To:

Administrative Reviewer

Date Complete: March 3, 2014

From:

Cartographer-Utilities & Districts Section

Subject:

Overlap & Notice Check for Administrative Review No. A-164-13/37792-C

13.248 Lakeside WCID 1 and Manville WSC (11144) in Travis county

- 1. No new overlap of service areas exists.
- 2. An overlap:
- 3. Dual certification:
- 4. An overlap exists with the city limits of:
- 5. If this is a Sale, Transfer, or Merger, is additional area being requested?
- 7. Map submitted is digital request digital data.
- 9. Utility notice was sufficient.
- 10. Utility notice was insufficient. In addition to those systems listed in the application, they will also need to notify:

TWO MILES:

All cities and etj's within 2 miles of proposed area

Any other Utility, District or entity that would be required to receive notice

- 11. Notice:
- X 12. Other comments: the area is in Manville WSC (11144)

Kent Steelman



27742-0

816 Congress Avenue, Suite 1900 Austin, Texas 78701 512.322.5800 p 512.472.0532 f

lglawfirm.com

1984 * Celebrating 30 Years * 2014

Mr. Klein's Direct Line: (512) 322-5818 E-mail: dklein@lglawfirm.com

February 14, 2014

Ms. Tammy Holguin-Benter, Manager Utilities and Districts Section Water Supply Division Texas Commission on Environmental Quality 12100 Park 35 Circle, Building F, MC-153 Austin, Texas 78753

VIA HAND DELIVERY

RE:

Transfer of a Portion of Manville Water Supply Corporation's Water Certificate of Convenience and Necessity ("CCN") No. 11144 to Lakeside Water Centrol and Improvement District No. 1

Dear Ms. Holguin-Benter:

Through this filing, my client, Lakeside Water Control and Improvement District No. 1 ("District 1"), hereby supplements its above-referenced application which was filed on November 18, 2013, to provide the following additional and revised information:

Exhibit A:

One (1) additional copy of the application, filed on November 18, 2013

Exhibit B:

Four (4) CD Roms containing revised digital data for the CCN boundaries

to be transferred to District 1

Exhibit C:

Four (4) revised general location maps for the CCN area

Please file-stamp and return one of the copies with my courier. Thank you for your time and attention to this matter. If you have questions concerning this matter, please do not hesitate to contact me at (512) 322-5818.

Sincerely,

David J. Klein

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UTILITIES & DISTRICTS SECTION

DJK:dsr

Ms. Tammy Holguin-Benter February 14, 2014 Page 2

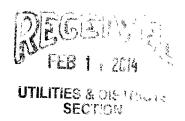
ENCLOSURES

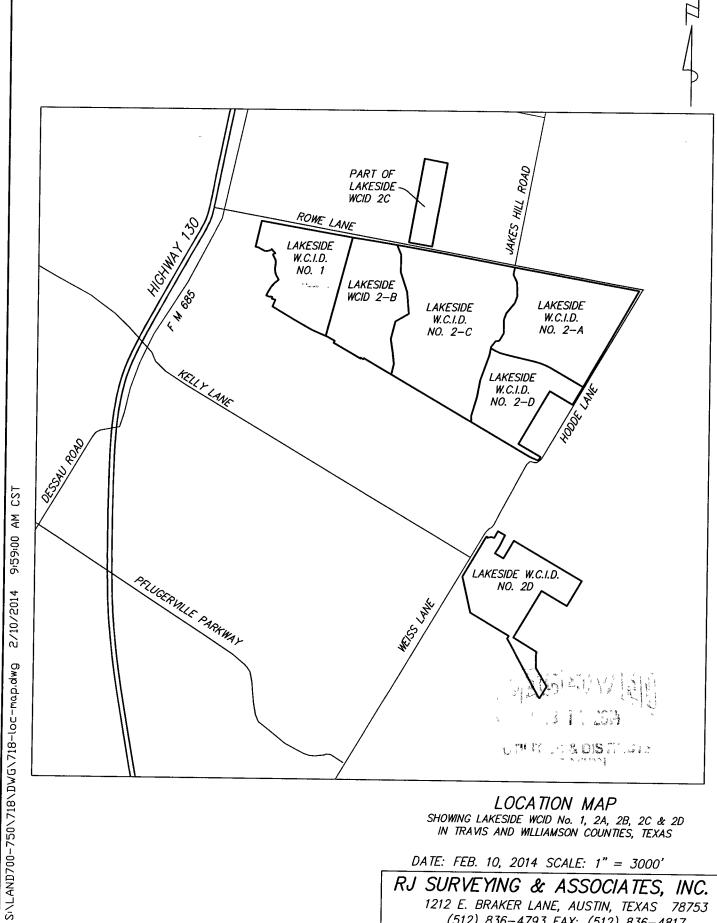
cc: Mr. Terry Tuttle, President of District 1

Mr. Keith Collins, Engineer

Mr. Karl Moeller, Manville Water Supply Corporation

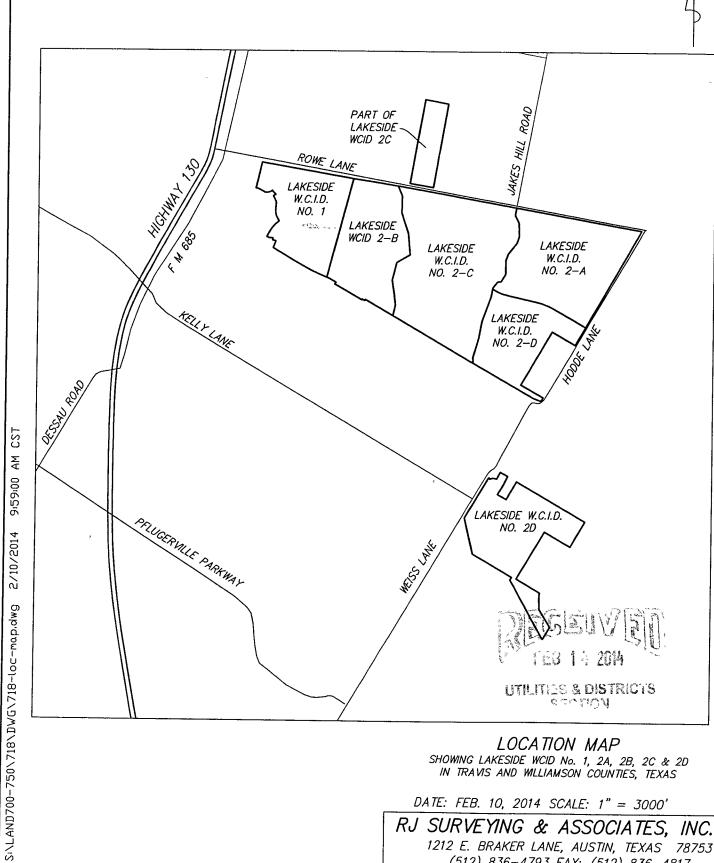
Mr. Robert Tiemann, Tiemann Land and Cattle





DATE: FEB. 10, 2014 SCALE: 1" = 3000'

RJ SURVEYING & ASSOCIATES, INC. 1212 E. BRAKER LANE, AUSTIN, TEXAS 78753 (512) 836-4793 FAX: (512) 836-4817



SHOWING LAKESIDE WCID No. 1, 2A, 2B, 2C & 2D IN TRAVIS AND WILLIAMSON COUNTIES, TEXAS

DATE: FEB. 10, 2014 SCALE: 1" = 3000'

RJ SURVEYING & ASSOCIATES, INC. 1212 E. BRAKER LANE, AUSTIN, TEXAS 78753 (512) 836-4793 FAX: (512) 836-4817

To:

Administrative Reviewer

Date Complete: December 6, 2013

From:

Cartographer-Utilities & Districts Section

Subject:

Overlap & Notice Check for Administrative Review No. A-164-13/37792-C

13.248 Lakeside WCID 1 and Manville WSC (11144)

- 1. No new overlap of service areas exists.
- 2. An overlap:
- 3. Dual certification:
- 4. An overlap exists with the city limits of:
- 5. If this is a Sale, Transfer, or Merger, is additional area being requested?
- 7. Map submitted is digital request digital data.
- 9. Utility notice was sufficient.
- 10. Utility notice was insufficient. In addition to those systems listed in the application, they will also need to notify:

TWO MILES:

All cities and etj's within 2 miles of proposed area

Any other Utility, District or entity that would be required to receive notice

X 11. Notice: **<u>DO NOT NOTICE</u>**

- 12. Other comments: Maps do no meet requirements. Please submit the following (need a general location delineating the proposed area with enough detail to accurately locate. Digital data for the area should be either a continuous line file or polygon file in a single record not multiple line segments that may not meet)
 - A. A general location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.

Kent Steelman



816 Congress Avenue, Suite 1900 Austin, Texas 78701

Telephone: (512) 322-5800 Facsimile: (512) 472-0532

www.lglawfirm.com

Mr. Klein's Direct Line. (512) 322-5818 E-mail: dklein@lglawfirm.com

November 18, 2013

Ms. Tammy Holguin-Benter, Manager Utilities and Districts Section Water Supply Division Texas Commission on Environmental Quality 12100 Park 35 Circle, Building F, MC-153 Austin, Texas 78753 ZOPLIVERY

TOE Q

ZOPLY I

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RE:

Transfer of a Portion of Manville Water Supply Corporation's Water Certificate of Convenience and Necessity ("CCN") No. 11144 to Lakeside Water Control and Improvement District No. 1

Dear Ms. Holguin-Benter:

My client, Lakeside Water Control and Improvement District No. 1 ("District 1"), files this application (the "Application") under Texas Water Code § 13.248 and 30 Texas Administrative Code § 291.117 to transfer a portion of Manville Water Supply Corporation's ("MWSC") water CCN No. 11144 to District 1. This application does not contemplate the transfer of customers or water facilities. MWSC and District 1 are both "retail public utilities," as defined by Texas Water Code § 13.002(19) and Title 30 Texas Administrative Code § 291.3(39); and as retail public utilities, these entities have the authority to submit this CCN transfer request to the TCEQ.

The purpose of this Application is to transfer the portion of MWSC's water CCN No. 11144's boundaries that overlap with the boundaries of District 1 (the "*Transfer Area*"), to District 1. Through a number of agreements and assignments, as detailed herein, District 1 and MWSC have agreed to this service area transfer.

Initially, on October 7, 1996, MWSC and Tiemann Land & Cattle Development, Inc. ("*Tiemann*") entered into a certain "Agreement for Providing Wholesale Water Service" (the "*Agreement*"), providing for the sale of a water supply and the transfer of a portion of water CCN No. 11144 for the benefit of District 1. Specifically, under Section 2.8(b) of the Agreement, MWSC and Tiemann agreed that at some point in the future, at a time to be determined by Tiemann in his sole discretion, MWSC would transfer the portion of its water CCN No. 11144 that overlaps with District 1 to either Tiemann or the District. The relevant portion of Section 2.8(b) is as follows:

4296964.1

Ms. Tammy Holguin-Benter November 18, 2013 Page 2

At any time after the creation of the District, Tiemann may file an application... with the Texas Natural Resource Conservation Commission seeking amendment of CCN No. 11144 to decertify the service area in which the Land is located and to transfer the authority to serve the Land to Tiemann or to the District proposed to be created. The Company [MWSC] agrees to consent to the decertification and transfer by signing a written consent in the form attached hereto as Exhibit "D".

To be clear, the term "Land," as used in Section 2.8, refers to the land that is now located within Lakeside Water Control and Improvement District ("*LWCID*") Nos. 1, 2A, 2B, 2C, and 2D, collectively, and the term "District" refers to these five Districts, which have all been created.

Then, on September 29, 2011, Tiemann and the City of Pflugerville entered into a certain Sixth Amendment to the Comprehensive Development Agreement, and in Section 7.1 of that Sixth Amendment, Tiemann agreed to transfer its right to obtain the water CCN service area that overlaps with LWCID Nos. 1, 2A, 2B, 2C, and 2D to the City.

Next, on September 11, 2013, LWCID Nos. 1, 2A, 2B, 2C, and 2D and the City of Pflugerville entered into a certain "Water Utility Service Area Agreement", where the City assigned its rights under Section 7.1 to LWCID Nos. 1, 2A, 2B, 2C, and 2D. Tiemann approved the form of this Water Utility Service Area Agreement.

Thus, District 1 now has the authority and right to request the transfer of the portion of MWSC's water CCN No. 11144 that is coterminous with the current boundaries of District 1. MWSC has consented to this request. District 1 is already the retail water service provider to the residents within these boundaries, and, thus, the District clearly has the financial, managerial, and technical ability to serve this area. Again, there is no transfer of water infrastructure under this application because District 1 already owns and operates the infrastructure in place, and all of the customers receiving retail water service in this area are customers of District 1.

To assist you with your review of this Application, please find, as indicated below, the requisite documents that address the Commission's requirements to approve the sale and transfer of a CCN, as set forth in Title 30 Texas Administrative Code § 291.117(b):

- A map of the area to be transferred, with a CD Rom of the digital data (Exhibit "A");
- A metes and bounds description of the area to be transferred (Exhibit "B");
- A copy of the Agreement (<u>Exhibit "C"</u>);
- A copy of Section 7.1 of the Sixth Amendment to the Comprehensive Development Agreement (Exhibit "D");
- A copy of the Water Utility Service Area Agreement (Exhibit "E");
- MWSC's consent to the CCN Transfer (Exhibit "F");



Ms. Tammy Holguin-Benter November 18, 2013 Page 3

Please file-stamp and return one of the application copies with my courier. Thank you for your time and attention to this matter. If you have questions concerning this matter, please do not hesitate to contact me at (512) 322-5818.

Sincerely,

David J. Klein

DJK:dsr

ENCLOSURES

cc: Mr. Terry L. Tuttle, President of District 1

Mr. Keith Collins, Engineer

Mr. Karl Moeller, Manville Water Supply Corporation

Mr. Robert Tiemann, Tiemann Land and Cattle



EXHIBIT B

LAKESIDE WCID No. 1

BEING A TRACT OF LAND SITUATED IN TRAVIS COUNTY, TEXAS, AND BEING A PART OF THE A. BAILEY SURVEY NO. 34 AND THE J. C. LEE SURVEY NO 35 AND BEING A PART OF TRACT ONE AS DESCRIBED IN A WARRANTY DEED FROM GEORGE P. PREWITT, JR., INDIVIDUALLY, AND SHIRLEY J. PREWITT, ON BEHALF OF LOKI, LTD TO ROBERT H. TIEMANN RECORDED IN VOLUME 12212, PAGE 1510 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS, AND BEING A PART OF THAT CERTAIN 5.273 ACRE PARCEL LESS AND EXCEPTED FROM THE SAID DEED TO ROBERT M. TIEMANN RECORDED IN VOLUME 12212, PAGE 1510 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS, AND BEING MOREPARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

Begin at the Southeast Corner of Lot 1, Block D, Meadows of Blackhawk Phase One, according to the plat thereof recorded in Volume 95 Pages 96, 97 and 98 of the Plat Records of Travis County, Texas;

Thence N. 22 deg 22'17" E., along the East Line of Lots 1 and 2, Block D, 239.70 feet;

Thence N. 76 deg 02'15" W., along the Northerly Line of Lot 2, Block D, 120.05 feet;

Thence N. 18 deg 04'33" E., along the East Line of Kennemer Drive, 57.21 feet;

Thence N. 72 deg 08'31" W., along the boundary of said plat of Meadows of Blackhawk Phase One, 60.00 feet;

Thence along the arc of a curve to the right (said curve having a radius of 20.00 feet, a central angle of 90 deg 00'00", a chord bearing S. 62 deg 51'29" W., and a chord length of 28.28 feet) and along said plat boundary, 31.42 feet;

Thence N. 72 deg 08'31" W., along said plat boundary, 46.82 feet;

Thence along the arc of a curve to the right (said curve having a radius of 475.00 feet a central angle of 9 deg 28'38", a chord bearing N. 67 deg 24'12" W., and a chord length of 78.48 feet) and along said plat boundary, 78.57 feet:

Thence N. 26 deg 43'12" E., along said plat boundary, 163.96 feet;

Thence N. 31 deg 36'17" E., along said plat boundary, 166.62 feet;

Thence N. 40 deg 37'06" E., along said plat boundary, 154.69 feet;

Thence N. 51 deg 09'50" E., along said plat boundary, 176.23 feet;

Thence N. 30 deg 21'06" W., along said plat boundary, 174.06 feet;

Thence N. 16 deg 12'18" W., along said plat boundary, 92.80 feet;



LAKESIDE WCID No. 1

Thence N. 5 deg 27'58" W., along said plat boundary, 97.97 feet;

Thence N. 2 deg 44'44" E., along said plat boundary, 72.83 feet;

Thence N. 7 deg 05'58" E., along said plat boundary, 64.63 feet;

Thence N. 5 deg 42'10" E., along said plat boundary, 98.03 feet;

Thence N. 4 deg 39'14" W., along said plat boundary, 56.21 feet;

Thence N. 23 deg 24'22" W., along said plat boundary, 70.20 feet;

Thence N. 29 deg 26'12" W., along said plat boundary, 139.11 feet;

Thence along the arc of a curve to the left (said curve having a radius of 325.00 feet, a central angle of 13 deg 49'14", a chord bearing N. 51 deg 22'11" E., and a chord length of 78.20 feet) and along said plat boundary, 78.39 feet;

Thence along the arc of a curve to the right (said curve having a radius of 15.00 feet, a central angle of 92 deg 09'43", a chord bearing S. 89 deg 27'34" E., and a chord length of 21.61 feet and along said plat boundary, 24.13 feet;

Thence N. 43 deg 22'42" W., along said plat boundary, 118.87 feet;

Thence along the arc of a curve to the right (said curve having a radius of 455.90 feet, a central angle of 7 deg 11'27", a chord bearing N. 38 deg 47'48" W., a chord length of 57.18 feet) and along said plat boundary, 57.22 feet;

Thence S. 54 deg 50'45" W., along said plat boundary, 49.83 feet;

Thence S. 73 deg 12'30" W., along said plat boundary, 100.16 feet;

Thence S. 88 deg 40'14" W., along said plat boundary, 95.82 feet;

Thence N. 61 deg 53'26" W., along said plat boundary, 258.78 feet;

Thence N. 78 deg 46'47" W., along said plat boundary, 80.01 feet;

Thence N. 12 deg 58'21" E., along a line 30.00 feet east of and parallel with the Westerly Line of Tract One, as conveyed to Robert M. Tiemann by Warranty Deed recorded in Volume 12212, Page 1510 of the Real Property Records of Travis County, Texas, 871.43 feet, to a line 30.00 feet south of and parallel with the North Line of said Tract One and the South Line of Rowe Lane (also known as County Road No. 139);

Thence S. 79 deg 55'59" E., along said parallel line, 838.05 feet;



LAKESIDE WCID No. 1

Thence S. 80 deg 22'42" E., along a line 30.00 feet south of and parallel with the South Line of Rowe Lane, 2203.02 feet to the West Line of the 95.256 acres as described in a deed to Robert M. Tiemann by deed recorded in Volume 12625, Page 570 of the Real Property Records of Travis County, Texas;

Thence S. 14 deg'40'55" W., along the West Line of the said 95.256 Acre tract and along the East Line of the said 5.273 Acre Tract and along the East Line of said Tract One, 3333.59 feet to the North Corner of Tract Three as described in the said deed to Robert M. Tiemann recorded in volume 12212, page 1510;

Thence N. 67 deg 14'56" W., crossing said Tract One, 500.57 feet to the Southerly Line of said Tract One;

Thence N. 60 deg 08'22"W., along the Southerly Line of Said Tract One, 665.50 feet;

Thence N. 59 deg 40'15" W., along said Southerly Line, 839.51 feet to the said Point of Beginning.

Containing 166.19 acres, more or less, as shown on the sketch attached.

Kenneth Weigand

Registered Professional Land Surveyor No. 4391

State of Texas

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

The East Line of Lots 1 and 2, Block D, is assumed to bear N. 22 deg 22'17" E. for the basis of this description.

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 C

CONSENT AND AGREEMENT OF MANVILLE WATER SUPPLY CORPORATION FOR WHOLESALE WATER SERVICE TO PROPERTY

Tiemann Land and Cattle Development, Inc. ("TLCD") and Manville Water Supply Corporation ("Manville") previously entered into that certain "Agreement for Providing Wholesale Water Service" dated October 7, 1996 (referred to herein as the "Wholesale Agreement"), concerning a certain 1113.57 acre tract of land (the "Land") located in Williamson and Travis Counties, Texas

The Wholesale Agreement defines the term "Service Area" to mean "all of the area within the boundaries of the Land, and also means and includes areas outside the boundaries of the Land that the parties hereto may mutually agree to provide Service to under this Agreement."

The 162.477-acre tract of land described on the attached Exhibit A (the "Reserve at West Creek") and the 20.325-acre tract of land described on the attached Exhibit B (the "Randig Property") have been included within the boundaries of Lakeside Water Control and Improvement District No. 2D, pursuant to a consent agreement between Rowe Lane Development, Ltd. and the City of Pflugerville, Texas. Rowe Lane Development, Ltd. has requested that Manville consent and agree to include the Reserve at West Creek and the Randig Property as part of the Service Area under the Wholesale Agreement.

CONSENT AND AGREEMENT

- 1. In consideration of the revenues that Manville will receive from the provision of wholesale water service to additional land under the terms of the Wholesale Agreement, and subject to the terms and conditions of the Wholesale Agreement, Manville hereby consents and agrees to include the properties described on the attached Exhibits A and B as part of the Service Area under the Wholesale Agreement. Rowe Lane Development, Ltd. agrees to comply with the terms and conditions of the Wholesale Agreement with regard to these properties.
- 2. The quantity of water supply capacity authorized under Section 3.1 of the Wholesale Agreement shall be increased to allow an additional 653 LUEs of wholesale water supply to the Reserve at West Creek.
- 3. The 653 LUEs of wholesale water supply capacity for the Reserve at West Creek shall be provided by Manville for use by Lakeside Water Control and Improvement District No. 2D in providing retail water service to the Reserve at West Creek within the boundaries of the district and the rights to such capacity may be assigned by Rowe Lane Development, Ltd. to the district.
- 4. The parties may execute this instrument in separate counterparts, each of which when so executed shall be an original and all of which shall constitute but one and the same document.

Executed to be effective as of _______, 2003.



MANVILLE WATER SUPPLY CORPORATION

ROWE LANE DEVELOPMENT, LTD.

By: Tiemann Land and Cattle Development, Inc.

Robert M. Tiemann, President

Exhibit A

Property:

172.36 acre tract as described in Exhibit "A-1" situated in the James P. Kemp Survey No. 12, Abstract No. 462 and the John L. Bray Survey No. 10, Abstract No. 73, conveyed to Eagle Point Community, Ltd., be deed recorded in Document No. 2001206536 of the Official Public Records of Travis County, Texas attached hereto.

save and except

1.447 acre tract being a part of the James P. Kemp Survey No. 12, Abstract No. 462, and being a part of that 172.33 acre tract of land conveyed to Eagle Point Community, Ltd., by deed recorded in Document No. 20011206536 of the Official Public Records of Travis County, Texas as described in Exhibit "A-2".

8.436 acre tract being a part of the James P. Kemp Survey No. 12, Abstract No. 462 and the John L. Bray Survey No. 10, Abstract No. 73, and being a part of that 172.33 acre tract of land conveyed to Eagle Point Community, Ltd., by deed recorded in Document No. 2001206536 of the Official Public Records of Travis County, Texas as described in Exhibit "A-3".



172.36 Acres

A PARCEL OF LAND IN TRAVIS COUNTY, TEXAS, BEING A PART OF THE JAMES P. KEMP SURVEY No. 12, ABSTRACT No. 462 AND THE JOHN L. BRAY SURVEY No. 10, ABSTRACT No. 73, AND BEING ALL OF THAT 172.33 ACRE TRACT OF LAND CONVEYED TO EAGLE POINT COMMUNITY, LTD., BY DEED RECORDED IN DOCUMENT No. 2001206536 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN at a '4" iron rod set in the Southwesterly Line of Cele Road and in the Northwest Line of that 5.47 Acre Tract of land conveyed to M. J. Heine and Janell G. Heine by deed recorded in Document No. 1999115806 of the Official Public Records of Travis County, Texas, the same being the Southeast Comer of that 0.595 Acre Tract of land conveyed to Travis County for Road Right-of-way by deed recorded in Document No. 1999033594 of the Official Public Records of Travis County, Texas, and the East Corner of the said 172.33 Acre Tract, from which point a '4' iron rod found for the Northwest Corner of the said 5.47 Acre Tract bears N.30"18'36"E., 10.00-feet;

THENCE S.30°18'35"W., along the East Line of the said 172.33 Acre Tract, the same being the West Line of the said 5.47 Acre Tract, a distance of 250.93 feet to a ½" iron rod found for the West Corner of the 5.47 Acre Tract and a corner of that 148.30 Acre Tract of land conveyed to Mikran, Ltd., by deed recorded in Document No. 1999115801 of the Official Public Records of Travis County, Texas;

THENCE along the Common Line of the 173.22 Acre Tract and the said 148.30 Acre Tract the following three courses:

- 1. S.30"18'36"W. a distance of 702.46 feet to a 1/3" iron rod found;
- 2. N.59*40"17"W, a distance of 967.89 feet to a 1/2" iron rod found;
- S.30"19'52"W. a distance of 1786.33 feet to a ½" iron rod set for a corner in the Southerly Line of the said 172.33 Acre Tract and for a corner in the Northerly Line of that 158.1 Acre Tract of land conveyed to Edmund A. Randig and Doreen E. Randig by deed recorded in Volume 5870, Page 2077 of the Deed Records of Travis County, Texas;

THENCE S,30°19'52"W₋ along the Common Line of the 172.33 Acre Tract and the 158.1 Acre Tract, a distance of 34.77 feet to a fence post for the Most Southerly Corner of the said 172.33 Acre Tract;

THENCE N.59°39'30"W., along the Common Line of the said 172.33 Acre Tract and the 158.1 Acre Tract, a distance of 2470.62 feet to a 1/2" iron rod found in the Easterly Line of Weiss Lane, for the Most Westerly Corner of the 172.33 Acre Tract from which point a cross cut in concrete found bears N.59°39'30"W., 10.00 feet;

THENCE along the Northwesterly and Northeasterly Line of the said 172.33 Acre Tract, the same being Southeasterly and Southwesterly Line of that 0.730 Acre Tract in the said deed recorded in Occument No. 1999033594 and also the Southeasterly Line of Welss Lane and the Southwesterly Line of Cele Road, the following five courses:

 N.30°21'45"E, a distance of 2436.14 feet to a ½" iron rod found and to a point on a nontangent curve to the right;

Page 1 of 2

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Northeasterly along the arc of said curve, a distance of 200.84 feet (said curve having a radius of 537.40 feel, a central angle of 21°24'46° and a chord bearing N.41°03'43"E. 199.67 feel) to a 1/2 ion rod found;

N.51*44'44"E. a distance of 76.34 feet to an 1/2" fron rod found and to a point on a nonlangent curve to the right;

- Easterly along the arc of said curve, a distance of 93.14 feet (said curve having a radius of 78.31 feet, a central angle of 68°08'47" and a chord bearing N.85°52'48"E., 87.75 feet) to a 1/2" iron rod found;
- S.60°02'59"E. a distance of 365.07 feet to a 35' iron rod set for the Southeasterly Corner of the said 0.730 Acre Tract in the Northwesterly Line of that 5.10 Acre Tract of land conveyed to Calvin G. C. Hamann and Vera Lee Hamann by deed recorded in Volume 13225, Page 1895 of the Real Property Records of Travis County, Texas from which point a 1" Iron pipe found for the Northwest Comer of the said 5.10 Acre Tract bears. N.26°21'09"E., 9.97 feet;

THENCE along the Common Line of 172.33 Acre Tract and the said 5.10 Acre Tract the following four courses:

- S.26*21'09"W, a distance of 393.29 feet to a $\frac{1}{2}$ " iron rod found;
- S.30*25'51"W. a distance of 280.14 feet to a 1/3" iron rod found;
- S.59"36'38"E. a distance of 316.80 feet to a 1/2" iron rod set;
- N.30°23'22"E. a distance of 674.85 feet to a ½" iron rod found for the Most Westerly Comer of the said 0.595 Acre Tract of land conveyed to Travis County for Right-of-way in the Southeasterly Line of the said 5.10 Acre Tract, from which point a 1/2" iron rod found for the Most Easterly Corner of the 5.10 Acre Tract bears N.30*23*22*E., 10.00 feet;

THENCE S.60°02'08"E., along the Northeasterty Line of the 172.33 Acre Tract and the Southwesterly Line of the said 0.595 Acre Tract, a distance of 2590.11 feet to the said Point of

Containing 172.36 acres, more or less.

J. Kenneth Weigand

Registered Professional Land Surveyor No. 5741

Slate of Texas

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



SECTION

1-447 Acres

A PARCEL OF LAND IN TRAVIS COUNTY, TEXAS, BEING A PART OF THE JAMES P. KEMP SURVEY No. 12, ABSTRACT No. 462, AND BEING A PART OF THAT 172.33 ACRE TRACT OF LAND CONVEYED TO EAGLE POINT COMMUNITY, LTD., BY DEED RECORDED IN DOCUMENT No. 2001206536 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

Commence at a ½* iron rod found in the North Line of that 158.1 Acre Tract of Land conveyed to Edmund A. Randig and Doreen Randig by deed recorded in Volume 6870, Page 2077 of the Deed Records of Williamson County, Texas, the same being the Southeast Corner of that 0.730 Acre Tract of land conveyed to Travis County for right of way for Weiss Lane by deed recorded in Document No. 1999033594 of the Official Public Records of Williamson County, Texas, and also being the Southwest Corner of the said 172.33 Acre Tract:

THENCE N.30°21'45°E., along the West Line of the said 172.33 Acre Tract, the same being the East Line of Weiss Lane as described in the said deed recorded in Document No. 1999033594, a distance of 2385.68 feet to the Point of Beginning;

THENCE continue along the West Line of the said 172.33 Acre Tract and the East Line of Weiss Lane the following four courses:

- N.30°21'45"E, a distance of 50:45 feet to a ½" iron rod found and to a point on a non-tangent curve to the right;
- Northeasterty along the arc of said curve, a distance of 200.84 feet (said curve having a radius of 537.40 feet, a central angle of 21°24'46" and a chord bearing N.41°03'43"E.. 199.67 feet) to a ½" iron rod found;
- N.51°44'44"E. a distance of 76.34 feet to a ½" iron rod found and to a point on a non-langent curve to the right;
- 4. Easterty along the arc of said curve, a distance of 93.14 feet (said curve having a radius of 78.31 feet, a central angle of 68°08'47" and a chord bearing N.85°52'48E., 87.75 feet) to a ½" iron rod found in the South Line of Cele Road as described in the said deed recorded in Document No. 1999033954;

THENCE S.60°02'59"E., along the North Line of the 172.33 Acre Tract and the South Line of Cele Road, a distance of 102.82 feel;

THENCE crossing the said 172.33 Acre Tract the following six courses:

- 1. S.30°20'02"W. a distance of 252.00 feet;
- 2. N.74°55'39"W. a distance of 96.88 feet;
- 3. S.81°24'46'W. a distance of 65.28 feet;



1.447 Acres

4. S.72°16'09"W. a distance of 66.12 feet:

5. N.20°23'36"W. a distance of 39.89 feet;

6. S.69°35'30"W. a distance of 33.05 feet to the said Point of Beginning.

Containing 1.447 acres, more or less.

J. Kenneth Weigand

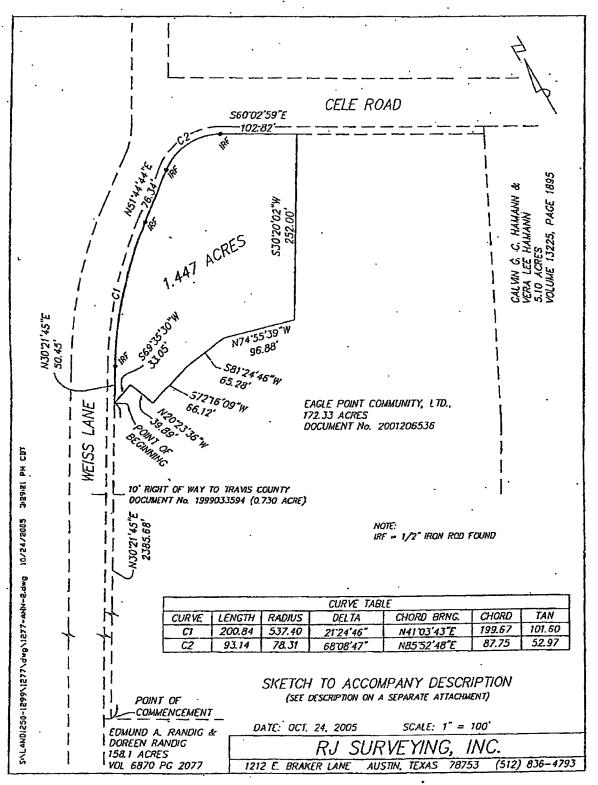
Registered Professional Land Surveyor No. 5741

Slate of Texas

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

This document was prepared under 22TAC 563.21, 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.







8.436 Acres

DESCRIPTION:

A PARCEL OF LAND IN TRAVIS COUNTY, TEXAS, BEING A PART OF THE JAMES P. KEMP SURVEY No. 12, ABSTRACT No. 462 AND THE JOHN L. BRAY SURVEY No. 10, ABSTRACT No. 73, AND BEING A PART OF THAT 172.33 ACRE TRACT OF LAND CONVEYED TO EAGLE POINT COMMUNITY, LTD., BY DEED RECORDED IN DOCUMENT No. 2001206536 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN at a ½ iron rod found in the North Line of that 158.1 Acre Tract of Land conveyed to Edmund A. Randig and Doreen Randig by deed recorded in Volume 6870. Page 2077 of the Deed Records of Williamson County, Texas, the same being the Southeast Corner of that 0.730 Acre Tract of land conveyed to Travis County for right of way for Weiss Lane by deed recorded in Document No. 1999033594 of the Official Public Records of Williamson County, Texas, and also being the Southwest Corner of the said 172.33 Acre Tract;

THENCE N.30°21'45"E., along the West Line of the said 172.33 Acre Tract, the East Line of the said 0.730 Acre Tract and the East Line of Weiss Lane, a distance of 882.13 feet;

THENCE S.13"00'45"E., crossing the said 172.33 Acre Tract, a distance of 1213.18 feet to the South Line of the 172.33 Acre Tract and the North Line of the said 158.1 Acre Tract;

.THENCE N.59*39'30"W., along said South Line, a distance of 833.17 feet to the said Point of Beginning.

Containing 8.436 acres, more or less.

d. Kennelh Weigand

Registered Professional Land Surveyor No. 5741

State of Texas

RJ Surveying, Inc. 1212 East Braker Lane Austin, Texas 78753 OF STANSFILER PROCESS OF SURVEY SURVE

This document was prepared under 22TAC 563.21, 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.

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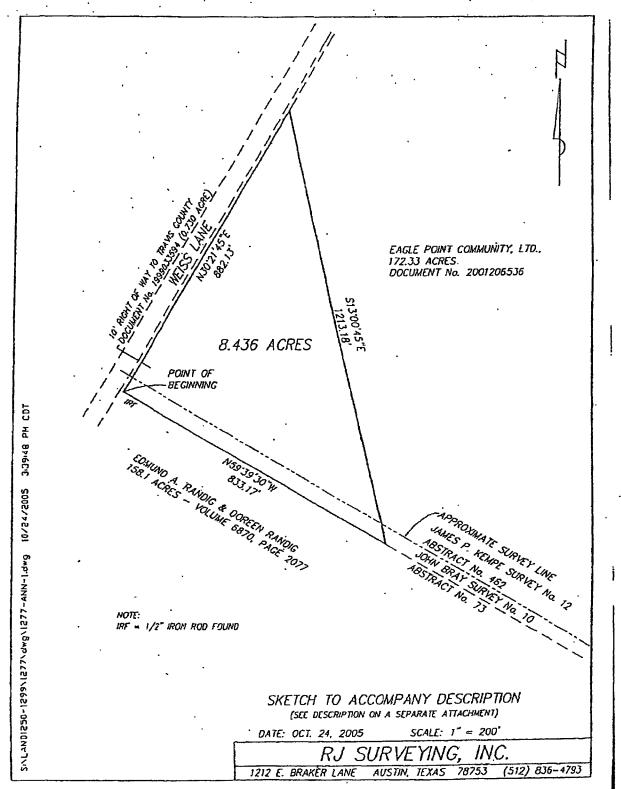


Exhibit B

20.325 Acres



UTILITIES & DISTRICTS
SECTION

A PARCEL OF LAND IN TRAVIS COUNTY, TEXAS, BEING A PART OF THE JOHN BRAY SURVEY No. 10, ABSTRACT No. 73, AND BEING A PART OF THAT 158.10 ACRE TRACT OF LAND CONVEYED TO EDMUND A. RANDIG AND WIFE, DOREEN S. RANDIG, BY DEED RECORDED IN VOLUME 6870, PAGE 2077 OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS; A PART OF THAT 73.70 ACRE TRACT OF LAND CONVEYED TO EDMUND A. RANDIG AND WIFE, DOREEN RANDIG, BY DEED RECORDED IN VOLUME 5959, PAGE 2265 OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE at a cotton spindle set in a concrete drainage apron in the easterly fenced line of Weiss Lane, the same being the Northwest Corner of that 65.15 Acre Tract of land conveyed to PFLUGERVILLE COMMUNITY DEVELOPMENT CORPORATION by deed recorded in Document No. 2004180177 of the Official Public Records of Travis County, Texas

THENCE N.30*27'33"E., along the said East Line of Weiss Lane, a distance of 1430.55 feet to a cross cut in concrete found for the Southwest Corner of that 0.730 Acre Tract of land conveyed to Travis County for right of way by deed recorded in Document No. 1999033594 of the Official Public Records of Travis County, Texas, in the North Line of the said 158.10 Acre Tract;

THENCE S.59"39'45"E., along the South Line of the said 0.730 Acre Tract and the North Line of the said 158.10 Acre Tract, a distance of 10.00 feet to a ½" iron rod found for the Southwest Corner of that 172.33 Acre Tract of land conveyed to Eagle Point Community, Ltd., by deed recorded in Document No. 2001206536 of the Official Public Records of Travis County, Texas;

THENCE S.59°39'30"E., along the North Line of the said 158.10 Acre Tract, the same being the South Line of the said 172.33 Acre Tract, a distance of 2310.62 feet to the Point of Beginning;

THENCE continue S.59°39'30"E., along said North Line, a distance of 160.00 feet to a fence post;

THENCE N.30°19'52"E., along a common line of the said 158.10 Acre Tract and the 172.33 Acre Tract, a distance of 34.77 feet to a ½" iron rod set in the North Line of the John Bray Survey;

THENCE S.58°55'06"E., along the North Line of the said 158.10 Acre Tract, the same being the North Line of the John Bray Survey, a distance of 814.29 feet to a ½" iron rod set for the Northeast Corner of the 158.10 Acre Tract and the Northwest Corner of the said 73.70 Acre Tract;

THENCE S.59°31'29"E., along the North Line of the said 73.70 Acre Tract, a distance of 86.00 feet;

20.325 Acres

THENCE crossing the said 73.70 Acre Tract the following six courses:

- 1. S.14°51'00"W, a distance of 68.00 feet;
- 2. S.00°20'00"E. a distance of 456.00 feet,
- 3. S.30°44'28"E. a distance of 699.78 feet.
- 4. S.30°29'29'W. a distance of 451.05 feet;
- 5. N.59*41'11'W., a distance of 20.80 feet,
 6. N.29*04'28'W., at a distance of 1445.66 feet pass the common line of the 73.70 Acre Tract and the 158.10. Acre Tract, in all a total distance of 1948.47 feet;

THENCE crossing the said 158.10 Acre Tract the following two courses:

1. N.29°13'07"W. a distance of 260.00 feet;

2. N.30°20'30"E. a distance of 100.00 feet to the said Point of Beginning.

Containing 20.325 acres, more or less.

d. Kenneth Weigand

Registered Professional Land Surveyor No. 5741

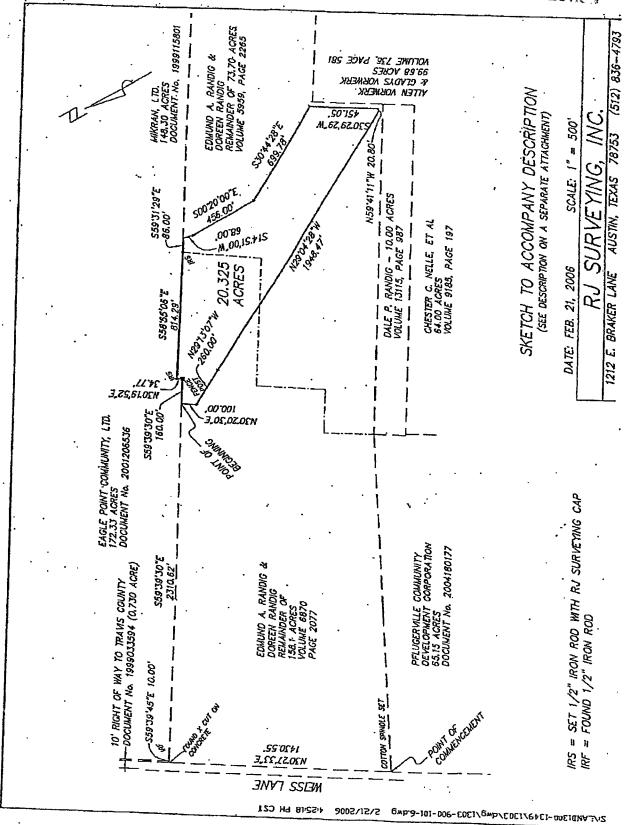
State of Texas

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

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UTILITIES & DISTRICTS SECTION



CONSENT AND AGREEMENT OF MANYILLE WATER SUPPLY CORPORATION FOR WHOLESALE WATER SERVICE TO PROPERTY

Tiemann Land and Cattle Development, Inc. ("TLCD") and Manville Water Supply Corporation ("Manville") previously entered into that certain "Agreement for Providing Wholesale Water Service" dated October 7, 1996 (referred to herein as the "Wholesale Agreement"), concerning a certain 1113.57 acre tract of land (the "Land") located in Williamson and Travis Counties, Texas.

The Wholesale Agreement defines the term "Service Area" to mean "all of the area within the boundaries of the Land, and also means and includes areas outside the boundaries of the Land that the parties hereto may mutually agree to provide Service to under this Agreement."

The 49.106-acre tract of land described on the attached Exhibit A (the "Estates of Rowe Lane Tract") has been included within the boundaries of Lakeside Water Control and Improvement District No. 2C, pursuant to a consent agreement between Rowe Lane Development, Ltd. and the City of Pflugerville, Texas. Rowe Lane Development, Ltd. has requested that Manville consent and agree to include the Estates of Rowe Lane Tract as part of the Service Area under the Wholesale Agreement.

CONSENT AND AGREEMENT

- In consideration of the revenues that Manville will receive from the provision of wholesale water service to additional land under the terms of the Wholesale Agreement, and subject to the terms and conditions of the Wholesale Agreement, Manville hereby consents and agrees to including the 49.106-acre tract of land described on the attached Exhibit A (the "Estates of Rowe Lane Tract") as part of the Service Area under the Wholesale Agreement. Rowe Lane Development, Ltd. agrees to comply with the terms and conditions of the Wholesale Agreement with regard to the Estates of Rowe Lane Tract.
- 2. The quantity of water supply capacity authorized under Section 3.1 of the Wholesale Agreement shall be increased to allow an additional 153 LUEs of wholesale water supply to the Estates of Rowe Lane Tract.
- 3. The 153 LUEs of wholesale water supply capacity for the Estates of Rowe Lane Tract shall be provided by Manville for use by Lakeside Water Control and Improvement District No. 2C in providing retail water service to the Estates of Rowe Lane Tract within the boundaries of the district and the rights to such capacity may be assigned by Rowe Lane Development, Ltd. to the district.
- 4. The parties may execute this instrument in separate counterparts, each of which when so executed shall be an original and all of which shall constitute but one and the same document.



Executed to be effective as of July /2 2006.

MANVILLE WATER SUPPLY CORPORATION

By:

ROWE LANE DEVELOPMENT, LTD.

By: Tiemann Land and Cattle Development, Inc.

By:

Robert M. Tiemann, President

AGREEMENT FOR PROVIDING WHOLESALE WATER SERVICE

THE STATE OF TEXAS

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COUNTY OF TRAVIS

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This Agreement for Providing Wholesale Water Service (the "Agreement") is made and entered into as of the date set forth below by and between:

- (1) Tiemann Land & Cattle Development, Inc., a corporation organized under the laws of the State of Texas ("Tiemann"); and
- (2) Manville Water Supply Corporation, a water supply corporation organized under the laws of the State of Texas (the "Company").

WITNESSETH:

RECITALS

WHEREAS, Tiemann owns or controls the land described in the attached Exhibit "A" (the "Land") and desires to subdivide the Land for purposes of residential and commercial development;

WHEREAS, the Land is included within the service area of Certificate of Convenience and Necessity No. 11144 for water service that the Company has obtained from the Texas Natural Resource Conservation Commission;

WHEREAS, Tiemann will operate a water distribution system and serve the users within the Land;

WHEREAS, the Company is willing to provide a potable water supply to Tiemann on a wholesale basis (the "Water Supply"); and

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WHEREAS, Tiemann does not have a viable alternative to provide Service to all of the Land and consequently believes that it must enter into this agreement in order to provide Service now and in the future; and

WHEREAS, the Company is willing and will take all measures reasonably necessary and appropriate to provide an adequate Water Supply to the Land; and

WHEREAS, the Company expressly acknowledges and understands that Tiemann will seek to create a water control and improvement district operating under the authority of Article XVI, Section 59 of the Texas Constitution to provide water and sewer services to the Land;

WHEREAS, the Company expressly acknowledges and agrees that Tiemann may, after notice but without the Company's consent, assign its rights and obligations under this Agreement to any district created to provide water and sewer services to the Land; and

WHEREAS, the Company expressly acknowledges and agrees upon Tiemann's assignment of rights and obligations under this Agreement to any district created to provide water and sewer services to the Land, Tiemann shall be relieved of any obligations under this Agreement, and the district so created shall be the sole obligor under this agreement.

<u>AGREEMENT</u>

For and in consideration of the mutual promises, covenants, obligations and benefits in this Agreement and in keeping with the foregoing Recitals, all of which are

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incorporated herein by reference, Tiemann and the Company contract and agree as follows:

ARTICLE.

DEFINITIONS AND INTERPRETATIONS

Section 1.1: <u>Definitions</u>. Unless the context requires otherwise, and in addition to the terms defined above, the following terms and phrases used in this Agreement shall have the meanings set out below:

- (1) "Company" means Manville Water Supply Corporation and any successors and assigns that may succeed at any time to the rights and obligations of the Company under the terms of this Agreement.
- (2) "Customers" means all those Persons within the Land receiving Service from Tiemann.
- (3) "Internal Lines" means all of the water mains, distribution and transmission lines and related appurtenances that are owned or used by Tiemann and located within the Service Area and through which water is delivered to customers, but specifically excluding the Plant or any part thereof. By way of example and not in limitation, Internal Lines include street lines, "yard lines" (which are located between individual water meters and the structure receiving the water service), and other mains, pipes, and meters.
- (4) "Living Unit Equivalent" or "LUE" means living unit equivalent and is a measure of the estimated average daily volume of water used by a single

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family residence; for purposes of this Agreement, an L.U.E. represents (600 gallons average per day of water usage on a monthly average basis.

- (5) "Person" means any individual, public or private corporation, district, authority, political subdivision or other agency or entity of the State of Texas or the United States of America; any incorporated city or village, whether general law or home-rule; any partnership, joint venture, association, trust, firm, individual, or other entity whatsoever.
- (6) "Plant" means all water wells, water purification and treatment plants, water storage facilities; storage tanks, water mains, distribution lines, Water Meters and related appurtenances, whether owned, leased or controlled by the Companý, necessary for the Company to deliver Water to the Internal Lines, as defined herein.
- (7) "Regulatory Requirements" means the requirements and provisions of the Federal and State constitutions, any and all federal, state and local laws, rules, regulations and permits adopted or issued from time to time, and all judicial and administrative orders, judgments and decrees of any governmental authority having jurisdiction concerning matters contained in this Agreement.
- (8) "Service" means retail Water Service that Tiemann provides or will provide to Persons in the Land through the Internal Lines.
- (9) "Service Area" means all of the area within the boundaries of the Land, and also means and includes areas outside the boundaries of the Land

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- that the parties hereto may mutually agree to provide Service to under this Agreement.
- "Water" means potable water suitable for use for domestic and municipal (10)purposes that meets the Regulatory Requirements for public use and consumption.
- (11) "Water Meter" means any Water Meter installed at the point of delivery of Water by the Company to the Land to measure the quantity of Water supplied to the Land by the Company.
- "Water Supply" means the Water to be provided to the Land pursuant to (12)this Agreement.
- (13) "Wholesale Service" means the delivery of the Water Supply by the Company from the Plant through one or more Water Meters to the Internal Lines.

Section 1.2: Titles. The titles and headings of the articles and sections of this Agreement have been inserted for convenience of reference only; are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof; and shall never be considered or given any effect in construing this Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise. Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

Section 1.3: Interpretations. This Agreement and all the terms and provisions herein shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of this Agreement. The parties agree that this Agreement shall not be construed in favor of or against either party on the basis that the party did or did not author the Agreement. Nothing in this Agreement shall be construed to violate nor shall either party hereto be required by the terms and provisions of this Agreement to violate any Regulatory Requirements, and all acts done pursuant to this Agreement shall be performed in such a manner as to conform thereto.

ARTICLE II

SERVICE AND OPERATION OBLIGATIONS

Section 2.1: Service. The Company and Tiemann agree that the Company will provide Wholesale Service to the Land to meet the needs of landowners, users and potential users and Customers within the Service Area, all in accordance with the terms of this Agreement. The parties agree that the Company shall have the exclusive right and is obligated to furnish all of the Water Supply required on the Land. Tiemann agrees that, except for existing agricultural uses and to the extent authorized by law, unless the Company consents otherwise in writing thereto, Tiemann will not allow the use of private water wells and will require all users of water on land within the Service Area to obtain Service from Tiemann. Tiemann further agrees that except as provided in Section 3.1, it will not obtain Water from any Person other than the Company without the prior written approval of the Company.

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Section 2.2: Planning and Construction of Facilities. To assure orderly and progressive development of all of the land in the Service Area and the efficient and economical operation and management of Internal Lines and the Plant, the parties agree to cooperate and coordinate their efforts in identifying, planning and providing for the construction of the Plant and the Internal System, and any additions thereto that may be required from time to time to meet the then existing and reasonably projected needs and demands for Service in the Service Area. In furtherance of this objective, the parties agree to engage in a free and open exchange of information and communication on their respective water operations and requirements so that the need for planning and construction of additions to their respective facilities can be identified far enough in advance for the parties to obtain additional governmental authorizations, make financing arrangements and take such other actions as may be reasonably necessary or appropriate to have the additions available and operational in a timely manner. The parties agree to pursue all such actions expeditiously to accomplish the necessary additions in a timely manner.

Section 2.3: <u>Delivery of Water</u>. The Company will deliver Water from and through the Plant to the Internal Lines through one or more Water Meters which will measure the volume delivered. The initial delivery points for service shall be located as shown on the map attached as Exhibit "B." During the term of this Agreement, Manville and Tiemann may designate additional delivery points by mutual agreement. Subject to the provisions of Section 2.2 herein, the Company agrees at its sole cost and expense to construct and install the elements of the Plant necessary to deliver the

UTILITIES & DISTRICTS 10 PAGE 16

Water from the Plant through the Water Meters to the Internal Lines. The Water shall be owned by the Company until it is delivered to the Land on the downstream side of the Water Meters, and thereafter the Water shall be owned by Tiemann.

Section 2.4: <u>Capital Costs.</u> The Company will pay all capital costs for the construction and acquisition of the Plant to the point of delivery. The Internal Lines will normally be constructed and installed by and at the sole cost and expense of Tiemann or the individual developers of and builders on the Land, and the Company will have no financial responsibility therefor.

Section 2.5: Operation and Maintenance. The Company shall be solely responsible for operating and maintaining the Plant in accordance with all Regulatory Requirements and shall pay all operation and maintenance expenses therefor. Tiemann shall be solely responsible for operating and maintaining the Internal Lines in accordance with all Regulatory Requirements and shall pay all operation and maintenance expenses therefor.

Section 2.6: <u>Retail Service</u>: The Individual users to whom Service is provided pursuant to this Agreement shall be Customers of Tiemann. Tiemann shall be responsible for operating and managing its Internal Lines, including but not limited to establishing the rates and charges for Service, reading meters, billing, and collecting such rates and charges from the Customers.

Section 2.7: New Taps. Tiemann shall be responsible for making all taps to the Internal Lines but may contract with the Company or any other entity to perform this function at Tiemann's expense. Tiemann and the Company agree that no new taps

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will be initiated or Service provided to a new tap to the Internal Lines unless and until Tiemann has received all connection fees, charges and other costs required for Service, and paid all required charges and fees to the Company.

Section 2.8: Certificates and Permits.

As necessary, the Company agrees to proceed at the earliest practical (a) times to submit appropriate applications to the Texas Natural Resource Conservation Commission under Chapter 13 of the Texas Water Code as may be required from time to time, and to prosecute the same with due diligence and in good faith to a conclusion to become or to continue to be certificated and authorized to provide the Wholesale Service to the Land. Tiemann agrees to provide and actively support the applications provided they are consistent with the terms and provisions of this Agreement. The Company also agrees to acquire and maintain in force and effect throughout the terms of this Agreement all other certifications, permits or authorizations required for its operations hereunder, and to comply with all Regulatory Requirements. The parties mutually agree to actively support each other in any undertakings in connection with any certifications, permits or authorizations required of either of them in the exercise of their respective rights, duties and obligations under this Agreement, provided such undertakings and the purposes and objectives thereof are consistent with the terms, provisions and purposes of this Agreement. However, the support required herein shall not obligate the supporting party to become a designated party to any application or administrative proceeding or any judicial proceedings arising out of such application or administrative proceeding, to pay any

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of the costs, expenses, fines or penalties incurred by or assessed against the party that initiates or is the subject of the application or proceeding, or to develop and present evidence or testimony in or for the application or proceeding other than evidence or testimony expressing the supporting party's support for the other party.

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application, substantially in the form attached as Exhibit "C," with the Texas Natural Resource Conservation Commission seeking amendment of CCN No. 11144 to decertify the service area in which the Land is located and to transfer the authority to serve the Land to Tiemann or to the District preposed to be created. The Company agrees to consent to the decertification and transfer by signing a written consent in the form attached hereto as Exhibit "D". The cost of preparing and prosecuting the application to decertify and transfer the certificated service area will be paid by Tiemann. The Company will provide retail water service to the Land under CCN No. 11144 until the application is approved.

Section 2.9: Payments to the Company.

A. LUE Fees.

1. Subject to the provisions of paragraph 2 below, Tiemann agrees to pay the LUE Fees set forth in Schedule 1 attached hereto based on the plat or other information on Service needs. Payment to the Company of the LUE Fees shall occur at the time the final plat is approved or at least thirty (30) days prior to the time Service is to commence. The LUE Fees are intended to allow Manville to fund or recover all or a part of the costs for capital improvements or facility expansions

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intended to serve new development in Manville's service area. The sums shown in Schedule 1 attached hereto are subject to adjustment by mutual agreement of the parties hereto at any time after one year from the date wholesale service is initiated, provided, however, Tiemann shall not be required to pay an LUE Fee that exceeds the amount charged other wholesale customers. If the parties are unable to reach agreement, in whole or in part, regarding the adjustments through consultations and negotiations, then the adjustments which are in dispute shall be resolved through rate setting proceedings in arbitration.

B. Monthly Charges.

- 1. Tiemann agrees to pay the Company a rate per 1000 gallons of Water supplied to the Land each month (the "Monthly Rate") established in the manner and in accordance with the procedure hereafter provided in this part B.1.
- a. The Monthly Rate for the first year following the date of execution of this Agreement and thereafter until changed as hereafter provided (the "Initial Monthly Rate") shall be two dollars (\$2.00) per one thousand (1,000) gallons.
- b. Beginning with calendar year 1998 and each year thereafter, the Monthly Rate is subject to adjustment at the option of either party based on the operation and maintenance costs incurred by the Company in providing Wholesale Service to the Land for the preceding calendar year and in accordance with standard rate-setting principles based on the cost of providing service to the Land, but the Monthly Rate shall not fall below \$2.00 per 1,000 gallons unless the Company charges o ther wholesale customers a rate less than \$2.00 per 1,000 gallons, in which



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case Tiemann shall be entitled to pay the lowest rate charged to other wholesale customers.

- c. The Monthly Rate is subject to adjustment no earlier than the second calendar year following the calendar year in which the Monthly Rate was last adjusted. The party seeking a review and adjustment in the Monthly Rate must notify the other party in writing between January 1 and March 31 of the calendar year for which the adjustment is sought. The adjustments shall be worked out through consultations and negotiations between Tiemann and the Company. If the parties are unable to reach agreement, in whole or in part, regarding the adjustments to the Monthly Rate through consultations and negotiations, then the adjustments which are in dispute shall be resolved through rate setting proceedings in arbitration, but the Monthly Rate shall not fall below the first year rate herein agreed upon, unless the Company charges other wholesale customers a rate less than \$2.00 per 1,000 gallons.
- 2. One or more Water Meters will be installed at the points of delivery from the Plant to the Internal Lines to measure the amount of Water provided to the Land. Each month the Company shall read the Water Meters and determine the number of gallons of Water provided to the Land for the preceding month.
- 3. All Water Meters shall be calibrated at least once a year and more frequently if requested by Tiemann. Tiemann shall have access to the Water Meters at all times for readings and for observation of any calibration tests. The Company will pay the cost of purchase, installation, maintenance and calibration of each Water Meter, except that where calibration is requested by the Tiemann, the cost of

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calibration shall be paid by Tiemann if the Water Meter was in error on the low side. If the Water Meter is in error by 2% or more, the Company's charge to Tiemann for Water during the period in question shall be increased or decreased, as appropriate, based on the difference in the amount of Water furnished to the Land for one-half of the time period since the previous calibration was made, but in any event for no longer a period than six months.

4. Within thirty (30) days of receipt of a statement for monthly charges from the Company, Tiemann will pay the statement unless there is a dispute as to the accuracy of the billing. In the event there is any dispute regarding the accuracy of the billing, the engineers for the Company and Tiemann shall confer to resolve the issues, which shall be resolved within sixty (60) days after the date of the statement. The undisputed amount of the statement shall be paid in full within the thirty (30) day payment period. If it is determined (whether through consultation, arbitration, or otherwise) that all or any part of the disputed amount of the billing to Tiemann was correct, Tiemann shall forthwith pay the correct portion of the disputed amount to the Company and may keep the balance of the disputed amount, if any.

ARTICLE III

CONDITIONS GOVERNING WATER SUPPLY

Section 3.1: Quantity and Quality of Water.

(a) During the term of this Agreement and subject to Section 4.2 herein, the company shall provide a Water Supply that will be adequate for the needs of the present and future owners, customers, residents and occupants of the Land and those

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in privity with them. The Water shall be furnished at all Water Meters at a pressure and of a quality and quantity adequate to enable Tiemann to comply with applicable Regulatory Requirements including, without limitation, Texas Natural Resource Conservation Commission Regulation 30 TAC \$290.45(f).

(b) During the term of this Contract, the Company shall provide a Water Supply sufficient to serve the Land according to the following phased schedule:

Year De	Cumulative emand LUE's	Avg.Day gpd	Peak Day gpd	Peak Hr.gpm
1996-1997	165	99,000	210,156	332
1997-1998	416	249,600	526,656	832
1998-1999	666	399,600	843,156	1,132
1999-2000	916	549,600	1,159,656	1,557
2000-2001	1,166	699,600	1,476,156	1,982
2001-2002	1,416	849,600	1,792,656	2,407
2002-2003	1,666	999,600	2,109,156	2,832
2003-2004	1,916	1,149,600	2,425,656	3,257
2004-2005	2,166	1,299,600	2,742,156	3,682
2005-2006	2,416	1,449,600	3,058,658	4,107
2006-2007	2,666	1,599,600	3,375,156	4,532
2007-2008	2,916	1,749,600	3,691,656	4,957
2008-2009	3,000	1,800,000	3,798,000	5,100

The phased schedule is determined and the Water Supply shall be furnished according to the following criteria which are established pursuant to 30 TAC \$290.45:

- 50 psi minimum delivery pressure at the highest elevation on the Land,
 722 ft msl.
- 2. 200 gpd per person demand
- 3 persons per household population
- 600 gpd average per LUE or connection



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5. Average day at buildout:

600 gpd per household x 3000 LUEs = 1.800,000 gpd average

6. Peak (maximum) day:

 $1,800,000 \times 2.11 = 3,798,000 \text{ gpd peak}$

- 7. Peak (maximum) hour:
 - (A) 1.800,000 gpd = 1,250 gpm average x 4.08 = 5,100 gpm 1,440 minimum
 - (B) Provide at 2.0 gpm per LUE or connection or provide at least 1,000 gallons per minute and meet peak hourly demands.
- (c) Whenever at any time or from time to time it is reasonably determined in good faith by Tiemann that the Company through no fault of Tiemann is not able for any reason to furnish a Water Supply at a pressure and of a quantity and quality adequate to enable Tiemann to comply with the applicable Regulatory Requirements, Tiemann shall notify the Company in writing of such inadequacies. Thereafter, the Company shall have a period of time not to exceed ninety (90) days to cure the inadequacies described in the notice. If the Company is unable within that time period to cure the inadequacies described in the notice, then Tiemann may in its discretion obtain an alternate water supply from any source available to it. Such alternate source may be o btained only on a temporary basis until such time as the Company is able to provide a supply adequate to comply with the applicable Regulatory Requirements, whereupon Tiemann shall forthwith cease utilization of the alternate source.

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Section 3.2: Construction of Water Facilities.

- (a) The Company agrees that it will acquire, construct and expand the Plant and acquire additional sources of Water as needed to have sufficient capacity to provide Wholesale Service to the Land as required by this Agreement. The Plant as it currently exists or as constructed and expanded will be designed and constructed to provide volumes, pressures and delivery points which meet the requirements of this Agreement.
- (b) At the request of Manville made at any time during the term of this Contract, Tiemann shall convey to Manville a two (2) acre tract of land for use as a site for constructing an elevated storage tank (the "Tank Site"). The location for the Tank Site shall be determined at the discretion of Tiemann and shall be generally located in the northeast corner of the Land. Additionally, Tiemann shall provide to Manville sufficient easements to allow Manville to access the Tank Site by vehicles and water lines. If Manville fails to construct a storage tank on the Tank Site within five (5) years after Tiemann conveys the land to Manville, ownership of the Tank Site shall revert to Tiemann.

Section 3.3: <u>Conservation Measures</u>. Tiemann will require all of its Customers that connect to the Internal Lines after the effective date of this Agreement to install water conservation devices.

Section 3.4: <u>Testing of Water</u>. Tiemann with a representative of the Company shall be entitled to collect samples of the Water at the Water Meters and cause the same to be analyzed by a certified laboratory or a laboratory at the Texas Department

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of Health or the Texas Natural Resource Conservation Commission in accordance with the appropriate methods to determine if such Water complies with the Regulatory Requirements. If the analysis discloses that the Water does not comply with the Regulatory Requirements, the Company shall take all steps necessary to bring the Water into compliance.

Section 3.5: <u>Independent Contractors</u>. The Company and Tiemann are independent contractors in fulfilling their respective obligations under this Agreement, and nothing herein shall be interpreted as changing or modifying the relationship of the parties unless in writing and signed by both parties.

Section'3.6: Regulatory Action. The Parties recognize that the rights, duties and obligations of the Company and Tiemann as provided in this Agreement are subject to all present and future Regulatory Requirements, and the parties agree to cooperate in making any applications, obtaining permits and approvals as necessary, and doing such other things and taking such other actions as may be desirable in order to comply with all Regulatory Requirements and accomplish the purposes of this Agreement.

Section 3.7: Retail Service Conditions. Tiemann agrees to incorporate in its rules, regulations and policies, in the manner appropriate to the subject matter, the terms, rules and regulations that govern the Company's management of service to its retail customers, such as water conservation, drought management, taps and LUE fees, and take appropriate action to enforce the same.

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ARTICLE IV

MISCELLANEOUS PROVISIONS

Section 4.1: <u>Term:</u> Unless terminated by mutual agreement of the parties hereto, this Agreement shall continue in full force and effect for a period of forty (40) years from date hereof.

Section 4.2: Force Majeure. In the event either party is rendered unable, wholly or in part, by reason of force majeure to carry out any of its obligations under this Agreement, then the obligations of such party, to the extent affected by such force majeure and to the extent that due diligence is being used to resume performance at the earliest practicable time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period. As soon as reasonably possible after the occurrence of the force majeure relied upon, the party whose contractual obligations are affected shall give notice and full particulars of such force majeure to the other party. Such cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure", as used herein, shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of the police or enemy, orders of any kind of government or the United States, the State of Texas, a local or municipal government of competent jurisdiction or any other entity other than a party to this contract, or any civil or military authority, insurrections, riots, epidemics, landslides, lightening, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, partial or entire failure of water supply,

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and any other inabilities of either party, similar to those enumerated, which are not within the control of the party claiming such inability and which such party could not have avoided by the exercise of due diligence and care. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the party having the difficulty and that the above requirements that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party or parties when such settlement is unfavorable to it in the judgment of the party having the difficulty.

Section 4.3: Remedies upon Default. It is not intended hereby to specify (and this Agreement shall not be considered as specifying) an exclusive remedy for any default, but all remedies existing at law or in equity, including specific performance and mandamus, may be availed of by either party and shall be cumulative; provided, however, that except as otherwise specifically provided in this Agreement, the manner of proceeding to settle any controversy, claim or dispute arising out of or relating to this Agreement, or any breach thereof, shall be by arbitration as provided in Section 4.11 of this Agreement.

Section 4.4: <u>No Additional Waiver Implied.</u> No waiver or waivers of any breach or default (or any breaches or defaults) by either party hereto of any term, covenant, condition, or liability hereunder, or of performance by the other party of any duty of obligation hereunder, shall be deemed or construed to be a waiver of subsequent breaches or defaults of any kind under any circumstances.

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Section 4.5: Addresses and Notice. Unless otherwise provided in this Agreement, any notice, communication, request, reply, or advice (herein severally and collectively, for convenience, called "notice") herein provided or permitted to be given, made, or accepted by either party to the other must be in writing and may be given or be served by depositing the same in the United States mail, postpaid and registered, or certified and addressed to the party to be notified, with return receipt requested, or be delivering the same to an officer of such party, or by prepaid telegram, when appropriate, addressed to the party to be notified. Notice deposited in the mail in the manner hereinabove described shall be conclusively deemed to be effective, unless otherwise stated in this Agreement, from and after the expiration of two (2) mail delivery days after the day it is so deposited. Notice given in any other manner shall be effective only if and when received by the party to be notified. For the purposes of notice, the addresses of the parties shall, until changed as hereinafter provided, be as shown on the signature page of this Agreement. The parties shall have the right from time to time and at any time to change their respective addresses and each shall have the right to specify as its address any other address by at least fifteen (15) days' written notice to the other party.

Section 4.6: <u>Modification</u>. This Agreement shall be subject to change or modification only by the execution of a writing signed by authorized representatives of each of the parties hereto.

Section 4.7: Assignability: Notice of Assignment. This Agreement shall be assignable by Tiemann only to a district operating under the authority of Article XVI,

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Section 59 of the Texas Constitution without the consent of Manville. In the event of assignment by Tiemann to a district operating under the authority of Article XVI, Section 59 of the Texas Constitution, the assignee district shall succeed to the rights and obligations of Tiemann under this Agreement and Tiemann shall be relieved of all responsibilities or obligations under this Agreement. An assignment to a district shall be effective upon the Company's receipt of written notice of the assignment. Any other assignment of this Agreement by Tiemann or by his successor district, shall be subject to the consent of the Company. Upon any such subsequent assignment, the Company may, at its sole option, terminate this contract and declare the same void. This Agreement may not be assigned by the Company to a private entity without the prior written consent of Tiemann, which consent shall not be unreasonably withheld. This Agreement is binding on the parties hereto and their respective successors, representatives and assigns. Without limitation of the foregoing, no part of this contract is assignable to a home rule or general law city without the consent of the Company.

Section 4.8: Notice of Proceedings Pertaining to Agreement. The Company shall notify Tiemann of all applications, hearings, enforcement actions and other proceedings to which the Company is a party, affecting or pertaining to this Agreement or the subject matter hereof, at or before the Texas Natural Resource Conservation Commission, any other agency having jurisdiction or any court as soon as practical after any such application, activity or proceeding is initiated or commenced.

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Section 4.9: <u>Parties in Interest.</u> This Agreement shall be for the sole and exclusive benefit of Tiemann and the Company and their successors and assigns.

Section 4.10: Severability. This provisions of this Agreement are severable, and if any word, phrase, clause, sentence, paragraph, section or other part of this Agreement or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such word, phrase, clause, sentence, paragraph, section or other part of this Agreement to other persons or circumstances shall not be affected thereby.

Section 4.11. Arbitration. Except as otherwise expressly provided in this Agreement, any controversy, dispute or claim arising out of or relating to this Agreement, or any breach thereof, shall be settled by arbitration in accordance with the Commercial Rules of Arbitration of the American Arbitration Association; provided, however, that the arbitrator(s) to whom any controversy, which is subject to arbitration under the terms of this Agreement, shall be submitted in accordance with the provisions hereof, shall (1) reside in Travis County, Texas; (2) if three arbitrators, include at least one accountant; and (3) be familiar with water and sewer utilities. The arbitrator(s) have jurisdiction and authority to interpret and apply the applicable provisions of this Agreement in accordance with applicable Regulatory Requirements. Such application or interpretation of the provisions of this Agreement must be in accordance with the spirit and letter of this Agreement. No arbitrator shall have the jurisdiction or authority to add to, take from, nullify, or modify any of the terms of this

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Agreement, directly or indirectly, under the guise of interpretation. The arbitrator(s) shall be bound by the facts and evidence submitted in the hearing and may not go beyond the terms of this Agreement in rendering the award. It is further understood and agreed that the power of the arbitrator(s) shall be strictly limited to determining the meaning and interpretation of the explicit terms of this Agreement as herein expressly set forth and that no arbitrator shall have the power to base any award on any alleged practices or oral understandings not incorporated herein. Any award rendered in arbitration proceedings under this Agreement shall be subject to administrative or judicial review at the instance of either party for the purpose of determining whether the arbitrator(s) exceeded the power as herein limited, and neither party shall be deemed to have waived its right to such review by proceeding to arbitration. Within the power as herein limited, the arbitrator(s) may enter an award based upon any remedy available to the parties as provided in Section 4.3 of this Agreement. Judgment upon the award may be entered in any court having jurisdiction thereof. Any such arbitration proceeding shall be held at such place in Travis County. as may be designated by the parties. Each party represents that this Agreement was concluded upon the advice of counsel as evidenced by the respective signatures below. The provisions of this Section are subject to and shall not be considered as attempting to exclude the jurisdiction of the Texas Natural Resource Conservation Commission or any other governmental regulatory authority to arbitrate or settle disputes, hold hearings or enter orders relating to the subject matter of this Agreement.

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