

2. All connections to the Aqua Texas water and/or wastewater systems in the Projects shall become permanent customers of Aqua Texas.
3. Aqua Texas shall be responsible for the design and construction of central water and wastewater plants which provide retail water and/or wastewater utility service to the Projects, being the Central Facilities as defined herein.
4. Merenco shall design and construct the various water and wastewater service lines and trunk lines (collectively called "Interior Lines") for the Projects and shall contribute those Interior Lines to Aqua Texas.
5. Aqua Texas shall reimburse Merenco for the design and construction of the Interior Lines with such reimbursement being specifically limited to the lesser of the total cost of such Interior Lines or \$5,000 per Living Unit Equivalent ("LUE") connection. LUE refers to a connection which by standard industry design criteria is anticipated to use 250 gallons per day of water capacity and 200 gallons per day of wastewater capacity.

**B. CCN SERVICE AREA, RATE TARIFF, CENTRAL FACILITIES.**

1. **CCN Service Area.** Merenco agrees that all Projects generally covered by or anticipated to be covered by this MRA shall be added into and be a part of the service area designated within the Aqua Texas CCN (Certificate of Convenience and Necessity) issued by the TCEQ to Aqua Texas. Upon the written request of Merenco, Aqua Texas shall, at its expense, apply for and obtain approval for the Projects to be included in the Aqua Texas' CCN, which inclusion designates Aqua Texas as the sole provider of water and/or wastewater utilities in the Project. Merenco shall provide any further reasonable and prompt assistance to Aqua Texas in adding the Project to Aqua's CCN, and for obtaining, if necessary, any other permits by providing relevant information to Aqua Texas promptly upon request.
2. **Rate Tariff.** All connections to the Aqua Texas water and/or wastewater systems shall become permanent customers of Aqua Texas; and such customers shall be obligated to pay water and wastewater bills for use of such systems, in accordance with the then current tariff approved by the Texas Commission on Environmental Quality ("TCEQ") or any successor agency having jurisdiction over water and wastewater utility providers and the rates associated with services, as such tariff may change from time to time.
3. **Central Facilities.** Aqua Texas shall be solely responsible for the design, engineering, installation, and construction of central water and/or wastewater facilities needed to serve the various real estate projects, including plant expansions, if necessary. For purposes of this MRA, the "Central Facilities" are defined as the water treatment plant to be located north of the proposed Humble Road, in the C. Goodrich A305 Survey in Harris County, Texas, as

described on the attached Exhibit 1, and the waste water treatment plant located at south of the proposed Humble Road, in the C. Goodrich A305 Survey, Harris County, Texas, as described on the attached Exhibit 2.

4. **Plant Sites.** Merenco shall have the option of contributing mutually agreeable plant sites to Aqua Texas or requiring Aqua Texas to purchase such mutually agreeable plant sites. If Merenco provides Aqua Texas with plant sites for the Central Facilities, they must be cleared and have power and associated utility service readily available at such sites without the need for additional utility construction by Aqua Texas, other than minimal connection costs and associated connection lines and equipment. If Aqua Texas is required to purchase such plant sites, the purchase price shall be \$28,000 per acre of net usable land excluding non-utility easements and roadways; and Aqua Texas shall not be required to close on such purchase until there are roads and facilities under construction within the development in general and the Projects in particular.
  5. **Design and Permit Costs.** Merenco shall have the option of requiring Aqua Texas to reimburse Merenco for costs incurred in designing the Central Facilities and for procuring required permits for the Central Facilities. All amounts paid by Aqua Texas for such costs shall reduce the balance in the Reimbursement Pool.
  6. **Interior Lines.** Merenco shall be responsible for the design, engineering, construction, and installation of the Interior Lines which serve the various real estate projects. "Interior Lines" are defined as: water and/or wastewater collection trunks, lines, laterals, mains, extensions and all related improvements, which transport water and/or wastewater to and/or from the Projects to the regional wastewater treatment and/or water production facilities designated by Aqua Texas including, but not limited to, trunk lines, mains, laterals, lines, extensions, piping, taps, stub outs, gate valves, valve boxes, manholes, lift stations and any restoration work associated with the construction and installation of such items. Interior lines do not include water service lines and sewer laterals owned by or to be owned by customers of the Aqua Texas regional water and wastewater systems.
- C. **INTERIOR LINES.** The following requirements apply to the design, engineering, construction and installation of all Interior Lines. Interior Lines may include trunk lines which are common to and may serve multiple developments, projects, sites, and/or subdivisions.
1. **Separate Developer Construction Agreements.** The respective obligations of Aqua Texas and Merenco with respect to the actual construction of the Interior Lines shall be delineated in a separate agreement (known as a Developer Interior Line Agreement or "DILA") executed between the parties prior to design, engineering, construction, and installation of such Interior Lines. The terms and provisions of such separate agreements shall include

substantially the same provisions described in this section C. In the case of conflict between the provisions of this section C and the separate agreement, the separate agreement shall control. Sample DILA contracts are attached hereto as Exhibit 3 and Exhibit 4.

- 2. Design and Regulatory Requirements.** Merenco shall engage a licensed Texas engineer to design the Interior Lines. The design must be consistent with general industry standards, all regulatory requirements, and local Aqua Texas specifications and must be approved by Aqua Texas' engineer prior to construction, which approval shall not be unreasonably withheld or delayed, except for matters relating to System design and specifications, in which case approval may be withheld in the Aqua Texas engineer's sole discretion. Following approval by the Aqua Texas engineer, Merenco will make application and obtain from each applicable Regulatory Agency all necessary permits and approvals for the construction and installation of the Interior Lines and will take all necessary steps to assure compliance with Regulatory Requirements prior to initiating construction or installation of any part of the Interior Lines.
- 3. Easements and Environmental Assessment.** Prior to beginning construction on the Interior Lines, Merenco will obtain any required easements or right of way for the construction and installation of the Interior Lines. Except as otherwise specifically set forth herein, Merenco shall bear all costs, if any, associated with procuring the required easements and/or right of way for the Interior Line. Prior to construction, Merenco shall deliver to Aqua Texas a copy of a Phase I Environmental Site Assessment for the Project, which shall have been conducted by a reputable environmental engineering firm reasonably acceptable to Aqua Texas in accordance with American Society Testing Methods (ASTM) standards (the "Environmental Report").
- 4. Construction.** Merenco shall have the sole responsibility to design, furnish and install, at Merenco's sole expense, all of the Interior Lines. Merenco, is responsible for supplying all necessary materials and performing the construction and installation of the Interior Lines, which includes but is not limited to design, engineering, financing, construction, installation, and inspection of the Interior Lines. Merenco agrees to proceed diligently to completion of construction of the Interior Lines. Following completion, Merenco will provide accurate and complete as-built information; and concurrently with progress of construction, will make the As-Built Information available to a designated Aqua Texas representative.
- 5. Worksite Responsibility.** Merenco is responsible for the worksite, including the means and methods of construction, and safety precautions, procedures and programs so that work is conducted in a safe manner for the protection of anyone on or near the Interior Lines. Under no circumstances shall Aqua Texas be deemed to be responsible for the methods of construction or the safety precautions and procedures at the worksite. Merenco will install and complete the Interior Lines in a workmanlike manner, in accordance with all applicable laws, regulations and ordinances, including without limitation environmental laws and regulations, and Aqua Texas specifications. Pursuant to applicable law, before starting work,

Merenco will independently investigate and verify in the field the existence and location of underground utilities, whether or not indicated on the plans.

6. **Connection into Aqua Texas Facility.** Except with the prior written authorization of Aqua Texas, Merenco is prohibited from connecting the Interior Lines into any Aqua Texas facilities, which connection will be performed by Aqua Texas or under its direction. Merenco is responsible for all maintenance and repair of the installed Interior Lines prior to Contribution, whether or not Aqua Texas has commenced wastewater service.
7. **Warranty by Merenco.** Merenco hereby warrants that the Interior Lines and all associated components of the Interior Lines, including without limitation integrity of trenches and integrity of paving and other restoration work, will not leak and will be free from defects in materials and workmanship for a period of one (1) year from the date of Contribution of the final portion of the Interior Lines, and that the final As-Built Information, when delivered to Aqua Texas, will be accurate and complete. Merenco will promptly proceed at its own cost and expense to make good all portions of the work or materials determined by Aqua Texas which fail to conform with the Aqua Texas specifications, which fail in whole or in part prior to the end of the one year warranty period, or which are damaged or destroyed by removal of the non-conforming work or materials; and Merenco will replace or repair those portions to be in accordance with the requirements and specifications, and will revise the as-built Information to be accurate and complete. In connection with this warranty obligation, Merenco agrees to provide a one year maintenance bond and/or one year letter of credit equivalent to the amount of the total cost certification of the Interior Lines. If Merenco fails to remedy or correct non-conforming work or materials or to revise the As- Built Information to be accurate and complete, Aqua Texas may bring the work or materials or As-Built Information into conformation at the expense of Merenco (for which Aqua Texas may draw down on the Performance Bond or Letter of Credit and/or pursue any other available remedy).
8. **Contractor.** Merenco is free to engage a contractor or sub-contractor to construct the Interior Lines, provided that such contractor is approved in writing in advance by Aqua Texas, and that such contractor agrees to be bound by the various warranty, workmanship, safety, and other provisions in this MRA and or any DILA executed in association herewith. Because Aqua Texas will not be in privity with said contractor, Merenco shall remain ultimately responsible for all obligations hereunder.
9. **Final Cost Certification.** Upon completion of the Interior Lines, Merenco will certify to Aqua Texas the total cost of the construction, installation, engineering, and design. In addition, Merenco will supply the actual invoices or copies thereof to support the cost certification. Merenco will represent that the stated cost is complete and accurate and indemnify Aqua Texas against any claim that the cost is not complete and accurate. Aqua

Texas reserves the right to review and audit all information provided and utilized in preparing the cost certification and to make the final determination of cost.

**10. Contribution.** Upon completion of the Interior Lines Merenco will contribute the Interior Lines to Aqua Texas, such that the facilities become the property of Aqua Texas (from which Aqua Texas may serve customers). The contribution will occur upon the execution of a bill of sale and conveyance in the form attached hereto as Exhibit 5 by Merenco and the receipt of such bill of sale and conveyance by Aqua Texas, said two acts together constituting the "Contribution." After Contribution, Aqua Texas will assume full responsibility for operating and maintaining the Interior Lines, subject to Merenco's warranty obligations herein.

**11. Matters in Connection with Contribution.** The following must be completed prior to Contribution of the final portion of the Interior Lines, or, with the permission of Aqua Texas, within one month after Contribution of the final portion of the Interior Lines:

- a) Completion of the Interior Lines in accordance with the DILA;
- b) The Interior Lines passing all testing procedures performed by Aqua Texas in accordance with its regular pre-service procedures;
- c) Provision of accurate As-Built Information to Aqua Texas;
- d) Final cost certification;
- e) Merenco's certification, and provision of evidence satisfactory to Aqua Texas, that it has paid or discharged any mechanic's liens or other encumbrances which may have been filed against the Interior Lines;
- f) Merenco's certification, and provision of evidence satisfactory to Aqua Texas, that Merenco has paid or discharged the Contractor;
- g) Payment to Aqua Texas of any outstanding fees or other amounts owed by Merenco to Aqua Texas; and
- h) Receipt and/or transfer of any grant, revision, correction or confirmation of Easements, in addition to Easements granted prior to construction, which Aqua Texas may require to convey all necessary and appropriate easements and rights-of-way.

**D. REIMBURSEMENT TO MERENCO.** Following the Contribution of Interior Lines by Merenco to Aqua Texas, Aqua Texas shall reimburse Merenco for the costs associated with the design, engineering, construction and installation of such Interior Lines.

1. The total value of the Interior Lines contributed to Aqua Texas, as determined and evidenced by the amounts in a Final Cost Certification for a Project shall go into a Reimbursement Pool which will be used to reimburse Merenco pursuant to this MRA.
2. The value of plant sites for Central Facilities which are contributed to Aqua Texas shall be added to the Reimbursement Pool, thereby increasing the total value amount available for future reimbursement to Merenco. Such additional value associated with plant site contributions is expressly limited to the actual cost paid by Merenco to purchase the plant site plus the cost to provide utilities to the plant site plus out of pocket carrying costs actually paid to an unrelated third party in connection with the plant sites (carrying costs being expressly limited to property taxes and loan interest), provided that total carrying costs may not exceed twenty-five percent (25%) of the total contributed value of any plant site.
3. Any amounts which Aqua Texas pays to Merenco, the District, or to any other party to acquire plant sites, easements, permits, and/or constructing-running utility lines and/or service to the plant site shall be deducted from the Reimbursement Pool, thereby reducing the total value amount available for future reimbursement to Merenco.
4. Aqua Texas shall be obligated to reimburse Merenco the sum of five thousand dollars \$5,000.00 for each new Living Unit Equivalent ("LUE") that actually, physically, and lawfully connects to Aqua Texas' regional system through the Interior Lines in the District (a "Qualifying Connection"). A reimbursement made for a Qualifying Connection shall be a Qualified Reimbursement.
5. Each Qualified Reimbursement shall be deducted from the Reimbursement Pool, such that the total value amount available for future reimbursement to Merenco is reduced with each Qualified Reimbursement.
6. The value amount available for future reimbursement at any time shall be determined by taking the total of all amounts contributed per the Final Cost Certifications and deducting the amounts paid for plant sites, line easements, and/or permits and also deducting the total of all Qualified Reimbursements to date, with the resulting figure being the value balance in the Reimbursement Pool.
7. As clarification to the definition of a Qualifying Connection, such connection must be located in the District and in Aqua Texas' CCN; must be part of a real estate development Project of Merenco; must be lawfully connected and installed as part of Aqua Texas' regional system through the Interior Lines; and the tariffed or required tap fee from the builder, owner, or Merenco must have been paid to and received by Aqua Texas.

8. Aqua Texas shall only make Qualified Reimbursements to Merenco if there is available value in the Reimbursement Pool. Aqua Texas shall never make any Qualified Reimbursements if there is not sufficient value remaining in the Reimbursement Pool.
9. Merenco's right to receive a Qualified Reimbursement and Aqua Texas' obligation to make a Qualified Reimbursement shall terminate on the sixth (6<sup>th</sup>) anniversary of the latest Final Cost Certification, said date being exactly six (6) years after the date of the latest Final Cost Certification submitted for any Project. After the six (6) year period expires, Aqua Texas shall not be obligated to make any more Qualified Reimbursements or to pay Merenco for any Qualifying Connections added.
10. It is expressly agreed that Aqua Texas has no obligation to make any Qualified Reimbursement payments until there are at least two hundred (200) Qualifying Connections. Once there are two hundred (200) Qualifying Connections, Aqua Texas shall make a "catch up" reimbursement payment equal to the total amount of eligible Qualifying Reimbursements due to Merenco. Thereafter, Qualified Reimbursements shall be paid by Aqua Texas to Merenco no less often than quarterly, within thirty days after the end of each calendar quarter during which any customer or connection becomes a Qualifying Connection.
11. Aqua Texas expressly acknowledges that Merenco may use the Qualified Reimbursement payments from Aqua Texas to Merenco under this MRA as part of the collateral or security offered in connection with Merenco's financing for a Project, provided that any assignment as collateral must be done in writing and with the consent of Aqua Texas, such consent not being unreasonably withheld. Any lender which uses this MRA as collateral must acknowledge the existence of the terms and conditions herein, and must acknowledge and agree to all such terms and conditions.

#### **E. LIMITATIONS AND EXCLUSIONS**

1. Aqua Texas shall not be obligated to make any Qualified Reimbursements for any amounts which cannot, pursuant to then applicable law, rule, regulation, statute, or ruling, be included in the applicable Aqua Texas rate base for tariff purposes.
2. Amounts and costs incurred for fire protection shall not be included for reimbursement unless the TCEQ or other entity with jurisdiction over rates and tariffs specifically agrees to such inclusion in the Aqua Texas rate base.
3. The total maximum amount of reimbursement to Merenco shall be the lessor of a) the total amount of the Cost Certifications for all Projects or b) \$5,000 per LUE in all Projects, such amount being the maximum amount permitted for inclusion in the Aqua Texas rate base at this time.

4. Aqua Texas shall not be obligated to make any Qualified Reimbursements if the District or Merenco owes money to Aqua Texas for any obligation, including but not limited to amounts owed pursuant to warranty obligations, indemnity claims, and interim operating costs, whether such amounts are due pursuant to this MRA or any other contract, agreement, obligation, claim, or right, including but not limited to any agreement between Aqua Texas and the District.
5. Aqua Texas shall not be obligated to make any Qualified Reimbursements unless and until the execution of an agreement between Aqua Texas and the District which provides that the District will make regular payments to Aqua Texas for costs incurred by Aqua Texas before a Project has reached a predetermined level of build out, with the actual amount and timing of such payments as specified therein.
6. It is possible that future development in the District by Merenco and/or the specifics of any Project in the District may establish the need or desire to construct additional water plants or wastewater treatment plants on different sites than the Central Facilities to serve such future Projects or development. Aqua Texas and Merenco acknowledge and agree that such need or desire may arise as a result of federal, state, or local law, rule, statute or regulation; standard utility system design criteria; or financial considerations of Merenco, and that situations which require the construction of additional plants on different sites are outside the financial scope of this MRA. Accordingly, if Aqua Texas builds a new plant on a site other than a Central Facility, Aqua Texas will continue to reimburse Merenco for Qualifying Connections, but it is expressly agreed that Aqua Texas has no obligation to make any additional Qualified Reimbursement payments until there are at least two hundred additional (200) Qualifying Connections. On the earlier of the date when Aqua Texas begins construction on the new plant site or the date that Aqua Texas purchases the new plant site, Aqua's obligation to make Qualifying Reimbursements shall temporarily cease. Once there are two hundred (200) additional Qualifying Connections in the new Project area served by the new plant, Aqua Texas shall make a "catch up" reimbursement payment equal to the total amount of eligible Qualifying Reimbursements due to Merenco. Thereafter, Qualified Reimbursements shall resume, with such payments being made by Aqua Texas to Merenco no less often than quarterly, within thirty days after the end of each calendar quarter during which any customer or connection becomes a Qualifying Connection.

#### **F. TERM**

1. **Term and Termination.** This MRA shall be effective upon the full execution of this document and will continue in effect for ten (10) years or until terminated by mutual agreement of the parties. Termination of this MRA shall not impact, affect, or impair the obligation of Aqua Texas to make Qualified Reimbursements to Merenco pursuant to Final



Cost Certifications which have time left in the six year termination period for receiving such reimbursements.

**G. GENERAL**

1. **Governing Law.** This MRA, all attachments hereto, and all documents and instruments to be furnished or delivered hereto, shall be governed by the laws of the State of Texas without giving effect to conflicts of laws principles.
2. **Assignment; Change in Ownership.** Merenco shall not assign its rights and obligations under this MRA, or transfer control or ownership of the Interior Lines or any part thereof, directly or indirectly, voluntarily or involuntarily, without the prior written approval of Aqua Texas, which shall not be unreasonably withheld.
3. **Taxes.** All federal, state and local taxes, excise taxes, permit fees, and similar fees and taxes in connection with this MRA, including without limitation, any sales or use taxes and taxes on contributions in aid of construction, any and all income taxes imposed on Aqua Texas in connection with receiving the Interior Lines as a result of Contribution or otherwise, and any and all income or other taxes imposed on Aqua Texas as a result of Contribution whether in effect on the date of the execution of this MRA or subsequently imposed or assessed, are to be deducted from the Reimbursement Pool.
4. **Survival of Provisions on Contribution or Termination.** All warranties, representations, agreements and covenants made by Merenco in this MRA, or in any document or instrument referred to in, or to be delivered or furnished pursuant to, this MRA, will survive Contribution of the final portion of the Interior Lines and any termination of this MRA.
5. **Entire Agreement; Amendments.** This MRA, together with all exhibits and attachments, and the final executed form of all documents for which the form is set forth in the attachments, constitute the entire agreement between Aqua Texas and Merenco with respect to the Interior Lines. Prior or contemporaneous discussions or agreements are not part of this MRA, and are of no force or effect. This MRA may be modified or amended only by a writing signed by the party against whom enforcement is sought.
6. **Severability.** The provisions of this MRA and all other agreements and documents referred to herein are to be deemed severable, and the invalidity or unenforceability of any provision shall not affect or impair such provision to the extent it has been deemed valid and enforceable, nor the remaining provisions, which shall continue in full force and effect.
7. **Third Parties.** Nothing contained in this MRA shall be deemed to confer upon the any third party any right against Aqua Texas or Merenco.

8. **Headings.** The headings of any section or subsection of this MRA are for convenience only and shall not be used to interpret any provision of this MRA.
9. **Binding Agreement; Successors and Assigns.** This MRA is binding on and will inure to the benefit of the parties and their successors and permitted assigns.
10. **Notices.** Notices, demands and requests required or permitted to be given under this MRA (collectively Notices) must be in writing and must be delivered personally or by nationally-recognized courier or sent by United States certified mail, return receipt requested, postage prepaid. Notices must be addressed to the party at its address set forth below. A notice is effective when actually received or rejected. The initial addresses of the parties may be changed by appropriate notice:

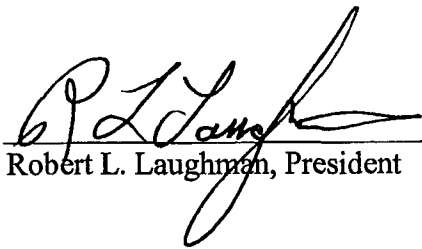
**To Merenco:**  
Joe Bullard, President  
Merenco Realty, Inc.  
520 Post Oak, Suite 457  
Houston, Texas 77027

**To Aqua Texas:**  
Robert L. Laughman, President  
Aqua Texas, Inc.  
1106 Clayton Lane, Suite 400W  
Austin, Texas 78723

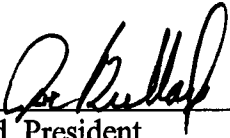
**IN WITNESS WHEREOF,** the parties have duly executed this MRA as of the day and year first above written above:

**Aqua Texas, Inc.,**  
A Texas corporation

By: \_\_\_\_\_

  
Robert L. Laughman, President

**Merenco Realty, Inc.,**  
A Texas corporation

By:  \_\_\_\_\_  
Joe Bullard, President

**ASSIGNMENT AND ASSUMPTION OF  
RIGHTS AND OBLIGATIONS UNDER REIMBURSEMENT AGREEMENT**

THE STATE OF TEXAS                   §  
  §           KNOW ALL MEN BY THESE PRESENTS:  
COUNTY OF HARRIS                   §

This Assignment and Assumption of Rights and Obligations under Reimbursement Agreement (the "Assignment") is executed effective as of the 23 day of December, 2014, by and between **MERENCO REALTY, INC.**, a Texas corporation (the "Assignor") and **615 WILLOW CREEK DEVELOPMENT, LTD.**, a Texas limited partnership (the "Assignee").

**RECITALS**

WHEREAS, Assignor and **AQUA TEXAS INC.**, a Texas corporation ("Aqua Texas"), entered into that certain Merenco HCID 17 Reimbursement Agreement dated as of October 22, 2014 (the "Agreement"); and

WHEREAS, Assignor and Assignee have entered into an agreement for the assignment, transfer and conveyance by Assignor, and assumption by Assignee, of Assignor's rights, titles, interests, obligations and benefits in, to, and under the Agreement, and all amendments, substitutions, or replacements of such Agreement;

NOW, THEREFORE, for good and valuable consideration paid to Assignor by Assignee, the receipt and adequacy of which are hereby acknowledged, Assignor and Assignee agree as follows:

1.     **Assignment.** Assignor hereby grants, sells, assigns and conveys to Assignee all of the Assignor's rights, titles and interests, obligations and benefits under the Agreement, and (ii) Assignee hereby assumes all of Assignor's rights, titles, interests, obligations and benefits under the Agreement.
2.     **Exception to Assignment and Assumption.** Reference is hereby made to that certain Agreement of Purchase and Sale – Unimproved Property by and between Assignor, as seller, and Nabors Corporate Services, Inc., as purchaser, as amended by that certain First Amendment date effective September 29, 2014, by that certain Second Amendment dated effective October 30, 2014, and by that certain Third Amendment dated as of December 1, 2014, (collectively, the "Nabors Contract") covering 158.62 acres of land, more or less, (the "Nabors Tract"). Reference is also made to paragraph 2 of Addendum (Paragraph 12) of that certain Commercial Contract – Unimproved Property by and between Assignor and Assignee, as amended (the "Willow Creek Contract"). True and correct copies of the Nabors Contract and the Willow Creek Contract. are in the possession of both Assignor and Assignee.

- a. As set forth of subparagraph 2a of the Addendum to the Willow Creek Contract, Assignor is responsible for certain work to be performed on the Nabors Tract, and the cost for that work, as set forth in said subparagraph 2a. Because the cost for that work is subject to reimbursement by the District, Assignor's rights, titles and interests, obligations and benefits under the Agreement for that work is hereby excepted from this Assignment.
  - b. Further, as set forth in subparagraph 2b of the Addendum to the Willow Creek Contract, Assignor is responsible for certain work to be performed, and the cost for that work, as set forth in said subparagraph 2b. Because the cost for that work is subject to reimbursement by the District, Assignor's rights, titles and interests, obligations and benefits under the Agreement for that work is hereby excepted from this Assignment.
3. **Aqua Consent to Assignment.** Assignor and Assignee acknowledge the requirement under Paragraph G.2 of the Agreement regarding the assignment of the rights and obligations under the Agreement to obtain the consent to such assignment by Aqua Texas. By the execution of this Agreement, Aqua Texas confirms its consent to this Assignment.
  - a. Nothing in this Assignment shall be construed to create any additional obligations on the part of Utility other than those obligations specifically set forth in the Agreement. The Parties hereto acknowledge and agree that the obligations of Utility are limited to those specifically set forth in the Agreement. It is further acknowledged and agreed that Utility may enforce obligations of Assignor under the Agreement against Assignee.
  - b. Assignor and Assignee, jointly, promise and agree to hold harmless and indemnify District from and against any and all losses, liabilities, damages, expenses, costs, and reasonable attorney's fees incurred by Utility pursuant to this Assignment or defending, protecting, enforcing, or prosecuting their interests herein. Payment of any such loss, liability, or expense so incurred shall be paid to Utility by Assignor and/or Assignee upon notice and demand.
4. **Assignor's Duties and Obligations Under Agreement.** All responsibilities, duties and obligations of Assignor in, to and under the Agreement are hereby assumed by Assignee.
5. **Representation and Warranty.** Assignor does hereby represent and warrant to Assignee that it has not assigned, pledged or otherwise conveyed any or all of the Assignor's rights, titles, interests, obligations and benefits under the Agreement to any other party.
6. **Successors and Assigns.** The terms, conditions and provisions of this Assignment shall inure to the benefit of Assignee, its successors and assigns.

7. **Governing Laws.** The terms, conditions and provisions of this Assignment shall be governed by and construed in accordance with the laws of the State of Texas.
8. **Counterparts and Facsimile Execution.** This Assignment may be executed in one or more duplicate original counterparts, all of which taken together shall constitute one agreement.

**EXECUTED** by Assignor and Assignee in multiple counterparts the date of the acknowledgment, to be effective as of the date first written above.

[SIGNATORY PAGE FOLLOWS]

“Assignor”

**MERENCO REALTY, INC.**  
A Texas corporation

By: \_\_\_\_\_  
Joe Bullard, President

“Assignee”

**615 WILLOW CREEK DEVELOPMENT, LTD.**  
A Texas limited partnership  
By: **615 WILLOW CREEK DEVELOPMENT GP, INC.**  
A Texas corporation, its General Partner

By: \_\_\_\_\_  
Joe Fogarty, President

**EXECUTED** by Aqua Texas to confirm its consent to this Assignment in multiple counterparts the date of the acknowledgment, to be effective as of the date first written above.

“Aqua Texas”

**AQUA TEXAS, INC.**  
A Texas corporation

By:  \_\_\_\_\_  
Robert L. Laughman, President



THE STATE OF TEXAS     §  
                                     §  
COUNTY OF HARRIS     §

This instrument was acknowledged before me this \_\_\_\_ day of December, 2014, by Joe Bullard, President of **MERENCO REALTY, INC.**, a Texas corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public  
State of Texas


THE STATE OF TEXAS     §  
                                     §  
COUNTY OF HARRIS     §

This instrument was acknowledged before me this \_\_\_\_ day of December, 2014, by Joe Fogarty, President of **615 WILLOW CREEK DEVELOPMENT GP, INC.**, a Texas corporation, on behalf of said corporation, as the General Partner of **615 WILLOW CREEK DEVELOPMENT, LTD.**, a Texas limited partnership, on behalf of said limited partnership.

\_\_\_\_\_  
Notary Public  
State of Texas

THE STATE OF TEXAS     §  
                                     §  
COUNTY OF HARRIS     §

This instrument was acknowledged before me this 29 day of December, 2014, by Robert L. Laughman, President of **AQUA TEXAS, INC.**, a Texas corporation, on behalf of said corporation.

  
\_\_\_\_\_  
Notary Public  
State of Texas



“Assignor”

**MERENCO REALTY, INC.**

A Texas corporation

By: \_\_\_\_\_

Joe Bullard, President

“Assignee”

**615 WILLOW CREEK DEVELOPMENT, LTD.**

A Texas limited partnership

By: **615 WILLOW CREEK DEVELOPMENT GP, INC.**

A Texas corporation, its General Partner

By: \_\_\_\_\_

Joe Fogarty, President

EXECUTED by Aqua Texas to confirm its consent to this Assignment in multiple counterparts the date of the acknowledgment, to be effective as of the date first written above.

“Aqua Texas”

**AQUA TEXAS, INC.**

A Texas corporation

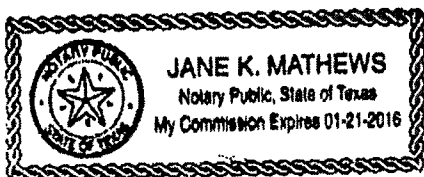
By: \_\_\_\_\_

Robert L. Laughman, President

THE STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me this 23 day of December, 2014, by Joe Bullard, President of **MERENCO REALTY, INC.**, a Texas corporation, on behalf of said corporation.

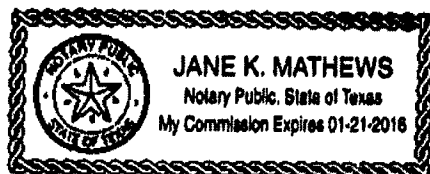


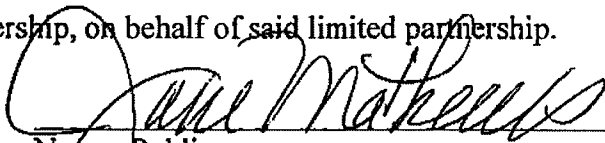
\_\_\_\_\_  
Notary Public  
State of Texas



THE STATE OF TEXAS     §  
                                     §  
COUNTY OF HARRIS     §

This instrument was acknowledged before me this 23 day of December, 2014, by Joe Fogarty, President of **615 WILLOW CREEK DEVELOPMENT GP, INC.**, a Texas corporation, on behalf of said corporation, as the General Partner of **615 WILLOW CREEK DEVELOPMENT, LTD.**, a Texas limited partnership, on behalf of said limited partnership.



  
Notary Public  
State of Texas

THE STATE OF TEXAS     §  
                                     §  
COUNTY OF HARRIS     §

This instrument was acknowledged before me this \_\_\_\_ day of December, 2014, by Robert L. Laughman, President of **AQUA TEXAS, INC.**, a Texas corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public  
State of Texas

# **Attachment**

# **6**

**Proposed CCN Area - Listing of Current Landowners  
As Reflected on February 26, 2015 HCAD Certificate**

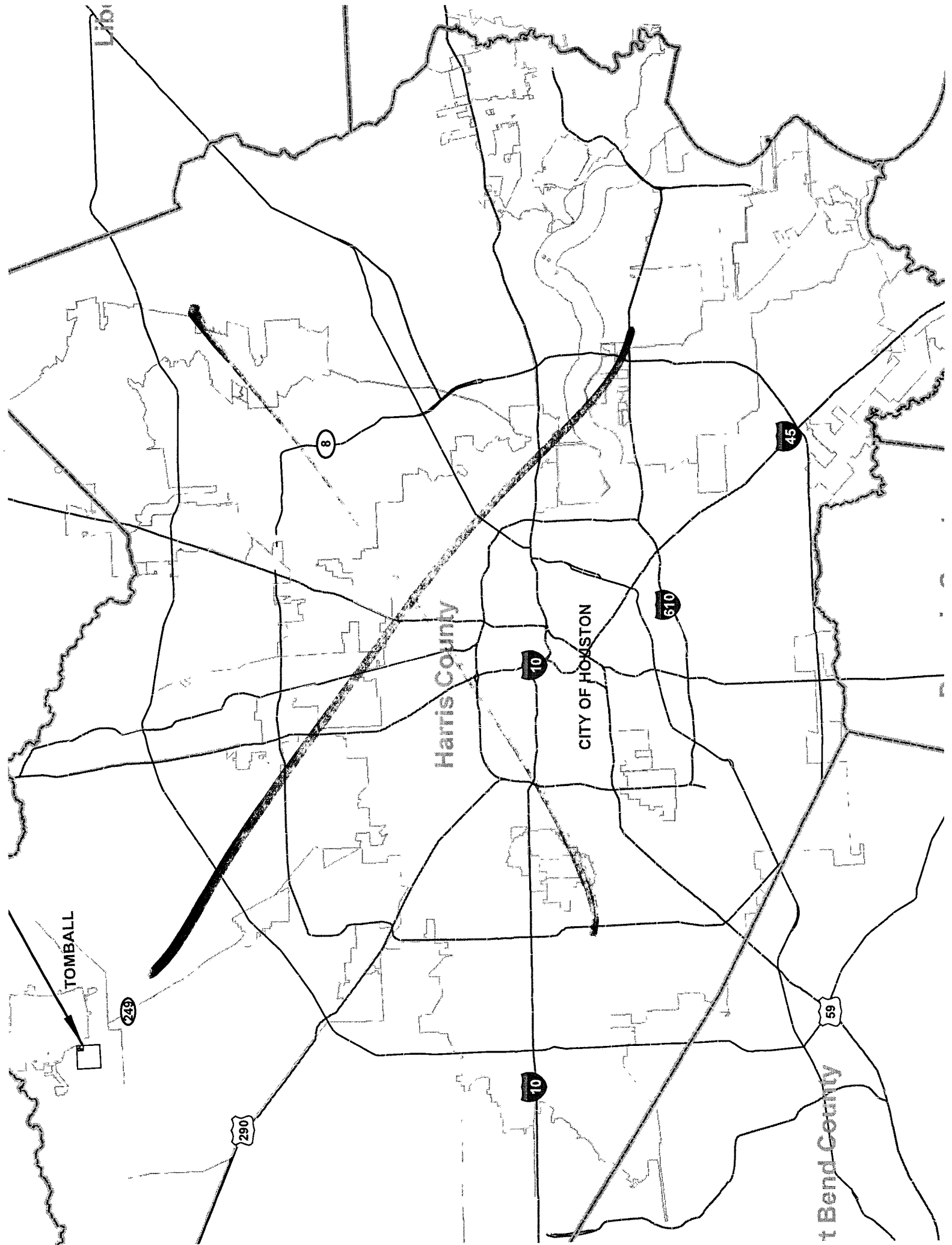
<b>County of Harris</b>	<b>137.95 acres</b>
<b>10555 Northwest Freeway, Ste 210</b>	
<b>Houston, Texas 77092</b>	
<b>Attention: Shannon Watson</b>	
<b>Account Numbers: 0421750000160</b>	
<b>0421750000159</b>	
<b>0421750000158</b>	
<b>0421750000157</b>	
<b>Merenco Realty, Inc.</b>	<b>404.491 acres</b>
<b>520 Post, Ste 457</b>	
<b>Houston, Texas 77027</b>	
<b>Attention: Joe Bullard</b>	
<b>Account Numbers: 0421750000001</b>	
<b>0421750000009</b>	
<b>0421750000161</b>	
<b>Tandem Energy Corporation</b>	<b>37.211 acres</b>
<b>2700 Post Oak Blvd., Suite 1000</b>	
<b>Houston, Texas 77056</b>	
<b>Account Numbers: 0421750000003</b>	
<b>0421750000004</b>	
<b>Lone Star College System</b>	<b>18.90 acres</b>
<b>5000 Research Forest Drive</b>	
<b>The Woodlands, Texas 77381</b>	
<b>Attention: Greg Nelson</b>	
<b>Account Numbers: 0421750000010</b>	
<b>Turner Coatings, LLC.</b>	<b>22.10 acres</b>
<b>8303-A Thora Road</b>	
<b>Spring, Texas 77379</b>	
<b>Attention: Chris Turner</b>	
<b>Account Numbers: 0421750000156</b>	
<b>Total Acreage:</b>	<b>620.652 acres</b>

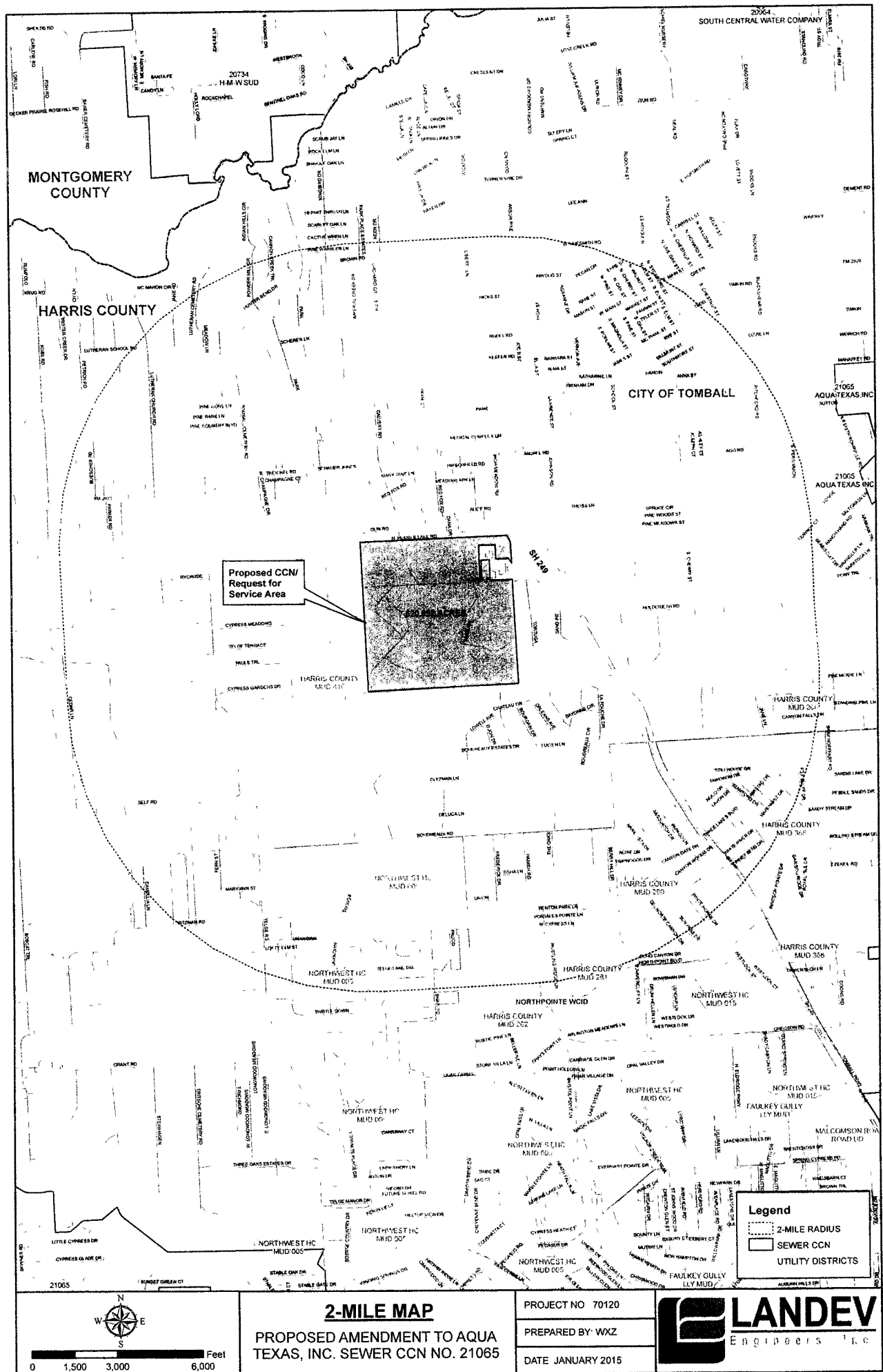
**Proposed CCN Area - Listing of Current Landowners  
As reflected by actual ownership as of March 10, 2015**

<b>Merenco Realty, Inc. 520 Post, Ste 457 Houston, Texas 77027 Attention: Joe Bullard</b>	<b>58.605 acres</b>
<b>Nabors Corporate Services, Inc. 515 West Greens Road, Ste 1200 Houston, Texas 77067 Attention: Orlando Romero</b>	<b>171.87 acres</b>
<b>Lone Star College System 5000 Research Forest Drive The Woodlands, Texas 77381 Attention: Greg Nelson</b>	<b>18.90 acres</b>
<b>County of Harris 10555 Northwest Freeway, Ste 210 Houston, Texas 77092 Attention: Shannon Watson</b>	<b>137.95 acres</b>
<b>Turner Coatings, LLC. 8303-A Thora Road Spring, Texas 77379 Attention: Chris Turner</b>	<b>22.10 acres</b>
<b>Willow Creek 615 Ltd. 340 N Sam Houston Pkwy East, Suite 140 Houston, Texas 77060 Attention: Joe Fogarty</b>	<b>211.227 acres</b>
<b>Total Acreage:</b>	<b>620.652 acres</b>

# **Attachment**

# **7**













COUNTY

CITY OF TOMBALL

Proposed CCN/  
Request for  
Service Area

620.652 ACRES

HARRIS COUNTY  
MUD 416

13203  
AQUATEXAS INC

MARY ANN ST

NORTHWEST HC  
MUD 005

NORTHWEST HC  
MUD 005

11612  
QUADVEST INC

13203  
AQUATEXAS INC

HARRIS COUNTY  
MUD 280

NORTHPOINTE WCID

HARRIS COUNTY  
MUD 282

NORTHWEST HC  
MUD 015

12938  
LINCOLN SQUARE WATER SYSTEM

NORTHWEST HC  
MUD 005

NORTHWEST HC  
MUD 005

NORTH  
ML

FAULKLEY GUL  
LLEY MUD

## **2-Mile Public Drinking Water Supply Systems or Sewer Systems**

Harris County Municipal Utility District 282

Harris County Municipal Utility District 281

Northwest Harris County Municipal Utility District 015

Harris County Municipal Utility District 416

Harris County Municipal Utility District 368

Northwest Harris County Municipal Utility District 005

Harris County Municipal Utility District 280

Quadvest LP

H-M-2 SUD

Johnston Water Utility, LLC

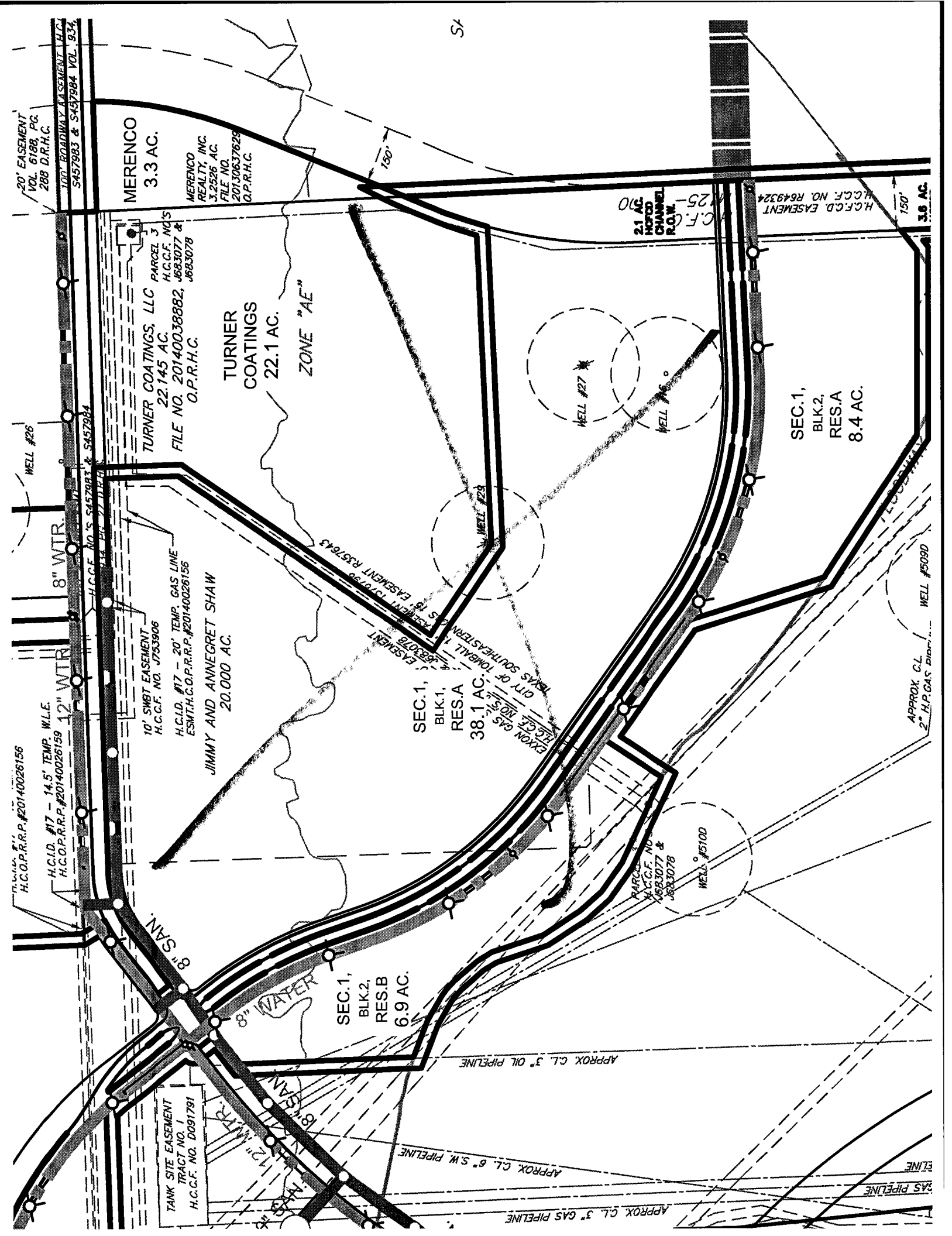
Northwest Water Systems, Inc

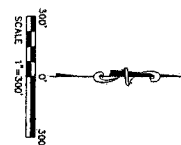
Cypress Gardens Homes

City of Tomball

# **Attachment**

# **11**





<del>XXXXXXXXXX</del>	<del>XXXXXXXXXXXX</del>	WATER LINE
<del>XXXXXXXXXX</del>	APR	FIRE HYDRANT
<del>XXXXXXXXXX</del>	SEWER	WATER VALVE
<del>XXXXXXXXXX</del>	JULY 2008	SANITARY SEWER LINE
<del>XXXXXXXXXX</del>		SANITARY SEWER MANHOLE
<del>XXXXXXXXXX</del>		STREET PARALLEL DOCK
<del>XXXXXXXXXX</del>		STREET PERPENDICULAR CURB

**ENGINEER**  
**OWNER**

**LANDEY**

1704 Seventh St.  
Suite 410  
Houston, TX 77002  
Office 713.669.2400  
Fax 713.669.2407  
TDD 800 No. 1-458-3871

**Merenco Realty, Inc**

LANDRY NUMBER:	DATE
70120	SEPT. 16, 2014





# **Attachment 10**

Thence, N 02°08'16" W, along the most Easterly line of said 7.7884 acre tract, a distance of 504.08 feet to a fence corner found for the most Northeasterly corner of said 7.7884 acre tract;

Thence, S 88°51'41" W, along the Northerly line of said 7.7884 acre tract, a distance of 574.65 feet to a fence corner found for the Northwesterly corner of said 7.7884 acre tract;

Thence, S 01°52'45" E, along the Westerly line of said 7.7884 acre tract, a distance of 1259.44 feet to a 5/8 inch iron rod with cap set for the most Southwesterly corner of said 7.7884 acre tract;

Thence, N 87°59'57" E, along the most Southerly line of said 7.7884 acre tract, a distance of 60.00 feet, to a 5/8 inch iron rod found for the most Southerly Southeast corner of said 7.7884 acre tract;

Thence, N 01°54'57" W, along an Easterly line of said 7.7884 acre tract, a distance of 740.30 feet to a 1/2 inch iron rod with cap found for an interior corner of said 7.7884 acre tract;

Thence, N 87°17'18" E, partially along a Southerly line of said 7.7884 acre tract, a distance of 294.17 feet to a 1/2 inch iron rod with cap found for the Northeasterly corner of said 5.0098 acre tract;

Thence, S 01°55'28" E, along the Easterly line of said 5.0098 acre tract, a distance of 743.95 feet to a 1/2 inch iron rod found in the most Southerly line of that certain called 28.68 acres of land described in deed and recorded in the Official Public Records of Real Property of Harris County, Texas, under County Clerk's File Number C139334, for the Southeasterly corner of said 5.0098 acre tract;

Thence, N 87°59'57" E, along the most Southerly line of said 28.68 acre tract and the Southerly line of said 9.26 acre tract, a distance of 777.34 feet to a point for corner, from which a found drill hole bears S 11°14'49" E, 0.33 feet;

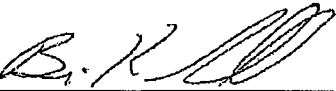
Thence, S 02°49'35" E, along the Westerly line of said remainder of 145.78 acre tract, the Westerly line of that certain called 150 foot wide Harris County Flood Control District fee strip (Parcel "B") as described in deed and recorded in the Official Public Records of Real Property of Harris County, Texas, under County Clerk's File Number L951535, the most Westerly line of that certain called 64.767 acre tract of land described in deed and recorded in the Official Public Records of Real Property of Harris County, Texas, under County Clerk's File Number Y495627, and the Westerly line of said 1.679 acre tract, a distance of 3700.07 feet to the POINT OF BEGINNING and containing 620.652 acres of land.

**BEARING ORIENTATION BASED ON THE DISTRICT BOUNDARY MAP FOR HARRIS COUNTY IMPROVEMENT DISTRICT NO. 17 DATED MAY 2014.**

This document was prepared in conjunction with the district boundary map for Harris County Improvement District No. 17, prepared by Hovis Surveying Co., Dated May 2014.

This document was prepared under 22 TAC 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 right and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.

HOVIS SURVEYING COMPANY, INC.  
TEXAS FIRM REGISTRATION NO. 10030400

By: 

Date: May 9, 2014  
Job No: 02-025-101  
File No: N02-025.101D



DESCRIPTION  
HARRIS COUNTY IMPROVEMENT  
DISTRICT NO. 17

620.652 acres of land situated in the Chauncey Goodrich Survey, Abstract Number 305, Harris County, Texas, being the remainder of that certain called 640 acres of land, that certain called 18.9062 acres of land, that certain called 20.000 acres of land, that certain called 2.145 acres of land (Tract 1), that certain called 20.000 acres of land (Tract 2) and that certain called 5.0098 acres of land as described in deed and recorded respectively in the Official Public Records of Real Property of Harris County, Texas, under, County Clerk's File Numbers 20130384778, 20140138412, 20140049212, 20140038882 and Z484126, said 620.652 acres of land being more particularly described by metes and bounds as follows:

BEGINNING at a 1 inch iron pipe found in the North line of that certain called Boudreaux Estates, Section One, an unrecorded subdivision, for the most Southerly corner of that certain called 1.679 acres of land described in deed and recorded in the Official Public Records of Real Property of Harris County, Texas, under County Clerk's File Number L951535;

Thence, S 87°11'31" W, along the Northerly line of said Boudreaux Estates, Section One, the Northerly line of that certain called 16.349 acres of land described in deed and recorded in the Official Public Records of Real Property of Harris County, Texas, under County Clerk's File Number F196319, and a Northerly line of that certain called 617.6016 acres of land, described in deed and recorded in the Official Public Records of Real Property of Harris County, Texas, under County Clerk's File Number 20100175659, a distance of 5278.75 feet to a 1 inch iron pipe found for an interior corner of said 617.6016 acre tract;

Thence, N 02°44'11" W, along an Easterly line of said 617.6016 acre tract, a distance of 5320.55 feet to a wooden fence post found for an exterior corner of said 617.6016 acre tract;

Thence, N 87°37'49" E, along the Southerly line of that certain called Calverts Subdivision, an unrecorded subdivision, the Southerly line of Calvert Road (60 foot right-of-way) the Southerly line of those certain called 1.0240 acre, 0.4213 of one acre and 0.885 of one acre tracts described in deed and recorded respectively in the Official Public Records of Real Property of Harris County, Texas, under County Clerk's File Numbers N106888, R474620 and N343714, and the Southerly line of that certain called Alice Acres, an unrecorded subdivision, a distance of 5160.79 feet to a 5/8 inch iron rod found in the Westerly line of State Highway Number 249, (350 foot right-of-way);

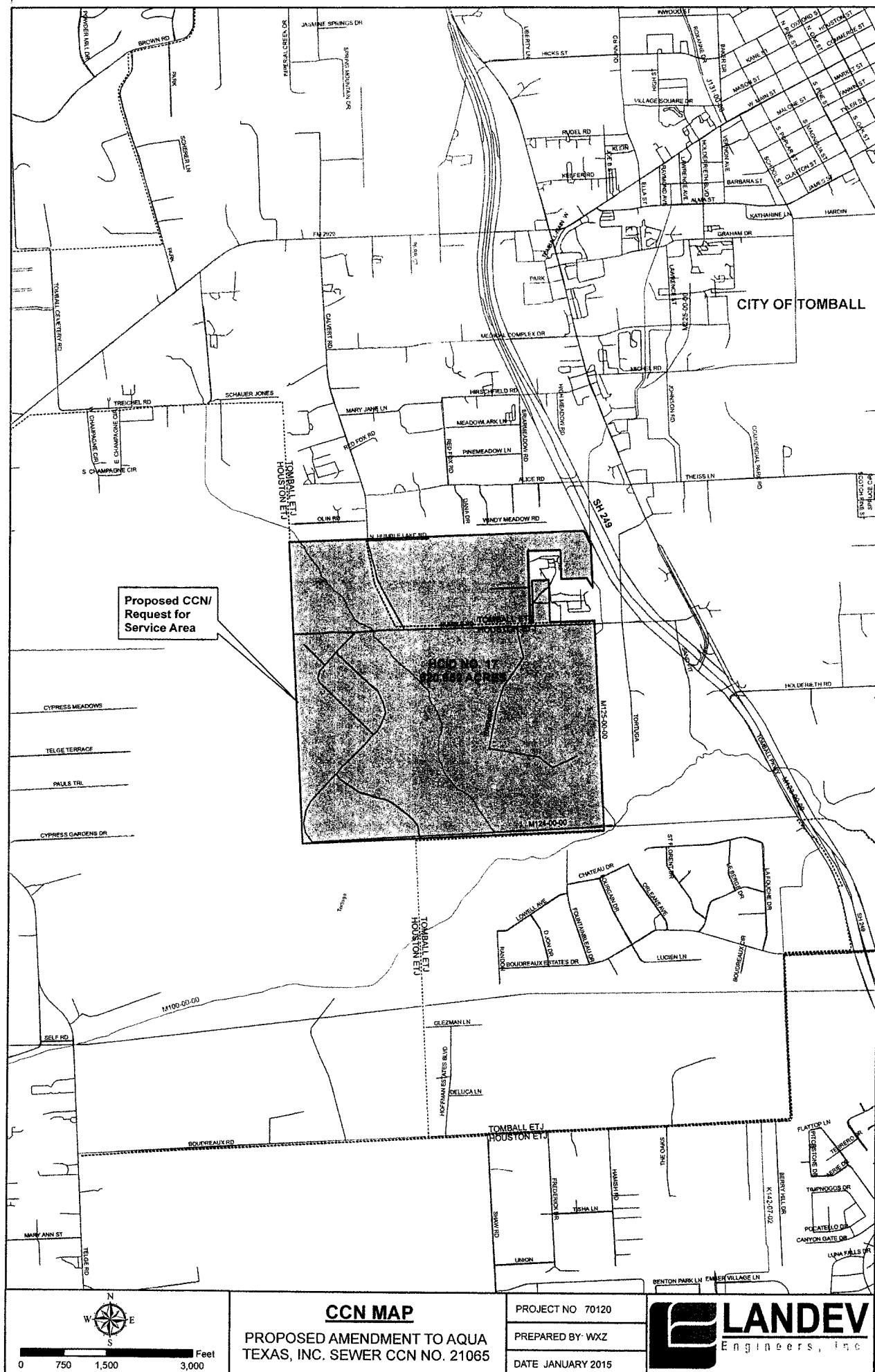
Thence, S 26°12'57" E, along the Southwesterly line of said State Highway 249, a distance of 276.44 feet to a 5/8 inch iron rod set at the intersection of said Westerly right-of-way line of State Highway 249 and the Westerly line of that certain called 160 foot wide Harris County Flood Control District fee strip (Parcel "D") as described in deed and recorded in the Official Public Records of Real Property of Harris County, Texas, under County Clerk's File Number L951535;

Thence, S 02°49'41" E, along the Westerly line of said Parcel "D" and the Westerly line of said Parcel "D" and the Westerly line of the remainder of that certain called 145.78 acres of land described in deed and recorded in the Official Public Records of Real Property of Harris County, Texas, under County Clerk's File Number F014298, a distance of 751.63 feet to the most Easterly Northeast corner of that certain called 9.26 acres of land described in deed and recorded under Volume 1063, Page 557 of the Deed Records of Harris County, Texas;

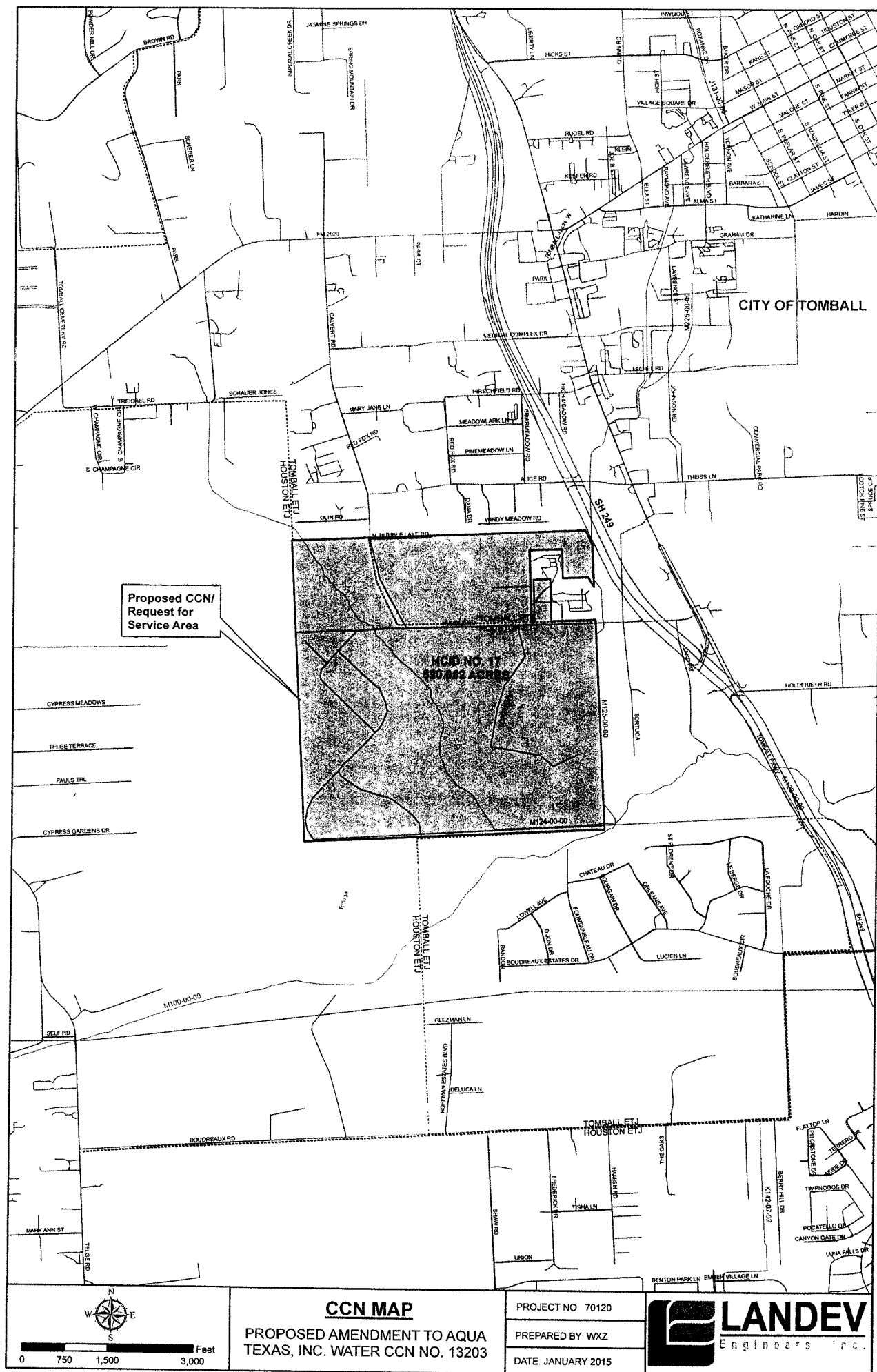
Thence, N 32°03'38" W, along the Northeasterly line of said 9.26 acre tract, a distance of 204.65 feet to a fence corner for the most Northerly Northeast corner of said 9.26 acre tract;

Thence, S 87°13'07" W, along the Northerly line of said 9.26 acre tract, a distance of 442.36 feet to a fence corner found for the Northwesterly corner of said 9.26 acre tract and the most Easterly Southeast corner of that certain called 7.7884 acres of land described in deed and recorded in the Official Public Records of Real Property of Harris County, Texas, under County Clerk's File Number U519393;

# Attachment 9



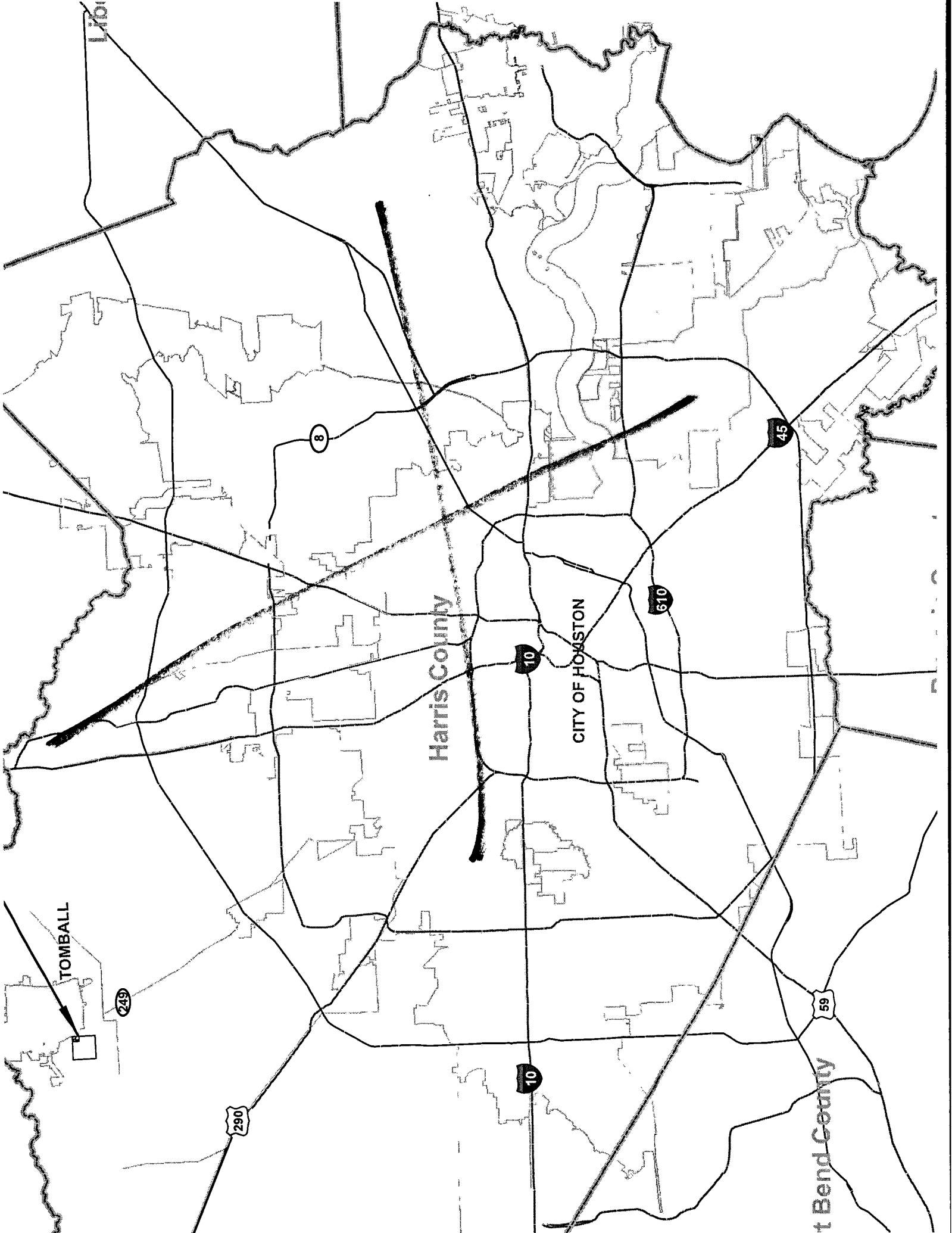


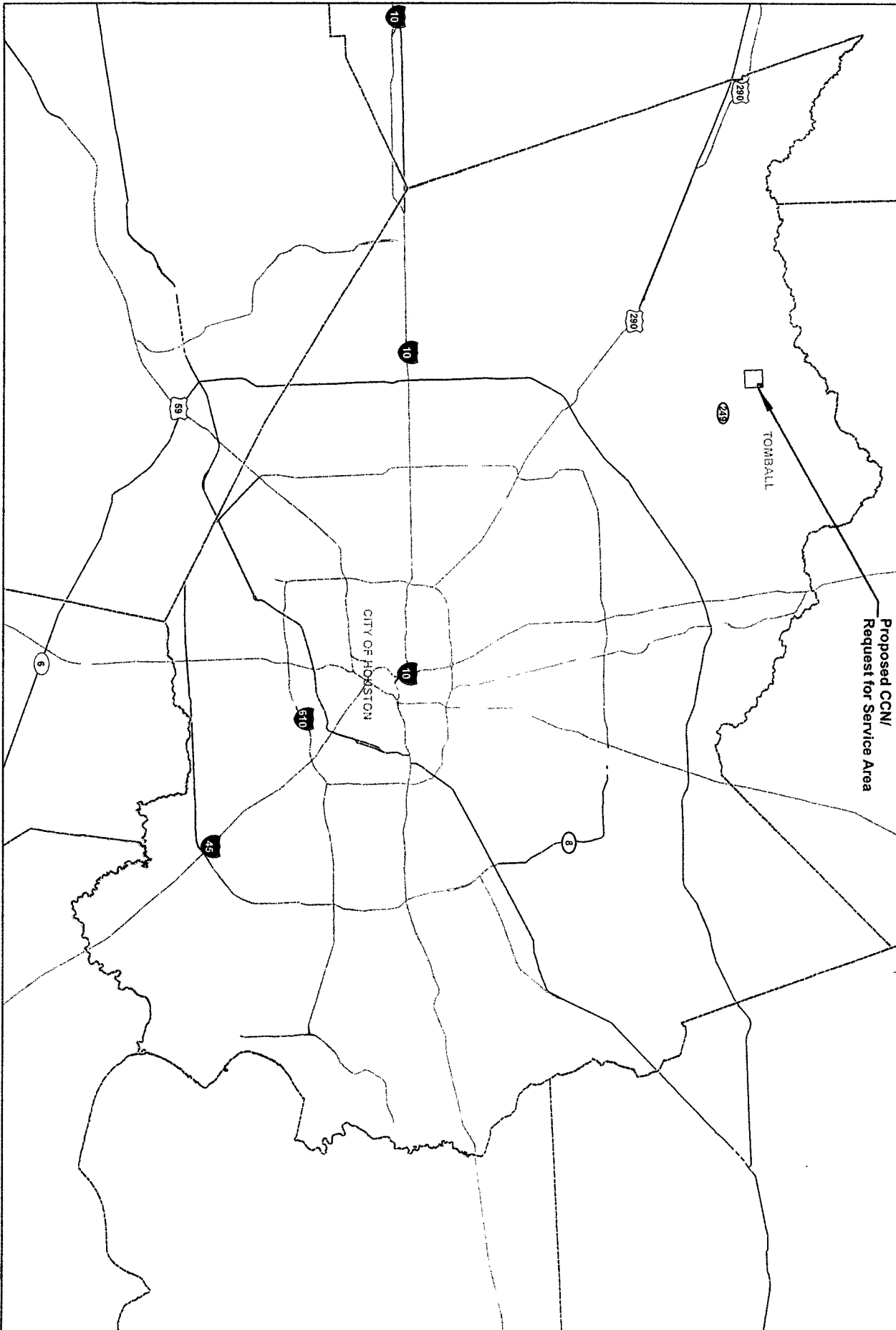






# **Attachment 8**





KEY MAP # 288T

0 2.5 5 10 Miles

### LOCATION MAP

PROPOSED AMENDMENT TO AQUA  
TEXAS, INC. SEWER CCN NO. 21065

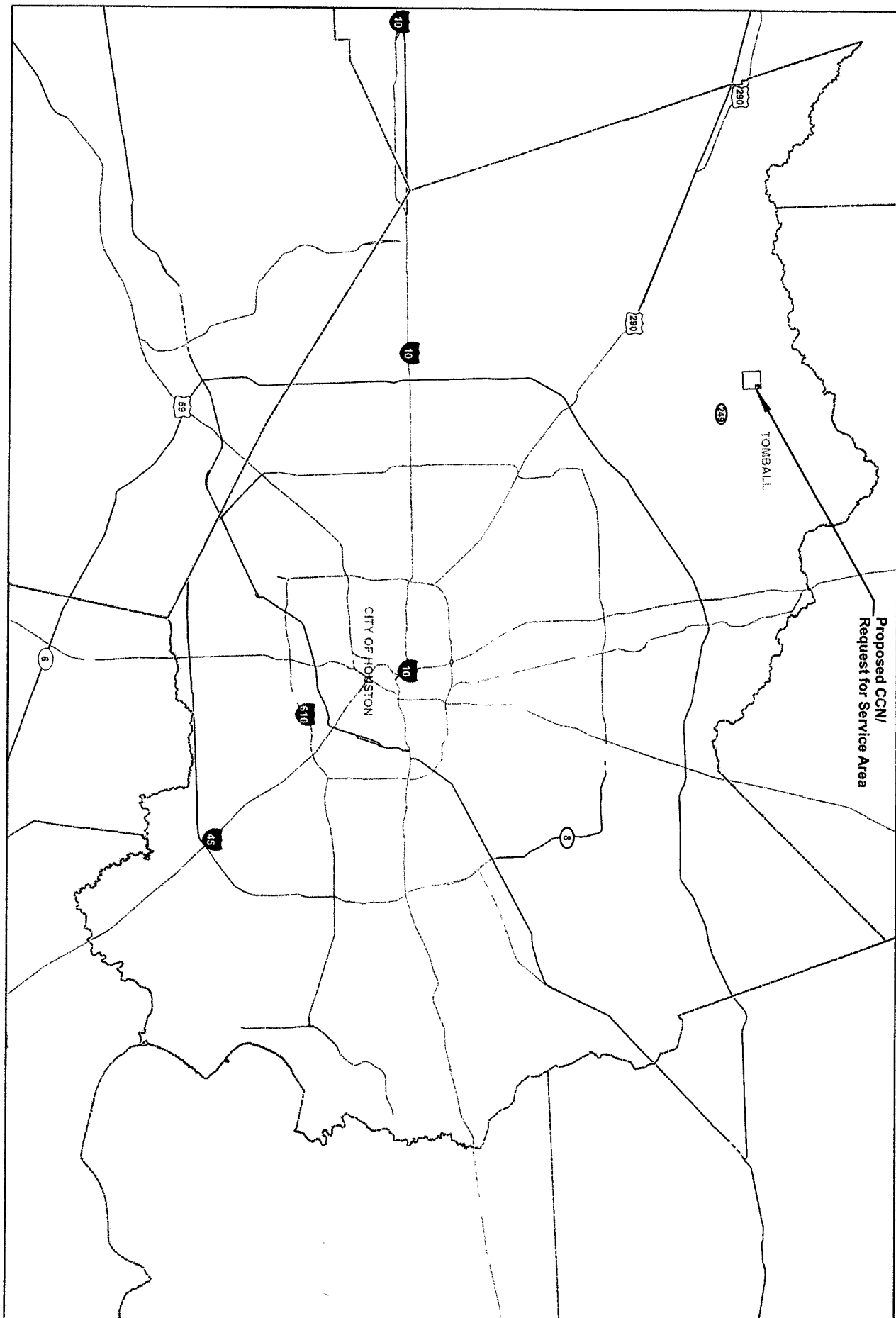
PROJECT NO 70120

PREPARED BY WXZ

DATE, JANUARY 2015







KEY MAP # 288T

0 2.5 5 10 Miles

### LOCATION MAP

PROPOSED AMENDMENT TO AQUA  
TEXAS, INC. WATER CCN NO. 13203

PROJECT NO. 70120

PREPARED BY WXZ

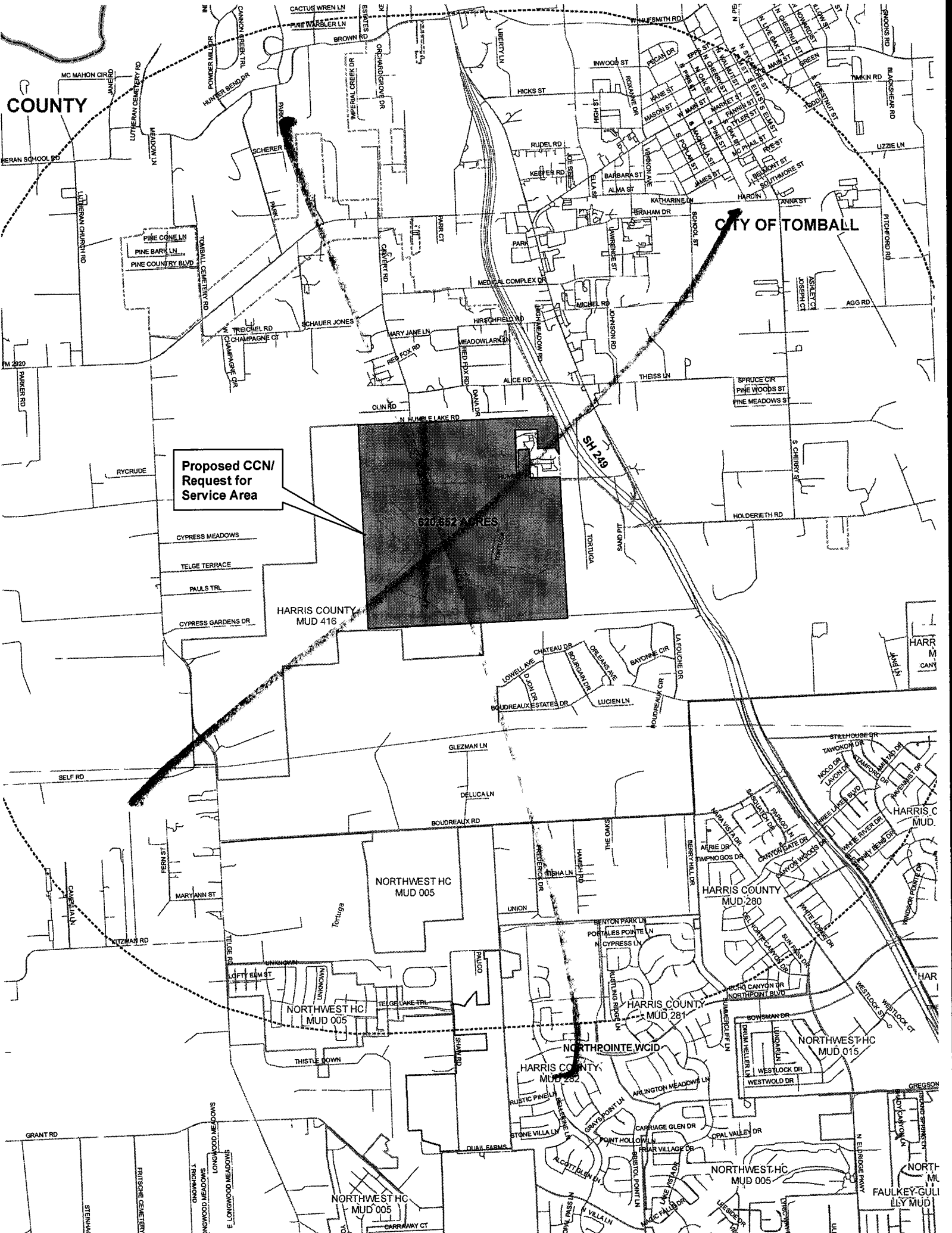
DATE, JANUARY 2015





# **Attachment 12**

COUNTY





615 WILLOW CREEK DEVELOPMENT, LTD.  
340 NORTH SAM HOUSTON PARKWAY EAST, SUITE 140  
HOUSTON, TEXAS 77060

February 2, 2015

*Via CM/RRR# 7108 1853 1570 0000 0347*  
Harris County Municipal Utility District 282  
c/o Abraham Rubinsky  
Schwartz, Page, & Harding, LLP  
1300 Post Oak Blvd, Ste 1400  
Houston, TX 77056-3078

*Re:* Service Availability Request

Dear Harris County Municipal Utility District ("HCMUD") 282:

I am contacting you on behalf of 615 Willow Creek Development, Ltd. ("Developer"). Developer is in the process of working with Harris County Improvement District No. 17 ("District") and Aqua Texas, Inc. ("Aqua Texas") to obtain approval from the Texas Commission on Environmental Quality ("TCEQ") and Public Utility Commission of Texas ("PUC") for a new stand-alone public water system, new stand-alone wastewater treatment plant/collection system, and amended Aqua Texas water and sewer certificates of convenience and necessity in Harris County, Texas. These facilities and CCNs are planned for use to provide service to property within the District that comprises the 620.652 acres shown in **Attachment A** (the "Property").

You were identified as a retail public utility with either a public drinking water supply system, sewer system, a water CCN, a sewer CCN, or a combination of same within a two-mile radius of the certificated water and sewer service areas and systems Developer plans to establish with Aqua Texas. PUC and TCEQ rules require that we contact neighboring retail public utilities as described to determine if an existing retail public utility is willing to provide retail water or sewer utility service to the Property in a manner that is competitive with what can be provided by the proposed new systems. Your service would need to be sufficient to meet the TCEQ/PUC minimum service standards plus local demands to the Property as described by this letter, thereby providing continuous and adequate service to the consuming public. Also, please be advised that the development Property is partially located within the extra-territorial jurisdiction ("ETJ") of the City of Houston and the statutory procedure for requesting its consent must be followed to establish CCNs for the Property.

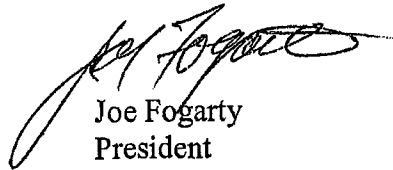
Within the next twelve months, Developer anticipates a need for water and sewer service to the Property sufficient to supply 200 living unit equivalents ("LUEs") (one LUE should be considered approximately 250 gallons per day). Within the next five years, at full build-out Developer anticipates a need for water and sewer service to the Property sufficient to supply 670 LUEs. Development within the Property is anticipated to be commercial, not residential.

In accordance with PUC/TCEQ requirements, Developer hereby requests retail water and sewer utility service from your retail public utility for development of the Property as described.

If you are ready, willing, and able to provide water or sewer utility service sufficient to serve the Property in the manner described for this development, please return a copy of this letter with the included questionnaire completed and indicating your proposal. You may fax your response to Dan Dodson at 281-260-9798 or email it to him at [dodson1331@gmail.com](mailto:dodson1331@gmail.com).

Your timely response to this inquiry is greatly appreciated. Please feel free to attach additional sheets or supporting documents as necessary to answer each question in the water and sewer service questionnaires. Please be advised that your response will be filed with the PUC, and, potentially, the TCEQ as required. If you do not respond within twenty days of the date of this letter, it will be presumed that you do not desire to or cannot provide retail water or sewer utility service to the Property in the manner needed. Your lack of response will also be reported to the PUC or TCEQ as required.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Fogarty", with a stylized flourish extending from the bottom left.

Joe Fogarty  
President

615 Willow Creek Development, Ltd.

Enclosures.