

**STRATEGIC PARTNERSHIP AGREEMENT BETWEEN  
THE CITY OF MCKINNEY, TEXAS AND  
MCKINNEY MUNICIPAL UTILITY DISTRICT NO. 2 OF COLLIN COUNTY**

This Strategic Partnership Agreement (this "Agreement") is entered into by and between the City of McKinney, Texas (the "City") and McKinney Municipal Utility District No. 2 of Collin County (the "District").

**RECITALS**

WHEREAS, the City is a home-rule municipal corporation created and existing under the laws of the State of Texas and situated in Collin County, Texas; and

WHEREAS, the District is a municipal utility district created under and subject to the authority, conditions, and restrictions of Article XVI, Section 59 of the Texas Constitution and the applicable provisions of Chapters 49 and 54 of the Texas Water Code, as amended; and

WHEREAS, the City and the District are individually referred to as a "Party" and collectively as the "Parties"; and

WHEREAS, Section 43.0751 of the Texas Local Government Code (the "Act") authorizes the City and the District to negotiate and enter into this Agreement; and

WHEREAS, the District encompasses approximately 830.764 acres, more or less, located within the extraterritorial jurisdiction of the City as depicted as M.U.D. No. 2 Tracts "A" and "B" on Exhibit A and more fully described on Exhibit B attached to this Agreement (the "Development"); and

WHEREAS, CH-B Trinity Falls, a Texas limited partnership ("Owner"), owns the Development; and

WHEREAS, certain areas within the Development may be developed for commercial uses; and

WHEREAS, the City desires to annex the Development for the sole and exclusive purpose of imposing and collecting sales and use taxes within such area, including sales and use taxes authorized by elections creating Type A and Type B economic development corporations under Section 5190.6 of the Texas Civil Statutes (hereinafter the "Type A and Type B Sales Tax"); and

WHEREAS, subject to the terms and conditions of this Agreement, the District is willing to allow the City to annex the Development for the sole and exclusive purpose of imposing and collecting sales and use taxes within such area; and

WHEREAS, subject to the terms and conditions of this Agreement, Owner is willing to allow the City to annex the Development for the sole and exclusive purpose of imposing and collecting sales and use taxes within such area; and

WHEREAS, to facilitate the limited purpose annexation by the City of the Development, Owner submitted to the City a petition (the "Limited Purpose Petition") requesting and consenting to the limited purpose annexation, for the sole, exclusive and limited purpose of imposing sales and use taxes, of the Development; and

WHEREAS, the sales and use taxes collected within the Development is referred to herein as the "Sales and Use Tax Revenues"; and

WHEREAS, in the Limited Purpose Petition Owner, on behalf of itself and all present and future owners of land within the Development, has requested that the City annex the Development solely for the purposes provided in this Agreement and has consented to such annexations, from time to time, and to the collection of Sales and Use Tax Revenues by the City; and

WHEREAS, pursuant to the Act and the Limited Purpose Petition, the Parties desire to enter into this Agreement to accomplish the annexation by the City of the Development for the sole and exclusive purpose of imposing and collecting sales and use taxes within the Development; and

WHEREAS, the District provided notice of two public hearings in accordance with all applicable laws and the board of directors of the District (the "Board") conducted such public hearings in accordance with all applicable laws at which members of the public who wished to present testimony or evidence regarding this Agreement were given the opportunity to do so; and

WHEREAS, the Board approved and adopted this Agreement on September 26, 2013, in open session at a meeting held in accordance with all applicable laws; and

WHEREAS, the City provided notice of two public hearings in accordance with all applicable laws and the City Council of the City (the "City Council") conducted such public hearings in accordance with all applicable laws at which members of the public who wished to present testimony or evidence were given the opportunity to do so; and

WHEREAS, the City Council approved and adopted this Agreement on \_\_\_\_\_, 201\_, in open session in accordance with all applicable laws, which approval and adoption occurred after the Board approved and adopted this Agreement; and

WHEREAS, all notices, hearings and other procedural requirements imposed by law for the adoption of this Agreement have been met; and

WHEREAS, in accordance with the requirements of Subsection (p)(1) of the Act, this Agreement does not require the District to provide revenue to the City solely for the purpose of obtaining an agreement with the City to forego annexation of the District; and

WHEREAS, in accordance with the requirements of Subsection (p)(2) of the Act, this Agreement provides benefits for the City and the District that are reasonable and equitable.

NOW THEREFORE, for and in consideration of the mutual agreements contained in this Agreement, and for the good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the City and the District agree as follows:

## **ARTICLE I. RECITALS**

The recitals set forth above are true and correct and are incorporated herein and made a part hereof as findings for all purposes.

## **ARTICLE II. ADOPTION OF AGREEMENT AND LIMITED PURPOSE ANNEXATION OF PROPERTY**

Section 2.1 Public Hearings. The Parties acknowledge and agree that prior to the execution of this Agreement, the Board and the City Council conducted public hearings to consider the adoption of this Agreement and that such hearings were noticed and conducted in accordance with all applicable laws.

Section 2.2 Effective Date. The effective date of this Agreement (the "Effective Date") is the date this Agreement is approved and adopted by the City Council.

Section 2.3 Filing in Property Records. This Agreement shall be filed in the Real Property Records of Collin County, Texas.

Section 2.4 Limited Purpose Annexation of the Development. The Parties agree that the City may annex the Development for the sole and limited purpose of collecting sales and use taxes authorized by Chapter 321 of the Texas Tax Code (the "Tax Code"), including the Type A and Type B Sales Tax, to be imposed by the City on sales consummated within the Development. The District acknowledges and agrees that the City Council may adopt a limited purpose annexation ordinance applicable to the Development at a meeting conducted in accordance with Chapter 551 of the Texas Government Code and that no further notices, hearings, or other procedures shall be required to adopt such limited purpose annexation ordinance. The City may commence limited purpose annexation of the Development upon the Effective Date.

Section 2.5 Consent to Limited Purpose Annexations. THE DISTRICT ON BEHALF OF ITSELF AND ALL PRESENT AND FUTURE OWNERS OF LAND WITHIN THE DEVELOPMENT, HEREBY REQUESTS THAT THE CITY ANNEX THE DEVELOPMENT SOLELY FOR THE PURPOSES PROVIDED IN THIS AGREEMENT. THE DISTRICT CONSENTS TO SUCH ANNEXATIONS, FROM TIME TO TIME, AND TO THE COLLECTION OF SALES AND USE TAX REVENUES BY THE CITY WITHIN THE DEVELOPMENT. SUCH CONSENT SHALL BIND THE DISTRICT AND EACH OWNER AND FUTURE OWNER OF LAND WITHIN THE DEVELOPMENT.

Section 2.6 No Municipal Services. The Parties acknowledge and agree that the limited purpose annexation of the Development pursuant to this Agreement shall not obligate the City to provide any municipal services to such property; however the sales and use taxes derived from the Development may be used for any lawful purpose, including economic development, in any geographic portion of the City or otherwise, as permitted by law.

Section 2.7 Limited District. The District is not a limited district as defined in Subsection (a)(2) of the Act.

### ARTICLE III. TAXATION

Section 3.1 Collection of Sales and Use Tax Revenues. The City may impose a sales and use tax, including the Type A and Type B Sales Tax, within the Development pursuant to Subsection (k) of the Act. The sales and use tax may be imposed on all eligible commercial activities at the rate allowed under the Tax Code. Collection of Sales and Use Tax Revenues shall take effect on the date described in Section 321.102 of the Tax Code.

Section 3.2 Payment of Sales and Use Tax. The City shall pay to the District an amount equal to twenty-five percent (25%) of its portion (\$0.01) of the Sales and Use Tax Revenues collected within the Development (the "District Share") commencing upon the effective date of the limited purpose annexation of the Development and terminating upon the full-purpose annexation or disannexation of the Development. No portion of the Type A and Type B Sales Tax collected shall be paid to District. The City shall pay the District Share within 30 days after the City receives the sales tax report reflecting such revenues from the Comptroller of Public Accounts of the State of Texas (the "Comptroller"). Any payment of the District Share not made within such 30-day period shall bear interest calculated in accordance with Section 2251.025 of the Texas Government Code. The City shall retain all Sales and Use Tax Revenues that do not constitute the District Share (the "City Share"), and the District Share shall not include any portion of the Type A and Type B Sales Tax.

Section 3.3 Use of the Sales and Use Tax Revenues. The City shall use the City Share for any lawful purpose. The District shall use the District Share for the following purposes and in the following order of priority:

FIRST, to reimburse owners and developers of land within the Development for the following costs to the extent eligible for reimbursement through the issuance of District bonds: (i) the cost to design and construct any improvements, whether located within or outside the Development, that serve the Development ("Eligible Infrastructure Reimbursements"); (ii) the cost to manage and administer the District; and (iii) the cost of police, fire, and EMS services provided within the Development;

SECOND, for deposit into, and disbursement from, escrow for reimbursement of future Eligible Infrastructure Reimbursements;

THIRD, for the retirement of District bonds; and

FOURTH, for any lawful purpose.

Section 3.4 Delivery of Sales Tax Reports to District. The City shall include with each payment of the District Share a condensed version of each sales tax report provided by the Comptroller relating to Sales and Use Tax Revenues within 30 days of the City's receipt of such sales tax report.



Section 3.5 Notification of Comptroller. The City shall send notice of this Agreement, together with other required documentation, to the Comptroller in the manner provided by Tax Code, Section 321.102, after the City Council annexes Development for limited purposes.

Section 3.6 Termination of Sales and Use Tax Sharing. Upon termination of this Agreement, the City shall have no further financial obligation to the District pursuant to this Agreement, and all Sales and Use Tax Revenues shall be retained by the City.

Section 3.7 City Records and District Audit Rights. The District may audit the Sales and Use Tax Revenues to determine whether the District Share has been paid in accordance with this Agreement. The City shall provide reasonable accommodations for the District to perform the audit. Any audit shall be made at the auditing District's sole cost and expense and may be performed at any time during the City's regular business hours on 30 days' Notice (as defined in Section 7.2). For purposes of any such audits, the City shall maintain and make available to the District's representatives all books, records, documents and other evidence of accounting procedures or practices to reflect the amount of Sales and Use Tax Revenues received by the City from within the Development. Notwithstanding the foregoing, however, if any audit conducted by the District reveals that the District Share has been underpaid by more than two percent, the City shall pay such underpayment to the District and shall reimburse the District for the reasonable costs and expenses of the audit.

#### **ARTICLE IV. FULL-PURPOSE ANNEXATION AND LIMITATION ON INDEBTEDNESS**

Section 4.1 Subsection C Exemption. Annexation of the Development is exempt from the municipal annexation plan requirements pursuant to Section 43.052(h)(3)(B) of the Texas Local Government Code.

Section 4.2 Full-Purpose Annexation Conversion Date. Pursuant to Subsection (h) of the Act, the Development shall be deemed to be within the full-purpose boundary limits of the City upon the full-purpose annexation conversion date without any further action by the City Council. For purposes of this Section 4.2, the "full-purpose annexation conversion date" is the date on which the City Council adopts an ordinance that includes the Development within the full-purpose boundary limits of the City. The full-purpose annexation conversion date may be altered only by mutual agreement of the District and the City.

Section 4.3 Partial Full-Purpose Annexation. In the event that the requisite number of voters and property owners submit a petition to the City requesting incorporation pursuant to and in compliance with Section 42.041 of the Texas Local Government Code or successor statute, the City shall have the right, to the extent permitted by law, to full-purpose annex the entire District within which such voters reside and such property is located upon the full-purpose annexation conversion date. For purposes of this Section 4.3, the "full-purpose annexation conversion date" is also the date upon which the City Council adopts an ordinance that includes such land within the full-purpose boundary limits of the City.

## **ARTICLE V. TERM**

Section 5.1 Term. This Agreement commences on the Effective Date and continues until the City annexes the Development for full-purposes. For annexation pursuant to Section 4.3 of this Agreement, the Agreement terminates with respect to annexed property on the date such annexation is effective.

Section 5.2 Termination of Agreement. In the event the City has not approved and adopted this Agreement and a limited purpose annexation ordinance applicable to the Development, as set forth in Section 2.4 above, within one (1) year after the District's approval and adoption of this Agreement, the District may, in its sole and absolute discretion, terminate this Agreement by Notice thereof to the City.

## **ARTICLE VI. BREACH, NOTICE AND REMEDIES**

Section 6.1 Notification of Breach. If any Party commits a breach of this Agreement, the non-breaching Party shall give Notice to the breaching Party that describes the breach in reasonable detail.

Section 6.2 Cure of Breach. The breaching Party shall commence curing the breach within 15 calendar days after receipt of the Notice of the breach and shall complete the cure within 30 days from the date of commencement of the cure; however, if the breach is not reasonably susceptible to cure within such 30-day period, the non-breaching Party shall not bring any action so long as the breaching Party has commenced to cure within such 30-day period and diligently completes the work within a reasonable time without unreasonable cessation.

Section 6.3 Remedies for Breach. If the breaching Party does not substantially cure the breach within the stated period of time, the non-breaching Party may, in its sole discretion, and without prejudice to any other right under this Agreement, law, or equity, seek any relief available at law or in equity, including, but not limited to, an action under the Uniform Declaratory Judgment Act, specific performance, mandamus and injunctive relief; provided, however, (a) the non-breaching Party shall not be entitled to terminate this Agreement, (b) the Parties specifically waive any right that they have or in the future may have to terminate this Agreement, and (c) damages, if any, to which any non-breaching Party may be entitled shall be limited to actual damages and shall not include special or consequential damages.

## **ARTICLE VII. ADDITIONAL PROVISIONS**

Section 7.1 Voting. Pursuant to Subsection (q) of the Act, Chapter 43, Subchapter F, of the Texas Local Government Code does not apply to the limited purpose annexation of the Development. Consequently, Section 43.130(a) of the Texas Local Government Code, providing that qualified voters of an area annexed for limited purposes may vote in certain municipal elections, does not apply to the voters within the Development.

Section 7.2 Notices. Any notices, certifications, approvals, or other communications (a "Notice") required to be given by one Party to another under this Agreement shall be given in writing addressed to the Party to be notified at the address set forth below and shall be deemed given: (i) when the Notice is delivered in person to the person to whose attention the Notice is

addressed; (ii) 10 business days after the Notice is deposited in the United States Mail, certified or registered mail, return receipt requested, postage prepaid; (iii) when the Notice is delivered by Federal Express, UPS, or another nationally recognized courier service with evidence of delivery signed by any person at the delivery address; or (iv) 10 business days after the Notice is sent by FAX (with electronic confirmation by the sending FAX machine) with a confirming copy sent by United States mail within 48 hours after the FAX is sent. If any date or period provided in this Agreement ends on a Saturday, Sunday, or legal holiday, the applicable period for calculating the Notice shall be extended to the first business day following the Saturday, Sunday, or legal holiday. For the purpose of giving any Notice, the addresses of the Parties are set forth below. The Parties may change the information set forth below by sending Notice of such change to the other Party as provided in this Section 7.2.

To the City:

To the City: **City of McKinney, Texas**  
Attn: City Manager  
222 N. Tennessee  
McKinney, Texas 75069  
E-Mail: [jgray@mckinneytexas.org](mailto:jgray@mckinneytexas.org)  
FAX: 972.547.2607

Copy to: Attn: City Attorney  
Mark Houser  
Brown & Hofmeister  
740 E. Campbell Road, Suite 800  
Richardson, Texas 75081  
E-Mail: [mhouser@bhlaw.net](mailto:mhouser@bhlaw.net)  
FAX: 214.747.6111

To the District:

McKinney Municipal Utility District No. 2 of Collin County  
c/o Sanford Kuhl Hagan Kugle Parker Kahn LLP  
Attn: Julianne Kugle  
1980 Post Oak Boulevard, Suite 1380  
Houston, Texas 77056  
E-Mail: [kugle@sklaw.us](mailto:kugle@sklaw.us)  
FAX: 713.850.1330

**Section 7.3** No Waiver. Any failure by a Party to insist upon strict performance by the other Party of any provision of this Agreement shall not be deemed a waiver thereof, and the Party shall have the right at any time thereafter to insist upon strict performance of any and all of the provisions of this Agreement. No provision of this Agreement may be waived except by writing signed by the Party waiving such provision. Any waiver shall be limited to the specific purpose for which it is given. No waiver by any Party of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

Section 7.4 Governing Law and Venue. This Agreement shall be construed and enforced in accordance with the laws of the State of Texas, as they apply to contracts performed within the State of Texas and without regard to any choice of law rules or principles to the contrary. The Parties acknowledge that this Agreement is performable in Collin County, Texas and hereby submit to the jurisdiction of the courts of Collin County, Texas and hereby agree that any such court shall be a proper forum for the determination of any dispute arising hereunder.

Section 7.5 Authority to Execute. The City represents and warrants to the District that the execution of this Agreement has been duly authorized by the City Council and that the person executing this Agreement on behalf of the City has been duly authorized to do so by the City Council. The District represents and warrants to the City that the execution of this Agreement has been duly authorized by the Board and that the person executing this Agreement on behalf of the District has been duly authorized to do so by the Board.

Section 7.6 Severability. The provisions of this Agreement are severable and, in the event any word, phrase, clause, sentence, paragraph, section, or other provision of this Agreement, or the application thereof to any person or circumstance, shall ever be held or determined to be invalid, illegal, or unenforceable for any reason, and the extent of such invalidity or unenforceability does not cause substantial deviation from the underlying intent of the parties as expressed in this Agreement, then such provision shall be deemed severed from this Agreement with respect to such person, entity or circumstance, without invalidating the remainder of this Agreement or the application of such provision to other persons, entities or circumstances except to the extent that the severed provision(s) is a dependent substantive term the removal of which affects the intent and effect of the remaining provisions.

Section 7.7 Changes in State or Federal Laws. If any state or federal law changes so as to make it impossible for the City or the District to perform its respective obligations under this Agreement, the parties will cooperate to amend this Agreement in such a manner that is most consistent with the original intent of this Agreement as legally possible.

Section 7.8 Additional Documents and Acts. The Parties agree that at any time after execution of this Agreement, they will, upon request of the other Party, execute and/or exchange any other documents necessary to effectuate the terms of this Agreement and perform any further acts or things as the other Party may reasonably request to effectuate the terms of this Agreement.

Section 7.9 Assignment. No Party shall assign its interest in this Agreement, in whole or in part, without the other Party's written consent. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective representatives, successors, and assigns as permitted by this Agreement.

Section 7.10 Amendment. This Agreement may be amended only with the written consent of the Parties and with approval of the governing bodies of the City and the District.

Section 7.11 Interpretation. This Agreement has been negotiated by the Parties, each of which has been represented by counsel; consequently, the rule of construction to the effect that any

ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

Section 7.12 No Third Party Beneficiaries. This Agreement is solely for the benefit of the City and the District, and neither the City nor the District intend by any provision of this Agreement to create any rights in any third-party beneficiaries or to confer any benefit or enforceable rights under this Agreement or otherwise upon anyone other than the City and the District.

Section 7.13 Incorporation of Exhibits by Reference. All exhibits attached to this Agreement are incorporated into this Agreement by reference for the purposes set forth herein, as follows:

Exhibit A	Depiction of the Development
Exhibit B	Legal Description of the Development

Section 7.14 Counterpart Originals. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original.

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[SIGNATURE PAGES IMMEDIATELY FOLLOW.]



APPROVED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF MCKINNEY,  
TEXAS ON \_\_\_\_\_, 201\_\_.

ATTEST:

CITY OF MCKINNEY, TEXAS

\_\_\_\_\_  
City Secretary

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

APPROVED AS TO FORM AND  
LEGALITY:

\_\_\_\_\_  
City Attorney

STATE OF TEXAS           §  
  §  
COUNTY OF \_\_\_\_\_ §

          This instrument was acknowledged before me, on the \_\_ day of \_\_\_\_\_, 201\_\_,  
by \_\_\_\_\_, the \_\_\_\_\_ of the City of McKinney, Texas on behalf of the  
city.

\_\_\_\_\_  
Notary Public, State of Texas

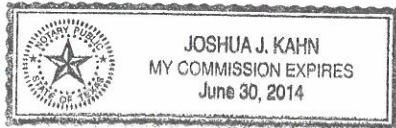
APPROVED AND ADOPTED BY THE BOARD OF DIRECTORS OF MCKINNEY MUNICIPAL UTILITY DISTRICT NO. 2 OF COLLIN COUNTY ON SEPT. 26, 2013.

MCKINNEY MUNICIPAL UTILITY DISTRICT  
NO. 2 OF COLLIN COUNTY

By: [Signature]  
Printed Name: Anthony Guller  
Title: President, Board of Directors

STATE OF TEXAS           §  
                                     §  
COUNTY OF Collin     §

This instrument was acknowledged before me, on the 26th day of September, 2013, by Anthony Guller, the Vice President of McKinney Municipal Utility District No. 2 of Collin County on behalf of said district.



[Signature]  
Notary Public, State of Texas

Exhibit A  
Depiction of the Development  
[attached]



DISTRICT M.U.D. MAP  
**TRINITY FALLS**

McKINNEY ETJ, COLLIN COUNTY, TEXAS  
November 28, 2005  
Prepared by: Carter-Burgess



**Carter-Burgess**

Exhibit B

Legal Description of the Development

(1) MUD 2/TRACT A - 423.553 acres

BEING A 423.553 ACRE TRACT OF LAND SITUATED IN THE THOMAS BRUCE SURVEY, ABSTRACT NO. 103, THE THOMAS LINDSAY SURVEY, ABSTRACT NO. 521, COLLIN COUNTY, TEXAS, AND BEING ALL OF A CALLED 106.762 ACRE TRACT OF LAND CONVEYED TO MA-BBO FIVE, LP, BY DEED RECORDED IN COUNTY CLERK'S FILE NO. 20060918001344750, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS, AND BEING ALL OF A CALLED 118.259 ACRE TRACT OF LAND CONVEYED TO MA-BBO FIVE, LP, BY DEED RECORDED IN COUNTY CLERK'S FILE NO. 20060918001344760, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS, AND BEING PART OF A CALLED 1113.084 ACRE TRACT OF LAND CONVEYED TO MA BB OWEN, LP, BY DEED RECORDED IN COUNTY CLERK'S FILE NO. 20060616000829800, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS, SAID 423.553 ACRE TRACT, WITH BEARING BASIS BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD83 (CORS), DETERMINED BY GPS OBSERVATIONS ON JULIAN DAY 320, 2005, CALCULATED FROM DENTON CORS ARP (PID-DF8986), ARLINGTON RRP2 CORS ARP (PID-DF 5387) AND COLLIN CORS ARP (PID-8982), AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

**BEGINNING** AT A 5/8 INCH IRON ROD FOUND FOR THE NORTHWEST CORNER OF SAID 106.762 ACRE TRACT AND THE NORTHEAST CORNER OF A 39.06 ACRE TRACT OF LAND DESCRIBED IN A DEED TO THOMAS M. FRIS AS RECORDED IN COLLIN COUNTY CLERK'S FILE NO. 96-0104896, LAND RECORDS, COLLIN COUNTY, TEXAS, SAID POINT ALSO BEING ON THE SOUTH LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO JOHN P. WALDEN & WIFE JANE WALDEN AS RECORDED IN VOLUME 551, PAGE 366 OF THE DEED RECORDS OF COLLIN COUNTY, TEXAS;

THENCE, ALONG COMMON LINES OF SAID 106.762 ACRE TRACT AND SAID WALDEN TRACT, THE FOLLOWING COURSES AND DISTANCES:

SOUTH 89 DEGREES 11 MINUTES 59 SECONDS EAST, A DISTANCE OF 900.54 FEET TO A 5/8 INCH IRON ROD FOUND FOR CORNER;

SOUTH 89 DEGREES 27 MINUTES 53 SECONDS EAST, A DISTANCE OF 161.43 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

NORTH 83 DEGREES 20 MINUTES 49 SECONDS EAST, A DISTANCE OF 67.79 FEET TO THE NORTHEAST CORNER OF SAID 106.762 ACRE TRACT AND THE APPROXIMATE CENTERLINE OF EAST FORK OF THE TRINITY RIVER;



THENCE, ALONG THE EAST PROPERTY LINE OF SAID 106.762 ACRE TRACT, AND WITH THE CENTERLINE OF AFORESAID EAST FORK OF THE TRINITY RIVER, THE FOLLOWING COURSES AND DISTANCES:

SOUTH 20 DEGREES 21 MINUTES 50 SECONDS EAST, A DISTANCE OF 147.67 FEET TO A POINT FOR CORNER;

SOUTH 15 DEGREES 11 MINUTES 51 SECONDS EAST, A DISTANCE OF 121.20 FEET TO A POINT FOR CORNER;

SOUTH 53 DEGREES 55 MINUTES 47 SECONDS EAST, A DISTANCE OF 57.30 FEET TO A POINT FOR CORNER;

NORTH 81 DEGREES 40 MINUTES 31 SECONDS EAST, A DISTANCE OF 68.17 FEET TO A POINT FOR CORNER;

NORTH 55 DEGREES 58 MINUTES 51 SECONDS EAST, A DISTANCE OF 70.86 FEET TO A POINT FOR CORNER;

NORTH 50 DEGREES 52 MINUTES 37 SECONDS EAST, A DISTANCE OF 167.34 FEET TO A POINT FOR CORNER;

SOUTH 63 DEGREES 52 MINUTES 45 SECONDS EAST, A DISTANCE OF 76.94 FEET TO A POINT FOR CORNER;

SOUTH 24 DEGREES 20 MINUTES 33 SECONDS EAST, A DISTANCE OF 73.75 FEET TO A POINT FOR CORNER;

SOUTH 19 DEGREES 16 MINUTES 49 SECONDS WEST, A DISTANCE OF 61.92 FEET TO A POINT FOR CORNER;

SOUTH 29 DEGREES 28 MINUTES 37 SECONDS WEST, A DISTANCE OF 67.28 FEET TO A POINT FOR CORNER;

SOUTH 29 DEGREES 53 MINUTES 46 SECONDS WEST, A DISTANCE OF 70.84 FEET TO A POINT FOR CORNER;

SOUTH 04 DEGREES 46 MINUTES 27 SECONDS EAST, A DISTANCE OF 98.68 FEET TO A POINT FOR CORNER;

SOUTH 27 DEGREES 59 MINUTES 37 SECONDS EAST, A DISTANCE OF 72.48 FEET TO A POINT FOR CORNER;

SOUTH 38 DEGREES 58 MINUTES 18 SECONDS EAST, A DISTANCE OF 131.77 FEET TO A POINT FOR CORNER;

SOUTH 03 DEGREES 11 MINUTES 20 SECONDS EAST, A DISTANCE OF 91.41 FEET TO A POINT FOR CORNER;

SOUTH 06 DEGREES 35 MINUTES 41 SECONDS WEST, A DISTANCE OF 188.59 FEET TO A POINT FOR CORNER;

SOUTH 36 DEGREES 55 MINUTES 44 SECONDS EAST, A DISTANCE OF 101.19 FEET TO A POINT FOR CORNER;

SOUTH 77 DEGREES 27 MINUTES 27 SECONDS EAST, A DISTANCE OF 101.27 FEET TO A POINT FOR CORNER;

SOUTH 89 DEGREES 08 MINUTES 21 SECONDS EAST, A DISTANCE OF 137.11 FEET TO A POINT FOR CORNER;

SOUTH 56 DEGREES 41 MINUTES 24 SECONDS EAST, A DISTANCE OF 136.45 FEET TO A POINT FOR CORNER;

SOUTH 41 DEGREES 28 MINUTES 51 SECONDS EAST, A DISTANCE OF 84.90 FEET TO A POINT FOR CORNER;

SOUTH 16 DEGREES 13 MINUTES 08 SECONDS EAST, A DISTANCE OF 239.45 FEET TO A POINT FOR CORNER;

SOUTH 20 DEGREES 49 MINUTES 08 SECONDS WEST, A DISTANCE OF 84.82 FEET TO A POINT FOR CORNER;

SOUTH 38 DEGREES 02 MINUTES 36 SECONDS WEST, A DISTANCE OF 120.85 FEET TO A POINT FOR CORNER;

SOUTH 16 DEGREES 50 MINUTES 36 SECONDS WEST, A DISTANCE OF 106.92 FEET TO A POINT FOR CORNER;

SOUTH 04 DEGREES 08 MINUTES 50 SECONDS WEST, A DISTANCE OF 83.94 FEET TO A POINT FOR CORNER;

SOUTH 45 DEGREES 46 MINUTES 39 SECONDS EAST, A DISTANCE OF 70.50 FEET TO A POINT FOR CORNER;

SOUTH 65 DEGREES 20 MINUTES 11 SECONDS EAST, A DISTANCE OF 154.89 FEET TO A POINT FOR CORNER;

SOUTH 57 DEGREES 43 MINUTES 24 SECONDS EAST, A DISTANCE OF 104.47 FEET TO A POINT FOR CORNER;

SOUTH 08 DEGREES 58 MINUTES 00 SECONDS EAST, A DISTANCE OF 103.87 FEET TO A POINT FOR CORNER;

SOUTH 30 DEGREES 16 MINUTES 36 SECONDS WEST, A DISTANCE OF 92.56 FEET TO A POINT FOR CORNER;

SOUTH 48 DEGREES 18 MINUTES 00 SECONDS WEST, A DISTANCE OF 95.11 FEET TO A POINT FOR CORNER;

SOUTH 64 DEGREES 48 MINUTES 37 SECONDS WEST, A DISTANCE OF 115.06 FEET TO A POINT FOR CORNER;

SOUTH 63 DEGREES 46 MINUTES 10 SECONDS WEST, A DISTANCE OF 108.90 FEET TO A POINT FOR CORNER;

SOUTH 74 DEGREES 52 MINUTES 48 SECONDS WEST, A DISTANCE OF 108.83 FEET TO A POINT FOR CORNER;

SOUTH 80 DEGREES 20 MINUTES 18 SECONDS WEST, A DISTANCE OF 130.42 FEET TO A POINT FOR CORNER;

SOUTH 77 DEGREES 33 MINUTES 24 SECONDS WEST, A DISTANCE OF 159.57 FEET TO A POINT FOR CORNER;

SOUTH 49 DEGREES 37 MINUTES 34 SECONDS WEST, A DISTANCE OF 79.64 FEET TO A POINT FOR CORNER;

SOUTH 30 DEGREES 51 MINUTES 57 SECONDS WEST, A DISTANCE OF 127.68 FEET TO A POINT FOR CORNER;

SOUTH 08 DEGREES 15 MINUTES 52 SECONDS EAST, A DISTANCE OF 88.75 FEET TO A POINT FOR CORNER;

SOUTH 20 DEGREES 25 MINUTES 34 SECONDS EAST, A DISTANCE OF 191.80 FEET TO A POINT FOR CORNER;

SOUTH 08 DEGREES 27 MINUTES 55 SECONDS EAST, A DISTANCE OF 92.30 FEET TO A POINT FOR CORNER;

SOUTH 39 DEGREES 42 MINUTES 15 SECONDS WEST, A DISTANCE OF 84.38 FEET TO A POINT FOR CORNER;

SOUTH 80 DEGREES 08 MINUTES 27 SECONDS WEST, A DISTANCE OF 92.47 FEET TO A POINT FOR CORNER;

NORTH 75 DEGREES 29 MINUTES 03 SECONDS WEST, A DISTANCE OF 181.83 FEET TO A POINT FOR CORNER;

NORTH 78 DEGREES 44 MINUTES 38 SECONDS WEST, A DISTANCE OF 106.12 FEET TO A POINT FOR CORNER;

SOUTH 69 DEGREES 37 MINUTES 05 SECONDS WEST, A DISTANCE OF 80.67 FEET TO A POINT FOR CORNER;

SOUTH 20 DEGREES 46 MINUTES 24 SECONDS WEST, A DISTANCE OF 87.62 FEET TO A POINT FOR CORNER;

SOUTH 14 DEGREES 45 MINUTES 22 SECONDS EAST, PASSING AT A DISTANCE OF 71.19 FEET THE SOUTHEAST CORNER OF SAID 106.762 ACRE TRACT, SAME BEING A NORTHEAST CORNER OF AFORESAID 1113.084 ACRE TRACT, CONTINUING WITH THE CENTERLINE OF SAID EAST FORK OF THE TRINITY RIVER AND THE EAST PROPERTY LINE OF SAID 1113.084 ACRE TRACT, IN ALL A TOTAL DISTANCE OF 120.37 FEET TO A POINT FOR CORNER;

THENCE, CONTINUING WITH THE CENTERLINE OF SAID EAST FORK OF THE TRINITY RIVER AND ALONG THE EAST PROPERTY LINE OF SAID 1113.084 ACRE TRACT, THE FOLLOWING COURSES AND DISTANCES:

SOUTH 34 DEGREES 39 MINUTES 08 SECONDS EAST, A DISTANCE OF 74.62 FEET TO A POINT FOR CORNER;

SOUTH 84 DEGREES 34 MINUTES 58 SECONDS EAST, A DISTANCE OF 126.28 FEET TO A POINT FOR CORNER;

SOUTH 65 DEGREES 27 MINUTES 27 SECONDS EAST, A DISTANCE OF 133.32 FEET TO A POINT FOR CORNER;

NORTH 71 DEGREES 35 MINUTES 21 SECONDS EAST, A DISTANCE OF 110.32 FEET TO A POINT FOR CORNER;

SOUTH 75 DEGREES 11 MINUTES 25 SECONDS EAST, A DISTANCE OF 99.44 FEET TO A POINT FOR CORNER;

SOUTH 16 DEGREES 58 MINUTES 48 SECONDS EAST, A DISTANCE OF 54.42 FEET TO A POINT FOR CORNER;

SOUTH 06 DEGREES 07 MINUTES 16 SECONDS WEST, A DISTANCE OF 82.33 FEET TO A POINT FOR CORNER;

SOUTH 34 DEGREES 19 MINUTES 44 SECONDS WEST, A DISTANCE OF 114.95 FEET TO A POINT FOR CORNER;

SOUTH 85 DEGREES 30 MINUTES 45 SECONDS WEST, A DISTANCE OF 291.84 FEET TO A POINT FOR CORNER;

SOUTH 08 DEGREES 46 MINUTES 06 SECONDS WEST, A DISTANCE OF 95.18 FEET TO A POINT FOR CORNER;

SOUTH 37 DEGREES 06 MINUTES 09 SECONDS EAST, A DISTANCE OF 121.86 FEET TO A POINT FOR CORNER;

SOUTH 38 DEGREES 12 MINUTES 58 SECONDS EAST, A DISTANCE OF 130.83 FEET TO A POINT FOR CORNER;

THENCE, OVER AND ACROSS SAID 1113.084 ACRE TRACT, THE FOLLOWING COURSES AND DISTANCES:

SOUTH 87 DEGREES 05 MINUTES 41 SECONDS WEST, A DISTANCE OF 1162.77 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 39 DEGREES 50 MINUTES 38 SECONDS, A RADIUS OF 630.00 FEET, A LONG CHORD THAT BEARS, SOUTH 67 DEGREES 10 MINUTES 22 SECONDS WEST, A DISTANCE OF 429.33 FEET;

ALONG SAID TANGENT CURVE TO THE LEFT, AN ARC DISTANCE OF 438.11 FEET TO A POINT FOR CORNER;

SOUTH 47 DEGREES 15 MINUTES 03 SECONDS WEST, A DISTANCE OF 379.74 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 41 DEGREES 03 MINUTES 11 SECONDS, A RADIUS OF 570.00 FEET, A LONG CHORD THAT BEARS, SOUTH 67 DEGREES 46 MINUTES 38 SECONDS WEST, A DISTANCE OF 399.73 FEET;

ALONG SAID TANGENT CURVE TO THE RIGHT, AN ARC DISTANCE OF 408.41 FEET TO A POINT FOR CORNER;

SOUTH 88 DEGREES 18 MINUTES 14 SECONDS WEST, A DISTANCE OF 536.71 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A NON-TANGENT CURVE TO THE LEFT HAVING A CENTRAL ANGLE OF 202 DEGREES 43 MINUTES 24 SECONDS, A RADIUS OF 430.00 FEET, A LONG CHORD THAT BEARS, SOUTH 72 DEGREES 56 MINUTES 30 SECONDS WEST, A DISTANCE OF 843.15 FEET;



ALONG SAID NON-TANGENT CURVE TO THE LEFT, AN ARC DISTANCE OF 1521.42 FEET TO A POINT FOR CORNER;

SOUTH 57 DEGREES 34 MINUTES 46 SECONDS WEST, A DISTANCE OF 177.27 FEET TO A POINT FOR CORNER AND THE BEGINNING OF A TANGENT CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 17 DEGREES 46 MINUTES 00 SECONDS, A RADIUS OF 570.00 FEET, A LONG CHORD THAT BEARS, SOUTH 66 DEGREES 27 MINUTES 46 SECONDS WEST, A DISTANCE OF 176.04 FEET;

ALONG SAID TANGENT CURVE TO THE RIGHT, AN ARC LENGTH OF 176.75 FEET TO A POINT FOR CORNER;

SOUTH 75 DEGREES 20 MINUTES 45 SECONDS WEST, A DISTANCE OF 877.21 FEET TO A POINT FOR CORNER IN THE WEST LINE OF SAID 1113.084 ACRE TRACT, SAME BEING THE APPROXIMATE CENTERLINE OF COLLIN COUNTY ROAD NO. 281 (A VARIABLE WIDTH RIGHT-OF-WAY);

THENCE, NORTH 00 DEGREES 31 MINUTES 40 SECONDS EAST, ALONG THE WEST LINE OF SAID 1113.084 ACRE TRACT AND THE APPROXIMATE CENTERLINE OF SAID COLLIN COUNTY ROAD NO. 281, A DISTANCE OF 1574.34 FEET TO A 1/2 INCH IRON ROD FOUND FOR AN INSIDE ELL CORNER OF SAID 1113.084 ACRE TRACT AND THE NORTHEAST CORNER OF A CALLED 3.000 ACRE TRACT OF LAND CONVEYED TO TERRY L. HERTWICK AND ROSE ETTA JONES BY DEED RECORDED IN COUNTY CLERK'S FILE NO. 2002-0001673, LAND RECORDS, COLLIN COUNTY, TEXAS;

THENCE, NORTH 00 DEGREES 04 MINUTES 47 SECONDS EAST, OVER AND ACROSS SAID 1113.084 ACRE TRACT, CONTINUING ALONG THE APPROXIMATE CENTERLINE OF SAID COLLIN COUNTY ROAD NO. 281, A DISTANCE OF 2505.18 FEET TO A POINT FOR AN INSIDE ELL CORNER OF SAID 1113.084 ACRE TRACT;

THENCE, SOUTH 89 DEGREES 21 MINUTES 54 SECONDS EAST, ALONG THE NORTH LINE OF SAID 1113.084 ACRE TRACT, PASSING AT A DISTANCE OF 40.00 FEET A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR WITNESS, CONTINUING A TOTAL DISTANCE OF 1290.73 FEET TO A 5/8 INCH IRON ROD FOUND FOR THE A NORTHEAST CORNER OF SAID 1113.084 ACRE TRACT AND BEING ON THE WEST LINE OF SAID 118.259 ACRE TRACT;

THENCE, NORTH 00 DEGREES 11 MINUTES 31 SECONDS WEST, ALONG THE WEST LINE OF SAID 118.259 ACRE TRACT, A DISTANCE OF 15.14 FEET TO A 1/2 INCH IRON ROD FOUND FOR A NORTHWEST CORNER OF SAID 118.259 ACRE TRACT AND THE SOUTHWEST CORNER OF A CALLED 1.071 ACRE TRACT OF LAND DESCRIBED IN A DEED TO ANITA L. GRAY AND HUSBAND, JIMMY L. GRAY AS RECORDED IN

COLLIN COUNTY CLERK'S FILE NO. 94-0054427 OF THE LAND RECORDS OF COLLIN COUNTY, TEXAS;

THENCE SOUTH 89 DEGREES 10 MINUTES 20 SECONDS EAST, ALONG THE SOUTH LINE OF AFORESAID 1.071 ACRE TRACT, A DISTANCE OF 182.65 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR THE SOUTHEAST CORNER OF SAID 1.071 ACRE TRACT;

THENCE NORTH 00 DEGREES 11 MINUTES 36 SECONDS WEST, ALONG THE EAST LINE OF AFORESAID 1.071 ACRE TRACT, A DISTANCE OF 254.52 FEET TO A POINT FOR CORNER, FROM WHICH A 5/8 INCH IRON ROD FOUND BEARS NORTH 00 DEGREES 11 MINUTES 36 SECONDS WEST, A DISTANCE OF 0.64 FEET, SAID POINT BEING IN THE SOUTH LINE OF A CALLED 10.000 ACRE TRACT OF LAND DESCRIBED IN A DEED TO CABE W. CHADICK AS RECORDED IN COLLIN COUNTY CLERK'S FILE NO. 2000-0095879 OF THE LAND RECORDS OF COLLIN COUNTY, TEXAS;

THENCE, SOUTH 89 DEGREES 20 MINUTES 27 SECONDS EAST, ALONG THE NORTH LINE OF SAID 118.259 ACRE TRACT, THE SOUTH LINE OF SAID 10.000 ACRE TRACT, THE SOUTH LINE OF AFORESAID 39.06 ACRE TRACT, A DISTANCE OF 1856.29 FEET TO A 3/8 INCH IRON ROD FOUND FOR THE SOUTHEAST CORNER OF SAID THOMAS M. FRIS TRACT;

THENCE, NORTH 00 DEGREES 05 MINUTES 19 SECONDS EAST, ALONG THE WEST LINE OF SAID 106.762 ACRE TRACT AND THE EAST LINE OF SAID THOMAS M. FRIS TRACT, A DISTANCE OF 794.23 FEET TO THE **POINT OF BEGINNING**, AND CONTAINING 423.553 ACRES OF LAND, MORE OR LESS.

(2) MUD 2/TRACT B - 407.211 acres

BEING A 407.211 ACRE TRACT OF LAND SITUATED IN THE JOHN LARIMON SURVEY, ABSTRACT NO. 530, AND THE THOMAS BRUCE SURVEY, ABSTRACT NO. 103, COLLIN COUNTY, TEXAS, AND BEING PART OF A 158.524 ACRE TRACT OF LAND CONVEYED TO MA-BBO FIVE, L.P. BY DEED RECORDED IN COUNTY CLERK'S FILE NO. 20060718001344740, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS AND BEING PART OF A 1113.084 ACRE TRACT OF LAND CONVEYED TO MA BB OWEN, L.P. BY DEED RECORDED IN COUNTY CLERK'S FILE NO. 20060616000829800, OFFICIAL PUBLIC RECORDS, COLLIN COUNTY, TEXAS. SAID 407.211 ACRE TRACT, WITH BEARING BASIS BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD83 (CORS), DETERMINED BY GPS OBSERVATIONS ON JULIAN DAY 320, 2005, CALCULATED FROM DENTON CORS ARP (PID-DF8986), ARLINGTON RRP2 CORS ARP (PID-DF 5387) AND COLLIN CORS ARP (PID-8982), BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A POINT AT A NORTHWEST CORNER OF AFORESAID 1113.084 ACRE TRACT AND BEING THE SOUTHWEST CORNER OF A CALLED 0.998 ACRE TRACT OF LAND CONVEYED TO CHAMBERVILLE CEMETERY ASSOCIATION BY DEED RECORDED IN VOLUME 2034, PAGE 573, DEED RECORDS, COLLIN COUNTY, TEXAS AND BEING IN COLLIN COUNTY ROAD NO. 206 (A VARIABLE WIDTH PRESCRIPTIVE RIGHT-OF-WAY);

THENCE NORTH 89 DEGREES 45 MINUTES 16 SECONDS EAST, ALONG THE SOUTH LINE OF AFORESAID 0.998 ACRE TRACT, PASSING AT A DISTANCE OF 9.74 FEET A 5/8 INCH IRON ROD FOUND FOR WITNESS, CONTINUING A TOTAL DISTANCE OF 188.45 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR AN INSIDE ELL CORNER OF AFORESAID 1113.084 ACRE TRACT AND BEING THE SOUTHEAST CORNER OF SAID 0.998 ACRE TRACT;

THENCE NORTH 00 DEGREES 55 MINUTES 15 SECONDS WEST, ALONG THE EAST LINE OF AFORESAID 0.998 ACRE TRACT PASSING AT A DISTANCE OF 177.66 FEET A 1/2 INCH IRON ROD FOUND FOR WITNESS, CONTINUING A TOTAL DISTANCE OF 206.50 FEET TO A POINT FOR A NORTHEAST CORNER OF SAID 0.998 ACRE TRACT AND BEING A NORTHWEST CORNER OF AFORESAID 1113.084 ACRE TRACT AND BEING IN THE APPROXIMATE CENTERLINE OF COLLIN COUNTY ROAD NO. 281 (A VARIABLE WIDTH PRESCRIPTIVE RIGHT-OF-WAY);

THENCE ALONG THE NORTH LINE OF AFORESAID 1113.084 ACRE TRACT AND THE APPROXIMATE CENTERLINE OF AFORESAID COLLIN COUNTY ROAD NO. 281 THE FOLLOWING COURSES AND DISTANCES:

SOUTH 88 DEGREES 11 MINUTES 52 SECONDS EAST, A DISTANCE OF 172.87 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

SOUTH 84 DEGREES 50 MINUTES 48 SECONDS EAST, A DISTANCE OF 300.57 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

SOUTH 88 DEGREES 57 MINUTES 46 SECONDS EAST, A DISTANCE OF 689.46 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

NORTH 89 DEGREES 51 MINUTES 11 SECONDS EAST, A DISTANCE OF 691.44 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER;

SOUTH 84 DEGREES 42 MINUTES 34 SECONDS EAST, A DISTANCE OF 623.13 FEET TO A 3/4 INCH IRON ROD FOUND FOR THE MOST NORTHERN NORTHEAST CORNER OF AFORESAID 1113.084 ACRE TRACT AND BEING THE NORTHWEST CORNER OF A CALLED 7.04 ACRE TRACT OF LAND CONVEYED TO ROBERT W. GANTER AND ELIZABETH A. GANTER BY DEED RECORDED IN COUNTY CLERK'S NO. 97-0024749. LAND RECORDS, COLLIN COUNTY, TEXAS;

SOUTH 00 DEGREES 29 MINUTES 01 SECONDS WEST, ALONG AN EAST LINE OF AFORESAID 1113.084 ACRE TRACT AND THE COMMON WEST LINE OF AFORESAID 7.04 ACRE TRACT , A DISTANCE OF 411.24 FEET TO A 1/2 INCH IRON PIPE FOUND FOR THE SOUTHWEST CORNER OF SAID 7.04 ACRE TRACT;

SOUTH 89 DEGREES 02 MINUTES 06 SECONDS EAST, ALONG THE NORTH LINE OF SAID 1113.084 ACRE TRACT AND THE COMMON SOUTH LINE OF AFORESAID 7.04 ACRE TRACT, A DISTANCE OF 1471.42 FEET TO A 1/2 INCH IRON PIPE FOUND FOR CORNER AND BEING ON THE WEST LINE OF A CALLED 5.660 ACRE TRACT OF LAND CONVEYED TO DONALD DWAYNE TUCKER AND WIFE, JEAN TUCKER RECORDED IN VOLUME 931, PAGE 368, DEED RECORDS, COLLIN COUNTY, TEXAS AND BEING IN THE APPROXIMATE CENTERLINE OF AFORESAID COLLIN COUNTY ROAD NO. 281;

THENCE SOUTH 00 DEGREES 40 MINUTES 36 SECONDS WEST, ALONG AN EAST LINE OF SAID 1113.084 ACRE TRACT AND THE COMMON WEST LINES OF AFORESAID 5.660 TUCKER TRACT AND OF A CALLED 1.39 ACRE TRACT OF LAND CONVEYED TO CALVIN JARRETT AND KAREN JARRETT BY DEED RECORDED IN COUNTY CLERK'S FILE NO. 2005-0097078, LAND RECORDS, COLLIN COUNTY, TEXAS AND THE APPROXIMATE CENTERLINE OF AFORESAID COLLIN COUNTY ROAD NO. 281, A DISTANCE OF 537.51 FEET TO A POINT FOR THE CORNER;

THENCE, SOUTH 00 DEGREES 04 MINUTES 47 SECONDS WEST, OVER AND ACROSS SAID 1113.084 ACRE TRACT, A DISTANCE OF 2505.18 FEET TO A 1/2 INCH IRON ROD FOUND ON A SOUTH LINE OF SAID 1113.084 ACRE TRACT AND THE COMMON NORTHEAST CORNER OF A CALLED 3.000 ACRE TRACT OF LAND CONVEYED TO TERRY L. HARTWICK AND ROSE ETTA JONES BY DEED RECORDED IN COUNTY CLERK'S FILE NO. 2002-0001673, LAND RECORDS, COLLIN COUNTY, TEXAS;

THENCE, NORTH 89 DEGREES 54 MINUTES 23 SECONDS WEST, ALONG THE SOUTH LINE OF SAID 1113.084 ACRE TRACT, AND THE COMMON NORTH LINE OF SAID 3.000 ACRE TRACT, A DISTANCE OF 484.37 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER ON THE EAST LINE OF A 19.33 ACRE TRACT OF LAND CONVEYED TO TERRY L. HARTWICK AND ROSE ETTA JONES BY DEED RECORDED IN COUNTY CLERK'S FILE NO. 94-0065235, LAND RECORDS, COLLIN COUNTY, TEXAS;

THENCE, NORTH 00 DEGREES 14 MINUTES 32 SECONDS WEST, A DISTANCE OF 154.99 FEET TO A 5/8 INCH IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID 19.33 ACRE TRACT;

THENCE, NORTH 89 DEGREES 39 MINUTES 30 SECONDS WEST, ALONG THE SOUTH LINE OF SAID 1113.084 ACRE TRACT AND THE COMMON NORTH LINE OF SAID 19.33 ACRE TRACT, A DISTANCE OF 988.76 FEET TO A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR CORNER ON THE EAST LINE OF SAID 158.524 ACRE TRACT;

THENCE, SOUTH 00 DEGREES 26 MINUTES 33 SECONDS EAST, ALONG THE EAST LINE OF SAID 158.524 ACRE TRACT AND THE COMMON WEST LINES OF SAID 19.33 ACRE TRACT AND A CALLED 11.06 ACRE TRACT OF LAND CONVEYED TO HUGH P. McADAMS BY DEED RECORDED IN COUNTY CLERK'S FILE NO. 92-0003436, LAND RECORDS, COLLIN COUNTY, TEXAS, A DISTANCE OF 1763.02 FEET TO A POINT FOR THE SOUTHEAST CORNER OF SAID 158.524 ACRE TRACT AND BEING THE SOUTHWEST CORNER OF SAID 11.06 ACRE TRACT AND BEING IN THE APPROXIMATE CENTERLINE OF COLLIN COUNTY ROAD NO. 206 (A VARIABLE WIDTH PRESCRIPTIVE RIGHT-OF-WAY) AND BEING ON THE NORTH LINE OF A CALLED 72 ACRE TRACT OF LAND CONVEYED TO J.L. MELL, BEVERLY ANN ALLEN & NANCY JO. LAWRENCE BY DEED RECORDED IN COUNTY CLERKS' FILE NO. 2000-0101341, LAND RECORDS, COLLIN COUNTY, TEXAS;

THENCE NORTH 89 DEGREES 36 MINUTES 20 SECONDS WEST, ALONG THE SOUTH LINE OF AFORESAID 158.524 ACRE TRACT AND THE COMMON NORTH LINE OF AFORESAID 72 ACRE TRACT AND ALONG THE APPROXIMATE CENTERLINE OF AFORESAID COLLIN COUNTY ROAD NO. 206 A DISTANCE OF 576.42 FEET TO A POINT FOR AN ELL CORNER OF SAID 158.524 ACRE TRACT AND BEING THE SOUTHEAST CORNER OF THE REMAINDER OF A TRACT OF LAND CONVEYED TO DONALD M. MOTSENBACKER AND WIFE, NORMA FAYE MOTSENBACKER BY DEED RECORDED IN VOLUME 2678, PAGE 833, DEED RECORDS, COLLIN COUNTY, TEXAS;

THENCE ALONG THE COMMON LINES BETWEEN AFORESAID 158.524 ACRE TRACT AND AFORESAID REMAINDER MOTSENBACKER TRACT THE FOLLOWING COURSES AND DISTANCES:

NORTH 01 DEGREES 01 MINUTES 34 SECONDS EAST, PASSING AT A DISTANCE OF 28.19 FEET A 1/2 INCH IRON ROD FOUND FOR WITNESS, CONTINUING A TOTAL DISTANCE OF 95.45 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

NORTH 46 DEGREES 22 MINUTES 09 SECONDS WEST, A DISTANCE OF 30.04 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;



NORTH 01 DEGREES 02 MINUTES 48 SECONDS EAST, A DISTANCE OF 66.35 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

NORTH 48 DEGREES 15 MINUTES 02 SECONDS WEST, A DISTANCE OF 30.38 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

NORTH 01 DEGREES 27 MINUTES 43 SECONDS EAST, A DISTANCE OF 66.57 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

NORTH 46 DEGREES 58 MINUTES 13 SECONDS WEST, A DISTANCE OF 23.59 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

NORTH 00 DEGREES 24 MINUTES 20 SECONDS EAST, A DISTANCE OF 25.48 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

NORTH 71 DEGREES 03 MINUTES 06 SECONDS EAST, A DISTANCE OF 10.41 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

NORTH 39 DEGREES 44 MINUTES 59 SECONDS EAST, A DISTANCE OF 10.78 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

NORTH 00 DEGREES 21 MINUTES 32 SECONDS WEST, A DISTANCE OF 98.69 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

NORTH 43 DEGREES 09 MINUTES 55 SECONDS WEST, A DISTANCE OF 11.67 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

NORTH 88 DEGREES 23 MINUTES 42 SECONDS WEST, A DISTANCE OF 201.10 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

SOUTH 46 DEGREES 23 MINUTES 42 SECONDS WEST, A DISTANCE OF 10.70 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

SOUTH 14 DEGREES 06 MINUTES 56 SECONDS WEST, A DISTANCE OF 10.35 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

SOUTH 01 DEGREES 47 MINUTES 24 SECONDS WEST, A DISTANCE OF 81.41 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

SOUTH 19 DEGREES 38 MINUTES 16 SECONDS EAST, A DISTANCE OF 10.39 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

SOUTH 52 DEGREES 48 MINUTES 19 SECONDS EAST, A DISTANCE OF 10.82 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

SOUTH 76 DEGREES 36 MINUTES 21 SECONDS EAST, A DISTANCE OF 10.30 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

SOUTH 02 DEGREES 21 MINUTES 20 SECONDS WEST, A DISTANCE OF 25.12 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

SOUTH 47 DEGREES 10 MINUTES 36 SECONDS WEST, A DISTANCE OF 33.81 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

SOUTH 00 DEGREES 47 MINUTES 06 SECONDS EAST, A DISTANCE OF 63.78 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

SOUTH 44 DEGREES 58 MINUTES 54 SECONDS WEST, A DISTANCE OF 31.86 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

SOUTH 00 DEGREES 34 MINUTES 55 SECONDS EAST, A DISTANCE OF 65.94 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

SOUTH 48 DEGREES 15 MINUTES 30 SECONDS WEST, A DISTANCE OF 30.58 FEET TO A 1/2 INCH IRON ROD FOUND FOR CORNER;

SOUTH 00 DEGREES 40 MINUTES 17 SECONDS EAST, PASSING AT A DISTANCE OF 66.78 FEET A 1/2 INCH IRON ROD FOUND FOR WITNESS, CONTINUING A TOTAL DISTANCE OF 95.05 FEET TO A POINT FOR AN ELL CORNER OF AFORESAID 158.524 ACRE TRACT AND THE SOUTHWEST CORNER OF AFORESAID REMAINDER MOTSENBACKER TRACT AND BEING ON THE NORTH LINE OF A CALLED 36.145 ACRE TRACT OF LAND CONVEYED TO CAROLYN PUTNEY BY DEED RECORDED IN COUNTY CLERK'S FILE NO. 2003-0016137, LAND RECORDS, COLLIN COUNTY, TEXAS AND BEING IN THE APPROXIMATE CENTERLINE OF AFORESAID COLLIN COUNTY ROAD NO.206;

THENCE NORTH 89 DEGREES 36 MINUTES 20 SECONDS WEST, ALONG THE SOUTH LINE OF AFORESAID 158.524 ACRE TRACT AND THE COMMON NORTH LINE OF AFORESAID 36.145 ACRE TRACT AND THE APPROXIMATE CENTERLINE OF AFORESAID COLLIN COUNTY ROAD NO. 206, A DISTANCE OF 1762.31 FEET TO A POINT FOR CORNER;

THENCE NORTH 00 DEGREES 08 MINUTES 15 SECONDS WEST, PASSING AT A DISTANCE OF 26.32 FEET A 1/2 INCH IRON ROD FOUND FOR WITNESS, CONTINUING ALONG THE WEST LINE OF AFORESAID 158.524 ACRE TRACT AND THE COMMON EAST LINE OF THE FOLLOWING TRACTS, A CALLED 22.030 ACRE TRACT OF LAND CONVEYED TO BILLY J. DRURY, ET AL BY DEED RECORDED IN VOLUME 1043, PAGE 346, DEED RECORDS, COLLIN COUNTY, TEXAS AND A CALLED 22.030 ACRE TRACT OF LAND CONVEYED TO JIMMIE L. DRURY BY DEED RECORDED IN COUNTY CLERK'S FILE NO. 2003-0060252, LAND RECORDS, COLLIN

COUNTY, TEXAS AND A CALLED 3.67 ACRE TRACT OF LAND CONVEYED TO RODNEY C. NIXON BY DEED RECORDED IN COUNTY CLERK'S FILE NO. 93-0108403, LAND RECORDS, COLLIN COUNTY, TEXAS AND A CALLED 3.67 ACRE TRACT OF LAND CONVEYED TO RODNEY C. NIXON BY DEED RECORDED IN COUNTY CLERK'S FILE NO. 93-0108402, LAND RECORDS, COLLIN COUNTY, TEXAS AND A CALLED 11.015 ACRE TRACT OF LAND CONVEYED TO QUIDA NIXON BY DEED RECORDED IN VOLUME 1043, PAGE 338, DEED RECORDS, COLLIN COUNTY, TEXAS AND A CALLED 11.015 ACRE TRACT OF LAND CONVEYED TO DEAN ANDERSON BY DEED RECORDED IN VOLUME 1043, PAGE 333, DEED RECORDS, COLLIN COUNTY, TEXAS AND ALONG THE APPROXIMATE CENTERLINE OF AFORESAID COLLIN COUNTY ROAD NO. 206, A DISTANCE OF 2672.26 FEET TO A POINT FOR CORNER;

THENCE, SOUTH 88 DEGREES 53 MINUTES 46 SECONDS EAST, A DISTANCE OF 19.61 FEET TO A 5/8 INCH IRON ROD WITH A YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET FOR THE SOUTHWEST CORNER OF SAID 1113.084 ACRE TRACT;

THENCE ALONG THE WEST LINE OF AFORESAID 1113.084 ACRE TRACT THE FOLLOWING COURSES AND DISTANCES:

NORTH 00 DEGREES 12 MINUTES 11 SECONDS WEST, A DISTANCE OF 1035.01 FEET TO A POINT FOR CORNER;

NORTH 00 DEGREES 50 MINUTES 11 SECONDS WEST, A DISTANCE OF 1248.29 FEET TO THE **POINT OF BEGINNING**, AND CONTAINING 407.211 ACRES OF LAND, MORE OR LESS.