



Control Number: 45839



Item Number: 17

Addendum StartPage: 0

45839

AFTER RECORDING RETURN TO:

Hornberger Fuller & Garza Incorporated
Attn: Ty Hunter Sheehan
7373 Broadway, Suite 300
San Antonio, Texas 78209

RECEIVED

2015 SEP 27 AM 9:19

PUBLIC UTILITY COMMISSION
FILING CLERK

38356

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

SPECIAL WARRANTY DEED

THE STATE OF TEXAS §
 § KNOW ALL PERSONS BY THESE PRESENTS:
COUNTY OF BANDERA §

That SECURITY STATE BANK AND TRUST, Fredericksburg, Texas (herein referred to as "Grantor"), whose address in Texas is 607 N. Main Street, Boerne, Texas 78006, for and in consideration of the sum of ONE AND NO/100 DOLLAR (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which consideration are hereby acknowledged, has GRANTED, SOLD AND CONVEYED and by these presents does GRANT, SELL and CONVEY unto the BANDERA EAST UTILITY, LP, a Texas limited partnership (herein referred to as "Grantee"), whose address in Texas is 8 Spencer Rd., Boerne, Kendall County, Texas 78006, that certain real property situated in Bexar County, Texas, described as follows:

Lot 97, LATIGO RANCH SUBDIVISION, Unit 1, a subdivision situated in Bandera County, Texas, according to Plat thereof recorded in Volume 7, Pages 1-9, Plat Records of Bandera County, Texas, together with all structures and improvements located thereon and all rights and appurtenances thereto in anywise belonging to Grantor, including but not limited to, all interest, if any, of Grantor in all rights, titles and interests of Grantor, reversionary or otherwise, in and to all easements in or upon or benefitting such land and all other rights and appurtenances belonging or in anywise pertaining to such land or the buildings and other structures and improvements situated thereon (all of said property and interest being collectively referred to herein as the "Property");

All of (A) the underground water, percolating water, artesian water, and any other water from any and all depths and reservoirs, formations, depths and horizons beneath the surface of or otherwise relating to the Property, including the right to withdraw, beneficially use and/or remove such groundwater from such property (the "Groundwater"), (B) the real and personal property rights relating to the Groundwater, and all future rights thereto, (C) the appurtenances, permits, authorities, licenses, consents and contracts, if any, relating to or pertaining to the Groundwater, together with all modifications, amendments, renewals, extensions

or successor or substitute permits relating to such rights, and (D) the rights to beneficially use such Groundwater.

The Property is conveyed to Grantee SUBJECT TO those items of record identified on **EXHIBIT A** attached hereto hereof (hereinafter called the "Permitted Exceptions");

TO HAVE AND TO HOLD the Property, subject to the Permitted Exceptions, together with all and singular the rights and appurtenances thereto in anywise belonging, unto Grantee and Grantee's successors and assigns forever; and Grantor does hereby bind Grantor and Grantor's successors and assigns to WARRANT AND FOREVER DEFEND all and singular the Property subject to the matters herein set forth, unto Grantee, and Grantee's successors and assigns against every person whomsoever lawfully claiming, by and through Grantor but not otherwise, or to claim the same, or any part thereof.

Ad valorem taxes applicable to the Property have been paid up to and including the year 2015, and ad valorem taxes applicable to the Property for the year 2016 and each year thereafter are hereby assumed by Grantee. When the context requires, singular nouns and pronouns include the plural.

This instrument is executed on the date set forth on the acknowledgement set forth below, but is effective for all purposes as of the ____ day of August, 2016.

[Signature page follows]

[Counterpart signature page to Special Warranty Deed]

GRANTOR:

**SECURITY STATE BANK AND TRUST,
Fredericksburg, Texas**

By: 

Name: DAVID W SMITH

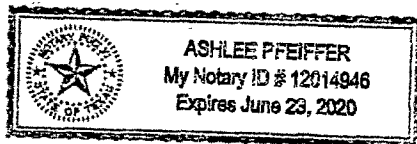
Title: SVP

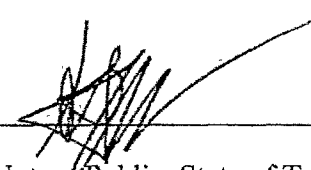
STATE OF TEXAS §

§

COUNTY OF Kendall §

The foregoing was acknowledged before me on the 30 day of August, 2016 by David W. Smith, as the SVP of the SECURITY STATE BANK AND TRUST, Fredericksburg, Texas.




Notary Public, State of Texas

Schedule of Exhibits:
Exhibit A – The Permitted Exceptions

EXHIBIT "A"

- a. Volume 788, Page 385, Official Public Records of Bandera County, Texas.
- b. Rules, regulations and orders governing flood boundary management, subdivisions and waste disposal as passed by the Commissioner's Court of Bandera County, Texas and the Texas Water Quality Board.
- c. Bandera County River Authority and Groundwater District (formerly Springhills Water Management District) rules, regulations and statutory authority.
- d. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the title that would be disclosed by an accurate and complete land survey of the land.
- e. Easements, roadways, dedications and reservations as shown on that certain Plat of Latigo Ranch Subdivision, Unit 1, recorded in Volume 7, Pages 1-9 of the Plat Records of Bandera County, Texas.
- f. Right of way Easement to Bandera Electric Cooperative, Inc. from H.C. Meyer, et ux in instrument dated June 29, 1965, and recorded in Volume 125, Page 785, of the Deed Records of Bandera County, Texas.
- g. Right of way Easement to Bandera Electric Cooperative, Inc. from John Canavan, et al in instrument dated September 17, 1973, and recorded in Volume 157, Pages 87-88, of the Deed Records of Bandera County, Texas.
- h. Interest in and to coal, lignite, oil, gas and other minerals, and all rights incident thereto, contained in instrument dated February 1, 1968, recorded on February 2, 1968, In Volume 129, Pages 578-582 of the Official Public Records of Bandera County, Texas.
- i. Coal, lignite, oil, gas or other mineral interest(s), together with rights Incident thereto, contained in instrument dated February 3, 1962, recorded on February 28, 1962, in Volume 111, Pages 481-482 of the Deed Records of Bandera County, Texas.
- j. Assessments, charges and liens as set forth in document recorded in Volume 788, Page 385, of the Official Public Records of Bandera County, Texas.
- k. CCN Holders Affidavit for County Map Filing Pursuant to Texas Water Code 13.257, dated December 6, 2011, executed by Bob Rush of Security State Bank and Trust, of record in Volume 918, Page 875, Official Public Records of Bandera County, Texas.
- l. Subject to: The Entire Water System pertaining to said subdivision including equipment, pumps, pipelines, water casements, as well as CCN #13125 and PWS 010096.
- m. Terms and conditions of Easement Agreement for Access executed by TXKADA, Ltd. to Security State Bank & Trust, filed for record in Volume 941, Page 396, Official Public Records of Bandera County, Texas.
- n. Sanitary Control Easement to the Public dated October 22, 2007, executed by 567 Latigo Ranch, L.P. filed for record in Volume 800, Page 560, Official Public Records of Bandera County, Texas.

WAIVER OF INSPECTION AND DISCLOSURE TO OWNER

TO: Kendall County Abstract Company
103 N. Saunders Street
Boerne, Texas 78006

RE: Security State Bank and Trust, Fredericksburg, Texas TO
Bandera East Utility, LP ("Insured or You")

GF (File) Number: 38356

LAND: **Being Lot 97, LATIGO RANCH SUBDIVISION, Unit 1, a subdivision situated in Bandera County, Texas, according to plat thereof recorded in Volume 7, Pages 1-9, Plat Records of Bandera County, Texas.**

1. Waiver of Inspection.

You may refuse to accept an Exception to "Rights of Parties in Possession." "Rights of Parties in Possession" means one or more persons who are themselves actually physically occupying the land or a portion thereof under a claim of right adverse to the record owner of the land as shown in Schedule A of the Policy. The Company may require an inspection and additional charge for reasonable and actual costs to inspect. The Company may make additional Exceptions for matters the inspection reveals. If you do not delete this paragraph, you waive inspection of the land and you accept the Exception in your policy.

YOU MAY REFUSE TO ACCEPT THIS EXCEPTION BY MARKING OUT THIS PARAGRAPH 1.

2. Receipt of Commitment.

You acknowledge having received and reviewed a copy of the Title Commitment issued in connection with this transaction. You understand that your Owner Policy will contain the Exceptions set forth in Schedule B of the Commitment, and any additional Exceptions to title resulting from the documents involved in this transaction, and any additional Exceptions reflected by an exhibit attached hereto.

3. Survey.

You may request amendment of the "Area and Boundary Exception" to read "Shortages in Area." The Area and Boundary Exception is as follows: "Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments, or protrusions, or any overlapping of improvements." You must furnish a current survey. The survey must be acceptable to the Company. You also must pay an additional premium equal to 15% of the basic premium charge. The Company may make additional exceptions for items shown on the survey.

YOU MAY REQUIRE AMENDMENT OF THE AREA AND BOUNDARY EXCEPTION BY MARKING OUT THIS PARAGRAPH 3 AND BY COMPLYING WITH ITS PROVISIONS BEFORE COMPLETION OF THIS CLOSING.

4. Arbitration.

You may require deletion of the arbitration provision of the Owner Policy. If you do not delete this provision, either you or the Company may require arbitration, if the law allows. There is no charge to delete this provision.
(NOT APPLICABLE TO THE TEXAS RESIDENTIAL OWNER POLICY)

YOU MAY REQUIRE DELETION OF THE ARBITRATION PROVISION BY MARKING OUT THIS PARAGRAPH 4.

5. Acknowledgment.

You acknowledge you are not relying upon any representation, statement or other assertion about the property condition or parties in possession, but are relying upon your inspection of the property. You take the property under the express understanding that the title insurance agent and title insurance company have made no express or implied warranties. You understand the title insurance agent and title insurance company have determined the insurability of title solely for their own benefit.

6. Notice.

You may wish to consult an attorney to discuss matters shown in Schedule B or C of the Commitment. These matters will affect your title and use of your land. Your Title Insurance Policy will be a legal contract between you and the Company. The Commitment and Policy are not abstracts of title, title reports or representations of title. They are contracts of indemnity. We do not represent that your intended use of the property is allowed under the law or under the restrictions or exceptions to title on your land.

DATE: 8/30/16

Bandera East Utility, LP
By: Bandera East Utility Management, LLC
Its: General Partner



John Mark Matkin, Manager

AFTER RECORDING RETURN TO:
Hornberger Fuller & Garza Incorporated
Attn: Ty Hunter Sheehan
7373 Broadway, Suite 300
San Antonio, Texas 78209

38354

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WATER RIGHTS DEED WITHOUT WARRANTY

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

That SECURITY STATE BANK AND TRUST, Fredericksburg, Texas (herein referred to as "Grantor"), whose address in Texas is 607 N. Main Street, Boerne, Texas 78006, for and in consideration of the sum of ONE AND NO/100 DOLLAR (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which consideration are hereby acknowledged, has GRANTED, SOLD AND CONVEYED and by these presents does GRANT, SELL and CONVEY unto the BANDERA EAST UTILITY, LP, a Texas limited partnership (herein referred to as "Grantee"), whose address in Texas is 8 Spencer Rd., Boerne, Kendall County, Texas 78006, the following described water rights related to, in, under and which may be produced from that real property described on **EXHIBIT A** attached hereto, which rights shall hereinafter be referred to as the "Water Rights":

All of (A) the underground water, percolating water, artesian water, and any other water from any and all depths and reservoirs, formations, depths and horizons beneath the surface of or otherwise relating to the real property described on **EXHIBIT A** attached hereto, including the right to withdraw, beneficially use and/or remove such groundwater from such property (the "Groundwater"), (B) the real and personal property rights relating to the Groundwater, and all future rights thereto, (C) the appurtenances, permits, authorities, licenses, consents and contracts, if any, relating to or pertaining to the Groundwater, together with all modifications, amendments, renewals, extensions or successor or substitute permits relating to such rights, and (D) the rights to beneficially use such Groundwater.

Subject, however, to all exceptions to title and other matters of record as of the date hereof (the "Permitted Exceptions").

TO HAVE AND TO HOLD the above-described Water Rights, subject to the Permitted Exceptions, together with all and singular the rights and appurtenances thereto in any wise belonging to Grantor, unto the said Grantee, its successors and assigns forever, without express

or implied warranty. All warranties that might arise by common law as well as the warranties in section 5.023 of the Texas Property Code (or its successor) are excluded.

THE WATER RIGHTS ARE HEREBY SOLD, TRANSFERRED AND ASSIGNED TO GRANTEE "AS IS" WITH ANY AND ALL LATENT AND PATENT DEFECTS AND THERE IS NO WARRANTY BY GRANTOR THAT THE WATER RIGHTS ARE FIT FOR A PARTICULAR PURPOSE. GRANTEE ACKNOWLEDGES THAT IT IS NOT RELYING UPON ANY REPRESENTATION, STATEMENT OR OTHER ASSERTION WITH RESPECT TO THE WATER RIGHTS FROM GRANTOR. GRANTEE TAKES THE WATER RIGHTS UNDER THE EXPRESS UNDERSTANDING THERE ARE NO EXPRESS OR IMPLIED WARRANTIES (EXCEPT FOR LIMITED WARRANTIES OF TITLE SET FORTH HEREIN).

EXECUTED effective the 30 day of August, 2016.

GRANTOR:

SECURITY STATE BANK AND TRUST,
Fredericksburg, Texas,

By: 

Name: DAVID W SMITH

Title: SVP

STATE OF TEXAS

§

COUNTY OF Kendall

§

§

The foregoing was acknowledged before me on the 30 day of August, 2016 by David W. Smith, as the SVP of the SECURITY STATE BANK AND TRUST, Fredericksburg, Texas.


Notary Public, State of Texas

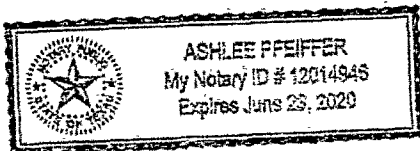


EXHIBIT A

The Property

That certain 572.6214 acres described in that certain Declaration of Covenants, Conditions and Restrictions of Latigo Ranch Subdivision, recorded at Volume 788, Page 385, of the real property records of Bandera County, Texas.

**ACTION BY WRITTEN CONSENT OF
THE EXECUTIVE MANAGER, MANAGERS AND MEMBERS OF
BANDERA EAST UTILITY MANAGEMENT, LLC**

The undersigned, being the Executive Manager and all of the managers and members of BANDERA EAST UTILITY MANAGEMENT, LLC, a Texas limited liability company (the "Company"), hereby take the following action with the same force and effect as if the undersigned had been present at a meeting of the members of the Company and had voted for the same:

NOW THEREFORE, BE IT HEREBY RESOLVED THAT:

A. The Company is the sole general partner of Bandera East Utility, LP, a Texas limited partnership (the "Partnership");

B. The Executive Manager of the Company, John-Mark Matkin, being the authorized agent of the Company for the purpose of these resolutions and the actions authorized herein (the "Authorized Agent"), on behalf of the Company acting as general partner of the Partnership, is hereby authorized and directed to execute and deliver all documents and take such further action as is necessary or required to enable the Partnership to fulfill its obligations under the terms of that certain COMMERCIAL CONTRACT – IMPROVED PROPERTY, by and between Security State Bank and Trust of Fredericksburg, Texas, as the seller, and Partnership, as the buyer, dated effective February 23, 2016 (the "Contract"), whereby the Partnership will purchase from seller the real property and water system identified therein (the "Property"), and furthermore all related addendum, exhibits, documents and instruments contemplated by the Contract

C. The following persons constitute all of the members and managers of the Company as of the date hereof, and there are no other members, persons elected as officers or personal acting as managers of the Company:

John-Mark Matkin – Member, Manager, Executive Manager
Duperior GSC Trust – Member
Harold D. duPerior, III. - Manager

D. The Executive Manager, on behalf of the Company acting as Authorized Agent of the general partner of the Partnership, is hereby authorized, directed and empowered now and from time to time hereafter to make, execute and deliver for and on behalf of and in the name of the Partnership or the Company, each of the documents, instruments and agreements as they may in their sole discretion deem advisable, necessary, expedient, convenient or proper in connection with performing any and all obligations related to consummating forgoing transaction and in connection with these resolutions;

D. That all acts of the Executive Manager in his capacity as the Authorized Agent of the general partner of the Partnership, authorized and directed herein are reasonably expected to benefit, directly or indirectly, the Partnership and the Company; and

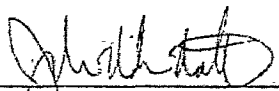
E. That this consent hereby ratifies, approves and confirms any and all acts and things that any and each member or officer of the Company or the Authorized Agent has done or may do in any way relating to or arising from or in connection with these resolutions.

IN WITNESS WHEREOF, the undersigned have executed this Action by Written Consent to be effective the 24th day of August, 2016

[SIGNATURE PAGES FOLLOW]

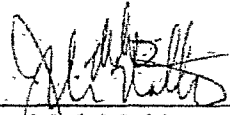
[Counterpart Signature Page 1 to Action by Written Consent of the Members and Managers of
BANDERA EAST UTILITY MANAGEMENT, LLC]

MEMBER:



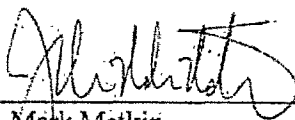
John-Mark Matkin

MANAGER



John-Mark Matkin

EXECUTIVE MANAGER:

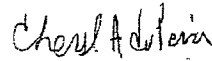


John-Mark Matkin


[Counterpart Signature Page 2 to Action by Written Consent of the Members and Managers of
BANDERA EAST UTILITY MANAGEMENT, LLC]

MEMBER:

DUPERIOR GST TRUST


8/25/2016
Cheryl A. duPerier, Trustee

MANAGER


8/25/2016
Harold D. duPerier, III.

A. Settlement Statement

U.S. Department of Housing
and Urban Development

OMB No. 2502-0265

B. Type of Loan

1. ☐ FHA 2. ☐ FmHA 3. ☐ Conv Unins 4. ☐ VA 5. ☐ Conv Ins 6. ☐ Seller Finance 6. File Number 38356 7. Loan Number 8. Mortgage Ins Case Number

C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. Name & Address of Borrower
Bandera East Utility, LP
8 Spencer Rd., Ste 200
Boerne, TX 78006

E. Name & Address of Seller
Security State Bank and Trust,
Fredericksburg, Texas
P. O. Box 1647
Boerne, TX 78006

F. Name & Address of Lender

G. Property Location

LATIGO RANCH, Lot 97, BANDERA County
Blevins Pass
Pipe Creek, TX 78063

H. Settlement Agent Name
Kendall County Abstract Company
103 N. Saunders
Boerne, TX 78006 Tax ID: 01-0746214
Underwritten By: Alamo

I. Settlement Date
8/30/2016
Fund:

J. Summary of Borrower's Transaction

100. Gross Amount Due from Borrower

101. Contract Sales Price \$80,000.00
102. Personal Property
103. Settlement Charges to borrower \$282.00
104.
105.

Adjustments for items paid by seller in advance

106. Annual assessments
107. County property Taxes
108. City property taxes
109. Mud Taxes
110. Other Taxes
111. School property taxes
112.
113. HOA Dues 8/30/16 to 12/31/16 \$102.09
114.
115.
116.

120. Gross Amount Due From Borrower \$80,384.09

200. Amounts Paid By Or in Behalf Of Borrower

201. Deposit or earnest money \$1,000.00
202. Principal amount of new loan(s)
203. Existing loan(s) taken subject to
204. Commitment fee
205.
206.
207.
208.
209.

Adjustments for items unpaid by seller

210. Annual assessments
211. County property Taxes 01/01/16 to 08/30/16 \$1,038.15
212. City property taxes
213. Mud Taxes
214. Other Taxes
215. School property taxes 01/01/16 to 08/30/16 \$1,706.81
216.
217.
218.
219.

220. Total Paid By/For Borrower \$3,744.96

300. Cash At Settlement From/To Borrower

301. Gross Amount due from borrower (line 120) \$80,384.09
302. Less amounts paid by/for borrower (line 220) \$3,744.96
303. Cash From Borrower \$76,639.13

K. Summary of Seller's Transaction

400. Gross Amount Due to Seller

401. Contract Sales Price \$80,000.00
402. Personal Property
403.
404.
405.

Adjustments for items paid by seller in advance

406. Annual assessments
407. County property Taxes
408. City property taxes
409. Mud Taxes
410. Other Taxes
411. School property taxes
412.
413. HOA Dues 8/30/16 to 12/31/16 \$102.09
414.
415.
416.

420. Gross Amount Due to Seller \$80,102.09

500. Reductions in Amount Due to Seller

501. Excess Deposit
502. Settlement Charges to Seller (line 1400) \$832.00
503. Existing Loan(s) Taken Subject to
504. Payoff of First Mortgage Loan
505. Payoff of Second Mortgage Loan
506.
507.
508. Payoff of First Mortgage Loan
509. Payoff of Second Mortgage Loan

Adjustments for items unpaid by seller

510. Annual assessments
511. County property Taxes 01/01/16 to 08/30/16 \$1,038.15
512. City property taxes
513. Mud Taxes
514. Other Taxes
515. School property taxes 01/01/16 to 08/30/16 \$1,706.81
516.
517.
518.
519.

520. Total Reduction Amount Due Seller \$3,576.96

600. Cash At Settlement To/From Seller

601. Gross Amount due to seller (line 420) \$80,102.09
602. Less reductions in amt. due seller (line 520) \$3,576.96
603. Cash To Seller \$76,525.13

Section 5 of the Real Estate Settlement Procedures Act (RESPA) requires the following: • HUD must develop a Special Information Booklet to help persons borrowing money to finance the purchase of residential real estate to better understand the nature and costs of real estate settlement services, • Each lender must provide the booklet to all applicants from whom it receives or for whom it prepares a written application to borrow money to finance the purchase of residential real estate; • Lenders must prepare and distribute with the Booklet a Good Faith Estimate of the settlement costs that the borrower is likely to incur in connection with the settlement. These disclosures are mandatory.


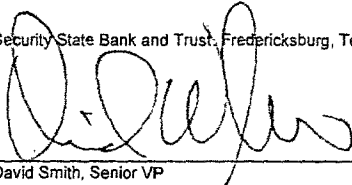
Section 4(a) of RESPA mandates that HUD develop and prescribe this standard form to be used at the time of loan settlement to provide full disclosure of all charges imposed upon the borrower and seller. These are third party disclosures that are designed to provide the borrower with pertinent information during the settlement process in order to be a better shopper. The Public Reporting Burden for this collection of information is estimated to average one hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. The information requested does not lend itself to confidentiality.

L. Settlement Charges				Paid From	Paid From
700. Total Sales/Broker's Commission based on price \$80,000.00 @ % = \$0.00				Borrower's	Seller's
Division of Commission (line 700) as follows:				Funds at	Funds at
701. to				Settlement	Settlement
702. to					
703. Commission Paid at Settlement				\$0.00	\$0.00
704. Commission Paid at Settlement to					
705. Commission Paid at Settlement to					
706. estate commission amount shown above to					
800. Items Payable in Connection with Loan					
801. Loan Origination Fee % to					
802. Loan Discount % to					
803. Appraisal Fee to					
804. Credit Report to					
805. Lender's Inspection Fee to					
806. Tax Service Fee to					
807. Underwriting Fee to					
808. Flood Certification Fee to					
809. Processing Fee to					
810. Courier Fee to					
811. Assignment Fee to					
900. Items Required by Lender To Be Paid in Advance					
901. Interest from 8/30/2016 to 9/1/2016 @ \$0/day					
902. Mortgage Insurance Premium for months to					
903. Hazard Insurance Premium for years to					
1000. Reserves Deposited With Lender					
1001. Hazard insurance months @ per month					
1002. Mortgage insurance months @ per month					
1003. City property taxes months @ per month					
1004. City property taxes months @ per month					
1005. County property Taxes months @ per month					
1006. Mud Taxes months @ per month					
1007. Other Taxes months @ per month					
1008. School property taxes months @ per month					
1011. Aggregate Adjustment					
1100. Title Charges					
1101. Settlement or closing fee to					
1102. Abstract or title search to					
1103. Title examination to					
1104. Title insurance binder to					
1105. Document preparation to					
1106. Notary fees to					
1107. Attorney's fees to Hornberger Sheehan Fuller & Beiter, Inc.					
(includes above items numbers:)					
1108. Title insurance to Western Title of Bandera, Inc.					\$734.00
(includes above items numbers:)					
1109. Lender's coverage \$0.00/\$0.00					
1110. Owner's coverage \$80,000.00/\$734.00					
1111. Escrow fee to Kendall County Abstract Company				\$75.00	\$75.00
1112. to					
1113. Restrictions/Copywork Fee to Western Title of Bandera, Inc.				\$15.00	
1114. Overnight Fee to Kendall County Abstract Company				\$8.00	
1115. Texas State Guaranty Fee to Western Title of Bandera Guaranty Account				\$3.00	\$3.00
1116. \$110.1 of Title Premium to Alamo Title Insurance					
1117. \$249.56 of Title Premium to Kendall County Abstract Company					
1118. \$374.34 of Title Premium to Western Title of Bandera, Inc.					
1200. Government Recording and Transfer Charges					
1201. Recording fees Deed \$38.00, Mortgage, Rel to Western Title of Bandera, Inc.				\$38.00	
1202. City/county tax/stamps Deed ; Mortgage to					
1203. State tax/stamps Deed, Mortgage to					
1204. Tax certificates to Western Title of Bandera, Inc.					\$20.00
1205. Assig of Easements/Water Rights Deed to Western Title of Bandera, Inc.				\$68.00	
1300. Additional Settlement Charges					
1301. Survey to					
1302. Pest Inspection to					
1303. HOA Transfer Fee to Latigo Ranch Property Owners Association				\$75.00	
1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)				\$282.00	\$832.00

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a completed copy of pages 1, 2 and 3 of this HUD-1 Settlement Statement.

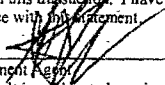
Bandera East Utility, LP
By: Bandera East Utility Management, LLC
Its General Partner

Security State Bank and Trust, Fredericksburg, Texas


John-Mark Matkin, Manager
David Smith, Senior VP

SETTLEMENT AGENT CERTIFICATION

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused the funds to be disbursed in accordance with this statement.


Settlement Agent
Date

Warning: It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine and imprisonment. For details see, Title 18 U.S. Code Section 1001 and Section 1010.

ASSIGNMENT OF CONTRACTS, PERMITS AND WARRANTIES

This ASSIGNMENT OF CONTRACTS, PERMITS and WARRANTIES (this "Assignment") is executed and delivered by the undersigned as of the August 29, 2016, pursuant to that certain Commercial Contract – Improved Property (the "Contract") entered into by and between SECURITY STATE BANK AND TRUST, Fredericksburg, Texas, as seller (the "Assignor" hereunder), and BANDERA EAST UTILITY, LP, a Texas limited partnership, as buyer (the "Assignee" hereunder) for the purchase of that property described therein and that certain Bill of Sale dated as of the date hereof for the purchase of the Assigned Assets, as defined in the Bill of Sale. *Terms capitalized but not otherwise defined herein have the meaning ascribed thereto in the Bill of Sale.*

Assignor now desires to assign to Assignee (i) all licenses and permits relating to the Assigned Assets, including without limitation specifically those items described on **EXHIBIT A** attached hereto, (ii) all third party warranties or guaranties relating to the Assigned Assets; and (iii) the service, maintenance, or management agreements relating to the ownership and operation of the Assigned Assets or Business, identified on **EXHIBIT B** attached hereto (all of the foregoing, collectively being the "Contract, Permits and Warranties").

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained and for other good and valuable consideration, the parties, intending to be legally bound, do hereby agree as follows:

1. Assignor hereby assigns, sells, transfers and sets over to Assignee, its successors and assigns, all of Assignor's right, title and interest in and to the Contracts, Permits and Warranties.

2. Assignee hereby accepts the foregoing assignment and transfer and agrees to assume, fulfill, perform and discharge all the various commitments, obligations and liabilities of Assignor under and by virtue of the Contracts, Permits, and Warranties accruing or obligated to be performed by Assignor from and after the date hereof.

3. Assignee hereby agrees to indemnify, defend and hold harmless Assignor from and against any and all obligations, claims, liabilities, losses, damages, causes of action, costs and expenses (including, without limitation, court costs through all appeals and reasonable attorneys' fees and disbursements) incurred in connection with claims arising with respect to the Contracts, Permits and Warranties accruing from and after the date hereof.

4. Assignor hereby agrees to indemnify, defend and hold harmless Assignee from and against any and all obligations, claims, liabilities, losses, damages, causes of action, costs and expenses (including, without limitation, court costs through all appeals and reasonable attorneys' fees and disbursements) incurred in connection with claims arising with respect to the Contracts, Permits and Warranties accruing prior to the date hereof.

5. This Assignment shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

6. This Assignment shall be governed by, and construed under, the laws of the State of Texas.

7. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original Assignment, but all of which shall constitute but one and the same Assignment.

[Signature Pages Follow]

[Counterpart signature page to Assignment of Contracts, Permits and Warranties
dated effective August 29, 2016]

ASSIGNOR:

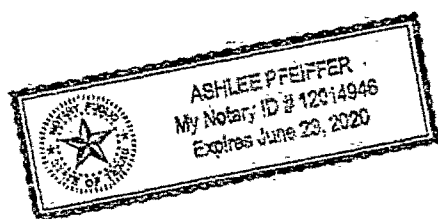
**SECURITY STATE BANK AND
TRUST, Fredericksburg, Texas**

By: [Signature]
Name: DAVID W SMITH
Title: SVP
Date: 8/30/16

STATE OF TEXAS §
 §
COUNTY OF Kendall §

The foregoing was acknowledged before me on the 30 day of August,
2016 by David W. Smith, as the SVP of the SECURITY STATE
BANK AND TRUST, Fredericksburg, Texas.

[Signature]
Notary Public, State of Texas

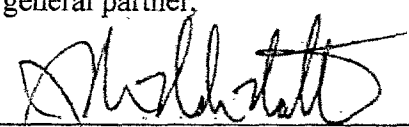


[Counterpart signature page to Assignment of Contracts, Permits and Warranties
dated effective August 29, 2016]

ASSIGNEE:

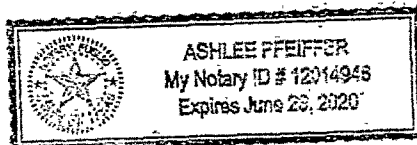
BANDERA EAST UTILITY, LP,
a Texas limited partnership,

By: **BANDERA EAST UTILITY
MANAGEMENT, LLC,**
a Texas limited liability company,
its general partner,

By: 
John-Mark Matkin, Executive
Manager

STATE OF TEXAS §
 §
COUNTY OF Kendall §

The foregoing was acknowledged before me on the 30 day of August,
2016 by JOHN-MARK MATKIN, as the Executive Manager of BANDERA EAST UTILITY
MANAGEMENT, LLC, the general partner of and on behalf of BANDERA EAST UTILITY,
LP, a Texas limited partnership.




Notary Public, State of Texas

**EXHIBIT A
SPECIFICALLY INCLUDED**

Without limitation, the Contract, Permits and Warranties shall include:

A. All right, title and interest of Assignor now owned or hereafter acquired in and to all agreements, permits, licenses, servitudes and rights of every character which are useful or appropriate in exploring for, developing, producing, treating, storing, marketing or transporting water; including but not limited to, CCN #13125, related to the service area described on **EXHIBIT A-1** attached hereto, those certain Well Permits # P-_____, and # P-_____ and licenses held by Assignor in connection with TCEQ system number PWS 010096.

B. All of Assignor' interest in and to all permits or agreements for the withdrawal and beneficial use of groundwater from, with or issued by the Bandera County River Authority and Groundwater District.

EXHIBIT A-1
SERVICE AREA

That approximately 562 acre Service Area described in that certain CCN Holder's Affidavit recorded at Volume 918, Page 875, of the real property records of Bandera County, Texas.

EXHIBIT B
SERVICE AGREEMENTS

I have certain _____ Agreement or the between Assigner and _____
dated on or about _____ related to the following
services: _____

NOTE: Are there any service agreements related to the water system that will survive
conveyance? If so please include. If not, should simply read "none."

AFTER RECORDING RETURN TO:
Hornberger Fuller & Garza Incorporated
Attn: Ty Hunter Sheehan
7373 Broadway, Suite 300
San Antonio, Texas 78209

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NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

ASSIGNMENT OF EASEMENTS - WITHOUT WARRANTY

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

That SECURITY STATE BANK AND TRUST, Fredericksburg, Texas (herein referred to as "Grantor"), whose address in Texas is 607 N. Main Street, Boerne, Texas 78006, for and in consideration of the sum of ONE AND NO/100 DOLLAR (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which consideration are hereby acknowledged, has GRANTED, SOLD AND CONVEYED and by these presents does GRANT, SELL and CONVEY unto the BANDERA EAST UTILITY, LP, a Texas limited partnership (herein referred to as "Grantee"), whose address in Texas is 8 Spencer Rd., Boerne, Kendall County, Texas 78006, the following described easement rights, which rights shall hereinafter be referred to as the "Easement Rights":

All of Grantor's easement rights, as a utility provider, arising from and derived by and through or set out in that certain Declaration of Covenants, Conditions and Restrictions of Latigo Ranch Subdivision, recorded at Volume 788, Page 385, of the real property records of Bandera County, Texas.

Subject, however, to all exceptions to title and other matters of record as of the date hereof (the "Permitted Exceptions").

TO HAVE AND TO HOLD the above-described Easement Rights, subject to the Permitted Exceptions, together with all and singular the rights and appurtenances thereto in any wise belonging to Grantor, unto the said Grantee, its successors and assigns forever, without express or implied warranty. All warranties that might arise by common law as well as the warranties in section 5.023 of the Texas Property Code (or its successor) are excluded.

THE EASEMENT RIGHTS ARE HEREBY SOLD, TRANSFERRED AND ASSIGNED TO GRANTEE "AS IS" WITH ANY AND ALL LATENT AND PATENT DEFECTS AND THERE IS NO WARRANTY BY GRANTOR THAT THE EASEMENT RIGHTS ARE FIT FOR A PARTICULAR PURPOSE. GRANTEE ACKNOWLEDGES THAT IT IS NOT RELYING UPON ANY REPRESENTATION, STATEMENT OR OTHER ASSERTION

WITH RESPECT TO THE EASEMENT RIGHTS FROM GRANTOR. GRANTEE TAKES THE EASEMENT RIGHTS UNDER THE EXPRESS UNDERSTANDING THERE ARE NO EXPRESS OR IMPLIED WARRANTIES (EXCEPT FOR LIMITED WARRANTIES OF TITLE SET FORTH HEREIN).

Grantee hereby accepts the foregoing assignment and transfer and agrees to assume, fulfill, perform and discharge all the various commitments, obligations and liabilities of Grantor under and by virtue of the Easement Rights accruing or obligated to be performed by Grantor from and after the date hereof.

EXECUTED effective the 30 day of August, 2016.

GRANTOR:

SECURITY STATE BANK AND TRUST,
Fredericksburg, Texas,

By: 

Name: DAVID W SMITH

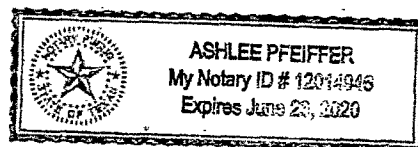
Title: SVP

STATE OF TEXAS

COUNTY OF Pendall

The foregoing was acknowledged before me on the 30 day of August, 2016 by David W. Smith, as the SVP of the SECURITY STATE BANK AND TRUST, Fredericksburg, Texas.


Notary Public, State of Texas

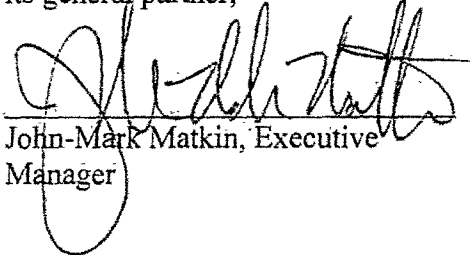


[Counterpart signature page to Assignment of Easement Rights - Without Warranty]

GRANTEE:

BANDERA EAST UTILITY, LP,
a Texas limited partnership,

By: **BANDERA EAST UTILITY
MANAGEMENT, LLC,**
a Texas limited liability company,
its general partner,

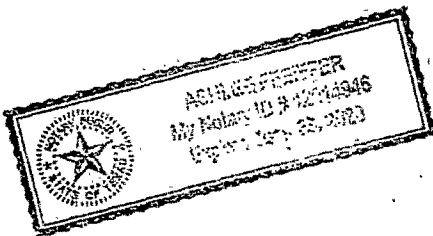
By: 
John-Mark Matkin, Executive
Manager

STATE OF TEXAS

COUNTY OF Kendall

The foregoing was acknowledged before me on the 30 day of August,
2016 by JOHN-MARK MATKIN, as the Executive Manager of BANDERA EAST UTILITY
MANAGEMENT, LLC, the general partner of and on behalf of BANDERA EAST UTILITY,
LP, a Texas limited partnership.


Notary Public, State of Texas



To: Kendall County Abstract Company
103 N. Saunders Street
Boerne, Texas 78006

Re: GF 38356

AGREEMENT AS TO TAX PRORATIONS

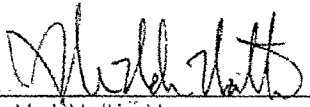
Buyer(s) are aware that they are receiving credit at closing for the Seller(s) share of the estimated 2016 taxes. When tax statements come out, Buyer(s) shall be responsible for payment of taxes for the entire year.

The estimated tax for this property is determined by utilizing the prior year tax rates.

We, the undersigned parties, understand and agree that taxes for the current year have been prorated using an estimate based on the best information available from the taxing authorities on or shortly before the date the current transaction was closed. We further understand that the tax value of the property may be changed by the Bandera County Appraisal District and the tax rates affecting the property may also be changed by the various taxing authorities having jurisdiction over the property before the taxes for the current year become due. If the actual amount of taxes due and payable for the current year changes as a result of a change in tax value, a change in the tax rates, a disallowance of an exemption or for any other reason, we agree to make any adjustments to the tax prorations which may become necessary between ourselves. We further understand and agree that KENDALL COUNTY ABSTRACT COMPANY shall not have any liability because of said adjustments nor shall it have any responsibility to make or assist in making said adjustments between the parties hereto.

BUYER:

Bandera East Utility, LP
By: Bandera East Utility Management, LLC
Its: General Partner




John-Mark Matkin, Manager

Date: 8/30/16

SELLER:

Security State Bank and Trust, Fredericksburg, Texas



David Smith, Senior VP

Date: 8/30/16