

WILLIAMSON COUNTY
LICENSE AGREEMENT

[PALOMA LAKE MUD NO. 2]

WILLIAMSON COUNTY, a political subdivision of the State of Texas (the "*County*"), **PALOMA LAKE MASTER COMMUNITY, INC.**, a Texas non-profit corporation (the "*Association*" or "*Licensee*"), and **PALOMA LAKE MUNICIPAL UTILITY DISTRICT NO. 2**, a political subdivision of the State of Texas (the "*District*"), enter into this **LICENSE AGREEMENT** (this "*Agreement*") upon the terms and conditions set forth below.

I.
PURPOSE AND GRANT OF LICENSE AGREEMENT

Licensee has requested permission from County to install and maintain additions, including, but not limited to landscaping, lighting, fencing, signage, and irrigation (collectively referred to herein as the "*Licensee's Improvements*"), in portions of the County's right-of-way. The County grants to Licensee permission to install and maintain Licensee's Improvements in the areas of the County's right-of-way described in the attached **Exhibit "A"** (the "*Licensed Property*").

The County makes this grant solely to the extent of its right, title, and interest in the Licensed Property, without any express or implied warranties.

Licensee agrees that all construction and maintenance permitted by this Agreement will be done in compliance with the terms and conditions of this Agreement and all applicable County, State, and/or Federal police, traffic, building, health, and safety ordinances, laws, and regulations existing at the time said construction and maintenance is performed.

II.
ANNUAL FEE

The County, its governing body, and its respective successors and assigns agree that no annual fee will be assessed for the license and permission herein granted to Licensee. Licensee agrees that the County's permission and grant of a license hereunder and Licensee's ability to construct and obligation to thereafter maintain Licensee's Improvements on the Licensed Property serve as consideration to support this Agreement.

III.
COUNTY'S RIGHTS TO LICENSED PROPERTY

This Agreement is expressly subject and subordinate to the present and future rights of the County, its successors, assigns, lessees, grantees and licensees, to construct, install, establish, maintain, use, operate, and renew any public utilities facilities, franchised public utilities, roadways, or streets on, beneath, or above the surface of the Licensed Property.

Nothing in this Agreement will be construed to limit, in any way, the power of the County to widen, alter, or improve the Licensed Property pursuant to official action by the governing body of the County or its successors. The County does, however, agree to give Licensee at least thirty (30) days' written notice of such action and will cooperate with Licensee to effect the relocation and/or removal of Licensee's Improvements, at Licensee's sole cost, in the event of such widening, altering, or improvement of the Licensed Property, and further, to cooperate

with Licensee wherever possible, to effect such widening, altering, or improving of the Licensed Property so that Licensee's Improvements and operations on the Licensed Property will not be materially affected thereby.

Notwithstanding any provision in this Agreement to the contrary, the County retains the right to enter upon the Licensed Property at any time without notice to Licensee, assuming no obligation to Licensee, and remove, without liability to County, any of the Licensee's Improvements whenever such removal is deemed necessary for: (a) exercising the County's rights or duties with respect to the Licensed Property; (b) protecting persons or property; or (c) protecting the public health or safety with respect to the Licensed Property.

IV. INSURANCE

Licensee will, at its sole expense, obtain and maintain during the term of this Agreement a commercial general liability insurance policy, written by a company acceptable to the County and licensed to do business in Texas, with a combined single limit of not less than Five Hundred Thousand and No/100 Dollars (\$500,000.00), which coverage may be provided in the form of a rider and/or endorsement to a previously existing insurance policy. Such insurance coverage must specifically name the County as an additional insured and cover all perils arising from the activities of Licensee, its officers, directors, employees, agents, or contractors relative to this Agreement. Licensee will be responsible for any deductibles stated in the policy. A true copy of each instrument effecting such coverage must be delivered to the County on or before the Effective Date defined on the initial signature page hereto.

So long as Licensee is using the Licensed Property, Licensee will not cause such insurance to be canceled nor permit such insurance to lapse. All insurance certificates must include a clause to the effect that the policy will not be canceled, reduced, restricted, or otherwise limited until thirty (30) days after the County has received written notice as evidenced by a return receipt of registered or certified mail.

V. INDEMNIFICATION

INDEMNIFICATION - EMPLOYEE PERSONAL INJURY CLAIMS. TO THE FULLEST EXTENT PERMITTED BY LAW, LICENSEE WILL INDEMNIFY, DEFEND (WITH COUNSEL OF COUNTY'S CHOOSING), AND HOLD HARMLESS THE COUNTY, AND THE COUNTY'S EMPLOYEES, AGENTS, REPRESENTATIVES, PARTNERS, OFFICERS, AND DIRECTORS (COLLECTIVELY, THE "INDEMNITEES") AND WILL ASSUME ENTIRE RESPONSIBILITY AND LIABILITY (OTHER THAN AS A RESULT OF THE COUNTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT) FOR ANY CLAIM OR ACTION BASED ON OR ARISING OUT OF THE PERSONAL INJURY, OR DEATH, OF ANY EMPLOYEE OF LICENSEE, OR OF ANY SUBCONTRACTOR, OR OF ANY OTHER ENTITY FOR WHOSE ACTS THEY MAY BE LIABLE, WHICH OCCURRED OR WAS ALLEGED TO HAVE OCCURRED ON THE LICENSED PROPERTY OR IN CONNECTION WITH LICENSEE'S IMPROVEMENTS. TO THE FULLEST EXTENT PERMITTED BY LAW, LICENSEE HEREBY INDEMNIFIES THE INDEMNITEES EVEN TO THE EXTENT THAT SUCH PERSONAL INJURY WAS CAUSED OR ALLEGED TO HAVE BEEN CAUSED BY THE SOLE, COMPARATIVE OR CONCURRENT NEGLIGENCE OF THE STRICT LIABILITY OF ANY INDEMNITEE. THIS INDEMNIFICATION WILL NOT BE LIMITED TO DAMAGES, COMPENSATION, OR BENEFITS PAYABLE UNDER INSURANCE POLICIES, WORKERS COMPENSATION ACTS, DISABILITY BENEFITS ACTS, OR OTHER EMPLOYEES BENEFIT ACTS.

INDEMNIFICATION - OTHER THAN EMPLOYEE PERSONAL INJURY CLAIMS. TO THE FULLEST EXTENT PERMITTED BY LAW, LICENSEE WILL INDEMNIFY, DEFEND (WITH COUNSEL OF COUNTY'S CHOOSING),

AND HOLD HARMLESS THE INDEMNITEES FROM AND AGAINST CLAIMS, DAMAGES, LOSSES AND EXPENSES, INCLUDING BUT NOT LIMITED TO ATTORNEYS' FEES, ARISING OUT OF OR ALLEGED TO BE RESULTING FROM THE PERFORMANCE OF THIS AGREEMENT OR THE WORK DESCRIBED HEREIN, TO THE EXTENT CAUSED BY THE NEGLIGENCE, ACTS, ERRORS, OR OMISSIONS OF LICENSEE OR ITS SUBCONTRACTORS, ANYONE EMPLOYED BY THEM, OR ANYONE FOR WHOSE ACTS THEY MAY BE LIABLE, REGARDLESS OF WHETHER OR NOT SUCH CLAIM, DAMAGE, LOSS OR EXPENSE IS CAUSED IN WHOLE OR IN PART BY AN INDEMNITEE HEREUNDER.

VI.
CONDITIONS

A. Licensee's Responsibilities. Licensee will be responsible for any damage to and/or for the relocation of Licensee's Improvements on the Licensed Property. Further, Licensee will reimburse the County for all costs of replacing or repairing any property of the County or of others which is damaged or destroyed as a result of activities authorized under this Agreement by, or on behalf of, Licensee.

B. Maintenance. Licensee will maintain the Licensed Property and Licensee's Improvements by keeping the area free of debris and litter. Removal of dead or dying plants will also be handled by Licensee at its expense, as required by the County. Such removal of dead or dying plants must be completed within thirty (30) days following receipt of a written request by the County to do so. If Licensee abandons or fails to maintain the Licensed Property, and the County receives no substantive response within thirty (30) days following written notification to Licensee, then the County may remove and/or replace all of Licensee's Improvements.

C. Removal or Modification. Licensee agrees that removal or modification of any improvements now existing or to be later replaced on the Licensed Property will be at Licensee's sole expense. Said removal or modification will be at Licensee's sole discretion, except where otherwise provided by this Agreement.

D. Default. In the event that Licensee fails to maintain the Licensed Property or otherwise comply with the terms or conditions as set forth herein, then the County will give Licensee written notice thereof, by registered or certified mail, return receipt requested, to the addresses set forth below. Licensee will have thirty (30) days from the date of receipt of such notice to take action to remedy the failure complained of and, if Licensee does not remedy the same to the County's complete satisfaction within the 30-day period, the County may, in addition to other remedies available herein or by law to County, (1) perform the work, (2) contract for the completion of the work, or (3) terminate this Agreement. Licensee agrees to pay, within thirty (30) days of written demand by the County, all costs and expenses incurred by the County in completing the work or contracting for the work to be completed.

VII.
COMMENCEMENT: TERMINATION BY ABANDONMENT

This Agreement will begin on the Effective Date set forth above the signature of the parties herein below, and continue thereafter for so long as the Licensed Property is used for the purposes set forth herein or until this Agreement is terminated according to the terms hereof. If Licensee abandons the use of all or any part of the Licensed Property for such purposes set forth in this Agreement, then this Agreement, as to such portion or portions abandoned, will expire and terminate following thirty (30) days' written notice to Licensee. If such abandonment has not been remedied by Licensee within such period, the County will thereafter have the same complete title to the Licensed Property so abandoned as though this Agreement had never been

made and will have the right to enter on the Licensed Property so abandoned and terminate the rights of Licensee, its successors and assigns hereunder, with respect to the abandoned Licensed Property. All installations of Licensee's Improvements on Licensed Property abandoned by Licensee that are not removed prior to the County's termination of the license as to such Licensed Property will be deemed the property of the County as of the effective date of the County's termination.

VIII. TERMINATION

A. Termination by Licensee. This Agreement may be terminated by Licensee as to all or any portion of the Licensed Property by delivering written notice of termination to the County not later than thirty (30) days before the effective date of termination. If Licensee so terminates, then Licensee will, within the 30-day notice period, remove from the portion of the Licensed Property as to which this Agreement is being terminated, installations of Licensee's Improvements. Any of Licensee's Improvements within the portion of the Licensed Property as to which this Agreement is being terminated that are not removed within said period will become the property of the County. Licensee hereby agrees and acknowledges that Licensee will be liable to the County for any damages caused to the Licensed Property by the removal of Licensee's Improvements.

B. Termination by County. This Agreement may be revoked and terminated in whole or in part at any time by resolution of the Williamson County Commissioners Court if such revocation and termination is reasonably required by the public interest (as hereinafter set forth), after providing thirty (30) days' written notice to the Licensee.

Subject to prior written notification to Licensee or its successors-in-interest, this Agreement is revocable by the County and deemed to be required by the public interest if:

1. the Licensee's Improvements, or a portion of them, interfere with the County's right-of-way;
2. use of the Licensed Property becomes necessary for a public purpose;
3. the Licensee's Improvements, or a portion of them, constitute a danger to the public which the County deems, in its sole discretion, not to be remediable by alteration or maintenance of such improvements;
4. despite thirty (30) days' written notice to Licensee, maintenance or alteration necessary to alleviate a danger to the public has not been made; or
5. Licensee fails to comply with the terms and conditions of this Agreement including, but not limited to, any insurance requirements specified herein.

IX. DISTRICT AS LICENSEE

Notwithstanding any contrary provision herein, in the event that the Association ceases to exist or fails to comply with the terms, conditions, and obligations of this Agreement, the County will provide written notice to the District of the Association's nonexistence or noncompliance with this Agreement. Upon the receipt of such notice, the District will automatically assume the rights and obligations of the "Licensee" pursuant to this Agreement.

Within thirty (30) days after the District's receipt of such notice, the District will remedy the Association's default and secure the insurance required pursuant to Article IV above or notify the County that the District desires to terminate this Agreement effective as of the end of such 30-day period.

X.
MISCELLANEOUS PROVISIONS

A. Venue and Governing Law. Each party to this Agreement hereby agrees and acknowledges that venue and jurisdiction of any suit, right, or cause of action arising out of or in connection with this Agreement will lie exclusively in Williamson County, Texas. Furthermore, this Agreement will be governed by and construed in accordance with the laws of the State of Texas, excluding, however, its choice of law rules.

B. Severability. If any provision of this Agreement are held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof, but rather this entire Agreement will be construed as if not containing the particular invalid or unenforceable provision or provisions, and the rights and obligation of the parties will be construed and enforced in accordance therewith. The parties acknowledge that if any provision of this Agreement is determined to be invalid or unenforceable, it is the desire and intention of each that such provision be reformed and construed in such a manner that it will, to the maximum extent practicable, give effect to the intent of this Agreement and be deemed to be validated and enforceable.

C. Covenant Running With Land; Waiver of Default. This Agreement and all of the covenants herein will run with the land; therefore, the conditions set forth herein will inure to and bind each party's successors and assigns. Any party may waive any default of another at any time, without affecting or impairing any right arising from any subsequent or other default.

D. Assignment. Licensee will not assign, sublet, or transfer its interest in this Agreement without the written consent of the County, which consent will not be unreasonably withheld. In the event that the County agrees to Licensee's assignment of its interest in this Agreement and subject to the assignee's compliance with the insurance requirements set forth herein, Licensee will furnish to the County a copy of any such assignment or transfer of any of Licensee's rights in this Agreement, including the name, date, address, and contact person.

E. Notices. All notices, demands, and requests for delivery of documents or information hereunder must be in writing and will be deemed to have been properly delivered and received as of the time of delivery if personally delivered, as of the time deposited in the mail system if sent by United States certified mail, return receipt requested, and postage prepaid, or as of the time of delivery to Federal Express (or comparable express delivery system) if sent by such method with all costs prepaid. All notices, demands, and requests hereunder will be addressed as follows or to such other addresses which a party may so designate by sending notice as aforesaid:

To the Association at:

Paloma Lake Master Community, Inc.
c/o Southwest Management Services
Attn: Bonnie Carlisle
7 Lakeway Centre Court #200
Austin, Texas 78734

To the County at:

Williamson County Judge
Dan A. Gattis (or successor)
710 Main Street, Ste. 101
Georgetown, Texas 78626

with a copy to:

Williamson County Engineer
Joe England (or successor)
3151 S. E. Inner Loop, Suite B
Georgetown, Texas 78626

Additionally, the County and the Association agree to copy the District and Paloma Lake Development, Inc. (the "*Developer*") on all notices, demands, and requests hereunder at the following addresses or to such other addresses that the District or the Developer, as applicable, may designate by sending notice as aforesaid:

To the District at:

Paloma Lake Municipal Utility District No. 2
c/o Armbrust & Brown, PLLC
Attn: Sue Brooks Littlefield
100 Congress Avenue, Suite 1300
Austin, Texas 78701

To the Developer at:

Paloma Lake Development, Inc.
Attn: Amy Lynn Payne
1011 North Lamar Blvd.
Austin, Texas 78703

F. No Third Party Beneficiaries. This Agreement is for the sole and exclusive benefit of the parties hereto, and nothing in this Agreement, express or implied, is intended to confer or will be construed as conferring upon any other person any rights, remedies or any other type or types of benefits.

G. Compliance with Laws. Each party to this Agreement will comply with all federal, state, and local laws, statutes, ordinances, rules, and regulations and the orders and decrees of any courts or administrative bodies or tribunals in any matter affecting the performance of this Agreement

H. Gender, Number and Headings. Words of any gender used in this Agreement will be held and construed to include any other gender, and words in the singular number will be held to include the plural, unless the context otherwise requires. The headings and section numbers are for convenience only and will not be considered in interpreting or construing this Agreement.

I. Construction. Each party to this Agreement acknowledges that it and its counsel have reviewed this Agreement and that the normal rules of construction are not applicable and

there will be no presumption that any ambiguities will be resolved against the drafting party in the interpretation of this Agreement.

J. No Waiver of Immunities. Nothing in this Agreement will be deemed to waive, modify, or amend any legal defense available at law or in equity to the County or the District, or their respective past or present officers, employees, or agents, nor to create any legal rights or claim on behalf of any third party. Neither the County nor the District waives, modifies, or alters to any extent whatsoever the availability of the defense of governmental immunity under the laws of the State of Texas and of the United States.

K. Entire Agreement. This Agreement represents the entire and integrated Agreement between the parties hereto and supersedes all prior negotiations, representations, or agreements, either oral or written. This Agreement may be amended only by written instrument signed by each party to this Agreement. NO OFFICIAL, EMPLOYEE, AGENT, OR REPRESENTATIVE OF THE COUNTY HAS ANY AUTHORITY, EITHER EXPRESS OR IMPLIED, TO AMEND THIS AGREEMENT, EXCEPT PURSUANT TO SUCH EXPRESS AUTHORITY AS MAY BE GRANTED BY THE COUNTY COMMISSIONERS COURT.

L. Counterparts. This Agreement may be executed in multiple counterparts, each of which will be deemed an original and all of which together will constitute a single instrument.

THE REMAINDER OF THIS PAGE IS BLANK

TERMS AND CONDITIONS ACCEPTED, this the _____ day of _____, 2014 (the "*Effective Date*").

COUNTY:

WILLIAMSON COUNTY, a political subdivision of the State of Texas

By: _____
Dan A. Gattis,
Williamson County Judge

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

This instrument was acknowledged before me on this the _____ day of _____, 2014 by Dan A. Gattis, as County Judge of WILLIAMSON COUNTY, a political subdivision of the state of Texas, on behalf of said political subdivision.

NOTARY PUBLIC, State of Texas

ASSOCIATION:

**PALOMA LAKE MASTER
COMMUNITY, INC.**, a Texas non-profit
corporation

By: _____
Name: _____
Title: _____

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on this the _____ day of _____, 2014, by _____, _____ of PALOMA LAKE MASTER COMMUNITY, INC., a Texas non-profit corporation, on behalf of said non-profit corporation.

NOTARY PUBLIC, State of Texas

MUD:

PALOMA LAKE MUNICIPAL UTILITY DISTRICT NO. 2, a political subdivision of the State of Texas

By: _____
_____,
Board of Directors

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on this the _____ day of _____, 2014 by _____ of PALOMA LAKE MUNICIPAL UTILITY DISTRICT NO. 2, a political subdivision of the state of Texas, on behalf of said political subdivision.

NOTARY PUBLIC, State of Texas

EXHIBIT "A"
LICENSED PROPERTY

The portions of all public rights-of-way between the edge of pavement or back of curb to the outer boundary of said rights-of-way within and adjacent to the portion of the Paloma Lake Subdivision located within the boundaries of Paloma Lake Municipal Utility District No. 2 as more particularly described on **Exhibit "A-1"** and **Exhibit "A-2"** and depicted on **Exhibit "A-3"**. For reference, the Paloma Lake Subdivision is generally depicted on **Exhibit "A-4"**.

EXHIBIT "A-1"
LICENSED PROPERTY TRACT 1

264.45 ACRES

A PARCEL OF LAND IN WILLIAMSON COUNTY, TEXAS, BEING A PART OF THE WILLIS DONAHO, JR. SURVEY, ABSTRACT No. 173; THE JOHN L. JUSTICE SURVEY, ABSTRACT No. 356; THE HENRY MILLARD SURVEY, ABSTRACT No. 452; THE WILLIAM DUNN SURVEY, ABSTRACT No. 196; AND THE ROBERT McNUTT SURVEY, ABSTRACT No. 422 THE SAME BEING A PART OF THAT 868.54 ACRE TRACT OF LAND CONVEYED TO TOM E. NELSON, JR., TRUSTEE, BY DEED RECORDED IN VOLUME 1133, PAGE 639 OF THE OFFICIAL RECORDS OF WILLIAMSON COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE at concrete monument numbered 40 found for the Most Northerly Northeast Corner of the said 868.54 Acre Tract;

THENCE along the North and East Lines of the said 868.54 Acre Tract the following two (2) courses:

1. S.21°37'04"E., a distance of 645.74 feet to a fence corner post;
2. N.70°05'31"E., along a fence, a distance of 475.41 feet to a ½" iron rod found in the West Line of County Road 110 (formerly known as Bell Gin – Hutto Road), as said West Line is presently fenced;

THENCE S.16°37'39"E., along the said West Line of County Road 110, a distance of 349.01 feet to a ½" iron rod set in the North Line of County Road 112;

THENCE S.20°30'50"E., crossing County Road 112, a distance of 66.54 feet to a steel fence corner post in the South Line of County Road 112 and in the West Line of County Road 110;

THENCE S.19°46'14"E., along the West Line of County Road 110, a distance of 401.78 feet to the Point of Beginning;

THENCE continue along the West Line of County Road 110 the following four courses:

1. S.19°46'14"E., a distance of 847.53 feet to a ½" iron rod found;
2. S.17°43'50"E., a distance of 651.59 feet to a ½" iron rod found;
3. S.13°19'30"E., a distance of 1391.28 feet to a ½" iron rod found;
4. S.13°19'30"E., a distance of 51.10 feet;

THENCE departing the West Line of County Road 110 and crossing the 868.54 Acre Tract the following 19 courses:

1. S.83°09'04"W. a distance of 192.14 feet;
2. N.75°03'32"W. a distance of 75.15 feet;
3. S.11°10'29"W. a distance of 174.11 feet;
4. S.19°30'41"W. a distance of 353.88 feet to a point on a non-tangent curve to the left;
5. Southwesterly, along the arc of said curve, a distance of 468.32 feet (said curve having a radius of 1250.00 feet, a central angle of 21°27'58" and a chord bearing S.43°19'36"W., 465.59 feet);
6. S.32°35'37"W. a distance of 1050.35 feet to a point of curvature of a curve to the right;
7. Southwesterly, along the arc of said curve to the right a distance of 691.18 feet, (said curve having a radius of 1210.00 feet, a central angle of 32°43'43", and a chord bearing S.48°57'28"W., 681.82 feet);
8. S.65°19'19"W. a distance of 326.88 feet to a point of curvature of a curve to the left;

Exhibit A-1

264.45 ACRES

9. Southwesterly, along the arc of said curve to the left a distance of 193.85 feet, (said curve having a radius of 1050.00 feet, a central angle of 10°34'40", and a chord bearing S.60°01'59"W., 193.57 feet);
10. N.04°57'21"W. a distance of 947.51 feet;
12. N.56°46'15"E. a distance of 315.99 feet;
13. N.02°31'43"E. a distance of 841.08 feet;
14. S.71°36'38"W. a distance of 869.16 feet;
15. N.78°58'29"W. a distance of 60.19 feet;
16. N.32°15'56"W. a distance of 876.92 feet;
17. N.00°00'00"E., a distance of 1166.44 feet;
18. N.78°52'40"W. a distance of 243.79 feet;
19. N.27°19'20"W. a distance of 532.48 feet to the South Line of County Road 112

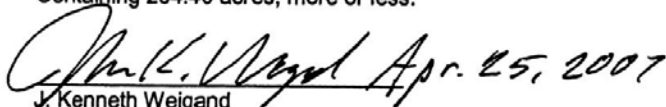
THENCE along the South Line of County Road 112 the following four courses:

1. N.62°40'40"E., a distance of 698.00 feet to a ½" iron rod set;
2. N.63°07'32"E., a distance of 1050.79 feet to a ½" iron rod set;
3. N.63°22'34"E., a distance of 929.21 feet;

THENCE departing the South Line of County Road 112 and crossing the said 868.54 Acre Tract the following four courses:

1. S.26°44'41"E. a distance of 574.93 feet;
2. N.43°53'37"E. a distance of 178.17 feet;
3. N.37°29'47"E. a distance of 306.07 feet;
4. N.70°59'25"E. a distance of 128.33 feet to the said Point of Beginning.

Containing 264.45 acres, more or less.


J. Kenneth Weigand
Registered Professional Land Surveyor No. 5741
State of Texas



RJ Surveying, Inc.
1212 East Braker Lane
Austin, Texas 78753

This document was prepared under 22TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.

Exhibit A-1

EXHIBIT "A-2"
LICENSED PROPERTY TRACT 2

75.47 ACRES

THAT PART OF THE WILLIS DONAHO, JR. SURVEY, ABSTRACT No. 173; THE JOHN L. JUSTICE SURVEY, ABSTRACT No. 356; THE HENRY MILLARD SURVEY, ABSTRACT No. 452; THE WILLIAM DUNN SURVEY, ABSTRACT No. 196; AND THE ROBERT McNUTT SURVEY, ABSTRACT No. 422; IN WILLIAMSON COUNTY, TEXAS, BEING A PART OF THAT 868.54 ACRE TRACT OF LAND CONVEYED TO TOM E. NELSON, JR., TRUSTEE, BY DEED RECORDED IN VOLUME 1133, PAGE 639 OF THE OFFICIAL RECORDS OF WILLIAMSON COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE at concrete monument numbered 40 found for the Most Northerly Northeast Corner of the said 868.54 Acre Tract;

THENCE along the North and East Lines of the said 868.54 Acre Tract the following two (2) courses:

1. S.21°37'04"E., a distance of 645.74 feet to a fence corner post;
2. N.70°05'31"E., along a fence, a distance of 475.41 feet to a ½" iron rod found in the West Line of County Road 110 (formerly known as Bell Gin – Hutto Road), as said West Line is presently fenced;

THENCE S.16°37'39"E., along the said West Line of County Road 110, a distance of 349.01 feet to a ½" iron rod set in the North Line of County Road 112;

THENCE S.20°30'50"E., crossing County Road 112, a distance of 66.54 feet to a steel fence corner post in the South Line of County Road 112 and in the West Line of County Road 110;

THENCE along the West Line of County Road 110 the following five courses:

1. S.19°46'14"E, a distance of 401.78 feet;
2. S.19°46'14"E., a distance of 847.53 feet to a ½" iron rod found;
3. S.17°43'50"E., a distance of 651.59 feet to a ½" iron rod found;
4. S.13°19'30"E., a distance of 1496.19 feet;
5. S.08°33'12"E., a distance of 317.45 feet to a 60d nail set in a fence post, the same being the Most Northerly Corner of that 0.55 Acre Tract of land conveyed to Jonah Water Supply Corporation by deed recorded in Volume 987, Page 399 of the Official Records of Williamson County, Texas;

THENCE along the West Line of the said 0.55 Acre Tract the following two courses:

1. S.42°17'46"W., a distance of 180.40 feet to a 60d nail set in a fence post;
2. S.26°35'54"E., a distance of 293.56 feet to a 1/2" iron rod found at the South Corner of the 0.55 Acre Tract in the West Line of County Road 110;

THENCE S.29°48'11"E., along the West Line of County Road 110, a distance of 103.23 feet to the Point of Beginning;

THENCE continue S.29°48'11"E., along the West Line of County Road 110, a distance of 1905.99 feet to a ½" iron rod set;

THENCE continue S.29°48'11"E., a distance of 215.73 feet to a 1/2" iron rod set in the North Line of County Road 122 as fenced;

Exhibit A-2

75.47 ACRES

THENCE N.89°39'47"W., along the North Line of County Road 122, as fenced, a distance of 2284.63 feet to a ½" iron rod set in the East Line of that 6.51 Acre Tract of land conveyed to Lesley C. Madsen and Cheryl L. Madsen by deed recorded in Volume 669, Page 105 of the Official Records of Williamson County, Texas, from which point a ½" iron rod found for an angle point in the East Line of the said 6.51 Acre Tract bears S.00°15'41"W. 9.28 feet;

THENCE N.00°15'41"E., along the East Line of the 6.51 Acre Tract, a distance of 254.64 feet to a ½" iron rod found for the Northeast Corner of the 6.51 Acre Tract;

THENCE N.89°55'14"W., along the North Line of the said 6.51 Acre Tract, a distance of 591.06 feet to a 1" iron pipe found;

THENCE N.89°59'04"W., at a distance of 14.42 feet pass the Northwest Corner of the 6.51 Acre Tract and continue along the North Line of that 161.11 Acre Tract of land conveyed to Chester Madsen and Joyce Madsen by deed recorded in Volume 434, Page 176 of the Deed Records of Williamson County, Texas, in all a total distance of 406.83 feet to the East Corner of that 1.339 Acre Tract conveyed to Paloma Lake development, Inc., by deed recorded in Document No. 2006065301 of the Official Public Records of Williamson County, Texas;

THENCE crossing the said 868.54 Acre Tract the following eight courses:

1. Northeasterly along the arc of a curve to the right a distance of 39.71 feet, (said curve having a radius of 950.00 feet, a central angle of 02°23'42", and a chord bearing N.64°07'28"E., 39.71 feet);
2. N.65°19'19"E. a distance of 326.88 feet to a point of curvature of a curve to the left;
3. Northeasterly, along the arc of said curve to the left a distance of 748.30 feet, (said curve having a radius of 1310.00 feet, a central angle of 32°43'43", and a chord bearing N.48°57'28"E., 738.17 feet);
4. N.32°35'37"E. a distance of 1050.35 feet to a point of curvature of a curve to the right;
5. Northeasterly, along the arc of said curve to the right a distance of 177.70 feet, (said curve having a radius of 1150.00 feet, a central angle of 08°51'12", and a chord bearing N.37°01'13"E., 177.52 feet);
6. S.53°56'11"E. a distance of 526.12 feet;
7. N.32°35'36"E. a distance of 138.79 feet;
8. N.58°46'46"E. a distance of 192.40 feet to the Point of Beginning.

Containing 75.47 acres, more or less.

John K. Weigand Apr. 25, 2007

John Kenneth Weigand
Registered Professional Land Surveyor No. 5741
State of Texas



RJ Surveying, Inc.
1212 East Braker Lane
Austin, Texas 78753

This document was prepared under 22TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.

Exhibit A-2

Page 2 of 2

S:\LAND1200-1249\1220\1220-MUD-2B.rtf

EXHIBIT "A-3"
DEPICTION OF LICENSED PROPERTY

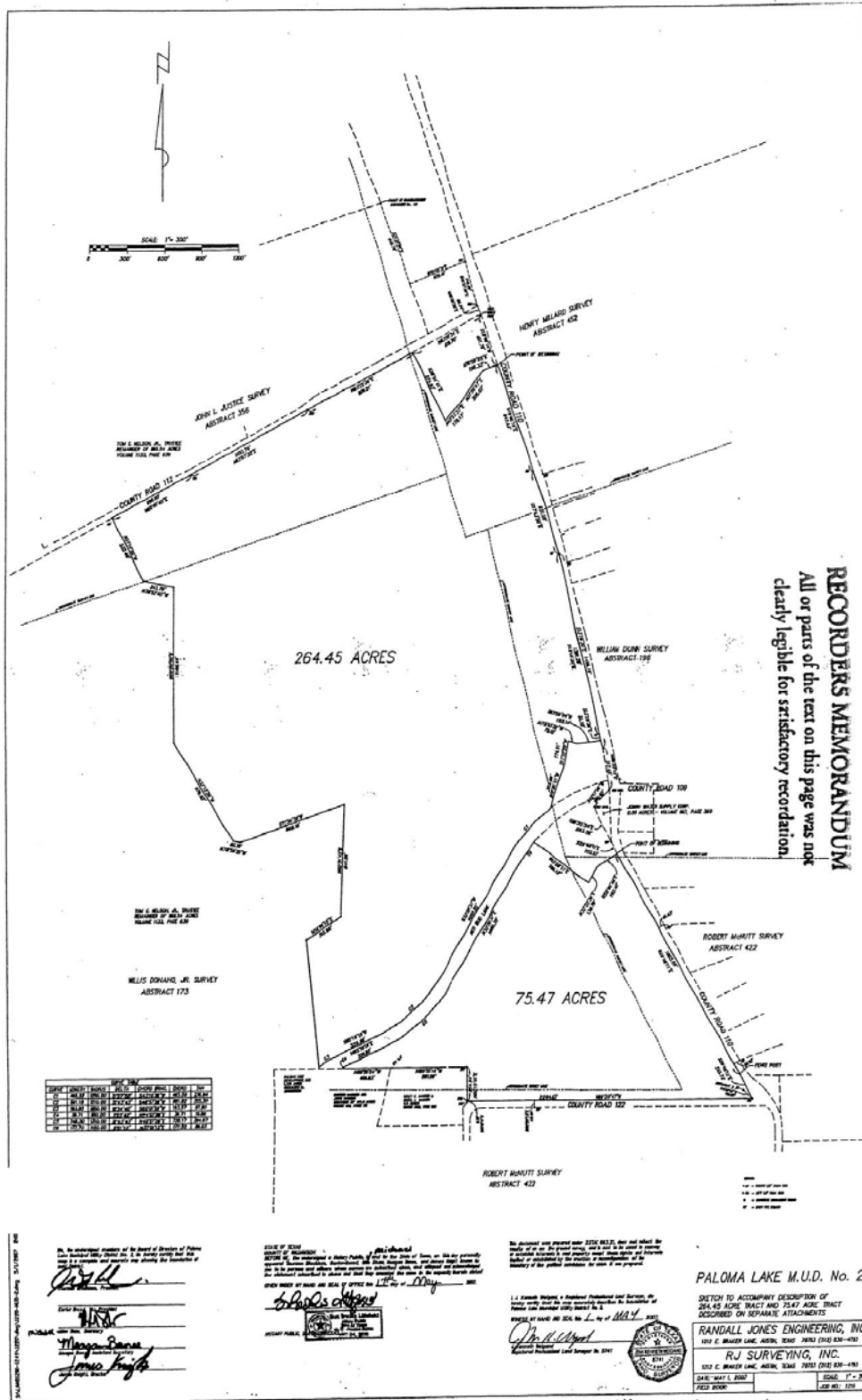


EXHIBIT A

NO.	DATE	DESCRIPTION	BY
1	11/15/11	FILED	...
2	11/15/11	FILED	...
3	11/15/11	FILED	...
4	11/15/11	FILED	...
5	11/15/11	FILED	...
6	11/15/11	FILED	...
7	11/15/11	FILED	...
8	11/15/11	FILED	...
9	11/15/11	FILED	...
10	11/15/11	FILED	...
11	11/15/11	FILED	...
12	11/15/11	FILED	...
13	11/15/11	FILED	...
14	11/15/11	FILED	...
15	11/15/11	FILED	...
16	11/15/11	FILED	...
17	11/15/11	FILED	...
18	11/15/11	FILED	...
19	11/15/11	FILED	...
20	11/15/11	FILED	...

[Signatures]

STATE OF TEXAS
 COUNTY OF []
 I, [] Surveyor, do hereby certify that the above is a true and correct copy of the original survey as filed in my office on [] day of [] 2011.

 [] Surveyor

I, [] Surveyor, a Licensed Professional Land Surveyor, do hereby certify that the above is a true and correct copy of the original survey as filed in my office on [] day of [] 2011.

 [] Surveyor

PALOMA LAKE M.U.D. No. 2
 SKETCH TO ACCOMPANY DESCRIPTION OF
 264.45 ACRE TRACT AND 75.47 ACRE TRACT
 DESCRIBED ON SEPARATE ATTACHMENTS
RANDALL JONES ENGINEERING, INC.
 1402 E. BRADLEY LANE, AUSTIN, TEXAS 78741 (512) 838-4100
RJ SURVEYING, INC.
 1312 E. BRADLEY LANE, AUSTIN, TEXAS 78701 (512) 838-4100
 DATE: MAY 1, 2011 SCALE: 1" = 200'
 FIELD BOOK: JOB NO.: 1211

EXHIBIT "A-4"
DEPICTION OF PALOMA LAKE SUBDIVISION

