



Control Number: 42993



Item Number: 1

Addendum StartPage: 0

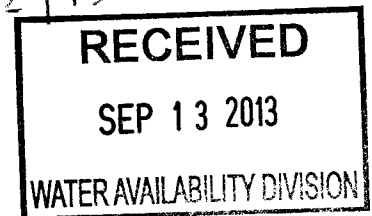
House Bill (HB) 1600 and Senate Bill (SB) 567 83rd
Legislature, Regular Session, transferred the functions
relating to the economic regulation of water and sewer
utilities from the TCEQ to the PUC effective
September 1, 2014.

#42993

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PUBLIC UTILITY COMMISSION
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FRITZ, BYRNE, HEAD & HARRISON, PLLC



September 13, 2013

Ms. Tammy Holquin-Benter
Utilities and Districts Section, MC-153
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, TX 78711-3087

Re: Application for Sale, Transfer or Merger
Country Vista WWTP, LLC

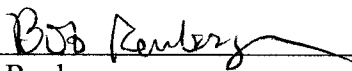
Dear Ms. Holquin-Benter:

Attached for filing are an original and three (3) copies of a Sales, Transfer or Merger ("STM") application for EMCAD Water and Wastewater, LLC ("EMCAD"). EMCAD seeks approval of the proposed sale and transfer of the assets of Country Vista WWTP, LLC, together with its Certificate of Convenience and Necessity ("CCN") No. 21019 in Johnson County, Texas.

Please contact the undersigned should you or any member of the Executive Director's staff have any questions or need for clarification on any aspect of this proposed transaction.

Sincerely yours,

Fritz, Byrne, Head & Harrison, PLLC


Bob Renbarger

ROR/skd

cc: Mr. Kevin Haney

K:\DIR26\26117\01\LETTERS\LTR-STM APPLICATION wpd





TCEQ Use Only

TCEQ Core Data Form

For detailed instructions regarding completion of this form, please read the Core Data Form Instructions or call 512-239-5175.

SECTION I: General Information

1. Reason for Submission (If other is checked please describe in space provided)	
<input type="checkbox"/> New Permit, Registration or Authorization (Core Data Form should be submitted with the program application)	
<input type="checkbox"/> Renewal (Core Data Form should be submitted with the renewal form)	<input checked="" type="checkbox"/> Other Obtain Wastewater CCN
2. Attachments Describe Any Attachments: (ex. Title V Application, Waste Transporter Application, etc.)	
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Application for Sale, Transfer, Merger of a Wastewater CCN
3. Customer Reference Number (if issued)	4. Regulated Entity Reference Number (if issued)
CN	RN 105295950

SECTION II: Customer Information

5. Effective Date for Customer Information Updates (mm/dd/yyyy)			
6. Customer Role (Proposed or Actual) – as it relates to the <u>Regulated Entity</u> listed on this form. Please check only <u>one</u> of the following:			
<input checked="" type="checkbox"/> Owner	<input type="checkbox"/> Operator	<input type="checkbox"/> Owner & Operator	
<input type="checkbox"/> Occupational Licensee	<input type="checkbox"/> Responsible Party	<input type="checkbox"/> Voluntary Cleanup Applicant	<input type="checkbox"/> Other: _____
7. General Customer Information			
<input checked="" type="checkbox"/> New Customer		<input type="checkbox"/> Update to Customer Information	
<input type="checkbox"/> Change in Legal Name (Verifiable with the Texas Secretary of State)		<input type="checkbox"/> Change in Regulated Entity Ownership	
		<input type="checkbox"/> No Change**	
**If "No Change" and Section I is complete, skip to Section III – Regulated Entity Information.			
8. Type of Customer:			
<input type="checkbox"/> Corporation	<input type="checkbox"/> Individual	<input type="checkbox"/> Sole Proprietorship- D.B.A	
<input type="checkbox"/> City Government	<input type="checkbox"/> County Government	<input type="checkbox"/> Federal Government	
<input type="checkbox"/> State Government	<input type="checkbox"/> Other Government	<input type="checkbox"/> General Partnership	
<input type="checkbox"/> Limited Partnership	<input checked="" type="checkbox"/> Other: <u>Limited Liability Company</u>		
9. Customer Legal Name (If an individual, print last name first: ex: Doe, John)		If new Customer, enter previous Customer below	
EMCAD Water and Wastewater, LLC		End Date: _____	
10. Mailing Address:			
Attn: Donald J. Clayton			
2492 Matterhorn Dr.			
City	Wexford	State	PA
ZIP	15090	ZIP + 4	
11. Country Mailing Information (if outside USA)		12. E-Mail Address (if applicable)	
13. Telephone Number		14. Extension or Code	
(724) 934-1936			
15. Fax Number (if applicable)			
(724) 934-1956			
16. Federal Tax ID (9 digits)	17. TX State Franchise Tax ID (11 digits)	18. DUNS Number (if applicable)	19. TX SOS Filing Number (if applicable)
463168815	32050717274		0801768069
20. Number of Employees		21. Independently Owned and Operated?	
<input checked="" type="checkbox"/> 0-20 <input type="checkbox"/> 21-100 <input type="checkbox"/> 101-250 <input type="checkbox"/> 251-500 <input type="checkbox"/> 501 and higher		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

SECTION III: Regulated Entity Information

22. General Regulated Entity Information (If "New Regulated Entity" is selected below this form should be accompanied by a permit application)	
<input type="checkbox"/> New Regulated Entity	<input checked="" type="checkbox"/> Update to Regulated Entity Name
<input checked="" type="checkbox"/> Update to Regulated Entity Information	<input type="checkbox"/> No Change** (See below)
**If "NO CHANGE" is checked and Section I is complete, skip to Section IV, Preparer Information.	
23. Regulated Entity Name (name of the site where the regulated action is taking place)	
EMCAD Water and Wastewater, LLC	

24. Street Address of the Regulated Entity: (No P.O. Boxes)	2492 Matterhorn Dr							
	City	Wexford	State	PA	ZIP	15090	ZIP + 4	
25. Mailing Address:	Same as above							
	City		State		ZIP		ZIP + 4	
26. E-Mail Address:								
27. Telephone Number		28. Extension or Code		29. Fax Number (if applicable)				
(724) 934-1936				(724) 934-1956				
30. Primary SIC Code (4 digits)		31. Secondary SIC Code (4 digits)		32. Primary NAICS Code (5 or 6 digits)		33. Secondary NAICS Code (5 or 6 digits)		
4952				221310				
34. What is the Primary Business of this entity? (Please do not repeat the SIC or NAICS description.)								
Wastewater Treatment								

Questions 34 – 37 address geographic location. Please refer to the instructions for applicability.

35. Description to Physical Location:	Located at 329 Meadow Oaks, approx. 0.5 miles northwest of the intersection of County Road 531 & County Road 603 A in Johnson County, TX 76028				
36. Nearest City	County		State		Nearest ZIP Code
	Tarrant		TX		76036
37. Latitude (N) In Decimal:		38. Longitude (W) In Decimal:			
Degrees	Minutes	Seconds	Degrees	Minutes	Seconds
32°	32'	44.47"N	97°	15'	26.59"W

39. TCEQ Programs and ID Numbers Check all Programs and write in the permits/registration numbers that will be affected by the updates submitted on this form or the updates may not be made. If your Program is not listed, check other and write it in. See the Core Data Form instructions for additional guidance.

<input type="checkbox"/> Dam Safety	<input type="checkbox"/> Districts	<input type="checkbox"/> Edwards Aquifer	<input type="checkbox"/> Industrial Hazardous Waste	<input type="checkbox"/> Municipal Solid Waste
<input type="checkbox"/> New Source Review – Air	<input type="checkbox"/> OSSF	<input type="checkbox"/> Petroleum Storage Tank	<input type="checkbox"/> PWS	<input type="checkbox"/> Sludge
<input type="checkbox"/> Stormwater	<input type="checkbox"/> Title V – Air	<input type="checkbox"/> Tires	<input type="checkbox"/> Used Oil	<input checked="" type="checkbox"/> Utilities
<input type="checkbox"/> Voluntary Cleanup	<input checked="" type="checkbox"/> Waste Water	<input type="checkbox"/> Wastewater Agriculture	<input type="checkbox"/> Water Rights	<input type="checkbox"/> Other:
WQ 13769-001				

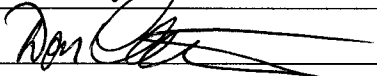
SECTION IV: Preparer Information

40. Name:	Don Clayton	41. Title:	Manager
42. Telephone Number	43. Ext./Code	44. Fax Number	45. E-Mail Address
(724) 934-1936		(724) 934-1956	

SECTION V: Authorized Signature

46. By my signature below, I certify, to the best of my knowledge, that the information provided in this form is true and complete, and that I have signature authority to submit this form on behalf of the entity specified in Section II, Field 9 and/or as required for the updates to the ID numbers identified in field 39.

(See the Core Data Form instructions for more information on who should sign this form.)

Company:	EMCAD Water and Wastewater, LLC	Job Title:	Manager
Name (In Print):	Don Clayton	Phone:	(724) 934-1936
Signature:		Date:	9/5/2013



APPLICATION FOR SALE, TRANSFER, OR MERGER OF A RETAIL PUBLIC UTILITY

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**APPLICATION FOR SALE, TRANSFER,
OR MERGER OF A RETAIL PUBLIC UTILITY**

*RN# 105295950 *CN# [REDACTED] *If known (See instructions)

1. Proposed action of application (check all the boxes that apply):

Sale of ☒ All ☐ Portion of the Water system(s) under CCN No.: [REDACTED]
☒ Acquisition ☒ Sewer system(s) under CCN No.: 21019
Lease/Rental

Transfer of All ☐ Portion of the Certificated water service area – CCN No.: [REDACTED]
Certificated sewer service area – CCN No.: [REDACTED]

If only a portion of a system or certificated service area is affected by this transaction, please specify the areas or subdivision involved:

[REDACTED]

and to:

- ☒ Obtain a CCN for the transferee (purchaser) – indicate if purchaser will take the seller's CCN
Amend the transferee's CCN No.: [REDACTED]
Merge or consolidate public utilities [REDACTED]
Cancel CCN of the transferor (seller) [REDACTED]

2. Proposed effective date of this transaction: December 2013

(Must be at least 120 days after proper notice is provided)

**QUESTIONS 3 THROUGH 5 APPLY TO THE TRANSFEROR
(CURRENT SERVICE PROVIDER OR SELLER)**

3. For the current CCN holder or service provider please indicate:

A. Name: Country Vista WWTP, LLC

(Individual, Corporation or Other Legal Entity)

who is a(n) of Individual ☒ Corporation ☐ WSC ☐ HOA or POA ☐ Other ☐

B. Utility Name (if different than above): Same as above

Address: 801 S. Files St., Itasca, TX 76055 Telephone: (AC) [REDACTED]

C. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.

Name: David Bowman Title: President
Address: Same as above Telephone: (AC) [REDACTED]
Fax: (254) 687-2656 Email: [REDACTED]

4. About the last rate increase for the system or facilities being transferred:
A. What was the effective date of the last rate increase?

B. Was notice of this increase provided to the Texas Commission on Environmental Quality or its predecessors?

☐ No ☒ Yes- Application/Docket Number: Date

5. Please provide a list of all customers affected by this transaction who have deposits held by the transferor or seller utility, if any, and include the following information (attach additional sheets if necessary):

Name and Address of Utility Customer	Date of Deposit	Amount of Deposit	Amount of Unpaid Interest on Deposit
See Exhibit A			

- ☛ Within 30 days of the actual transaction date, and prior to the transfer of the certificate by the TCEQ, the seller must provide proof to the Commission that these customer deposits were returned to the customers or transferred to the purchasing utility. Proof should include a sworn affidavit.

**QUESTIONS 6 THROUGH 16 REFER TO
THE TRANSFeree OR PURCHASER**

6. For the person or entity acquiring the facilities and/or CCN:

Applicant:

(Individual, Corporation, or Other Legal Entity)

Utility Name:

(If different than above)

Utility Address:

Fax: Email: Telephone (AC):

CCN Numbers held prior to the filing of this application:

7. Check the appropriate box and provide information regarding the legal status of the transferee applicant:

☐ Individual

☐ Home or Property Owners Association

☐ Partnership; attach copy of partnership agreement

☒ Corporation; provide charter number as recorded with the Office of the Secretary of State for Texas:

☐ Non-profit, member-owned, member-controlled Cooperative Corporation (Article 1434(a) Water Supply or Sewer Service Corporation); provide charter number:

☐ Municipally-owned utility

☐ District (MUD, SUD, WCID, etc.)

☐ County

☐ Other (please explain):

8. If the applicant is an *Individual* or sole proprietorship, provide the following information. If not, skip to the next question.

Name:	N/A	Email:	
Address:			
Telephone (AC):		Fax (AC):	

9. If the applicant is other than an *Individual* provide the following information regarding the officers or partners of the legal entity applying for the transfer. You must complete either question 8 or question 9, whichever applies to the transferee applicant.

•Name:	See exhibits B, H, and I	Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	

- Attach additional sheet(s) if necessary -

- Important:** • If the applicant is a for-profit corporation, please provide a copy of the corporation's "Certification of Account Status" from the State Comptroller Office. This "Certification of Account Status" can be obtained from:

Texas Comptroller of Public Accounts

P. O. Box 13528, Capitol Station
Austin, Texas 78711
1-800-252-5555

- If the applicant is an Article 1434a water supply or sewer service corporation or other non-profit corporation, please provide a copy of the Articles of Incorporation and By-Laws.

10. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.

Name:	Don Clayton	Title:	Manager
Address:	2492 Matterhorn Dr, Wexford, Pennsylvania 15090	Telephone (AC):	724-934-1936
Fax #	Fax: (724) 934-1956	Email	
Relationship to the applicant:	Member		

IF THERE ARE MORE THAN TWO PARTIES INVOLVED IN THIS TRANSACTION, PLEASE ATTACH SHEETS PROVIDING THE INFORMATION REQUIRED IN QUESTION 6 THROUGH QUESTION 10 FOR EACH PARTY

11. Please respond to each of the following questions. Attach additional sheets if necessary.

A. Describe the experience and qualifications of the applicant to provide adequate utility service to the requested area

Management has more than 50 years of experience in providing utility service. Please see Exhibit I.

- B. Has the applicant acquiring the CCN or facilities or an affiliated interest of the applicant been under enforcement action by the TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG) or the Environmental Protection Agency (EPA) in the past for noncompliance with rules, orders or State Statutes? ☐ Yes ☒ No

If yes, please attach copies of any correspondence with these regulatory agencies concerning these enforcement actions and describe any actions and efforts to comply with those requirements. Attach additional sheets if needed.

N/A

- C. Describe the source and availability of funds required to make the planned or required improvements, if any, to meet minimum requirements of the TCEQ and ensure continuous and adequate service.

EMCAD is funded through personal equity and bank financing. Additional Funding information will provided upon request.

- D. Describe the anticipated impact of this transaction on the quality of utility service and explain any anticipated changes in the quality of service.

No change in the quality of service.

- E. How will the transaction serve the public interest?

The transaction will consolidate 3 utilities under a single professional management team, which will have better access to capital, and potentially provide service at a lower cost due to increased customer count.

12. Please describe the nature of the proposed transaction:

EMCAD shall purchase the utility assets, including CCN and name, of Country Vista from its shareholders via an asset purchase agreement for \$170,000 to be paid in cash.

13. If the transferee applicant is an Investor Owned Utility (IOU) and will be under the rate jurisdiction of the TCEQ, please provide the following information. Water supply or sewer service corporations and political subdivisions of the state should mark this section N/A:

- A.
- Total Purchase Price:
 - Total Original Cost (as recorded on books of seller or merging entity):
 - Accumulated Depreciation as of the proposed effective date of the transaction:
 - Contributions in Aid of Construction:

- Specific surcharges approved by TCEQ:

- Revenues from explicit customer agreements:

- Developer Contributions (please explain):

No customer CIAC is included. All contributions provided by Developer.

- Other Contributions (please explain):

Total Contributions in Aid of Construction

• Net Book Value:

☞ If the Original Cost or any of the above items has been established in a rate case proceeding by the PUC, the TWC or the TCEQ, please provide the Application/Docket Number and date:

Application/Docket Number: Date:

☞ If the applicant is not under the rate jurisdiction of the TCEQ, only the purchase price and information related to Contributions in Aid of Construction is required.

B. Please provide any other information concerning the nature of the transaction you believe should be given consideration if not explained elsewhere in the application.
[attach additional sheet(s) if necessary]:

- C. Complete the following proposed entries listed below as shown in books of purchasing (or surviving) company. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations.

Utility Plant in Service:	\$360,800
Plant Acquisition Adjustment:	(80,811)
Extraordinary Loss on Purchase:	
Accumulated Depreciation of Plant:	109,989
Cash:	15,000
Notes Payable:	127,467
Mortgage Payable:	
Others (please list):	

As the purchaser, I understand that it is **my responsibility** in any future rate proceeding to provide written evidence and support for the original cost and installation date of all facilities used and useful for providing utility service.

Purchaser's Initials: DJC  Date: 09/05/2013

14. Please indicate the proposed effect of this transaction on the rates to be charged to the affected customers:
- ☒ All the customers will be charged the same rates as they were charged before the transaction.
- Some All customers will be charged different rates than they were charged before the transaction.

If rates are changing, please explain:

Applicant is an IOU and intends to file with the Commission or municipal regulatory authority an application to change rates of some/all of its customers as a result of this transaction. If so, please explain:

Other. Please explain:

15. List all neighboring water and /or sewer utilities, cities, and political subdivisions providing the same service within two (2) miles of area affected by this proposed transaction. This information should be available from the water utility database (WUD) or Applicant's licensed water operator.

See Exhibit D



House Bill (HB) 1600 and Senate Bill (SB) 567 83rd Legislature, Regular Session, transferred the functions and records relating to the economic regulation of water and sewer utilities from the TCEQ to the PUC effective September 1, 2014.

Central Records Personally Identifiable Information Audit

NOTICE OF REDACTION

Documents containing Personally Identifiable Information* have been redacted from electronic posting, in accordance with Texas privacy statutes.

*"Personally Identifiable Information" (PII) is defined to include information that alone or in conjunction with other information identifies an individual, including an individual's: Social security or employer taxpayer identification number, driver's license number, government-issued identification card number, or passport numbers, checking and savings account numbers, credit card numbers, debit card numbers, unique electronic identification number, address, or routing code, electronic mail names or addresses, internet account numbers, or internet identification names, digital signatures, unique biometric data, and mother's maiden name, marriage and any other numbers or information used to access an individual's financial account.

17. A. For Water Systems. TCEQ Public Water System Identification Number:

B. For Wastewater Systems:

-Name of Permittee: Country Vista WWTP, LLC

-Date of application to transfer Discharge Permit submitted:	
--	--

-Date of application to transfer Discharge Permit approved by TCEQ:

18. A. Are any improvements required to meet TCEQ standards? ☐ Yes ☒ No. If yes, please explain:



B. Is there a moratorium on new connections? ☐ Yes ☒ No. If yes, please explain:

C. Provide details of each required major capital improvement to correct the deficiencies and meet the TCEQ standards (attach additional sheets if necessary):

Description of the Required Improvement	Schedule to Complete	Estimated Cost
N/A		

19. Does the system being transferred operate within the city limits of a municipality or within district boundaries? ☐ Yes ☒ No

If yes, indicate the number of customers within the city limits or district boundaries:

 Water  Sewer

 Attach copy of franchise agreement or consent letter from the city or district.

20. Do you currently purchase water or sewer treatment capacity from another source? ☐ Yes ☒ No

Water	Sewer	Purchased on a	Regular	Seasonal	Emergency Basis

• Source:  % of total supply: 

21. List the number of existing connections to be effected by this transaction.

Water			Sewer	
	-Non Metered		-2" meter	
	-5/8" or 3/4" meter		-3" meter	
	-1" meter		-4" meter	
	-1 1/2" meter		-Other	
Total Water Connections:			Total Sewer Connections	110

20. Has the system reached 85% of its capacity based on TCEQ's minimum requirements? ☐ Yes ☒ No
 If yes, please explain what steps are being taken to address the capacity issues:

23. List the name, class, and license number of the operator(s) that will be responsible for the system:

Name	Class	License#
David Bowman	A - Water, B - Waste. Treat., CSI,	WW0012791
	OSSF Main. Prov., OSSF Int. II	
Jon Bowman	"D" Water Oper., OSSF Inst. I, OSSF	WW0030795
	App., OSSF Maint., "C" WW T.O.	

24. Attach the following maps with each copy of the application:

- a. One small scale map clearly showing affected service area with enough detail to accurately locate the area if the application is for the transfer of all or a portion of a CCN.
- b. One large scale map showing the proposed service area boundaries being sold, transferred, or merged and, if available, the existing and proposed facilities. Color coding should be used to differentiate existing from proposed facilities. Facilities and service area boundaries should be shown with such exactness that they can be located on the ground. If transferring area not currently in a CCN or a portion of an existing CCN area please attach the following hard copy maps with each copy of the application:
 1. A general location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.
 2. A map showing only the proposed area by:
 - i. metes and bounds survey certified by a licensed state or registered professional land surveyor; or
 - ii. projectable digital data with metadata (proposed areas should be in a single record and clearly labeled, data disk should be included); or
 - iii. following verifiable natural and man-made landmarks, or
 - iv. a copy of recorded plat map with metes and bounds.
 3. A written description of the proposed service area.

OATH FOR SELLER OR FORMER SERVICE PROVIDER

STATE OF Texas
COUNTY OF HILL

I, DAVID BOWMAN, being duly sworn, file this application for sale, lease, rental or merger or consolidation as President, Country Vista WWTB LLC (indicate relationship to applicant) that is, owner, member of partnership, title as officer of corporation, or other authorized representative of applicant; that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I further state that I have provided to the purchaser or transferee a written disclosure statement about any contributed property as required under Section 13.301(j) and copies of any outstanding Orders of the Commission or Attorney General and have also complied with the notice requirements in Section 13.301(k) of the Water Code.

David Bowman

AFFIANT

(Utility's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas,
day 6th of September 20 13.

SEAL



Esther Germer

NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

Esther Germer

PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES 2016

One copy of this page must be submitted for each utility involved in this transaction.

OATH FOR PURCHASER OR ACQUIRING ENTITY

STATE OF Texas

COUNTY OF Tarrant

I, Don Clayton, being duly sworn, file this application for

sale, lease, rental or merger or consolidation as Manager of EMCAD Water and Wastewater, LLC
(*indicate relationship to applicant*) that is, owner, member of partnership, title as officer of corporation, or other authorized representative of applicant); that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I am also authorized and do agree to be bound by and comply with any outstanding orders of the Commission or the Attorney General which have been issued to the system or facilities being acquired and recognize that I will be subject to administrative penalties or other enforcement actions if I do not comply.



AFFIANT
(Utility's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

Applicant represents that all other parties to this transaction have been furnished copies of this completed application.

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas,
day 11 of September, 20 13.

SEAL





NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS



PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES 6/01/2015

One copy of this page must be submitted for each utility involved in this transaction.

FORM A

Application No. _____

Notice to Current Customers, Neighboring Systems and Cities

Country Vista WWTP, LLC 'S
(Seller's or Transferor's Name)

NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER CERTIFICATE OF CONVENIENCE AND
NECESSITY (CCN) NO 21019 TO EMCAD Water and Wastewater, LLC
(Purchaser's or Transferee's Name)
IN Tarrant COUNTY, TEXAS

To: EMCAD Water and Wastewater, LLC Date Notice Mailed _____, 20____
(Name of Customer, Neighboring System or City)

(Address)

City State Zip

<u>Country Vista WWTP, LLC</u> Sellers or Transferors' Name	<u>Country Vista WWTP, LLC</u> Address	<u>Country Vista WWTP, LLC</u> City/State/Zip Code
--	---	---

has submitted an application with the Texas Commission on Environmental Quality to sell facilities and transfer
water or sewer (please select) CCN No. 21019 in Tarrant [County Name]

County to:

<u>EMCAD Water and Wastewater, LLC</u> Purchasers or Transferee's Name	<u>2492 Matterhorn Dr</u> Address	<u>Wexford / PA / 15090</u> City/State/Zip Code
---	--------------------------------------	--

The sale is scheduled to take place as approved by the Executive Director (V.T.C.A., Water Code §13.301). The
transaction and the transfer of the CCN include the following subdivision(s) and zip codes:

The area subject to this transaction is located approximately 3 miles East [direction] of
downtown Burleson, [City or Town] Texas, and is **generally** bounded on the north by
Tarrant County Line; on the east by Enchanted Ct. 3ft
;on the south by wooded field; and on the west by Hillside Dr.

The total area being requested includes approximately 87 acres and serves 107 current customers.
This transaction will have the following effect on the current customer's rates and services:
No change to rates; current service level will either be maintained or improved.

Affected persons may file written protests and/or request a public hearing within 30 days of this notice.

To request a hearing, you must:

- (1) state your name, mailing address and daytime telephone number;
- (2) state the applicant's name, application number or another recognizable reference to this application;
- (3) include the statement "I/we request a public hearing";
- (4) write a brief description of how you, the persons you represent, or the public interest would be adversely affected by the proposed transaction and transfer of the CCN; and
- (5) state your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Only those persons who submit a written request to be notified of a hearing will receive notice if a hearing is scheduled. The Executive Director will issue the CCN requested in the referenced application unless a hearing is scheduled to consider the transaction. If no protests or requests for hearing are filed during the comment period, the Executive Director may issue the CCN 30 days after publication of this notice.

Persons who wish to protest or request a hearing on this application should write the:

Texas Commission on Environmental Quality
Water Supply Division
Utilities and Districts Section, MC-153
P. O. Box 13087, Austin, TX 78711-3087

Se desea informacion on Espanol, puede llamar al 512-239-0200.

Don Clayton

Utility Representative

EMCAD Water and Wastewater, LLC

Utility Name

Notice to Current Customers, Neighboring Systems, Landowner and Cities

Country Vista WWTP, LLC 'S NOTICE OF INTENT TO SELL FACILITIES TO
(Seller's or Transferor's Name)

EMCAD Water and Wastewater, LLC AND FOR EMCAD Water and Wastewater, LLC
(Purchaser's or Transferee's Name) Purchaser's or Transferee's Name)

TO OBTAIN OR AMEND A CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) IN
Tarrant COUNTY, TEXAS

To: _____ Date Notice Mailed _____, 20 ____
(Name of Customer, Neighboring System, Landowner or City)

(Address)

City State Zip

<u>Country Vista WWTP, LLC</u>	<u>801 S. Files St.,</u>	<u>Itasca, TX 76055</u>
Sellers or Transferors' Name	Address	City/State/Zip Code

has submitted an application with the Texas Commission on Environmental Quality to sell water or sewer (please select) Facilities in Tarrant [County Name] County to:

<u>EMCAD Water and Wastewater, LLC</u>	<u>2492 Matterhorn Dr</u>	<u>Wexford / PA / 15090</u>
Purchasers or Transferee's Name	Address	City/State/Zip Code

The transferee has also requested to obtain/amend a CCN in this application. The sale is scheduled to take place as approved by the Executive Director (V.T.C.A., Water Code §13.301). The transaction and the proposed service area include the following subdivision(s) and zip codes:

The area subject to this transaction is located approximately 3 miles East [direction] of downtown Burleson, [City or Town] Texas, and is **generally** bounded on the north by Tarrant County Line; on the east by Enchanted Ct. 3t; on the south by wooded field; and on the west by Hillside Dr.

The total area being requested includes approximately 87 acres and serves 1077 current customers. This transaction will have the following effect on the current customer's rates and services:
No change to rates; current service level will either be maintained or improved.

Affected persons may file written protests and/or request a public hearing within 30 days of this notice.

To request a hearing, you must:

- (1) state your name, mailing address and daytime telephone number;
- (2) state the applicant's name, application number or another recognizable reference to this application;
- (3) include the statement "I/we request a public hearing";
- (4) write a brief description of how you, the persons you represent, or the public interest would be adversely affected by the proposed transaction and transfer of the CCN; and
- (5) state your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Only those persons who submit a written request to be notified of a hearing will receive notice if a hearing is scheduled. The Executive Director will issue the CCN requested in the referenced application unless a hearing is scheduled to consider the transaction. If no protests or requests for hearing are filed during the comment period, the Executive Director may issue the CCN 30 days after publication of this notice.

Persons who wish to protest or request a hearing on this application should write the:

Texas Commission on Environmental Quality
Water Supply Division
Utilities and Districts Section, MC-153
P. O. Box 13087, Austin, TX 78711-3087

Se desea informacion on Espanol, puede llamar al 512-239-0200.

Don Clayton

Utility Representative

EMCAD Water and Wastewater, LLC

Utility Name

Exhibit List

Exhibit A	List of Customer Deposits
Exhibit B	Company Formation
Exhibit C	Certificate of Account Status
Exhibit D	Map and List of Neighboring Utilities
Exhibit E	Operator Information
Exhibit F	Platted Areas and Property Description
Exhibit G	Asset Purchase Agreement
Exhibit H	Organization Chart
Exhibit I	Management Staffing
Exhibit J	CCN & Tariff
Exhibit K	TCEQ Inspection Report for Country Vista., dated 12/08/2010 and related correspondence
Exhibit L	Wastewater Treatment Plant Information

Exhibit A

List of Customer Deposits



House Bill (HB) 1600 and Senate Bill (SB) 567 83rd Legislature, Regular Session, transferred the functions and records relating to the economic regulation of water and sewer utilities from the TCEQ to the PUC effective September 1, 2014.

Central Records Personally Identifiable Information Audit

NOTICE OF REDACTION

Documents containing Personally Identifiable Information* have been redacted from electronic posting, in accordance with Texas privacy statutes.

*"Personally Identifiable Information" (PII) is defined to include information that alone or in conjunction with other information identifies an individual, including an individual's: Social security or employer taxpayer identification number, driver's license number, government-issued identification card number, or passport numbers, checking and savings account numbers, credit card numbers, debit card numbers, unique electronic identification number, address, or routing code, electronic mail names or addresses, internet account numbers, or internet identification names, digital signatures, unique biometric data, and mother's maiden name, marriage and any other numbers or information used to access an individual's financial account.

Exhibit B

Company Formation

Exhibit B

EMCAD Water and Wastewater LLC, ad Texas limited liability company (the "Company") was founded by Don Clayton and John Ebert (see Exhibits H and I) and funded by members of management, including Mr. Clayton and Mr. Ebert.

Mr. Clayton and Mr. Ebert oversee day to day activities. The Company prepares monthly management reports for the management team addressing financial, operational, and development activities.

The Company is sufficiently funded to carry out the operations of the acquisition so referenced in this STM Application. Additional financial information will be provided upon request.

Contact information:

Don Clayton

Office: (724) 934-1936

John Ebert

Office: (276) 698-3127

Exhibit C

Certificate of Account Status



Franchise Tax Account Status

As of: 07/01/2013 12:04:07 PM

This Page is Not Sufficient for Filings with the Secretary of State

EMCAD WATER AND WASTEWATER, LLC

Texas Taxpayer Number 32050717274

Mailing Address 777 MAIN ST STE 3600
FORT WORTH, TX 76102-5341

Right to Transact ACTIVE
Business in Texas

State of Formation TX

Effective SOS 04/15/2013
Registration Date

Texas SOS File Number 0801768069

Registered Agent Name BILL F BOGLE

Registered Office Street 777 MAIN ST., STE 3600
Address FORT WORTH, TX 76102

Exhibit D

Map and List of Neighboring Utilities



Texas Commission on Environmental Quality
P.O. Box 13087

Austin, Texas 78711-3087

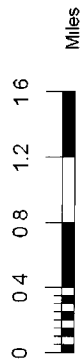
For more information

concerning this map, please contact the

Water Supply Division at (512) 239-4691.

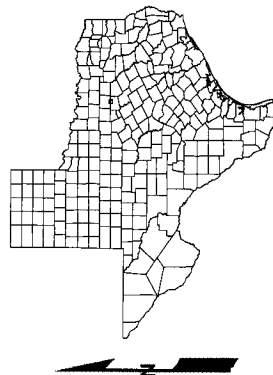
07/17/2013

The Selected Area of Interest



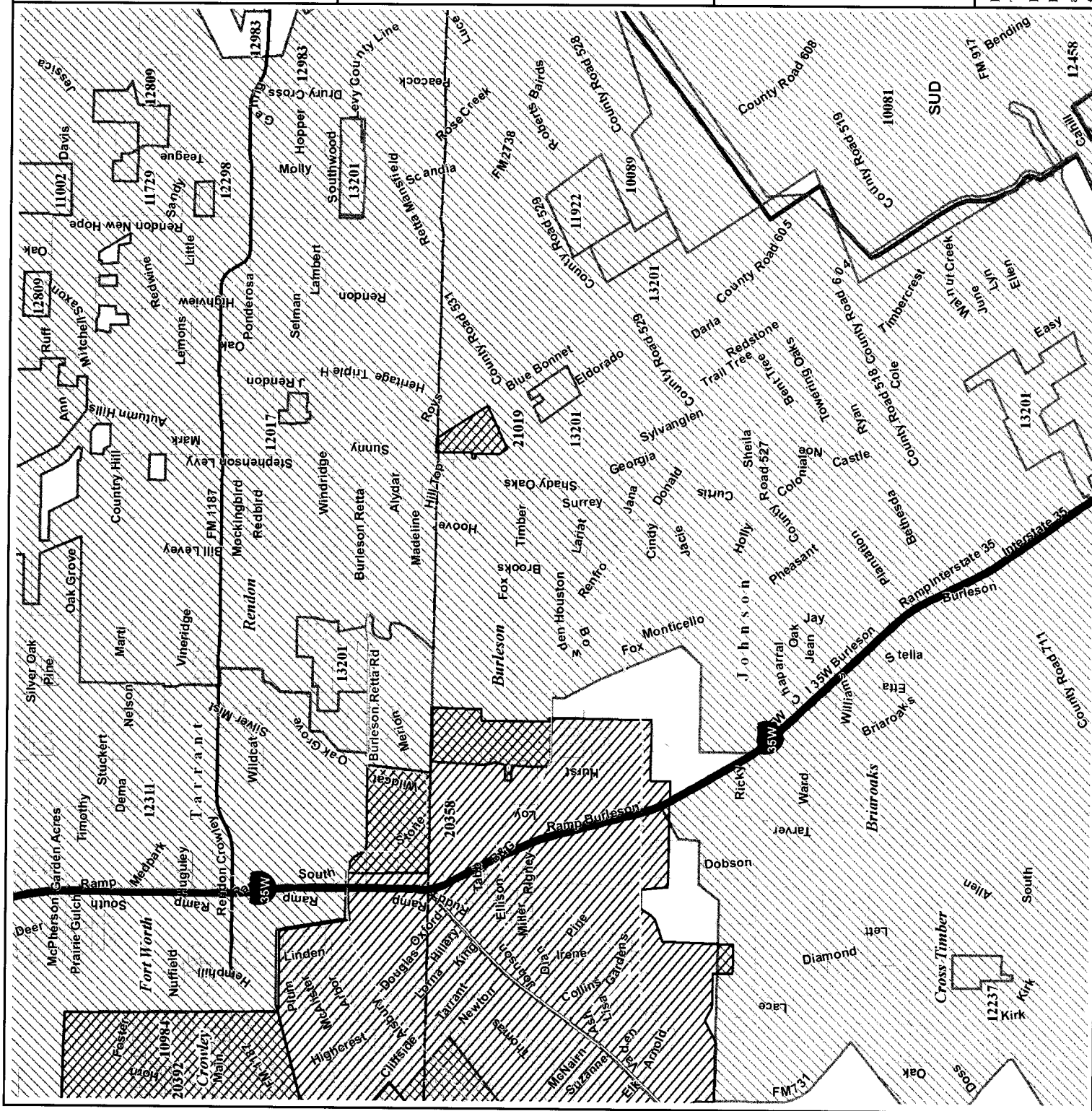
Legend

- Water CCN Facility Line
- Sewer CCN Facility Line
- Senate - Districts
- House - Districts
- TCEQ Service Region Boundary
- County Boundary
- Sewer CCN Service Area
- Water CCN Service Area
- City Boundary
- CCN Overlay Key
- Sewer-Water CCN Service Area



Disclaimer:

This map was generated by the Integrated Water Utilities Database (IWUD) from the Texas Commission on Environmental Quality. No claims are made to the accuracy or completeness of the data or to its suitability for a particular use.





Map Legend

iWUD Viewer

Program Area Layers

- ☐ Sewer CCN Facility Lines
- ☐ Water CCN Facility Lines
- ☐ Sewer CCN Service Areas
- ☐ Water CCN Service Areas
- Water Districts**
 - ☐ DD - Drainage District
 - ☐ FWSD - Fresh Water Supply District
 - ☐ ID - Irrigation District
 - ☐ LID - Levee Improvement District
 - ☐ MMD - Municipal Management District
 - ☐ MUD - Municipal Utility District
 - ☐ ND - Navigation District
 - ☐ OTH - Other
 - ☐ RA - River Authority
 - ☐ RD - Regional District
 - ☐ SCD - Stormwater Control District
 - ☐ SUD - Special Utility District
 - ☐ SWCD - Soil & Water Conservation District
 - ☐ WCID - Water Control & Improvement District
 - ☐ WID - Water Improvement District

Basemap Layers

- ☐ Interstate Highway
- ☐ U.S. Highway
- ☐ Loop
- ☐ Beltway / Toll
- ☐ State Highway
- ☐ Ramp
- ☐ Street
- ☐ Zip Code
- ☐ TCEQ Regions
- ☐ Senate - Districts
- ☐ House - Districts
- ☐ Stream / Creek
- ☐ River
- ☐ Waterbody
- ☐ County
- ☐ City
- ☐ State Outline

List of Neighboring Utilities

Utility: Bethesda Water Supply Corp
CCN No: 10089
Address: PO BOX 130
BURLESON, TEXAS 76097-0130

Utility: Aqua Texas, Inc
CCN No: 13201
Address: 1106 CLAYTON LN STE 400W
AUSTIN , TEXAS 78723-2476

Utility: OUR Water Supply Corp
CCN No: 12017
Address: 3722 CAROL S COURT
BURLESON , TEXAS 76028-0000

Utility: Ni America Texas
CCN No: 11922
Address: 10913 METRONOME DR
HOUSTON, TEXAS 77043-2201

Utility: City of Fort Worth
CCN No: 12311
Address: 1000 THROCKMORTON ST
FORT WORTH, TEXAS 76102-6312

Utility: City of Burleson
CCN No: 20358
Address: 141 WEST RENFRO STREET
BURLESON, TEXAS 76028-0000

Exhibit E

Operator Information

**TEXAS WATER CODE 13.250(b)(2) AGREEMENT
BETWEEN COUNTRY VISTA WWTP, LLC AND
BETHESDA WATER SUPPLY CORPORATION**

WATER UTILITY:

Bethesda Water Supply Corporation (BETHESDA)
Box 130
Burleson, Texas 76097-0130
(817) 295-2131

SEWER UTILITY:

Country Vista WWTP, LLC (COUNTRY VISTA)
801 S. Files St
Flasca, Texas 76055
(254) 687-2642

PURPOSE:

Bethesda Water Supply Corporation (BETHESDA) provides water utility service to the Country Vista Subdivision in Johnson County, Texas under a state-issued certificate of convenience and necessity. Country Vista WWTP, LLC (COUNTRY VISTA) seeks to provide sewer utility service to the same subdivision under a state-issued certificate of convenience and necessity. Each utility shall bill its customers separately using billing data it generates on its own. In order to insure that sewer customers of COUNTRY VISTA make timely payments of their sewer service bills, COUNTRY VISTA requires the ability to terminate water service to the delinquent sewer customer under terms and conditions prescribed by the Texas Commission on Environmental Quality (TCEQ). As provided by Texas Water Code 13.250(b)(2) and 30 TAC §291.88(e), BETHESDA agrees to terminate its water service to sewer customers of COUNTRY VISTA for nonpayment of delinquent, undisputed sewer bills after lawful termination of service notices have been issued by COUNTRY VISTA. The terms and conditions of this agreement shall be controlled by the rules and regulations of the TCEQ on this subject matter applicable to investor-owned utilities as the same may be adopted and amended from time to time as if said rules were written verbatim herein.

AGREEMENT:

1. COUNTRY VISTA shall give TCEQ-required written termination of service notices to all delinquent sewer customers subject to discontinuance of sewer utility service under the sewer company's tariff and the rules of the TCEQ. Disputed bills shall not be subject to disconnection. Copies of said notices shall be sent to BETHESDA. If more than one customer is subject to disconnection at the same time, it shall be sufficient for COUNTRY VISTA to send BETHESDA a single sample termination notice with a list of all customers subject to termination by name and service address.
2. If any delinquent customer has not paid their sewer bill by 8:00 a.m. of the noticed termination date, COUNTRY VISTA shall notify BETHESDA to proceed with terminating that customer's water service. COUNTRY VISTA shall notify BETHESDA of which previously delinquent sewer customers have paid their accounts and are no longer subject to water service termination. If this notice is given verbally, it shall be followed by a written notice.
3. Upon receipt of all monies lawfully due from the delinquent sewer customer, COUNTRY VISTA shall notify BETHESDA that it may restore the customer's water service as required by the TCEQ's rules. BETHESDA shall restore the service within 36 hours unless the customer is also delinquent on their water bill and a lawful termination of water utility service notice has been issued by BETHESDA. In which case, BETHESDA shall not be required to restore the customer's water service until all service restoration requirements have been met under BETHESDA'S water tariff and the rules of the TCEQ.
4. BETHESDA may not charge the delinquent sewer customer a reconnect fee for restoring water service after payment of delinquent sewer bills.
5. BETHESDA may charge COUNTRY VISTA a service charge not to exceed twenty five (\$25.00) dollars per disconnection/reconnection. This fee may change from time to time as agree to by the parties and as allowed by the TCEQ's rules. The initial charge shall be \$ 25.00. If the TCEQ rules investor-owned utilities' reconnection fees increases, the ceiling on the fee charged in this paragraph will increase proportional to the new rule.
6. BETHESDA may charge COUNTRY VISTA a service charge not to exceed five (\$5.00) dollars per sewer account to modify its customer service record system as may be needed to fulfill this

agreement. The same fee shall be charged each time COUNTRY VISTA adds or replaces a sewer service account to the total sewer accounts affected by this agreement.

7. BETHESDA shall not terminate the water service to any delinquent sewer customer if BETHESDA would otherwise be prohibited, under the TCEQ's rules, from terminating that customer's water service due to the illness or potential illness of any resident at that service location. This prohibition shall remain in effect for so long as BETHESDA would otherwise be prohibited from terminating that customer's water service. BETHESDA shall provide timely notice to COUNTRY VISTA of which of its water customers are subject to this medical prohibition of utility service.

AFFECT OF PROVISION OF WATER.

This agreement shall not affect or in any way impair BETHESDA'S right and obligations with respect to its customers or the provision of water utility services except as specifically and expressly set forth in the Agreement and as allowed by law. Unless otherwise ordered by TCEQ or other authorized regulatory agency, COUNTRY VISTA agrees that it will not provide or seek to provide retail water utility service within BETHESDA'S state-certified areas.

PURPOSE OF AGREEMENT/INDEMNITY:

This Agreement is made for the purpose of facilitating the billing and collection of fees for wastewater services provided by COUNTRY VISTA. No partnership or joint venture is intended to be created hereby. BETHESDA'S sole responsibility is to terminate water service to delinquent sewer customers for collection purposes. BETHESDA shall have no responsibility for, and COUNTRY VISTA shall indemnify, defend and hold BETHESDA harmless from any damage, claims, demands, or causes of action arising from the construction, operation, maintenance, repair or existence of the sewer collection system.

TERM:

This agreement shall remain in full force and effect for so long as such agreements are allowed by law and the parties continue to be the respective water and sewer utility purveyors in the subdivision. Either party may terminate this agreement for cause with thirty (30) day written notice to the other party.

ELECTRONIC COMMUNICATIONS:

All notices required herein may be given by facsimile, email or other electronic transmission.

EXECUTED on the 11th day of December 2009.

COUNTRY VISTA.
TREATMENT LTD

BETHESDA SPECIAL
UTILITY DISTRICT

By: Nancy Bowman By: Steve Sievers

Name: NANCY BOWMAN Name: Steve Sievers

Title: President Title: General Manager

COPY

**Bethesda Water Supply Corporation
Service Application And Agreement**

CORPORATION USE ONLY

Date Approved: _____
Service Classification: _____
Cost: _____
F W Impact Fee: _____
Work Order Number: _____
Account Number: _____
Service Inspection Date: _____
Book & Sequence Number: _____
Base/Map No.: _____ Page: _____
Map Number: _____
Line Size: _____ Service Line: _____
Serial Number: _____
Pressure Plane: _____
Date Installed: _____

Please Print: DATE 3-29-07

APPLICANT'S NAME: Country Vista Wastewater Treatment Plant, LLC

CO-APPLICANT'S NAME: David Bowman

CURRENT BILLING ADDRESS:

FUTURE BILLING ADDRESS:

801 S. Files St.
Itasca, TX 76055

PHONE NUMBER-Home (254) 687-2642

WORK () -

MOBILE NUMBER (817) 994-8418

PAGER () -

PROOF OF OWNERSHIP PROVIDED BY Warranty Deed

DRIVER'S LICENSE NUMBER OF APPLICANT: 04336218

PROPERTY ADDRESS: 329 Meadow Oaks Dr Benton

LEGAL DESCRIPTION OF PROPERTY (Include name of road, county, subdivision with lot and block number) Lot 8 BK 8 Country Vista Estates

PREVIOUS OWNER'S NAME AND ADDRESS (if transferring Membership)

N/A

SPECIAL SERVICE NEEDS OF APPLICANT _____

NOTE: FORM MUST BE COMPLETED BY APPLICANT ONLY. A MAP OF SERVICE LOCATION REQUEST MUST BE ATTACHED.

X DB
Initial

AGREEMENT made this 29 day of MARCH, 07, betweenBethesda Water Supply Corporation, a corporation organized under the laws of the State of Texas hereinafter called the Corporation) and COUNTRY VISTA WWTAP (hereinafter called the Applicant and/or Member),

Witnesseth:

The Corporation shall sell and deliver water and/or wastewater service to the Applicant and the Applicant shall purchase, receive, and/or reserve service from the Corporation in accordance with the bylaws and tariff of the Corporation as amended from time to time by the Board of Directors of the Corporation. Upon compliance with said policies, including payment of a Membership Fee, the Applicant qualifies for Membership as a new applicant or continued Membership as a transferee and thereby may hereinafter be called a Member.

The Member shall pay the Corporation for service hereunder as determined by the Corporation's tariff and upon the terms and conditions set forth therein, a copy of which has been provided as an information packet, for which Member acknowledges receipt hereof by execution of this agreement. A copy of this agreement shall be executed before service may be provided to the Applicant.

The Board of Directors shall have the authority to discontinue service and cancel the Membership of any Member not complying with any policy or not paying any utility fees or charges as required by the Corporation's published rates, fees, and conditions of service. At any time service is discontinued, terminated or suspended, the Corporation shall not re-establish service unless it has a current, signed copy of this agreement.

All water shall be metered by meters to be furnished and installed by the Corporation. The meter connection is for the sole use of the Member or customer and is to provide service to only one (1) dwelling or one (1) business. Extension of pipe(s) to transfer utility service from one property to another, to share, resell, or submeter water to any other persons, dwellings, businesses, or property, etc., is prohibited.

The Corporation shall have the right to locate a water service meter and the pipe necessary to connect the meter on the Member's property at a point to be chosen by the Corporation, and shall have access to its property and equipment located upon Member's premises at all reasonable and necessary times for any purpose connected with or in the furtherance of its business operations, and upon discontinuance of service the Corporation shall have the right to remove any of its equipment from the Member's property. The Member shall install, at their own expense, any necessary service lines from the Corporation's facilities and equipment to the point of use, including any customer service isolation valves, backflow prevention devices, clean-outs and other equipment as may be specified by the Corporation. The Corporation shall also have access to the Member's property for the purpose of inspecting for possible cross-connections, potential contamination hazards, illegal lead materials, and any other violations or possible violations of state and federal statutes and regulations relating to the federal Safe Drinking Water Act or Chapter 341 of the Texas Health & Safety Code or/and the Corporation's tariff and service policies.

The Corporation is responsible for protecting the drinking water supply from contamination or pollution which could result from improper practices. This service agreement serves as notice to each customer of the restrictions which are in place to provide this protection. The Corporation shall enforce these restrictions to ensure the public health and welfare. The following undesirable practices are prohibited by state regulations:

- a. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an airgap or an appropriate backflow prevention assembly in accordance with state regulations.
- b. No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the proper installation of an airgap or a reduced pressure-zone backflow prevention assembly and a service agreement must exist for annual inspection and testing by a certified backflow prevention device tester.
- c. No connection which allows condensing, cooling, or industrial process water to be returned to the public drinking water supply is permitted.
- d. No pipe or pipe fitting which contains more than 8.0 % lead may be used for the installation or repair of plumbing on or after July 1, 1988, at any connection which provides water for human consumption.

X DB initial

Service Application and Agreement
Page 3 of 3

- e. No solder or flux which contains more than 0.2 % lead may be used for the installation or repair plumbing on or after July 1, 1988, at any connection which provides water for human consumption.

The Corporation shall maintain a copy of this agreement as long as the Member and/or premises is connected to the public water system. The Member shall allow their property to be inspected for possible cross-connections, potential contamination hazards, and illegal lead materials. These inspections shall be conducted by the Corporation or its designated agent prior to initiating service and periodically thereafter. The inspections shall be conducted during the Corporation's normal business hours.

The Corporation shall notify the Member in writing of any cross-connections or other undesirable practices which have been identified during the initial or subsequent inspection. The Member shall immediately correct any undesirable practice on their premises. The Member shall, at their expense, properly install, test, and maintain any backflow prevention device required by the Corporation. Copies of all testing and maintenance records shall be provided to the Corporation as required. Failure to comply with the terms of this service agreement shall cause the Corporation to either terminate service or properly install, test, and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this agreement shall be billed to the Member.

In the event the total water supply is insufficient to meet all of the Members, or in the event there is a shortage of water, the Corporation may initiate the Emergency Rationing Program as specified in the Corporation's Tariff. By execution of this agreement, the Applicant hereby shall comply with the terms of said program.

By execution hereof, the Applicant shall hold the Corporation harmless from any and all claims for damages caused by service interruptions due to waterline breaks by utility or like contractors, tampering by other Member/users of the Corporation, normal failures of the system, or other events beyond the Corporation's control.

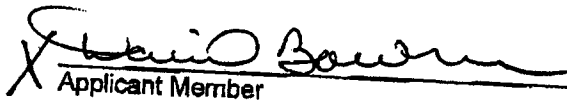
The Applicant shall grant to the Corporation permanent recorded easement(s) dedicated to the Corporation for the purpose of providing reasonable rights of access and use to allow the Corporation to construct, maintain, replace, upgrade, parallel, inspect, test and operate any facilities necessary to serve that Applicant as well as the Corporation's purposes in providing system wide service for existing or future members.

By execution hereof, the Applicant shall guarantee payment of all other rates, fees, and charges due on any account for which said Applicant owns a Membership Certificate. Said guarantee shall pledge any and all Membership Fees against any balance due the Corporation. Liquidation of said Membership Fees shall give rise to discontinuance of service under the terms and conditions of the Corporation's tariff.

By execution hereof, the Applicant agrees that non-compliance with the terms of this agreement by said Applicant shall constitute denial or discontinuance of service until such time as the violation is corrected to the satisfaction of the Corporation.

Any misrepresentation of the facts by the Applicant on any of the four pages of this service application and agreement shall result in discontinuance of service pursuant to the terms and conditions of the Corporation's tariff.

Witness


Applicant Member

Witness

Applicant Member

Approved and Accepted

Date Approved

Bowman Environmental Enterprises, LLC

801 S. Files St
Itasca, TX 76055
254.687.2642
bowmanenv@gmail.com

June 20, 2013

Country Vista WWTP, LLC
801 S. Files St.
Itasca, TX 76055

Bowman Environmental Enterprises, LLC ("Bowman") hereby submits specifications and estimates for the monthly operation of the Wastewater Treatment Plant under the following terms and conditions during the period of 07-01-13 to 07-01-14 in the amount of \$2,000.00 monthly.

1. Provide licensed employees.
2. Maintain Workers Compensation Insurance.
3. Inspection of the facilities one time each week.
4. Provide preventative maintenance on all equipment.
5. Client is to be responsible for all parts and supplies necessary for the proper operation and maintenance of the plant.
6. Emergency repairs shall be billed on the basis of manpower and equipment.
7. Non-emergency repairs, renovation and improvements shall require client's prior approval.
8. Major repairs including those due to natural disasters will be bid out at owner's expense.
9. Client to be responsible for the cost of all equipment, parts and supplies necessary for the proper operation, repair, renovation, improvement and maintenance of the plant.
10. Client to be responsible for the cost of all testing required by TCEQ and EPA.
11. Client to be responsible for the hauling and disposal of sludge.
12. The terms and conditions of the contract shall renew annually unless provisions are changed.
13. This contract may be cancelled at any time by either party with a 30 day written notice.

Authorized Bowman Signature: _____

Bonnie Permer

Date: _____

06-27-13

Accepted on behalf of client by: _____

Ward Bowen

Date: _____

06-27-13



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

5/3/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Hill County Insurance Agency P.O. Drawer 406 Hillsboro TX 76645		CONTACT NAME: Donna Crain PHONE (A/C No. Ext): (254) 582-2421 FAX (A/C No.): (254) 582-3133 E-MAIL ADDRESS: donna@hillcountyins.com	
INSURED Bowman Environmental Enterprises, LLC Country Vista Waste Water Treatment Plant, LLC 801 S Files St. Itasca TX 76055		INSURER(S) AFFORDING COVERAGE INSURER A: Rockhill Insurance Co. INSURER B: American Mercury Ins. Co. 16810 INSURER C: Texas Mutual Insurance Company INSURER D: INSURER E: INSURER F:	

COVERAGES**CERTIFICATE NUMBER:** Country Vista**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY	X	X	ENVP00036400	1/19/2013	1/19/2014	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$ 5,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						PERSONAL & ADV INJURY \$ 1,000,000
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC						GENERAL AGGREGATE \$ 1,000,000
B	AUTOMOBILE LIABILITY	X	X	BAP4511489	2/14/2013	2/14/2014	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input type="checkbox"/> ANY AUTO ALL OWNED AUTOS	<input checked="" type="checkbox"/> SCHEDULED AUTOS					BODILY INJURY (Per person) \$
	<input checked="" type="checkbox"/> HIRED AUTOS	<input checked="" type="checkbox"/> NON-OWNED AUTOS					BODILY INJURY (Per accident) \$
							PROPERTY DAMAGE (Per accident) \$
A	UMBRELLA LIAB			ENVP00036400	1/19/2013	1/19/2014	PIP-Basic \$ 2,500
	EXCESS LIAB						EACH OCCURRENCE \$
	<input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$						AGGREGATE \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			TSF0001085613	1/22/2013	1/22/2014	WC STATUTORY LIMITS
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> Y/N	N/A				E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
							E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	Contractor's Pollution			ENVP00036400	1/19/2013	1/19/2014	Aggregate 1,000,000 Each Pollution Limit 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

The General Liability policy includes blanket automatic additional insured and waiver of subrogation endorsements in favor of certificate holder only when there is a written contract between the named insured and the certificate holder that requires such status.

CERTIFICATE HOLDER**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

B Siddons, III/WWS3

William Siddons III

Exhibit F

Platted Areas and Property Description

NOTE:
BOUNDARY CORNERS ARE MONUMENTED AS SHOWN. ALL
OTHER CORNERS, ANGLE POINTS AND POINTS OF CURVATURE
ARE/WILL BE MONUMENTED WITH 5/8" BRAZED IRON PINS
UNLESS OTHERWISE NOTED.

LEGEND

U.E. - UTILITY EASEMENT
DRAIN. ESMT. - DRAINAGE EASEMENT
S/S & U.E. - SANITARY SEWER AND UTILITY EASEMENT
BL - BUILDING LINE
P.O.S.E. - PUBLIC OPEN SPACE EASEMENT
FND B/P - FOUND S/B* BRAZED IRON PIP

NOTE:
LOT 8, BLOCK 3, SHOWN BY PLAT RECORDED IN VOLUME 8, PAGE
173, BLK 748, PLAT RECORDS OF JOHNSON COUNTY, IS
RESERVED FOR THE COUNTRY VISTA ESTATES WASTEWATER
TREATMENT FACILITIES AND IS SUBJECT TO THE TERMS AND
CONDITIONS OF PERMIT NO. 13768-001, ISSUED MARCH 30, 1995
BY THE TEXAS NATURAL RESOURCE CONSERVATION COMMISSION.

NOTE:
THE FOLLOWING LOTS MAY HAVE FIRE HYDRANTS LOCATED WITHIN THE PLACED 20 FT. UTILITY EASEMENTS: LOTS 1, 4 AND 7, BLOCK 2 AND LOTS 1 AND 8, BLOCK 3.

THE 20 FT. UTILITY EASEMENT SHOWN HEREON, ADJACENT TO THE ROADS DEDICATED ON THIS PLAT ARE SUBJECT TO EASEMENTS GRANTED TO BETHESDA WATER SUPPLY CORP., RECORDED IN VOL. 186, PG. 428 OF THE DEED RECORDS OF JOHNSON COUNTY, TEXAS AND VOL. 186, PG. 704 OF THE DEED RECORDS OF THURGOOD COUNTY, TEXAS.

UTILITY EASEMENTS:
ANY PUBLIC UTILITY INCLUDING THE CITY OF FORT WORTH AND JOHNSON COUNTY, SHALL HAVE THE RIGHT TO MOVE AND KEEP MOVED ALL OR PART OF ANY BUILDING, STRUCTURE, TREES, OR LANDS OR ANY PART THEREOF, ANY HIGHWAY, DRAINAGE OR INTERFERENCE WITH THE CONSTRUCTION, MAINTENANCE OR EFFICIENCY OF ITS RESPECTIVE SYSTEMS ON ANY OF THE EASEMENTS SHOWN ON THE PLANS AND ANY PART THEREOF, ANY HIGHWAY, DRAINAGE OR INTERFERENCE WITH THE CONSTRUCTION, MAINTENANCE OR EFFICIENCY OF ITS RESPECTIVE SYSTEMS ON ANY OF THE EASEMENTS SHOWN ON THE PLANS SHALL HAVE THE RIGHT AT ALL TIMES OF INGRESS AND EGRESS TO AND FROM AND UPON SAID EASEMENTS FOR THE PURPOSE OF CONDUCTING ANY RECONSTRUCTION, REPAIR, INSPECTION, PATROLLING, MAINTAINING AND ADDING TO OR REMOVING ALL OR PART OF ITS RESPECTIVE SYSTEMS WITHOUT THE NECESSITY OF ANY PERMIT.

FLOODPLAIN / DRAINAGE MAINTENANCE. THE EXISTING CREEK, STREAM, RIVER OR SHADDAKE CHANNEL TRAVELING ALONG OR ACROSS PORTIONS OF THIS ADDITION WILL REMAIN UNOBTURATED AND THE ADDITION SHALL BE MAINTAINED BY THE INDIVIDUAL LOT OWNERS WHOSE LOTS ARE TRAVERSED BY, OR ADJACENT TO THE DRAINAGE CHANNEL. THE ADDITION SHALL BE MAINTAINED IN SUCH A MANNER AS TO NOT BE RESPONSIBLE FOR THE MAINTENANCE , DRAINAGE CONTROL, AND/OR OPERATION OF ANY OF THE EXISTING DRAINAGE CHANNELS AND THE ADJACENT DRAINWAYS TRAVERSING THEIR PROPERTY LINE AND FREE OF DEBRIS, SILT OR OTHER SUBSTANCE WHICH WOULD PRESENT A HAZARD TO THE DRAINAGE CHANNELS. THE ADDITION SHALL BE THE POINT OF ENTRY FOR THE PURPOSE OF INSPECTING THE MAINTENANCE WORKS BY THE PROPERTY OWNERS. THE DRAINWAYS ARE OCCUPANCY OF THE ADDITION SHALL BE SUBJECT TO THE CITY OF JORDISON COUNTY THAT CANNOT BE DEFIED. THE CITY OF FORT WORTH AND JORDISON COUNTY SHALL NOT BE LIABLE FOR ANY DAMAGES, PERSONAL INJURY OR PROPERTY DAMAGE TO THE ADDITION OR TO THE ADJACENT DRAINWAYS. THESE PHENOMENA ARE THE FAILURE OF ANY STRUCTURES(S) WITHIN THE DRAINWAYS. THE ADDITION PROVIDING EACH LOT IS CONTAINED WITHIN THE EXISTING LOT LINE. THE CITY OF FORT WORTH AND JORDISON COUNTY SHALL NOT BE LIABLE FOR ANY DAMAGES, PERSONAL INJURY OR PROPERTY DAMAGE TO THE ADDITION OR TO THE ADJACENT DRAINWAYS.

⑤ BUSHMANN A - 1/2" R/SPIKE IN 12" OAK, NORTH SIDE OF COUNTRY VISTA DR., APPROX. 130' EAST OF COUNTRY VISTA DR. & MINING OAK LANE. (ELEV. 804.48)

⑥ BUSHMANN B - 1/2" R/SPIKE IN 10" OAK, APPROX. 130' SOUTHEASTERNLY AND APPROX. 80' SOUTHERLY FROM THE CL INTERSECTION OF MINING OAK LANE EAST & MEADOW OAKS DR., LOCATED ON LOT 11, BLOCK 9. (ELEV. 774.81)

⑦ BUSHMANN C - 1/2" R/SPIKE IN 8" OAK, APPROX. 180' NORTHEASTERNLY AND APPROX. 80' SOUTHERLY FROM THE CL INTERSECTION OF DAVE LANE & MEADOW OAKS DR., LOCATED ON LOT 11, BLOCK 9. (ELEV. 782.41)

CITY OF PORT WORTH, TEXAS
CITY PLAN COMMISSION

NOTE:
THIS PLAY IS VALID ONLY IF ENDORSED WITHIN
ONE (1) MONTH AFTER DATE OF APPROVAL.

FP-97-44
5-B-9B

PLAY APPROVED DATE: _____

BY: Wanda Conling
[Signature]

BY: John A. Fairfield
[Signature]

APPROVED BY THE JOHNSON COUNTY COMMISSIONERS COURT
THIS 2 DAY OF JULY 1988.
Sharon Johnson
COUNTY CLERK

TARRANT COUNTY

THIS PLAT FILED IN CABINET _____ SLIDE _____ DATE _____

JOHNSON COUNTY

THIS PLAT FILED IN VOLUME 8 PAGE 467 SLIDE B-181
DATE 9-22-88 Center H. Anglin Dist. Ct. by Augie Miller

PLAY MATERIALS

LOTS 2-13, BLOCK 1; LOTS 1-7,
BLOCK 2; LOTS 1-9, BLOCK 3;
LOTS 2-6, BLOCK 4 and LOTS
1-12, BLOCK 5

COUNTRY VISTA ESTATES

AN ADDITION TO JOHNSON COUNTY AND
THE INTERNATIONAL ASSOCIATION OF
THE CITY OF NEW YORK

THESE RESULTS ARE IN ACCORD WITH THE FINDINGS OF OTHER STUDIES.

DRAINAGE CULVERTS:
THE SIZE OF REQUIRED DRAINAGE CULVERTS ARE DESIGNATED
IN THE DRAINAGE STUDY ON FILE IN THE JOHNSON COUNTY
PUBLIC WORKS DEPARTMENT.

PUBLIC OPEN SPACE RESTRICTIONS: (P.O.S.E.)
NO STRUCTURE, OBJECT, OR PLANT OF ANY TYPE
VISION FROM A HEIGHT OF TWENTY-FOUR (24) INCHES
HEIGHT OF ELEVEN (11) FEET ABOVE THE TOP OF THE
INCLUDING, BUT NOT LIMITED TO BUILDINGS, FENCES,
SIGNS, TREES, SHRUBS, CARS, TRUCKS, ETC.. IN THE
OPEN SPACE EASEMENT AS SHOWN ON THIS PLAN. THE
SPACE EASEMENTS WILL REMAIN IN EFFECT UNTIL THE
ORDINANCE ADOPTED BY THE CITY COUNCIL OF FORT
THE PROPERTY INDENTED.

ALL WORK, SHALL BE DONE IN ACCORDANCE WITH THE REQUIREMENTS IN WHICH THE PROPERTY IS LOCATED.

THE APPROVAL AND PLANS OF THIS PLAT BY JOHNSON COUNTY SHALL NOT RELEASE THE DEVELOPER OF THE PROPERTY OR OWNER OF THE PROPERTY OF ANY DUTY TO ANY AGENCIES OR GOVERNMENTAL PROPERTY OWNER OR SPECIAL SERVICE OR OTHERWISE ANY DUTY OR LIABILITY TO JOHNSON COUNTY. THE COMMISSIONERS, OFFICIALS OR EMPLOYEES OF JOHNSON COUNTY.

[illegible]

CERTIFICATION:
I HEREBY CERTIFY THAT THIS PLAN WAS PREPARED FROM A SURVEY MADE
ON THE GROUND, UNDER MY SUPERVISION ON NOVEMBER 30, 1987 AND THAT
THE CORNER MONUMENTS SHOWN WERE FOUND OR SET AS SHOWN, THE ADEQUATE
LOT CORNERS WILL BE SET UP ON THE COMPLETION OF THE CONSTRUCTION
OF THE STREETS AND UTILITIES.

J.R. SULLIVAN, INC.

**SURVIVAL / ENDPOINTS**

OWNER
COUNTRY VISTA LTD.
A TEXAS LIMITED PARTNERSHIP
4406 TROWBRIDGE DRIVE
ARLINGTON, TEXAS 76015
(817) 854-4591

DEVELOPER

Exhibit F

Real Property

Lot 8, Block 8, Country Vista Estates, and Addition to Johnson County, Texas, according to the plat recorded in Volume 8, Page 173, Slide 745, Plat Records, Johnson County, Texas. Property owned in fee simple.

Exhibit G

Asset Purchase Agreement

ASSET PURCHASE AGREEMENT

THIS AGREEMENT (this "Agreement") dated the 6th day of June, 2013, is by and among EMCAD Water and Wastewater, LLC, a Texas limited liability company ("Buyer"), COUNTRY VISTA WASTEWATER TREATMENT PLANT LLC, a limited liability company organized under the laws of the State of Texas ("Seller"), and DAVID L. BOWMAN ("Shareholder"), and sets forth the terms and conditions by which Buyer shall acquire certain assets of Seller used in Seller's operation of a wastewater utility system. Buyer, Seller and the Shareholder are referred to collectively as the "Parties."

RECITALS

WHEREAS, Seller owns and operates a wastewater utility business located in Johnson and Tarrant Counties, Texas (the "Business"); and

WHEREAS, Seller desires to sell and Buyer desires to purchase certain assets utilized in the Business on and subject to the terms and conditions set forth herein; and

WHEREAS, without limiting the generality of the foregoing, pursuant to the terms of this Agreement and in accordance with Texas Water Code §13.301, the Parties desire that, except to the extent included in the Excluded Assets, Seller transfer to Buyer (i) the Assets, (ii) the retail wastewater utility service rights to the area in which Seller is certificated to provide such service (the "Transfer Area"), and (iii) ownership of certain facilities, lines, meters, equipment and easements associated with the Transfer Area; and

WHEREAS, the Shareholder, as sole shareholder of Seller, joins in the execution of this Agreement for the purpose of evidencing his consent to consummation of the foregoing transactions and for the purpose of making certain representations and warranties to, and covenants and agreements with, Buyer.

NOW, THEREFORE, in consideration of the premises and the mutual promises herein made, and in consideration of the covenants herein contained, the Parties agree as follows:

Section I - Definitions

1.1 Definitions. In this Agreement, in addition to the other terms defined herein, each of the following terms has the meaning specified or referred to in this Section 1.1:

"Affiliate" means, with respect to any Person, any Person directly or indirectly controlling, controlled by or under common control with, such Person. For purposes of this definition, "control" (including, with correlative meaning, the terms "controlling," "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person through the ownership of more than 50% of such Person's voting securities, by contract or otherwise.

"Assets" shall mean all right, title, and interest of Seller in and to all the assets owned by Seller and utilized in the Business, except for the Excluded Assets, including all: (a) fee property, real property, leaseholds and subleases, improvements, fixtures, easements, rights-of-way and other appurtenances thereto (the "Real Property"), including, without limitation, the real property described on Schedule 3.1(f); (b) tangible personal property (including, without

limitation, all machinery, equipment, inventories and supplies and those items identified on Schedule 3.1(1); (c) Customer Deposits; (d) Permits; (e) contracts, licenses, leases and agreements and other similar arrangements and rights thereunder ("Contracts"); (f) franchises, approvals, permits, licenses, orders, registrations, variances and similar rights obtained from Governmental Authorities, including the TCEQ; (g) intellectual property of any type, including the name "Country Vista Wastewater Treatment Plant LLC" or any derivation thereof, any trade names, service marks, trade secrets and know-how; (h) books, ledgers, files, documents, correspondence, lists, maps, drawings, plans, specifications, warranties and plats; (i) water rights or claims to water rights; and (j) accounts receivable.

"Business" shall have the meaning set forth above.

"Buyer" shall have the meaning set forth above.

"Closing" shall have the meaning set forth in Section 2.5(a) hereof.

"Closing Date" shall have the meaning set forth in Section 2.5(a) hereof.

"CCN" shall mean the Certificate of Convenience and Necessity of Seller.

"Customer" shall mean a residential (whether single or multi-family dwelling) or commercial property that has been metered for wastewater utility service from Seller in the Transfer Area.

"Customer Deposits" shall have the meaning set forth in Section 3.1(p) hereof.

"Customer List" shall have the meaning set forth in Section 3.1(p) hereof.

"Disclosure Schedules" shall mean the disclosure schedules of Seller set forth in Section III.

"Encumbrance" shall mean any liens, charges, pledges, options, mortgages, deeds of trust, security interests, claims, restrictions (whether on voting, sale, transfer, disposition or otherwise), licenses, sublicenses, easements and other encumbrances of every type and description, whether imposed by Law, agreement, understanding or otherwise.

"Environmental, Health and Safety Laws" shall mean all Laws concerning pollution or protection of the environment, public health and safety, including laws relating to emissions, discharges, releases or threatened releases of pollutants, contaminants or chemical, industrial, hazardous or toxic materials or waste into ambient air, surface water, ground water or lands or otherwise, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, the Emergency Planning and Community Right to Know Act of 1986, the Clean Air Act, the Clean Water Act, the Toxic Substances Control Act, the Hazardous Materials Transportation Act, the Federal Insecticide, Fungicide and Rodenticide Act, the Federal Safe Drinking Water Act, the Federal Radon and Indoor Air Quality Research Act of 1986 and the Occupational Safety and Health Act, as all such Laws or acts have been amended.

"Excluded Assets" shall mean the Utility Deposits, cash held by Seller, original corporate minute books, corporate seal and other books, ledgers, files and plans of Seller and any of the Contracts or other items listed on Schedule 1.1, and all rights and property interests related to any of the foregoing items.

"Excluded Liabilities" shall have the meaning set forth in Section 2.8 hereof.

"Governmental Authority" means any government or any agency, bureau, commission, court, authority, department, official, political subdivision, administrative body, tribunal or other instrumentality of any government, whether federal, state or local, domestic or foreign.

"Hazardous Substance" shall mean petroleum, petroleum hydrocarbons or petroleum products, petroleum by-products, radioactive materials, asbestos or asbestos-containing materials, gasoline, diesel fuel, pesticides, radon, urea formaldehyde, lead or lead-containing materials, polychlorinated biphenyls; and any other chemicals, materials, substances or wastes in any amount or concentration which are now included in the definition of "hazardous substances," "hazardous materials," "hazardous wastes," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "pollutants," "regulated substances," "solid wastes," or "contaminants" or words of similar import under any of the Environmental, Health and Safety Laws.

"Knowledge" shall mean, in respect of any person or entity, the actual knowledge of such person or entity and each manager, director and officer of such entity after making all due and reasonable inquiries.

"Last Month Ending Receivables" shall have the meaning set forth in Section 2.2(a).

"Law" or "Laws" shall mean any law, rule, regulation, code, plan, injunction, judgment, order, decree, ruling, charge or ordinance of any Governmental Authority, all of the foregoing as now or hereafter in effect.

"Ordinary Course of Business" shall mean the ordinary course of business consistent with past custom and practice.

"Owner Policy" shall have the meaning set forth in Section 7.1(l).

"Parties" shall have the meaning set forth above.

"Person" shall mean any natural person and any corporation or other legal entity recognized by law as a person.

"Purchase Price" shall have the meaning set forth in Section 2.2(a) hereof.

"Regulatory Approvals" shall mean any approval and compliance required pursuant to Chapter 30 of the Texas Administrative Code and the rules and regulations promulgated thereunder to operate the Business or in connection with the consummation of the transactions contemplated by this Agreement; such approval and compliance is administered by and through the TCEQ.

"Seller" shall have the meaning set forth above.

"Seller System" shall mean the wastewater treatment plant and the sanitary sewer collector system of Seller servicing the Transfer Area.

"STM Application" shall have the meaning set forth in Section 5.1(c) hereof.

"Survey" shall have the meaning set forth in Section 6.3 hereof.

"System Map" shall have the meaning set forth in Section 3.1(x) hereof.

"Tariffs" shall mean that certain Sewer Utility Tariff in the name of Seller filed with the TCEQ and having a most recent effective date of July 15, 2009, a copy of which is attached hereto as Exhibit A.

"Tax" shall mean any federal, state, or local income, gross receipts, license, payroll, employment, severance, unemployment, disability, real property, personal property, sales, use, transfer or other tax of any kind whatsoever, including any interest, penalty or addition thereto, whether disputed or not.

"Tax Authority" means any regulatory authority responsible for the imposition, assessment or collection of any Tax (domestic or foreign).

"Tax Return" shall mean any return, statement, declaration, notice, certificate or other document that is or has been filed with or submitted to, or required to be filed with or submitted to, any Tax Authority in connection with the determination, assessment, collection or payment of any Tax or in connection with the administration, implementation or enforcement of or compliance with any legal requirement related to any Tax.

"TCEQ" shall mean the Texas Commission on Environmental Quality or any successor agency or agencies thereto.

"Title Commitment" shall have the meaning set forth in Section 6.1(a) hereof.

"Title Company" shall have the meaning set forth in Section 6.1(a) hereof.

"UCC Searches" shall have the meaning set forth in Section 6.2 hereof.

"Utility Deposit" shall mean money deposited by Seller with a utility company (i.e. electric, gas) related to the operation of the Business.

Section II - Purchase and Sale of Assets; Closing

2.1 Purchase and Sale of Assets. Subject to the terms and conditions of this Agreement, Buyer agrees to purchase from Seller, and Seller agrees to sell, transfer, assign and deliver to Buyer, all of the Assets free and clear of all Encumbrances other than the Permitted Encumbrances and the Assumed Liabilities on the Closing Date against receipt by Seller of the Purchase Price (as adjusted as provided herein).

2.2 Purchase Price; Good Faith Deposit; Prorations.

- (a) Subject to the following adjustments and any other adjustments set forth in this Agreement, in consideration for the sale of the Assets, Buyer agrees to pay Seller on the Closing Date the aggregate amount (the "Purchase Price") of (i) ONE HUNDRED SEVENTY THOUSAND Dollars (\$170,000) plus (ii) an amount equal to the accounts receivable of Seller as of the last day of the calendar month ending immediately prior to the Closing Date ("Last Month Ending Receivables"); provided, however, there shall be deducted from the Purchase Price payable at Closing the sum of THIRTY THOUSAND Dollars (\$17,000.00) (the "Withheld Sum") which shall be retained by Buyer in accordance with Section 2.4.

- (b) Within two (2) business days after the execution of this Agreement by all parties hereto, Buyer shall deliver to Seller the sum of \$100.00 (the "Option Fee") as independent consideration for the termination option granted to Buyer under Section 6.5. In the event that Buyer timely terminates this Agreement in accordance with Section 6.5, the Option Fee shall not be refunded to Buyer; otherwise, the Option Fee shall be credited toward the Purchase Price at the Closing. In the event that this Agreement has not been lawfully terminated prior thereto, then within two (2) business days after the expiration of the Due Diligence Period, Buyer shall deliver to Seller the sum of \$5,000.00 (the "Good Faith Deposit"). The Good Faith Deposit shall be held by Seller and disbursed in accordance with one of the following provisions, whichever shall apply:
- (i) If, on the Closing Date, the transactions contemplated under this Agreement shall be duly consummated, then at Closing, the Good Faith Deposit shall be credited towards the Purchase Price;
 - (ii) If this Agreement is terminated pursuant to Sections 10.1(a) – (d) of this Agreement, then promptly after such termination, the Good Faith Deposit shall be returned to Buyer; or
 - (iii) If this Agreement is terminated pursuant to Section 10.1(e) of this Agreement, Seller shall be entitled to keep, as its sole and exclusive remedy, the Good Faith Deposit as liquidated damages, except that the foregoing shall not limit or otherwise affect any obligations of Buyer under this Agreement that by their express terms survive the term of this Agreement. The parties recognize that the determination of damages in the event of a termination of this Agreement pursuant to such Section 10.1(e) will be difficult and that the disbursement of the Good Faith Deposit to Seller shall constitute liquidated damages and shall not constitute a penalty.
- (c) All items of revenue and expense related to the Business, including without limitation, ad valorem Taxes relating to the Assets, and utility bills, lease payments and other monthly recurring payments related to the Assets, shall be prorated as of the Closing Date in such a manner that will result in (i) Seller having paid for and received the benefit of those items attributable to the period of time prior to and on the Closing Date, and (ii) Buyer having paid for and received the benefit of those items attributable to the period of time following the Closing Date. The Purchase Price shall be adjusted to account for such proration. If the actual amounts to be prorated pursuant to the foregoing provisions are not known on the Closing Date, then the proration shall be made on the Closing Date using the best evidence then available (the "Estimated Proration"), and thereafter, when actual amounts are received, a cash settlement will be made between Seller and Buyer.
- (i) If any Estimated Prorations are used at Closing, then Buyer and Seller shall attempt jointly to obtain actual figures and complete the cash settlement of the related prorated items within 120 days after the Closing Date, which resolution, if achieved, shall be binding upon all parties to