a point;
- (36) North 34°51'06" East, 20.55 feet to a point;
- (37) North 15°39'43" East, 23.19 feet to a point;
- (38) North 27°35'55" West, 25.09 feet to a point;
- (39) North 45°59'51" West, 31.29 feet to a point;
- (40) North 38°24'53" West, 41.42 feet to a point;
- (41) North 48°11'04" West, 42.03 feet to a point;
- (42) North 52°44'02" West, 37.78 feet to a point;

- (43) North 47°31'18" West, 36.54 feet to a point;
 - (44) North 51°00'12" West, 68.46 feet to a point;
 - (45) North 54°27'30" West, 53.57 feet to a point;
 - (46) North 50°14'59" West, 43.08 feet to a point;
 - (47) North 50°50'55" West, 63.18 feet to a point;
 - (48) North 45°44'33" West, 33.82 feet to a point;
 - (49) North 17°44'30" West, 55.91 feet to a point;
 - (50) North 04°00'03" West, 43.57 feet to a point;
 - (51) North 16°15'40" West, 51.84 feet to a point;
 - (52) North 15°27'23" West, 69.20 feet to a point;
 - (53) North 09°53'22" East, 38.80 feet to a point on the south line of Pebble Glen on the Lake, plat of which is recorded in Cabinet N, Sheets 125 thru 128;
 - (54) THENCE South 81°28'22" East, at 10.00 feet passing a 5/8-inch iron rod with cap stamped "E.H.R.&A: 713-784-4500" set for reference, and continuing in all 849.61 feet to a 5/8-inch iron rod found for the southeast corner of said Pebble Glen on the Lake;
 - (55) THENCE North 11°49'44" East, along the east line of said Pebble Glen on the Lake, at 1001.57 feet passing a 5/8-inch iron rod found for the northeast corner of said Pebble Glen on the Lake, and continuing in all 1072.69 feet to a point on the 201-foot contour line;
- THENCE along the 201-foot contour line, the following twenty-one (21) courses and distances:
- (56) South 87°34'31" East, 44.31 feet to a point;
 - (57) North 85°18'39" East, 103.76 feet to a point;
 - (58) South 87°41'11" East, 41.82 feet to a point;
 - (59) South 89°57'21" East, 52.34 feet to a point;
 - (60) South 83°58'25" East, 51.16 feet to a point;
 - (61) South 87°20'06" East, 50.00 feet to a point;
 - (62) North 85°40'28" East, 43.06 feet to a point;
 - (63) North 89°02'07" East, 48.48 feet to a point;
 - (64) South 89°59'11" East, 15.57 feet to a point;
 - (65) North 67°32'38" East, 22.66 feet to a point;
 - (66) North 02°29'35" East, 28.08 feet to a point;
 - (67) North 00°13'32" East, 29.04 feet to a point;
 - (68) North 67°39'40" West, 30.47 feet to a point;
 - (69) North 74°43'23" West, 56.56 feet to a point;
 - (70) North 75°25'23" West, 45.28 feet to a point;
 - (71) South 86°37'31" West, 74.43 feet to a point;

- (72) North 69°28'00" West, 40.10 feet to a point;
- (73) North 84°38'33" West, 45.92 feet to a point;
- (74) North 86°09'04" West, 59.74 feet to a point;
- (75) North 79°31'57" West, 49.92 feet to a point;
- (76) South 68°16'23" West, 53.48 feet to a point on the east line of Calfee Road (60-foot right-of-way) recorded in Volume 632, Page 291 and Volume 640, Page 139, both of the Montgomery County Deed Records;
- (77) THENCE North 11°11'22" East, 229.43 feet along the east line of said Calfee Road to a 1/2-inch iron rod found, being the southwest corner of the aforementioned 23.419-acre tract;
- THENCE in a northerly direction along the common line of said Calfee Road and said 23.419-acre tract, the following three (3) courses and distances:
- (78) North 21°10'57" East, 89.92 feet to a PK Nail found;
- (79) North 51°27'01" East, 105.82 feet to a 5/8-inch iron rod found;
- (80) North 12°47'09" East, 328.16 feet to a point on the southwest corner of League Line Road (60-foot-right-of-way) recorded in Volume 825, Page 102 and Volume 1049, Page 571, both of the Montgomery County Deed Records from which a 1/2-inch iron rod with cap stamped "Jeff Moon RPLS 4539" found for the most westerly northwest corner of said 23.939-acre tract recorded under Montgomery County Clerk's File No. 2005084850 of the Official Public Records of Real Property bears North 12°47'09" East, 133.02 feet;
- (81) THENCE South 76°39'07" East, at 98.85 feet passing a PK Nail found for the corner of said 23.939-acre tract, and continuing in all 1082.79 feet, along the south line of said League Line Road same as said 23.419-acre tract, to a 5/8-inch iron rod found;
- (82) THENCE South 77°19'32" East, 980.27 feet, continuing along the north line of said 23.419-acre tract same as south line of League Line Road, to a 5/8-inch iron rod found, being the northeast corner of said 23.419-acre tract and on the west line of the remainder of a called 90.033-acre tract (Tract 3) recorded under Montgomery County Clerk's File No. 9509572 of the Official Public Records of Real Property;
- (83) THENCE South 12°09'43" West, along the common line of said remainder tract and said 23.419-acre tract, at 484.50 feet passing a 5/8-inch iron rod found, and continuing in all 485.18 feet to a 5/8-inch iron rod with cap stamped "E.H.R.&A. 713-784-4500" set on the south line of said remainder tract, also being on the north line of a called 121.838-acre tract recorded in Volume 458, Page 131 of the Montgomery County Deed Records and the north line of aforementioned 23.43-acre tract;
- (84) THENCE South 77°02'20" East, 2149.46 feet along the common line of said remainder tract, said 121.838-acre tract and said 23.43-acre tract, to an iron strap found on the east line of Longmire Road, being the northeast corner of said 121.838-acre tract and said 23.43-acre tract and the northwest corner of a called 99.75-acre tract recorded under Montgomery County Clerk's File No. 9891534 of the Official Public Records of Real Property;
- (85) THENCE South 12°12'48" West, along the common line of said 121.838-acre tract, said 23.43-acre tract, said Longmire Road, and Longmire Way, said 99.75-acre tract, aforementioned 33.861-acre tract, and aforementioned 37.564-acre tract, at 428.83 feet passing a 1/2-inch iron found for the common east corner said 23.43-acre tract, and said 33.861-acre tract, at 1074.23 feet passing a 1/2-inch iron rod found for the common east corner of said 33.861-acre tract and said 37.564-acre tract, and continuing in all 1791.25 feet to a PK Nail found for the southeast corner of said 37.564-acre tract and the northeast corner of a called 26.5516-acre tract recorded under Montgomery County Clerk's File No. 2004020900 of the Official Public Records of Real Property;

- (86) THENCE North 77°53'49" West, 2280.36 feet, along the common line of said 37.564-acre tract and said 26.5516-acre tract, to a 1/2-inch iron rod found for the common west corner of said 37.564-acre tract and said 26.5516-acre tract, being on the east line of aforementioned 321.470-acre tract;
- (87) THENCE South 11°58'58" West, 507.48 feet along the common line of said 26.5516-acre tract and said 321.470-acre tract, to a 3/4-inch iron pipe found for the southwest corner of said 26.5516-acre tract and the northwest corner of The Estates of Longmire on Lake Conroe, plat of which is recorded in Cabinet H, Sheets 92B, 93A, 93B, and 94A of the Montgomery County Map Records;
- (88) THENCE South 11°12'47" West, 1416.70 feet, along the common line of said 321.470-acre tract and said The Estates of Longmire on Lake Conroe, to a fence corner on the north line of the aforementioned Longmire Way, being on the arc of a non-tangent curve to the right;
- THENCE in a westerly direction, along the north line of said Longmire Way, the following six (6) courses and distances:
- (89) Along the arc of said curve to the right having a radius of 1990.56 feet, a central angle of 05°37'51", an arc length of 195.63 feet, and a chord bearing North 74°33'58" West, 195.55 feet to a 5/8-inch iron rod found at a point of reverse curvature;
- (90) Along the arc of said curve to the left having a radius of 824.29 feet, a central angle of 14°21'06", an arc length of 206.47 feet, and a chord bearing North 78°55'35" West, 205.93 feet to a 5/8-inch iron rod found at a point of reverse curvature;
- (91) Along the arc of said curve to the right having a radius of 1499.91 feet, a central angle of 07°28'46", an arc length of 185.80 feet, and a chord bearing North 82°21'44" West, 195.66 feet to a 5/8-inch iron rod found;
- (92) North 78°37'21" West, 386.86 feet to a 1/2-inch iron rod found at the beginning of a curve to the left;
- (93) Along the arc of said curve to the left having a radius of 2711.89 feet, a central angle of 04°16'15", an arc length of 202.14 feet, and a chord bearing North 80°45'28" West, 202.09 feet to a 1/2-inch iron rod found at a point of reverse curvature;
- (94) Along the arc of said curve to the right having a radius of 1997.82 feet, a central angle of 05°38'44", an arc length of 196.85 feet, and a chord bearing North 80°04'13" West, 196.77 feet to the POINT OF BEGINNING, containing a gross acreage of 293.49 acres of land.

EDMINSTER, HINSHAW, RUSS AND ASSOCIATES, INC.

Piotr A. Debaski, R.P.L.S.
Texas Registration No. 5902
10555 Westoffice Drive
Houston, Texas 77042
713-784-4500



Date: Jan 27, 2008
Job No: 071-018-00
File No: R:\2007\071-018-00\docs\technical\data\293.49ac.doc

293.49 Acres
James Edwards Survey, A-130
Elijah Coland Survey, A-7
Page 5 of 5

Texas Commission on Environmental Quality

TECHNICAL MEMORANDUM

To: Todd Chenoweth, Director
Water Supply Division

Date: November 4, 2008

Thru: *RN* *fr* Doug Holcomb, P.E., Manager, Utilities and Districts Section
RN *ei* Alex A. (Skip) Ferris, P.E., Leader, Districts Review Team

From: Districts Review Team

Subject: Petition by David B. Hendricks, individual, and Houston Intercontinental Trade Center, L.P., for Creation of Montgomery County Municipal Utility District No. 126; Pursuant to Texas Water Code Chapters 49 and 54.
TCEQ Internal Control No. 07082008-D02 (TC)
CN: 603385923 RN: 105577530

A. GENERAL INFORMATION

The Commission received a petition within the application requesting approval for the creation of Montgomery County Municipal Utility District No. 126 (District). The petition was signed by David B. Hendricks, individual, and by Michael P. Barsi, president of Revista, Inc, general partner of Houston Intercontinental Trade Center, L.P. (Petitioners). According to the petition, the Petitioners are the owners of a majority in value of the land in the proposed District, and that there are two lien holders; Sterling Bank, and Benchmark Bank, on the property to be included in the proposed District. By joinder to the petition, the lien holders consent to the creation of the proposed District.

The District is proposed to be created and organized according to the terms and provisions of Article XVI, Section 59 of the Texas Constitution, and Chapters 49 and 54 of the Texas Water Code.

Location and Access

The proposed District is located in central Montgomery County, three miles west of Interstate Highway 45 on the east side of Lake Conroe, and approximately six miles northwest of the downtown portion of the City of Conroe (City). Access to the proposed District is provided from IH-45 to League Line Road. The petition states that all of the proposed District is located within the extraterritorial jurisdiction (ETJ) of the City, and is in the process of being annexed into the corporate limits of the City.

Metes and Bounds Description

The proposed District contains one tract of land totaling 293.49 acres. The metes and bounds description of the proposed District has been checked by the Commission's staff and has been found to form an acceptable closure.

Todd Chenoweth, Director

Page 2

November 4, 2008

City Consent

By Ordinance No. 1848-08, effective May 22, 2008, the City of Conroe gave its consent to the petition for creation of the proposed District. Accordingly, the requirements of Texas Water Code Section 54.016 and Texas Local Government Code Section 42.042 have been satisfied. The City consent recognizes the proposed District providing water, wastewater, drainage, recreational, and road facilities.

Statements of Filing Petition

Evidence of filing the petition with the Montgomery County clerk's office and the Commission's Houston regional office has been provided.

Type of Project

The proposed District will be considered a "developer project" as defined by 30 TAC Section 293.44(a). Therefore, developer cost participation in accordance with 30 TAC Section 293.47 will be required.

Developer Qualifications

Application material indicates that the Petitioners have completed commercial, mixed use, and single-family residential communities in the greater Houston area for over 30 years. The material also indicates that the Petitioners are currently involved in several projects at various stages of development.

Appraisal District Certificate

By certificate dated March 6, 2008, the Montgomery Central Appraisal District has certified that the tax rolls indicate that David Hendricks and Houston Intercontinental Trade Center L.P. are the owners of the property in the proposed District. Documents provided support that the Petitioners own a majority in value of the land in the proposed District.

Temporary Director Affidavits

The Commission has received affidavits for Commission consideration of the appointment of temporary directors for the following:

Irving A. Wolf
Adam H. Soffar

Gary Calfee
Donald E. Robinowitz

Robert L. Tompkins

Each of the above persons named is qualified, as required by 30 TAC Section 293.32(a), to serve as a temporary director of the proposed District as each (1) is at least 18 years old; (2) is a resident of the state of Texas; and (3) either owns land subject to taxation within the proposed District, or is a qualified voter within the proposed District.

Notice Requirements

Proper notice of the application was published on August 25 and September 1, 2008, in the Conroe Courier, a newspaper regularly published or circulated in Montgomery County, the county in which the district is proposed to be located. Proper notice of the application was posted on August 25, 2008, on the bulletin board used for posting legal notices in Montgomery County. Accordingly, the notice requirements of 30 TAC Section 293.12(b) have been satisfied.

B. ENGINEERING ANALYSIS

The creation engineering report indicates the following:

Availability of Comparable Service

The proposed District will be annexed by the City. Pursuant to the terms of the Utility Services and Development Agreement (Agreement), the City will provide water supply and wastewater treatment services, and trunk lines to the proposed District, at no cost to the proposed District. The proposed District will construct, own, and operate its own internal water, wastewater, and drainage systems.

Water Supply

Pursuant to the Agreement, the City will provide the proposed District with its water supply at no cost to the proposed District.

Water Distribution

The water distribution system for full development will consist of 54,210 linear feet (lf) of 4 to 12-inch diameter lines that will connect to an existing City line. Isolation valves and flushing valves will be provided at required intervals.

Wastewater Treatment

The wastewater generated by the development of the proposed District will be conveyed to a wastewater treatment facility constructed, maintained, and operated by the City at no cost to the proposed District, pursuant to the Agreement.

Wastewater Collection

The internal wastewater collection system for full development of the proposed District will consist of 43,380 (lf) of 8 to 12-inch diameter gravity lines, five lift stations, and approximately 9,200 lf of 4 to 10-inch diameter force main that discharge into an existing 24-inch City wastewater line.

November 4, 2008

Storm Water Drainage

The storm water runoff within the proposed District will be directed through curb inlets to 31,570 lf of 24 to 66-inch diameter reinforced concrete storm sewers. For the 78-acre eastern portion of the proposed District, collected storm water will drain into detention facilities and ultimately through an existing development. The remaining acreage will drain into Lake Conroe through a series of drainage channels and reinforced concrete pipe.

Topography

The proposed District has elevations ranging from 202 to 330 feet above mean sea level. The tract is heavily wooded with rolling terrain, and generally drains westerly toward Lake Conroe.

Floodplain

Federal Emergency Management Agency Flood Insurance Rate Map Panel No. 48339C0359F dated December 19, 1996, indicates that no acreage of the proposed District is inside the 100 year flood plain.

Impact on Natural Resources

The creation of the proposed District is expected to have no unreasonable effect on land elevation, groundwater levels, recharge capability, subsidence, natural runoff rates and drainage, or water quality.

C. SUMMARY OF COSTS
- WATER, WASTEWATER, AND DRAINAGE

<u>Construction Costs</u>	<u>District's Share⁽¹⁾</u>
A. Developer Contribution Items	
1. Water distribution system	\$ 1,745,680
2. Wastewater collection	3,390,930
3. Lift stations (4) - internal	650,000
4. Drainage collection facilities	3,319,830
5. Drainage and detention	1,064,040
6. Pollution Prevention Plan	660,000
7. Clearing & grubbing	574,700
8. Contingencies (10% of Item nos. 1-7)	1,140,518
9. Engineering (16% of Item nos. 1-8)	<u>2,007,312</u>
Total Developer Contribution Items	\$ 14,553,010
B. District Items	
1. Lift station - main	\$ 375,000
2. Contingencies (10% of Item no.1)	37,500
3. Engineering (16% of Items nos.1 & 2)	66,000
4. Land costs	
a. Lift station site (0.3 acres x \$30,000/acre)	9,000

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b. Detention site (46.8 acres x \$30,000/acre)	<u>1,404,000</u>
Total District Items	<u>1,891,500</u>
TOTAL CONSTRUCTION COSTS (67.46% of BIR)	\$ 16,444,510
<u>Non-Construction Costs</u>	
A. Legal Fees (3%)	\$ 731,250
B. Fiscal Agent Fees (2%)	487,500
C. Interest	
1. Capitalized Interest (24 months @ 6%)	2,925,000
2. Developer Interest (24 months @ 6%)	1,973,341
D. Bond Discount (3%)	731,250
E. Creation Costs	75,000
F. Operating Expenses	300,000
G. Bond Issuance Expenses	301,836
H. Bond Application Report Costs	320,000
I. Attorney General Fee (0.1% of BIR)	24,375
J. TCEQ Bond Issuance Fee (0.25%)	<u>60,938</u>
TOTAL NONCONSTRUCTION COSTS	<u>\$ 7,930,490</u>
TOTAL BOND ISSUE REQUIREMENT	\$ 24,375,000

Note: (1) Assumes 100% funding of anticipated developer contribution items.

Eligibility of costs for District funding and 30% developer contribution requirements may be determined in accordance with Commission rules in effect at the time bond applications are reviewed.

-ROADWAYS

<u>Construction Costs</u>	<u>District's Share⁽¹⁾</u>
A. Developer Contribution Items	
1. Major Roadways	\$ 1,663,377
2. Landscaping thoroughfares and collector streets	220,000
3. Contingencies (10% of Item nos. 1 & 2)	188,338
4. Engineering (16% of Item nos. 1 - 3)	<u>331,474</u>
Total Developer Contribution Items	\$ 2,403,189
B. District Items	
None	
TOTAL CONSTRUCTION COSTS (71.95% of BIR)	\$ 2,403,189
<u>Non-Construction Costs</u>	
A. Legal Fees (3%)	\$ 100,200
B. Fiscal Agent Fees (2%)	66,800
C. Interest	
1. Capitalized Interest (24 months @ 6%)	400,800
2. Developer Interest (24 months @ 6%)	288,383
D. Operating cost	50,000

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E. Miscellaneous Expenses	30,628
TOTAL NONCONSTRUCTION COSTS	\$ 936,811
TOTAL BOND ISSUE REQUIREMENT	\$ 3,340,000

Note: (1) Assumes 100% funding of anticipated developer contribution items.

Eligibility of costs for District funding and 30% developer contribution requirements may be determined in accordance with Commission rules in effect at the time bond applications are reviewed.

- RECREATION

<u>Construction Costs</u>	<u>District's Share⁽¹⁾</u>
A. Developer Contribution Items	
1. Amenity park plan	\$ 725,000
2. Contingencies (10% of Item no. 1)	72,500
3. Engineering (15% of Items 1 & 2)	119,625
Total Developer Contribution Items	\$ 917,125
B. District Items	
None	
TOTAL CONSTRUCTION COSTS (70.0% of BIR)	\$ 917,125
<u>Non-Construction Costs</u>	
A. Legal Fees (3%)	\$ 39,300
B. Fiscal Agent Fees (2%)	26,200
C. Interest	
Capitalized Interest (24 months @ 6%)	157,200
D. Bond Discount (3%)	39,300
E. Bond Issuance Expenses	36,290
F. Operating costs	50,000
G. Bond Application Report Costs	40,000
H. Attorney General Fee (0.10% of BIR)	1,310
I. TCEQ Bond Issuance Fee (0.25%)	3,275
TOTAL NONCONSTRUCTION COSTS	\$ 392,875
TOTAL BOND ISSUE REQUIREMENT	\$ 1,310,000

Note: (1) Assumes 100% funding of anticipated developer contribution items.

Eligibility of costs for District funding will be determined in accordance with Commission rules in effect at the time bond applications are reviewed.

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D. ECONOMIC ANALYSIS**Land Use**

The land use for the proposed District is projected in the following table:

<u>Development</u>	<u>Acres</u>	<u>ESFCs</u>
Single-Family Residential	219.40	771
Recreation Center	1.80	6
Park, Recreation & Open Space	25.19	0
Lift station	0.30	0
Lake and Water Quality Detention	<u>46.80</u>	<u>0</u>
Total	293.49	777

Market Study

A market study, prepared by MetroStudy, has been submitted in support of the creation of the proposed District, and shows there is a market demand for the District. The market study indicates that the proposed District will contain 771 single-family homes with prices averaging from \$225,000 to \$360,000 on 60 to 80-foot lots, and expected to be absorbed at a rate of 85 to 160 units per year. The proposed District will also contain a recreation center.

Project Financing

The estimated total assessed valuation of the proposed District at completion is as follows:

<u>Single-Family Lot Width</u>	<u># of Units</u>	<u>Average Unit Value</u>	<u>Total Value at Build-out</u>
60 – 80 foot	771 homes	\$ 304,838	\$ 235,030,000
Total			\$ 235,030,000

Considering an estimated bond issue requirement of \$24,375,000 (assuming 100% financing) for utilities, \$3,340,000 (assuming 100% financing) for roads, and \$1,310,000 (assuming 100% financing) for recreational facilities, a coupon bond interest rate of 6.0%, and a 25-year bond life, the average annual debt service requirement for utilities, roads, and recreational facilities would be approximately \$1,906,776, \$261,277 and \$102,477, respectively. Assuming a 95% collection rate and an ultimate taxable assessed valuation of \$235,030,000, a tax rate of about \$0.85 per \$100 AV for utilities, \$0.12 per \$100 AV for roads, and \$0.05 per \$100 AV for recreation facilities, respectively, would be necessary to meet the annual debt service requirements.

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The total year 2007 overlapping tax rates on land within the proposed District are shown in the following table:

<u>Taxing Jurisdiction</u>	<u>Tax per \$100 valuation</u>
Montgomery County	\$ 0.4888
Montgomery County Hospital District	0.0777
North Harris Montgomery County College District	0.1144
Willis ISD	1.3060
City of Conroe	0.4250
Proposed Montgomery County MUD No. 126	<u>1.0200</u> ⁽¹⁾
Total tax per \$100 valuation	\$ 3.4289

Notes: (1) Includes debt service tax rates of \$0.85 for utilities, \$0.12 for roads, and \$0.05 for recreational facilities. No maintenance tax was indicated. The total (proposed District tax; and the City tax for water, wastewater and drainage, road, and recreational facilities - if the City annexes the land) would need to be less than the \$1.50 limit indicated in 30 TAC rules.

Based on the proposed District tax rate and the year 2007 overlapping tax rates on land within the proposed District, the project is considered economically feasible.

Water and Wastewater Rates

According to information provided projected City rates are as follows:

Water:

Base charge (up to 3,000 gallons)	\$8.71
Each 1,000 gallons over 3,000 gallons	\$2.16

Wastewater:

Base charge (up to 3,000 gallons)	\$15.73
Each 1,000 gallons over 3,000 gallons	\$ 1.92

Based on the City rates, the estimated monthly fee for 10,000 gallons of water and wastewater would be approximately \$53.00.

Comparative Water District Tax Rates

A debt tax rate of about \$1.02 for the proposed District is comparable to other districts in the area. Based on the requirements of 30 TAC Section 293.59, this project is economically feasible.

E. SPECIAL CONSIDERATIONS

1. Annexation

As stated above, the proposed District is in the ETJ of the City. The engineering report indicates that the proposed District is in the process of being annexed by the City.

2. Request for Road Powers

The Petitioners request approval for road powers at the same time as the creation of the proposed District. Pursuant to Texas Water Code Section 54.234, approval of road utility district powers may be requested at the same time as creation. The proposed District has submitted a summary of the estimated cost in the engineering report that was submitted with the application. The proposed roads appear to benefit the proposed District, and financing appears feasible.

3. Request for Recreation Plan Approval

The Petitioners request approval of a recreation plan at the same time as the creation of the proposed District. Pursuant to Texas Water Code Section 49.351(g) and 30 TAC Section 293.11(a)(10), approval of a recreation plan may be requested at the same time as creation. The application material includes a detailed summary of the proposed recreational facility projects, projects' estimated costs, and proposed financing methods for the projects. The proposed District plan to construct recreational facility appears reasonable and feasible.

F. CONCLUSIONS

1. Based on Commission policy, compliance with Commission rules, and review of the engineering report and supporting documents, the proposed District is considered feasible, practicable, would be a benefit to the land within the proposed District, and would be necessary as a means to finance utilities and to provide utility service to future customers.
2. Based on a review of the application and supporting documents, the District's acquisition of Road Powers is considered feasible.
3. Based on a review of the preliminary engineering report; the market study; the proposed District's water, wastewater, drainage, road, and recreational facilities; a combined projected tax rate of \$1.02; the proposed District obtaining a 6.0% bond coupon interest rate; and other supporting data, the proposed District is considered feasible under the feasibility limits prescribed by 30 TAC Section 293.59.
4. The recommendations are made under authority delegated by the Executive Director of the Texas Commission on Environmental Quality.

November 4, 2008

G. RECOMMENDATIONS

1. Grant the petition for creation of Montgomery County Municipal Utility District No. 126.
2. Grant the District's request to acquire Road Powers in accordance with Texas Water Code Section 54.234 and 30 TAC §§ 293.201 and 293.202, subject to the requirements imposed by the Commission and the general laws of the State of Texas relating to the exercise of such powers.
3. The order granting the petition should include the following statements:

"This Order shall in no event be construed as an approval of any proposed agreements or of any particular items in any documents provided in support of the petition for creation, nor as a commitment or requirement of the Commission in the future to approve or disapprove any particular items or agreements in future applications submitted by the District for Commission consideration."

"This Order shall not constitute approval or recognition of the validity of any provision in the City of Conroe creation consent Ordinance No. 1848-08, effective May 22, 2008, and any other ordinance/resolution incorporated therein by reference to the extent that such provisions exceed the authority granted to the City of Conroe by the laws of the State of Texas."

4. Appoint the following to serve as temporary directors until permanent directors are elected and qualified:

Irving A. Wolf
Adam H. Soffar

Gary Calfee
Donald E. Robinowitz

Robert L. Tompkins

H. ADDITIONAL INFORMATION

The petitioners' professional representatives are:

Attorney: Mr. Abraham I. Rubinsky – Schwartz, Page, & Harding LLP

Engineer: Mr. Hasan Syed, P.E. – Edminster, Hinshaw, Russ & Assoc.

Market Analyst: Mr. Toby Ware – Metrostudy



Greg Charles
Districts Review Team

Exhibit C

CERTIFICATE FOR
ORDER CANVASSING RETURNS AND DECLARING
RESULTS OF CONFIRMATION AND DIRECTOR ELECTION
AND BOND AND MAINTENANCE TAX ELECTION

I, the undersigned Secretary of the Board of Directors (the "Board") of Montgomery County Municipal Utility District No. 126 (the "District"), hereby certify as follows:

1. The Board convened in special session, open to the public, on May 14, 2009, at 1300 Post Oak Boulevard, Suite 1400, Houston, Harris County, Texas and the roll was called of the members of the Board, to-wit:

Gary Calfee, President
 Donald E. Robinowitz, Vice-President
 Adam H. Soffar, Secretary
 Irving A. Wolf, Assistant Secretary
 Robert L. Tompkins, Assistant Secretary

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

ORDER CANVASSING RETURNS AND DECLARING
RESULTS OF CONFIRMATION AND DIRECTOR ELECTION
AND BOND AND MAINTENANCE TAX ELECTION

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 such Rules, prevailed and carried by the following vote:


AYES: 5

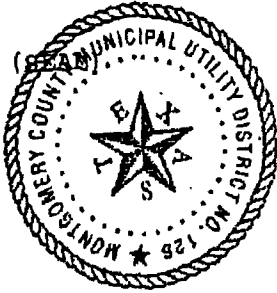
NOES: 0

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 the Board's minutes of such meeting; 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 such meeting was open to the public, and public notice of the time, place and purpose of such meeting was given, all as required by Chapter 551, Texas Government Code and Section 49.063, Texas Water Code, as amended.

Return To: KDE
 Schwartz, Page & Harding, L.L.P.
 1300 Post Oak Blvd., Ste. 1400
 Houston, Texas 77056

SIGNED AND SEALED this 14th day of May, 2009.


Secretary
Board of Directors



MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 126

ORDER CANVASSING RETURNS AND DECLARING
RESULTS OF CONFIRMATION AND DIRECTOR ELECTION
AND BOND AND MAINTENANCE TAX ELECTION

WHEREAS, there was held in Montgomery County Municipal Utility District No. 126, (the "District"), on the 9th day of May, 2009, an election for the purpose of electing five (5) permanent directors for the District and for the further purposes of voting on the following propositions:

PROPOSITION I

SHALL THE CREATION OF MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 126 BE CONFIRMED?

PROPOSITION II

SHALL THE BOARD OF DIRECTORS OF MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 126 BE AUTHORIZED TO ISSUE THE BONDS OF SAID DISTRICT IN ONE OR MORE ISSUES OR SERIES IN THE MAXIMUM AGGREGATE ORIGINAL PRINCIPAL AMOUNT OF FORTY-ONE MILLION THREE HUNDRED TWENTY THOUSAND DOLLARS (\$41,320,000) MATURING SERIALLY 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 ON ANY ISSUE OR SERIES OF SAID BONDS SHALL NOT EXCEED THE MAXIMUM LEGAL LIMIT IN EFFECT AT THE TIME OF ISSUANCE OF EACH ISSUE OR SERIES OF SAID BONDS, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF SAID DISTRICT, FOR THE PURPOSE OR PURPOSES OF PURCHASING, CONSTRUCTING, ACQUIRING, OWNING, OPERATING, REPAIRING, IMPROVING, OR EXTENDING A WATERWORKS SYSTEM, A SANITARY SEWER SYSTEM AND A DRAINAGE AND STORM SEWER SYSTEM, INCLUDING, BUT NOT LIMITED TO, ALL ADDITIONS TO SUCH SYSTEMS AND ALL LAND, IMPROVEMENTS, FACILITIES, PLANTS, EQUIPMENT, APPLIANCES, INTERESTS IN PROPERTY AND REGIONAL, REGULATORY OR JOINT USE PARTICIPATION RIGHTS OR CONTRACT RIGHTS NEEDED THEREFOR, AND ADMINISTRATIVE FACILITIES NEEDED IN CONNECTION THEREWITH, AND TO PROVIDE FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH BONDS BY THE LEVY AND COLLECTION ANNUALLY OF A SUFFICIENT TAX UPON ALL TAXABLE PROPERTY WITHIN SAID DISTRICT, ALL AS AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS?

PROPOSITION III

SHALL THE BOARD OF DIRECTORS OF MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 126 BE AUTHORIZED TO ISSUE THE BONDS OF SAID DISTRICT IN ONE OR MORE ISSUES OR SERIES IN THE MAXIMUM AGGREGATE ORIGINAL PRINCIPAL AMOUNT OF FOUR MILLION ONE HUNDRED THOUSAND DOLLARS (\$4,100,000) MATURING SERIALLY 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 ON ANY ISSUE OR ISSUES OF SAID BONDS SHALL NOT EXCEED THE MAXIMUM LEGAL LIMIT IN EFFECT AT THE TIME OF ISSUANCE OF EACH ISSUE OF SAID BONDS, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF SAID DISTRICT, FOR THE PURPOSE OR PURPOSES OF PURCHASING, CONSTRUCTING, ACQUIRING, OWNING, OPERATING, REPAIRING, IMPROVING, OR EXTENDING RECREATIONAL FACILITIES, INCLUDING, BUT NOT LIMITED TO, ALL ADDITIONS TO SUCH FACILITIES AND ALL LAND, IMPROVEMENTS, FACILITIES, EQUIPMENT, APPLIANCES, INTERESTS IN PROPERTY AND CONTRACT RIGHTS NEEDED THEREFOR, AND ADMINISTRATIVE FACILITIES NEEDED IN CONNECTION THEREWITH, AND TO PROVIDE FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SUCH BONDS BY THE LEVY AND COLLECTION ANNUALLY OF A SUFFICIENT TAX UPON ALL TAXABLE PROPERTY WITHIN SAID DISTRICT, ALL AS AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS?

PROPOSITION IV

SHALL THE BOARD OF DIRECTORS OF MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 126 BE AUTHORIZED TO ISSUE THE BONDS OF SAID DISTRICT IN ONE OR MORE ISSUES OR SERIES IN THE MAXIMUM AGGREGATE ORIGINAL PRINCIPAL AMOUNT OF SIX MILLION DOLLARS (\$6,000,000) MATURING SERIALLY 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 ON ANY ISSUE OR SERIES OF SAID BONDS SHALL NOT EXCEED THE MAXIMUM LEGAL LIMIT IN EFFECT AT THE TIME OF ISSUANCE OF EACH ISSUE OR SERIES OF SAID BONDS, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF SAID DISTRICT, FOR THE PURPOSE OR PURPOSES OF PURCHASING, CONSTRUCTING, ACQUIRING, OWNING, OPERATING, REPAIRING, IMPROVING, OR EXTENDING ROAD FACILITIES, INCLUDING, BUT NOT LIMITED TO, ALL ADDITIONS TO SUCH FACILITIES, AND ALL LAND, IMPROVEMENTS, FACILITIES, EQUIPMENT, APPLIANCES, INTERESTS IN PROPERTY AND CONTRACT RIGHTS NEEDED THEREFOR, AND ADMINISTRATIVE FACILITIES NEEDED IN CONNECTION THEREWITH, EXCEPT AS LIMITED BY APPLICABLE GENERAL, SPECIAL OR LOCAL LAWS, OR THE RULES, REGULATIONS OR ORDINANCES OF ANY APPLICABLE CITY, COUNTY OR AGENCY WITH JURISDICTION, AND TO PROVIDE FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SAID BONDS BY THE LEVY AND COLLECTION ANNUALLY OF A SUFFICIENT TAX UPON ALL TAXABLE PROPERTY WITHIN SAID DISTRICT, ALL AS AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS?

PROPOSITION V

SHALL THE BOARD OF DIRECTORS OF MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 126 BE AUTHORIZED TO ISSUE THE BONDS OF SAID DISTRICT IN ONE OR MORE ISSUES OR SERIES IN THE MAXIMUM AGGREGATE ORIGINAL PRINCIPAL AMOUNT OF FIFTY-ONE MILLION FOUR HUNDRED TWENTY THOUSAND DOLLARS (\$51,420,000) 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 ON ANY ISSUE OR SERIES OF SAID BONDS SHALL NOT EXCEED THE MAXIMUM LEGAL LIMIT IN EFFECT AT THE TIME OF ISSUANCE OF EACH ISSUE OR SERIES OF SAID BONDS, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF SAID DISTRICT, FOR THE PURPOSE OF REFUNDING BY ANY MEANS NOW OR HEREAFTER AUTHORIZED BY LAW, ALL OR ANY PORTION OF ANY BONDS OR REFUNDING BONDS OF THE DISTRICT PAYABLE IN WHOLE OR IN PART FROM TAXES, WHETHER ON EVEN DATE HERewith, HEREUNDER, OR HEREAFTER AUTHORIZED OR ISSUED BY THE DISTRICT, AND TO PROVIDE FOR THE PAYMENT OF THE PRINCIPAL OF AND THE INTEREST ON SUCH REFUNDING 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?

PROPOSITION VI

SHALL THE BOARD OF DIRECTORS OF MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 126 BE AUTHORIZED TO ASSESS, LEVY AND COLLECT AN ANNUAL MAINTENANCE TAX NOT TO EXCEED ONE DOLLAR AND FIFTY CENTS (\$1.50) ON EACH \$100 VALUATION OF ALL TAXABLE PROPERTY WITHIN SAID DISTRICT TO SECURE FUNDS FOR MAINTENANCE AND OTHER AUTHORIZED PURPOSES, INCLUDING, BUT NOT LIMITED TO, FUNDS FOR PLANNING, CONSTRUCTING, ACQUIRING, MAINTAINING, REPAIRING AND OPERATING ALL NECESSARY LAND, PLANTS, FACILITIES, IMPROVEMENTS, APPLIANCES AND EQUIPMENT OF SUCH DISTRICT, AND FOR THE PAYMENT OF PROPER SERVICES, ENGINEERING AND LEGAL FEES, AND ORGANIZATION AND ADMINISTRATIVE EXPENSES IN ACCORDANCE WITH THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS?

PROPOSITION VII

SHALL THE BOARD OF DIRECTORS OF MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 126 BE AUTHORIZED TO ASSESS, LEVY AND COLLECT AN ANNUAL MAINTENANCE TAX NOT TO EXCEED TEN CENTS (\$0.10) ON EACH \$100 VALUATION OF ALL TAXABLE PROPERTY WITHIN SAID DISTRICT TO SECURE FUNDS FOR MAINTENANCE AND OTHER AUTHORIZED PURPOSES RELATED TO RECREATIONAL FACILITIES, INCLUDING, BUT NOT LIMITED TO, FUNDS FOR PLANNING, CONSTRUCTING, ACQUIRING, MAINTAINING, REPAIRING AND OPERATING ALL NECESSARY LAND, FACILITIES, IMPROVEMENTS, APPLIANCES AND EQUIPMENT OF SUCH RECREATIONAL FACILITIES, AND FOR THE PAYMENT

OF PROPER SERVICES, ENGINEERING AND LEGAL FEES, AND ADMINISTRATIVE EXPENSES IN ACCORDANCE WITH THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS?

WHEREAS, the returns of said elections have been certified to this Board of Directors by the appropriate election officials; and

WHEREAS, the official election returns show that the duly qualified voters of the District cast two (2) ballots at said elections, and the votes cast for each of the propositions were as follows:

PROPOSITION NO. I

FOR		2 votes
	DISTRICT	
AGAINST		0 votes

PROPOSITION NO. II

FOR		2 votes
	THE ISSUANCE OF WATER, SANITARY SEWER AND DRAINAGE FACILITIES BONDS AND THE LEVY OF TAXES IN PAYMENT OF THE BONDS	
AGAINST		0 votes

PROPOSITION NO. III

FOR		2 votes
	THE ISSUANCE OF RECREATIONAL FACILITIES BONDS AND THE LEVY OF OF TAXES IN PAYMENT OF THE BONDS	
AGAINST		0 votes

PROPOSITION NO. IV

FOR	THE ISSUANCE OF ROAD FACILITIES BONDS AND THE LEVY OF TAXES IN PAYMENT OF THE BONDS	2 votes
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AGAINST		0 votes
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PROPOSITION NO. V

FOR	THE ISSUANCE OF REFUNDING BONDS AND THE LEVY OF TAXES IN PAYMENT OF THE BONDS	2 votes
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AGAINST		0 votes
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PROPOSITION NO. VI

FOR	MAINTENANCE TAX	2 votes
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AGAINST		0 votes
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PROPOSITION NO. VII

FOR	MAINTENANCE TAX FOR RECREATIONAL FACILITIES	2 votes
-----	--	---------

AGAINST		0 votes
---------	--	---------

and

WHEREAS, said official election returns further show that the votes cast for permanent directors at such elections were as follows:

Gary Calfee	2 votes
Donald E. Robinowitz	2 votes
Adam H. Soffar	2 votes
Irving A. Wolf	2 votes
Robert L. Tompkins	2 votes

and

WHEREAS, the above totals are shown in the official election returns heretofore submitted to the Board of Directors and filed with the President and Secretary of the Board of Directors; and

WHEREAS, such elections were called and held in all respects under and in strict conformity with the Constitution and laws of the State of Texas and the United States of America; and

WHEREAS, a canvass of the returns of said elections at this meeting of the Board of Directors is as soon as reasonably practical after such elections; Now, Therefore

BE IT ORDERED BY THE BOARD OF DIRECTORS OF MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 126:

Section 1: The matters and facts recited in the above preamble of this Order are found to be true and correct.

Section 2: The elections held within and for the District on the 9th day of May, 2009, which are more fully described in the preamble to this Order, were called and notice was given thereof under the hand of the President and Secretary of the Board of Directors of the District in accordance with law; that the elections were held in all respects in conformity with law; and that returns of the elections have been lawfully made by the proper officer.

Section 3: The elections have resulted in a majority vote for the District, and it is hereby found, determined and declared that Montgomery County Municipal Utility District No. 126 is duly and lawfully created in Montgomery County, Texas, with boundaries as described by metes and bounds in Exhibit "A" hereto, which is hereby incorporated herein for all purposes.

Section 4: In addition, said elections have resulted in the election of five (5) permanent directors for the District. Pursuant to Section 49.102 of the Texas Water Code the directors

who were elected have agreed that they shall designate their respective initial terms of office as follows: Irving A. Wolf and Robert L. Tompkins, shall serve for a term ending after the annual directors election to be held on the first Saturday in May, 2010, and Gary Calfee, Donald E. Robinowitz and Adam H. Soffar, shall serve for a term ending after the annual directors election to be held the first Saturday in May, 2012.

Section 5: The elections have further resulted favorably toward the issuance of the bonds described in Proposition II submitted at the elections, and, pursuant to applicable law, such bonds may be issued in various series or issues, with or without interest coupons, in any denomination, payable at such time or times, in such amount or amounts or installments, at such place or places, in such form, under such terms, conditions, and details, in such manner, redeemable prior to maturity at any time or times, bearing no interest, or bearing interest at any rate or rates (either fixed, variable, floating, adjustable, or otherwise), all as determined by the Board of Directors. The Board of Directors is now authorized to issue \$41,320,000 in water, sanitary sewer and drainage facilities bonds of the District, as described in said Proposition II, upon the terms and conditions described therein and herein and to do any and all things necessary and convenient in connection therewith and, to ensure the continuing and orderly development of the District on terms and conditions which are feasible and practical, the District anticipates that said bonds will be issued in multiple series or issues over an extended period.

of time all as determined by the Board of Directors to be feasible and practical and in the best interests of the District.

Section 6: The elections have further resulted favorably toward the issuance of the bonds described in Proposition III submitted at the elections, and, pursuant to applicable law, such bonds may be issued in various series or issues, with or without interest coupons, in any denomination, payable at such time or times, in such amount or amounts or installments, at such place or places, in such form, under such terms, conditions, and details, in such manner, redeemable prior to maturity at any time or times, bearing no interest, or bearing interest at any rate or rates (either fixed, variable, floating, adjustable, or otherwise), all as determined by the Board of Directors. The Board of Directors is now authorized to issue \$4,100,000 in recreational facilities bonds of the District, as described in said Proposition III, upon the terms and conditions described therein and herein and to do any and all things necessary and convenient in connection therewith and, to ensure the continuing and orderly development of the District on terms and conditions which are feasible and practical, the District anticipates that said bonds will be issued in multiple series or issues over an extended period of time all as determined by the Board of Directors to be feasible and practical and in the best interests of the District.

Section 7: The elections have further resulted favorably toward the issuance of the bonds described in Proposition IV submitted at the elections, and, pursuant to applicable law, such bonds may be issued in various series or issues, with or without

interest coupons, in any denomination, payable at such time or times, in such amount or amounts or installments, at such place or places, in such form, under such terms, conditions, and details, in such manner, redeemable prior to maturity at any time or times, bearing no interest, or bearing interest at any rate or rates (either fixed, variable, floating, adjustable, or otherwise), all as determined by the Board of Directors. The Board of Directors is now authorized to issue \$6,000,000 in road facilities bonds of the District, as described in said Proposition IV, upon the terms and conditions described therein and herein and to do any and all things necessary and convenient in connection therewith and, to ensure the continuing and orderly development of the District on terms and conditions which are feasible and practical, the District anticipates that said bonds will be issued in multiple series or issues over an extended period of time all as determined by the Board of Directors to be feasible and practical and in the best interests of the District.

Section 8: The elections have also resulted favorably toward the issuance of the refunding bonds described in Proposition V submitted at the elections, and the Board of Directors is now authorized to issue \$51,420,000 in refunding bonds of the District, as described in said Proposition V, upon the terms and conditions described therein and to do any and all things necessary and convenient in connection therewith and the District anticipates that said bonds will be issued in multiple series or issues over an extended period of time all as determined by the Board of Directors

to be feasible and practical and in the best interests of the District.

Section 9: The elections have also resulted favorably toward the levy and collection of a maintenance tax, as described in Proposition VI submitted at the elections, and the Board of Directors is now authorized to levy and collect an annual maintenance tax not to exceed One Dollar and Fifty Cents (\$1.50) of each \$100 valuation of all taxable property within said District, upon the terms and conditions and for the purposes stated in said Proposition VI.

Section 10: The elections have also resulted favorably toward the levy and collection of a maintenance tax specifically for recreational facilities, as described in Proposition VII submitted at the elections, and the Board of Directors is now authorized to levy and collect an annual maintenance tax specifically for recreational facilities not to exceed Ten Cents (\$0.10) of each \$100 valuation of all taxable property within said District, upon the terms and conditions and for the purposes stated in said Proposition VII.

Section 11: It is hereby found, determined and declared that the meeting at which this Order is adopted is open to the public as required by law, and that public notice of the time, date, place and subject matter of this meeting and of the proposed adoption of this Order was given, furnished and posted as required by law.

Section 12: A certified copy of this Order shall be promptly filed with the Texas Commission on Environmental Quality and in the Official Records of Real Property of Montgomery County, Texas.

PASSED AND APPROVED this 14th day of May, 2009.

/s/ Gary Calfee
President, Board of Directors

ATTEST:

/s/ Adam H. Soffar
Secretary, Board of Directors

(SEAL)

Exhibit A

**METES AND BOUNDS DESCRIPTION
293.49 ACRES IN THE
JAMES EDWARDS SURVEY, ABSTRACT NO. 198 AND THE
ELIJAH COLLARD SURVEY, ABSTRACT NO. 7
MONTGOMERY COUNTY, TEXAS**

A 293.49-ACRE TRACT OF LAND SITUATED IN THE JAMES EDWARDS SURVEY, ABSTRACT NO. 198, AND THE ELIJAH COLLARD SURVEY, ABSTRACT NO. 7, MONTGOMERY COUNTY, TEXAS, BEING A PORTION OF THAT CALLED 175.1768-ACRE TRACT CONVEYED TO HOUSTON INTERNATIONAL TRADE CENTER L.P. BY WARRANTY DEED RECORDED UNDER MONTGOMERY COUNTY CLERK'S FILE NO. 2007112579, ALL OF THAT CALLED 23.43-ACRE TRACT CONVEYED TO DAVID HENDRICKS BY GENERAL WARRANTY DEED WITH VENDOR'S LIEN RECORDED UNDER MONTGOMERY COUNTY CLERK'S FILE NO. 2008101070, ALL OF THAT CALLED 37.564-ACRE TRACT CONVEYED TO DAVID HENDRICKS BY SPECIAL WARRANTY DEED WITH VENDOR'S LIEN RECORDED UNDER MONTGOMERY COUNTY CLERK'S FILE NO. 2006062871, ALL OF THAT CALLED 33.861-ACRE TRACT CONVEYED TO HOUSTON INTERCONTINENTAL TRADE CENTER, L.P. BY GENERAL WARRANTY DEED WITH VENDOR'S LIEN RECORDED UNDER MONTGOMERY COUNTY CLERK'S FILE NO. 2007009290, AND ALL OF THAT CALLED 23.419-ACRE TRACT CONVEYED TO HOUSTON INTERNATIONAL TRADE CENTER L.P. BY WARRANTY DEED WITH VENDOR'S LIEN RECORDED UNDER MONTGOMERY COUNTY CLERK'S FILE NO. 2007112578 ALL OF THE OFFICIAL PUBLIC RECORDS OF REAL PROPERTY, SAID 293.49-ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS WITH ALL BEARINGS BASED ON THE TEXAS COORDINATE SYSTEM OF 1983, CENTRAL ZONE, AS DETERMINED BY GPS MEASUREMENTS:

BEGINNING at a 5/8-inch iron rod found on the north line of Longmire Way (60-foot right-of-way) recorded under Montgomery County Clerk's File No. 9536930 of the Official Public Records of Real Property, being the southeast corner of Reserve "C" of the Replat of Longmire on Lake Conroe Sections 1 and 2, plat of which is recorded in Cabinet J, Sheet 161 thru 163 of the Montgomery County Map Records;

- (1) THENCE North 12°45'59" East, along the east line of said Replat of Longmire on Lake Conroe Sections 1 and 2, at 912.84 feet passing the northeast corner of said Replat of Longmire on Lake Conroe Sections 1 and 2 and the southeast corner of Longmire on Lake Conroe Section 3, plat of which is recorded in Cabinet L, Sheets 59 thru 65 of the Montgomery County Map Records, and continuing in all 1255.98 feet to a 5/8-inch iron rod found for the northeast corner of said Longmire on Lake Conroe Section 3;
- (2) THENCE North 77°12'16" West, 1515.63 feet, along the north line of said Longmire on Lake Conroe Section 3, to a 5/8-inch iron rod with cap stamped "E.H.R. & A. 713-784-4500" set for an interior corner of said Longmire on Lake Conroe Section 3;
- (3) THENCE North 11°56'28" East, 565.74 feet, along an interior line of said Longmire on Lake Conroe Section 3, to a 5/8-inch iron rod found for the northeast corner of Reserve "D" of said Longmire on Lake Conroe Section 3, being on the 201-foot contour line;

THENCE along the 201-foot contour line, the following fifty (50) courses and distances:

- (4) South 87°23'59" East, 33.75 feet to a point;
- (5) North 60°22'00" East, 14.06 feet to a point;
- (6) South 88°53'51" East, 14.40 feet to a point;
- (7) South 44°41'08" East, 14.73 feet to a point;
- (8) South 25°42'16" East, 23.83 feet to a point;
- (9) South 21°31'26" East, 48.80 feet to a point;
- (10) South 24°18'55" East, 36.85 feet to a point;

293.49 Acres
James Edwards Survey, A-180
Elijah Collard Survey, A-7
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- (11) South 23°02'23" East, 43.48 feet to a point;
- (12) South 32°41'37" East, 41.56 feet to a point;
- (13) South 39°04'34" East, 23.02 feet to a point;
- (14) South 43°05'41" East, 23.55 feet to a point;
- (15) South 89°57'44" East, 22.50 feet to a point;
- (16) North 62°41'04" East, 21.03 feet to a point;
- (17) North 32°09'28" East, 44.39 feet to a point;
- (18) North 10°10'15" West, 36.41 feet to a point;
- (19) North 09°26'25" West, 45.54 feet to a point;
- (20) North 15°23'27" East, 43.59 feet to a point;
- (21) North 11°14'01" East, 48.40 feet to a point;
- (22) North 13°00'46" East, 21.26 feet to a point;
- (23) North 10°49'35" East, 30.79 feet to a point;
- (24) North 32°19'05" East, 12.24 feet to a point;
- (25) North 58°33'18" East, 11.79 feet to a point;
- (26) South 80°41'18" East, 26.94 feet to a point;
- (27) South 63°13'35" East, 31.75 feet to a point;
- (28) South 56°59'25" East, 57.54 feet to a point;
- (29) South 59°37'32" East, 54.26 feet to a point;
- (30) South 59°24'03" East, 33.57 feet to a point;
- (31) South 57°44'53" East, 37.89 feet to a point;
- (32) South 58°14'18" East, 35.57 feet to a point;
- (33) South 59°55'00" East, 46.09 feet to a point;
- (34) South 50°39'40" East, 31.93 feet to a point;
- (35) South 81°19'12" East, 21.88 feet to a point;
- (36) North 34°51'06" East, 20.55 feet to a point;
- (37) North 15°39'43" East, 23.19 feet to a point;
- (38) North 27°35'55" West, 25.09 feet to a point;
- (39) North 45°59'51" West, 31.29 feet to a point;
- (40) North 38°24'53" West, 41.42 feet to a point;
- (41) North 48°11'04" West, 42.03 feet to a point;
- (42) North 52°44'02" West, 37.76 feet to a point;

283.48 Acres
James Edwards Survey, A-190
Elijah Colland Survey, A-7
Page 2 of 3

- (43) North 47°31'18" West, 36.54 feet to a point;
- (44) North 51°00'12" West, 68.46 feet to a point;
- (45) North 54°27'30" West, 53.57 feet to a point;
- (46) North 50°14'59" West, 43.08 feet to a point;
- (47) North 50°50'55" West, 63.18 feet to a point;
- (48) North 45°44'33" West, 53.82 feet to a point;
- (49) North 17°44'30" West, 55.91 feet to a point;
- (50) North 04°00'03" West, 43.57 feet to a point;
- (51) North 16°15'40" West, 51.84 feet to a point;
- (52) North 15°27'23" West, 69.20 feet to a point;
- (53) North 09°53'22" East, 38.80 feet to a point on the south line of Pebble Glen on the Lake, plat of which is recorded in Cabinet N, Sheets 125 thru 128;
- (54) THENCE South 81°28'22" East, at 10.00 feet passing a 5/8-inch iron rod with cap stamped "E.H.R. & A. 713-784-4500" set for reference, and continuing in all 849.61 feet to a 5/8-inch iron rod found for the southeast corner of said Pebble Glen on the Lake;
- (55) THENCE North 11°49'44" East, along the east line of said Pebble Glen on the Lake, at 1001.57 feet passing a 5/8-inch iron rod found for the northeast corner of said Pebble Glen on the Lake, and continuing in all 1012.69 feet to a point on the 201-foot contour line;
- THENCE along the 201-foot contour line, the following twenty-one (21) courses and distances:
- (56) South 87°34'31" East, 44.31 feet to a point;
- (57) North 85°18'39" East, 103.76 feet to a point;
- (58) South 87°41'11" East, 41.82 feet to a point;
- (59) South 89°57'21" East, 52.34 feet to a point;
- (60) South 83°58'25" East, 51.16 feet to a point;
- (61) South 87°20'06" East, 50.00 feet to a point;
- (62) North 85°40'28" East, 43.06 feet to a point;
- (63) North 89°02'07" East, 48.48 feet to a point;
- (64) South 89°59'11" East, 15.57 feet to a point;
- (65) North 67°32'38" East, 22.66 feet to a point;
- (66) North 02°29'15" East, 28.08 feet to a point;
- (67) North 00°13'32" East, 29.04 feet to a point;
- (68) North 67°39'40" West, 30.47 feet to a point;
- (69) North 74°43'23" West, 56.56 feet to a point;
- (70) North 75°25'23" West, 45.28 feet to a point;
- (71) South 86°37'31" West, 74.43 feet to a point;

- (72) North 89°28'00" West, 40.10 feet to a point;
- (73) North 84°38'33" West, 45.92 feet to a point;
- (74) North 86°09'04" West, 59.74 feet to a point;
- (75) North 78°31'57" West, 49.92 feet to a point;
- (76) South 68°16'23" West, 53.48 feet to a point on the east line of Calfee Road (60-foot right-of-way) recorded in Volume 632, Page 291 and Volume 640, Page 139, both of the Montgomery County Deed Records;
- (77) THENCE North 11°11'22" East, 229.43 feet along the east line of said Calfee Road to a 1/2-inch iron rod found, being the southwest corner of the aforementioned 23.419-acre tract;
- THENCE in a northerly direction along the common line of said Calfee Road and said 23.419-acre tract, the following three (3) courses and distances:
- (78) North 21°10'57" East, 89.92 feet to a PK Nail found;
- (79) North 51°27'01" East, 105.82 feet to a 5/8-inch iron rod found;
- (80) North 12°47'09" East, 328.16 feet to a point on the southwest corner of League Line Road (60-foot-right-of-way) recorded in Volume 825, Page 102 and Volume 1049, Page 571, both of the Montgomery County Deed Records from which a 1/2-inch iron rod with cap stamped "Jeff Moon RPLS 4539" found for the most westerly northwest corner of said 23.839-acre tract recorded under Montgomery County Clerk's File No. 2005084850 of the Official Public Records of Real Property bears North 12°47'09" East, 133.02 feet;
- (81) THENCE South 76°39'07" East, at 98.85 feet passing a PK Nail found for the corner of said 23.939-acre tract, and continuing in all 1082.79 feet, along the south line of said League Line Road same as said 23.419-acre tract, to a 5/8-inch iron rod found;
- (82) THENCE South 77°19'32" East, 980.27 feet, continuing along the north line of said 23.419-acre tract same as south line of League Line Road, to a 5/8-inch iron rod found, being the northeast corner of said 23.419-acre tract and on the west line of the remainder of a called 90.033-acre tract (Tract 3) recorded under Montgomery County Clerk's File No. 9509572 of the Official Public Records of Real Property;
- (83) THENCE South 12°09'43" West, along the common line of said remainder tract and said 23.419-acre tract, at 484.50 feet passing a 5/8-inch iron rod found, and continuing in all 485.18 feet to a 5/8-inch iron rod with cap stamped "E.H.R. & A. 713-784-4500" set on the south line of said remainder tract, also being on the north line of a called 121.838-acre tract recorded in Volume 458, Page 131 of the Montgomery County Deed Records and the north line of aforementioned 23.43-acre tract;
- (84) THENCE South 77°02'20" East, 2149.46 feet along the common line of said remainder tract, said 121.838-acre tract and said 23.43-acre tract, to an iron strap found on the east line of Longline Road, being the northeast corner of said 121.838-acre tract and said 23.43-acre tract and the northwest corner of a called 99.75-acre tract recorded under Montgomery County Clerk's File No. 9891554 of the Official Public Records of Real Property;
- (85) THENCE South 12°12'48" West, along the common line of said 121.838-acre tract, said 23.43-acre tract, said Longline Road, and Longline Way, said 99.75-acre tract, aforementioned 33.861-acre tract, and aforementioned 37.564-acre tract, at 428.83 feet passing a 1/2-inch iron found for the common east corner said 23.43-acre tract, and said 33.861-acre tract, at 1074.23 feet passing a 1/2-inch iron rod found for the common east corner of said 33.861-acre tract and said 37.564-acre tract, and continuing in all 1791.25 feet to a PK Nail found for the southeast corner of said 37.564-acre tract and the northeast corner of a called 26.5516-acre tract recorded under Montgomery County Clerk's File No. 2004020900 of the Official Public Records of Real Property;

- (86) THENCE North 77°33'49" West, 2280.36 feet, along the common line of said 37.564-acre tract and said 26.5516-acre tract, to a 1/2-inch iron rod found for the common west corner of said 37.564-acre tract and said 26.5516-acre tract, being on the east line of aforementioned 321.470-acre tract;
- (87) THENCE South 11°58'58" West, 507.48 feet along the common line of said 26.5516-acre tract and said 321.470-acre tract, to a 3/4-inch iron pipe found for the southwest corner of said 26.5516-acre tract and the northwest corner of The Estates of Longmire on Lake Conroe, plat of which is recorded in Cabinet H, Sheets 928, 93A, 93B, and 94A of the Montgomery County Map Records;
- (88) THENCE South 11°12'47" West, 1416.70 feet, along the common line of said 321.470-acre tract and said The Estates of Longmire on Lake Conroe, to a fence corner on the north line of the aforementioned Longmire Way, being on the arc of a non-tangent curve to the right;
- THENCE in a westerly direction, along the north line of said Longmire Way, the following six (6) courses and distances:
- (89) Along the arc of said curve to the right having a radius of 1990.56 feet, a central angle of 05°37'51", an arc length of 195.63 feet, and a chord bearing North 74°33'58" West, 195.55 feet to a 5/8-inch iron rod found at a point of reverse curvature;
- (90) Along the arc of said curve to the left having a radius of 824.29 feet, a central angle of 14°21'06", an arc length of 206.47 feet, and a chord bearing North 78°55'35" West, 205.93 feet to a 5/8-inch iron rod found at a point of reverse curvature;
- (91) Along the arc of said curve to the right having a radius of 1499.91 feet, a central angle of 07°28'48", an arc length of 195.80 feet, and a chord bearing North 82°21'44" West, 195.66 feet to a 5/8-inch iron rod found;
- (92) North 78°37'21" West, 396.86 feet to a 1/2-inch iron rod found at the beginning of a curve to the left;
- (93) Along the arc of said curve to the left having a radius of 2711.89 feet, a central angle of 04°16'15", an arc length of 202.14 feet, and a chord bearing North 80°45'28" West, 202.09 feet to a 1/2-inch iron rod found at a point of reverse curvature;
- (94) Along the arc of said curve to the right having a radius of 1997.82 feet, a central angle of 05°38'44", an arc length of 196.85 feet, and a chord bearing North 80°04'13" West, 196.77 feet to the POINT OF BEGINNING, containing a gross acreage of 293.49 acres of land.

EDMINSTER, HINSHAW, RUSS AND ASSOCIATES, INC.

Piotr A. Dabek, R.P.L.S.
Texas Registration No. 3902
10555 Westoffice Drive
Houston, Texas 77042
713-784-4500

Date: Jan 27, 2008
Job No. 071-018-00
File No. 0120071071-018-00\docs\technical\dwg\2008_01\2008.dwg



STATE OF TEXAS
COUNTY OF MONTGOMERY

I hereby certify this instrument was filed in File Number Sequence on the date and at the time stamped herein by me and was duly RECORDED in the Official Public Records of Real Property at Montgomery County, Texas.

MAY 20 2009



Mark Turnbull
County Clerk
Montgomery County, Texas

FILED FOR RECORD

2009 MAY 20 AM 9:53

Mark Turnbull
COUNTY CLERK
MONTGOMERY COUNTY, TEXAS

293.49 Acres
James Edwards Survey, A-180
Elijah Collier Survey, A-7
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Exhibit D

ASSIGNMENT OF UTILITY SERVICES AND DEVELOPMENT AGREEMENT BETWEEN
THE CITY OF CONROE, TEXAS,
DAVID B. HENDRICKS AND HOUSTON INTERCONTINENTAL
TRADE CENTER, L.P.
(ON BEHALF OF PROPOSED MONTGOMERY COUNTY MUNICIPAL
UTILITY DISTRICT NO. 126)

1. DAVID B. HENDRICKS and HOUSTON INTERCONTINENTAL TRADE CENTER, L.P., a Texas limited partnership (collectively, the "Assignors"), hereby assign unto MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 126 ("Assignee"), their rights, benefits and obligations, in and to that certain Utility Services and Development Agreement between the City of Conroe, Texas, and the Assignors, dated March 13, 2008, (the "Utility Services Agreement").
2. This Assignment is subject to all terms and provisions of the Utility Services Agreement and is authorized by Section 9.06 of said Utility Services Agreement.
3. By its execution of this Assignment, Assignee accepts the terms and conditions of the Utility Services Agreement and agrees to assume Assignors' covenants, duties and obligations under the Utility Services Agreement and Assignors are hereby released from their obligations under the Utility Services Agreement.

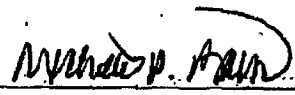
WITNESS THE EXECUTION HEREOF in multiple originals, this the 30th day of March, 2011.



DAVID B. HENDRICKS

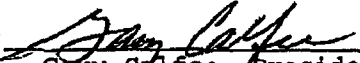
HOUSTON INTERCONTINENTAL TRADE CENTER,
L.P., a Texas limited partnership

By: REVISTA, Inc., a Texas corporation
and its General Partner

By: 

Michael P. Barsi
President

MONTGOMERY COUNTY MUNICIPAL
UTILITY DISTRICT NO. 126

By: 
Gary Calfee, President
Board of Directors

245835-1

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