

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

March 27, 2015

Ms. Bridget Bohac, Chief Clerk
Office of the Chief Clerk
Texas Commission on Environmental Quality
P.O. Box 13087, MC-105
Austin, Texas 78711-3087

Re: TCEQ Docket No. 2015-0291-DIS; Consideration of a Petition for Creation of Conroe Municipal Management District No. 1

Dear Ms. Bohac:

Enclosed for filing with the Texas Commission on Environmental Quality (Commission) is the original plus seven copies of the following backup materials for the April 15, 2015 agenda item on the above referenced matter:

1. Proposed Order;
 - a. Exhibit A: Metes and Bounds Description;
 - b. Exhibit B: Staff Memorandum;
2. Petition for Creation;
3. City of Conroe Resolution;
4. Certificate and Notice of Hearing;
5. Affidavit of Publication;
6. Mailing List; and
7. Caption.

Please do not hesitate to contact me at (512) 239-0676 if you have any questions regarding this material. Thank you for your attention to this matter.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "LH", is written over a rectangular box.

Linda Horng
Staff Attorney
Environmental Law Division

Enclosure

cc: Mailing List

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



AN ORDER Granting the Petition for Creation of
Conroe Municipal Management District
No. 1 of Montgomery County and
Appointing Temporary Directors; TCEQ
Docket No. 2015-0291-DIS

On April 15, 2015, the Texas Commission on Environmental Quality (Commission) met in regular session at its offices in Austin, Texas, to consider the petition filed by Conroe CS Texas Holdings, LP, an owner of property, to create Conroe Municipal Management District No. 1 of Montgomery County (District) pursuant to Article XVI, § 59, and Article III, §§ 52 and 52(a) of the Texas Constitution and Chapter 375, Texas Local Government Code. As required by Texas Local Government Code § 375.023, the Commission held a hearing to consider the petition.

The Commission has jurisdiction to consider this matter and the following Findings of Fact and Conclusions of Law are appropriate after examining the petition and supporting documentation:

FINDINGS OF FACT

1. On August 5, 2014, a petition by Conroe CS Texas Holdings, LP (Petitioner) was filed with the Commission pursuant to Chapter 375, Texas Local Government Code; and 30 Texas Administrative Code (TAC) Chapter 293.
 - a. The petition was signed by a duly authorized officer of the Petitioner, which represents it holds a majority in value of title to the land to be included within the proposed District's boundaries. The Petitioner further requested that the Commission hold a public hearing on the question of the creation of the District pursuant to Texas Local Government Code § 375.023; and 30 TAC § 293.12(g).
 - b. The petition contains the matters required by Texas Local Government Code § 375.022.
 - c. All persons holding liens on the land in the proposed District have consented to the creation of the proposed District.

2. Proper notice of this petition was given pursuant to Texas Local Government Code § 375.023 and 375.024.
 - a. Proper notice of the petition was published on March 5 and March 12, 2015, in the *Conroe Courier*, a newspaper of general circulation in Montgomery County, Texas, which is the county in which the proposed District is to be located.
3. Submitted within the petition were notarized affidavits for each of the proposed temporary directors, listed as follows and indicating that each meets the qualification requirements of Texas Local Government Code § 375.063:

2-Year Term

Henry E. Kulesza
Coulson Tough

4-Year Term

Chris Denison
Steve Hailey
Charles F. Reinhardt

Pursuant to Texas Local Government Code § 375.062, the Petitioner requests that the Commission divide the temporary directors into two groups, with two directors serving two-year terms and three directors serving four-year terms, as indicated above.

4. By Resolution No. 4093-13 effective October 24, 2013, the City of Conroe has consented to the creation of the District, as required by Title 30 Texas Administrative Code § 293.11(j)(1)(F).
5. The Memorandum dated February 25, 2015, attached as Exhibit “B,” is hereby incorporated as part of this Order.
6. The creation of the District as set out in the petition is necessary and would be a benefit to the land to be included in the District.
7. The purpose of creating the District is for residential and commercial development.
8. The District will receive its water supply and wastewater service from the City of Conroe, utilizing existing and potentially new facilities. The District will construct its internal water distribution, wastewater collection, and drainage facilities within its boundaries.
9. Based on TCEQ policy and rules, and a review of the engineering report and supporting documents filed with the petition, the public purpose projects as set forth in the petition are reasonable.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction to consider this petition and is authorized to make and enter its Findings of Fact, Conclusions of Law, and Orders with respect to the creation of the proposed District.
2. All of the land and property proposed may properly be included within the District.

3. All statutory and regulatory requirements for creation of Conroe Municipal Management District No. 1 of Montgomery County have been fulfilled in accordance with Chapter 375, Texas Local Government Code and Title 30 Texas Administrative Code § 293.11(j).

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

1. The Petition for the creation of Conroe Municipal Management District No. 1 of Montgomery County for the purpose of residential and commercial development is hereby granted.
2. The District is created under the terms and conditions of Article XVI, § 59, and Article III, §§ 52 and 52(a) of the Texas Constitution, and Chapter 375, Texas Local Government Code.
3. The District shall have, all of the rights, powers, privileges, authority, and functions conferred by the general laws of the State of Texas applicable to conservation and reclamation districts created under Article XVI, Section 59 of the Texas Constitution, including those conferred by Chapter 54, Water Code.
4. The District shall be composed of the area situated wholly within the corporate limits of the City of Conroe, Montgomery County, Texas, described by metes and bounds in Exhibit "A" attached hereto and incorporated herein for all purposes.
5. The following five persons with terms, as noted, are hereby named and appointed as temporary directors of the District to serve until their successors are elected or have been appointed in accordance with applicable law:

2-Year Term

Henry E. Kulesza
Coulson Tough

4-Year Term

Chris Denison
Steve Hailey
Charles F. Reinhardt

6. The foregoing temporary directors shall, as soon as practicable after the date of entry of this Order, execute their official bonds and take their official oath of office. All such bonds shall be approved by the Board of Directors of the District and each bond and oath shall be filed with the District and retained in its records.
7. This Order shall in no event be construed as an approval of any proposed agreements provided in support of the petition for creation, nor as a commitment or requirement of the Commission in the future to approve or disapprove any particular items or

agreements in future applications submitted by the District for Commission consideration.

8. This Order shall not constitute approval or recognition of the validity of any provision in the City of Conroe's creation consent Resolution No. 4093-13, effective October 24, 2013, and any other ordinance/resolution incorporated therein by reference to the extent that such provisions exceed the authority granted to the City of Conroe by the laws of the State of Texas.
9. The Chief Clerk of the Texas Commission on Environmental Quality shall forward a copy of this Order to all affected persons.
10. If any provision, sentence, clause, or phrase of this Order is for any reason held to be invalid, the invalidity of any portion shall not affect the validity of the remaining portions of the Order.

Issue Date:

TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

Bryan W. Shaw, Ph.D., P.E., Chairman

Exhibit A
(Metes and Bounds Description of the Property - 2,045.72 acres)

DESCRIPTION

Of 2083.6503 acres being all of Tract "A" (called 300 Acres), a portion of Tract "B" (called 930.75 Acres), all of Tract "D" (called 83 Acres) and a portion of Tract "E" (called 1020 Acres) as conveyed by deed dated December 15, 1943 from the Board of Regents of the University of Texas to the Sam Houston Area Council of the Boy Scouts of America, as recorded in Volume 241, Page 250 of the Deed Records of Montgomery County, Texas. Said 2083.4674 acres being located in the Joseph House Survey, Abstract 250, and the Ransom House Survey, Abstract 245, Montgomery County Texas. Said 2083.6503 acres being more particularly described by metes and bounds as follows; (Bearings based on NAD83 Texas State Plane Coordinate System, Central Zone) City of Conroe Monuments CI-1AZ, and CC-21.

BEGINNING at a TXDOT monument found at the intersection of the most southerly southeast cutback corner of Loop 336 (R.O.W. Varies M.C.C.F. No. 8638346 and R.O.W. Alignment Drawing, Sheets 7,8,&9 prepared by Survcon, Inc. Dated May, 1987) with the west line of Interstate Highway 45 (R.O.W. Varies - (Vol. 409, Pg. 302, M.C.D.R. and M.C.C.F. No. 2006-116262), said monument being in the east line of the remainder of said Tract "B";

THENCE along the west line of said Interstate Highway 45 and the east line of the remainder of said Tract "B", the following calls;

S 17° 35' 24" E, for a distance of 185.99 feet (called 184.25 feet) to a ½" iron rod with cap set for the beginning of a curve to the right;

Thence along said curve having a radius of 5691.00 feet, a central angle of 06° 22' 09", a chord bearing and distance of S 14°28'13" E - 632.31 feet, and an arc length of 632.64 feet to a 5/8" iron rod with cap found for the beginning of a compound curve to the right;

Thence along said curve having a radius of 5544.58 feet, a central angle of 07° 19' 09", a chord bearing and distance of S 05°04'13" E - 707.81 feet, and an arc length of 708.29 feet to a TXDOT monument found for point of tangency;

S 01°24'38" E, for a distance of 1197.85 feet to a TXDOT monument found for the beginning of a curve to the right;

Thence along said curve having a radius of 17373.73 feet, a central angle of 00° 47' 49", a chord bearing and distance of S 01°48'32" E - 241.62 feet, and an arc length of 241.62 feet to a TXDOT monument found for point of tangency;

S 02°12'26" E, for a distance of 751.34 feet to a TXDOT monument found for the beginning of a curve to the right;

Thence along said curve having a radius of 5744.58 feet, a central angle of 01° 39' 20", a chord bearing and distance of S 01°22'47" E - 165.98 feet, and an arc length of 165.99 feet to a TXDOT monument (stamped "ADL") found for point of tangency;

S 00°33'07" E for a distance of 301.72 feet to a ½" iron rod with cap set for the beginning of a curve to the left;

Thence along said curve having a radius of 5714.58 feet, a central angle of 01° 39' 20", a chord bearing and distance of S 01°22'46" E - 165.11 feet, and an arc length of 165.11 feet to a ½" iron rod with cap set for point of tangency;

S 02°12'26" E, for a distance of 539.92 feet to a 1/2 iron rod with cap set for angle point;

S 00°55'47" W, for a distance of 47.56 feet to a 1/2 iron rod with cap set for angle point;

S 05°29'51" E, for a distance of 45.35 feet to a 1/2 iron rod with cap set for angle point;

THENCE S 02°12'26" E, for a distance of 2543.35 feet to a TXDOT monument found for the southeast corner of the herein described tract, same being the northeast corner of the remainder of a called 1.250 acre tract conveyed by deed dated January 27, 2003 to John P. Gannon as recorded in M.C.C.F. No. 2003-013943;

THENCE S 71°22'22" W, departing from the west line of said Interstate Highway 45, along the south line of said Tract "E", same being the south line of said Joseph House Survey, A-250, and the north line of the Charles B. Stewart Survey, A-476, passing at a distance of 318.42 feet, a ½" iron rod found for the northwest corner of said 1.250 acres, passing at a distance of 4575.28 feet, a 5/8" iron rod found for the northeast corner of a called 10.00117 acre tract conveyed by deed dated August 10, 1994 to Frederick R. McCord, Trustee, as recorded in M.C.C.F. No. 9504434 of the Deed Records Of Montgomery County, Texas, and continuing in all for a total distance of 6,555.80 feet to a point for corner in the east high bank of the San Jacinto River;

THENCE along the meanders of the east high bank of said San Jacinto River, the following calls;

N 77°17'44" W, for a distance of 64.73 feet;
N 81°24'48" W, for a distance of 80.20 feet;
S 76°11'26" W, for a distance of 142.98 feet;
N 89°05'16" W, for a distance of 289.65 feet;
N 85°03'10" W, for a distance of 175.45 feet;
N 72°34'16" W, for a distance of 70.37 feet;
N 65°40'02" W, for a distance of 125.65 feet;
N 73°59'36" W, for a distance of 117.54 feet;
N 25°57'40" W, for a distance of 98.34 feet;
N 12°01'38" W, for a distance of 160.84 feet;
N 15°26'56" W, for a distance of 80.36 feet;
N 08°23'45" W, for a distance of 149.79 feet;
N 26°49'46" W, for a distance of 114.25 feet;
N 52°58'05" W, for a distance of 147.21 feet;

N 61°31'34" W, for a distance of 254.76 feet;
N 77°54'38" W, for a distance of 182.23 feet;
N 89°01'24" W, for a distance of 125.10 feet;
N 72°05'00" W, for a distance of 137.21 feet;
N 66°41'23" W, for a distance of 116.39 feet;
N 70°55'46" W, for a distance of 100.01 feet;
N 48°09'40" W, for a distance of 51.97 feet;
N 05°58'15" E, for a distance of 105.29 feet;
N 15°05'26" W, for a distance of 137.11 feet;
N 07°57'25" W, for a distance of 91.52 feet;
N 04°57'04" E, for a distance of 245.69 feet;
N 12°02'39" W, for a distance of 136.64 feet;
N 22°53'12" E, for a distance of 137.89 feet;
N 15°32'42" E, for a distance of 153.41 feet;
N 00°14'42" E, for a distance of 157.19 feet;
N 17°58'15" W, for a distance of 134.30 feet;
N 24°23'07" W, for a distance of 165.57 feet;
N 43°47'08" W, for a distance of 154.53 feet;
N 62°50'14" W, for a distance of 244.18 feet;
N 71°26'38" W, for a distance of 247.47 feet;
N 59°14'54" W, for a distance of 206.97 feet;
N 53°04'58" W, for a distance of 189.01 feet;
N 07°59'17" W, for a distance of 58.36 feet;
N 41°09'12" W, for a distance of 107.48 feet;
N 14°51'08" W, for a distance of 185.52 feet;
N 04°13'19" W, for a distance of 116.31 feet;
N 04°18'05" E, for a distance of 190.58 feet;
N 23°10'28" W, for a distance of 131.41 feet;
N 48°55'08" W, for a distance of 558.95 feet;
N 26°19'00" W, for a distance of 240.23 feet;
N 19°33'04" W, for a distance of 176.04 feet;
N 36°08'15" W, for a distance of 156.75 feet;
N 53°56'22" W, for a distance of 139.27 feet;
N 58°53'02" W, for a distance of 164.65 feet;
N 71°57'46" W, for a distance of 43.84 feet;
S 85°51'42" W, for a distance of 153.66 feet;
N 77°26'11" W, for a distance of 237.77 feet;
N 67°27'51" W, for a distance of 173.11 feet;
N 60°18'12" W, for a distance of 110.50 feet;
N 54°15'02" W, for a distance of 233.09 feet;
N 49°25'52" W, for a distance of 162.84 feet;
N 40°10'30" W, for a distance of 99.62 feet;
N 50°37'00" W, for a distance of 106.95 feet;
N 43°50'13" W, for a distance of 160.78 feet;
N 32°24'31" W, for a distance of 58.25 feet;
N 12°31'42" W, for a distance of 80.70 feet;
N 17°58'02" W, for a distance of 105.10 feet;
N 32°26'17" W, for a distance of 381.09 feet;
N 41°11'57" W, for a distance of 182.14 feet;

N 39°26'03" W, for a distance of 141.00 feet;
N 60°36'39" W, for a distance of 132.28 feet;
N 46°14'37" W, for a distance of 226.99 feet to a point for corner;

THENCE S 77°26'30" E, departing from the east high bank of the San Jacinto River along the north line of said Tract "D", and along the south line of a called 18.452 acre tract conveyed by deed dated July 21, 1970 to the City of Conroe as recorded in Vol. 716, Pg. 899 M.C.D.R., and along the south line of a called 17 acre tract conveyed by deed dated April 13, 1988 to the City of Conroe as recorded in M.C.C.F. No.8944068, for a distance of 2088.78 feet to a ½" iron rod with cap set for the northeast corner of said Tract "D", same being in the west line of said Tract "A";

THENCE N 42°26'30" W, along the west line of said Tract "A" for a distance of 2205.73 feet to a ½" iron rod with cap set for the northeast corner of said 17 acres;

THENCE N 72°33'30" E, along the south line of Tract 14G called 9.186 acres conveyed by deed dated December 20, 2004 to Shirley Ann Gouge as recorded in M.C.C.F. No. 2005-006146, and the south line of a called 7.114 acre tract conveyed by deed dated December 02, 1999 to David Ewer as recorded in M.C.C.F. No. 99099885, for a distance of 683.75 feet to a ½" iron rod found for corner;

THENCE N 72°02'26" E, along the south line of a called 14.776 acre tract conveyed by deed dated February 01, 2000 to Robert W. Hancock as recorded in M.C.C.F. No. 2000-009589, and the south line of a called 14.17 acre tract conveyed by deed dated June 05, 2012 to Arlen M. Driscoll, Trustee, as recorded in M.C.C.F. No.2012051711, and along the south line of a called 7.855 acre tract conveyed by deed dated July 13, 2004 to Charles A. Baron and wife Cynthia Baron as recorded in M.C.C.F. No.2004-082352, and along the south line of a called 9.1430 acre tract conveyed by deed dated January 24, 2006 to Sondra Franklin Terry as recorded in M.C.C.F. No. 2006-009207, for a distance of 2778.11 feet to a ½" iron rod with cap set for corner;

THENCE N 18°32'46" W, along the west line of said Tract "B", same being the east line of said 9.1430 acres, and along the east line of a called 9.776 acre tract dated June 06, 2001 to Chew Sen Yu and Sxe Ping Yu as recorded in M.C.C.F. No. 2001-049362, and along the east line of a Commercial Reserve of Riverside Village Patio Homes, as recorded in Cabinet E, Sheet 112-A, of the M.C.M.R., for a distance of 1355.57 feet to a point for corner in the centerline of Sgt. Ed Holcomb Boulevard and the southeast line of Woodhaven Forest Section One, as recorded in Cabinet Z, Sheet 1028, M.C.M.R.;

THENCE along the southeast line of said Woodhaven Forest Section One, the following calls;

N 48°25'23" E, for a distance of 45.95 feet to a point for corner;
N 48°42'38" E, for a distance of 109.09 feet to a point for corner;
N 48°20'18" E, for a distance of 109.70 feet to a point for corner;
N 47°38'46" E, for a distance of 111.88 feet to a point for corner;
N 43°25'35" E, for a distance of 86.21 feet to a point for corner;
N 38°04'44" E, for a distance of 45.37 feet to a point for corner;
N 29°52'06" E, for a distance of 110.24 feet to a point for corner;
N 25°08'59" E, for a distance of 110.84 feet to a point for corner;

N 20°33'13" E, for a distance of 110.19 feet to a point for corner;
N 16°56'30" E, for a distance of 84.90 feet to a point for corner;

THENCE N 72°01'30" E, along the north line of said Ransom House Survey, and along the south line of a called 4.8231 acre tract conveyed by deed dated January 16, 2010 to PLV Properties, LLC as recorded in M.C.C.F. No. 2010-015328, for a distance of 997.63 feet to a TXDOT monument found in the south line of said Loop 336;

THENCE along the south line of said Loop 336, the following calls;

S 71°56'05" E, for a distance of 947.18 feet (called 947.04') to a TXDOT monument found for corner;
S 60°35'48" E, for a distance of 202.89 feet (called 203.96') to a TXDOT monument found for corner;
S 71°53'56" E, for a distance of 100.00 feet, to a 1/2 inch iron rod with cap set for corner;
S 76°53'58" E, for a distance of 401.53 feet, to a TXDOT monument found for corner;
S 71°58'19" E, for a distance of 401.29 (called 400.00') feet to a TXDOT monument found for corner;
S 77°38'53" E, for a distance of 201.00 to a point for corner, from which a TXDOT monument (leaning) was found N 50°57" W, 0.25 feet;
S 71°56'15" E, for a distance of 583.00 feet to a TXDOT monument found for corner;
S 68°07'24" E, for a distance of 300.67 feet to a TXDOT monument found for corner;
S 69°04'30" E, for a distance of 200.25 feet to a TXDOT monument found for corner;
S 72°06'09" E, for a distance of 214.38 feet (called 215.00') to a TXDOT monument found for corner;
S 80°56'24" E, for a distance of 187.76 feet to a TXDOT monument found for corner;
S 71°54'16" E, for a distance of 1264.14 feet (called 1264.17') to a TXDOT monument found for the beginning of a curve to the left;
Thence along said curve having a radius of 3157.38 feet, a central angle of 06° 23' 15" (called 06° 24' 17"), a chord bearing and distance of S 75°06'44" E - 351.81 feet (called 352.76'), and an arc length of 351.99 feet (called 352.94') to a TXDOT monument found for point of tangency;
S 71°12'39" E, for a distance of 227.70 feet (called 226.70') to a TXDOT monument found for corner;
S 82°09'39" E, for a distance of 100.39 feet to a TXDOT monument found for corner;
N 80°05'55" E, for a distance of 150.16 (called 150.29') feet to a TXDOT monument found for corner being in a curve to the left;
Thence along said curve having a radius of 3157.38 feet, a central angle of 14° 40' 09" (called 14° 40' 26"), a chord bearing and distance of N 85°50'27" E - 806.16 feet (called 806.43'), and an arc length of 808.37 feet (called 808.64') to a TXDOT monument found for point of tangency;
N 78°32'06" E, for a distance of 179.60 feet to a TXDOT monument found for corner;

N 82°52'51" E, for a distance of 213.30 feet to a TXDOT monument found for corner;
N 71°29'13" E, for a distance of 299.07 feet (called 300.59') to a TXDOT monument found for corner;
S 81°12'52" E, for a distance of 117.51 feet (called 115.60') to the **PLACE OF BEGINNING** and containing within these calls 2083.6503 acres of land or 90,763,809 square feet of land.

SAVE & EXCEPT THE FOLLOWING DESCRIBED TRACT OF LAND:

Being a 37.930 acre, more or less, tract of land being all of that certain called 37.930 acre tract conveyed by deed from Sam Houston Area Council Boy Scouts of America and Camp Strake Properties Foundation Incorporated to City of Conroe as recorded in Montgomery County Clerk's File No. 2013094338 of the Deed Records of Montgomery County, Texas, located in the Joseph House Survey, Abstract 250, Montgomery County, Texas, being a portion of that certain called 1,020 acre tract (referred to as Tract E) conveyed to Sam Houston Area Council Boy Scouts of America by an instrument of record under Volume 241, Page 250 of the Deed Records of said Montgomery County (M.C.D.R.) and a portion of that certain called 55.8515 acre tract conveyed to the Camp Strake Properties Foundation Incorporated by an instrument of record under File Number 9750316 of the Official Public Records of said Montgomery County (M.C.O.P.R.R.P.), said 37.930 acre tract being more particularly described by metes and bounds as follows, all bearings referenced to the Texas Coordinate System, Central Zone, NAD 83 (1986 Adjustment), and based upon GPS measurements from City of Conroe monuments Q88 AZ and CT-i AZ;

BEGINNING at a 5/8-inch iron rod with TxDOT aluminum disc found for the southwest corner of that certain called 3.141 acre tract conveyed to the State of Texas by an instrument of record under File Number 2006-116262, M.C.O.P.R.R.P., same being on the south line of said 55.8515 acre tract and on the common survey line of said Joseph House Survey and the Charles B. Stewart Survey, Abstract 476 of said Montgomery County, said point also being on the west right-of-way line of Interstate Highway 45 (width varies) as described in Volume 409, Page 302, M.C.D.R. and File Number 2006-116262, M.C.O.P.R.R.P.;

THENCE, South 71° 22' 22" West, along the south line of said 55.8515 acre tract, the north line of that certain called 1.250 acre tract conveyed to John P. Gannon by an instrument of record under File Number 2003-013943, M.C.O.P.R.R.P. and along said common survey line, at 318.42 feet pass a 1/2-inch iron rod found for the northwest corner of said 1.250 acre tract, same being the northeast corner of that certain called 236.30 acre tract conveyed to MO-CO SAN JAC-145, Ltd by an instrument of record under File Number 2007081850, M.C.O.P.R.R.P., continuing in all a total distance of 1,224.63 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for the southwest corner of the herein described tract;

THENCE, North 45° 59' 07" West, departing said north and south lines and said common survey line and crossing said 1,020 acre tract, 1,594.55 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for the northwest corner of the herein described tract;

THENCE, North 43° 38' 13" East, 887.03 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for the north corner of the herein described tract;

THENCE, South 46° 22' 18" East, 1,895.30 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for an angle point;

THENCE, South 02° 16' 35" East, 74.64 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for an angle point;

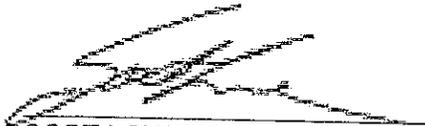
THENCE, North 71°22'22" East, 334.58 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for the northeast corner of the herein described tract, said point being on the aforementioned west right-of-way line of Interstate Highway 45;

THENCE, South 02°12'26" East, along said west right-of-way line, 83.40 feet to the **POINT OF BEGINNING** and the southeast corner of the herein described tract, and containing 37.930 acres, more or less, of land.

WITNESS MY HAND AND SEAL THIS THE 22nd DAY OF MARCH, 2013

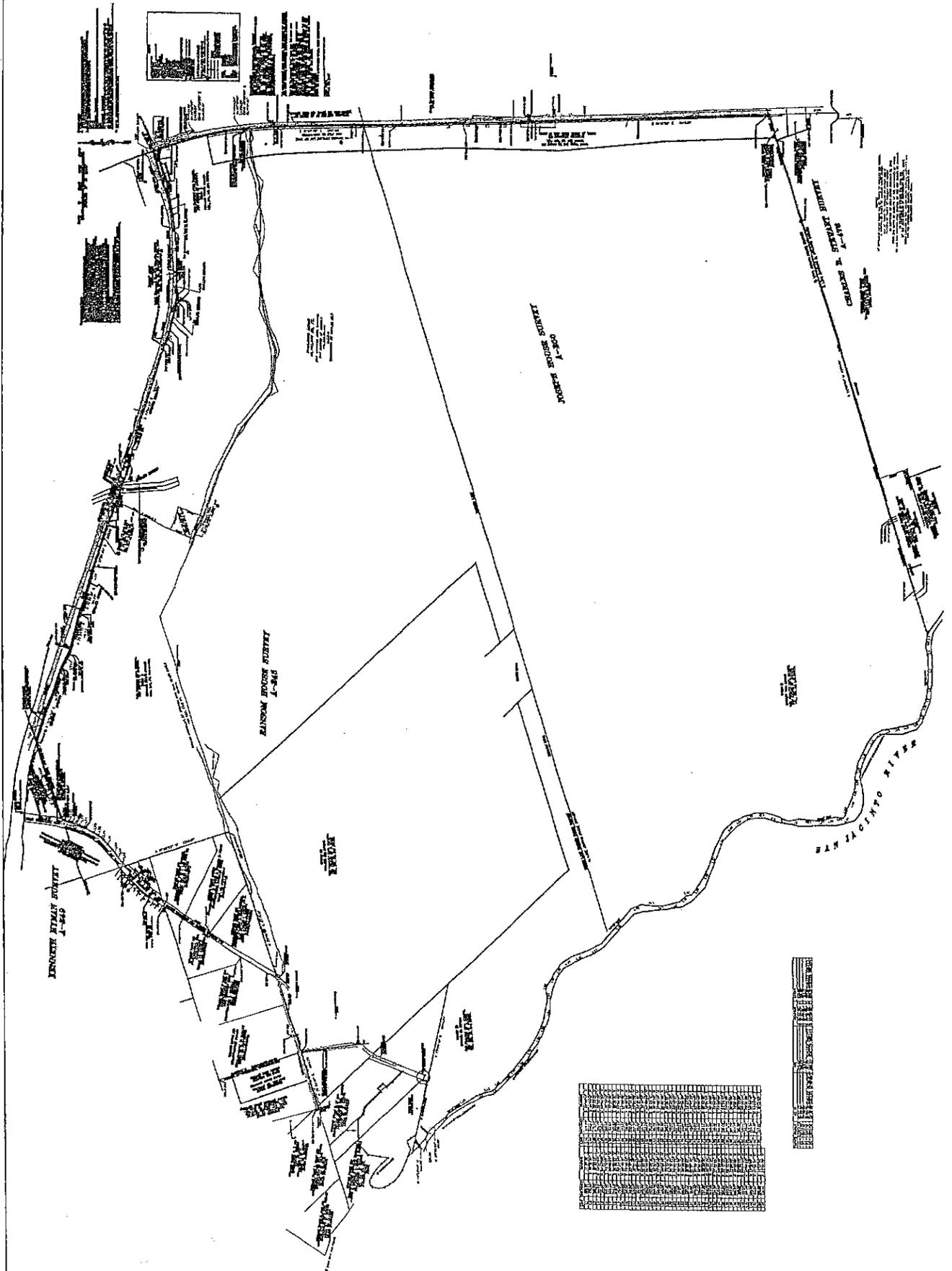
Rev. 07/03/2013 REVISED:09/04/2013

Revised to add Save & Except Tract:11-05-2013(Revised:11/08/13-4:15 PM)


SCOT LOWE, R.P.L.S. NO. 5007



NOTE: METES AND BOUNDS DESCRIPTION PREPARED IN CONJUNCTION WITH BOUNDARY SURVEY PREPARED BY LSI, PROJECT NO. 13004, DATED THE 22ND DAY OF MARCH, 2013, LAST REVISED 11/05/2013



Texas Commission on Environmental Quality

TECHNICAL MEMORANDUM

To: *JPT* Justin P. Taack, Manager
2/25/15 Districts Section **Date:** February 25, 2015

Thru: Seyed Miri, P.E., Leader
2/25/15 Districts Creation Review Team

From: Ren Berra
RB Districts Creation Review Team

Subject: Docket No. 2015-0291-DIS. Petition by Conroe CS Texas Holdings, LP for Creation of Conroe Municipal Management District No. 1 of Montgomery County; Pursuant to Chapter 375, Texas Local Government Code and Chapters 49 and 54, Texas Water Code.
TCEQ Internal Control No. D-08052014-001 (TC)
CN: 604654376 RN: 107660730

A. GENERAL INFORMATION

The Texas Commission on Environmental Quality (TCEQ) received a petition within the application requesting approval for the creation of Conroe Municipal Management District No. 1 of Montgomery County (District). The petition was signed by Larry D. Johnson, as manager of Johnson Conroe CS GP LLC, general partner of Conroe CS Texas Holdings, LP (Petitioner). In compliance with 30 Texas Administrative Code (30 TAC) § 293.11(j)(1), the petition states that the Petitioner holds title to a majority of assessed value of the real property in the proposed District. The petition further states that Tricon US Lender, Inc., PSPIB Realty US Inc., and Johnson Conroe CS Investors, LLC, are lienholders on the land in the proposed District. The application includes a certificate evidencing lien holders' consent to the creation of the proposed District.

The District is proposed to be created and organized according to the terms and provisions of Article XVI, § 59, and Article III, §§ 52 and 52(a) of the Texas Constitution, and Chapter 375, Texas Local Government Code (TLGC), and Chapters 49 and 54, Texas Water Code.

Location and Access

The proposed District is the former Boy Scouts' Camp Strake property located approximately 2 miles south of downtown Conroe and approximately 36 miles north of downtown Houston. The proposed District is generally bounded on the east by I-45, on the north by Loop 336 and the west by the San Jacinto River. Access to the proposed District is by frontage roads off of I-45 and Loop 336, as well as Sgt. Ed Holcomb Boulevard. The petition states that the proposed District is located wholly within the corporate limits of the City of Conroe (City), and will be devoted primarily to residential and commercial development.

Metes and Bounds Description

The proposed District contains multi-contiguous tracts of land totaling 2,045.72 acres. The seven-page metes and bounds description of the proposed District has been checked by the TCEQ's staff and has been found to form an acceptable closure.

City Consent

By Resolution No. 4093-13 effective October 24, 2013, the City of Conroe gave its consent to the petition for creation of the proposed District. Accordingly, the requirement of 30 TAC § 293.11(j)(1)(F) has been satisfied.

Statements of Filing Petition

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

Type of Project

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

Developer Qualifications

Application material indicates that the proposed District will be developed by Johnson Development Corporation. Mr. Larry D. Johnson, president of the corporation has considerable experience in master-planned residential and commercial development projects within districts in the Houston metropolitan area.

Appraisal District Certificate

By certificate dated June 17, 2014, the Montgomery Central Appraisal District has certified that the tax rolls indicate that the Petitioner, Conroe CS Texas Holdings, LP, is the owner of all of the property in the proposed District.

Temporary Directors

The Petition requests TCEQ approval of the appointment of five temporary directors, listed as follows:

<u>2-Year Term</u>	<u>4-Year Term</u>
Henry E. Kulesza	Chris Denison
Coulson Tough	Steve Hailey
	Charles F. Reinhardt

Submitted within the application were notarized affidavits for each of the proposed temporary directors, indicating that each meets the qualification requirements of TLGC § 375.063.

Pursuant to TLGC § 375.062, the Petitioner requests that the TCEQ divide the temporary directors into two groups, with two directors serving two-year terms and three directors serving four-year terms, as indicated above.

B. ENGINEERING ANALYSIS

Availability of Comparable Services

The proposed District is within the corporate limits of the City of Conroe. It will receive both its water supply and wastewater service from the City, utilizing existing and potentially new required facilities. Impact fees will not be paid for water and wastewater capacity. The proposed District will construct its internal water distribution, wastewater collection, and drainage facilities within its boundaries. All utilities to serve the proposed District will be designed in accordance with criteria established by the City of Conroe, Texas Department of Health, TCEQ, and Montgomery County.

Water Supply

The proposed District is located within the corporate limits of the City of Conroe and is expected to receive water supply capacity to serve the 4,325 equivalent single-family connections (ESFCs) within its boundary. An existing 20-inch City waterline is located along the north side of Loop 336 and extends along the frontage of the property.

Water Distribution

The water distribution system for full development will consist of looped 12-inch diameter distribution lines. Flushing valves will be provided.

Wastewater Treatment

The wastewater generated by the development of the proposed District will be conveyed by multiple lift stations, existing and newly constructed gravity lines to the City's existing 54-inch trunk wastewater line that traverses the property. The City is proposing an additional wastewater treatment plant within the proposed District's boundary to serve its future development.

Wastewater Collection

The internal wastewater collection system for full development of the proposed District will consist of 8-inch diameter gravity lines, lift stations and force mains. Manholes and service leads will be provided.

Storm water Drainage

The storm water runoff within the proposed District will be directed through a curb and gutter street system with inlets and reinforced concrete pipe and box culverts. The design and construction of these facilities will be in conformance with criteria established by the City of Conroe. Collected storm water will outflow to detention facilities, and ultimately outfall into the San Jacinto River.

Road Improvements

Application material indicates the proposed District will construct certain roadway facilities, including bridges, to serve its residents. The City of Conroe has consented by resolution to the creation of the District as a municipal management district having road powers.

Recreational Facilities

The proposed District will construct recreational facilities to serve its residents and to maximize connectivity within the proposed District.

Topography

The proposed District has elevations ranging from 124 to 144 feet above mean sea level (msl). The property, being a former Boy Scout wilderness camp, is undeveloped and heavily vegetated with various trees. The land currently drains naturally to the San Jacinto River by way of overland sheet flow.

Floodplain

The proposed District lies within the influence of the West Fork of the San Jacinto River. Panel 390 of 750 of the Federal Emergency Management Agency Flood Insurance Rate Map No. 48339C0390G (Revised August 18, 2014) indicates that approximately 957 acres of the proposed District lies within the mapped floodway and another 436 acres lies within the 100-year floodplain outside the floodway. Floodplain elevations throughout the property range from 127 feet to 133 feet msl. The amount and location of reclamation sites within the proposed District will be determined by the final development plan of the proposed District. The engineering reports states that the City of Conroe has agreed to finance a portion of the floodplain reclamation costs.

Impact on Natural Resources

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

C. SUMMARY OF COSTS

Utility Facilities

<u>Construction Costs</u>	<u>District's Share</u> ⁽¹⁾
Utilities, Land, Bridge, Lift Station, and Engineering	\$ 26,863,950
Detention, Mitigation and Reclamation Costs	2,775,000
Design and Testing	6,948,865
Contingency	<u>2,922,495</u>
TOTAL CONSTRUCTION COSTS (71.5% of Bond Issue Requirement)	\$ 39,510,310
<u>Non-Construction Costs</u>	
1. Legal Fees (2%)	\$ 1,105,000

2. Fiscal Agent Fees (2%)	1,105,000
3. Interest Costs	
(a) Capitalized Interest (2 yrs. @ 5.75%)	6,353,750
(b) Developer Interest (2 yrs. @ 5.75%)	4,542,500
4. Bond Discount (3%)	1,657,500
5. Operating Costs	300,000
6. Bond Issuance Expenses	142,875
7. Bond Application	350,000
8. Attorney General's Ffee (0.10%)	55,250
9. TCEQ Bond Issue Fee (0.25%)	138,125
TOTAL NON-CONSTRUCTION COSTS	\$ 15,750,000
TOTAL UTILITY BOND ISSUE REQUIREMENT	\$55,260,310

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

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

ROADS

<u>Construction Costs</u>	<u>District's Share⁽¹⁾</u>
Roadway R.O.W's, Landscaping, Paving, and Land Cost	\$ 22,020,428
Contingency	1,858,264
TOTAL CONSTRUCTION COSTS (79.6% of Bond Issue Requirement)	\$ 23,878,692
<u>Non-Construction Costs</u>	
1. Legal Fees (2%)	\$ 606,000
2. Fiscal Agent Fees (2%)	606,000
3. Interest Costs	
(a) Capitalized Interest (2 yrs. @ 5.75%)	871,125
(b) Developer Interest (2 yrs. @ 5.75%)	2,868,000
4. Bond Discount (3%)	909,000
5. Bond Application	210,000
6. Bond Issuance Fees	30,125
7. Attorney General Fee (0.10%)	30,300
8. TCEQ Bond Issue Fee (0.25%)	-0-
TOTAL NON-CONSTRUCTION COSTS	\$ 6,130,550
TOTAL ROAD BOND ISSUE REQUIREMENT	\$30,009,242

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

A preliminary layout of roads proposed for funding has been provided, and they appear to benefit the District and the land included within the District. Eligibility of costs may be subject to TCEQ review and will be determined in accordance with TCEQ rules in effect at the time bond applications are reviewed.

RECREATIONAL FACILITIES

<u>Construction Costs</u>	<u>District's Share⁽¹⁾</u>
Park Space, Land, Landscaping, Design, Testing Sidewalks, Irrigation, Lake Amenity, and Lighting	\$ 6,544,960
Engineering	289,600
Contingency	<u>289,600</u>
TOTAL CONSTRUCTION COSTS (77.7% of Bond Issue Requirement)	\$ 7,124,160
<u>Non-Construction Costs</u>	
1. Legal Fees (2%)	\$ 183,000
2. Fiscal Agent Fees (2%)	183,000
3. Interest Costs	
(a) Capitalized Interest (2 yrs. @ 5.75%)	263,063
(b) Developer Interest (2 yrs. @ 5.75%)	852,000
4. Bond Discount (3%)	274,500
5. Bond Application	210,000
6. Bond Issuance Fees	52,412
7. Attorney General Fee (0.10%)	9,150
8. TCEQ Bond Issue Fee (0.25%)	<u>22,875</u>
TOTAL NON-CONSTRUCTION COSTS	\$ 2,050,000
TOTAL RECREATIONAL BOND ISSUE REQUIREMENT	\$ <u>9,174,160</u>
TOTAL BOND ISSUE REQUIREMENT	\$94,443,712

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

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

D. ECONOMIC ANALYSIS

Land Use

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

<u>Development</u>	<u>Acres</u>	<u>ESFCs</u>
Single-Family Residential	430.90	1,301
Multi-Family	79.60	1,114
Commercial	201.30	1,610
Mixed Use	21.40	300
Roads/Parks/Greenspace/Detention	<u>1,312.52</u>	<u>-0-</u>
Total	2,045.72	4,325

Market Study

A market study, prepared by RCLCO, has been submitted in support of the creation of the proposed District. The market study indicates that the proposed District will contain 1,301 single-family homes, priced from \$285,000 to \$725,000 on 50 to 110-foot lots; 150,000 square feet of retail; two to three apartment projects totaling 600 units; and a 150 room

upper midscale hotel. Homes in the overall master planned development are expected to be absorbed at a rate of about 324 units per year, starting in 2015.

Project Financing

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

<u>Development Type</u>	<u>Developed Units</u>	<u>Developed Unit Value</u>	<u>Total Value</u>
Single-Family Homes	1,301 Units	\$376,664/Unit	\$ 490,040,000
Multi-Family Homes	1,176 Units	\$103,196/Unit	121,358,160
Commercial	2,192,157 SF	\$125/SF	274,019,625
Mixed Use	233,046 SF	\$125/SF	29,130,750
Total Assessed Value at Build-out			\$ 914,548,535

Considering an estimated bond issue requirement of \$94,443,712 (\$55,260,310 for utilities; plus \$30,009,242 for roads; plus \$9,174,160 for recreational facilities; and assuming 100% financing), a coupon bond interest rate of 5.75%, and a 25-year bond life, the average annual debt service requirement would be approximately \$7,213,438. Assuming a 95% collection rate and an ultimate assessed valuation of \$914,548,535, a tax rate of approximately \$0.87 per \$100 assessed valuation would be necessary to meet the annual debt service requirements. A projected maintenance tax of \$0.02 is anticipated initially and is expected to vary as development progresses so that a combined District tax rate of at most \$0.89 would be maintained.

The total year 2014 overlapping tax rates on land within the proposed District is shown in the following table:

<u>Taxing Jurisdiction</u>	<u>W, WW, & D</u>	<u>W, WW, D, & Roads</u>	<u>W, WW, D, Roads, & Recreation</u>
Conroe ISD	\$ 1.2850	\$ 1.2850	\$ 1.2850
City of Conroe	0.4200	0.4200	0.4200
Montgomery County	0.4838	0.4838	0.4838
Montgomery County Hospital District	0.0727	0.0727	0.0727
Lone Star College System	0.1160	0.1160	0.1160
Proposed Conroe MMD No. 1	0.4900	0.7500	0.8700
Proposed District Maintenance	0.0200	0.0200	0.0200
Total tax per \$100 valuation:	\$ 2.8875	\$ 3.1475	\$ 3.2675

Based on the proposed District tax rate and the year 2014 overlapping tax rate on land within the proposed District, the project is considered economically feasible.

Water and Wastewater Rates

According to information provided, the estimated monthly fee for 10,000 gallons of water and wastewater would be approximately \$79.46 for residential customers.

Comparative District Tax Rates

A tax rate of \$3.27 for the proposed District is comparable to other subdivisions in the area that are also within a district. Based on the requirements of 30 TAC § 293.59, this project is

economically feasible.

E. SPECIAL CONSIDERATIONS

1. Hearing Action

Pursuant to TLGC § 375.023, the TCEQ shall conduct a hearing to consider the petition received requesting the creation of a municipal management district (MMD) and its necessity, the feasibility of the proposed District's projects, and the benefit it represents for the land within its boundary.

2. Powers of Municipal Management Districts

Municipal management districts have the general powers granted to conservation and reclamation districts pursuant to Article XVI, § 59 of the Texas Constitution, including those conferred by Chapters 49 and 54, Texas Water Code. Pursuant to § 52, Article III, and § 52(a), Article III of the Texas Constitution, MMDs also have the powers and authorities granted to road utility districts which includes the power to levy ad valorem taxes for construction and maintenance of roads, and for the provision of mass transit services. MMDs may borrow money, purchase or lease property, enter into agreements for joint use of facilities, establish fees for use of district facilities or property, pursue grants from government or private entities, among other things. MMDs do not have the power of eminent domain.

A MMD may issue either general obligation or revenue bonds to finance improvements or services. Bonds payable from taxes may only be issued after first holding an election.

F. CONCLUSIONS

1. Based on TCEQ policy, compliance with TCEQ rules, and review of the engineering report and supporting documents, the proposed District is considered feasible, practicable, would be a benefit to the land within the proposed District, and would be necessary as a means to finance utilities, roads and recreational facilities for future customers.
2. Based on a review of the preliminary engineering report; market study; the proposed District's water, wastewater, drainage, road, and recreational facilities; a combined projected tax rate of \$0.89; the proposed District obtaining a 5.75% bond coupon interest rate; and other supporting data, the proposed District is considered feasible under the feasibility limits prescribed by 30 TAC § 293.59.
3. The recommendations are made under authority delegated by the Executive Director of the TCEQ.

G. RECOMMENDATIONS

1. Grant the petition for the creation of Conroe Municipal Management District No. 1 of Montgomery County.

2. The order granting the petition should include the following statements:

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

“This Order shall not constitute approval or recognition of the validity of any provision in the City of Conroe’s creation consent Resolution No. 4093-13, effective October 24, 2013, and any other ordinance/resolution incorporated therein by reference to the extent that such provisions exceed the authority granted to the City of Conroe by the laws of the State of Texas.”

3. Appoint the following five temporary directors with terms, as noted, to serve until permanent directors are elected and qualified:

2-Year Term

Henry E. Kulesza
Coulson Tough

4-Year Term

Chris Denison
Steve Hailey
Charles F. Reinhardt

H. ADDITIONAL INFORMATION

The petitioner’s professional representatives are:

Attorney: Ms. Nancy Kwon Carter – The Muller Law Group, PLLC
Engineer: Mr. Michael Rusk, P.E. – L.J.A. Engineering, Inc.
Market Analyst: RCLCO

PETITION FOR CREATION OF
CONROE MUNICIPAL MANAGEMENT DISTRICT NO. 1

THE STATE OF TEXAS §
 §
COUNTY OF MONTGOMERY §

TO THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY:

CONROE CS TEXAS HOLDINGS, LP, a Delaware limited partnership (the "Petitioner") respectfully petitions the Commissioners of the Texas Commission on Environmental Quality (the "TCEQ") for the creation of a municipal management district. Petitioner holds title to a majority of the assessed value of the real property described in **Exhibit A**, attached hereto and incorporated herein for all purposes, as indicated by the appraisal rolls of Montgomery County, Texas. Petitioner, acting pursuant to the provisions of Chapter 375, Texas Local Government Code, and Chapter 49, Texas Water Code, together with all amendments and additions thereto, would respectfully show the following:

I.

The name of the proposed District shall be CONROE MUNICIPAL MANAGEMENT DISTRICT NO. 1 (herein the "District"). There is no other municipal management district or conservation or reclamation district in Montgomery County, Texas, with the same name.

II.

The District shall be created and organized under the authority of Article XVI, Section 59, and Article III, Sections 52 and 52-a, of the Texas Constitution and Chapter 375, Texas Local Government Code, and Chapter 49, Texas Water Code, together with all amendments and additions thereto.

III.

The District shall have all the rights, powers, privileges, authority and functions conferred by and be subject to all duties imposed by the Texas Local Government Code and Texas Water Code and the general laws of the State of Texas relating to municipal management districts. As created, the District shall contain 2,045.72 acres of land, more or less, situated wholly in the corporate limits of the City of Conroe, Texas, and in Montgomery County, Texas, as further described by metes and bounds in **Exhibit A**, attached hereto and incorporated herein for all purposes (the "Property"). All of the Property proposed to be included may properly be included in the District.

IV.

The Petitioner holds fee simple title to the Property. The Petitioner hereby represents that it owns a majority in value of the Property, as indicated by the certificate of ownership provided by the Montgomery Central Appraisal District.

V.

The Petitioner represents that there are no holders of liens on the Property except Tricon US Lender, Inc., PSPIB Realty US Inc., and Johnson Conroe CS Investors, LLC.

VI.

The general nature of the work proposed to be done by the District at the present time is the purchase, construction, acquisition, maintenance and operation of a water supply and distribution system, a sanitary sewer collection and treatment system, drainage system, including any facilities necessary to control, abate and amend local storm waters or other harmful excesses of waters, parks and recreational facilities, and road facilities, and all facilities necessary or related thereto, all as more particularly described in a preliminary report, filed simultaneously with the filing of this petition and incorporated by reference herein (the "Preliminary Report"), and such other purchase, construction, acquisition, improvement, maintenance and operation of such additional facilities, systems, plants and enterprises as shall be consonant with all of the purposes for which the District is created (the "Project").

VII.

There is a necessity for the improvements above described. The territory to be included in the District will be developed for residential and commercial purposes. There is not available within the area proposed to be included in the District an adequate water supply and distribution system, sanitary sewer collection and treatment system, drainage system, parks and recreational facilities, or road facilities, and the health and welfare of the future inhabitants of the District and of the areas adjacent thereto require the purchase, construction, acquisition, maintenance and operation of such systems and facilities.

IX.

Based on the information available to the Petitioners at this time, it is estimated that the cost of the Project will be approximately \$94,700,000, all as further described in the Preliminary Report.

X.

The following five (5) individuals are duly qualified to serve on the governing body of the District and are proposed to be appointed to the initial board of directors of the District:

1. Henry E. Kulesza (two-year term)
2. Coulson Tough (two-year term)
3. Chris Denison (four-year term)
4. Steve Hailey (four-year term)
5. Charles F. Reinhardt (four-year term)

A description of each individual's experience is attached hereto as Exhibit B. Pursuant to Chapter 375.062, Texas Local Government Code, the Petitioner requests that the Commission divide the initial directors into two groups, with two directors serving two-year terms and three directors serving four-year terms, as described above.

XI.

The City of Conroe, Texas (the "City"), has heretofore adopted a Resolution consenting to the creation of the District over the Property. A copy of the City's Resolution is attached hereto as **Exhibit C**.

WHEREFORE, the Petitioners respectfully pray that this petition be properly filed, as provided by law; that all interested persons be notified of the procedures for requesting a public hearing on this petition as required by 30 Tex. Admin. Code § 293.12; that this petition be set for consideration at a date to be fixed in keeping with the provisions of Chapter 375, Texas Local Government Code, and Chapter 49, Texas Water Code, and the rules of the TCEQ; that, if necessary, a hearing be held and notice thereof be given as provided in Chapter 375, Texas Local Government Code, and Chapter 49, Texas Water Code, and the rules of the TCEQ; that this petition be in all things granted; that the District be created and five directors thereof appointed to serve until their successors are duly appointed and qualified; and that such other orders, acts, procedure and relief be granted as are proper and necessary and appropriate to the creation and organization of the District, as the TCEQ shall deem proper and necessary.

[EXECUTION PAGE FOLLOWS]

RESPECTFULLY SUBMITTED this 1st day of May, 2014.

CONROE CS TEXAS HOLDINGS, LP,
a Delaware limited partnership

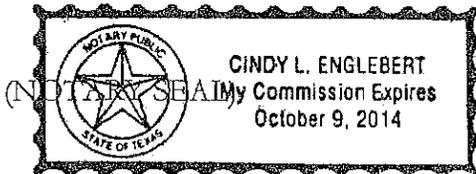
BY: JOHNSON CONROE CS GP LLC,
a Texas limited liability company

By: *Larry D. Johnson*
Larry D. Johnson, Manager

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the 1st day of May, 2014, by Larry D. Johnson, Manager of Johnson Conroe CS GP LLC, a Texas limited liability company, as general partner of Conroe CS Texas Holdings, LP, a Delaware limited partnership, on behalf of said limited liability company and limited partnership.

Cindy L. Englebert
Notary Public, State of Texas



- Attachments:
Exhibit A - Description of the Property
Exhibit B - Description of Each Individual Director's
Experience
Exhibit C - City of Conroe Resolution Consenting to Creation
of District

CERTIFICATE OF AUTHORITY

I, the undersigned officer of Johnson Conroe CS GP, LLC, a Texas limited liability company (the "Company"), hereby certify that:

1. The Company is the general partner of Conroe CS Texas Holdings, LP, a Delaware limited partnership (the "Petitioner");
2. Larry D. Johnson is the Manager of the Company;
3. in such capacity he is authorized to execute the Petition for Creation of Conroe Municipal Management District No. 1 (the "District") and any other documents related to the creation of the District, on behalf of the Company (collectively, the "Creation Documents");
4. such execution of the Creation Documents is duly authorized and executed in conformity with the Company's organizational documents and the limited partnership agreement of the Petitioner; and
5. Larry D. Johnson, as Manager of the Company, is authorized to execute any other such documents needed by the City of Conroe, Texas, the Texas Commission on Environmental Quality, or the Attorney General of Texas in connection with the creation of the District.

[signature page follows]

WITNESS MY HAND, this 1st day of May, 2014.

JOHNSON CONROE CS GP LLC,
a Texas limited liability company

By: Jean Farley

Name: Jean Farley

Title: Secretary

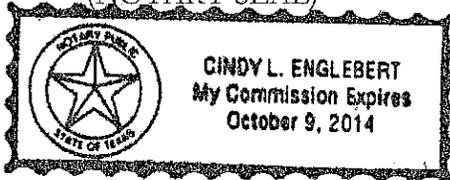
THE STATE OF TEXAS

§
§
§

COUNTY OF HARRIS

This instrument was acknowledged before me on the 1st day of May, 2014, by Jean Farley Secretary of Johnson Conroe CS GP LLC, a Texas limited liability company, on behalf of said limited liability company.

(NOTARY SEAL)



Cindy L. Englebert
Notary Public, State of Texas

CERTIFICATE OF AUTHORITY

I, the undersigned officer of Tricon USA Loan Services LLC (the "Lienholder Agent"), hereby certify that:

1. Craig Mode is the Vice-President of the Lienholder Agent and is acting in his capacity as agent for the following lenders: (i) Tricon US Lender Inc., (ii) PSPIB Realty U.S. Inc.; and (iii) Johnson Conroe CS Investors LLC;
2. in such capacity he executed the Certificate of Lienholder's Consent (the "Certificate") to the creation of Conroe Municipal Management District No. 1;
3. such execution of the Certificate was duly authorized and executed in conformity with the Lienholder Agent's organizational documents and agency agreement.

WITNESS MY HAND, this 5 day of June, 2014.

Tricon USA Loan Services LLC

By: [Signature]

Name: Gary Berman

Title: President

PROVINCE OF Ontario

§

CITY OF Toronto

§

§

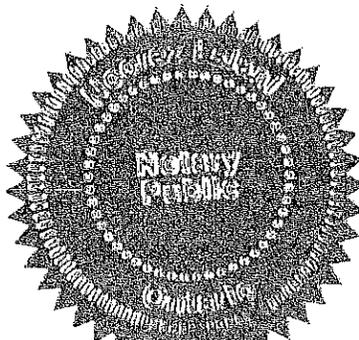
This instrument was acknowledged before me on the 5 day of June, 2014, by Gary Berman, President of Tricon USA Loan Services LLC, a Delaware limited liability company, on behalf of such company.

(NOTARY SEAL)

[Signature]

Notary Public, State of Ontario

Province



CERTIFICATE OF LIENHOLDER'S CONSENT

The undersigned, being Agent of (i) Tricon US Lender Inc., (ii) PSPIB Realty U.S. Inc.; and (iii) Johnson Conroe CS Investors LLC, all the lienholders on the Property, as described by metes and bounds on Exhibit A attached hereto, hereby consents to the creation of Conroe Municipal Management District No. 1.

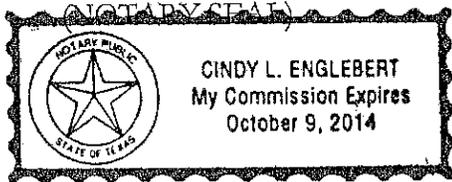
WITNESS MY HAND this 29th day of May, 2014.

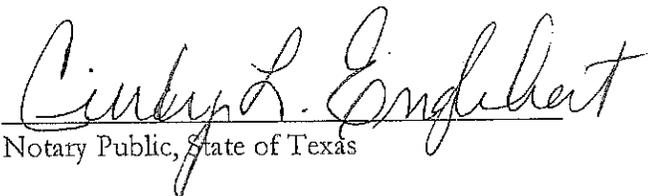
TRICON USA LOAN SERVICES LLC
A Delaware limited liability company

By: 
Craig Mode
Vice-President

STATE OF Texas §
COUNTY OF Harris §
§

This instrument was acknowledged before me on the 29th day of May, 2014, Craig Mode, Vice-President of TRICON USA LOAN SERVICES LLC, a Delaware limited liability company, on behalf of such company.




Notary Public, State of Texas

CERTIFICATE FOR RESOLUTION

I.

On the 24th day of October, 2013, the City Council of the City of Conroe, Texas, consisting of the following qualified members, to-wit: Webb Melder, Mayor; Guy Martin, Mayor Pro-Tem; Council Members Marsha Porter, Seth Gibson, Jim Gentry, and Gil Snyder, did convene in public session in the Council Chamber of the City Hall at 300 West Davis in Conroe, Texas. The roll being first called, a quorum was established, all members being present except the following, to-wit: _____. The Meeting was open to the public and public notice of the time, place and purpose of the Meeting was given, all as required by Chapter 551, Texas Government Code.

II.

WHEREUPON, AMONG OTHER BUSINESS transacted, the Council considered adoption of the following written Resolution, to-wit:

RESOLUTION NO. 4093-13

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CONROE, TEXAS, AUTHORIZING CERTAIN TERRITORY WITHIN THE CORPORATE LIMITS OF THE CITY OF CONROE, TEXAS, TO BE INCLUDED WITHIN CONROE MUNICIPAL MANAGEMENT DISTRICT NO. 1

III.

Upon motion of Mayor Pro Tem Martin, seconded by Council Member Gentry, all members present voted for adoption of the Resolution, except the following: _____. A majority of those Council Members present having voted for adoption, the presiding officer declared the Resolution passed and adopted.

IV.

A true, full and correct copy of the Resolution adopted at the Meeting is attached to and follows this Certificate.

SIGNED AND SEALED this 24th day of October, 2013.


Marla J. Porter, City Secretary

RESOLUTION NO. 4093-13

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CONROE, TEXAS, AUTHORIZING CERTAIN TERRITORY WITHIN THE CORPORATE LIMITS OF THE CITY OF CONROE, TEXAS, TO BE INCLUDED WITHIN CONROE MUNICIPAL MANAGEMENT DISTRICT NO. 1

WHEREAS, Johnson Development Corporation has requested that the City Council of the City of Conroe, Texas (the "City"), provide its consent to the creation of a municipal utility district within the corporate limits of the City to be known as **Conroe Municipal Management District No. 1** (the "District"), said District to encompass the land described in **Exhibit A**; and

WHEREAS, in anticipation of the creation of the District, Johnson Development Corporation, acting herein on behalf of the proposed District, and the City have entered into a Utility Functions Agreement, an Economic Development Agreement, and a Reimbursement Agreement to be assigned to and ratified by the District upon its creation; and

WHEREAS, the City desires to consent to the creation of the District upon the terms and conditions set forth in this resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CONROE, TEXAS, THAT:

Section 1. All of the matters and facts set out in the preamble hereof are true and correct.

Section 2. The City Council officially finds, determines, recites and declares that a sufficient written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Texas Government Code, Chapter 551 and that this meeting has been open to the public as required by law at all times during which this Resolution and the subject matter thereof has been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

Section 3. Subject to the terms and conditions hereinafter set forth, the City Council of the City hereby consents to the creation of CONROE MUNICIPAL MANAGEMENT DISTRICT NO. 1 within the corporate limits of the City, and further

consents to the inclusion of the property described in **Exhibit A** within the boundaries of said District.

Section 4. Additional territory shall not be added to or annexed by the District nor shall the District be permitted to serve territory located outside the District without the written consent of City.

Section 5. Subject to any variance or modification, by contract or otherwise, all public water distribution, sanitary sewer collection, transportation and treatment, ~~and stormwater collection, detention, floodplain reclamation, and drainage systems,~~ recreational facilities, and roads constructed or acquired or to be constructed or acquired by the District shall be designed and constructed in compliance with all applicable requirements and criteria of City. The District shall not be required to design and construct the facilities to requirements more stringent than the City's requirements and criteria applicable to all design and construction within the City's jurisdiction.

Section 6. (a) Bonds. The District shall have the authority to issue, sell and deliver bonds from time to time, as deemed necessary and appropriate by the Board of Directors of the District, for the purposes, in such form and manner and as permitted or provided by federal law, the general laws of the State of Texas and the City's Consent Ordinance. The District shall not be authorized to sell Bonds until it has provided the City with a copy of the Preliminary Official Statement and a draft of the Bond Resolution.

(b) Tax Levy. In order to pay for the day-to-day operations of the District, the District may levy and assess and collect an operation and maintenance tax, provided that the District's combined debt service and operation and maintenance tax in a given year does not exceed \$0.90 per \$100 in valuation without the written consent of the City.

(c) Feasibility Finding. Each Texas Commission on Environmental Quality order approving a bond issue must contain a finding, made in accordance with the Commission's then-existing rules, that it is feasible to sell the bonds and maintain a projected District Tax Rate (including the District's operation and maintenance tax) that will not exceed \$0.90 per \$100 in valuation. The foregoing shall not be construed as a limitation on the District's authority to levy an unlimited tax rate, it being understood and acknowledged that the District's bonds shall be payable from and secured by a pledge of the proceeds of an ad valorem tax, without legal limit as to rate or amount; provided, however, that if the District's debt service tax rate for a given year is \$0.80 per \$100 in valuation or higher, then the District's operation and maintenance tax shall not exceed \$0.10 per \$100 in valuation without the written consent of the City.

(d) Purpose for Bonds and Use of Bond Proceeds. The District will issue bonds only for the purpose of purchasing and constructing or otherwise acquiring the facilities described in Section 5 of this resolution, and to make any and all necessary purchases, construction, improvements, extensions, additions, and repairs thereto, and purchase or acquire all necessary land, right-of-way, easements, sites, equipment, buildings, plants, structures, and facilities related thereto, whether within or without the boundaries of the District, and providing for developer interest and for any necessary capitalized interest and costs of issuance.

(e) Bond Provisions. The District's bonds shall expressly provide that the District reserves the right to redeem the bonds on any interest-payment date subsequent to the fifteenth anniversary of the date of issuance without premium and will be sold only after the taking of public bid therefore. None of such bonds, other than refunding bonds, will be sold for less than 95% of par; provided that the net effective interest rate on bonds so sold, taking into account any discount or premium as well as the interest rate borne by such bonds, will not exceed two percent above the highest average interest rate reported by the Daily Bond Buyer in its weekly "20 Bond Index" during the one-month period next preceding the date notice of the sale of such bonds is given, and that bids for the bonds will be received not more than forty-five days after notice of sale of the bonds is given. The bonds shall not have a maturity of more than 30 years and shall not provide for more than 24 months of capitalized interest. The District shall not issue bonds more than eighteen years after the date of its creation.

Section 7. (a) Utility Functions Agreement, Economic Development Agreement and Reimbursement Agreement. City and Johnson Development Corporation, have entered into a Utility Functions Agreement, Economic Development Agreement and a Reimbursement Agreement (the "Agreements"), of even date with this resolution, wherein the parties have acted pursuant to Texas Local Government Code Chapter 380 and Section 552.014 to contract as to other matters not inconsistent with the terms of this resolution. City's consent given herein is expressly subject to the requirement that the District's Board of Directors must accept the assignment of the Agreements, ratify and agree to be bound by the terms thereof. Ratification and acceptance of the Agreements shall be the first substantive orders of business following the District's confirmation election and other preliminary matters necessary to constitute the District's governing body. District shall have no authority to issue bonds prior to its ratification and acceptance of the Agreements.

(b) Consent Revoked if Agreement not Ratified. This resolution shall expire and the consent herein given shall be automatically revoked on the third anniversary hereof unless the Board of Directors of the District first adopts one or more resolutions accepting, ratifying and adopting the Utility Functions Agreement and the Reimbursements Agreement.

Section 8. This resolution shall be effective immediately upon adoption but is subject to the requirement that Johnson Development Corporation complete the purchase of substantially all of the Property on or before March 31, 2014, otherwise such consent to be revoked and of no further force or effect.

PASSED AND APPROVED this the 24th day of October, 2013.


Webb Melder, Mayor

APPROVED AS TO FORM:

ATTEST:


Marcus Winberry, City Attorney


Marla J. Porter, City Secretary

Exhibit A
DESCRIPTION

Of 2083.6503 acres being all of Tract "A" (called 300 Acres), a portion of Tract "B" (called 930.75 Acres), all of Tract "D" (called 83 Acres) and a portion of Tract "E" (called 1020 Acres) as conveyed by deed dated December 15, 1943 from the Board of Regents of the University of Texas to the Sam Houston Area Council of the Boy Scouts of America, as recorded in Volume 241, Page 250 of the Deed Records of Montgomery County, Texas. Said 2083.4674 acres being located in the Joseph House Survey, Abstract 250, and the Ransom House Survey, Abstract 245, Montgomery County Texas. Said 2083.6503 acres being more particularly described by metes and bounds as follows; (Bearings based on NAD83 Texas State Plane Coordinate System, Central Zone) City of Conroe Monuments CI-1AZ, and CC-21.

BEGINNING at a TXDOT monument found at the intersection of the most southerly southeast cutback corner of Loop 336 (R.O.W. Varies M.C.C.F. No. 8638346 and R.O.W. Alignment Drawing, Sheets 7,8,&9 prepared by Survcon, Inc. Dated May, 1987) with the west line of Interstate Highway 45 (R.O.W. Varies - (Vol. 409, Pg. 302, M.C.D.R. and M.C.C.F. No. 2006-116262), said monument being in the east line of the remainder of said Tract "B";

THENCE along the west line of said Interstate Highway 45 and the east line of the remainder of said Tract "B", the following calls;

S 17° 35' 24" E, for a distance of 185.99 feet (called 184.25 feet) to a ½" iron rod with cap set for the beginning of a curve to the right;

Thence along said curve having a radius of 5691.00 feet, a central angle of 06° 22' 09", a chord bearing and distance of S 14°28'13" E - 632.31 feet, and an arc length of 632.64 feet to a 5/8" iron rod with cap found for the beginning of a compound curve to the right;

Thence along said curve having a radius of 5544.58 feet, a central angle of 07° 19' 09", a chord bearing and distance of S 05°04'13" E - 707.81 feet, and an arc length of 708.29 feet to a TXDOT monument found for point of tangency;

S 01°24'38" E, for a distance of 1197.85 feet to a TXDOT monument found for the beginning of a curve to the right;

Thence along said curve having a radius of 17373.73 feet, a central angle of 00° 47' 49", a chord bearing and distance of S 01°48'32" E - 241.62 feet, and an arc length of 241.62 feet to a TXDOT monument found for point of tangency;

S 02°12'26" E, for a distance of 751.34 feet to a TXDOT monument found for the beginning of a curve to the right;

Thence along said curve having a radius of 5744.58 feet, a central angle of 01° 39' 20", a chord bearing and distance of S 01°22'47" E - 165.98 feet, and an arc length of 165.99 feet to a TXDOT monument (stamped "ADL") found for point of tangency;

S 00°33'07" E for a distance of 301.72 feet to a ½" iron rod with cap set for the beginning of a curve to the left;

Thence along said curve having a radius of 5714.58 feet, a central angle of 01° 39' 20", a chord bearing and distance of S 01°22'46" E - 165.11 feet, and an arc length of 165.11 feet to a ½" iron rod with cap set for point of tangency;

S 02°12'26" E, for a distance of 539.92 feet to a 1/2 iron rod with cap set for angle point;

S 00°55'47" W, for a distance of 47.56 feet to a 1/2 iron rod with cap set for angle point;

S 05°29'51" E, for a distance of 45.35 feet to a 1/2 iron rod with cap set for angle point;

THENCE S 02°12'26" E, for a distance of 2543.35 feet to a TXDOT monument found for the southeast corner of the herein described tract, same being the northeast corner of the remainder of a called 1.250 acre tract conveyed by deed dated January 27, 2003 to John P. Gannon as recorded in M.C.C.F. No. 2003-013943;

THENCE S 71°22'22" W, departing from the west line of said Interstate Highway 45, along the south line of said Tract "E", same being the south line of said Joseph House Survey, A-250, and the north line of the Charles B. Stewart Survey, A-476, passing at a distance of 318.42 feet, a ½" iron rod found for the northwest corner of said 1.250 acres, passing at a distance of 4575.28 feet, a 5/8" iron rod found for the northeast corner of a called 10.00117 acre tract conveyed by deed dated August 10, 1994 to Frederick R. McCord, Trustee, as recorded in M.C.C.F. No. 9504434 of the Deed Records Of Montgomery County, Texas, and continuing in all for a total distance of 6,555.80 feet to a point for corner in the east high bank of the San Jacinto River;

THENCE along the meanders of the east high bank of said San Jacinto River, the following calls;

N 77°17'44" W, for a distance of 64.73 feet;
N 81°24'48" W, for a distance of 80.20 feet;
S 76°11'26" W, for a distance of 142.98 feet;
N 89°05'16" W, for a distance of 289.65 feet;
N 85°03'10" W, for a distance of 175.45 feet;
N 72°34'16" W, for a distance of 70.37 feet;
N 65°40'02" W, for a distance of 125.65 feet;
N 73°59'36" W, for a distance of 117.54 feet;
N 25°57'40" W, for a distance of 98.34 feet;
N 12°01'38" W, for a distance of 160.84 feet;
N 15°26'56" W, for a distance of 80.36 feet;
N 08°23'45" W, for a distance of 149.79 feet;
N 26°49'46" W, for a distance of 114.25 feet;
N 52°58'05" W, for a distance of 147.21 feet;

N 61°31'34" W, for a distance of 254.76 feet;
N 77°54'38" W, for a distance of 182.23 feet;
N 89°01'24" W, for a distance of 125.10 feet;
N 72°05'00" W, for a distance of 137.21 feet;
N 66°41'23" W, for a distance of 116.39 feet;
N 70°55'46" W, for a distance of 100.01 feet;
N 48°09'40" W, for a distance of 51.97 feet;
N 05°58'15" E, for a distance of 105.29 feet;
N 15°05'26" W, for a distance of 137.11 feet;
N 07°57'25" W, for a distance of 91.52 feet;
N 04°57'04" E, for a distance of 245.69 feet;
N 12°02'39" W, for a distance of 136.64 feet;
N 22°53'12" E, for a distance of 137.89 feet;
N 15°32'42" E, for a distance of 153.41 feet;
N 00°14'42" E, for a distance of 157.19 feet;
N 17°58'15" W, for a distance of 134.30 feet;
N 24°23'07" W, for a distance of 165.57 feet;
N 43°47'08" W, for a distance of 154.53 feet;
N 62°50'14" W, for a distance of 244.18 feet;
N 71°26'38" W, for a distance of 247.47 feet;
N 59°14'54" W, for a distance of 206.97 feet;
N 53°04'58" W, for a distance of 189.01 feet;
N 07°59'17" W, for a distance of 58.36 feet;
N 41°09'12" W, for a distance of 107.48 feet;
N 14°51'08" W, for a distance of 185.52 feet;
N 04°13'19" W, for a distance of 116.31 feet;
N 04°18'05" E, for a distance of 190.58 feet;
N 23°10'28" W, for a distance of 131.41 feet;
N 48°55'08" W, for a distance of 558.95 feet;
N 26°19'00" W, for a distance of 240.23 feet;
N 19°33'04" W, for a distance of 176.04 feet;
N 36°08'15" W, for a distance of 156.75 feet;
N 53°56'22" W, for a distance of 139.27 feet;
N 58°53'02" W, for a distance of 164.65 feet;
N 71°57'46" W, for a distance of 43.84 feet;
S 85°51'42" W, for a distance of 153.66 feet;
N 77°26'11" W, for a distance of 237.77 feet;
N 67°27'51" W, for a distance of 173.11 feet;
N 60°18'12" W, for a distance of 110.50 feet;
N 54°15'02" W, for a distance of 233.09 feet;
N 49°25'52" W, for a distance of 162.84 feet;
N 40°10'30" W, for a distance of 99.62 feet;
N 50°37'00" W, for a distance of 106.95 feet;
N 43°50'13" W, for a distance of 160.78 feet;
N 32°24'31" W, for a distance of 58.25 feet;
N 12°31'42" W, for a distance of 80.70 feet;
N 17°58'02" W, for a distance of 105.10 feet;
N 32°26'17" W, for a distance of 381.09 feet;
N 41°11'57" W, for a distance of 182.14 feet;

N 39°26'03" W, for a distance of 141.00 feet;
N 60°36'39" W, for a distance of 132.28 feet;
N 46°14'37" W, for a distance of 226.99 feet to a point for corner;

THENCE S 77°26'30" E, departing from the east high bank of the San Jacinto River along the north line of said Tract "D", and along the south line of a called 18.452 acre tract conveyed by deed dated July 21, 1970 to the City of Conroe as recorded in Vol. 716, Pg. 899 M.C.D.R., and along the south line of a called 17 acre tract conveyed by deed dated April 13, 1988 to the City of Conroe as recorded in M.C.C.F. No.8944068, for a distance of 2088.78 feet to a ½" iron rod with cap set for the northeast corner of said Tract "D", same being in the west line of said Tract "A";

THENCE N 42°26'30" W, along the west line of said Tract "A" for a distance of 2205.73 feet to a ½" iron rod with cap set for the northeast corner of said 17 acres;

THENCE N 72°33'30" E, along the south line of Tract 14G called 9.186 acres conveyed by deed dated December 20, 2004 to Shirley Ann Gouge as recorded in M.C.C.F. No. 2005-006146, and the south line of a called 7.114 acre tract conveyed by deed dated December 02, 1999 to David Ewer as recorded in M.C.C.F. No. 99099885, for a distance of 683.75 feet to a ½" iron rod found for corner;

THENCE N 72°02'26" E, along the south line of a called 14.776 acre tract conveyed by deed dated February 01, 2000 to Robert W. Hancock as recorded in M.C.C.F. No. 2000-009589, and the south line of a called 14.17 acre tract conveyed by deed dated June 05, 2012 to Arlen M. Driscoll, Trustee, as recorded in M.C.C.F. No.2012051711, and along the south line of a called 7.855 acre tract conveyed by deed dated July 13, 2004 to Charles A. Baron and wife Cynthia Baron as recorded in M.C.C.F. No.2004-082352, and along the south line of a called 9.1430 acre tract conveyed by deed dated January 24, 2006 to Sondra Franklin Terry as recorded in M.C.C.F. No. 2006-009207, for a distance of 2778.11 feet to a ½" iron rod with cap set for corner;

THENCE N 18°32'46" W, along the west line of said Tract "B", same being the east line of said 9.1430 acres, and along the east line of a called 9.776 acre tract dated June 06, 2001 to Chew Sen Yu and Sxe Ping Yu as recorded in M.C.C.F. No. 2001-049362, and along the east line of a Commercial Reserve of Riverside Village Patio Homes, as recorded in Cabinet E, Sheet 112-A, of the M.C.M.R., for a distance of 1355.57 feet to a point for corner in the centerline of Sgt. Ed Holcomb Boulevard and the southeast line of Woodhaven Forest Section One, as recorded in Cabinet Z, Sheet 1028, M.C.M.R.;

THENCE along the southeast line of said Woodhaven Forest Section One, the following calls;

N 48°25'23" E, for a distance of 45.95 feet to a point for corner;
N 48°42'38" E, for a distance of 109.09 feet to a point for corner;
N 48°20'18" E, for a distance of 109.70 feet to a point for corner;
N 47°38'46" E, for a distance of 111.88 feet to a point for corner;
N 43°25'35" E, for a distance of 86.21 feet to a point for corner;
N 38°04'44" E, for a distance of 45.37 feet to a point for corner;
N 29°52'06" E, for a distance of 110.24 feet to a point for corner;
N 25°08'59" E, for a distance of 110.84 feet to a point for corner;

N 20°33'13" E, for a distance of 110.19 feet to a point for corner;
N 16°56'30" E, for a distance of 84.90 feet to a point for corner;

THENCE N 72°01'30" E, along the north line of said Ransom House Survey, and along the south line of a called 4.8231 acre tract conveyed by deed dated January 16, 2010 to PLV Properties, LLC as recorded in M.C.C.F. No. 2010-015328, for a distance of 997.63 feet to a TXDOT monument found in the south line of said Loop 336;

THENCE along the south line of said Loop 336, the following calls;

S 71°56'05" E, for a distance of 947.18 feet (called 947.04') to a TXDOT monument found for corner;
S 60°35'48" E, for a distance of 202.89 feet (called 203.96') to a TXDOT monument found for corner;
S 71°53'56" E, for a distance of 100.00 feet, to a 1/2 inch iron rod with cap set for corner;
S 76°53'58" E, for a distance of 401.53 feet, to a TXDOT monument found for corner;
S 71°58'19" E, for a distance of 401.29 (called 400.00') feet to a TXDOT monument found for corner;
S 77°38'53" E, for a distance of 201.00 to a point for corner, from which a TXDOT monument (leaning) was found N 50°57" W, 0.25 feet;
S 71°56'15" E, for a distance of 583.00 feet to a TXDOT monument found for corner;
S 68°07'24" E, for a distance of 300.67 feet to a TXDOT monument found for corner;
S 69°04'30" E, for a distance of 200.25 feet to a TXDOT monument found for corner;
S 72°06'09" E, for a distance of 214.38 feet (called 215.00') to a TXDOT monument found for corner;
S 80°56'24" E, for a distance of 187.76 feet to a TXDOT monument found for corner;
S 71°54'16" E, for a distance of 1264.14 feet (called 1264.17') to a TXDOT monument found for the beginning of a curve to the left;
Thence along said curve having a radius of 3157.38 feet, a central angle of 06° 23' 15" (called 06° 24' 17"), a chord bearing and distance of S 75°06'44" E - 351.81 feet (called 352.76'), and an arc length of 351.99 feet (called 352.94') to a TXDOT monument found for point of tangency;
S 71°12'39" E, for a distance of 227.70 feet (called 226.70') to a TXDOT monument found for corner;
S 82°09'39" E, for a distance of 100.39 feet to a TXDOT monument found for corner;
N 80°05'55" E, for a distance of 150.16 (called 150.29') feet to a TXDOT monument found for corner being in a curve to the left;
Thence along said curve having a radius of 3157.38 feet, a central angle of 14° 40' 09" (called 14° 40' 26"), a chord bearing and distance of N 85°50'27" E - 806.16 feet (called 806.43'), and an arc length of 808.37 feet (called 808.64') to a TXDOT monument found for point of tangency;
N 78°32'06" E, for a distance of 179.60 feet to a TXDOT monument found for corner;

N 82°52'51" E, for a distance of 213.30 feet to a TXDOT monument found for corner;
N 71°29'13" E, for a distance of 299.07 feet (called 300.59') to a TXDOT monument found for corner;
S 81°12'52" E, for a distance of 117.51 feet (called 115.60') to the **PLACE OF BEGINNING** and containing within these calls 2083.6503 acres of land or 90,763,809 square feet of land.

SAVE & EXCEPT THE FOLLOWING DESCRIBED TRACT OF LAND:

Being a 37.930 acre, more or less, tract of land being all of that certain called 37.930 acre tract conveyed by deed from Sam Houston Area Council Boy Scouts of America and Camp Strake Properties Foundation Incorporated to City of Conroe as recorded in Montgomery County Clerk's File No. 2013094338 of the Deed Records of Montgomery County, Texas located in the Joseph House Survey, Abstract 250, Montgomery County, Texas, being a portion of that certain called 1,020 acre tract (referred to as Tract E) conveyed to Sam Houston Area Council Boy Scouts of America by an instrument of record under Volume 241, Page 250 of the Deed Records of said Montgomery County (M.C.D.R.) and a portion of that certain called 55.8515 acre tract conveyed to the Camp Strake Properties Foundation Incorporated by an instrument of record under File Number 9750316 of the Official Public Records of said Montgomery County (M.C.O.P.R.R.P.), said 37.930 acre tract being more particularly described by metes and bounds as follows, all bearings referenced to the Texas Coordinate System, Central Zone, NAD 83 (1986 Adjustment), and based upon GPS measurements from City of Conroe monuments Q88 AZ and CT-i AZ;

BEGINNING at a 5/8-inch iron rod with TxDOT aluminum disc found for the southwest corner of that certain called 3.141 acre tract conveyed to the State of Texas by an instrument of record under File Number 2006-116262, M.C.O.P.R.R.P., same being on the south line of said 55.8515 acre tract and on the common survey line of said Joseph House Survey and the Charles B. Stewart Survey, Abstract 476 of said Montgomery County, said point also being on the west right-of-way line of Interstate Highway 45 (width varies) as described in Volume 409, Page 302, M.C.D.R. and File Number 2006-116262, M.C.O.P.R.R.P.;

THENCE, South 71° 22' 22" West, along the south line of said 55.8515 acre tract, the north line of that certain called 1.250 acre tract conveyed to John P. Gannon by an instrument of record under File Number 2003-013943, M.C.O.P.R.R.P. and along said common survey line, at 318.42 feet pass a 1/2-inch iron rod found for the northwest corner of said 1.250 acre tract, same being the northeast corner of that certain called 236.30 acre tract conveyed to MO-CO SAN JAC-145, Ltd by an instrument of record under File Number 2007081850, M.C.O.P.R.R.P., continuing in all a total distance of 1,224.63 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for the southwest corner of the herein described tract;

THENCE, North 45° 59' 07" West, departing said north and south lines and said common survey line and crossing said 1,020 acre tract, 1,594.55 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for the northwest corner of the herein described tract;

THENCE, North 43° 38' 13" East, 887.03 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for the north corner of the herein described tract;

THENCE, South 46° 22' 18" East, 1,895.30 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for an angle point;

THENCE, South 02° 16' 35" East, 74.64 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for an angle point;

THENCE, North 71°22'22" East, 334.58 feet to a 5/8-inch iron rod with cap stamped "LJA ENG" set for the northeast corner of the herein described tract, said point being on the aforementioned west right-of-way line of Interstate Highway 45;

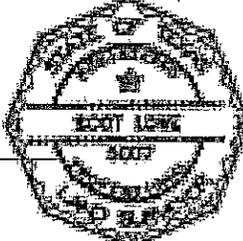
THENCE, South 02°12'26" East, along said west right-of-way line, 83.40 feet to the **POINT OF BEGINNING** and the southeast corner of the herein described tract, and containing 37.930 acres, more or less, of land.

WITNESS MY HAND AND SEAL THIS THE 22nd DAY OF MARCH, 2013

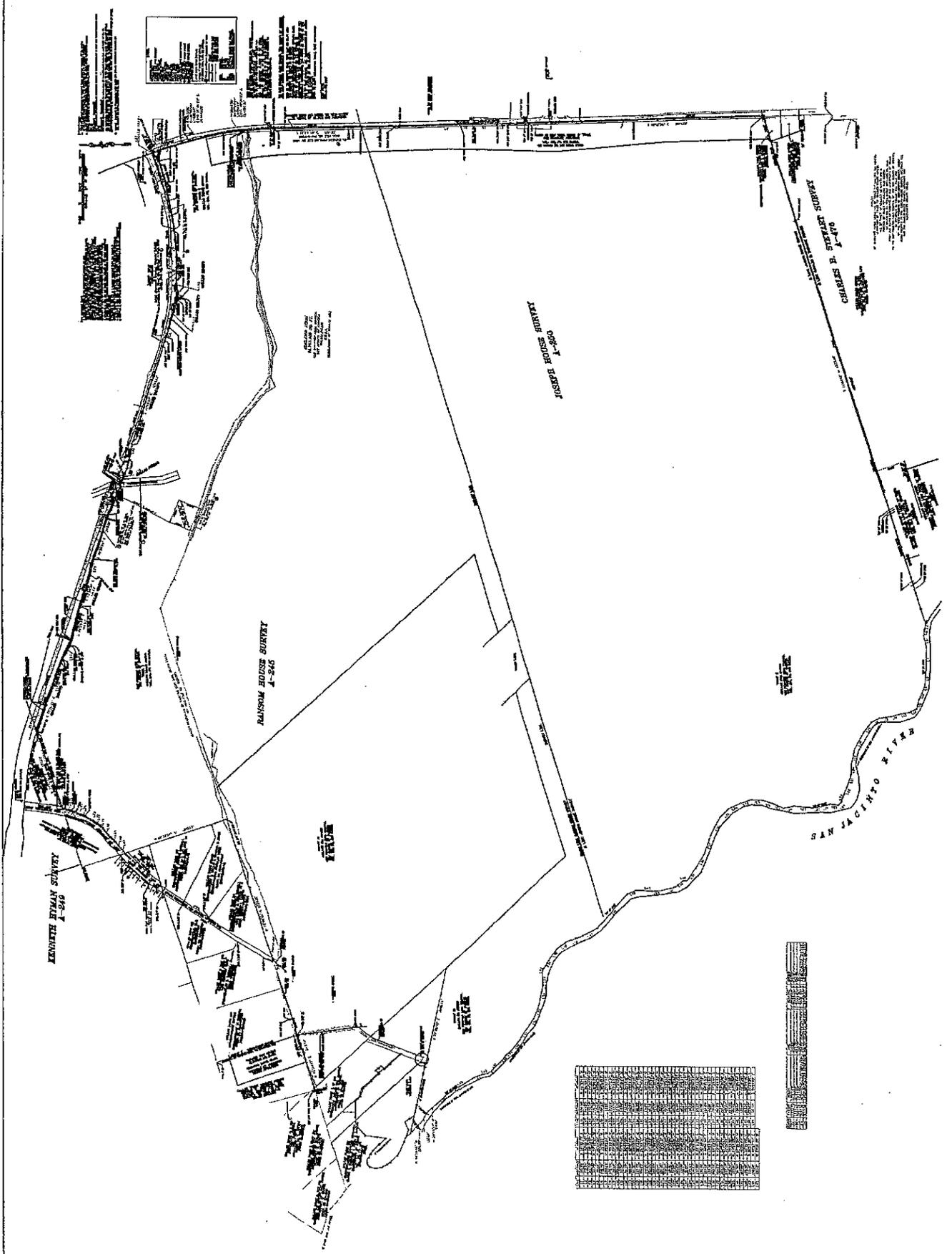
Rev. 07/03/2013 REVISED:09/04/2013

Revised to add Save & Except Tract:11-05-2013(Revised:11/08/13-4:15 PM)


SCOT LOWE, R.P.L.S. NO. 5007



NOTE: METES AND BOUNDS DESCRIPTION PREPARED IN CONJUNCTION WITH BOUNDARY SURVEY PREPARED BY LSI, PROJECT NO. 13004, DATED THE 22ND DAY OF MARCH, 2013, LAST REVISED 11/05/2013



SECTION 16
T. 12 N. R. 10 E. S. 16
MAY 18 1880

SECTION 17
T. 12 N. R. 10 E. S. 17
MAY 18 1880

SECTION 18
T. 12 N. R. 10 E. S. 18
MAY 18 1880

SECTION 19
T. 12 N. R. 10 E. S. 19
MAY 18 1880

SECTION 20
T. 12 N. R. 10 E. S. 20
MAY 18 1880

SECTION 21
T. 12 N. R. 10 E. S. 21
MAY 18 1880

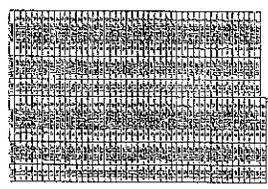
KENDRICK STEWART SURVEY
1-340

RANSOM HOUSE SURVEY
1-245

FOSSER HOUSE SURVEY
1-360

SAN JACINTO RIVER

KENDRICK STEWART SURVEY
1-470





TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



CERTIFICATE SETTING HEARING

CONROE MUNICIPAL MANGEMENT DISTRICT NO. 1

I, Bridget C. Bohac, Chief Clerk of the Texas Commission on Environmental Quality, do hereby establish the following date, time, and place for the public hearing on the Petition for Creation of Conroe Municipal Management District No. 1. **TCEQ Docket No. 2015-0291-DIS** has been assigned to this matter.

DATE: Wednesday, April 15, 2015
TIME: 9:30 a.m.
PLACE: Building E, Room 201S
121 Park 35 Circle, Austin, Texas

Applicant's Attorney: Ms. Nancy Kwon Carter
The Muller Law Group, PLLC
16555 Southwest Freeway, Suite 200
Sugar Land, Texas 77479-2670

TCEQ Staff Attorney: Linda Horng

TCEQ Technical Staff: Reynold Berra

A copy of the Notice of Hearing was mailed to each party on the attached Mailing List on February 27, 2015. All cities which have extraterritorial jurisdiction in the county or counties in which the proposed district is located and which have formally requested notice have been included in the attached Service List.

Signed this the 27th day of February, 2015.

Handwritten signature of Bridget C. Bohac in cursive script.

Bridget C. Bohac, Chief Clerk
Texas Commission on Environmental Quality

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



NOTICE OF DISTRICT HEARING
TCEQ Docket No. 2015-0291-DIS

PETITION. Conroe CS Texas Holdings, LP has filed a petition with the Texas Commission on Environmental Quality (TCEQ) for the creation of Conroe Municipal Management District No. 1 of Montgomery County (District). The TCEQ will conduct this hearing under the authority of Chapter 375, Texas Local Government Code; Chapters 49 and 54 of the Texas Water Code; Title 30, Chapter 293 of the Texas Administrative Code and the procedural rules of the TCEQ. The TCEQ will conduct the hearing at:

9:30 a.m., Wednesday, April 15, 2015
Building E, Room 201S
12100 Park 35 Circle
Austin, Texas

The proposed District will contain approximately 2,045.72 acres of land within the corporate limits of the City of Conroe, Montgomery County, Texas. The territory to be included in the proposed District is depicted in the vicinity map designated as Exhibit "A", which is attached to this document. The Petition states that the creation of the proposed District would be a benefit to the land within its boundary.

HEARING. As required by the Texas Local Government Code §§ 375.023 and 375.024 and Title 30 of the Texas Administrative Code § 293.12(g)(2)(A), the above hearing regarding this application will be held no earlier than 31 days after notice of this hearing is published in a newspaper with general circulation in the county or counties in which the District is located. The purpose of this hearing is to provide all interested persons the opportunity to appear and offer testimony for or against the proposal contained in the petition.

At the hearing, pursuant to the Chapter 375, Texas Local Government Code; Chapters 49 and 54 of the Texas Water Code; and Chapter 293 of Title 30 of the Texas Administrative Code, the TCEQ will determine if creating Conroe Municipal Management District No. 1 of Montgomery County would be a benefit to the land and property included in the District, or, if there is any opposition to the proposed creation, the Commission may refer the application to the State Office of Administrative Hearings for a contested case hearing on the application.

INFORMATION. For information regarding the date and time this application will be heard before the Commission, please submit written inquiries to the Office of the Chief Clerk, MC 105, TCEQ, P.O. Box 13087, Austin, TX 78711-3087, or by phone at 1-512-239-3300. For information concerning the hearing process, please contact the Public Interest Counsel, MC 103, at the same address. For additional information, individual members of the general public may contact the Districts Creation Review Team at 1-512-239-4691. General information regarding TCEQ can be found at our web site at www.tceq.texas.gov.

Si desea información en Español, puede llamar al 1-512-239-0200.

Persons with disabilities who plan to attend this hearing and who need special accommodations at the hearing should call the TCEQ Office of Public Assistance at 1-800-687-4040 or 1-800-RELAY-TX (TDD), at least one week prior to the hearing.

Issued: February 27, 2015

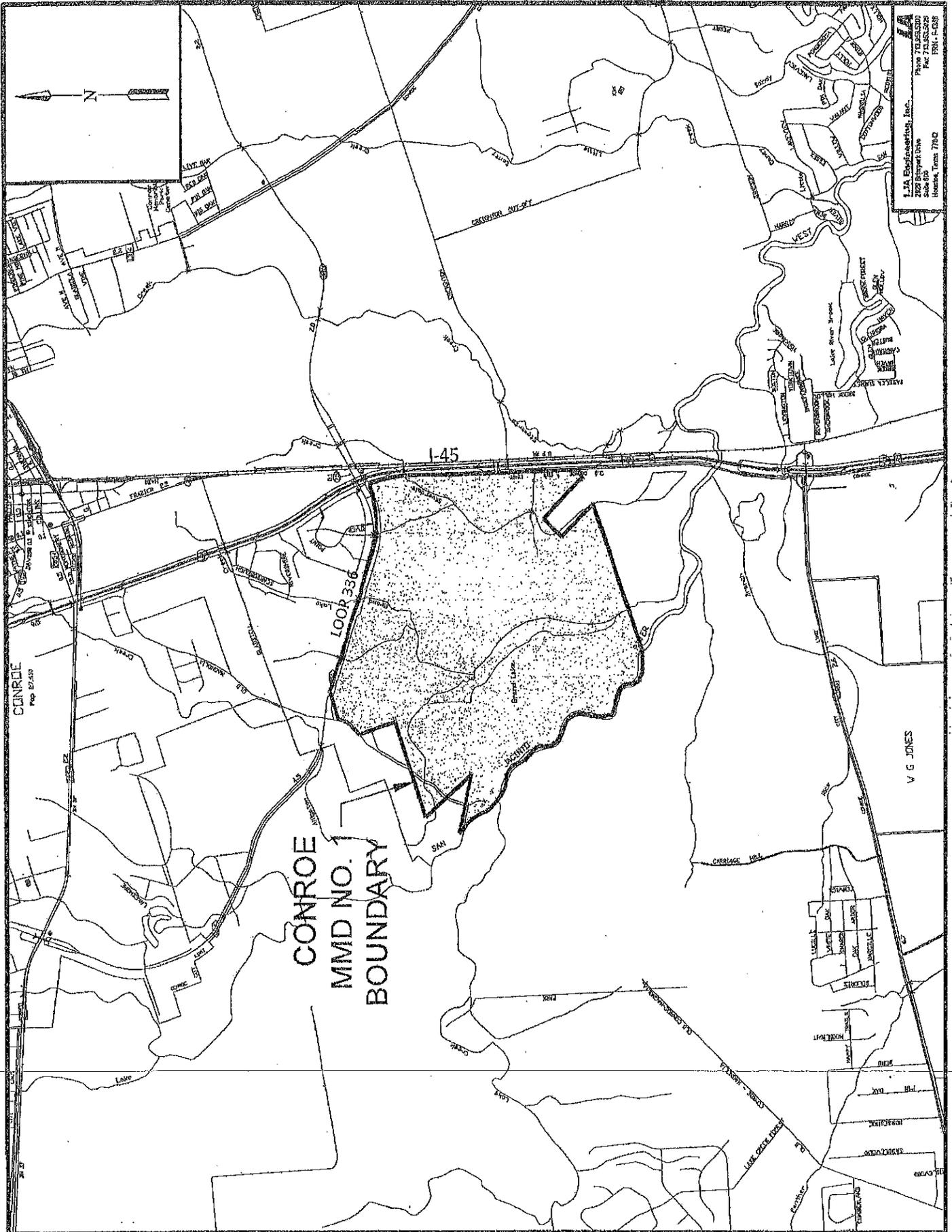


EXHIBIT "A"

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

February 27, 2015

Ms. Nancy Kwon Carter
The Muller Law Group, PLLC
16555 Southwest Freeway, Suite 200
Sugar Land, Texas 77479-2670

RE: Publication of Notice of District Hearing on Creation of Conroe Municipal Management District No. 1 of Montgomery County; IC #D-08052014-001; TCEQ Docket # 2015-0291-DIS

Dear Ms. Carter:

Enclosed is a copy of the Notice of District Hearing for the creation of Conroe Municipal Management District No. 1 of Montgomery County. Please carefully review the notice for accuracy prior to publication. Contact Reynold Berra in the District Administration Office, at 512-239-6009, if the notice is found to be in error.

You are required to publish this notice, at your client's expense, in a newspaper with general circulation in the county or counties in which the District is located.

Publication shall be once a week for two consecutive weeks. The first publication should take place no later than March 9, 2015.

After the notice has been published please submit the original affidavit of publication, together with an original tear sheet from the newspaper in which you published the notice, to the Office of the Chief Clerk (Mail Code 105). **The Chief Clerk's Office should receive the affidavits no later than March 27, 2015.**

If you have any questions regarding these publication requirements, please contact Irma Salazar in the office at 512-239-1328.

Sincerely,

A handwritten signature in cursive script that reads "Bridget C. Bohac".

Bridget C. Bohac
Chief Clerk

BCB/is

Enclosures

cc: To all on attached mailing list

MAILING LIST

Docket No. 2015-0291-DIS

Conroe Municipal Management District No. 1 of Montgomery County
TCEQ Internal Control No. D-08052014-001

Ms. Nancy Kwon Carter
The Muller Law Group, PLLC
16555 Southwest Freeway, Suite 200
Sugar Land, Texas 77479-2670

Mr. Michael S. Rusk, P.E.
LJA Engineering Inc.
2929 Briarpark Drive, Suite 600
Houston, Texas 77042-3768

Ms. Ashley K. Wadick
TCEQ Region 12
5425 Polk Street, Suite H
Houston, Texas 77023-1452

Ms. Marla J. Porter, City Secretary
City of Conroe
300 W. Davis
Conroe, Texas 77301

Mr. Mark Turnbull, County Clerk
Montgomery County
210 West Davis
Conroe, Texas 77301

Mr. Jack Steele, Executive Director
Houston-Galveston Area Council
P.O Box 22777
Houston, Texas 77227-2777

Texas Commission on Environmental Quality
P. O. Box 13087
Austin, Texas 78711-3087

Todd Galiga, Senior Attorney, Environmental Law Division, MC-173
Linda Horng, Attorney, Environmental Law Division, MC-173
Ren Berra, Technical Manager, Districts Creation Review Team, MC-152
Jeeva Anandham, Districts Creation Review Team, MC-152
Seyed Miri, P.E., Leader, Districts Creation Review Team, MC-152
Komal Patel, Districts Section, Water Supply Division, MC-153
Kent Steelman, Districts Section, Water Supply Division, MC-153
Vic McWherter, Office of the Public Interest Counsel, MC-103

TCEQ - Office of the Chief Clerk
MC-105 Attention: Notice Team
PO Box 13087
Austin TX 78711-3087

Applicant Name: Conroe Municipal Management District 1
TCEQ Tracking No. D-08052014-001 CID Item No. 94840
Application Type: PETITION FOR CREATION OF A DISTRICT

AFFIDAVIT OF PUBLICATION

STATE OF TEXAS §

COUNTY OF: _____ §

Before me, the undersigned authority, on this day personally appeared

_____, who being by me duly
(name of newspaper representative)

sworn, deposes and says that (s)he is the _____
(title of newspaper representative)

of the _____ ; that said newspaper is
(name of newspaper)

regularly published or circulated in _____ County/Countries,
(name of county or counties)

Texas; that the attached notice was published in said newspaper on the following dates:

(date or dates of publication)

Newspaper Representative's Signature

Subscribed and sworn to before me this the _____ day of _____,
20_____, to certify which witness my hand and seal of office.

(Seal)

Notary Public in and for the State of Texas

Print or type Name of Notary Public

My Commission Expires _____

MULLER

LAW GROUP

A PROFESSIONAL LIMITED LIABILITY COMPANY

16555 Southwest Freeway | Suite 200 | Sugar Land, TX 77479 | 281.500.6050

March 18, 2015

VIA CERTIFIED MAIL

Texas Commission on Environmental Quality
Chief Clerks Office
Water Supply Division, MC-105
P.O. Box 13087
Austin, TX 78711-3087

Re: Conroe Municipal Management District No. 1 -- Publication of Notice of District Hearing

Dear Ms. Bohac:

Enclosed for your records please find the following:

1. One original Affidavit of Publication from the Conroe Courier regarding publication of the Texas Commission on Environmental Quality Notice of District Hearing for the creation of Conroe Municipal Management District No. 1 on March 5 and March 12, 2015.

If you have any questions or concerns, please feel free to contact me. I can be reached at (281) 500-4684.

Sincerely,

Jessica Richardson

Jessica Richardson

Enclosures

CLASSIFIED AD PROOF / RECEIPT



Advertiser: **JESSICA K RICHARDSON
MULLER LAW GROUP PLLC
16555 SOUTHWEST FREEWAY, SUITE 200
SUGAR LAND, TX 77479**

Account #: **293054**
Phone: **(281) 500-4684**

Order #: **365838**
Tagline: **TCEQ DOCKET NO. 2015**
Color:
Position:
Proof:

Purchase Order#:
Total Ad Cost: **\$1,806.00**

Payments:

Balance Due: **\$1,806.00**

Account Executive: **Susan Curr
(281) 378-1025
scurr@hcnonline.com**

Publications: 1CC-The Conroe Courier, 1XCL-hcn.classifieds

Start Date	Stop Date	No. of Insertions	Version	Class	Color	Ad Size	Total Size	Price
03/05/15	03/12/15	4	12345-1	2065	Process	3 x 14.0	42.0	\$1,806.00

03/03/15 02:12 PM

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



NOTICE OF DISTRICT HEARING
TCEQ Docket No. 2015-0291-DIS

PETITION. Conroe CS Texas Holdings, LP has filed a petition with the Texas Commission on Environmental Quality (TCEQ) for the creation of Conroe Municipal Management District No. 1 of Montgomery County (District). The TCEQ will conduct this hearing under the authority of Chapter 375, Texas Local Government Code; Chapters 49 and 54 of the Texas Water Code; Title 30, Chapter 293 of the Texas Administrative Code and the procedural rules of the TCEQ. The TCEQ will conduct the hearing at:

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Building E, Room 2018
12100 Park 35 Circle
Austin, Texas

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HEARING. As required by the Texas Local Government Code §§ 375.023 and 375.024 and Title 30 of the Texas Administrative Code § 293.12(g)(2)(A), the above hearing regarding this application will be held no earlier than 31 days after notice of this hearing is published in a newspaper with general circulation in the county or counties in which the District is located. The purpose of this hearing is to provide all interested persons the opportunity to appear and offer testimony for or against the proposal contained in the petition.

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INFORMATION. For information regarding this date and time this application will be heard before the Commission, please submit written inquiries to the Office of the Chief Clerk, MC 103, TCEQ, P.O. Box 13087, Austin, TX 78711-3087, or by phone at 1-512-239-3300. For information concerning the hearing process, please contact the Public Interest Counsel, MC 103, at the same address. For additional information, individual members of the general public may contact the Districts Creation Review Team at 1-512-239-4591. General information regarding TCEQ can be found at our web site at www.tceq.texas.gov.

Si desea información en Español, puede llamar al 1-512-239-0200.

Persons with disabilities who plan to attend this hearing and who need special accommodations at the hearing should call the TCEQ Office of Public Assistance at 1-800-687-4040 or 1-800-RELAY-TX (TDD), at least one week prior to the hearing.

Issued: February 27, 2015

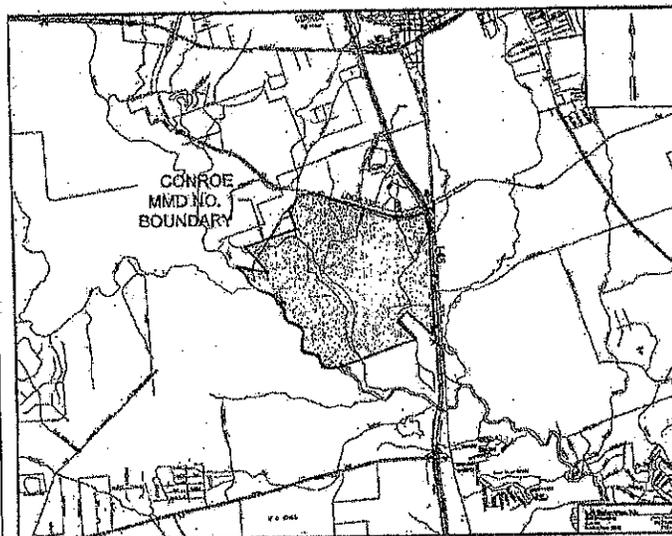


EXHIBIT "A"



TCEQ - Office of the Chief Clerk
MC-105 Attention: Notice Team
PO Box 13087
Austin TX 78711-3087

Applicant Name: Conroe Municipal Management District 1
TCEQ Tracking No. D-08052014-001 CID Item No. 94840
Application Type: PETITION FOR CREATION OF A DISTRICT

AFFIDAVIT OF PUBLICATION

STATE OF TEXAS §

COUNTY OF: Montgomery §

Before me, the undersigned authority, on this day personally appeared

Debbie Wells, who being by me duly
(name of newspaper representative)

sworn, deposes and says that (s)he is the Advertising Consultant
(title of newspaper representative)

of the Conroe Courier; that said newspaper is
(name of newspaper)

regularly published or circulated in Montgomery County/Countries,
(name of county or counties)

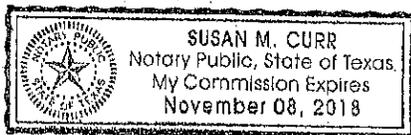
Texas; that the attached notice was published in said newspaper on the following dates:

March 5, 2015 and March 12, 2015
(date or dates of publication)

[Signature]
Newspaper Representative's Signature

Subscribed and sworn to before me this the 12 day of March,
2015, to certify which witness my hand and seal of office.

(Seal)



Susan M. Curr
Notary Public in and for the State of Texas
Susan M. Curr
Print or type Name of Notary Public
My Commission Expires 11/08/18

MAILING LIST
Docket No. 2015-0291-DIS
Conroe Municipal Management District No. 1
TCEQ Internal Control No. D-08052014-001

Ms. Nancy Kwon Carter
The Muller Law Group, PLLC
16555 Southwest Freeway, Suite 200
Sugar Land, Texas 77479-2670

Mr. Michael S. Rusk, P.E.
LJA Engineering Inc.
2929 Briarpark Drive, Suite 600
Houston, Texas 77042-3768

Ms. Ashley K. Wadick
TCEQ Region 12
5425 Polk Street, Suite H
Houston, Texas 77023-1452

City of Conroe
Attn: Ms. Marla J. Porter,
City Secretary
300 W. Davis
Conroe, Texas 77301

Montgomery County Clerk
Attn: Mr. Mark Turnbull
210 West Davis
Conroe, Texas 77301

Houston-Galveston Area Council
P.O Box 22777
Houston, Texas 77227-2777

Texas Commission on Environmental Quality
P. O. Box 13087
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Jeeva Anandham, Districts Creation Review Team, MC-152
Seyed Miri, P.E., Leader, Districts Creation Review Team, MC-152
Komal Patel, Districts Section, Water Supply Division, MC-153
Kent Steelman, Districts Section, Water Supply Division, MC-153
Vic McWherter, Office of the Public Interest Counsel, MC-103

Docket No. 2015-0291-DIS. Consideration and hearing on a petition from Conroe CS Texas Holdings, LP for creation of **Conroe Municipal Management District No.1 of Montgomery County** ("District"), pursuant to Chapter 375, Texas Local Government Code. The proposed District is comprised of approximately 2,045.72 acres of land within the corporate limits of the City of Conroe, **Montgomery County**, Texas. (Linda Horng, Ren Berra)