

A Resolution

NO. _____

A RESOLUTION OF THE CITY OF FORT WORTH, TEXAS DETERMINING THE COSTS OF CERTAIN PUBLIC IMPROVEMENTS TO BE FINANCED BY THE FORT WORTH PUBLIC IMPROVEMENT DISTRICT NO. 16 (WALSH RANCH/QUAIL VALLEY); ACCEPTING A PRELIMINARY SERVICE AND ASSESSMENT PLAN UPDATE, INCLUDING PROPOSED UPDATED ASSESSMENT ROLLS; DIRECTING THE FILING OF THE PROPOSED UPDATED ASSESSMENT ROLLS WITH THE CITY SECRETARY TO MAKE AVAILABLE FOR PUBLIC INSPECTION; CALLING A PUBLIC HEARING ON SEPTEMBER 1, 2020 TO CONSIDER AN ORDINANCE LEVYING ADDITIONAL ASSESSMENTS ON CERTAIN PROPERTY WITHIN THE DISTRICT; DIRECTING CITY STAFF TO PUBLISH AND MAIL NOTICE OF SAID PUBLIC HEARING; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED THERETO.

WHEREAS, Chapter 372, Texas Local Government Code (the “**Act**”) authorizes the governing body (the “**City Council**”) of the City of Fort Worth, Texas (the “**City**”), to create a public improvement district within the corporate limits and extraterritorial jurisdiction of the City; and

WHEREAS, on September 20, 2016, the City Council conducted a public hearing to consider a petition received by the City on August 1, 2016 (the “**Petition**”) requesting the creation of the Fort Worth Public Improvement District No. 16 (Walsh Ranch/Quail Valley) (the “**District**”) to undertake the construction of certain public improvements described in the Petition (the “**Authorized Improvements**”); and

WHEREAS, on September 27, 2016, the City Council adopted Resolution No. 4686-09-2016 (the “**Authorization Resolution**”), authorizing, establishing and creating the District; and

WHEREAS, the City Council previously (1) adopted a Service and Assessment Plan (the “**Service and Assessment Plan**”) for the District pursuant to Ordinance 22707-05-2017, adopted on May 2, 2017; and (2) levied assessments on Improvement Area #1 of the District (as defined in the Service and Assessment Plan); and

WHEREAS, the City Council now desires to levy additional special assessments on Improvement Area #2 of the District (as defined in the Service and Assessment Plan) for the purposes of financing the costs of certain Authorized Improvements in Improvement Area #2 (the “**Improvement Area #2 Improvements**”); and

WHEREAS, the City Council and the City staff have been presented with a proposed update to the Service and Assessment Plan for the District, including proposed updates to the assessment rolls attached thereto, including the Improvement Area #2 Assessment Roll (the “**Proposed Assessment Roll Updates**”) (the proposed update to the Service and Assessment Plan and the Proposed Assessment Roll Update are referred to collectively as, the “**Proposed SAP Update**”), a copy of which is attached hereto as **Exhibit A** and is incorporated herein for all purposes; and

WHEREAS, the Proposed SAP Update sets forth the estimated total costs of the Improvement Area #2 Improvements and the Proposed Assessment Roll Updates state the proposed assessments to be levied against each parcel of land in Improvement Area #2, as determined by the assessment methodology chosen by the City Council and set forth in the Proposed SAP Update; and

WHEREAS, the Act requires that the Proposed Assessment Roll Update levying the assessments on Improvement Area #2 be filed with the City Secretary of the City (the “**City Secretary**”) and be subject to public inspection; and

WHEREAS, the Act requires that a public hearing (the “**Assessment Hearing**”) be called to consider the proposed assessments on Improvement Area #2 and requires the City Council to hear and pass on any objections to such proposed assessments at, or on the adjournment of, the Assessment Hearing; and

WHEREAS, the Act requires that notice of the Assessment Hearing be published in a newspaper of general circulation in the City before the tenth (10th) day before the date of the Assessment Hearing and be mailed to property owners liable for assessment; and

WHEREAS, after all objections have been heard and passed on at the Assessment Hearing, the City Council may levy assessments on Improvement Area #2 to pay for the Improvement Area #2 Improvements.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH, TEXAS:

SECTION 1. THAT the recitals set forth above in this Resolution are true and correct and are hereby adopted as findings of the City Council and are incorporated into the body of this Resolution as if fully set forth herein.

SECTION 2. THAT the City Council does hereby accept the Proposed SAP Update for the District, including the Proposed Assessment Rolls Update, a copy of which is attached hereto as **Exhibit A** and is incorporated herein for all purposes. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Proposed SAP Update.

SECTION 3. THAT the City Council hereby determines that estimated total cost of the Improvement Area #2 Improvements to be funded through the assessments levied at this time in Improvement Area #2 of the District, including financing costs, is approximately \$5,850,000.

SECTION 4. THAT the City Council's final determination and approval of the costs of the Improvement Area #2 Improvements, or any portion thereof, shall be subject to and contingent upon City Council approval of a final Service and Assessment Plan update which will include final updates to the Assessment Rolls, including the Improvement Area #2 Assessment Roll, after the properly noticed and held Assessment Hearing.

SECTION 5. THAT the City Council hereby authorizes and directs the filing of the Proposed SAP Update, including the Proposed Assessment Rolls Update, with the City Secretary and the same shall be available for public inspection on the City’s website.

SECTION 6. THAT the City Council hereby authorizes, and calls, a public hearing (the Assessment Hearing as defined above) to be held on September 1, 2020 at or after 7:00 p.m. at City Council Chamber, City Hall, 200 Texas Street, Fort Worth, Texas, at which the City Council shall, among other actions, hear and pass on any objections to the proposed assessments; and, upon the adjournment of the Assessment Hearing, the City Council will consider an ordinance levying the assessments on the property within the Improvement Area #2 of the District (which ordinance shall specify the method of payment of the assessments). In the event City Council will be unable to meet at City Hall on September 1, 2020, the City will post information on its website for attending the meeting by telephone, teleconference, or other electronic means.

SECTION 7. THAT the City Council hereby authorizes and directs the City Secretary to publish notice of the Assessment Hearing in substantially the form attached hereto as **Exhibit B** and incorporated herein for all purposes, in a newspaper of general circulation in the City, on or before August 21, 2020, as required by Section 372.016(b) of the Act.

SECTION 8. THAT when the Proposed Assessment Rolls Update are filed with the City Secretary, the City Council hereby authorizes and directs the City Secretary, on or before August 21, 2020, to mail to owners of property liable for assessment notice of the Assessment Hearing as required by Section 372.016(c) of the Act.

SECTION 9. THAT City staff is authorized and directed to take such other actions as are required (including, but not limited to, notice of the public hearing as required by the Texas Open Meetings Act) to place the Assessment Hearing on the agenda for the September 1, 2020 meeting of the City Council.

SECTION 10. THAT this Resolution shall become effective from and after its date of passage in accordance with law.

Adopted this _____ day of _____ 2020.

ATTEST:

By: _____

Mary Kayser, City Secretary

EXHIBIT A
PROPOSED SERVICE AND ASSESSMENT PLAN UPDATE

EXHIBIT B

NOTICE OF PUBLIC HEARING

**CITY OF FORT WORTH, TEXAS
NOTICE OF PUBLIC HEARING TO CONSIDER
THE LEVY OF ADDITIONAL ASSESSMENTS AGAINST PROPERTY WITHIN
FORT WORTH PUBLIC IMPROVEMENT DISTRICT NO. 16 (WALSH RANCH/QUAIL VALLEY)**

Pursuant to Chapter 372, Texas Local Government Code (the “Act”), notice is hereby given that the City Council of the City of Fort Worth, Texas (the “City”) will hold a public hearing (the “Public Hearing”) to consider the levy of assessments against property within Fort Worth Public Improvement District No. 16 (Walsh Ranch/Quail Valley) (the “District”) to pay for certain improvements therein.

Date, Time and Place of Public Hearing. The Public Hearing will take place on September 1, 2020, at or after 7:00 p.m., at the City Council Chamber, City Hall, 200 Texas Street, Fort Worth, Texas.

General Nature of the Improvements. The general nature of the proposed public improvements, including the improvements to be reimbursed through the levy of special assessments in the District, includes: (i) earthwork and erosion control improvements, (ii) storm drainage improvements, (iii) water distribution improvements, (iv) wastewater improvements, (v) road improvements, (vi) landscaping improvements, and (vii) costs related to the creation and administration of the District.

The property within the District is expected to be developed in multiple phases (each phase being an “Improvement Area”). Improvements that will benefit and serve only property within Improvement Area #2 are to be installed and constructed in the second phase of improvements, and special assessments will be levied within Improvement Area #2 to fund such improvements. For each subsequent phase within the District, special assessments will be levied within the future Improvement Areas to pay the costs of public improvement projects that confer a special benefit on the property within such Improvement Areas.

Cost of the Improvements. The estimated total cost of the public improvements in Improvement Area #2 to be funded through the special assessments levied therein, including financing costs, is \$5,850,000.

Proposed Assessment Roll. The proposed updated assessment rolls providing for the costs of said improvements to be assessed, levied and apportioned against the property within the Improvement Area #2, and the real and true owner or owners thereof, are on file and are available for public inspection during regular business hours at the office of the City Secretary at City Hall, 200 Texas Street, Fort Worth, Texas.

Boundaries of the District. The boundaries of the District encompass approximately 1,756 acres, and the District is generally located along both sides of the Chisolm Trail Parkway south of McPherson Boulevard and north of FM 1187, in Tarrant County, Texas. The boundaries of the District, including the boundaries of the Improvement Area #2 of the District, are more particularly described by a metes and bounds description available at the Fort Worth City Hall and available for public inspection.

Objections Considered. All written or oral objections will be considered at the Public Hearing.

FORT WORTH PUBLIC
IMPROVEMENT DISTRICT No. 16
(WALSH RANCH/QUAIL VALLEY)

CITY OF FORT WORTH, TEXAS

PRELIMINARY SERVICE AND ASSESSMENT PLAN

May 2, 2017

As updated for Improvement Area #2 on, September 18,
2020

PREPARED BY:

MUNICAP, INC.
— PUBLIC FINANCE —

FORT WORTH PUBLIC IMPROVEMENT DISTRICT No. 16 (WALSH RANCH/QUAIL VALLEY)

PRELIMINARY SERVICE AND ASSESSMENT PLAN – UPDATED FOR IMPROVEMENT AREA #2

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I. PLAN DESCRIPTION AND DEFINED TERMS

A. INTRODUCTION

On September 27, 2016, the City Council (the "City Council") of the City of Fort Worth, Texas (the "City") approved Resolution 4686-09-2016, which authorized the creation of the Fort Worth Public Improvement District No. 16 (Walsh Ranch/Quail Valley) (the "PID") to finance a portion of the Actual Costs of the Authorized Improvements for the benefit of certain property in the PID, all of which is located within the city limits or ETJ of the City.

Chapter 372 of the Texas Local Government Code (as amended, the "PID Act"), governs the creation and operation of public improvement districts within the State of Texas. This Service and Assessment Plan (this "SAP") was prepared pursuant to the PID Act. The PID Act requires that a service plan "cover a period of at least five years and must also define the annual indebtedness and the projected costs for improvements." The PID Act also requires a service plan "be reviewed and updated annually for the purpose of determining the annual budget for improvements." The service plan for the PID is described in more detail in Section V.

It is anticipated that the PID will finance the Actual Costs of only a portion of the Authorized Improvements being constructed for the Property. The Property is expected to be developed in seven phases. For each phase developed, the City will levy and collect Assessments for the benefitted Property pursuant to multiple Assessment Ordinances.

The Assessment Rolls for the PID are attached as Appendix A-1 and are addressed in Section VII. The Assessments shown on the Assessment Rolls are based on the method for establishing and levying the Assessments described in Sections IV and VI.

Unless otherwise specified, references in this SAP to a "Section," a "Table," or an "Appendix" shall mean a Section of, Table in, or Appendix to this SAP for all purposes.

B. Definitions

Capitalized terms used herein shall have the meanings ascribed to them as follows:

"Actual Costs" means, with respect to, Authorized Improvements, the demonstrated, reasonable, allocable, and allowable costs of constructing such Authorized Improvements. Actual Costs may include (i) the costs incurred for the design, planning, financing, administration/management, acquisition, installation, construction and/or implementation of such Authorized Improvements, (ii) the costs incurred in preparing the construction plans for such Authorized Improvements, (iii) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvements, (iv) the costs incurred for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting and similar professional services, taxes (property and franchise) related to the Authorized Improvements, (v) all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and materialmen in connection with the acquisition, construction or

implementation of the Authorized Improvements, and (vi) all related permitting, zoning and authorized approval expenses; architectural, engineering, legal and consulting fees; financing charges; taxes; governmental fees and charges; insurance premiums' and miscellaneous expenses. ***For the avoidance of doubt, not all the Authorized Improvements and the Actual Costs thereof are being funded through the PID. Only certain Authorized Improvements described herein, and the PID-Funded Actual Costs thereof, as defined below, are being funded through the PID.***

“Additional Interest” means the 0.50% additional interest charged on Assessments pursuant to Section 372.018 of the PID Act to fund the Prepayment Reserve and the Delinquency Reserve pursuant to Sections IV.G, IV.H and Section IV.I.

“Administrative Expenses” means the administrative, organizational, maintenance and operation costs and expenses associated with, or incident to, the administration, organization, maintenance and operation of the PID, including, but not limited to, the costs of (i) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, (ii) creating and organizing the PID and preparing the Assessment Rolls, (iii) computing, levying, collecting and transmitting the Assessments or the Annual Installments thereof, (iv) maintaining the record of Assessments, including payments, reallocations and/or cancellations of the Assessments or Annual Installments thereof, (v) issuing, making debt service payments on, and redeeming the PID Bonds, (vi) investing or depositing the Assessments or other monies, (vii) complying with the PID Act with respect to the PID, (viii) paying the paying agent/registrar’s and trustee’s fees and expenses (including the fees and expenses of their respective legal counsel) related to the PID Bonds, and (ix) City costs of administering the construction of that portion of the Authorized Improvements to be funded through the PID. Administrative Expenses do not include the amounts for payment of the actual principal of, redemption premium, if any, and interest on the PID Bonds. Annual Administrative Expenses collected and not expended shall be carried forward and applied to reduce Administrative Expenses in subsequent years to avoid over collection.

“Administrator” means an officer or employee of the City or third party designee of the City who is not an officer or employee thereof, who shall have the responsibilities provided for herein, in an Indenture relating to the PID Bonds or in any other agreement approved by the City Council relating to the PID.

“Annual Installment” means, with respect to the Assessed Property, each annual payment of: (i) the applicable Assessment (including the principal of and interest thereon) as shown on the Assessment Rolls as updated each year by the Annual Service Plan Update in accordance with this SAP and calculated as provided in Section VI, (ii) Administrative Expenses as updated each year by the Annual Service Plan Update, and (iii) the Additional Interest. The Annual Installment is subject to update and adjustment from time to time, including upon the issuance of PID Bonds, if any.

“Annual Service Plan Update” is defined in Section V.2.

“Assessed Property” or **“Assessed Properties”** means property within the PID that benefits from the Authorized Improvements and on which Assessments have been levied as shown on the Assessment Rolls and which currently includes all Parcels other than Non-Benefited Property.

“Assessment” means the assessment levied against a Parcel pursuant to an Assessment Ordinance and the provisions of this SAP, as shown on any Assessment Roll, subject to reallocation upon the subdivision or reduction of such Parcel according to this SAP and the PID Act. The term includes, as applicable, the Improvement Area #1 Assessment, the Improvement Area #2 Assessment, and any assessment levied against a Parcel pursuant to an Assessment Ordinance in a Future Improvement Area.

“Assessment Ordinance” means each ordinance adopted by the City Council approving this SAP (or amendments or supplements to the SAP) and levying the Assessments, including, as applicable, the Improvement Area #1 Assessment Ordinance, the Improvement Area #2 Assessment Ordinance, and any assessment ordinance adopted which levies an Assessment on a Future Improvement Area.

“Assessment Roll” or **“Assessment Rolls”** means collectively or separately as applicable, the Improvement Area #1 Assessment Roll and the Improvement Area #2 Assessment Roll included in this SAP as Appendix A-1 and Appendix A-2, respectively, as each may be updated, modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with the issuance of PID Bonds or in connection with any Annual Service Plan Update. The Term also includes an Assessment Roll for any Future Improvement Area.

“Authorized Improvements” means those improvements, including those listed in Section III.A and described in Section III.B, authorized by Section 372.003 of the PID Act, regardless of whether such improvements are funded through the PID. *Only a portion of the Authorized Improvements constructed within the PID will be funded through the PID, and such improvements will be acquired, constructed, or installed in accordance with this SAP, and any future updates and/or amendments.*

“City” means the City of Fort Worth Texas.

“City Council” means the duly elected governing body of the City.

“County” means either Parker County, Texas or Tarrant County, Texas.

“Delinquency Reserve” has the meaning set forth in Section IV.H.

“Delinquent Collection Costs” means interest, penalties and expenses incurred or imposed with respect to any delinquent Assessment, or an Annual Installment thereof, in accordance with the PID Act which includes the costs related to pursuing collection of such delinquent Assessment, or an Annual Installment thereof, and the costs related to foreclosing the lien against the Assessed Property, including attorney’s fees to the extent permitted by the PID Act.

“Developer” means QUAIL VALLEY DEVCO I, LLC, a Texas limited liability company, and WALSH RANCHES LIMITED PARTNERSHIP, a Texas limited partnership, and their respective successors and assigns.

“**ETJ**” means the extraterritorial jurisdiction of the City.

“**Future Improvement Areas**” means those Future Improvement Areas to be defined and developed after Improvement Area #1 and Improvement Area #2 within the boundaries of the PID on that portion of the Property shown on Table II-D and described in Appendix B.

“**Future Improvement Areas Assessed Property**” means, for any year, all Parcels within the Future Improvement Areas and listed on the Future Improvement Areas Assessment Roll, other than Non-Benefited Property.

“**Future Improvement Areas Assessment Roll**” means, as applicable, the Future Improvement Areas Assessment Roll as may be updated, modified or amended from time to time in accordance with the procedures set forth in this SAP and in the PID Act, including updates prepared in connection with any future issuance of PID Bonds or in connection with any Annual Service Plan Update.

“**Future Improvement Area Bonds**” means bonds issued to fund Future Improvement Area Improvements (or a portion thereof) in a Future Improvement Area that are secured by Assessments levied on Assessed Property within such Future Improvement Area. In connection with Future Improvement Area Bonds, Assessments related to such Future Improvement Area Bonds will be levied only on property located within the applicable Future Improvement Area to finance Public Improvements which will only benefit such Future Improvement Area

“**Future Improvement Areas Improvements**” means those Authorized Improvements which confer a special benefit on Future Improvement Areas and the costs of which are to be PID-Funded Actual Costs.

“**Improvement Area #1**” means that portion of the Property shown on Table II-B, described in Appendix B.

“**Improvement Area #1 Assessed Property**” means, for any year, all Parcels within Improvement Area #1 and listed on the Improvement Area #1 Assessment Roll, other than Non-Benefited Property.

“**Improvement Area #1 Assessment**” means the Assessment levied pursuant to the Improvement Area #1 Assessment Ordinance on the Improvement Area #1 Assessed Property.

“**Improvement Area #1 Assessment Ordinance**” means Assessment Ordinance No. _____, adopted by the City Council on May 2, 2017, which levied the Improvement Area #1 Assessment.

“**Improvement Area #1 Assessment Roll**” means the Assessment Roll included as Appendix A-1.

“Improvement Area #1 Funded Improvements” means those Authorized Improvements which confer a special benefit on Improvement Area #1 and the costs of which are to be PID-Funded Actual Costs.

“Improvement Area #1 Reimbursement Agreement” means that certain Fort Worth Public Improvement District No. 16 (Walsh Ranch/Quail Valley) Reimbursement Agreement, effective May 2, 2017, by and between the City and the Developer pursuant to which the Developer agrees to fund the Actual Costs of all Authorized Improvements in Improvement Area #1 of the District and the City agrees to reimburse the Developer for the Actual Costs of the Improvement Area #1 Funded Improvements, with interest, as permitted by the PID Act.

“Improvement Area #2” means that portion of the Property shown on Table II-B, described in Appendix B.

“Improvement Area #2 Assessed Property” means, for any year, all Parcels within Improvement Area #2 and listed on the Improvement Area #2 Assessment Roll, other than Non-Benefited Property.

“Improvement Area #2 Assessment” means the Assessment levied pursuant to the Improvement Area #2 Assessment Ordinance on the Improvement Area #2 Assessed Property.

“Improvement Area #2 Assessment Ordinance” means Assessment Ordinance No. _____, adopted by the City Council on ____, 2020, which levied the Improvement Area #2 Assessment.

“Improvement Area #2 Assessment Roll” means the Assessment Roll included as Appendix A-2.

“Improvement Area #2 Funded Improvements” means those Authorized Improvements which confer a special benefit on Improvement Area #2 and the costs of which are to be PID-Funded Actual Costs.

“Improvement Area #2 Reimbursement Agreement” means that certain Fort Worth Public Improvement District No. 16 (Walsh Ranch/Quail Valley) Reimbursement Agreement, effective _____ 20__, by and between the City and the Developer pursuant to which the Developer agrees to fund the Actual Costs of all Authorized Improvements in Improvement Area #2 of the District and the City agrees to reimburse the Developer for the Actual Costs of the Improvement Area #2 Funded Improvements, with interest, as permitted by the PID Act.

“Indenture” means an indenture of trust, trust agreement, ordinance or similar document between the City and the Trustee, authorizing the issuance of, and setting forth the terms and other provisions relating to the collection of annual installments, any PID Bonds as modified, amended, and/or supplemented from time to time.

“Lot” means (i) for any portion of the Property for which a subdivision plat has been recorded in the official public records of a County, a tract of land described by "Lot" and "Block" in such subdivision plat, and (ii) for any portion of the Property for which a subdivision plat has not been recorded in the official public records of a County, a tract of land anticipated to be described by "Lot" and "Block" in a final recorded subdivision plat.

“Lot Type” means a classification of final building Lots with similar characteristics (e.g., commercial, light industrial, multifamily residential, single family residential or other uses), as determined by the Administrator and confirmed by the City Council. Single family residential Lots shall be further classified based on the front footage of the Lot as determined by the Administrator and confirmed by the City Council. Improvement Area #1 has lot types classified as 35 ft, 50 ft, 60 ft, 70 ft, and 100 ft front footage lots. Improvement Area #2 will have six lot types classified as Townhome, Garden Home, and 35 ft, 50 ft, 60 ft, and 70ft front footage lots.

“Mandatory Prepayment” shall have the meaning set forth in Section VI.C.

“Maximum Assessment per Unit” means, for each Lot Type within an Improvement Area, the Assessment per unit amounts shown in Section IV.F (Tables IV-C and IV-D) of the SAP for Improvement Area #1 and the Assessment per unit amounts shown in Section IV.F (Tables IV-E and Table IV-F) of the SAP for Improvement Area #2.

“Non-Benefited Property” means Parcels that accrue no special benefit from the Authorized Improvements being funded through the PID, including Public Property and easements that create an exclusive use for a public utility provider. Property identified as Non-Benefited Property at the time the Assessments (i) are imposed or (ii) are reallocated pursuant to a subdivision of a Parcel, is not assessed. Assessed Property converted to Non-Benefited Property, if the Assessments may not be reallocated pursuant to the provisions herein, remains subject to the Assessments and requires the Assessments to be prepaid as provided for in Section VI.C.

“Notice of PID Assessment Termination” is defined in Section VI.F.

“Parcel” means property within the PID that is identified by (1) a tax map identification number assigned by the Parker County Appraisal District or the Tarrant Appraisal District, as the case may be, for real property tax purposes, (2) a metes and bounds, (3) lot and block number in a final subdivision plat recorded in the official public records of a County, or (4) any other means determined by the City Council.

“PID” is defined in Section I.A.2.

“PID Act” means Chapter 372 of the Texas Local Government Code, as amended.

“PID Bonds” mean bonds which may be issued by the City from time to time to finance the acquisition of a portion of the Authorized Improvements.

“PID-Funded Actual Costs” means the Actual Costs to be paid through the PID of a specified portion of the Authorized Improvements, as described in Section III.B.2 and as shown on Table III-A. PID-Funded Actual Costs includes all payments for Administrative Expenses.

“PID Reimbursement Agreement” means collectively or as applicable, the following:

- a. the Master Reimbursement Agreement, effective as of July 17, 2017 entered into by and between the City and the Developer, pursuant to which the Developer agrees to fund the Actual Costs of all Authorized Improvements and the City agrees to reimburse the Developer for the PID-Funded Actual Costs related to a portion of the Authorized Improvements, with interest, as permitted by the PID Act;
- b. the Improvement Area #1 Reimbursement Agreement;
- c. the Improvement Area #2 Reimbursement Agreement;
- d. any PID Reimbursement Agreement entered into with respect to any Future Improvement Area, by and between the City and the Developer, pursuant to which the Developer agrees to fund the Actual Costs of all Authorized Improvements in the applicable Future Improvement Area of the District and the City agrees to reimburse the Developer for the PID-Funded Actual Costs of the corresponding Future Improvement Area Improvements, with interest, as permitted by the PID Act.

“Prepayment Costs” mean interest and Administrative Expenses, to the extent not paid in an Annual Installment, plus any additional amounts due pursuant to the Indenture related to the PID Bonds, if any, reasonably expected to be incurred by or imposed upon the City as a result of any prepayment of an Assessment and the PID Bonds secured by such Assessment, each to the date of prepayment and to the extent each is allowable by law.

“Prepayment Reserve” has the meaning set forth in Section IV.I of this SAP.

“Property” is defined in Section II.A..

“Public Improvements” mean the Authorized Improvements designed, constructed, and installed in accordance with this SAP for which Assessments are levied against the Assessed Property that receives a special benefit from such improvement. The term includes the Improvement Area #1 Funded Improvements and the Improvement Area #2 Funded Improvements.

“Public Property” means real property, right-of-way and easements located within the boundaries of the PID owned by or irrevocably offered for dedication to the federal government, the State of Texas, the County, the City, a school district, a public utility provider or any other political subdivision or public agency, whether in fee simple, through an easement, prescription, or by plat.

“Service and Assessment Plan” or **“SAP”** is defined in Section I.A.2, including updates, modifications, and amendments approved by the City Council from time to time in accordance with the procedures set forth in this SAP and in the PID Act, including updates prepared in

connection with the future issuance of PID Bonds, if any, and in connection with any Annual Service Plan Update, and in connection with the approval by the City Council of each Assessment Ordinance.

“Trustee” means the trustee as specified in an Indenture, and any successor thereto permitted under such Indenture.

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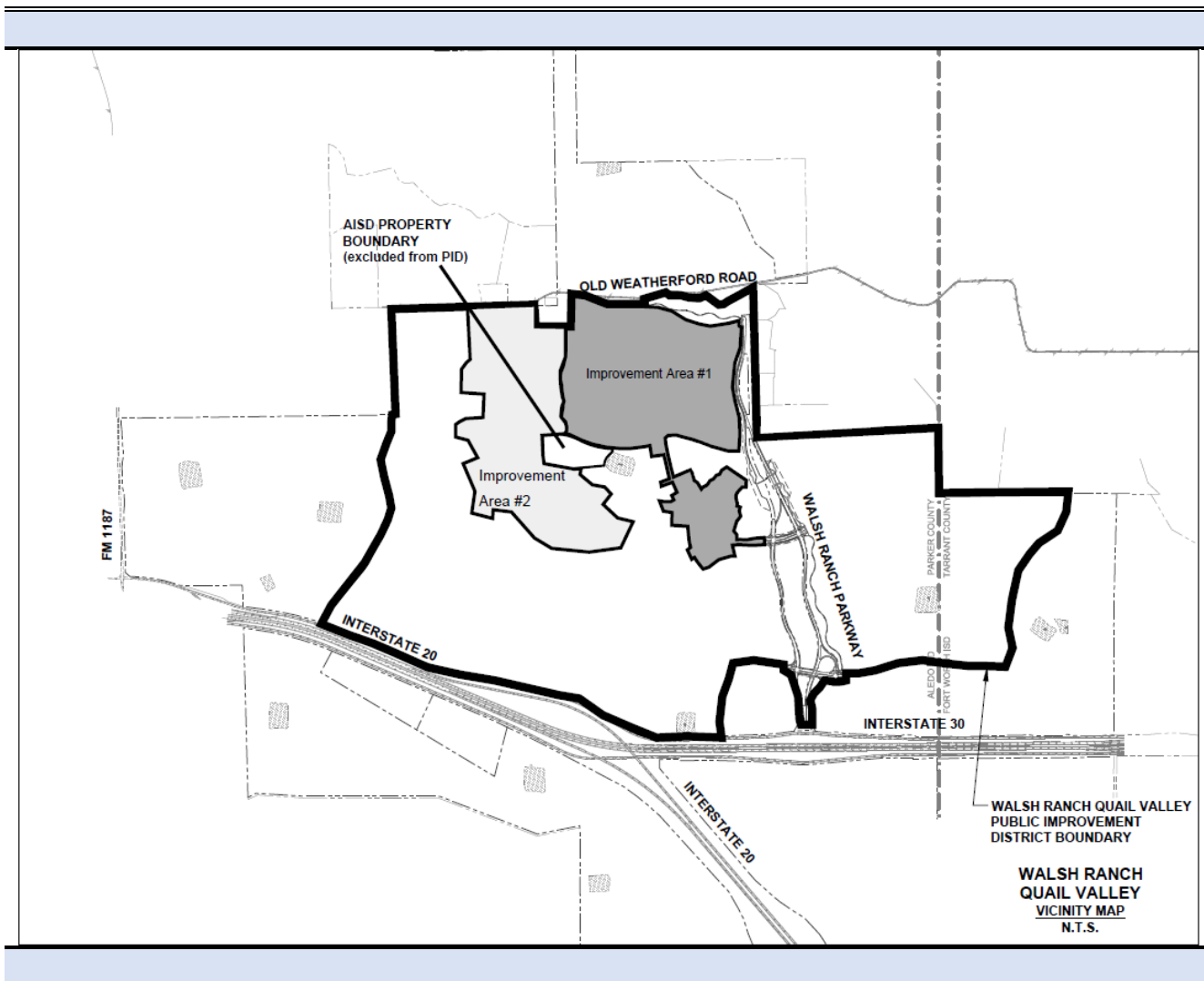
B. PROPERTY LOCATED IN IMPROVEMENT AREA #1 AND IMPROVEMENT AREA #2

Improvement Area #1 consists of approximately 251.01 acres consisting of 587 single family residential lots, developed in one phase and which are specially benefitted by the Authorized Improvements described in Section III.B.

Improvement Area #2 consists of approximately 185.66 acres and projected to consist of 553 single family residential lots, to be developed in one phase and which will be specially benefitted by the Improvement Area #2 Improvements described in Section III.C.

A map of the property within Improvement Area #1 and Improvement Area #2 is shown in Table II-B below. Legal descriptions for all Parcels within the PID are included in Appendix B.

Table II-B
IA #1 and IA #2 Boundary

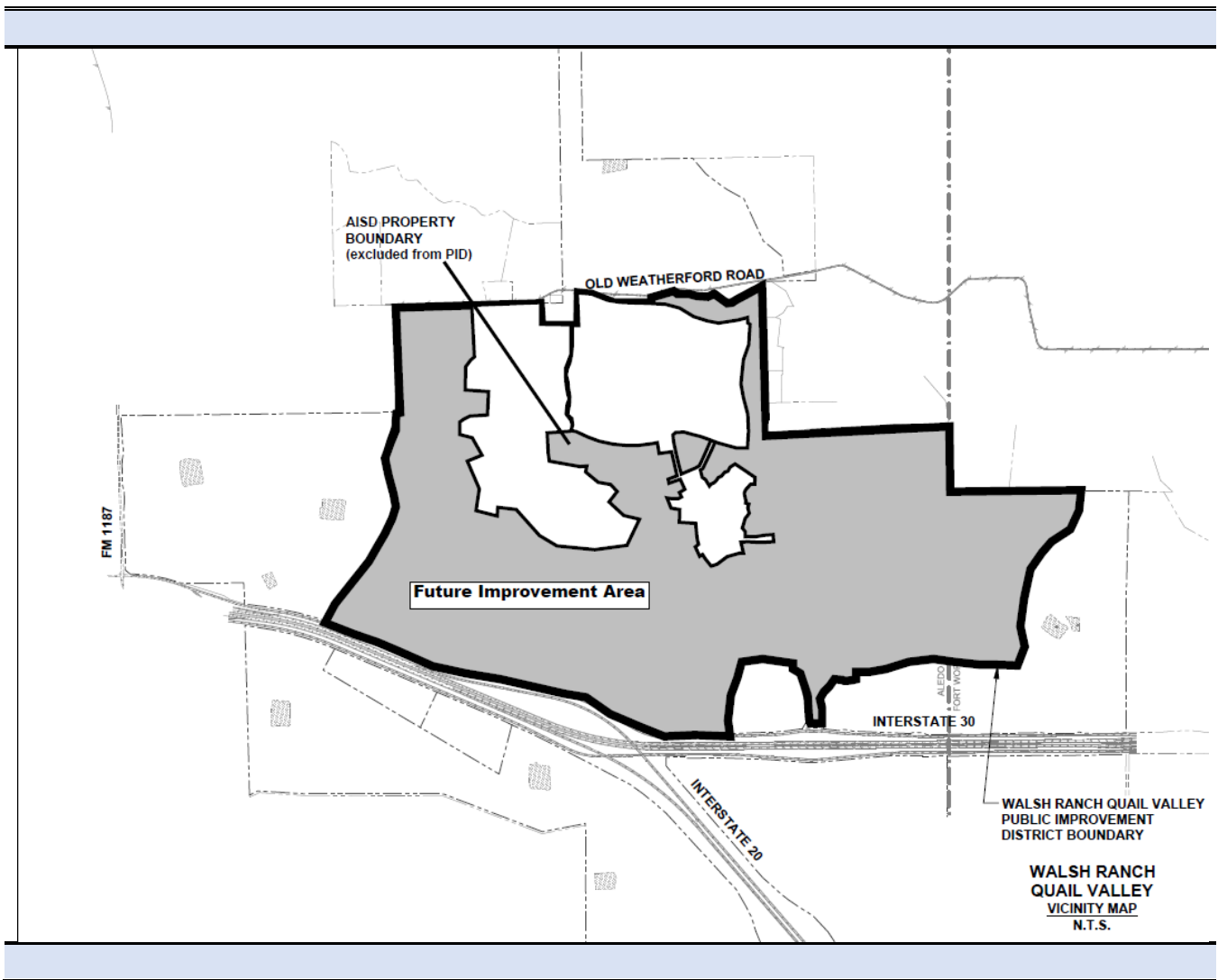


C. PROPERTY INCLUDED IN FUTURE IMPROVEMENT AREAS

The Future Improvement Areas are depicted on Table II-C below and will include approximately 2,177 single family residential lots. As Future Improvement Areas are developed and in connection with the issuance of any Future Improvement Area Bonds, this Service and Assessment Plan will be amended to revise the table shown in Section II.B above (e.g. Table II-B will be revised to show the addition of such Future Improvement Area).

A map of the projected property within each Future Improvement Area is shown in Table II-C. The Future Improvement Area is shown for illustrative purposes only and is subject to adjustment in the future.

Table II-C
Proposed Future Improvement Areas



III. DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS

A. AUTHORIZED IMPROVEMENT OVERVIEW

Section 372.003 of the PID Act identifies the authorized improvements that a City may choose to undertake with the establishment of a PID. The Authorized Improvements identified in the PID Act include:

- (i) landscaping;
- (ii) erection of fountains, distinctive lighting, and signs;
- (iii) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of way;
- (iv) construction or improvement of pedestrian malls;
- (v) acquisition and installment of pieces of art;
- (vi) acquisition, construction or improvement of libraries;
- (vii) acquisition, construction or improvement of off-street parking facilities;
- (viii) acquisition, construction, improvement or rerouting of mass transportation facilities;
- (ix) acquisition, construction or improvement of water, wastewater, or drainage facilities or improvements;
- (x) the establishment or improvement of parks;
- (xi) projects similar to those listed in Subdivisions (i)-(x)
- (xii) acquisition, by purchase or otherwise, of real property in connection with an authorized improvement;
- (xiii) special supplemental services for improvement and promotion of the district, including services relating to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development recreation and cultural enhancement;
- (xiv) payment of expenses incurred in the establishment, administration and operation of the district; and
- (xv) development, rehabilitation, or expansion of affordable housing.

The City has determined that of the improvements authorized under the PID Act, it will undertake at this time only those Authorized Improvements more particularly described in Section III.B and Section III.C. Any change to the list of Authorized Improvements, including any Future Improvement Area Improvements as described in Section III.D, will require the approval of the City.

B. DESCRIPTIONS AND COSTS OF IMPROVEMENT AREA #1 FUNDED IMPROVEMENTS

The Improvement Area #1 Funded Improvements are that portion of the Authorized Improvements that confer a special benefit solely on Improvement Area #1 and the costs of which are PID-Funded Actual Costs that will be financed from the Improvement Area #1 Assessments and from the proceeds of PID Bonds, if any, secured by such Assessments. For the avoidance of doubt, not all

Authorized Improvements benefitting Improvement Area #1 are Improvement Area #1 Funded Improvements.

The Improvement Area #1 Funded Improvements are described below. Table III-A shows the Actual Costs to construct the Improvement Area #1 Funded Improvements are \$29,518,594. The costs shown in Table III-A may be revised in Annual Service Plan Updates. The PID-Funded Actual Costs of the Improvement Area #1 Funded Improvements are to be funded from: (i) the principal portion of the Annual Installments collected from the Improvement Area #1 Assessment in accordance to the Improvement Area #1 Reimbursement Agreement; (ii) the proceeds of PID Bonds, if any, secured by the Improvement Area #1 Assessment, issued in one or more series; and (iii) funds from any other lawfully available and unencumbered source.

The Authorized Improvements being constructed in Improvement Area #1 and the Actual Costs thereof are described below. The Improvement Area #1 Funded Improvements and the PID-Funded Actual Costs thereof are described below and are also shown on Table III-A below.

Earthwork & Erosion Control Improvements

The Erosion and Sedimentation Control Measures (temporary BMPs) of the improvements will include stabilized construction entrances, silt fence located downstream of all disturbed area, rock berms, inlet protection, and protection of mature trees and vegetation.

Storm Drainage Improvements

The storm drainage improvements consist of the construction of the installation of pipes, inlets, manholes, detention facilities, easements, encasements, and appurtenances necessary to provide storm drainage for streets and surrounding development in Improvement Area #1. The storm drain improvements will be constructed according to City standards, determined in the City's sole discretion.

Water Improvements

The water improvements consist of the construction of the installation of pipes, valves, blow-off and air release valves, easements, encasements, and appurtenances necessary to provide a water distribution system for Improvement Area #1. The water improvements will be constructed according to City standards, determined in the City's sole discretion.

Wastewater Improvements

The wastewater improvements consist of the construction of the installation of pipes, service lines, manholes, force mains, lift stations, easements encasements, and appurtenances necessary to provide sanitary service for Improvement Area #1. The wastewater improvements will be constructed according to the City standards, determined in the City's sole discretion.

Roadway Improvements

The roadway improvements consist of the construction of road and thoroughfare improvements, including related earthwork, retaining walls to support the roadways, signage, traffic signals and traffic control devices for Improvement Area #1. The road improvements will be constructed according to City standards, determined in the City's sole discretion.

Open Space and Trail Improvements

The open space and trail improvements consist of the construction of park facilities, playground equipment, restrooms, landscape, irrigation, and hike/bike trails to serve Improvement Area #1. The open space and trail system improvements will be constructed according to City standards, determined in the City's sole discretion.

Table III-A
Improvement Area #1 Costs

Authorized Improvements	Actual Costs	Actual Costs Reimbursed by Assessments¹	Actual Costs Funded by Developer
<i>Authorized Improvements</i>			
Bonds & Mobilization	\$233,175	\$0	\$233,175
Earthwork & Erosion Control Improvements	\$3,772,522	\$0	\$3,772,522
Storm Drainage Improvements	\$2,157,384	\$0	\$2,157,384
Water Improvements	\$2,862,099	\$0	\$2,862,099
Wastewater Improvements	\$3,249,108	\$0	\$3,249,108
Roadway Improvements ²	\$5,725,852	\$5,712,973	\$12,879
Open Space & Trail Improvements	\$3,301,388	\$637,027	\$2,664,361
Project Contingency	\$0	\$0	\$0
Engineering	\$3,004,337	\$0	\$3,004,337
City Inspection and Fees	\$1,320,095	\$0	\$1,320,095
Professional Fees	\$214,393	\$0	\$214,393
Construction Fees	\$1,636,939	\$0	\$1,636,939
Total Authorized Improvements	\$27,477,293	\$6,350,000	\$21,127,293

Note: Costs provided by Huitt-Zollars Engineering. The figures shown in Table III-A may be revised in Annual Service Plan Updates and such revisions shall not increase the principal amount of the Improvement Area #1 Assessments.

¹ Represent the PID-Funded Actual Costs of the Improvement Area #1 Funded Improvements.

² The Improvement Area #1 Funded Improvements include a portion of the Roadway Improvements.

C. DESCRIPTIONS AND COSTS OF IMPROVEMENT AREA #2 FUNDED IMPROVEMENTS

The Improvement Area #2 Funded Improvements are that portion of the Authorized Improvements that confer a special benefit solely on Improvement Area #2 and the costs of which are PID-Funded Actual Costs that will be financed from the Improvement Area #2 Assessment and from the proceeds of PID Bonds, if any, secured by such Assessments. For the avoidance of doubt, not all Authorized Improvements benefitting Improvement Area #2 are Improvement Area #2 Funded Improvements.

The Improvement Area #2 Funded Improvements are described below. Table III-B on the following page shows the Actual Costs to construct the Improvement Area #2 Funded Improvements are \$27,333,342, including the PID-Funded Actual Costs of the Improvement Area #2 Funded Improvements. The costs shown in Table III-B may be revised in Annual Service Plan Updates. The PID-Funded Actual Costs of the Improvement Area #2 Funded Improvements are to be funded from: (i) the principal portion of the Annual Installments collected from the Improvement Area #2 Assessments in accordance to the Improvement Area #2 Reimbursement Agreement; (ii) the proceeds of PID Bonds, if any, secured by Improvement Area #2 Assessment, issued in one or more series; and (iii) funds from any other lawfully available and unencumbered source.

The Authorized Improvements being constructed in Improvement Area #2 and the Actual Costs thereof are described below. The Improvement Area #2 Funded Improvements and the Actual Costs thereof are described below and are also shown on Table III-B on the following page.

Earthwork & Erosion Control Improvements

The Erosion and Sedimentation Control Measures (temporary BMPs) of the improvements will include stabilized construction entrances, silt fence located downstream of all disturbed area, rock berms, inlet protection, and protection of mature trees and vegetation.

Storm Drainage Improvements

The storm drainage improvements consist of the construction of the installation of pipes, inlets, manholes, detention facilities, easements, encasements, and appurtenances necessary to provide storm drainage for streets and surrounding development in Improvement Area #2. The storm drain improvements will be constructed according to City standards, determined in the City's sole discretion.

Water Improvements

The water improvements consist of the construction of the installation of pipes, valves, blow-off and air release valves, easements, encasements, and appurtenances necessary to provide a water distribution system for Improvement Area #2. The water improvements will be constructed according to City standards, determined in the City's sole discretion.

Wastewater Improvements

The wastewater improvements consist of the construction of the installation of pipes, service lines, manholes, force mains, lift stations, easements encasements, and appurtenances necessary to provide sanitary service for Improvement Area #2. The wastewater improvements will be constructed according to the City standards, determined in the City's sole discretion.

Roadway Improvements

The roadway improvements consist of the construction of road and thoroughfare improvements, including related earthwork, retaining walls to support the roadways, signage, traffic signals and traffic control devices for Improvement Area #2. The road improvements will be constructed according to City standards, determined in the City's sole discretion.

Landscaping Improvements

The open space and trail improvements consist of the construction of park facilities, playground equipment, restrooms, landscape, irrigation, and hike/bike trails to serve Improvement Area #2. The open space and trail system improvements will be constructed according to City standards, determined in the City's sole discretion.

Table III-B
Improvement Area #2 Costs

Authorized Improvements	Estimated Costs	Actual Costs Reimbursed by Assessments¹	Actual Costs Funded by Developer
<i>Authorized Improvements</i>			
Bonds & Mobilization	\$270,616	\$0	\$270,616
Earthwork & Erosion Control Improvements	\$4,020,550	\$0	\$4,020,550
Storm Drainage Improvements	\$2,125,362	\$0	\$2,125,362
Water Improvements	\$2,598,771	\$0	\$2,598,771
Wastewater Improvements	\$2,341,564	\$0	\$2,341,564
Roadway Improvements ²	\$5,132,891	\$5,132,891	\$0
Landscaping Improvements	\$5,710,148	\$717,110	\$4,993,038
Project Contingency	\$117,814	\$0	\$117,814
Engineering	\$3,967,735	\$0	\$3,967,735
Construction Fees	\$1,047,891	\$0	\$1,047,891
Total Authorized Improvements	\$27,333,342	\$5,850,000	\$21,583,342

Note: Costs provided by Huitt-Zollars Engineering. The figures shown in Table III-B may be revised in Annual Service Plan Updates and such revisions shall not increase the principal of the Improvement Area #2 Assessments.

¹ Represent the PID-Funded Actual Costs of the Improvement Area #2 Funded Improvements

² The Improvement Area #2 funded improvements include a portion of the Roadway Improvements.

D. FUTURE IMPROVEMENT AREA IMPROVEMENTS

As Future Improvement Areas are developed and Assessments are levied against the property within the Future Improvement Areas and/or Future Improvement Area Bonds are issued, this SAP will be amended to identify the specific Future Improvement Area Improvements that confer a special benefit to the property inside each Future Improvement Area (e.g. a Table III-C will be added to show the costs for the specific Future Improvement Area Improvements financed within the specific Future Improvement Area being developed.)

IV. ASSESSMENT PLAN

A. INTRODUCTION

The PID Act requires the City Council to apportion the PID-Funded Actual Costs of the Authorized Improvements to be funded through the PID based on the special benefits conferred on each Parcel from the Authorized Improvements. The PID Act provides that the PID-Funded Actual Costs may be assessed: (i) equally per front foot or square foot; (ii) according to the value of the property as determined by the governing body, with or without regard to improvements on the property; or (iii) in any other manner that results in imposing equal shares of the cost on property similarly benefited. The PID Act further provides that the City Council may establish the methods of assessing the special benefits for various classes of improvements.

Table IV-A details the allocation of PID-Funded Actual Costs of the Improvement Area #1 Funded Improvements to the Improvement Area #1 Assessed Property. Table IV-B details the allocation of PID-Funded Actual Costs of the Improvement Area #2 Funded Improvements to the Improvement Area #2 Assessed Property

This Section IV is intended to: (1) describe the special benefit conferred upon each Parcel within Improvement Area #1 and Improvement Area #2 as a result of the Improvement Area #1 Funded Improvements and Improvement Area #2 Funded Improvements; (2) provide the basis and justification for the determination by the City Council that these special benefits exceed the amount of the applicable Assessments levied; and (3) explain the methodologies by which the City Council allocates and reallocates the special benefits of the Improvement Area #1 Funded Improvements and Improvement Area #2 Funded Improvements to Parcels so that equal shares of the PID-Funded Actual Costs being apportioned to Parcels that are similarly benefited. The determination by the City Council of the assessment methodologies set forth in this Section IV is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers, consistent with the PID Act, and is conclusive and binding on the Developer and all future owners and developers of any Assessed Property.

B. SPECIAL BENEFIT

The Assessed Property must receive a direct and special benefit from the Authorized Improvements being funded through the PID that is equal to or greater than the amount of the Assessments. The Improvement Area #1 Funded Improvements are provided solely for the benefit of the Improvement Area #1 Assessed Property, and the benefit received from such Improvement Area #1 Funded Improvements must be equal to or greater than the Improvement Area #1 Assessment. The Improvement Area #2 Funded Improvements are provided solely for the benefit of the Improvement Area #2 Assessed Property, and the benefit received from such Improvement Area #2 Funded Improvements must be equal to or greater than the Improvement Area #2 Assessment.

When the City Council approved this SAP for Improvement Area #1, the Developer owned 100% of the Improvement Area #1 Assessed Property. The Developer: (i) has acknowledged that the

Improvement Area #1 Funded Improvements confer a special benefit on the Improvement Area #1 Assessed Property; and (ii) has consented to the imposition of the Assessments to pay for the PID-Funded Actual Costs of the Improvement Area #1 Funded Improvements and Improvement Area #2 Funded Improvements.

When the City Council approved this SAP for Improvement Area #2, the Developer owned 65.4% of the Improvement Area #2 Assessed Property. The Developer: (i) has acknowledged the Improvement Area #2 Funded Improvements confer a special benefit on the Improvement Area #2 Assessed Property; (ii) has consented to the imposition of the Improvement Area #2 Assessments to pay for the PID-Funded Actual Costs of the Improvement Area #2 Funded Improvements; and (iii) has consented to pay in full the amount of any Improvement Area #2 Assessments on each Lot that have closed with homebuyers as of the date of the levy of the Improvement Area #2 Assessments.

If Lots are not platted in accordance with the approved entitlements, the Assessments for each affected Lot will be allocated in an equitable manner, but in no event will such new allocation increase the Maximum Assessment per Unit for each Parcel as identified in Table IV-B. If the Assessment for the Assessed Property prior to subdivision exceeds the sum of the Assessments for all newly divided Assessed Properties after such reallocation, the excess amount shall be prepaid as a Mandatory Prepayment as provided under Section VI.C herein.

The City Council determined that funding the PID-Funded Actual Costs through the PID is beneficial to the City and confers a special benefit on the Improvement Area #1 Assessed Property and Improvement Area #2 Assessed Property. The City Council has also determined that the special benefit from Improvement Area #1 Funded Improvements and Improvement Area #2 Funded Improvements exceeds the amount of the Improvement Area #1 Assessment and the Improvement Area #2 Assessment, respectively. This conclusion is supported by the evidence, information, and testimony provided to the City Council.

C. ALLOCATION OF ACTUAL COSTS OF IMPROVEMENT AREA #1 FUNDED IMPROVEMENTS

The Improvement Area #1 Funded Improvements will provide a special benefit to that portion of the Property, other than the Non-Benefited Property, in Improvement Area #1. The PID-Funded Actual Costs of the Improvement Area #1 Funded Improvements are, therefore, allocated entirely to the Improvement Area #1 Assessed Property as shown in Table IV-A on the following page. The costs detailed in Table IV-A are subject to revision through the Annual Service Plan Updates but may not result in increased Assessments except as authorized by this SAP and the PID Act.

Table IV-A
Cost Allocation of Improvement Area #1

Authorized Improvements	Total Costs¹	% Allocation	Share of Costs	PID Funded Costs
<i>Authorized Improvements</i>				
Bonds & Mobilization	\$1,054,976	0%	\$0	\$0
Earthwork & Erosion Control Improvements	\$3,514,622	0%	\$0	\$0
Storm Drainage Improvements	\$3,442,755	0%	\$0	\$0
Water Improvements	\$2,448,956	0%	\$0	\$0
Wastewater Improvements	\$2,626,023	0%	\$0	\$0
Roadway Improvements ²	\$5,712,973	100.00%	\$5,712,973	\$5,712,973
Open Space & Trail Improvements	\$2,330,585	27.33%	\$637,027	\$637,027
Project Contingency	\$2,773,202	0%	\$0	\$0
Engineering	\$2,719,068	0%	\$0	\$0
City Inspection and Fees	\$1,318,095	0%	\$0	\$0
Professional Fees	\$45,266	0%	\$0	\$0
Construction Fees	\$1,532,073	0%	\$0	\$0
Total Authorized Improvements	\$29,518,594		\$6,350,000	\$6,350,000

¹See Table III-A for details.

D. ALLOCATION OF ACTUAL COSTS OF IMPROVEMENT AREA #2 FUNDED IMPROVEMENTS

The Improvement Area #2 Funded Improvements will provide a special benefit to that portion of the Property, other than the Non-Benefited Property, in Improvement Area #2. The PID-Funded Actual Costs of the Improvement Area #2 Funded Improvements are, therefore, allocated entirely to the Improvement Area #2 Assessed Property as shown in Table IV-B on the following page. The costs detailed in Table IV-B are subject to revision through the Annual Service Plan Updates but may not result in increased Assessments except as authorized by this SAP and the PID Act.

Table IV-B
Cost Allocation of Improvement Area #2

Authorized Improvements	Total Costs¹	% Allocation	Share of Costs	PID Funded Costs
<i>Authorized Improvements</i>				
Bonds & Mobilization	\$270,616	0.00%	\$0	\$270,616
Earthwork & Erosion Control Improvements	\$4,020,550	0.00%	\$0	\$4,020,550
Storm Drainage Improvements	\$2,125,362	0.00%	\$0	\$2,125,362
Water Improvements	\$2,598,771	0.00%	\$0	\$2,598,771
Wastewater Improvements	\$2,341,564	0.00%	\$0	\$2,341,564
Roadway Improvements ²	\$5,132,891	100.00%	\$5,132,891	\$0
Open Space & Trail Improvements	\$5,710,148	10.81%	\$717,110	\$4,993,038
Project Contingency	\$117,814	0.00%	\$0	\$117,814
Engineering	\$3,967,735	0.00%	\$0	\$3,967,735
Construction Fees	\$1,047,891	0.00%	\$0	\$1,047,891
Total Authorized Improvements	\$27,333,342		\$5,850,000	\$21,583,342

¹See Table III-B for details.

E. ALLOCATION OF ACTUAL COSTS OF FUTURE IMPROVEMENT AREA IMPROVEMENTS

As Future Improvement Areas are developed and Assessments are levied against the property within the Future Improvement Areas and/or Future Improvement Area Bonds are issued, this SAP will be amended to identify the specific Future Improvement Area Improvements that confer a special benefit to the property inside such Future Improvement Areas (e.g. Table IV-C will be created and amended to show the allocation of Actual Costs for Future Improvement Area Improvements.)

F. ASSESSMENT METHODOLOGY

The City Council may assess the PID-Funded Actual Costs against Assessed Property so long as the special benefit conferred upon the Assessed Property by the corresponding Authorized Improvements equals or exceeds the amount of the Assessments. The PID-Funded Actual Costs may be assessed using any methodology that results in the imposition of equal shares of the PID-Funded Actual Costs on Assessed Property similarly benefited.

Assessment Methodology for Improvement Area #1

For purposes of this SAP, the City Council has determined that the PID-Funded Actual Costs of the portion of the Improvement Area #1 Funded Improvements shall be allocated to the Improvement Area #1 Assessed Property by spreading the entire Improvement Area #1 Assessment across all Lots of Assessed Property within Improvement Area #1 based on the ratio of the estimated build out value of each Lot to the total build out value for all Parcels within Improvement Area #1. The assessment methodology described in this section is summarized in Table IV-C. Table IV-C also summarizes for each Lot Type of Assessed Property within Improvement Area #1: (1) the Assessment for each Lot Type; (2) the Annual Installment for each Lot Type; and (3) the equivalent tax rate for each Lot Type based on estimated finished lot value and estimated completed home price. This assessment methodology is anticipated to be used for each Future Improvement Area, subject to the approval of the City Council. Table IV-D also summarizes for each Lot Type of Assessed Property within Improvement Area #1: (1) the estimated finished lot to Assessment ratio and (2) the estimated completed home price to Assessment ratio.

Based on the PID-Funded Actual Costs for the Improvement Area #1 Funded Improvements, the City Council has determined that the benefit to the Improvement Area #1 Assessed Property from the Improvement Area #1 Funded Improvements is at least equal to the Improvement Area #1 Assessments.

The Improvement Area #1 Assessments and Annual Installments for each Lot of Assessed Property located in Improvement Area #1 are shown on the Improvement Area #1 Assessment Roll attached as Appendix A-1, and no such Assessment shall be changed except as authorized by this SAP and the PID Act. Table IV-C and Table IV-D summarizes the initial allocation of the Improvement Area #1 Assessment at the time the in Improvement Area #1 Assessment Ordinance was adopted by the City Council. The information in Table IV-C and Table IV-D may be modified

in a Service Plan Update approved by the City Council, subject to the terms of this SAP, the PID Act, and any other documents associated with the PID

Table IV-C
Improvement Area #1
Assessment Allocation

Lot Size	Units	Estimated Finished Lot Value	Estimated Completed Home Value	Estimated Build Out Value	Total Improvement Area #1 Assessment	Initial Year Annual Installment	Maximum Assessment Per Unit	Initial Year Annual Installment Per Unit	Equivalent Tax Rate (Per \$100/AV) Finished Lot Value	Equivalent Tax Rate (Per \$100/AV) Completed Home Value
35'	28	\$53,410	\$286,900	\$8,033,200	\$192,408	\$14,466	\$6,872	\$517	\$0.97	\$0.18
50'	239	\$72,856	\$356,700	\$85,251,300	\$2,041,909	\$153,516	\$8,544	\$642	\$0.88	\$0.18
60'	182	\$89,479	\$439,000	\$79,898,000	\$1,913,688	\$143,876	\$10,515	\$791	\$0.88	\$0.18
70'	98	\$113,861	\$559,500	\$54,831,000	\$1,313,293	\$98,737	\$13,401	\$1,008	\$0.88	\$0.18
Custom	40	\$170,000	\$927,600	\$37,104,000	\$888,702	\$66,815	\$22,218	\$1,670	\$0.98	\$0.18
Total	587		\$114,711,600	\$265,117,500	\$6,350,000	\$477,409				

Note: Estimates are based on information available as of the date the original SAP was adopted by the City Council. The above estimate assumes an average 6.0% interest rate for the initial two years, a 5.0% interest rate for the remaining 28 years, a 30 year term for the collection of PID assessments, and an annual administrative expense of \$45,000 increasing by 2.0% per year. This information may be modified in a Annual Service Plan Update approved by the City Council, subject to the terms of this SAP, the PID Act, and any other document associated with the PID.

Table IV-D
Improvement Area #1
Estimated Value to Assessment Ratios

Lot Size	Units	Estimated Finished Lot Value	Estimated Completed Home Value	Estimated Build Out Value	Total Improvement Area #1 Assessment	Initial Year Annual Installment	Maximum Assessment Per Unit	Initial Year Annual Installment Per Unit	Finished Lot to Assessment Leverage	Completed Home to Assessment Leverage
35'	28	\$53,410	\$286,900	\$8,033,200	\$192,408	\$14,466	\$6,872	\$517	7.77	41.75
50'	239	\$72,856	\$356,700	\$85,251,300	\$2,041,909	\$153,516	\$8,544	\$642	8.53	41.75
60'	182	\$89,479	\$439,000	\$79,898,000	\$1,913,688	\$143,876	\$10,515	\$791	8.51	41.75
70'	98	\$113,861	\$559,500	\$54,831,000	\$1,313,293	\$98,737	\$13,401	\$1,008	8.50	41.75
Custom	40	\$170,000	\$927,600	\$37,104,000	\$888,702	\$66,815	\$22,218	\$1,670	7.65	41.75
Total	587		\$114,711,600	\$265,117,500	\$6,350,000	\$477,409				

Note: Estimates are based on information available as of the date the original SAP was adopted by the City Council. The above estimate assumes an average 6.0% interest rate for the initial two years, a 5.0% interest rate for the remaining 28 years, a 30 year term for the collection of PID assessments, and an annual administrative expense of \$45,000 increasing by 2.0% per year. This information may be modified in an Annual Service Plan Update approved by the City Council, subject to the terms of this SAP, the PID Act, and any other document associated with the PID.

Assessment Methodology for Improvement Area #2

For purposes of this SAP, the City Council has determined that the PID-Funded Actual Costs of the portion of the Improvement Area #2 Funded Improvements shall be allocated to the Improvement Area #2 Assessed Property by spreading the entire Improvement Area #2 Assessment across all Lots of Assessed Property within Improvement Area #2 based on the ratio of the estimated build out value of each Lot to the total build out value for all Parcels within

Improvement Area #2. The assessment methodology described in this section is summarized in Table IV-E. Table IV-E also summarizes for each Lot Type of Assessed Property within Improvement Area #2: (1) the Assessment for each Lot Type; (2) the Annual Installment for each Lot Type; and (3) the equivalent tax rate for each Lot Type based on estimated finished lot value and estimated completed home price. This assessment methodology is anticipated to be used for each Future Improvement Area, subject to the approval of the City Council. Table IV-F also summarizes for each Lot Type of Assessed Property within Improvement Area #2: (1) the estimated finished lot to Assessment ratio and (2) the estimated completed home price to Assessment ratio.

Based on the PID-Funded Actual Costs for the Improvement Area #2 Funded Improvements, the City Council has determined that the benefit to the Improvement Area #2 Assessed Property from the Improvement Area #2 Funded Improvements is at least equal to the Improvement Area #2 Assessments.

The Improvement Area #2 Assessments and Annual Installments for each Lot of Assessed Property located in Improvement Area #2 are shown on the Improvement Area #2 Assessment Roll attached as Appendix A-2, and no such Assessment shall be changed except as authorized by this SAP and the PID Act. Table IV-E and Table IV-F summarizes the initial allocation of the Improvement Area #2 Assessment at the time the Improvement Area #2 Assessment Ordinance was adopted by the City Council. The information in Table IV-E and Table IV-F may be modified in a Service Plan Update approved by the City Council, subject to the terms of this SAP, the PID Act, and any other documents associated with the PID

Table IV-E
Improvement Area #2
Assessment Allocation

Lot Size	Units	Estimated Finished Lot Value	Estimated Completed Home Value	Estimated Build Out Value	Total Improvement Area #2 Assessment	Initial Year Annual Installment	Maximum Assessment Per Unit	Initial Year Annual Installment Per Unit	Equivalent Tax Rate (Per \$100/AV) (Per Finished Lot Value)	Equivalent Tax Rate (Per \$100/AV) (Per Completed Home Value)
35'	61	\$55,040	\$315,000	\$19,215,000	\$463,987	\$34,587	\$7,606	\$567	\$1.03	\$0.18
50'	152	\$72,740	\$415,000	\$63,080,000	\$1,523,200	\$113,544	\$10,021	\$747	\$1.03	\$0.18
60'	165	\$88,430	\$505,000	\$83,325,000	\$2,012,058	\$149,985	\$12,194	\$909	\$1.03	\$0.18
70'	67	\$114,530	\$655,000	\$43,885,000	\$1,059,696	\$78,993	\$15,816	\$1,179	\$1.03	\$0.18
Townhome	96	\$52,090	\$310,000	\$29,760,000	\$718,618	\$53,568	\$7,486	\$558	\$1.07	\$0.18
Garden Home	12	\$40,000	\$250,000	\$3,000,000	\$72,441	\$5,400	\$6,037	\$450	\$1.13	\$0.18
Total	553			\$242,265,000	\$5,850,000	\$436,077				

Note: Estimates are based on information available as of XX/XX/20. The above estimate assumes an average 5.0% interest rate for the initial five years, a 5.0% interest rate for the remaining 25years, a 30-year term for the collection of PID assessments, and an average annual administrative expense of \$55,526 per year. This information may be modified in an Annual Service Plan Update approved by the City Council, subject to the terms of this SAP, the PID Act, and any other document associated with the PID.

Table IV-F
Improvement Area #2
Estimated Value to Assessment Ratios

Lot Size	Units	Estimated Finished Lot Value	Estimated Completed Home Value	Estimated Build Out Value	Total Improvement Area #2 Assessment	Initial Year Annual Installment	Maximum Assessment Per Unit	Initial Year Annual Installment Per Unit	Finished Lot to Assessment Leverage	Completed Home to Assessment Leverage
35'	61	\$55,040	\$315,000	\$19,215,000	\$463,987	\$34,587	\$7,606	\$567	7.24	41.41
50'	152	\$72,740	\$415,000	\$63,080,000	\$1,523,200	\$113,544	\$10,021	\$747	7.26	41.41
60'	165	\$88,430	\$505,000	\$83,325,000	\$2,012,058	\$149,985	\$12,194	\$909	7.25	41.41
70'	67	\$114,530	\$655,000	\$43,885,000	\$1,059,696	\$78,993	\$15,816	\$1,179	7.24	41.41
Townhome	96	\$52,090	\$310,000	\$29,760,000	\$718,618	\$53,568	\$7,486	\$558	6.96	41.41
Garden Home	12	\$40,000	\$250,000	\$3,000,000	\$72,441	\$5,400	\$6,037	\$450	6.63	41.41
Total	553			\$242,265,000	\$5,850,000	\$436,077				

Note: Estimates are based on information available as of XX/XX/20. The above estimate assumes an average 5.0% interest rate for the initial five years, a 5.0% interest rate for the remaining 25years, a 30-year term for the collection of PID assessments, and an average annual administrative expense of \$55,526 per year. This information may be modified in an Annual Service Plan Update approved by the City Council, subject to the terms of this SAP, the PID Act, and any other document associated with the PID.

Assessment Methodology for Future Improvement Areas

When and if the Future Improvement Areas are developed and Assessments are levied against Property within the Future Improvement Areas and/or the issuance of Future Improvement Area Bonds are contemplated, this SAP will be amended to determine the assessment methodology necessary to apply equal shares of the Actual Costs of Future Improvement Area Improvements on Assessed Property similarly benefited within that Future Improvement Area.

G. ASSESSMENT AND ANNUAL INSTALLMENTS

The Improvement Area #1 Assessments for the Improvement Area #1 Funded Improvements have been levied on each Lot of Improvement Area #1 Assessed Property according to the Improvement Area #1 Assessment Roll. The Improvement Area #1 Annual Installments will be due no later than January 31 of each year beginning in 2019 and will be due in the amounts shown on the Improvement Area #1 Assessment Roll, subject to any revisions made during an Annual Service Plan Update. The Improvement Area #2 Assessments for the Improvement Area #2 Funded Improvements will be levied on each Lot of Improvement Area #2 Assessed Property according to the Improvement Area #2 Assessment Roll. The Improvement Area #2 Annual Installments will be due no later than January 31 of each year beginning in 2021 and will be due in the amounts shown on the Improvement Area #2 Assessment Roll, subject to any revisions made during an Annual Service Plan Update.

H. ADMINISTRATIVE EXPENSES

The cost of administering the PID and collecting the Annual Installments shall be paid for on a pro rata basis by each Parcel or Lot based on the amount of outstanding Assessment remaining on such

Parcel or Lot. The Administrative Expenses shall be collected as part of and in the same manner as Annual Installments in the amounts shown on the Improvement Area #1 Assessment Roll and the Improvement Area #2 Assessment Roll, shown on Appendix A-1 and Appendix A-2, respectively, which are subject to revision through Annual Service Plan Updates.

I. ADDITIONAL INTEREST RATE

Pursuant to the PID Act, if PID Bonds are issued, the interest rate for Assessments may exceed the actual interest rate per annum paid on bonds issued by a PID by no more than one half of one percent (0.50%) per annum, (the “Additional Interest Rate”). Forty percent (40.0%) of the funds generated by the Additional Interest Rate (i.e. 0.20%) per annum will be dedicated to fund the Prepayment Reserve as described in Section IV.J below. The remaining sixty percent (60.0%) balance of the funds generated by the Additional Interest Rate (i.e. 0.30%) per annum is dedicated to the Delinquency Reserve as described in Section IV.K below.

J. PREPAYMENT RESERVE

As described in Section IV.G above, if PID Bonds are issued, a portion of the funds generated by the Additional Interest Rate will be allocated to fund the associated interest charged between the date of prepayment of an Assessment and the date on which related PID Bonds are actually redeemed (the “Prepayment Reserve”). If PID Bonds are issued, a Prepayment Reserve shall be funded each year until it reaches 1.5% of the par amount of the related PID Bonds, but in no event will the annual collections be more than 0.20% per annum higher than the actual interest rate paid on the related PID Bonds. If the PID Act is subsequently amended to allow a prepayment of an Assessment to include all applicable interest from the date of prepayment through and including the date of the regularly scheduled PID Bond payments to be charged upon the prepayment of the Assessment, the 0.20% per annum allocated to fund the associated interest charged between the date of prepayment of the Assessment and the date on which PID Bonds are actually prepaid may be eliminated at the election of the City. If the Prepayment Reserve requirement is so eliminated or in a given year the additional reserve is fully funded at 1.5% of the par amount of the PID Bonds, the City can allocate the Prepayment Reserve component of the Additional Interest Rate collected during that year to the Delinquency Reserve or to pay Administrative Expenses as set forth in the applicable Indenture.

K. DELINQUENCY RESERVE

As described in Section IV.G above, if PID Bonds are issued, a portion of the funds generated by the Additional Interest Rate will be allocated to offset any possible delinquent payments. This additional reserve (the “Delinquency Reserve”) shall be funded each year up to 4.0% of the par amount of the related PID Bonds, but in no event will the annual collection of the Delinquency Reserve be more than 0.30% per annum higher than the actual interest rate paid on the related PID Bonds. If in a given year the additional reserve is fully funded at 4.0% of the par amount of the related PID Bonds, the City can allocate the Delinquency Reserve component of the Additional Interest Rate collected during that year to the Prepayment Reserve, or to pay Administrative Expenses or to redeem PID Bonds as set forth in the applicable Indenture.

V. SERVICE PLAN

A. INTRODUCTION

The PID Act requires that a service plan (i) cover a period of at least five years, and (ii) define the annual projected costs and indebtedness for the Authorized Improvements undertaken within the PID during the five year period. The timetable for Future Improvement Areas Improvements will be determined and included in future updates to this SAP.

The Service Plan shall be reviewed and updated at least annually for purposes of determining the annual budget for Administrative Expenses, updating the estimated costs of the Authorized Improvements, and updating the Assessment Rolls shown on Appendix A-1 and Appendix A-2. Any update to this SAP is herein referred as an “Annual Service Plan Update.”

Table V-A summarizes the sources and uses of funds required to construct the Improvement Area #1 Funded Improvements and establish the PID. The sources and uses of funds shown in Table V-A shall be updated each year in the Annual Service Plan Update to reflect any revisions to the Actual Costs and additional PID Bond issues, if any.

Table V-B summarizes the sources and uses of funds required to construct the Improvement Area #2 Funded Improvements and establish the PID. The sources and uses of funds shown in Table V-B shall be updated each year in the Annual Service Plan Update to reflect any revisions to the Actual Costs and additional PID Bond issues, if any.

PID Bonds for Improvement Area #1 will not be issued until a final plat has been recorded for Improvement Area #2. If no final plat has been recorded with respect to Improvement Area #2 within five (5) years of the date hereof, then no PID Bonds for Improvement Area #1 will be issued, and the payment of the any amount owed to the Developer under the Improvement Area #1 Reimbursement Agreement will be limited to quarterly payments by the City to the Developer from the Assessment Revenues deposited into the District Fund.

PID Bonds for Improvement Area #2 will not be issued until a final plat has been recorded for Improvement Area #3. If no final plat has been recorded with respect to Improvement Area #3 within five (5) years of the date hereof, then no PID Bonds for Improvement Area #2 will be issued, and the payment of the any amount owed to the Developer under the Improvement Area #2 Reimbursement Agreement will be limited to quarterly payments by the City to the Developer from the Assessment Revenues deposited into the District Fund.

Future Improvement Area PID Bonds for a given improvement area will not be issued until a final plat has been recorded for the next improvement area in the District (“Subsequent Improvement Area”). If no final plat has been recorded with respect to the Subsequent Improvement Area within five (5) years of the date that the Assessments are levied on the prior improvement area, then no Future Improvement Area PID Bonds for the prior improvement area will be issued, and the payment of any amount owed to the Developer under a Reimbursement Agreement will be limited

to quarterly payments by the City to the Developer from the Assessment Revenues deposited into the District Fund.

Table V-A
Improvement Area #1
Sources and Uses of Funds

Description	Costs ¹	Actual Costs Reimbursed by Assessments	Actual Costs Funded by Developer
Sources:			
PID Reimbursement Agreement Improvement Area #1	\$6,350,000	\$6,350,000	\$0
Developer Cash Contribution	\$23,240,023	\$0	\$23,240,023
Total Sources	\$29,590,023	\$6,350,000	
Uses:			
Bonds & Mobilization	\$1,054,976	\$0	\$1,054,976
Earthwork & Erosion Control Improvements	\$3,514,622	\$0	\$3,514,622
Storm Drainage Improvements	\$3,442,755	\$0	\$3,442,755
Water Improvements	\$2,448,956	\$0	\$2,448,956
Wastewater Improvements	\$2,626,023	\$0	\$2,626,023
Roadway Improvements	\$5,712,973	\$5,712,973	\$0
Open Space & Trail Improvements	\$2,330,585	\$637,027	\$1,693,558
Project Contingency	\$2,773,202	\$0	\$2,773,202
Engineering	\$2,719,068	\$0	\$2,719,068
City Inspection and Fees	\$1,318,095	\$0	\$1,318,095
Professional Fees	\$45,266	\$0	\$45,266
Construction Fees	\$1,532,073	\$0	\$1,532,073
Total Authorized Improvements	\$29,590,023	\$6,350,000	\$23,240,023

¹ See Table III-A and Table IV-A for details.

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The Improvement Area #2 Assessments are being levied. As a result, the sources and uses are shown in Table V-B below:

Table V-B
Improvement Area #2
Sources and Uses of Funds

Description	Costs ¹	Actual Costs Reimbursed by Assessments	Actual Costs Funded by Developer
Sources:			
PID Reimbursement Agreement Improvement Area #2	\$5,850,000	\$5,850,000	\$0
Developer Cash Contribution	\$21,483,342	\$0	\$21,483,342
Total Sources	\$27,333,342	\$5,750,000	\$21,583,342
Uses:			
Bonds & Mobilization	\$270,616	\$0	\$270,616
Earthwork & Erosion Control Improvements	\$4,020,550	\$0	\$4,020,550
Storm Drainage Improvements	\$2,125,362	\$0	\$2,125,362
Water Improvements	\$2,598,771	\$0	\$2,598,771
Wastewater Improvements	\$2,341,564	\$0	\$2,341,564
Roadway Improvements	\$5,132,891	\$5,132,891	\$0
Landscaping Improvements	\$5,710,148	\$717,110	\$4,993,038
Project Contingency	\$117,814	\$0	\$117,814
Engineering	\$3,967,735	\$0	\$3,967,735
Construction Fees	\$1,047,891	\$0	\$1,047,891
Total Authorized Improvements	\$27,333,342	\$5,850,000	\$21,583,342

¹ See Table III-B and Table IV-B for details.

The projected Annual Installments for the first five years after the approval of this SAP update for the Improvement Area #1 Funded Improvements are presented in Table V-C on the following page. The projected Annual Installments are subject to revision and shall be updated in the Annual Service Plan Update to reflect any change expected for each year.

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Table V-C
Improvement Area #1
Projected Annual Installments

Period Ending 9/30	Principal Payments	Interest Expense	Administrative Expenses	Prepayment & Delinquency Reserves	Annual PID Installments
2018	\$0	\$0	\$0	\$0	\$0
2019	\$51,409	\$381,000	\$45,000	\$0	\$477,409
2020	\$53,593	\$377,915	\$45,900	\$0	\$477,409
2021	\$150,000	\$255,516	\$46,818	\$25,075	\$477,409
2022	\$160,000	\$245,329	\$47,754	\$24,325	\$477,409
2023	\$165,000	\$240,175	\$48,709	\$23,525	\$477,409
Total	\$528,593	\$1,118,935	\$189,182	\$72,925	\$1,909,635

Note: The projected Annual Installments are the expenditures associated with the formation of the PID, interest expense, and the administration of the PID. The debt service estimates are based on a 30 year term for the PID, a 6.0% interest rate for the initial two years, a 5.0% interest rate for the remaining 28 years and a PID Bond issuance beginning in year 3. Administrative expenses are estimated to increase at a rate of 2.0% per year.

The projected Annual Installments for the first five years after the approval of this SAP for the Improvement Area #2 Funded Improvements are presented in Table V-D below. The projected Annual Installments are subject to revision and shall be updated in the Annual Service Plan Update to reflect any change expected for each year.

Table V-D
Improvement Area #2
Projected Annual Installments

Period Ending 9/30	Principal Payments	Interest Expense	Administrative Expenses	Prepayment & Delinquency Reserves	Annual PID Installments
2021	\$88,051	\$292,500	\$55,526	\$0	\$436,077
2022	\$92,453	\$288,097	\$55,526	\$0	\$436,077
2023	\$97,076	\$283,475	\$55,526	\$0	\$436,077
2024	\$101,930	\$278,621	\$55,526	\$0	\$436,077
2025	\$107,026	\$273,524	\$55,526	\$0	\$436,077
2026	\$112,378	\$268,173	\$55,526	\$0	\$436,077
Total	\$598,915	\$1,684,391	\$333,157	\$0	\$2,616,462

Note: The projected Annual Installments are the expenditures associated with the formation of the PID, interest expense, and the administration of the PID. The debt service estimates are based on a [] year term for the PID, a []% interest rate for the initial two years, a []% interest rate for the remaining [] years and a PID Bond issuance beginning in year 3. Administrative expenses are estimated to increase at a rate of []% per year.

VI. TERMS OF THE ASSESSMENTS

A. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN IMPROVEMENT AREA #1

The Improvement Area #1 Assessments and Annual Installments for the Improvement Area #1 Assessed Property are shown on the Improvement Area #1 Assessment Roll. Such Assessments and Annual Installments shall not be changed except as authorized by this SAP and by the PID Act and approved by City Council. The Improvement Area #1 Annual Installments shall be collected in an amount sufficient to pay principal and interest on any PID Bonds, any amounts payable pursuant to any PID Reimbursement Agreement (subject to the terms thereof), to fund the Prepayment Reserve and the Delinquency Reserve, if PID Bonds are issued, and to pay the Administrative Expenses.

B. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN IMPROVEMENT AREA #2

The Improvement Area #2 Assessments and Annual Installments for the Improvement Area #2 Assessed Property are shown on the Improvement Area #2 Assessment Roll. Such Assessments and Annual Installments shall not be changed except as authorized by this SAP and by the PID Act and approved by City Council. The Improvement Area #2 Annual Installments shall be collected in an amount sufficient to pay principal and interest on any PID Bonds, any amounts payable pursuant to any PID Reimbursement Agreement (subject to the terms thereof), to fund the Prepayment Reserve and the Delinquency Reserve, if PID Bonds are issued, and to pay the Administrative Expenses.

C. AMOUNT OF ASSESSMENTS AND ANNUAL INSTALLMENTS FOR PARCELS LOCATED WITHIN FUTURE IMPROVEMENT AREAS

When and if Future Improvement Areas are developed, this SAP will be amended to determine the Assessment and Annual Installments associated with the costs of Future Improvement Area Improvements for each Parcel or Lot located within a Future Improvement Area. The Assessment shall not exceed the benefit received by the Assessed Property.

D. REALLOCATION OF ASSESSMENTS FOR PARCELS LOCATED WITHIN IMPROVEMENT AREA #1 AND IMPROVEMENT AREA #2

Upon Division Prior to Recording of Subdivision Plat

Upon the division of any Assessed Property (without the recording of subdivision plat), the Administrator shall reallocate the Assessment for the Assessed Property prior to the division among the newly divided Assessed Properties in accordance with the assessment methodology as presented in Section IV.F.

If Lots are not platted in accordance with the approved entitlements, the Assessments for each affected Lot will be allocated in an equitable manner, but in no event will such new allocation increase the total Assessment for each Parcel as identified in Table IV-C and Table IV-E.

The reallocation of an Assessment for Assessed Property that is a homestead under Texas law may not exceed the Assessment prior to the increase or reallocation. Any reallocation pursuant to this section shall be reflected in a Service and Assessment Plan Update approved by the City Council. The reallocation herein shall be considered an administrative action that will not require the City Council to issue notice and hold a public hearing.

The sum of the Assessments for all newly divided Assessed Properties shall equal the Assessment for the Assessed Property prior to subdivision. The calculation shall be made separately for each newly divided Assessed Property. Any reallocation pursuant to this section shall be reflected in an update to this Service and Assessment Plan approved by the City Council.

Upon Subdivision by a Recorded Subdivision Plat

Once a Lot has an Assessment applied to it, as shown in Table IV-C and IV-E, and is then subdivided again, such newly subdivided lots will be the Assessment of the applicable lot size as set forth in Table IV-C and Table IV-E. In no event will the new subdivision cause the sum of the Assessments for the newly subdivided Lots to be greater than the Assessment for the undivided Lot prior to its subdivision.

The allocation method used above is to insure there will not be an increase in the Assessment for each specific Parcel. If Lots are not platted in accordance with the approved entitlements, the Assessments for each affected Lot will be allocated in an equitable manner.

Upon Consolidation

Upon the consolidation of two or more Assessed Properties, the Assessment for the consolidated Assessed Property shall be the sum of the Assessments for the Assessed Properties prior to consolidation. The reallocation of an Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Assessment for such Assessed Property prior to the reallocation. Any reallocation pursuant to this section shall be calculated by the Administrator and reflected in an update to this SAP approved by the City Council. The consolidation of any Assessed Property as described herein shall be considered an administrative action and will not require any notice or public hearing (as defined in the PID Act) by the City Council.

Upon Transfer between Parcels with Different Uses

Should an owner of an Assessed Property choose to transfer the intended land use between all or a portion of one or more Parcels or Lots, in no event will the transfer cause the sum of the Assessments for the affected Parcels or Lots to be greater than the Assessment for those Parcels or Lots prior to the transfer of use.

If uses are transferred among Parcels or Lots, the Assessments for each affected Parcel or Lot will be allocated in an equitable manner.

E. REALLOCATION OF ASSESSMENTS FOR PARCELS LOCATED WITHIN FUTURE IMPROVEMENT AREAS

As Future Improvement Areas are developed, this SAP will be amended to determine the assessment reallocation methodology that results in the imposition of equal shares of the Actual Costs on Assessed Property similarly benefited within each Future Improvement Area.

F. MANDATORY PREPAYMENT OF ASSESSMENTS

If Assessed Property or a portion thereof is transferred to a party that is exempt from the payment of the Assessment under applicable law, or if an owner causes a Parcel or portion thereof to become Non-Benefited Property, the owner of such Parcel or portion thereof shall pay to the City the full amount of the Assessment, plus all Prepayment Costs, for such Parcel or portion thereof prior to any such transfer or act (a “Mandatory Prepayment”). Should a Mandatory Prepayment of Assessments occur, the owner of such Parcel or portion thereof shall notify the City and the Administrator no later than thirty (30) days after the date of the payment of the Mandatory Prepayment. The sum of the Assessments for all newly divided Assessed Properties shall equal the Assessment for the Assessed Property prior to subdivision. If the Assessment for the Assessed Property prior to subdivision exceeds the sum of the Assessments for all newly divided Assessed Properties after such reallocation, the Parcel owner shall pay the excess Assessment amount as a Mandatory Prepayment.

The Developer has agreed to pay off the Assessments on Lots within Improvement Area #2 that have closed with homebuyers as of the date of levy of the Improvement Area #2 Assessments. Such Parcels are marked as Prepaid in the attached Assessment Roll for Improvement Area #2.

G. REDUCTION OF ASSESSMENTS

If after all Authorized Improvements to be funded through the PID have been completed and the Actual Costs for such Authorized Improvements are less than the PID-Funded Actual Costs used to calculate the Assessments, resulting in an excess Assessment, then the City may, at its discretion, reduce the Assessment for each Assessed Property pro rata such that the sum of the resulting reduction in the Assessments for all Assessed Properties equals the excess Assessments. Additionally, the City may, at the request of the Developer, use such excess Assessments to fund and/or reimburse the Developer for, and/or directly fund, additional Authorized Improvements.

Similarly, if the owner does not undertake some of the Authorized Improvements to be funded through the PID, as set forth in Table III-A and Table III-B, resulting in excess Assessments, then the City may, at the City’s sole discretion, reduce the Assessment for each Assessed Property pro-rata to reflect only the PID-Funded Actual Costs that were expended and deposit and apply such excess Assessments as described in the paragraph immediately above.

H. PAYMENT OF ASSESSMENTS

1. Payment in Full

The Assessment for any Parcel or Lot may be paid in full at any time in accordance the PID Act. The Payment shall include all Prepayment Costs, if any. If prepayment in full will result in redemption of PID Bonds, the payment amount shall be reduced by the applicable portion of the proceeds from a debt service reserve fund applied to the redemption pursuant to the Indenture, net of any other costs applicable to the redemption of PID Bonds.

If an Annual Installment has been billed prior to payment in full of an Assessment, the Annual Installment shall be due and payable and shall be credited against the payment-in-full amount upon payment.

Upon payment in full of an Assessment and all Prepayment Costs, the City shall deposit the payment in accordance with the applicable PID Reimbursement Agreement or related Indenture; whereupon, the Assessment for the Parcel or Lot shall be reduced to zero, and the Parcel or Lot owner’s obligation to pay the Assessment and Annual Installments thereof shall automatically terminate. The City shall provide the owner of the affected Assessed Property a recordable “Notice of PID Assessment Termination.”

At the option of a Parcel or Lot owner, the Assessment on any Parcel or Lot may be paid in part in an amount equal to the amount of prepaid Assessments plus Prepayment Costs, if any, with respect thereto. Upon the payment of such amount for a Parcel or Lot, the Assessment for the Parcel or Lot shall be reduced by the amount of such partial payment, the Assessment Roll shall be updated to reflect such partial payment, and the obligation to pay the Annual Installment for such Parcel or Lot shall be reduced to the extent the partial payment is made.

2. Payment of Annual Installments

If an Assessment is not paid in full, the PID Act authorizes the City to collect interest and collection costs on the outstanding Assessment. A Assessment for a Parcel or Lot that is not paid in full will be collected in Annual Installments each year in the amounts shown in the applicable Assessment Roll and which includes interest on the outstanding Assessment and Administrative Expenses.

The Annual Installments as listed on the Improvement Area #1 Assessment Roll have been calculated as having a term of 30 years from initial collection, and assuming an interest rate of 6.0% for the initial two years or collection and 5.0% for the remaining 28 years of collection. The interest rate assumptions are in conformance with the PID Act assuming an index rate of 4.03% as provided by The Bond Buyer’s Revenue Bond Index dated February 9, 2017. The principal amounts of Annual Installments may not exceed the amounts shown on the Assessment Roll except pursuant to any amendment or update to this SAP. The interest on the Assessments or Annual Installments will include the interest generated from the Additional Interest Rate once PID Bonds are issued.

The Annual Installments as listed on the Improvement Area #2 Assessment Roll have been calculated as having a term of 30 years from initial collection, and assuming an interest rate of █% for the initial two years of collection and █% for the remaining 28 years of collection. The interest rate assumptions are in conformance with the PID Act assuming an index rate of █% as provided by The Bond Buyer's Revenue Bond Index dated █. The principal amounts of Annual Installments may not exceed the amounts shown on the Assessment Roll except pursuant to any amendment or update to this SAP. The interest on the Assessments or Annual Installments will include the interest generated from the Additional Interest Rate once PID Bonds are issued.

The Annual Installments shall be reduced to equal the actual costs of repaying the related series of PID Bonds and actual Administrative Expenses (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as interest income on account balances.

The City reserves and shall have the right and option to refund PID Bonds in accordance with Section 372.027 of the PID Act and the Indenture related to such PID Bonds. In the event of issuance of refunding bonds, the Administrator shall recalculate the Annual Installments, and if necessary, shall adjust, or decrease, the amount of the Annual Installment so that total Annual Installments of Assessments will be produced in annual amounts that are required to pay the debt service on the refunding bonds when due and payable as required by and established in the ordinance and/or the indenture authorizing and securing the refunding bonds, and such refunding bonds shall constitute "PID Bonds" for purposes of this SAP.

I. COLLECTION OF ANNUAL INSTALLMENTS

The Administrator shall, no less frequently than annually, prepare and submit to the City for its approval, an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include an updated Assessment Roll and a calculation of the Annual Installment for each Assessed Property. Administrative Expenses shall be allocated among Assessed Properties in proportion to the amount of the Annual Installments before Administrative Expenses for the Assessed Property. Each Annual Installment shall be reduced by any credits applied under the applicable Indenture, if PID Bonds are issued, such as capitalized interest, interest earnings on any account balances, and any other funds available to the Trustee for such purpose, and existing deposits for a Prepayment Reserve. Annual Installments may be collected by the City (or such entity to whom the City directs) in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act. The Assessments shall have lien priority as specified in the PID Act.

Any sale of Assessed Property for nonpayment of the delinquent Annual Installments shall be subject to the lien established for the remaining unpaid Assessment against such Assessed Property and such Assessed Property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent Annual Installments against such Assessed Property as they become due and payable.

Each Annual Installment, including the interest on the unpaid amount of an Assessment, shall be updated annually. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year. The initial Annual Installments relating to the Improvement Area #1 were billed in October 2018 and were delinquent if not paid by February 1, 2019.

Collection of the initial Annual Installments relating to the Improvement Area #2 Improvements that benefit the Improvement Area #2 Assessed Property will be due when billed, and will be delinquent if not paid prior to the first February 1 following the earlier of (i) the recording of a final subdivision plat in the official public records of the County for the Improvement Area #2 Assessed Property, (ii) upon issuance of the Improvement Area #2 Bonds, or (iii) the second anniversary of the date of the levy of Assessments against Improvement Area #2 Assessed Property.

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VII. THE ASSESSMENT ROLL

A. IMPROVEMENT AREA #1 ASSESSMENT ROLL

The City Council has evaluated each Lot in Improvement Area #1 (based on numerous factors such as the applicable zoning for developable area, the use of proposed Owners Association property, the Public Property, the types of Authorized Improvements, and other development factors deemed relevant by the City Council) to determine the amount of Assessed Property within Improvement Area #1.

The Improvement Area #1 Assessed Property will be assessed for the special benefits conferred upon such property by the Improvement Area #1 Funded Improvements. Table V-A summarizes the \$29,590,023 in special benefit received by such property from the Improvement Area #1 Funded Improvements. The total amount of the PID-Funded Actual Costs is \$6,350,000, which is less than the benefit received by the Assessed Property. Accordingly, the total Improvement Area #1 Assessment to be applied to the Improvement Area #1 Assessed Property is \$6,350,000 plus annual interest and Administrative Expenses. The Assessment for each Improvement Area #1 Assessed Property is calculated based on the allocation methodologies described in Section IV.F. The Assessment Roll for Improvement Area #1 Assessed Property is attached as Appendix A-1.

Table VII-A
Improvement Area #1
Special Benefit Summary

Special Benefit	Total Cost
Improvement Area #1 Projects	\$6,350,000
Other Funding Sources	\$23,240,023
<i>Total Authorized Improvements (a)</i>	<i>\$29,590,023</i>
Total Special Benefit	\$29,590,023
Special Benefit	
Total Special Benefit	\$29,590,023
Projected Assessment	\$6,350,000
Excess Benefit	\$23,240,023

(a) See Table III-A for details.

B. IMPROVEMENT AREA #2 ASSESSMENT ROLL

The City Council has evaluated each Lot in Improvement Area #2 (based on numerous factors such as the applicable zoning for developable area, the use of proposed Owners Association property, the Public Property, the types of Authorized Improvements, and other development factors deemed relevant by the City Council) to determine the amount of Assessed Property within Improvement Area #2.

The Improvement Area #2 Assessed Property will be assessed for the special benefits conferred upon such property by the Improvement Area #2 Funded Improvements. Table V-B summarizes the \$27,333,342 in special benefit received by such property from the Improvement Area #2 Funded Improvements. The total amount of the PID-Funded Actual Costs is \$27,333,342, which is less than to the benefit received by the Assessed Property. Accordingly, the total Improvement Area #2 Assessment to be applied to the Improvement Area #2 Assessed Property is \$5,850,000 plus annual interest and Administrative Expenses. The Assessment for each Improvement Area #2 Assessed Property is calculated based on the allocation methodologies described in Section IV.F. The Assessment Roll for Improvement Area #2 Assessed Property is attached as Appendix A-2.

Table VII-B
Improvement Area #2
Special Benefit Summary

Special Benefit	Total Cost
Improvement Area #2 Projects	\$5,750,000
Other Funding Sources	\$21,483,342
<i>Total Authorized Improvements (a)</i>	<i>\$27,333,342</i>
Total Special Benefit	\$27,333,342
Special Benefit	
Total Special Benefit	\$27,333,342
Projected Assessment	\$5,850,000
Excess Benefit	\$21,483,342

(a) See Table III-B for details.

C. FUTURE IMPROVEMENT AREA ASSESSMENT ROLL

As Future Improvement Areas are developed, this SAP will be amended to determine the Assessment for each Parcel or Lot located within such Future Improvement Areas (e.g. an appendix will be added as the Assessment Roll for Future Improvement Areas).

D. ANNUAL ASSESSMENT ROLL UPDATES

The Administrator shall, in consultation with City staff, prepare, and shall submit to the City Council for approval, updates to the Assessment Rolls and in or as part of the Annual Service Plan Updates to reflect changes such as (i) the identification of each Parcel, (ii) the Assessment for each Assessed Property, including any adjustments authorized by this SAP and the PID Act; (iii) the Annual Installments for the Assessed Property for the year (if the Assessment is payable in installments); and (iv) payments of the Assessment, if any, as provided by Section VI.A.

Annual Service Plan Updates shall reflect the actual interest of the PID Bonds, if any, or as outlined in the PID Reimbursement Agreement, on which the Annual Installments shall be paid plus the Additional Interest Rate, if any, any reduction in the Assessments, any revisions in the Actual Costs, Assessments agreed upon in the PID Reimbursement Agreement, and Developer funds.

VIII. MISCELLANEOUS PROVISIONS

A. ADMINISTRATIVE REVIEW

The City may elect to designate a third party, who is not an officer or employee of the City, to serve as Administrator of the PID. The City shall notify the property owners within the PID in writing upon appointing a third party Administrator.

To the extent consistent with the PID Act, if an owner of the Assessed Property claims that a calculation error has been made in an Assessment Roll, including the calculation of the Annual Installment, that owner must send a written notice describing the error to the Administrator no later than thirty (30) days after the date the invoice or other bill for the Annual Installment is received. If the owner fails to give such notice, such owner shall be deemed to have accepted the calculation of the Assessment Roll (including the Annual Installments) and to have waived any objection to the calculation. The Administrator shall, in consultation with City staff, promptly review the notice, and if necessary, meet with the Assessed Property owner, consider written and oral evidence regarding the alleged error and decide whether, in fact, such a calculation error occurred.

If the Administrator, in consultation with City staff, determines that a calculation error has been made and the Assessment Roll should be modified or changed in favor of the Assessed Property owner, such change or modification shall be presented to the City Council for approval, to the extent permitted by the PID Act. A cash refund may not be made for any amount previously paid by the Assessed Property owner (except for the final year during which the Annual Installment shall be collected), but an adjustment may be made in the amount of the Annual Installment to be paid in the following year. The decision of the Administrator regarding a calculation error relating to the Assessment Roll may be appealed to City Council. Any amendments made to the Assessment Roll pursuant to calculation errors shall be made pursuant to the PID Act.

B. TERMINATION OF ASSESSMENTS

Each Assessment shall terminate on the date the Assessment is paid in full, including payment of any unpaid Annual Installments and Delinquent Collection Costs, if any. After the termination of the Assessment, and the collection of any delinquent Annual Installments and Delinquent Collection Costs, the City shall provide the owner of the affected Parcel a recordable Notice of the PID Assessment Termination.

C. AMENDMENTS

Amendments to the Service and Assessment Plan may be made as permitted or required by the PID Act and Texas law.

D. ADMINISTRATION AND INTERPRETATION OF PROVISIONS

The City Council shall administer (or cause the administration of) the PID, this SAP, and all Annual Service Plan Updates consistent with the PID Act.

E. SEVERABILITY

If any provision, section, subsection, sentence, clause or phrase of this SAP, or the application of same to an Assessed Property or any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this SAP or the application to all or any portion of the Property or other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this SAP that no part thereof, or provision or regulation contained therein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other part hereof, and all provisions of this SAP are declared to be severable for that purpose.

If any provision of this SAP is determined by a court to be unenforceable, the unenforceable provision shall be deleted from this SAP, and the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the City.

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APPENDIX A-1
IMPROVEMENT AREA #1 ASSESSMENT ROLL

**Appendix A-1
Improvement Area #1 Assessment Roll**

**Parcel
Units
Assessment**

All Parcels

\$6,350,000

Year¹	Principal	Interest	Net Debt Service	Administrative Expenses²	Total Annual Installment³
9/1/2019	\$51,409	\$381,000	\$432,409	\$45,000	\$477,409
9/1/2020	\$53,593	\$377,915	\$431,508	\$45,900	\$477,408
9/1/2021	\$118,341	\$312,250	\$430,591	\$46,818	\$477,409
9/1/2022	\$123,322	\$306,333	\$429,655	\$47,754	\$477,409
9/1/2023	\$128,533	\$300,167	\$428,700	\$48,709	\$477,409
9/1/2024	\$133,985	\$293,740	\$427,725	\$49,684	\$477,409
9/1/2025	\$139,691	\$287,041	\$426,732	\$50,677	\$477,409
9/1/2026	\$145,662	\$280,056	\$425,718	\$51,691	\$477,409
9/1/2027	\$151,911	\$272,773	\$424,684	\$52,725	\$477,409
9/1/2028	\$158,452	\$265,178	\$423,630	\$53,779	\$477,409
9/1/2029	\$165,299	\$257,255	\$422,554	\$54,855	\$477,409
9/1/2030	\$172,467	\$248,990	\$421,457	\$55,952	\$477,409
9/1/2031	\$179,971	\$240,367	\$420,338	\$57,071	\$477,409
9/1/2032	\$187,828	\$231,368	\$419,196	\$58,212	\$477,408
9/1/2033	\$196,055	\$221,977	\$418,032	\$59,377	\$477,409
9/1/2034	\$204,671	\$212,174	\$416,845	\$60,564	\$477,409
9/1/2035	\$213,693	\$201,941	\$415,634	\$61,775	\$477,409
9/1/2036	\$223,142	\$191,256	\$414,398	\$63,011	\$477,409
9/1/2037	\$233,039	\$180,099	\$413,138	\$64,271	\$477,409
9/1/2038	\$243,405	\$168,447	\$411,852	\$65,557	\$477,409
9/1/2039	\$254,265	\$156,277	\$410,542	\$66,868	\$477,410
9/1/2040	\$265,640	\$143,563	\$409,203	\$68,205	\$477,408
9/1/2041	\$277,558	\$130,281	\$407,839	\$69,569	\$477,408
9/1/2042	\$290,045	\$116,403	\$406,448	\$70,960	\$477,408
9/1/2043	\$303,128	\$101,901	\$405,029	\$72,380	\$477,409
9/1/2044	\$316,837	\$86,745	\$403,582	\$73,827	\$477,409
9/1/2045	\$331,202	\$70,903	\$402,105	\$75,304	\$477,409
9/1/2046	\$346,256	\$54,343	\$400,599	\$76,810	\$477,409
9/1/2047	\$362,033	\$37,030	\$399,063	\$78,346	\$477,409
9/1/2048	\$378,567	\$18,928	\$397,495	\$79,913	\$477,408
Total	\$6,350,000	\$6,146,701	\$12,496,701	\$1,825,564	\$14,322,265

1 – The 9/30/XX dates represent the fiscal year end for the Bonds.

2- Preliminary estimate. Assumes a 2% increase per year. The administrative charges will be revised in Annual Service Plan Updates based on actual costs.

3- Annual Installments are calculated assuming a 6.0% interest rate for the first 2 years and a 5% interest rate for the next 28 years plus the Additional Interest plus Administrative Expenses.

APPENDIX A-2
IMPROVEMENT AREA #2 ASSESSMENT ROLL

**Appendix A-1
Improvement Area #2 Assessment Roll**

**Parcel
Units
Assessment**

All Parcels

\$5,850,000

Year¹	Principal	Interest	Net Debt Service	Administrative Expenses²	Total Annual Installment³
9/1/2021	\$88,051	\$292,500	\$380,551	\$55,526	\$436,077
9/1/2022	\$92,453	\$288,097	\$380,551	\$55,526	\$436,077
9/1/2023	\$97,076	\$283,475	\$380,551	\$55,526	\$436,077
9/1/2024	\$101,930	\$278,621	\$380,551	\$55,526	\$436,077
9/1/2025	\$107,026	\$273,524	\$380,551	\$55,526	\$436,077
9/1/2026	\$112,378	\$268,173	\$380,551	\$55,526	\$436,077
9/1/2027	\$117,997	\$262,554	\$380,551	\$55,526	\$436,077
9/1/2028	\$123,896	\$256,654	\$380,551	\$55,526	\$436,077
9/1/2029	\$130,091	\$250,460	\$380,551	\$55,526	\$436,077
9/1/2030	\$136,596	\$243,955	\$380,551	\$55,526	\$436,077
9/1/2031	\$143,426	\$237,125	\$380,551	\$55,526	\$436,077
9/1/2032	\$150,597	\$229,954	\$380,551	\$55,526	\$436,077
9/1/2033	\$158,127	\$222,424	\$380,551	\$55,526	\$436,077
9/1/2034	\$166,033	\$214,518	\$380,551	\$55,526	\$436,077
9/1/2035	\$174,335	\$206,216	\$380,551	\$55,526	\$436,077
9/1/2036	\$183,051	\$197,499	\$380,551	\$55,526	\$436,077
9/1/2037	\$192,204	\$188,347	\$380,551	\$55,526	\$436,077
9/1/2038	\$201,814	\$178,737	\$380,551	\$55,526	\$436,077
9/1/2039	\$211,905	\$168,646	\$380,551	\$55,526	\$436,077
9/1/2040	\$222,500	\$158,051	\$380,551	\$55,526	\$436,077
9/1/2041	\$233,625	\$146,926	\$380,551	\$55,526	\$436,077
9/1/2042	\$245,307	\$135,244	\$380,551	\$55,526	\$436,077
9/1/2043	\$257,572	\$122,979	\$380,551	\$55,526	\$436,077
9/1/2044	\$270,450	\$110,100	\$380,551	\$55,526	\$436,077
9/1/2045	\$283,973	\$96,578	\$380,551	\$55,526	\$436,077
9/1/2046	\$298,172	\$82,379	\$380,551	\$55,526	\$436,077
9/1/2047	\$313,080	\$67,471	\$380,551	\$55,526	\$436,077
9/1/2048	\$328,734	\$51,817	\$380,551	\$55,526	\$436,077
9/1/2049	\$345,171	\$35,380	\$380,551	\$55,526	\$436,077
9/1/2050	\$362,429	\$18,121	\$380,551	\$55,526	\$436,077
Total	\$5,850,000	\$5,566,527	\$11,416,527	\$1,665,783	\$13,082,310

1 – The 9/30/XX dates represent the fiscal year end for the Bonds.

2- Preliminary estimate. Assumes a 0% increase per year. The administrative charges will be revised in Annual Service Plan Updates based on actual costs.

3- Annual Installments are calculated assuming a 5.0% interest rate for the first 2 years and a 5% interest rate for the next 28 years plus the Additional Interest plus Administrative Expenses.

APPENDIX B
LEGAL DESCRIPTION FOR PARCELS WITHIN THE PID

Appendix B

TRACT 1 (Quail Valley)

Being a 1,211.51 acre tract of land situated in the Houston Tap & Brazoria RR Co Survey, Abstract Number 654, the Houston Tap & Brazoria RR Co Survey, Abstract Number 647, the International & Great Northern RR Co Survey, Abstract Number 1995, the International & Great Northern RR Co Survey, Abstract Number 1996, the International & Great Northern RR Co Survey, Abstract Number 2004, G. Tandy Survey, Abstract Number 2356, the Heirs of C.H. Higbee Survey, Abstract Number 2740 and the M.C Moulton Survey, Abstract Number 934, Parker County, being part of a tract of land described in deed to Walsh Ranches Limited Partnership, as recorded in Volume 1699, Page 1765, Deed Records, Parker County, Texas (D.R.P.C.T), as previously described in deed recorded in Volume 237, Page 562, D.R.P.C.T., said 1,211.51 acre tract of land being more particularly described as follows:

COMMENCING at an aluminum TXDOT disc found for corner on the east right-of-way line of F.M. 3325 (variable width), said corner being on the north line of said Walsh Ranches Limited Partnership tract;

THENCE North 89 degrees 18 minutes 10 seconds East, along said Walsh Ranches Limited Partnership tract, a distance of 5178.11 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner for the POINT OF BEGINNING;

THENCE North 89 degrees 18 minutes 10 seconds East, along said Walsh Ranches Limited Partnership tract, a distance of 49.67 feet to a 5/8 inch iron rod with yellow cap stamped "DUNAWAY ASSOC. LP" found for an ell corner of said Walsh Ranches Limited Partnership tract

THENCE North 00 degrees 33 minutes 20 seconds West, along said Walsh Ranches Limited Partnership tract, a distance of 2015.32 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner near the south side of Old Weatherford Road (undedicated);

THENCE South 82 degrees 28 minutes 09 seconds East, along a fence, a distance of 120.54 feet to a railroad spike set for corner;

THENCE North 88 degrees 23 minutes 39 seconds East, along said fence, a distance of 2130.14 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner;

THENCE North 89 degrees 27 minutes 38 seconds East, along said fence, a distance of 477.65 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner;

THENCE South 03 degrees 41 minutes 11 seconds East, departing said fence, a distance of 394.47 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner;

THENCE North 89 degrees 37 minutes 10 seconds East, a distance of 651.88 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner;

THENCE North 00 degrees 22 minutes 50 seconds West, a distance of 594.83 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner near a wire fence and the south side of Old Weatherford Road;

THENCE South 85 degrees 44 minutes 35 seconds East, along said fence, a distance of 286.37 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner, said corner being on a circular curve to the left having a radius of 960.00 feet, a central angle of 22 degrees 24 minutes 34 seconds, and a chord bearing of South 76 degrees 05 minutes 43 seconds East, a distance of 343.09 feet;

THENCE South 87 degrees 18 minutes 00 seconds East, a distance of 620.89 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner;

THENCE South 02 degrees 42 minutes 00 seconds West, a distance of 53.00 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner;

THENCE South 87 degrees 18 minutes 00 seconds East, a distance of 146.19 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a curve to the right having a radius of 1023.50 feet, a central angle of 31 degrees 17 minutes 49 seconds, and a chord bearing of South 71 degrees 39 minutes 05 seconds East, a distance of 552.15 feet;

THENCE with said curve to the right an arc distance of 559.07 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having a radius of 1076.50, a central angle of 51 degrees 45 minutes 52 seconds, and a chord bearing of South 81 degrees 53 minutes 07 seconds East, a distance of 939.83 feet;

THENCE with said curve to the left an arc distance of 972.57 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the right having a radius of 1037.00, a central angle of 11 degrees 36 minutes 01 seconds, and a chord bearing of North 78 degrees 01 minutes 58 seconds East, a distance of 209.59 feet;

THENCE with said curve to the right an arc distance of 209.95 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner;

THENCE South 06 degrees 10 minutes 02 seconds East, a distance of 51.52 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner, said corner being on a circular curve to the right having a radius of 1037.00 feet, a central angle of 02 degrees 09 minutes 38 seconds, and a chord bearing of North 81 degrees 42 minutes 27 seconds East, a distance of 39.10 feet;

THENCE with said curve to the right an arc distance of 39.10 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner, said corner being on a circular curve to the right having a radius of 3154.50 feet, a central angle of 00 degrees 41 minutes 44 seconds, and a chord bearing of South 01 degrees 58 minutes 20 seconds East, a distance of 38.29 feet;

THENCE with said curve to the right an arc distance of 38.29 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE South 01 degrees 37 minutes 29 seconds East, a distance of 132.96 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner, said corner being on a circular curve to the right having a radius of 1598.00 feet, a central angle of 08 degrees 48 minutes 07 seconds, and a chord bearing of South 02 degrees 46 minutes 35 seconds West, a distance of 245.25 feet;

THENCE with said curve to the right an arc distance of 245.49 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner, said corner being on a circular curve to the left having a radius of 193.00 feet, a central angle of 44 degrees 10 minutes 32 seconds, and a chord bearing of South 23 degrees 39 minutes 24 seconds West, a distance of 145.15 feet;

THENCE with said curve to the left an arc distance of 148.81 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the right having a radius of 517.00, a central angle of 18 degrees 34 minutes 00 seconds, and a chord bearing of South 10 degrees 51 minutes 08 seconds West, a distance of 166.80 feet;

THENCE with said curve to the right an arc distance of 167.53 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having a radius of 783.00, a central angle of 19 degrees 59 minutes 11 seconds, and a chord bearing of South 10 degrees 08 minutes 33 seconds West, a distance of 271.75 feet;

THENCE with said curve to the left an arc distance of 273.13 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE South 00 degrees 08 minutes 58 seconds West, a distance of 257.44 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a curve to the left having a radius of 603.00, a central angle of 32 degrees 28 minutes 53 seconds, and a chord bearing of South 16 degrees 05 minutes 29 seconds East, a distance of 337.29 feet;

THENCE with said curve to the left an arc distance of 341.84 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the right having a radius of 407.00, a central angle of 34 degrees 47 minutes 54 seconds, and a chord bearing of South 14 degrees 55 minutes 58 seconds East, a distance of 243.41 feet;

THENCE with said curve to the right an arc distance of 247.19 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having a radius of 443.00, a central angle of 15 degrees 47 minutes 58 seconds, and a chord bearing of South 05 degrees 26 minutes 00 seconds East, a distance of 121.77 feet;

THENCE with said curve to the left an arc distance of 122.16 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for point of reverse curvature of a curve to the right having a radius of 837.00, a central angle of 20 degrees 46 minutes 55 seconds, and a chord bearing of South 02 degrees 56 minutes 31 seconds East, a distance of 301.93 feet;

THENCE with said curve to the right an arc distance of 303.59 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having a radius of 453.00, a central angle of 38 degrees 38 minutes 54 seconds, and a chord bearing of South 11 degrees 52 minutes 31 seconds East, a distance of 299.81 feet;

THENCE with said curve to the left an arc distance of 305.57 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for point of reverse curvature of a curve to the right having a radius of 127.00, a central angle of 43 degrees 22 minutes 47 seconds, and a chord bearing of South 09 degrees 30 minutes 34 seconds East, a distance of 93.87 feet;

THENCE with said curve to the right an arc distance of 96.15 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having a radius of 193.00, a central angle of 24 degrees 51 minutes 04 seconds, and a chord bearing of South 00 degrees 14 minutes 42 seconds East, a distance of 83.06 feet;

THENCE with said curve to the left an arc distance of 83.71 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for point of reverse curvature of a curve to the right having a radius of 200.00, a central angle of 24 degrees 05 minutes 05 seconds, and a chord bearing of South 00 degrees 37 minutes 41 seconds East, a distance of 83.45 feet;

THENCE with said curve to the right an arc distance of 84.07 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having a radius of 100.00, a central angle of 35 degrees 28 minutes 59 seconds, and a chord bearing of South 06 degrees 19 minutes 38 seconds East, a distance of 60.94 feet;

THENCE with said curve to the left an arc distance of 61.93 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE South 24 degrees 04 minutes 08 seconds East, a distance of 651.54 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner;

THENCE South 65 degrees 20 minutes 07 seconds East, a distance of 199.81 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner, said corner being on a circular curve to the right having a radius of 1018.00 feet, a central angle of 03 degrees 21 minutes 56 seconds, and a chord bearing of South 10 degrees 40 minutes 28 seconds East, a distance of 59.79 feet;

THENCE with said curve to the right an arc distance of 59.80 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the end of said curve and the beginning of a circular curve to the right having a radius of 988.00 feet, a central angle of 08 degrees 10 minutes 18 seconds, and a chord bearing of South 01 degrees 18 minutes 56 seconds East, a distance of 140.79 feet;

THENCE with said curve to the right an arc distance of 140.91 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having a radius of 612.00, a central angle of 04 degrees 23 minutes 39 seconds, and a chord bearing of South 03 degrees 49 minutes 07 seconds West, a distance of 46.92 feet;

THENCE with said curve to the left an arc distance of 46.94 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE South 01 degrees 37 minutes 18 seconds West, a distance of 141.88 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a circular curve to the right having a radius of 110.00 feet, a central angle of 85 degrees 58 minutes 45 seconds, and a chord bearing of South 44 degrees 36 minutes 40 seconds West, a distance of 150.01 feet;

THENCE with said curve to the right an arc distance of 165.07 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;
THENCE South 87 degrees 36 minutes 03 seconds West, a distance of 13.60 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner;

THENCE South 02 degrees 23 minutes 57 seconds East, a distance of 140.41 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner;

THENCE North 87 degrees 36 minutes 03 seconds East, a distance of 15.09 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature a circular curve to the right having a radius of 85.00 feet, a central angle of 94 degrees 01 minutes 15 seconds, and a chord bearing of South 45 degrees 23 minutes 20 seconds East, a distance of 124.35 feet;

THENCE with said curve to the right an arc distance of 139.48 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE South 01 degrees 37 minutes 18 seconds West, a distance of 59.40 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature a circular curve to the left having a radius of 1095.50 feet, a central angle of 17 degrees 13 minutes 58 seconds, and a chord bearing of South 06 degrees 59 minutes 41 seconds East, a distance of 328.25 feet;

THENCE with said curve to the left an arc distance of 329.49 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a

compound curve to the left having a radius of 1012.00 feet, a central angle of 06 degrees 01 minutes 18 seconds, and a chord bearing of South 18 degrees 37 minutes 19 seconds East, a distance of 106.31 feet;

THENCE with said curve to the left an arc distance of 106.36 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE South 21 degrees 37 minutes 58 seconds East, a distance of 116.87 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature a circular curve to the right having a radius of 989.60 feet, a central angle of 04 degrees 30 minutes 39 seconds, and a chord bearing of South 19 degrees 22 minutes 32 seconds East, a distance of 77.89 feet;

THENCE with said curve to the right an arc distance of 77.91 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a compound curve to the right having a radius of 1016.50 feet, a central angle of 15 degrees 47 minutes 29 seconds, and a chord bearing of South 09 degrees 14 minutes 25 seconds East, a distance of 279.27 feet;

THENCE with said curve to the right an arc distance of 280.16 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE South 01 degrees 20 minutes 41 seconds East, a distance of 133.67 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a curve to the left having a radius of 1083.50 feet, a central angle of 28 degrees 36 minutes 02 seconds, and a chord bearing of South 15 degrees 38 minutes 42 seconds East, a distance of 535.26 feet;

THENCE with said curve to the left an arc distance of 540.85 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the right having a radius of 988.00 feet, a central angle of 17 degrees 59 minutes 08 seconds, and a chord bearing of South 20 degrees 57 minutes 08 seconds East, a distance of 308.87 feet;

THENCE with said curve to the right an arc distance of 310.14 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having a radius of 612.00 feet, a central angle of 01 degree 29 minutes 47 seconds, and a chord bearing of South 12 degrees 42 minutes 28 seconds East, a distance of 15.98 feet;

THENCE with said curve to the left an arc distance of 15.98 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the right having a radius of 1004.50 feet, a central angle of 08 degrees 27 minutes 45 seconds, and a chord bearing of South 09 degrees 13 minutes 29 seconds East, a distance of 148.23 feet;

THENCE with said curve to the right an arc distance of 148.36 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of compound curvature of a curve to the right having a radius of 138.00 feet, a central angle of 90 degrees 27 minutes 45

seconds, and a chord bearing of South 40 degrees 14 minutes 16 seconds West, a distance of 195.95 feet;

THENCE with said curve to the right an arc distance of 217.88 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the end of curve;

THENCE North 79 degrees 03 minutes 38 seconds West, a distance of 461.79 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a curve to the left having a radius of 1105.00 feet, a central angle of 32 degrees 23 minutes 14 seconds, and a chord bearing of South 84 degrees 44 minutes 45 seconds West, a distance of 616.34 feet;

THENCE with said curve to the left an arc distance of 624.62 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the end of curve;

THENCE South 19 degrees 31 minutes 47 seconds West, a distance of 468.98 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a curve to the left having a radius of 1806.29 feet, a central angle of 23 degrees 45 minutes 46 seconds, and a chord bearing of South 08 degrees 04 minutes 14 seconds West, a distance of 743.78 feet;

THENCE with said curve to the left an arc distance of 749.14 feet, to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE South 07 degrees 06 minutes 11 seconds East, a distance of 193.87 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set in the north right-of-way line of Interstate Highway 30 (a variable width right-of-way);

THENCE with the north right-of-way line of said Interstate Highway 30 and Interstate Highway 20 (a variable width right-of-way) the following courses and distances:

South 87 degrees 58 minutes 15 seconds West, a distance of 544.40 feet to an aluminum TXDOT disc found;

North 79 degrees 44 minutes 29 seconds West, a distance of 102.61 feet to an aluminum TXDOT disc found;

South 87 degrees 59 minutes 03 seconds West, a distance of 199.99 feet to an aluminum TXDOT disc found;

South 75 degrees 36 minutes 14 seconds West, a distance of 102.49 feet to an aluminum TXDOT disc found;

South 88 degrees 00 minutes 36 seconds West, a distance of 78.27 feet to an aluminum TXDOT disc found for the point of curvature of a curve to the right having a radius of 1398.07 feet, a central angle of 31 degrees 36 minutes 57

seconds, and a chord bearing of North 76 degrees 10 minutes 56 seconds West, a distance of 761.70 feet;

With said curve to the right an arc distance of 771.45', to an aluminum TXDOT disc found for the point of tangency;

North 60 degrees 16 minutes 55 seconds West, a distance of 728.27 feet to an aluminum TXDOT disc found;

North 52 degrees 51 minutes 48 seconds West, a distance of 205.86 feet to an aluminum TXDOT disc found;

North 65 degrees 36 minutes 35 seconds West, a distance of 204.62 feet to an aluminum TXDOT disc found;

North 78 degrees 21 minutes 11 seconds West, a distance of 205.92 feet to an aluminum TXDOT disc found for the point of curvature of a curve to the left having a radius of 3027.79 feet, a central angle of 07 degrees 38 minutes 27 seconds, and a chord bearing of North 75 degrees 04 minutes 32 seconds West, a distance of 403.48 feet;

With said curve to the left an arc distance of 403.78', to an aluminum TXDOT disc found for the point of tangency;

North 78 degrees 57 minutes 26 seconds West, a distance of 1709.53 feet to an aluminum TXDOT disc found for the point of curvature of a curve to the right having a radius of 5693.90 feet, a central angle of 10 degrees 27 minutes 29 seconds, and a chord bearing of North 73 degrees 43 minutes 41 seconds West, a distance of 1037.85 feet;

With said curve to the right an arc distance of 1039.29', to an aluminum TXDOT disc found for the point of tangency;

North 67 degrees 25 minutes 24 seconds West, a distance of 1369.53 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a curve to the left having a radius of 5815.38 feet, a central angle of 03 degrees 38 minutes 25 seconds, and a chord bearing of North 69 degrees 14 minutes 36 seconds West, a distance of 369.41 feet;

With said curve to the left an arc distance of 369.48', to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the end of curve;

THENCE North 25 degrees 57 minutes 28 seconds East, a distance of 36.78 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a curve to the right having a radius of 2050.00 feet, a central angle of 14 degrees 24 minutes 02

seconds, and a chord bearing of North 33 degrees 09 minutes 29 seconds East, a distance of 513.89 feet;

THENCE with said curve to the right an arc distance of 515.24 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE North 40 degrees 21 minutes 30 seconds East, a distance of 652.96 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a curve to the left having a radius of 1250.00 feet, a central angle of 14 degrees 30 minutes 52 seconds, and a chord bearing of North 33 degrees 06 minutes 04 seconds East, a distance of 315.81 feet;

THENCE with said curve to the left an arc distance of 316.66 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE North 25 degrees 50 minutes 38 seconds East, a distance of 777.57 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a curve to the left having a radius of 750.00 feet, a central angle of 40 degrees 20 minutes 08 seconds, and a chord bearing of North 05 degrees 40 minutes 34 seconds East, a distance of 517.16 feet;

THENCE with said curve to the left an arc distance of 527.99 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE North 14 degrees 29 minutes 30 seconds West, a distance of 437.61 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a curve to the right having a radius of 900.00 feet, a central angle of 34 degrees 12 minutes 30 seconds, and a chord bearing of North 02 degrees 36 minutes 45 seconds East, a distance of 529.40 feet;

THENCE with said curve to the right an arc distance of 537.34 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE North 19 degrees 43 minutes 00 seconds East, a distance of 354.73 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set;

THENCE North 00 degrees 30 minutes 14 seconds West, a distance of 213.86 feet to the POINT OF BEGINNING and containing 52,773,514 square feet or 1,211.51 acres of land more or less.

TRACT 2 (Quail Valley)

Being a 411.43 acre tract of land situated in the Houston Tap & Brazoria RR Co Survey, Abstract Number 654, the International & Great Northern RR Co Survey, Abstract Number 2004, Jonathan Burleson Survey, Abstract Number 78 and the M.C Moulton Survey, Abstract Number 934, Parker and Tarrant County, being part of a tract of land described in deed to Walsh Ranches Limited Partnership, as recorded in Volume 1699, Page 1765, Deed Records, Parker County, Texas

(D.R.P.C.T), as previously described in deed recorded in Volume 237, Page 562, D.R.P.C.T., and recorded in Volume 12624, Page 92, Deed Records, Tarrant County, Texas (D.R.T.C.T), said 411.43 acre tract of land being more particularly described as follows:

COMMENCING at a steel axle found for the most easterly northeast corner of said Walsh Ranches Limited Partnership tract;

THENCE South 89 degrees 49 minutes 28 seconds West a distance of 909.63 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner for the POINT OF BEGINNING, said corner being on a circular curve to the right having a radius of 1022.00 feet, a central angle of 61 degrees 31 minutes 09 seconds, and a chord bearing of South 29 degrees 01 minutes 57 seconds West, a distance of 1045.38 feet;

THENCE with said curve to the right an arc distance of 1097.33 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having a radius of 1022.00, a central angle of 32 degrees 17 minutes 50 seconds, and a chord bearing of South 43 degrees 38 minutes 37 seconds West, a distance of 568.50 feet;

THENCE with said curve to the left an arc distance of 576.09 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a compound curve to the left having a radius of 2300.00, a central angle of 34 degrees 48 minutes 57 seconds, and a chord bearing of South 10 degrees 05 minutes 14 seconds West, a distance of 1376.19 feet;

THENCE with said curve to the left an arc distance of 1397.59 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a circular curve to the right having a radius of 1300.00, a central angle of 26 degrees 55 minutes 47 seconds, and a chord bearing of South 06 degrees 08 minutes 39 seconds West, a distance of 605.41 feet;

THENCE with said curve to the right an arc distance of 611.01 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner, said corner being on a circular curve to the left having a radius of 1855.00, a central angle of 06 degrees 19 minutes 35 seconds, and a chord bearing of North 85 degrees 25 minutes 29 seconds West, a distance of 204.72 feet;

THENCE with said curve to the left an arc distance of 204.82 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE North 88 degrees 35 minutes 16 seconds West a distance of 734.26 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature to the right having a radius of 1445.00 feet, a central angle of 08 degrees 46 minutes 19 seconds, and a chord bearing of North 84 degrees 12 minutes 07 seconds West, a distance of 221.01 feet;

THENCE with said curve to the right an arc distance of 221.23 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE North 79 degrees 48 minutes 58 seconds West a distance of 302.82 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature to the left having a radius of 1555.00 feet, a central angle of 27 degrees 35 minutes 31 seconds, and a chord bearing of North 86 degrees 23 minutes 17 seconds West, a distance of 741.63 feet;

THENCE with said curve to the left an arc distance of 748.84 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE South 72 degrees 35 minutes 31 seconds West a distance of 339.75 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature to the right having a radius of 1845.00 feet, a central angle of 09 degrees 54 minutes 08 seconds, and a chord bearing of South 77 degrees 32 minutes 36 seconds West, a distance of 318.47 feet;

THENCE with said curve to the right an arc distance of 318.87 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a compound curve to the right having a radius of 83.00, a central angle of 09 degrees 21 minutes 17 seconds, and a chord bearing of South 87 degrees 10 minutes 18 seconds West, a distance of 13.54 feet;

THENCE with said curve to the right an arc distance of 13.55 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for point of tangency;

THENCE North 88 degrees 09 minutes 03 seconds West a distance of 67.57 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature to the left having a radius of 267.00 feet, a central angle of 05 degrees 58 minutes 53 seconds, and a chord bearing of South 88 degrees 51 minutes 30 seconds West, a distance of 27.86 feet;

THENCE with said curve to the left an arc distance of 27.87 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the right having a radius of 1833.00, a central angle of 02 degrees 31 minutes 51 seconds, and a chord bearing of South 87 degrees 07 minutes 59 seconds West, a distance of 80.96 feet;

THENCE with said curve to the right an arc distance of 80.97 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE South 88 degrees 25 minutes 41 seconds West a distance of 50.60 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner;

THENCE South 88 degrees 48 minutes 51 seconds West a distance of 48.15 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner on a circular curve to the right having a radius of 138.00, a central angle of 28 degrees 07 minutes 19 seconds, and a chord bearing of North 61 degrees 29 minutes 46 seconds West, a distance of 67.06 feet;

THENCE with said curve to the right an arc distance of 67.73 feet to an 'X' cut in concrete for corner;

THENCE North 45 degrees 03 minutes 24 seconds East a distance of 10.88 feet to an 'X' cut in concrete for the point of curvature to the left having a radius of 107.00 feet, a central angle of 66 degrees 15 minutes 56 seconds, and a chord bearing of North 11 degrees 55 minutes 27 seconds East, a distance of 116.97 feet;

THENCE with said curve to the left an arc distance of 123.75 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the right having a radius of 193.00, a central angle of 21 degrees 16 minutes 50 seconds, and a chord bearing of North 10 degrees 34 minutes 06 seconds West, a distance of 71.27 feet;

THENCE with said curve to the right an arc distance of 71.68 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having a radius of 257.00, a central angle of 64 degrees 38 minutes 14 seconds, and a chord bearing of North 32 degrees 14 minutes 49 seconds West, a distance of 274.80 feet;

THENCE with said curve to the left an arc distance of 289.93 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the right having a radius of 253.00, a central angle of 81 degrees 13 minutes 26 seconds, and a chord bearing of North 23 degrees 57 minutes 13 seconds West, a distance of 329.37 feet;

THENCE with said curve to the right an arc distance of 358.66 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having a radius of 377.00, a central angle of 66 degrees 03 minutes 23 seconds, and a chord bearing of North 16 degrees 22 minutes 11 seconds West, a distance of 410.97 feet;

THENCE with said curve to the left an arc distance of 434.64 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the right having a radius of 273.00, a central angle of 56 degrees 29 minutes 27 seconds, and a chord bearing of North 21 degrees 09 minutes 09 seconds West, a distance of 258.39 feet;

THENCE with said curve to the right an arc distance of 269.17 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having a radius of 257.00, a central angle of 43 degrees 41 minutes 19 seconds, and a chord bearing of North 14 degrees 45 minutes 05 seconds West, a distance of 191.25 feet;

THENCE with said curve to the left an arc distance of 195.96 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the right having a radius of 268.00, a central angle of 69 degrees 51 minutes 02 seconds, and a chord bearing of North 01 degrees 40 minutes 13 seconds West, a distance of 306.86 feet;

THENCE with said curve to the right an arc distance of 326.72 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having a radius of 307.00, a central angle of 60 degrees 52 minutes 48 seconds, and a chord bearing of North 02 degrees 48 minutes 54 seconds East, a distance of 311.07 feet;

THENCE with said curve to the left an arc distance of 326.20 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the right having a radius of 233.00, a central angle of 56 degrees 37 minutes 31 seconds, and a chord bearing of North 00 degrees 41 minutes 16 seconds East, a distance of 221.02 feet;

THENCE with said curve to the right an arc distance of 230.27 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having a radius of 127.00, a central angle of 106 degrees 07 minutes 38 seconds, and a chord bearing of North 24 degrees 03 minutes 48 seconds West, a distance of 203.02 feet;

THENCE with said curve to the left an arc distance of 235.24 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner;

THENCE North 26 degrees 08 minutes 54 seconds West a distance of 247.14 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner;

THENCE North 71 degrees 08 minutes 54 seconds West a distance of 64.62 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner;

THENCE North 26 degrees 08 minutes 54 seconds West a distance of 379.60 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner;

THENCE North 28 degrees 26 minutes 20 seconds West a distance of 116.36 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner;

THENCE North 16 degrees 39 minutes 10 seconds East a distance of 135.76 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner;

THENCE North 28 degrees 20 minutes 50 seconds West a distance of 703.92 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner;

THENCE North 73 degrees 20 minutes 50 seconds West a distance of 36.77 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner;

THENCE South 63 degrees 51 minutes 06 seconds West a distance of 115.61 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner;

THENCE North 26 degrees 08 minutes 54 seconds West a distance of 331.47 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for point of curvature to the right having a radius of 1018.00 feet, a central angle of 06 degrees 58 minutes 24 seconds, and a chord bearing of North 22 degrees 39 minutes 42 seconds West, a distance of 123.82 feet;

THENCE with said curve to the right an arc distance of 123.90 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner;

THENCE North 70 degrees 49 minutes 30 seconds East a distance of 0.50 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner, said corner being on a circular curve to the right having a radius of 1017.50 feet, a central angle of 17 degrees 33 minutes 02 seconds, and a chord bearing of North 10 degrees 33 minutes 59 seconds West, a distance of 310.46 feet;

THENCE with said curve to the right an arc distance of 311.67 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE North 01 degrees 37 minutes 29 seconds West a distance of 1823.60 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner, said corner being on a circular curve to the left having a radius of 15.50 feet, a central angle of 25 degrees 45 minutes 03 seconds, and a chord bearing of North 11 degrees 04 minutes 42 seconds East, a distance of 6.91 feet;

THENCE with said curve to the left an arc distance of 6.97 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE North 01 degrees 47 minutes 49 seconds West a distance of 17.00 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a curve to the left having a radius of 15.50 feet, a central angle of 25 degrees 36 minutes 41 seconds, and a chord bearing of North 14 degrees 36 minutes 10 seconds West, a distance of 6.87 feet;

THENCE with said curve to the left an arc distance of 6.93 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner, said corner being on a circular curve to the left having a radius of 3335.00 feet, a central angle of 03 degrees 47 minutes 41 seconds, and a chord bearing of North 03 degrees 54 minutes 25 seconds West, a distance of 220.83 feet;

THENCE with said curve to the left an arc distance of 220.87 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner;

THENCE South 84 degrees 11 minutes 45 seconds West a distance of 152.50 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner, said corner being on a circular curve to the right having a radius of 3182.50 feet, a central angle of 00 degrees 29 minutes 37 seconds, and a chord bearing of South 05 degrees 33 minutes 27 seconds East, a distance of 27.41 feet;

THENCE with said curve to the right an arc distance of 27.41 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner;

THENCE South 39 degrees 59 minutes 42 seconds West a distance of 34.41 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner;

THENCE North 55 degrees 36 minutes 07 seconds West a distance of 7.05 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature

of a curve to the left having a radius of 207.00 feet, a central angle of 62 degrees 22 minutes 05 seconds, and a chord bearing of North 86 degrees 47 minutes 09 seconds West, a distance of 214.36 feet;

THENCE with said curve to the left an arc distance of 225.33 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the right having a radius of 218.00, a central angle of 69 degrees 49 minutes 51 seconds, and a chord bearing of North 83 degrees 03 minutes 16 seconds West, a distance of 249.55 feet;

THENCE with said curve to the right an arc distance of 265.69 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having a radius of 207.00, a central angle of 59 degrees 22 minutes 57 seconds, and a chord bearing of North 77 degrees 49 minutes 49 seconds West, a distance of 205.07 feet;

THENCE with said curve to the left an arc distance of 214.54 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE South 72 degrees 28 minutes 42 seconds West a distance of 78.56 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a curve to the right having a radius of 143.00 feet, a central angle of 50 degrees 42 minutes 13 seconds, and a chord bearing of North 82 degrees 10 minutes 11 seconds West, a distance of 122.46 feet;

THENCE with said curve to the right an arc distance of 126.55 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having a radius of 427.00, a central angle of 36 degrees 59 minutes 24 seconds, and a chord bearing of North 75 degrees 18 minutes 47 seconds West, a distance of 270.91 feet;

THENCE with said curve to the left an arc distance of 275.67 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the right having a radius of 593.00 feet, a central angle of 36 degrees 45 minutes 17 seconds, and a chord bearing of North 75 degrees 25 minutes 53 seconds West, a distance of 373.90 feet;

THENCE with said curve to the right an arc distance of 380.39 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having a radius of 207.00, a central angle of 58 degrees 39 minutes 22 seconds, and a chord bearing of North 86 degrees 22 minutes 58 seconds West, a distance of 202.78 feet;

THENCE with said curve to the left an arc distance of 211.91 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the right having a radius of 93.00 feet, a central angle of 26 degrees 50 minutes 37 seconds, and a chord bearing of South 77 degrees 42 minutes 40 seconds West, a distance of 43.17 feet;

THENCE with said curve to the right an arc distance of 43.57 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE North 88 degrees 52 minutes 02 seconds West a distance of 21.21 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner, said corner being on a circular curve to the right having a radius of 60.00 feet, a central angle of 40 degrees 01 minutes 07 seconds, and a chord bearing of North 17 degrees 18 minutes 33 seconds West, a distance of 41.06 feet;

THENCE with said curve to the right an arc distance of 41.91 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE North 02 degrees 42 minutes 00 seconds East a distance of 35.97 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a circular curve to the right having a radius of 65.00 feet, a central angle of 53 degrees 30 minutes 46 seconds, and a chord bearing of North 29 degrees 27 minutes 23 seconds East, a distance of 58.53 feet;

THENCE with said curve to the right an arc distance of 60.71 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for corner near the south side of Old Weatherford Road (undedicated);

THENCE North 72 degrees 21 minutes 50 seconds East, near a wire fence along the south side of said Old Weatherford Road, a distance of 328.98 feet to a 5/8 inch iron rod with yellow cap stamped "DUNAWAY ASSOC. LP" set near the west end of a bridge for corner;

THENCE North 83 degrees 23 minutes 06 seconds East, near said bridge and said Old Weatherford Road, a distance of 59.65 feet to the approximate centerline of Mary's Creek;

THENCE along the approximate centerline of Mary's Creek the following courses and distances:

South 55 degrees 36 minutes 16 seconds East, a distance of 79.20 feet to a point for corner;

South 78 degrees 55 minutes 26 seconds East, a distance of 98.53 feet to a point for corner;

South 87 degrees 17 minutes 32 seconds East, a distance of 78.41 feet to a point for corner;

North 87 degrees 23 minutes 48 seconds East, a distance of 95.05 feet to a point for corner;

South 63 degrees 48 minutes 53 seconds East, a distance of 92.77 feet to a point for corner;

South 70 degrees 42 minutes 53 seconds East, a distance of 72.59 feet to a point for corner;

South 83 degrees 45 minutes 43 seconds East, a distance of 60.03 feet to a point for corner;

North 65 degrees 28 minutes 24 seconds East, a distance of 45.32 feet to a point for corner;

North 51 degrees 48 minutes 31 seconds East, a distance of 138.31 feet to a point for corner;

South 78 degrees 47 minutes 12 seconds East, a distance of 46.06 feet to a point for corner;

South 49 degrees 50 minutes 11 seconds East, a distance of 203.84 feet to a point for corner;

South 66 degrees 19 minutes 25 seconds East, a distance of 73.83 feet to a point for corner;

South 85 degrees 53 minutes 12 seconds East, a distance of 59.42 feet to a point for corner;

North 59 degrees 52 minutes 11 seconds East, a distance of 197.53 feet to a point for corner;

North 64 degrees 16 minutes 04 seconds East, a distance of 98.27 feet to a point for corner;

North 60 degrees 39 minutes 19 seconds East, a distance of 178.82 feet to a point for corner;

North 70 degrees 49 minutes 25 seconds East, a distance of 73.88 feet to a point for corner;

North 57 degrees 57 minutes 58 seconds East, a distance of 104.85 feet to a point for corner on the east line of said Walsh Ranches Limited Partnership tract and the west line of a tract of land described in deed to Donald L. Pengelly and Joan Pengelly, as recorded in Volume 1448, Page 483, D.R.P.C.T.;

THENCE South 00 degrees 46 minutes 40 seconds East, along the east line of said Walsh Ranches Limited Partnership tract, passing a railroad spike found at a distance of 627.00 feet for the southwest corner of said Pengelly tract, passing a 1/2 inch iron rod found at a distance of 2235.76 feet for the northwest corner of a tract (Tract I) of land described in deed to W.C. Weeden, Trustee, as recorded in Volume 1505, Page 743, D.R.P.C.T., continuing a total distance of distance of 2700.06 feet to a stone found for an ell corner of said Walsh Ranches Limited Partnership tract;

THENCE North 89 degrees 27 minutes 32 seconds East, along said Walsh Ranches Limited Partnership tract, a distance of 3530.15 feet to a stone found for an ell corner of said Walsh Ranches Limited Partnership tract;

THENCE South 00 degrees 43 minutes 04 seconds East, along said Walsh Ranches Limited Partnership tract, a distance of 1251.87 feet to a fence corner post found for an ell corner of said Walsh Ranches Limited Partnership tract;

THENCE North 89 degrees 49 minutes 28 seconds East a distance of 2473.87 feet to the POINT OF BEGINNING and containing 17,922,035 square feet or 411.43 acres of land more or less.

TRACT 3 (Old Weatherford Road)

Being a 7.210 acre tract of land situated in the International & Great Northern RR Co Survey, Abstract Number 2004, the Heirs of C.H. Higbee Survey, Abstract Number 2740, and the M.C Moulton Survey, Abstract Number 934, Parker County, being part of the tract of land described in the deed to Walsh Ranches Limited Partnership, recorded in Volume 1699, Page 1765, Deed Records, Parker County, Texas, said 7.210 acre tract of land being more particularly described as follows:

COMMENCING at a stone found for the southwest corner of the John Kelsey Survey, Abstract Number 782, a re-entrant corner of the International & Great Northern RR Co Survey, Abstract Number 2004;

THENCE with an east line of said Walsh Ranches tract and the west lines of the tract of land described in the deed to John and Mary Lowery, recorded in Volume 1540, Page 1666, Deed Records, Parker County, Texas, the tract of land described in the deed to Debra Faye Johnson Head, recorded in Volume 1410, Page 829, Deed Records, Parker County, Texas, and the tract of land described in the deed to Mary's Creek Properties, recorded in Volume 1848, Page 1466, Deed Records, Parker County, Texas North 00°46'53" West a distance of 2022.31 feet to a point from which a 1 inch iron rod found for the point of commencing of Tract II in the deed to John and Mary Lowery and the called northwest corner of the John Kelsey Survey bears North 00°46'53" West a distance of 737.21 feet;

THENCE departing said east and west lines South 89°13'07" West a distance of 284.77 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a non-tangent curve to the left having a radius of 1037.00 feet, a central angle of 11°36'01", and a chord bearing and distance of South 78°01'58" West 209.59 feet, and the POINT OF BEGINNING;

THENCE with said non-tangent curve to the left an arc distance of 209.95 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the right having a radius of 1076.50 feet, a central angle of 51°45'52", and a chord bearing and distance of North 81°53'07" West 939.83 feet;

THENCE with said reverse curve to the right an arc distance of 972.57 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having a radius of 1023.50 feet, a central angle of $31^{\circ}17'49''$, and a chord bearing and distance North $71^{\circ}39'05''$ West 552.15 feet;

THENCE with said reverse curve to the left an arc distance of 559.07 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE North $87^{\circ}18'00''$ West a distance of 146.19 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set;

THENCE North $02^{\circ}42'00''$ East a distance of 53.00 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set;

THENCE South $87^{\circ}18'00''$ East a distance of 13.00 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a curve to the left having a radius of 17.00 feet, a central angle of $90^{\circ}00'00''$, and a chord bearing and distance of North $47^{\circ}42'00''$ East 24.04 feet;

THENCE with said curve to the left an arc distance of 26.70 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE North $02^{\circ}42'00''$ East a distance of 50.38 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a curve to the left having a radius of 65.00 feet, a central angle of $77^{\circ}04'41''$, and a chord bearing and distance of North $35^{\circ}50'20''$ West 81.00 feet;

THENCE with said curve to the left an arc distance of 87.44 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the end of curve in the occupied southerly line of Old Weatherford Road;

THENCE with the occupied southerly line of Old Weatherford Road, North $82^{\circ}36'43''$ East a distance of 122.71 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the beginning of a non-tangent curve to the left having a radius of 65.00 feet, a central angle of $53^{\circ}30'46''$, and a chord bearing and distance of South $29^{\circ}27'23''$ West 58.53 feet;

THENCE departing the occupied southerly line of Old Weatherford Road, with said non-tangent curve to the left an arc distance of 60.71 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE South $02^{\circ}42'00''$ West a distance of 35.97 to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a curve to the left having a radius of 60.00 feet, a central angle of $40^{\circ}01'07''$, and a chord bearing and distance of South $17^{\circ}18'33''$ East 41.06 feet;

THENCE with said curve to the left an arc distance of 41.91 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the end of curve;

THENCE South $88^{\circ}52'02''$ East a distance of 20.21 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a curve to the left having a radius of 93.00 feet, a central angle of $26^{\circ}50'37''$, and a chord bearing and distance of North $77^{\circ}42'40''$ East 43.17 feet;

THENCE with said curve to the left an arc distance of 43.57 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the right having a radius of 207.00 feet, a central angle of $58^{\circ}39'22''$, and a chord bearing and distance of South $86^{\circ}22'58''$ East 202.78 feet;

THENCE with said reverse curve to the right an arc distance of 211.91 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having radius of 593.00 feet, a central angle of $36^{\circ}45'12''$, and a chord bearing and distance of South $75^{\circ}25'53''$ East 373.90 feet;

THENCE with said reverse curve to the left an arc distance of 380.39 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the right having radius of 427.00 feet, a central angle of $36^{\circ}59'24''$, and a chord bearing and distance of South $75^{\circ}18'47''$ East 270.91 feet;

THENCE with said reverse curve to the right an arc distance of 275.67 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having radius of 143.00 feet, a central angle of $50^{\circ}42'13''$, and a chord bearing and distance of South $82^{\circ}10'11''$ East 122.46 feet;

THENCE with said reverse curve to the left an arc distance of 126.55 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE North $72^{\circ}28'42''$ East a distance of 78.56 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a curve to the right having a radius of 207.00 feet, a central angle of $59^{\circ}22'57''$, and a chord bearing and distance of South $77^{\circ}49'49''$ East 205.07 feet;

THENCE with said curve to the right an arc distance of 214.54 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having radius of 218.00 feet, a central angle of $69^{\circ}49'51''$, and a chord bearing and distance of South $83^{\circ}03'16''$ East 249.55 feet;

THENCE with said reverse curve to the left an arc distance of 265.69 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the right having radius of 207.00 feet, a central angle of $62^{\circ}22'05''$, and a chord bearing and distance of South $86^{\circ}47'09''$ East 214.36 feet;

THENCE with said reverse curve to the right an arc distance of 225.33 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE South 55°36'07" East a distance of 7.05 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set;

THENCE South 39°59'42" West a distance of 47.89 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set;

THENCE South 83°49'58" West a distance of 14.46 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set;

THENCE South 06°10'02" East a distance of 57.00 feet to the POINT OF BEGINNING.

Containing a computed area of 314,077 square feet or 7.210 acres of land.

TRACT 4 (Walsh Ranch Parkway)

Being a 93.178 acre tract of land situated in the Houston Tap & Brazoria RR Co Survey, Abstract Number 654, the International & Great Northern RR Co Survey, Abstract Number 2004, the Heirs of C.H. Higbee Survey, Abstract Number 2740, and the M.C Moulton Survey, Abstract Number 934, Parker County, being part of Tract A described in the deed recorded in Volume 2072, Page 983, Deed Records, Parker County, Texas, also being part of the tract of land described in the deed to Walsh Ranches Limited Partnership, recorded in Volume 1699, Page 1765, Deed Records, Parker County, Texas, said 93.178 acre tract of land being more particularly described as follows:

COMMENCING at a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set at the intersection of the northerly right-of-way line of Interstate Highway 30 (a variable width right-of-way) and the Tarrant County and Parker County line;

THENCE with the northerly right-of-way line of Interstate Highway 30 the following courses and distances:

South 89°34'23" West a distance of 384.74 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set;

North 61°50'37" West a distance of 67.00 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set;

North 88°21'37" West a distance of 198.31 feet to a Texas Department of Transportation monument found;

South 68°32'23" West a distance of 54.63 feet to a Texas Department of Transportation monument found;

North 87°42'45" West a distance of 1100.00 feet to a Texas Department of Transportation monument found;

North $63^{\circ}57'37''$ West a distance of 54.63 feet to a Texas Department of Transportation monument found;

North $87^{\circ}10'37''$ West a distance of 148.10 feet;

South $70^{\circ}28'23''$ West a distance of 53.84 feet to a Texas Department of Transportation monument found;

North $84^{\circ}10'52''$ West a distance of 71.36 feet to a Texas Department of Transportation monument found;

North $83^{\circ}27'51''$ West a distance of 200.00 feet to a Texas Department of Transportation monument found for the beginning of a non-tangent curve to the left having a radius of 1947.86 feet, a central angle of $4^{\circ}17'47''$ and a chord bearing and distance of North $85^{\circ}36'17''$ West 146.03 feet;

With said non-tangent curve to the left an arc distance of 146.07 feet to the end of curve;

THENCE departing the northerly right-of-way line of Interstate Highway 30, North $02^{\circ}13'26''$ East a distance of 121.47 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the POINT OF BEGINNING;

THENCE West a distance of 175.00 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set;

THENCE North a distance of 106.00 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a tangent curve to the right having a radius of 612.00 feet, a central angle of $01^{\circ}59'46''$, and a chord bearing and distance of North $00^{\circ}59'53''$ East 21.32 feet;

THENCE with said tangent curve to the right an arc distance of 21.32 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having a radius of 988.00, a central angle of $17^{\circ}51'20''$, and a chord bearing and distance of North $06^{\circ}55'54''$ West 306.65 feet;

THENCE with said reverse curve to the left an arc distance of 307.90 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE North $15^{\circ}51'34''$ West a distance of 93.20 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a curve to the right having a radius of 1083.50, a central angle of $14^{\circ}15'22''$, and a chord bearing and distance of North $08^{\circ}43'53''$ West 268.90 feet;

THENCE with said curve to the right an arc distance of 269.59 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a

curve to the left having a radius of 238.00, a central angle of $65^{\circ}41'31''$, and a chord bearing and distance of North $34^{\circ}26'58''$ West 258.17 feet;

THENCE with said reverse curve to the left an arc distance of 272.88 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the end of curve;

THENCE North $79^{\circ}03'38''$ West a distance of 58.53 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set;

THENCE North $10^{\circ}56'22''$ East a distance of 122.00 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set;

THENCE South $79^{\circ}03'38''$ East a distance of 70.31 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a non-tangent curve to the left having a radius of 138.00, a central angle of $90^{\circ}27'45''$, and a chord bearing and distance of North $40^{\circ}14'16''$ East 195.95 feet;

THENCE with said non-tangent curve to the left an arc distance of 217.88 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of compound curvature of a curve to the left having a radius of 1004.50 feet, a central angle of $08^{\circ}27'45''$, and a chord bearing and distance of North $09^{\circ}13'29''$ West 148.23 feet;

THENCE with said compound curve to the left an arc distance of 148.36 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the right having a radius of 612.00, a central angle of $01^{\circ}29'47''$, and a chord bearing and distance of North $12^{\circ}42'28''$ West 15.98 feet;

THENCE with said reverse curve to the right an arc distance of 15.98 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having a radius of 988.00, a central angle of $17^{\circ}59'08''$, and a chord bearing and distance of North $20^{\circ}57'08''$ West 308.87 feet;

THENCE with said reverse curve to the left an arc distance of 310.14 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the right having a radius of 1083.50, a central angle of $28^{\circ}36'02''$, and a chord bearing and distance of North $15^{\circ}38'42''$ West 535.26 feet;

THENCE with said reverse curve to the right an arc distance of 540.85 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE North $01^{\circ}20'41''$ West a distance of 133.67 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a curve to the left having a radius of 1016.50, a central angle of $15^{\circ}47'29''$, and a chord bearing and distance of North $09^{\circ}14'25''$ West 279.27 feet;

THENCE with said curve to the left an arc distance of 280.16 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of compound curvature

of a curve to the left having a radius of 989.60, a central angle of $04^{\circ}30'39''$, and a chord bearing and distance of North $19^{\circ}22'32''$ West 77.89 feet;

THENCE with said compound curve to the left an arc distance of 77.91 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the end of curve;

THENCE North $21^{\circ}37'58''$ West a distance of 116.87 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a curve to the right having a radius of 1012.00, a central angle of $06^{\circ}01'18''$, and a chord bearing and distance of North $18^{\circ}37'19''$ West 106.31 feet;

THENCE with said curve to the right an arc distance of 106.36 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of compound curvature of a curve to the right having a radius of 1095.50, a central angle of $17^{\circ}13'58''$, and a chord bearing and distance of North $06^{\circ}59'41''$ West 328.25 feet;

THENCE with said compound curve to the right an arc distance of 329.49 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE North $01^{\circ}37'18''$ East a distance of 59.40 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a curve to the left having a radius of 85.00 feet; a central angle of $94^{\circ}01'15''$, and a chord bearing and distance of North $45^{\circ}23'20''$ West 124.35 feet;

THENCE with said curve to the left an arc distance of 139.48 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE South $87^{\circ}36'03''$ West a distance of 15.09 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set;

THENCE North $02^{\circ}23'57''$ West a distance of 140.41 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set;

THENCE North $87^{\circ}36'03''$ East a distance of 13.60 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a curve to the left having a radius of 110.00 feet; a central angle of $85^{\circ}58'45''$, and a chord bearing and distance of North $44^{\circ}36'40''$ East 150.01 feet;

THENCE with said curve to the left an arc distance of 165.07 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE North $01^{\circ}37'18''$ East a distance of 141.88 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a curve to the right having a radius of 612.00 feet; a central angle of $04^{\circ}23'39''$, and a chord bearing and distance of North $03^{\circ}49'07''$ East 46.92 feet;

THENCE with said curve to the right an arc distance of 46.94 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having a radius of 988.00 feet, a central angle of $08^{\circ}10'18''$, and a chord bearing and distance North $01^{\circ}18'56''$ West 140.79 feet;

THENCE with said reverse curve to the left an arc distance of 140.91 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of compound curvature of a curve to the left having a radius of 1018.00 feet, a central angle of $03^{\circ}21'56''$, and a chord bearing and distance of North $10^{\circ}40'28''$ West 59.79 feet;

THENCE with said compound curve to the left an arc distance of 59.80 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the end of curve;

THENCE North $65^{\circ}20'07''$ West a distance of 199.81 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set;

THENCE North $24^{\circ}04'08''$ West a distance of 651.54 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a curve to the right having a radius of 100.00 feet, a central angle of $35^{\circ}28'59''$, and a chord bearing and distance of North $06^{\circ}19'38''$ West 60.94 feet;

THENCE with said curve to the right an arc distance of 61.93 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having a radius of 200.00 feet, a central angle of $24^{\circ}05'05''$, and a chord bearing and distance of North $00^{\circ}37'41''$ West 83.45 feet;

THENCE with said reverse curve to the left an arc distance of 84.07 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the right having a radius of 193.00 feet, a central angle of $24^{\circ}51'04''$, and a chord bearing and distance of North $00^{\circ}14'42''$ West 83.06 feet;

THENCE with said reverse curve to the right an arc distance of 83.71 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having a radius of 127.00 feet, a central angle of $43^{\circ}22'47''$, and a chord bearing and distance of North $09^{\circ}30'34''$ West 93.87 feet;

THENCE with said reverse curve to the left an arc distance of 96.15 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the right having a radius of 453.00 feet, a central angle of $38^{\circ}38'54''$, and a chord bearing and distance of North $11^{\circ}52'31''$ West 299.81 feet;

THENCE with said reverse curve to the right an arc distance of 305.57 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having a radius of 837.00 feet, a central angle of $20^{\circ}46'55''$, and a chord bearing and distance of North $02^{\circ}56'31''$ West 301.93 feet;

THENCE with said reverse curve to the left an arc distance of 303.59 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the right having a radius of 443.00 feet, a central angle of 15°47'58", and a chord bearing and distance of North 05°26'00" West 121.77 feet;

THENCE with said reverse curve to the right an arc distance of 122.16 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having a radius of 407.00 feet, a central angle of 34°47'54", and a chord bearing and distance of North 14°55'58" West 243.41 feet;

THENCE with said reverse curve to the left an arc distance of 247.19 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the right having a radius of 603.00 feet, a central angle of 32°28'53", and a chord bearing and distance of North 16°05'29" West 337.29 feet;

THENCE with said reverse curve to the right an arc distance of 341.84 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE North 00°08'58" East a distance of 257.44 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a curve to the right having a radius of 783.00 feet, a central angle of 19°59'11", and a chord bearing and distance of North 10°08'33" East 271.75 feet;

THENCE with said curve to the right an arc distance of 273.13 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having a radius of 517.00 feet, a central angle of 18°34'00", and a chord bearing and distance of North 10°51'08" East 116.80 feet;

THENCE with said reverse curve to the left an arc distance of 167.53 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the right having a radius of 193.00 feet, a central angle of 44°10'32", and a chord bearing and distance of North 23°39'24" East 145.15 feet;

THENCE with said reverse curve to the right an arc distance of 148.81 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the beginning of a non-tangent curve to the left having a radius of 1598.00 feet, a central angle of 08°48'07", and a chord bearing and distance of North 02°46'35" East 245.25 feet;

THENCE with said non-tangent curve to the left an arc distance of 245.49 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE North 01°37'29" West a distance of 132.96 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of curvature of a curve to the left having a radius of 3154.50 feet, a central angle of 00°41'44", and a chord bearing and distance of North 01°58'20" West 38.29 feet;

THENCE with said curve to the left an arc distance of 38.29 feet to a 5/8 inch iron rod with a yellow plastic cap stamped “DUNAWAY ASSOC. LP” set for the point of curvature of a curve to the left having a radius of 1037.00 feet, a central angle of 02°09'38”, and a chord bearing and distance of South 81°42'27” West 39.10 feet;

THENCE with said curve to the left an arc distance of 39.10 feet to a 5/8 inch iron rod with a yellow plastic cap stamped “DUNAWAY ASSOC. LP” set for the end of curve;

THENCE North 06°10'02” West a distance of 108.52 feet to a 5/8 inch iron rod with a yellow plastic cap stamped “DUNAWAY ASSOC. LP” set;

THENCE North 83°49'58” East a distance of 14.46 feet to a 5/8 inch iron rod with a yellow plastic cap stamped “DUNAWAY ASSOC. LP” set;

THENCE North 39°59'42” East a distance of 82.30 feet to a 5/8 inch iron rod with a yellow plastic cap stamped “DUNAWAY ASSOC. LP” set for the beginning of a non-tangent curve to the left having a radius of 3182.50 feet, a central angle of 00°29'37”, and a chord bearing and distance of North 05°33'27” West 27.41 feet;

THENCE with said non-tangent curve to the left an arc distance of 27.41 feet to a 5/8 inch iron rod with a yellow plastic cap stamped “DUNAWAY ASSOC. LP” set for the end of curve;

THENCE North 84°11'45” East a distance of 152.50 feet to a 5/8 inch iron rod with a yellow plastic cap stamped “DUNAWAY ASSOC. LP” set for the beginning of a non-tangent curve to the right having a radius of 3335.00 feet, a central angle of 03°47'41”, and a chord bearing and distance of South 03°54'25” East 220.83 feet;

THENCE with said non-tangent curve to the right an arc distance of 220.87 feet to a 5/8 inch iron rod with a yellow plastic cap stamped “DUNAWAY ASSOC. LP” set for the beginning of a non-tangent curve to the right having a radius of 15.50 feet, a central angle of 25°36'41”, and a chord bearing and distance of South 14°36'10” East 6.87 feet;

THENCE with said non-tangent curve to the right an arc distance of 6.93 feet to a 5/8 inch iron rod with a yellow plastic cap stamped “DUNAWAY ASSOC. LP” set for the point of tangency;

THENCE South 01°47'49” East a distance of 17.00 feet to a 5/8 inch iron rod with a yellow plastic cap stamped “DUNAWAY ASSOC. LP” set for the point of curvature of a curve to the right having a radius of 15.50 feet, a central angle of 25°45'03”, and a chord bearing and distance of South 11°04'42” West 6.91 feet;

THENCE with said curve to the right an arc distance of 6.97 feet to a 5/8 inch iron rod with a yellow plastic cap stamped “DUNAWAY ASSOC. LP” set for the end of curve;

THENCE South 01°37'29” East a distance of 1823.60 feet to a 5/8 inch iron rod with a yellow plastic cap stamped “DUNAWAY ASSOC. LP” set for the point of curvature of a curve to the left

having a radius of 1017.50 feet, a central angle of $17^{\circ}33'02''$, and a chord bearing and distance of South $10^{\circ}23'59''$ East 310.46 feet;

THENCE with said curve to the left an arc distance of 311.67 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the end of curve;

THENCE South $70^{\circ}49'30''$ West a distance of 0.50 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the beginning of a non-tangent curve to the left having a radius of 1018.00 feet, a central angle of $06^{\circ}58'24''$, and a chord bearing and distance of South $22^{\circ}39'42''$ East 123.82 feet;

THENCE with said curve to the left an arc distance of 123.90 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE South $26^{\circ}08'54''$ East a distance of 331.47 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set;

THENCE North $63^{\circ}51'06''$ East a distance of 115.61 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set;

THENCE South $73^{\circ}20'50''$ East a distance of 36.77 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set;

THENCE South $28^{\circ}20'50''$ East a distance of 703.92 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set;

THENCE South $16^{\circ}39'10''$ West a distance of 135.76 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set;

THENCE South $28^{\circ}26'20''$ East a distance of 116.36 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set;

THENCE South $26^{\circ}08'54''$ East a distance of 379.60 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set;

THENCE South $71^{\circ}08'54''$ East a distance of 64.62 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set;

THENCE South $26^{\circ}08'54''$ East a distance of 247.14 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the beginning of a non-tangent curve to the right having a radius of 127.00 feet, a central angle of $106^{\circ}07'38''$, and a chord bearing and distance of South $24^{\circ}03'48''$ East 203.02 feet;

THENCE with said non-tangent curve to the right an arc distance of 235.24 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse

curvature of a curve to the left having a radius of 233.00 feet, a central angle of $56^{\circ}37'31''$, and a chord bearing and distance of South $00^{\circ}41'16''$ West 221.02 feet;

THENCE with said reverse curve to the left an arc distance of 230.27 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the right having a radius of 307.00 feet, a central angle of $60^{\circ}52'48''$, and a chord bearing and distance of South $02^{\circ}48'54''$ West 311.07 feet;

THENCE with said reverse curve to the right an arc distance of 326.20 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having a radius of 268.00 feet, a central angle of $69^{\circ}51'02''$, and a chord bearing and distance of South $01^{\circ}40'13''$ East 306.86 feet;

THENCE with said reverse curve to the left an arc distance of 326.72 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the right having a radius of 257.00 feet, a central angle of $43^{\circ}41'19''$, and a chord bearing and distance of South $14^{\circ}45'05''$ East 191.25 feet;

THENCE with said reverse curve to the right an arc distance of 195.96 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having a radius of 273.00 feet, a central angle of $56^{\circ}29'27''$, and a chord bearing and distance of South $21^{\circ}09'09''$ East 258.39 feet;

THENCE with said reverse curve to the left an arc distance of 269.17 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the right having a radius of 377.00 feet, a central angle of $66^{\circ}03'23''$, and a chord bearing and distance of South $16^{\circ}22'11''$ East 410.97 feet;

THENCE with said reverse curve to the right an arc distance of 434.64 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having a radius of 253.00 feet, a central angle of $81^{\circ}13'26''$, and a chord bearing and distance of South $23^{\circ}57'13''$ East 329.37 feet;

THENCE with said reverse curve to the left an arc distance of 358.66 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the right having a radius of 257.00 feet, a central angle of $64^{\circ}38'14''$, and a chord bearing and distance of South $32^{\circ}14'49''$ East 274.80 feet;

THENCE with said reverse curve to the right an arc distance of 289.93 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having a radius of 193.00 feet, a central angle of $21^{\circ}16'50''$, and a chord bearing and distance of South $10^{\circ}34'06''$ East 71.27 feet;

THENCE with said reverse curve to the left an arc distance of 71.68 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature

of a curve to the right having a radius of 107.00 feet, a central angle of $66^{\circ}15'56''$, and a chord bearing and distance of South $11^{\circ}55'27''$ West 116.97 feet;

THENCE with said reverse curve to the right an arc distance of 123.75 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of tangency;

THENCE South $45^{\circ}03'24''$ West a distance of 10.88 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the beginning of a non-tangent curve to the left having a radius of 138.00 feet, a central angle of $28^{\circ}07'19''$, and a chord bearing and distance of South $61^{\circ}29'46''$ East 67.06 feet;

THENCE with said non-tangent curve to the left an arc distance of 67.73 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the end of curve;

THENCE North $88^{\circ}48'51''$ East a distance of 48.15 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set;

THENCE South $01^{\circ}53'58''$ East a distance of 122.00 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the beginning of a non-tangent curve to the right having a radius of 2055.00 feet, a central angle of $04^{\circ}06'49''$, and a chord bearing and distance of North $89^{\circ}50'33''$ West 147.51 feet;

THENCE with said non-tangent curve to the right distance of 147.54 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the end of curve;

THENCE South $48^{\circ}03'01''$ West a distance of 28.56 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set;

THENCE South $03^{\circ}36'26''$ West a distance of 13.81 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set;

THENCE North $86^{\circ}23'34''$ West a distance of 87.00 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set;

THENCE North $03^{\circ}36'26''$ East a distance of 2.38 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set;

THENCE North $40^{\circ}27'49''$ West a distance of 28.74 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the beginning of a non-tangent curve to the right having a radius of 2067.00 feet, a central angle of $00^{\circ}02'39''$, and a chord bearing and distance of North $84^{\circ}14'06''$ West 1.59 feet;

THENCE with said non-tangent curve to the right an arc distance of 1.59 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the beginning of a non-tangent curve to the left having a radius of 119.00 feet, a central angle of $22^{\circ}22'37''$, and a chord bearing and distance of South $79^{\circ}49'37''$ West 46.18 feet;

THENCE with said non-tangent curve to the left an arc distance of 46.48 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the right having a radius of 157.00 feet, a central angle of 23°32'18", and a chord bearing and distance of South 80°24'28" West 64.05 feet;

THENCE with said reverse curve to the right an arc distance of 64.50 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having a radius of 93.00 feet, a central angle of 78°12'12", and a chord bearing and distance of South 53°04'31" West 117.31 feet;

THENCE with said reverse curve to the left an arc distance of 126.94 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the right having a radius of 132.00 feet, a central angle of 48°43'44", and a chord bearing and distance of South 38°20'17" West 108.91 feet;

THENCE with said reverse curve to the right an arc distance of 112.26 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having a radius of 268.00 feet, a central angle of 84°38'01", and a chord bearing and distance of South 20°23'08" West 360.85 feet;

THENCE with said reverse curve to the left an arc distance of 395.87 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the right having a radius of 257.00 feet, a central angle of 38°58'12", and a chord bearing and distance of South 02°26'46" East 171.45 feet;

THENCE with said reverse curve to the right an arc distance of 174.80 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the left having a radius of 168.00 feet, a central angle of 47°18'47", and a chord bearing and distance of South 06°37'04" East 134.81 feet;

THENCE with said reverse curve to the left an arc distance of 138.73 feet to a 5/8 inch iron rod with a yellow plastic cap stamped "DUNAWAY ASSOC. LP" set for the point of reverse curvature of a curve to the right having a radius of 106.00 feet, a central angle of 14°17'17", and a chord bearing and distance of South 23°07'49" East 26.37 feet;

THENCE with said reverse curve to the right an arc distance of 26.43 feet to the POINT OF BEGINNING.

Containing a computed area of 4,058,831 square feet or 93.178 acres of land.

SAVE AND EXCEPT (AISD School Site)

BEING situated in the International & Great Northern R.R. Co. Survey, Abstract No. 1996, Parker County, Texas, and being a portion of a tract of land as described in deed to Walsh Ranches Limited Partnership, a Texas Limited Partnership having a General Partner named

Walsh North Star Company, a Texas corporation as recorded in Volume 1699, Page 1765 of the Deed Records of Parker County, Texas (D.R.P.C.T.), and being more particularly described as follows:

COMMENCING at a 5/8 inch iron rod found with cap stamped “DUNAWAY ASSOC. LP” at the northwest corner of the intersection of the westerly right of way line of southbound Walsh Ranch Parkway(a variable width right of way) and the northerly right of way line of Walsh Creek Boulevard, as shown on the final plat of Walsh Ranch Parkway, an addition to the City of Fort Worth, Parker County, Texas, (unrecorded as of this date);

THENCE, along the westerly right of way line of said southbound Walsh Ranch Parkway the following courses:

North 87 degrees 36 minutes 03 seconds East, a distance of 13.60 feet to a 5/8 inch iron rod found with cap stamped “DUNAWAY ASSOC. LP”, and being the beginning of a curve to the left having a central angle of 85 degrees 58 minutes 45 seconds, a radius of 110.00 feet, subtended by a 150.01 foot chord which bears North 44 degrees 36 minutes 40 seconds East;

Along said curve to the left an arc distance of 165.07 feet to a 5/8 inch iron rod found with cap stamped “DUNAWAY ASSOC. LP”;

North 01 degrees 37 minutes 18 seconds East, a distance of 141.88 feet to a 5/8 inch iron rod found with cap stamped “DUNAWAY ASSOC. LP”, and being the beginning of a curve to the right having a central angle of 04 degrees 23 minutes 39 seconds, a radius of 612.00 feet, subtended by a 46.92 foot chord which bears North 03 degrees 49 minutes 07 seconds East;

Along said curve to the right an arc distance of 46.94 feet to a 5/8 inch iron rod found with cap stamped “DUNAWAY ASSOC. LP”, and being the beginning of a reverse curve to the left having a central angle of 08 degrees 10 minutes 18 seconds, a radius of 988.00 feet, subtended by a 140.79 foot chord which bears North 01 degrees 18 minutes 56 seconds West;

Along said curve to the left an arc distance of 140.91 feet to a 5/8 inch iron rod found with cap stamped “DUNAWAY ASSOC. LP”, and being the beginning of a compound curve to the left having a central angle of 03 degrees 21 minutes 56 seconds, a radius of 1018.00 feet, subtended by a 59.79 foot chord which bears North 10 degrees 40 minutes 28 seconds West;

Along said curve to the left an arc distance of 59.80 feet to a 5/8 inch iron rod found with cap stamped “DUNAWAY ASSOC. LP” at the south corner of Private Open Space Lot 7X, as shown on said final plat of Walsh Ranch Parkway;

THENCE, departing the westerly line of said southbound Walsh Ranch Parkway, and along the westerly line of said Private Open Space Lot 7X the following courses:

North 65 degrees 20 minutes 07 seconds West, a distance of 199.81 feet to a 5/8 inch iron rod found with cap stamped "DUNAWAY ASSOC. LP";

North 24 degrees 04 minutes 08 seconds West, a distance of 651.54 feet to a 5/8 inch iron rod found with cap stamped "DUNAWAY ASSOC. LP", and being the beginning of a curve to the right having a central angle of 35 degrees 28 minutes 59 seconds, a radius of 100.00 feet, subtended by a 60.94 foot chord which bears North 06 degrees 19 minutes 38 seconds West;

Along said curve to the right an arc distance of 61.93 feet to a 5/8 inch iron rod found with cap stamped "DUNAWAY ASSOC. LP", and being the beginning of a reverse curve to the left having a central angle of 24 degrees 05 minutes 05 seconds, a radius of 200.00 feet, subtended by a 83.45 foot chord which bears North 00 degrees 37 minutes 41 seconds West;

Along said curve to the left an arc distance of 84.07 feet to a 5/8 inch iron rod found with cap stamped "DUNAWAY ASSOC. LP", and being the beginning of a reverse curve to the right having a central angle of 24 degrees 51 minutes 04 seconds, a radius of 193.00 feet, subtended by a 83.06 foot chord which bears North 00 degrees 14 minutes 42 seconds West;

Along said curve to the right an arc distance of 83.71 feet to a 5/8 inch iron rod found with cap stamped "DUNAWAY ASSOC. LP", and being the beginning of a reverse curve to the left having a central angle of 43 degrees 22 minutes 47 seconds, a radius of 127.00 feet, subtended by a 93.87 foot chord which bears North 09 degrees 30 minutes 34 seconds West;

Along said curve to the left an arc distance of 96.15 feet to a 5/8 inch iron rod found with cap stamped "DUNAWAY ASSOC. LP", and being the beginning of a reverse curve to the right having a central angle of 23 degrees 50 minutes 05 seconds, a radius of 453.00 feet, subtended by a 187.09 foot chord which bears North 19 degrees 16 minutes 55 seconds West;

Along said curve to the right an arc distance of 188.45 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 82 degrees 00 minutes 00 seconds West, departing the westerly line of Private Open Space Lot 7X, a distance of 205.63 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars", and being the beginning of a curve to the right having a central angle of 12 degrees 20 minutes 32 seconds, a radius of 1053.00 feet, subtended by a 226.39 foot chord which bears North 88 degrees 10 minutes 16 seconds West;

THENCE, along said curve to the right an arc distance of 226.83 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 04 degrees 20 minutes 32 seconds East, a distance of 3.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars", and being the beginning of a non-tangent curve to the right having a central angle of 8 degrees 00 minutes 48 seconds, a radius of 1050.00 feet, subtended by a 146.73 foot chord which bears North 81 degrees 39 minutes 04 seconds West;

THENCE, along said curve to the right an arc distance of 146.85 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 12 degrees 21 minutes 20 seconds West, a distance of 3.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars", and being the beginning of a non-tangent curve to the right having a central angle of 9 degrees 38 minutes 40 seconds, a radius of 1053.00 feet, subtended by a 177.04 foot chord which bears North 72 degrees 49 minutes 20 seconds West;

THENCE, along said curve to the right an arc distance of 177.25 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 68 degrees 00 minutes 00 seconds West, a distance of 355.64 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars", and being the beginning of a curve to the left having a central angle of 47 degrees 19 minutes 24 seconds, a radius of 867.00 feet, subtended by a 695.91 foot chord which bears South 88 degrees 20 minutes 18 seconds West;

THENCE, along said curve to the left an arc distance of 716.10 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars", and being the beginning of a reverse curve to the right having a central angle of 24 degrees 50 minutes 45 seconds, a radius of 1553.00 feet, subtended by a 668.18 foot chord which bears South 77 degrees 05 minutes 59 seconds West;

THENCE, along said curve to the right an arc distance of 673.44 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 46 degrees 00 minutes 26 seconds West, a distance of 21.66 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars", and being the beginning of a non-tangent curve to the right having a central angle of 49 degrees 33 minutes 56 seconds, a radius of 180.00 feet, subtended by a 150.90 foot chord which bears South 29 degrees 23 minutes 10 seconds West;

THENCE, along said curve to the right an arc distance of 155.72 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars", and being the beginning of a reverse curve to the left having a central angle of 53 degrees 12 minutes 42 seconds, a radius of 213.00 feet, subtended by a 190.78 foot chord which bears South 27 degrees 33 minutes 47 seconds West;

THENCE, along said curve to the left an arc distance of 197.82 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 89 degrees 02 minutes 34 seconds West, a distance of 60.00 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars" for the POINT OF BEGINNING;

THENCE, South 84 degrees 40 minutes 28 seconds West, a distance of 624.92 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 81 degrees 01 minutes 12 seconds West, a distance of 547.98 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, North 00 degrees 51 minutes 28 seconds West, a distance of 567.71 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars", and being the beginning of a non-tangent curve to the right having a central angle of 33 degrees 28 minutes 50 seconds, a radius of 1247.00 feet, subtended by a 718.36 foot chord which bears South 80 degrees 25 minutes 09 seconds East;

THENCE, along said curve to the right an arc distance of 728.68 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars", and being the beginning of a reverse curve to the left having a central angle of 23 degrees 28 minutes 38 seconds, a radius of 1553.00 feet, subtended by a 631.91 foot chord which bears South 75 degrees 25 minutes 03 seconds East;

THENCE, along said curve to the left an arc distance of 636.35 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars";

THENCE, South 42 degrees 21 minutes 01 seconds East, a distance of 21.18 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars", and being the beginning of a non-tangent curve to the right having a central angle of 47 degrees 51 minutes 12 seconds, a radius of 120.00 feet, subtended by a 97.34 foot chord which bears South 30 degrees 14 minutes 32 seconds West;

THENCE, along said curve to the right an arc distance of 100.22 feet to a 5/8 inch iron rod set with plastic cap stamped "Huitt-Zollars", and being the beginning of a reverse curve to the left having a central angle of 53 degrees 12 minutes 42 seconds, a radius of 273.00 feet, subtended by a 244.53 foot chord which bears South 27 degrees 33 minutes 47 seconds West;

THENCE, along said curve to the left an arc distance of 253.54 feet to the POINT OF BEGINNING and CONTAINING 14.51 acres of land, more or less.

SAVE AND EXCEPT (Quail Valley Lemons Overlap)

Being a 0.4130 acre tract of land situated in the International & Great Northern RR Co Survey, Abstract Number 2004, Parker County, Texas and being part of a tract of land described in deed to Walsh Ranches Limited Partnership, as recorded in Volume 1699, Page 1765, Deed Records, Parker County, Texas (D.R.P.C.T), as previously described in deed recorded in Volume 237, Page 562, D.R.P.C.T., and recorded in Volume 12624, Page 92, Deed Records, Tarrant County, Texas (D.R.T.C.T), said tract also being a part of a tract of land described in deed to Keith D. Lemons and Pamela J. Lemons, as recorded in Volume 1552, Page 1381, D.R.P.C.T., said 0.4130 acre tract of land being more particularly described as follows:

BEGINNING at stone found for an ell corner of said Walsh Ranches Limited Partnership tract, said corner being on the south line of said Lemons tract;

THENCE South 87 degrees 24 minutes 33 seconds West, along the south line of said Lemons tract, a distance of 988.78 feet to a 5/8 inch iron rod found for the southwest corner of said Lemons tract and the southeast corner of a tract of land described in deed to John and Stacy Reding, as recorded in Instrument Number 201412020, D.R.P.C.T.,

THENCE North 40 degrees 08 minutes 24 seconds West, along the west line of said Lemons tract and the east line of said Reding tract, a distance of 45.90 feet to a point for corner on the north line of said Walsh Ranches Limited Partnership tract, from which an ell corner of said Walsh Ranches Limited Partnership tract and a point on the west line of said Reding tract bears South 89 degrees 27 minutes 32 seconds West, a distance of 2512.74 feet;

THENCE North 89 degrees 27 minutes 32 seconds East, along said Walsh Ranches Limited Partnership tract, a distance of 1017.41 feet to the POINT OF BEGINNING and containing 17,989 square feet or 0.4130 acres of land more or less.

SAVE AND EXCEPT (Quail Valley Reding Overlap)

Being a 4.8368 acre tract of land situated in the International & Great Northern RR Co Survey, Abstract Number 2004, Parker County, Texas and being part of a tract of land described in deed to Walsh Ranches Limited Partnership, as recorded in Volume 1699, Page 1765, Deed Records, Parker County, Texas (D.R.P.C.T), as previously described in deed recorded in Volume 237, Page 562, D.R.P.C.T., and recorded in Volume 12624, Page 92, Deed Records, Tarrant County, Texas (D.R.T.C.T), said tract also being a part of a tract of land described in deed to John and Stacy Reding, as recorded in Instrument Number 201412020, D.R.P.C.T., said 4.8368 acre tract of land being more particularly described as follows:

BEGINNING at stone found for an ell corner of said Walsh Ranches Limited Partnership tract, said corner being on the west line of said Reding tract;

THENCE North 89 degrees 27 minutes 32 seconds East, along said Walsh Ranches Limited Partnership tract, a distance of 2512.74 feet to a point for corner from which a stone found for an ell corner of said Walsh Ranches Limited Partnership tract bears North 89 degrees 27 minutes 32 seconds East, a distance of 1017.41 feet, said corner being on the east line of said Reding tract and the west line of a tract of land described in deed to Keith D. Lemons and Pamela J. Lemons, as recorded in Volume 1552, Page 1381, D.R.P.C.T.;

THENCE South 40 degrees 08 minutes 24 seconds East, along the east line of said Reding tract and the west line of said Lemons tract, a distance of 45.90 feet to a 5/8 inch iron rod found for the southeast corner of said Reding tract and the southwest corner of said Lemons tract;

THENCE South 87 degrees 18 minutes 27 seconds West, along the south line of said Reding tract, a distance of 2542.86 feet to a 1/2 inch iron rod found for the southwest corner of said Reding tract;

THENCE North 00 degrees 56 minutes 45 seconds West, along the west line of said Reding tract, a distance of 130.83 feet to the POINT OF BEGINNING and containing 210,690 square feet or 4.8368 acres of land more or less.