

Hays County  
Linda C. Fritsche  
County Clerk  
San Marcos, Texas 78666



70 2010 10032815

Instrument Number: 2010-10032815

As

Recorded On: November 23, 2010

OPR RECORDINGS

Parties: DRIPPING SPRINGS CITY OF

Billable Pages: 22

To HAYS COUNTY MUNICIPAL UTILITY DISTRICT 4

Number of Pages: 23

Comment:

( Parties listed above are for Clerks reference only )

**\*\* Examined and Charged as Follows: \*\***

OPR RECORDINGS	100.00
Total Recording:	100.00

\*\*\*\*\* DO NOT REMOVE. THIS PAGE IS PART OF THE INSTRUMENT \*\*\*\*\*

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number: 2010-10032815  
Receipt Number: 260193  
Recorded Date/Time: November 23, 2010 11:29:03A  
Book-Vol/Pg: BK-OPR VL-4017 PG-151  
User / Station: A Herzog - Cashiering #4

Record and Return To:

CITY OF DRIPPING SPRINGS  
P.O. BOX 384  
DRIPPING SPRINGS TX 78620



State of Texas |  
County of Hays

I hereby certify that this instrument was filed for record in my office on the date and time stamped hereon and was recorded on the volume and page of the named records of Hays County, Texas

*Linda C. Fritsche*

Linda C. Fritsche, County Clerk

**STRATEGIC PARTNERSHIP AGREEMENT**  
between the  
**CITY OF DRIPPING SPRINGS, TEXAS**  
and the  
**HAYS COUNTY MUNICIPAL UTILITY DISTRICT # 4**

**STATE OF TEXAS**                   §  
  §  
**COUNTY OF HAYS**               §

This Strategic Partnership Agreement ("Agreement") is between THE CITY OF DRIPPING SPRINGS, TEXAS, a Type A general law municipal corporation (the "City"), acting by and through its duly authorized Mayor, and the HAYS COUNTY MUNICIPAL UTILITY DISTRICT # 4, a Texas municipal utility district (the "District"), acting by and through its duly authorized Board of Directors, under the authority of Section 43.0751 of the Local Government Code, as amended, (the "Act") and Chapters 49 and 54 of the Texas Water Code, as amended.

**RECITALS:**

- A. Texas Local Government Code, Section 43.0751 (the "Act"), authorizes a city and a municipal utility district to negotiate and enter into a strategic partnership agreement by mutual consent.
- B. The District and the City desire that effective, efficient, and responsible local government be provided to citizens of the District and the City before, during, and after the City annexes the District for full purposes. To that end, the District and the City also desire to avoid any unnecessary duplication of services and taxes, and to provide for the orderly and seamless succession of the District.
- C. By this Agreement, the Parties intend to enter into a strategic partnership agreement regarding (i) terms and conditions of the City's limited purpose annexation of the 85.976-acre commercial portion of the District (the Tract), in accordance with Section 43.0751 of the Local Government Code; (ii) to provide for the earliest date by which the City could annex the entire District into the full purpose municipal jurisdiction of the City; and (iii) to provide for the District's delivery of services prior to Full Purpose Annexation of the District.
- D. The District and the City acknowledge that this Agreement does not require the District to provide revenue to the City solely for the purpose of obtaining an agreement with the City to forgo annexation of the District.

NOW, THEREFORE, for and in consideration of the mutual agreements, covenants, and conditions contained in this Agreement, and other good and valuable consideration, the District and the City agree as follows:

## ARTICLE I FINDINGS

- 1.1 The District is a municipal utility district created pursuant to Article XVI, Section 59, of the Texas Constitution, and Chapters 49 and 54 of the Texas Water Code.
- 1.2 The District's boundaries include 193.926 acres of land in Hays County shown in **Exhibit A**, all of which is located outside of the corporate limits of the City and within the extra-territorial jurisdiction ("ETJ") of the City.
- 1.3 The land subject to this Agreement consists of approximately 85.976 acres, more or less, all of which are located within the District and within the ETJ of the City as shown on **Exhibit B** and described in **Exhibit C** attached to this Agreement (the "Tract").
- 1.4 The District and City acknowledge and agree that, in accordance with the requirements of subsection (p)(2) of the Act, this Agreement provides benefits to the City and the District, including revenue, services, and regulatory benefits which are reasonable and equitable to both the District and the City.
- 1.5 The City and the District desire to enter into this Agreement providing for limited purpose annexation of the Tract for the purpose of collecting Sales and Use Tax Revenues within the annexed areas in accordance with subsection (k) of the Act.
- 1.6 The District provided notice of two public hearings concerning the adoption of this Agreement and the proposed limited purpose annexation of the Tract, in accordance with the procedural requirements of the Act.
- 1.7 The Board of Directors of the District (the "Board") conducted two public hearings regarding this Agreement and the proposed Limited Purpose Annexation of the Tract, at which members of the public who wished to present testimony or evidence regarding this Agreement and the proposed Limited Purpose Annexation were given the opportunity to do so, in accordance with the procedural requirements of the Act on September 8, 2010, at noon at 600 Congress Avenue, Suite 2100, Austin, Texas 78701; and on September 13, 2010, at noon at 235 Ledge Stone Drive, Austin, Texas 78737.
- 1.8 The Board of Directors of the District approved this Agreement on September 13, 2010, in open session at a meeting held in accordance with Chapter 551 of the Texas Government Code.
- 1.9 The City provided notice of two public hearings concerning the adoption of this Agreement and the proposed Limited Purpose Annexation of the Tract, in accordance with the procedural requirements of the Act.

- 1.10 The City Council conducted two public hearings regarding this Agreement and the proposed Limited Purpose Annexation of the Tract, at which members of the public who wished to present testimony or evidence regarding this Agreement and the proposed Limited Purpose Annexation were given the opportunity to do so, in accordance with the procedural requirements of the Act, on September 9, 2010 at 5:30 p.m., at the Dripping Springs City Council Chambers at 515 Mercer Street, Dripping Springs, Texas 78620 and on September 14, 2010, at 7:00 p.m., again at the City Council Chambers.
- 1.11 The City Council approved this Agreement on September 21, 2010, in open session at a meeting held in accordance with Chapter 551 of the Texas Government Code, which approval occurred after the Board of Directors of the District approved this Agreement.
- 1.12 All procedural requirements imposed by law for the execution and adoption of this Agreement have been met.

## **ARTICLE II DEFINITIONS**

- 2.1 The "Act" means Texas Local Government Code § 43.0751.
- 2.2 "Agreement" means this Strategic Partnership Agreement between the City and the District.
- 2.3 "Board" means the Board of Directors of the District.
- 2.4 "City" means the City of Dripping Springs Texas, a Type A general law municipality located in Hays County.
- 2.5 "City Council" means the governing body of the City.
- 2.6 "City Administrator" means the chief administrative officer of the City.
- 2.7 "Comptroller" means the Comptroller of Public Accounts of the State of Texas.
- 2.8 "Creation Agreement" means the July 25, 2002 Agreement Concerning Creation and Operation of Hays County Municipal Utility District No. 4 and Lands within the District, by and among the City, the District, and 194 Bush, Ltd., a Texas limited partnership, including any partial assignments as authorized therein and future amendments thereto.
- 2.9 "District" means the Hays County Municipal Utility District No.4.
- 2.10 "Effective Date" means the date on which the City adopts this Agreement, as provided in § 3.3.

- 2.11 "Full Purpose Annexation" means full purpose annexation as provided for in the Act.
- 2.12 "Limited Purpose Annexation" means limited purpose annexation as provided for in the Act.
- 2.13 "Limited Purpose Annexation Period" means the period commencing on the effective date of the Limited Purpose Annexation of the Tract and ending upon the full purpose annexation or disannexation of such land.
- 2.14 "Limited Purpose Tract" means all or any portion of the Tract after it has been annexed for limited purposes under this Agreement.
- 2.15 "Notice" means notice as defined in § 9.3 of this Agreement.
- 2.16 "Landowner" means 194 Bush, Ltd., a Texas limited partnership, and 290 East Bush, Inc., a Texas corporation, and their successors and assigns.
- 2.17 "Party" means, individually, the City or the District, their successors and assigns.
- 2.18 "Tract" means that certain 85.976 acre tract located in Hays County, Texas as shown on **Exhibit B** and described on **Exhibit C**.
- 2.19 "Sales and Use Tax Revenues" means those revenues received by the City from the sales and use tax authorized to be imposed by the City on sales consummated at locations within the Limited Purpose Tract pursuant to the Act and Chapter 321 of the Tax Code, and to the extent not otherwise controlled or regulated, in whole or in part, by another governmental entity, authority, or applicable law, ordinance, rule, or regulation.
- 2.20 "Tax Code" means the Texas Tax Code, as amended.

**ARTICLE III  
LIMITED-PURPOSE ANNEXATION OF THE TRACT**

- 3.1 Generally. Subject to the terms of this Agreement, the District and the City agree that the City, from time to time, shall annex all non-residential property within the Tract and may annex all or any other portion of the Tract for the limited purpose of collecting Sales and Use Tax Revenues within the Tract pursuant to Subsection (k) of the Act.
- 3.2 Limited Purpose Annexation Procedures. The District acknowledges that the City Council may adopt a Limited Purpose Annexation ordinance at a meeting conducted in accordance with Chapter 551 of the Texas Government Code and further acknowledges that no additional notices, hearings, or other procedures are required by law in order to approve such Limited Purpose Annexation of all or any portion of the Tract from time to time.

- 3.3 Effective Date. Pursuant to subsection (c) of the Act, this Agreement is effective on September 21, 2010, the date of adoption of this Agreement by the City.
- 3.4 Filing in Property Records. On or after the Effective Date, the City shall file this Agreement in the Real Property Records of Hays County, Texas. **As provided in § 43.0751(c) of the Act, this Agreement binds each owner and each future owner of land included within the District's boundaries.**
- 3.5 Property Taxes and District Liability for Debts of the City. During the term of this Agreement, except as provided in Article IV regarding Sales and Use Tax, (i) owners of taxable property within the District (by reason of mere ownership of that land), shall not be liable for any present or future debts of the City until Full Purpose Annexation takes effect in accordance with Article VI, and (ii) current and future ad valorem taxes levied by the City will not be levied on taxable property within the District until Full Purpose Annexation takes effect in accordance with Article VI, or as otherwise authorized by future statutory amendments.
- 3.6 Powers and Functions Retained by the District. After Limited Purpose Annexation under this Agreement, the District shall continue to be authorized to exercise all powers and functions of the District, and to provide the services authorized by those powers within its boundaries, pursuant to existing law or any amendments or additions thereto. The District's assets, liabilities, indebtedness and obligations will remain the responsibility of the District. Except as provided by law upon Full Purpose Annexation, neither the City nor any owners of taxable property within the City (by reason of mere ownership of that land) shall be liable for any present or future debts of the District.
- 3.7 Continuing Right. The City's rights to annex all or any portion of the Tract for the limited purpose of collecting Sales and Use Tax Revenues within the Tract are continuing, and may be exercised through the adoption of multiple annexation ordinances for portions of the Property.

#### ARTICLE IV VOTING RIGHTS IN THE DISTRICT

- 4.1 Qualified Voters. The qualified voters residing within the Limited Purposes Tract may vote in City elections pursuant to Local Government Code Sections, 43.0751 (q) and 43.130. Voting rights are subject to all federal and state laws and regulations.
- 4.2 Eligibility to Vote. On or before the 5th day before date of the first election held in which the residents of the Limited Purpose Tract are entitled to vote as set out in § 4.1, the City at its own expense, shall publish a quarter page advertisement in the newspaper of general circulation in the City notifying residents of the Limited Purpose Tract of their eligibility to vote in the election and stating the location of

all polling places within the City. The District, at its own expense, may provide for similar notice in a newspaper of general circulation in the District or otherwise.

## ARTICLE V SALES AND USE TAX

- 5.1 Imposition of Sales and Use Tax. The City shall impose a sales and use tax within the Limited Purpose Tract pursuant to subsection (k) of the Act. The sales and use tax shall be imposed on all eligible commercial activities at the rate of 1.25% or other rate allowed under Chapter 321 of the Tax Code and imposed by the City. Collection of the Sales and Use Tax Revenues shall take effect on the date described in Tax Code Section 321.102.
- 5.2 Payment of Sales and Use Tax to the District. In return for the benefits received by the City pursuant to this Agreement, the City shall pay to the District an amount equal to 50% of the Sales and Use Tax Revenues reported on the "Confidential Local Tax Information Report" for the Limited Purpose Tract provided by the Comptroller of Public Accounts ("Comptroller") and received by the City from the Comptroller after the date of the Limited Purpose Annexation of the Tract. The City shall deliver the District's portion of the Sales and Use Tax revenues to the District within 30 days of the City's receipt of that Report from the Comptroller, by regular U.S. Mail or other method of delivery mutually acceptable to the Parties. Government Code Chapter 2251 shall govern and provide the penalty if the City fails to deliver the District's portion in a timely manner. For the purposes of determining the applicable overdue date under Chapter 2251, the City is deemed to have received an invoice from the District on the date the City receives the sales tax from the Comptroller without further action from the District.
- 5.3 Amended and Supplemental Reports. The City agrees to make reasonable efforts to obtain amended and supplemental reports from the Comptroller to reflect, to the greatest extent practicable, all Sales and Use Tax Revenues generated within the boundaries of the Limited Purpose Tract. Revenues resulting from such amended and supplemental reports will be divided and paid as provided above.
- 5.4 Reporting. Within 30 days of the City's receipt of each sales tax report provided by the Comptroller, the City shall deliver to the District a condensed version of the report, containing only the contents relating to retail sales tax collected and retailers in the Limited Purpose Tract.
- 5.5 Notification of Comptroller. The City shall send notice of this Agreement, together with other required documentation, to the Comptroller in the manner provided by Tax Code, Section 321.102, within 10 days after the City Council annexes any portion of the Tract for limited purposes. The City shall send to the District a copy of any notice from the Comptroller delaying the effectiveness of the Sales and Use Tax in the Tract.

- 5.6 District Use of Sales and use Tax Revenue. The District may use the Sales and Use Tax revenue provided in Section 4.02 for any lawful purpose. The District may audit the Sales and Use Tax collections by the City solely to determine whether the Sales and Use Tax revenue payments provided by Section 4.02 have been made to the District in accordance with this Agreement.
- 5.7 District Audit Rights. Any audit shall be made at the District's sole cost and expense and may be performed at any time during the City's regular business hours by an auditor hired by the District on 30 days written notice to the City. For the purpose of any audits, the City shall maintain and make available to the District or its representatives all books, records, documents and other evidence of accounting procedures or practices in form sufficiently maintained to reflect the collection of all Sales and Use Tax Revenues received by the City from the Limited Purpose Tract.
- 5.8 City Audit Rights. The District is required by law to prepare an annual audit within 120 days after the close of the District's fiscal year. The District shall provide a copy of its annual audit to the City within 15 days after the audit is completed and approved and accepted by the District's board of directors. The District shall not unreasonably delay the approval of its annual audit.
- 5.9 Termination. Unless agreed, ordered or specifically provided otherwise, all Sales and Use Tax Revenues collected by the City from the Limited Purpose Tract after the date of termination of this Agreement shall be retained by the City and may be used for any lawful purpose.

## ARTICLE VI SERVICES PROVIDED BY THE DISTRICT

- 6.1 Water, Sewer, and Drainage Services. The District shall continue to develop, to own, and to operate and to maintain a wastewater and drainage system in the District and the Tract. Additionally, the District shall cooperate with the Lower Colorado River Authority ("LCRA") in accordance with its responsibilities under its CCN and its agreements with the developer and the District to provide water service to properties within the District and to allow Developer to be reimbursed for water improvements within the District paid for by the Developer. Further as consideration of the receipt of funds from the City as described in this Agreement, the District shall use its best efforts to take one or a combination of the following actions for the benefit of the District, its landowners and residents:
- (a) Accelerate the development of the water, wastewater and drainage system improvements in the District (including the Tract) as necessary to encourage private investment in new construction in the District.
  - (b) Accelerate reimbursements to developers for eligible infrastructure development to encourage such development in the District;



- (c) Lower the overall property tax rate of the Landowners to encourage additional investment and development within the District;
- (d) Perform other District functions that might otherwise be diminished, curtailed, abbreviated or delayed by financial limitations.

## ARTICLE VII FULL PURPOSE ANNEXATION

- 7.1 No Full Purpose Annexation. The City agrees that it will not commence a Full Purpose Annexation of the District until the latter of (i) 15 years from the Effective Date of this Agreement or (ii) the date following the completion of water, wastewater, roadway and drainage facilities required to serve at least 90% of the developable acreage within the District, or (iii) as otherwise provided in the Creation Agreement.
- 7.2 Full Purpose Annexation Procedures. In accordance with Section 43.0751 of the Texas Local Government Code, the City's full-purpose annexation conversion date as set forth in § 7.1, shall include the land within the boundaries of the District and shall be deemed to be within the full-purpose boundary limits of the municipality without the need for further action by the City Council of the City. The full-purpose annexation conversion date established by a strategic partnership agreement may be altered only by mutual agreement of the District and the City.
- 7.3 Annexation of Portions of Tract. The District agrees to cooperate with and assist the City in annexing one or more areas in the Tract in the manner prescribed by law which does not result in the dissolution of the District, none of which may exceed 525 feet in width at its widest point or such other width limitation subsequently imposed by law, as reasonably necessary for the City to connect areas to the City that are outside the District and that the City intends to annex. The City agrees that such areas shall be located within right-of-way areas or along lot lines whenever possible. Notwithstanding the zoning designation approved for the annexed area, such area may be developed and used in accordance with the Creation Agreement.

## ARTICLE VIII DEFAULT/REMEDIES

- 8.1 Default. In the event of a default under or violation of this Agreement, the non-defaulting party shall send the defaulting party notice describing the breach in reasonable detail. Except as otherwise specifically provided in this Agreement, the defaulting party shall have thirty (30) days following receipt of the notice of

default or violation to initiate steps to cure the default or violation. The defaulting party shall thereafter have sixty (60) days to cure the default or violation. If the defaulting party fails to timely initiate steps to cure or to thereafter diligently proceed to cure, the non-defaulting party may bring suit to enforce this Agreement and seek any remedy provided at law or in equity.

## ARTICLE IX MISCELLANEOUS

- 9.1 Approval. This Agreement shall not be effective until it is approved and executed by the respective governing bodies of the City and the District.
- 9.2 Term. The term of this Agreement shall commence on the Effective Date and continue thereafter until 12:01 a.m. on the day immediately following the date the City annexes the District for full purpose in accordance with this Agreement. The provisions of this Agreement relating to the collection of Sales and Use Tax Revenues will automatically terminate with regard to any portion of the Limited Purpose Tract upon disannexation or full purpose annexation of the Tract.
- 9.3 Notices. Any notice required by this Agreement shall be void and of no effect unless given in accordance with the provisions of this § 9.3. All notices shall be in writing and delivered, either by personal delivery or commercial delivery service to the office of the person to whom the notice is directed, or by United States Mail, postage prepaid, as a registered or certified item, return receipt requested. Notices delivered by personal delivery or commercial delivery service shall be deemed to have been given upon receipt at the office of the person to whom the notice is directed. Notices delivered by mail shall be deemed to have been given on the third day after the date such notice is deposited in a Post Office or other depository under the care or custody of the United States Postal Service, enclosed in a wrapper with proper postage affixed and addressed, as provided below. Notice may also be provided by facsimile transmission. Facsimile notice shall be deemed to have been given upon the sender's receipt of electronic confirmation of delivery to the facsimile station indicated below.

The proper address and facsimile number for the District is as follows:

Hays County Municipal Utility District # 4  
Attention: Phil Haag  
McGinnis, Lochridge and Kilgore, LLP  
600 Congress Ave. Suite 2100  
Austin, Texas 78701  
Tel No. (512-495-6008)  
Fax No. (512-505-6308)

The proper address and facsimile number for the City is as follows:

City Administrator  
City of Dripping Springs  
P. O. Box 384  
Dripping Springs, Texas 78620  
Tel No. (512) 858 – 4725  
Fax No. (512) 858 – 5646

with a copy to:

Alan Bojorquez  
Bojorquez Law Firm, LLP  
12325 Hymeadow Drive, Building 2, Suite 100  
Austin, Texas 78750  
Fax: 512-250-0749

Any Party may change the address or facsimile number for notices specified above by giving the other party ten (10) days' advance written notice of such change of address or facsimile number.

- 9.4 Assignment. This Agreement may not be assigned or partially assigned by either party without the prior written consent of the non-assigning party, which shall not be unreasonably withheld. If the citizens of the City vote and the City converts to a Home Rule city, this Agreement shall remain in full force and effect.
- 9.5 Governing Law. THIS AGREEMENT MUST BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO ANY CHOICE OF LAW RULES OR PRINCIPLES TO THE CONTRARY, AND THE OBLIGATIONS OF THE PARTIES HERETO ARE AND SHALL BE PERFORMABLE IN HAYS COUNTY, TEXAS.
- 9.6 No Oral Modification. This Agreement may not be supplemented, modified or amended, except by written agreement with approval of the governing bodies of the District and the City.
- 9.7 No Oral Waiver. The parties may waive any of the conditions or obligations of the other party under this Agreement, but any such waiver shall be effective only if in writing and signed by the waiving party.
- 9.8 Headings, Gender, etc. The headings used in this Agreement have been inserted for convenience and do not constitute matter to be construed or interpreted in connection with this Agreement. Unless the context of this Agreement otherwise requires (a) words of any gender are deemed to include each other gender, (b) words using the singular or plural number also include the plural or singular number, respectively.
- 9.9 Partial Invalidity. If any clause or provision of this Agreement is or should ever be held to be illegal, invalid, or unenforceable under any present or future law

applicable to the terms hereof, then and in that event, it is the intention of the Parties that the remainder of this Agreement shall not be affected thereby, and that in lieu of each such clause or provision of this Agreement that is illegal, invalid, or unenforceable, there be added as a part of this Agreement a clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible and be legal, valid, and enforceable.

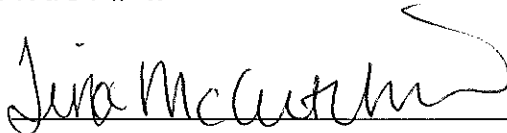
- 9.10 Authorization. Each party executing this Agreement on behalf of the District and the City possesses all requisite authority to execute this Agreement on that such party's behalf.
- 9.11 Holidays. If any deadline, or any date on which any duties or obligations under this Agreement are to be performed falls on a Saturday, Sunday or legal holiday, that date is automatically extended to the next business day.
- 9.12 Incorporation of Exhibits by Reference. All exhibits attached to this Agreement are incorporated into this Agreement by reference and for the purposes set forth in this Agreement, as follows:

Exhibit A	Boundaries of the District
Exhibit B	Map of the Tract
Exhibit C	Legal Description of the Tract

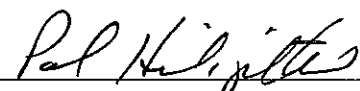
(Signature Page to Follow)

EXECUTED and EFFECTIVE as of the Effective Date.

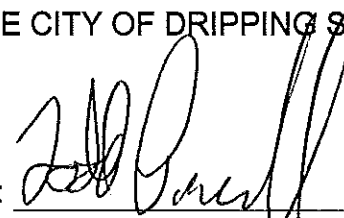
HAYS COUNTY MUNICIPAL UTILITY  
DISTRICT # 4:

By:   
Tina McCutchin, President, Board of Directors

ATTEST:

  
Paul Heiligenthal, Assistant Secretary, Board of  
Directors

THE CITY OF DRIPPING SPRINGS:

By:   
Todd Purcell, Mayor

ATTEST:

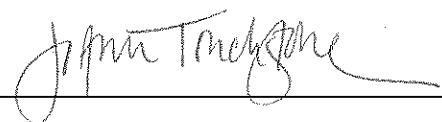
  
Jo Ann Touchstone, City Secretary



EXHIBIT A

BOUNDARIES OF THE DISTRICT

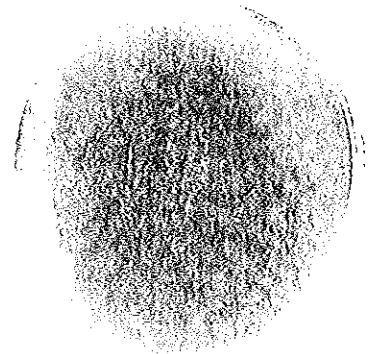
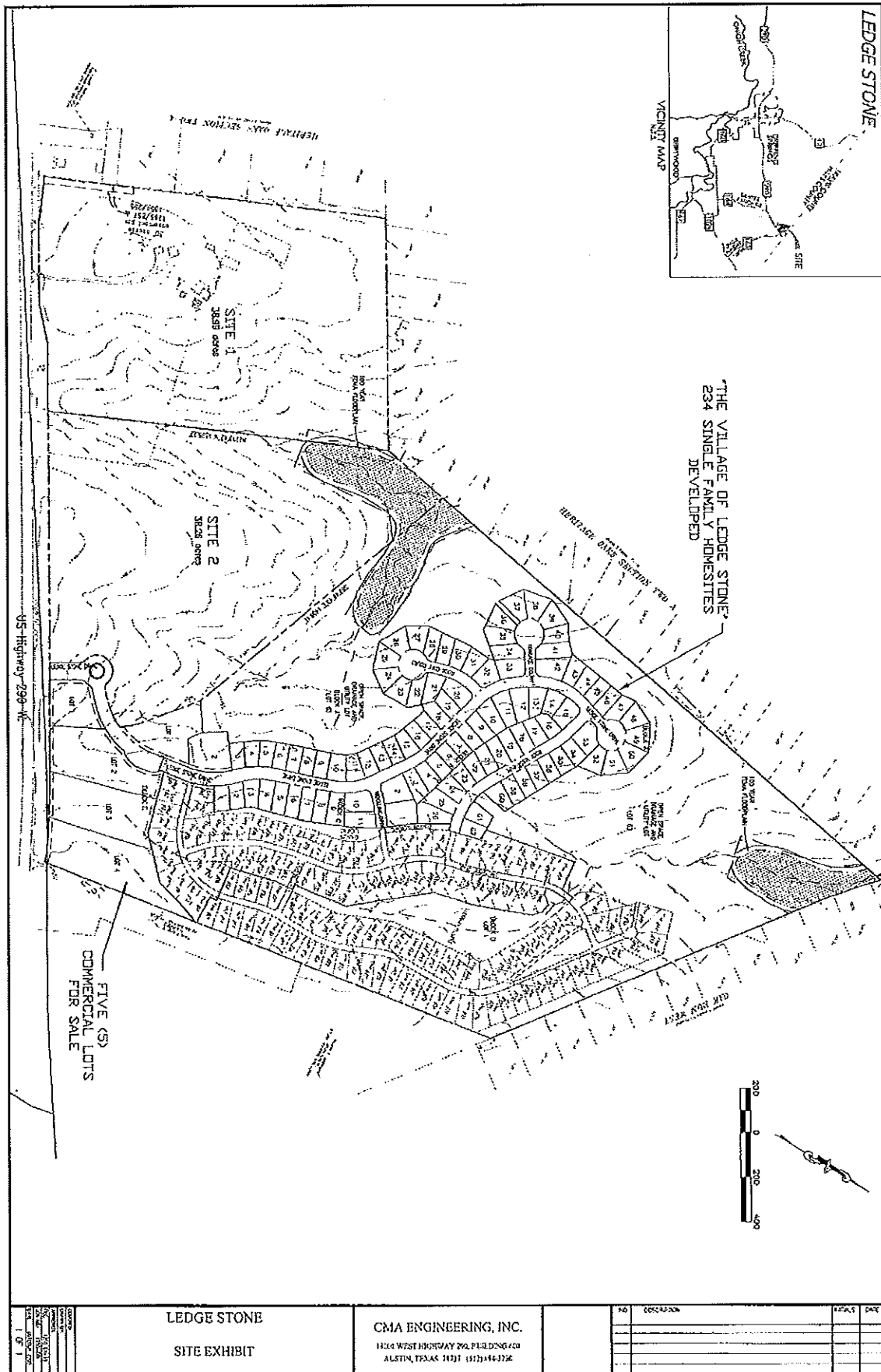


EXHIBIT "A"



LEDGE STONE SITE EXHIBIT	CMA ENGINEERING, INC. 1424 WEST HIGHWAY 290, PLAZA DONG CO AUSTIN, TEXAS 78717 (512)44-1724	NO.	DESCRIPTION	DATE	DATE



**CARSON AND BUSH**  
**PROFESSIONAL SURVEYORS, INC.**  
1904 FORTVIEW ROAD  
AUSTIN, TX 78704  
TELEPHONE: (512) 442-0990  
FACSIMILE: (512) 442-1084

January 19, 2001

**FIELD NOTE DESCRIPTION OF 193.926 ACRES OF LAND OUT OF THE WILLIAM S. HOLTON SURVEY NO. 57 ABSTRACT 245 IN HAYS COUNTY, TEXAS, BEING ALL OF THAT CERTAIN (186.61 ACRE) TRACT CONVEYED TO THE C.F. BUSH FAMILY LIMITED PARTNERSHIP BY DEEDS RECORDED IN VOLUME 1266 PAGE 867 AND VOLUME 1354 PAGE 255 OF THE HAYS COUNTY OFFICIAL PUBLIC RECORDS BUT EXCLUDING THOSE TRACTS PREVIOUSLY CONVEYED TO THE STATE OF TEXAS FOR RIGHT-OF-WAY AS RECORDED IN VOLUME 170 PAGE 318 AND VOLUME 170 PAGE 322 OF THE HAYS COUNTY DEED RECORDS, AND BEING ALL OF THAT (10.00 ACRE) TRACT CONVEYED TO THE C. F. BUSH FAMILY LIMITED PARTNERSHIP BY DEED RECORDED IN VOLUME 1354 PAGE 255 OF THE HAYS COUNTY OFFICIAL PUBLIC RECORDS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:**

BEGINNING at a ½ inch iron pipe found in the southwest line of Lot 13, Oak Run West, a subdivision in Hays County, Texas, according to the map or plat thereof recorded in Volume 3 Page 77 of the Plat Records of Hays County, Texas, at the most easterly corner of that certain (200 Acre) tract conveyed from Carl A. Bible et ux. to Claude F. Bush, Jr. and Mary Pauline Bush by deed recorded in Volume 180 Page 422 of the Hays County Deed Records, and being at the Northeast corner of that certain (186.61 Acre) tract conveyed to the C.F. Bush, Jr. Family Limited Partnership by deeds recorded in Volume 1266 Page 867 and Volume 1354 Page 255 of the Hays County Official Public Records, and being the Northwest corner of that certain (20.54 Acres) tract conveyed to William R. Schneider by deed recorded in Volume 443 Page 840 of the Hays County Real Property Records, and being the Northeast corner and **PLACE OF BEGINNING** of the herein described tract;

THENCE with the east line of said Bush (200 Acre) tract, S 08 deg. 07' 52" E 2225.11 ft. to a ½ inch iron pipe found at the intersection of the east line of said Bush (200 Acre) tract and the north right-of-way line of U.S. Highway 290, and being in the north line of that certain (4.09 Acre) tract conveyed to the State of Texas by deed recorded in Volume 170 Page 318 of the Hays County Deed Records, and being the Southwest corner of that certain tract conveyed to David T. Rush by deed recorded in Volume 354 Page 796 of the Hays County Deed Records, and being the Southeast corner of this tract;

THENCE with the north right-of-way line of U.S. Highway 290, the following five courses:

- 1) S 70 deg. 52' 57" W 58.87 ft. to a concrete monument found at a point of curvature;
- 2) a curve to the left, having a radius of 5829.65 ft., an arc length of 408.49 ft., and a chord bearing of S 62 deg. 59' 57" W 408.41 ft. to a concrete monument found at a point of tangency;
- 3) S 60 deg. 58' 12" W at 1388.86 ft. passing a 14" wood fence corner post in the common line of said Bush (200 Acre) tract and that certain (300 Acre) tract conveyed from Ernest T. Leonard to Claude F. Bush, Jr. and Mary Pauline Bush by deed recorded in Volume 175 Page 619 of the Hays County Deed Records, and continuing on the same course 489.74 ft. more, for a total distance of 1878.59 ft., to a concrete monument found;

4) S 49 deg. 31' 22" W 203.73 ft. to a concrete monument found;

5) S 60 deg. 57' 04" W 339.85 ft. to a ½ inch iron rod set with plastic-cap marked "Carson and Bush Professional Surveyors" in the south line of said Bush (300 Acre) tract, at an angle point in the south line of this tract;

THENCE leaving the north right-of-way line of U.S. Highway 290 with the south line of said Bush (300 Acre) tract, S 68 deg. 37' 00" W 224.56 ft. to a ½ inch iron rod set with plastic cap marked "Carson and Bush Professional Surveyors" in the east line of that certain (249.949 Acre) tract conveyed to 4-J Land Company, Inc. by deed recorded in Volume 324 Page 387 of the Hays County Deed Records, and being the Southwest corner of this tract;

THENCE crossing the interior of said Bush (300 Acre) tract with the common line of said 4-J Land Company (249.949 Acre) and said C.F. Bush, Jr. Family Limited Partnership (186.61 Acre) tract, the following four courses:

1) N 22 deg. 07' 34" W at 269.78 ft. passing a 5/8" iron rod found at the Southeast corner of Lot 99, Heritage Oaks Section 2-A, a subdivision in Hays County, Texas, according to the map or plat thereof recorded in Volume 2 Page 115 of the Hays County Plat Records, and continuing on the same course at 150.4 ft. passing the record most southerly corner of that certain (10.00 Acre) tract conveyed to the C.F. Bush, Jr. Family Limited Partnership by deed recorded in Volume 1354 Page 255 of the Hays County Official Public Records, and continuing on the same course at 189.70 ft. passing a 5/8" iron rod found at the Northeast corner of said Lot 99, and continuing on the same course 293.70 ft. more, for a total distance on this bearing of 903.58 ft., to a 5/8" iron rod found;

2) N 22 deg. 03' 40" W at 293.70 ft. passing the record most westerly corner of said C.F. Bush, Jr. Family Limited Partnership (10.00 Acre) tract, and continuing on the same course 452.11 ft., more for a total distance of 700.03 ft., to a 60 D nail found in the top of a fence corner post in the south line of Lot 104 of said Heritage Oaks Section 2-A;

3) N 60 deg. 38' 24" E 1054.57 ft. to a 60 D nail found in top of a fence corner post at the most easterly southeast corner of Lot 109 of said Heritage Oaks Section 2-A;

4) N 11 deg. 16' 37" E 3008.40 ft. to a ½ inch iron rod found in the northeast line of said Bush (200 Acre) tract, being a point in the southwest line of Lot 24 of said Oak Run West, and being at the most northerly corner of said C.F. Bush Family Limited Partnership (186.61 Acre) tract, and being the most easterly corner of said 4-J Land Company tract, and being the most easterly corner of Lot 124 of said Heritage Oaks Section 2-A, and being the most northerly corner of this tract;

THENCE with the northeast line of said Bush (200 Acre) tract, the following three courses:

1) S 46 deg. 58' 20" E at 229.64 ft. passing a ½ inch iron rod found at the most southerly corner of Lot 23 of said Oak Run West, and continuing on the same course 30.05 ft. more, for a total distance on this bearing of 259.69 ft., to a 60 D nail found at the base of a fence corner post;

2) S 50 deg. 34' 08" E at 147.83 ft. passing a ½ inch iron rod found at the most southerly corner of Lot 22 of said Oak Run West and continuing on the same course 108.10 ft. more, for a total distance of 255.93 ft., to a ½ inch iron rod found;

page 3 of 3  
193.926 acres

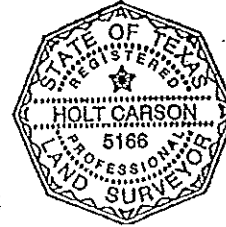
3) S 50 deg. 40' 00" E at 461.95 ft. passing a 1/2 inch iron rod found at the most southerly corner of Lot 19 of said Oak Run West, and continuing on the same course at 540.89 ft. passing a 1/2 inch iron rod found at the most southerly corner of Lot 16 of said Oak Run West, and continuing on the same course 441.13 ft more, for a total distance on this bearing of 1443.97 ft., to the Place of Beginning, containing 193.926 Acres of land.

SURVEYED: January 19, 2001

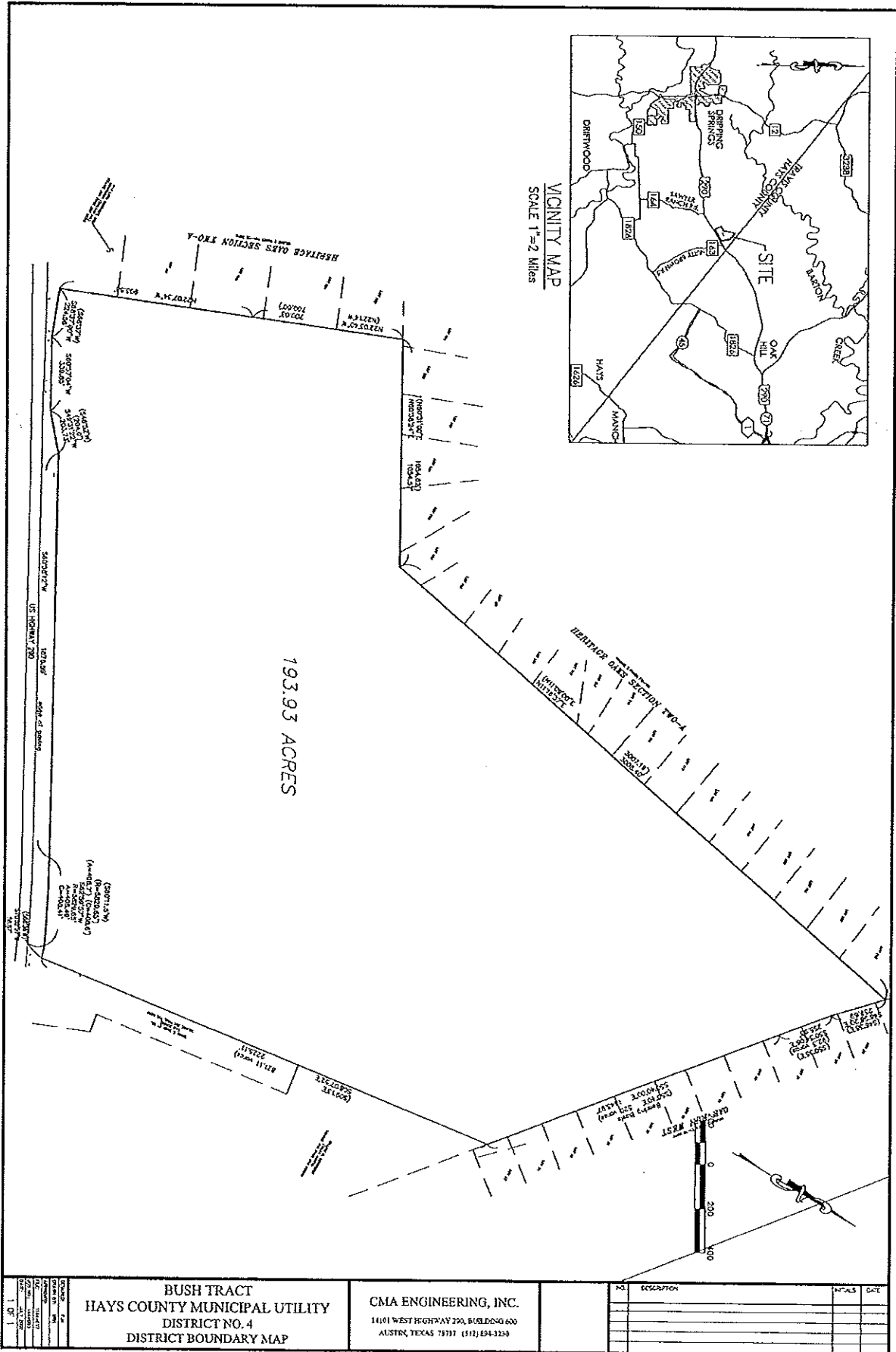
BY:



Holt Carson  
Registered Professional Land Surveyor No. 5166



see accompanying map no.B596002a



193.93 ACRES

MICINITY MAP  
SCALE 1" = 2 Miles

**BUSH TRACT**  
**HAYS COUNTY MUNICIPAL UTILITY**  
**DISTRICT NO. 4**  
**DISTRICT BOUNDARY MAP**

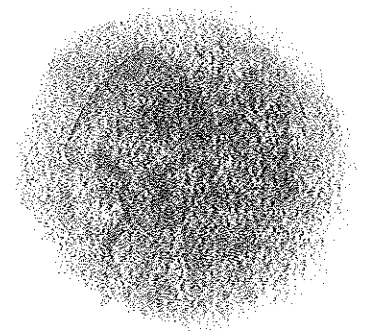
**CMA ENGINEERING, INC.**  
14101 WEST HIGHWAY 290, BUILDING 600  
AUSTIN, TEXAS 78717 (512) 434-3338

NO.	DESCRIPTION	DATE

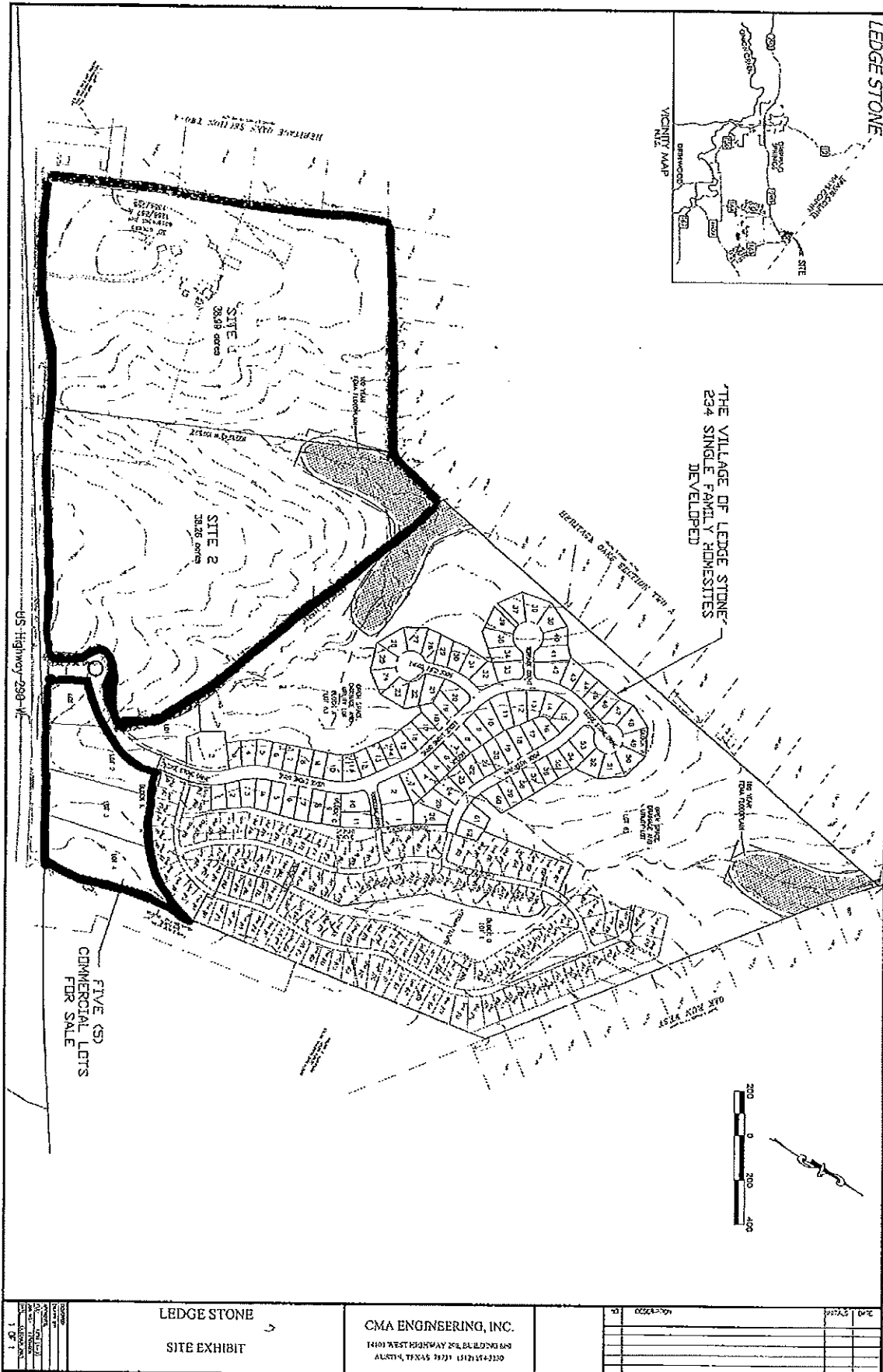
DATE: 08/20/11  
DRAWN BY: [Name]  
CHECKED BY: [Name]  
SCALE: AS SHOWN  
SHEET: 1 OF 1

EXHIBIT B

MAP OF THE TRACT



### EXHIBIT "B"



<p>DATE: 12/1/09          DRAWN BY: [illegible]          CHECKED BY: [illegible]          SCALE: AS SHOWN</p>	<p>LEDGE STONE          SITE EXHIBIT</p>	<p>CMA ENGINEERING, INC.          14100 WEST HIGHWAY 284, BUILDING 608          AUSTIN, TEXAS 78717 (512) 554-3130</p>	<table border="1"> <tr> <td>NO.</td> <td>DATE</td> <td>BY</td> <td>REVISION</td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </table>	NO.	DATE	BY	REVISION												
NO.	DATE	BY	REVISION																

**Exhibit C**  
**Legal Description of the Tract**

**85.976 acres**, more or less, described as follows:

193.926 acres of land out of the William S. Holton Survey No. 57 Abstract 245 in Hays County, Texas, being all of that certain (186.61 acre) tract conveyed to the C.F. Bush Family Limited Partnership by deeds recorded in Volume 1266 Page 867 and Volume 1354 Page 255 of the Hays County Official Public Records but excluding those tracts previously conveyed to the State of Texas for right-of-way as recorded in Volume 170 Page 318 and Volume 170 Page 322 of the Hays County Deed Records, and being all of that (10.00 acre) tract conveyed to the C.F. Bush Family Limited Partnership by deed recorded in Volume 1354 Page 255 of the Hays County Official Public Records, said 193.936 acres having been conveyed to 194 Bush, Ltd, a Texas limited partnership, by deed recorded in Volume 1777 Page 305 of the Hays County Official Public Records;

**Save and Except:**

- that 106.79 acre tract conveyed to 290 East Bush Inc. by deed recorded in Volume 2872 Page 105 of the Hays County Official Public Records; and
- that 10 acre tract conveyed in five, 1/5<sup>th</sup> undivided interests to Virginia Lee Winfield, et al, by deeds recorded in Volume 2066 Pages 817 – 820 and Volume 2066 Pages 841 – 856 of the Hays County Official Public Records;

**But specifically NOT Excepting or Excluding from the 193.926 acres, and therefore included in the 85.976 acres:** that 8.840 acres consisting of Lots 1 – 4 Block E Bush Ranch Phase 1, Revised, recorded in Volume 14 Page 54, Plat Records, Hays County, Texas, even if contained within said 106.79 acre tract or within said 10-acre tract.