



Control Number: 46245



Item Number: 602

Addendum StartPage: 0

SOAH DOCKET NO. 473-17-0119.WS

PUC DOCKET NO. 46245

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PUBLIC UTILITY COMMISSION

APPLICATION OF DOUBLE §
DIAMOND UTILITY COMPANY, INC. §
FOR WATER AND SEWER §
RATE/TARIFF CHANGE §

BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS

DOUBLE DIAMOND UTILITY COMPANY, INC.'S
RESPONSE TO WHITE BLUFF RATEPAYERS GROUP'S
FOURTH REQUEST FOR INFORMATION
WBRG NO. 4-1 THROUGH 4-19

COMES NOW, Double Diamond Utility Company, Inc. ("DDU") and files its Response to White Bluff Ratepayers Group's Third Request for Information – WBRG No. 4-1 through 4-19. DDU agrees and stipulates that all parties may treat these responses as if they were filed under oath.

Respectfully submitted,

By: 

John J. Carlton
The Carlton Law Firm P.L.L.C.
2705 Bee Cave Road, Suite 200
Austin, Texas 78746
(512) 614-0901
Fax (512) 900-2855
State Bar No. 03817600

ATTORNEY FOR DOUBLE DIAMOND UTILITY
COMPANY, INC.

CERTIFICATE OF SERVICE

I hereby certify that I have served or will serve a true and correct copy of the foregoing document via hand delivery, facsimile, electronic mail, overnight mail, U.S. mail and/or Certified Mail Return Receipt Requested to all parties on this the 29th day of September, 2017

John Carlton

602

**WBRG'S FOURTH REQUEST FOR INFORMATION TO
DOUBLE DIAMOND UTILITY COMPANY, INC.
WBRG NO. 4-1 THROUGH 4-19**

WBRG 4-1 Admit or deny. Double Diamond Properties Construction Company (DDC) is an affiliate of Double Diamond Utility Company, Inc. (DDU).

RESPONSE: Admit to the extent that two companies that are wholly owned subsidiaries of the same parent company are considered affiliates under the Commission rules.

Prepared by: John Carlton and Christie Rotramel

Sponsored by: Randy Gracy

WBRG 4-2 If DDC is an affiliate of DDU, please explain why DDC was not identified as an affiliate in Double Diamond's response to WBRG 1-25.

RESPONSE: DDU has supplemented its response to WBRG 1-25 and identified DDC as a sister company of DDU. Both DDU and DDC are wholly owned subsidiaries of Double Diamond - Delaware, Inc.

Prepared by: John Carlton and Christie Rotramel

Sponsored by: Randy Gracy

WBRG 4-3 Double Diamond's Consolidated Financial Statements on page DDU003577 states that "Costs that are directly identifiable with land development projects are capitalized." Please describe the costs relating to the White Bluff development that have been capitalized for purposes of determining the cost of lots sold at White Bluff.

RESPONSE: Responsive documents will be produced as Confidential Documents pursuant to the terms of the Protective Order. The spreadsheets produced are trade secret business records that would give competitors an unfair advantage in the marketplace if they became public records.

Prepared by: Christie Rotramel and John Carlton.

Sponsored by: Tim Grout.

WBRG 4-4 Please provide all ledger entries for the Balance Sheet Asset Account “Inventory” made during 1996.

OBJECTION: DDU objects to this request as irrelevant and overbroad. The requested information is not relevant to the establishment of rates for the White Bluff utility systems.

RESPONSE: The ledger entries for the Balance Sheet Asset Account “Inventory” relate to lot inventory within the development and are not relevant to this proceeding.

Prepared by: Christie Rotramel

Sponsored by: Tim Grout and Randy Gracy

WBRG 4-5 Please provide complete tax returns, including all supporting work papers for Double Diamond for the years 1991, 1996, 1999, and 2015.

RESPONSE: No responsive documents exist. DDU does not file tax returns.

Prepared by: Christie Rotramel

Sponsored by: Randy Gracy and Tim Grout

WBRG 4-6 For the Note Payable listed on page DDU003586 from First Financial Bank secured with Utility Assets and a maturity date of July 7, 2017, please provide a copy of the note and a detailed listing of payments on the note. If the note has been refinanced or extended, please provide a copy of the new note.

RESPONSE: Responsive documents will be produced with confidential information redacted by agreement.

Prepared by: Tim Grout

Sponsored by: Tim Grout

WBRG 4-7 Regarding the note referenced in WBRG 4-6, please provide the general ledger entries made to account for the funds received from the note.

RESPONSE: Responsive documents will be produced.

Prepared by: Tim Grout

Sponsored by: Tim Grout

WBRG 4-8 Admit or deny. The value of the assets listed in the 2015 Depreciation and Amortization Report (DDU16-015470 – DDU16-015475) cannot be reconciled to the values of the assets listed in Exhibit DDU-6C. If your answer is anything other than an unqualified admit, please provide a reconciliation between the 2015 Depreciation and Amortization Report and Exhibit DDU-6C.

RESPONSE: Deny. DDU will provide a reconciliation upon completion.

Prepared by: Christie Rotramel

Sponsored by: Tim Grout.

WBRG 4-9 Please provide Statement of Operations for Double Diamond – Delaware, Inc., Double Diamond, Inc., Double Diamond Utilities Company, and Double Diamond Properties Construction Company for each year from 1991 to present.

RESPONSE: Responsive documents will be produced in a subsequent filing.

Prepared by: Christie Rotramel

Sponsored by: Randy Gracy and Tim Grout

WBRG 4-10 Please provide Income Statements for Double Diamond – Delaware, Inc., Double Diamond, Inc., Double Diamond Utilities Company, and Double Diamond Properties Construction Company for each year from 1991 to present.

RESPONSE: No responsive documents exist.

Prepared by: Christie Rotramel

Sponsored by: Randy Gracy and Tim Grout

WBRG 4-11 Please provide Balance Sheets for Double Diamond – Delaware, Inc., Double Diamond, Inc., Double Diamond Utilities Company, and Double Diamond Properties Construction Company for each year from 1991 to present.

RESPONSE: No responsive documents exist.

Prepared by: Christie Rotramel

Sponsored by: Randy Gracy and Tim Grout

WBRG 4-12 Page 155 of 166 of Exhibit DDU-4E contains entries for Amortization of Deferred Loan. Please explain the nature of these entries, such as for what loan is repayment being deferred and what is the basis of the amortization calculation?

RESPONSE: The entries are related to the closing costs associated with the DDU Note. Per Generally Accepted Accounting Principles (GAAP)– when a business acquires a loan – GAAP requires these costs to be amortized over the life of the loan.

Prepared by: Tim Grout

Sponsored by: Tim Grout

WBRG 4-13 Please provide copies of the current effective water and sewer tariff for Double Diamond that is applicable within the White Bluff Subdivision, and provide copies of all previous tariffs applicable within the White Bluff Subdivision.

OBJECTION: DDU objects to this request as irrelevant and overbroad. The requested information is not relevant to the establishment of rates for the White Bluff utility systems based upon the current test year.

RESPONSE: Responsive documents will be produced for the most recent tariffs.

Prepared by: Christie Rotramel

Sponsored by: Randy Gracy

WBRG 4-14 Admit or Deny. Attachment A, which is part of a document contained in the Commission's Interchange under Docket No. 44056, was prepared by Double Diamond and submitted to the Texas Natural Resource Conservation. Commission. If the answer is anything other than an unqualified Admit, please the basis for your inability to admit.

RESPONSE: Deny. Double Diamond did not prepare the attached document.

Prepared by: Christie Rotramel

Sponsored by: Randy Gracy

WBRG 4-15 Please provide copies of all studies, reports, and other documents regarding Double Diamond's determination of list prices for lots in the White Bluff subdivision.

OBJECTION: DDU objects to this request as irrelevant and overbroad. The requested information is not relevant to the establishment of rates for the White Bluff utility systems.

RESPONSE: No responsive documents located.

Prepared by: Christie Rotramel

Sponsored by: Randy Gracy

WBRG 4-16 Does Double Diamond still own and operate the water system in Oakwood Subdivision in Henderson County, which was included in DDU's December 8, 1997, rate change application? If not, please provide copies of the agreement transferring the system to another, and all filings made with the Public Utility Commission or predecessor agency regarding the sale or transfer.

RESPONSE: Double Diamond does not "own and operate a water system in Oakwood Subdivision in Henderson County." No responsive documents located.

Prepared by: Christie Rotramel

Sponsored by: Randy Gracy

WBRG 4-17 If Double Diamond has sold or transferred a water or sewer utility system in Texas to another entity, not associated with Double Diamond, since 1995, please identify the system, the date of the sale or transfer, and provide copies of all filings made with the Public Utility Commission or predecessor agency regarding the sale or transfer.

RESPONSE: No responsive documents located.

Prepared by: Christie Rotramel

Sponsored by: Randy Gracy

WBRG 4-18 Admit or Deny. On July 10, 1995, Double Diamond, Inc., submitted an application to the Texas Natural Resource Conservation Commission (Application No. 30885-R) to increase rates in the White Bluff subdivision.

OBJECTION: DDU objects to this request as irrelevant. The requested information is not relevant to the establishment of rates for the White Bluff utility systems.

RESPONSE: DDU can neither admit or deny.

Prepared by: Christie Rotramel

Sponsored by: Randy Gracy

WBRG 4-19 Admit or Deny. Double Diamond, Inc., has never submitted an application to the Public Utility Commission or predecessor agency seeking approval of the sale, transfer, or merger of the utility providing service in the White Bluff subdivision to Double Diamond Utilities pursuant to Texas Water Code §13.301. If you deny, please provide a copy of the application.

OBJECTION: DDU objects to this request as irrelevant. The requested information is not relevant to the establishment of rates for the White Bluff utility systems.

RESPONSE: DDU can neither admit or deny.

Prepared by: Christie Rotramel

Sponsored by: Randy Gracy

RESPONSIVE TO WBRG NO. 4-6

MODIFICATION AND EXTENSION AGREEMENT

Effective Date: July 7, 2017

Lender: First Financial Bank, N.A.
Lender's Mailing Address: 403 N. Main Street
Cleburne, Texas 76033

Borrower: Double Diamond Utilities Co., a Texas corporation
Borrower's Mailing Address: 5495 Belt Line Road, Suite 200
Dallas, Texas 75254

Obligor: Double Diamond, Inc., a Texas corporation
Obligor's Mailing Address: 5495 Belt Line Road, Suite 200
Dallas, Texas 75254

Note

Date: March 7, 2013
Original Principal Amount: \$3,000,000.00
Lender: First Financial Bank, N.A.
Maturity Date (Original): March 7, 2015

As used in this Modification and Extension Agreement (this "*Agreement*"), the term "*Note*" includes all renewals, modifications, and extensions of the Note described above. The term "*Lien Documents*" includes all renewals, modifications, and extensions of the following instruments: (a) a Real Estate Deed of Trust and Security Agreement, dated March 7, 2013, executed by Borrower for the benefit of Lender and recorded as Instrument Number 00057803, Volume 1747, Page 557, in the Official Public Records of Hill County, Texas, as previously modified and extended; and (b) a Deed of Trust, dated March 7, 2013, executed by Obligor for the benefit of Lender and recorded as Instrument Number 00057411, Volume 1745, Page 631 in the Official Public Records of Hill County, Texas, as previously modified and extended.

Borrower and Lender wish to modify certain provisions of the Note and Lien Documents as provided below. Accordingly, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, Borrower and Lender agree as follows:

1. **Acknowledgment of Outstanding Balance.** Borrower and Lender acknowledge that the outstanding principal balance on the Note as of the Effective Date is **Two Million, Three Hundred Ninety-Two Thousand, Nine Hundred Thirty-Four and 15/100ths Dollars (\$2,392,934.15).**

2. **Modified Terms.** As of the Effective Date: (i) the maturity date of the Note is extended to August 21, 2017; and (ii) the interest rate of the Note is changed to seven percent (7.0%) per annum. Monthly installment payments shall continue to be due and payable to Lender on the seventh (7th) day of each month. The amount due on August 7, 2017 shall be **Twenty-Six Thousand, Five Hundred Seventy-Eight and 44/100ths Dollars (\$26,578.44).**

3. **Binding Effect, Warranties, and Covenants.** The Note is secured by liens against property more particularly described on the attached **Appendix A.** As modified herein, the provisions of the Note and the Lien Documents shall continue in full force and effect and Borrower acknowledges and reaffirms its liability to Lender thereunder. For value received, Borrower modifies the Note and promises to pay to the order of Lender, according to the modified terms, the unpaid principal and interest owing under the Note and Lien Documents. In the event of an inconsistency between this Agreement and the terms of the Note or any of the Lien Documents, this Agreement shall govern. In addition, Borrower warrants to Lender that the Note and the

Lien Documents, as modified herein, are valid and enforceable and represents that they are not subject to rights of offset, rescission, or other claims.

4. **Default.** Any default by Borrower in the performance of its obligations under this Agreement shall constitute a default under the Note and the Lien Documents and shall allow Lender to exercise all of its remedies set forth in the Lien Documents.

5. **No Novation.**

(a) Borrower and Lender acknowledge and agree that this Agreement shall not constitute a novation of the indebtedness evidenced by the Note and Lien Documents. The parties intend that the liens comprised securing the Note are and shall remain continuously as security for all obligations under the Note and Lien Documents without interruption in priority or effect.

(b) Nothing in this Agreement shall constitute a satisfaction of the Note, the Lien Documents, or any other agreement secured by the Lien Documents. It is the intention of Lender to retain as liable all parties to the Lien Documents and all parties, makers, and endorsers of the Note, including accommodation parties, unless expressly released by Lender in writing. Any maker or endorser, including accommodation makers, shall not be released by this Agreement. If any party to the original Note or Lien Documents does not sign this Agreement, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing person consents to the changes and provisions of this Agreement. This waiver applies to all subsequent extensions or modifications.

6. **Miscellaneous.** Lender does not, by its execution of this Agreement, waive any rights it may have against any person not a party hereto. This Agreement may be executed in multiple counterparts, each of which shall constitute an original instrument, but all of which shall constitute one and the same agreement. The undersigned hereby ratify and affirm that, except as expressly modified herein, any and all prior loan or lien agreements are in full force and effect.

THE NOTE IS PAYABLE IN FULL ON THE MATURITY DATE, AS EXTENDED HEREUNDER. AT THAT TIME, BORROWER MUST REPAY THE ENTIRE PRINCIPAL BALANCE OF THE NOTE AND ALL UNPAID INTEREST THEN DUE. LENDER IS UNDER NO OBLIGATION TO REFINANCE THE NOTE AT THAT TIME. BORROWER WILL, THEREFORE, BE REQUIRED TO MAKE A PAYMENT OUT OF OTHER ASSETS THAT BORROWER MAY OWN, OR BORROWER WILL HAVE TO FIND A LENDER, WHICH MAY BE SAME LENDER, WILLING TO LEND BORROWER THE MONEY. IF BORROWER REFINANCES THE NOTE, BORROWER MAY HAVE TO PAY SOME OR ALL OF THE CLOSING COSTS NORMALLY ASSOCIATED WITH A NEW LOAN EVEN IF BORROWER OBTAINS REFINANCING FROM THE SAME LENDER.

Signature page follows.

Executed to be effective as of the Effective Date.

BORROWER:

DOUBLE DIAMOND UTILITIES CO.,
a Texas corporation

By: Randy Gracy
Randy Gracy, President

Acknowledged and agreed by Obligor:

DOUBLE DIAMOND, INC.,
a Texas corporation

By: R. Mike Ward
R. Mike Ward, President

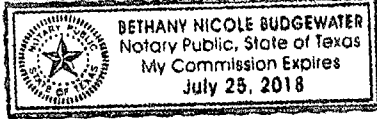
LENDER:

FIRST FINANCIAL BANK, N.A.

By: _____
Duane Thomas, Executive Vice President

STATE OF TEXAS §
 §
COUNTY OF Dallas §

This instrument was acknowledged before me on the 25 day of July, 2017, by Randy Gracy, President of Double Diamond Utilities Co., a Texas corporation, on behalf of said corporation.



Bethany Budgewater
Notary Public, State of Texas

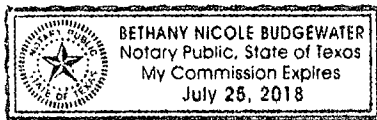
STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 2017, by Duane Thomas, Executive Vice-President of First Financial Bank, N.A., on behalf of said bank.

Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF Dallas §

This instrument was acknowledged before me on the 25 day of July, 2017, by R. Mike Ward, President of Double Diamond, Inc., a Texas corporation, on behalf of said corporation.



Bethany Budgewater
Notary Public, State of Texas

Appendix A

For purposes of this Appendix "Water and Sewer Utility Facilities" shall mean all property, real or personal, tangible or intangible, of every kind, nature and description, and wheresoever situated, now owned or hereafter acquired by the Borrower used in whole or in part in connection with the Water and Sewer Utility Facilities Operations now or hereafter conducted by the Borrower in Hill County, Texas, including, without limitation, the provision of services involving or relating to water and sewer utility plants and systems associated with the White Bluff water and sewer utility systems or any other utility plants or systems of every type and description located in Hill County, Texas. Without limiting the foregoing, "Water and Sewer Utility Facilities" shall include all water and/or sewer utility plants and systems, including, without limitation, all water works, generating stations, substations, pumps, pump houses, pump stations, wells, storage tanks, pressure tanks, chlorination systems, metering systems, stand pipes, motors, controls, pipes, distribution lines, equipment, machinery, computers, computer programs, software, parts, tools, implements, conduits, ducts, lines, wires, cables, switches, testboards, motors, generators, batteries, items of central office equipment and pay-stations.

I.

All right, title and interest of the Borrower in and to those fee and leasehold estates in real property described in Appendix B hereto, including groundwater estates, subject in each case to those matters set forth in such Appendix, together with all buildings and improvements located thereon;

II.

All right, title and interest of the Borrower in and to all other estates and interests in real property now owned by the Borrower and located in Hill County, Texas, or hereafter acquired in Hill County, Texas, including, without limitation, all fixtures, easements, permits, licenses and rights of way comprising real property;

III.

All right, title and interest of the Borrower in and to all Water and Sewer Utility Facilities now owned by the Borrower and located in Hill County, Texas, or hereafter constructed or acquired by the Borrower, wherever located in Hill County, Texas;

IV

All right, title and interest of the Borrower in, to and under any and all grants, privileges, rights of way and easements now owned, held, leased, enjoyed or exercised, or which may hereafter be owned, held, leased, acquired, enjoyed or exercised, by the Borrower for the purposes of, or in connection with, the construction, acquisition, ownership, use or operation by or on behalf of the Borrower of the Water and Sewer Utility Facilities, wherever located in Hill County, Texas,

V.

All right, title and interest of the Borrower in, to and under any and all licenses, ordinances, privileges, certificates, registrations and permits heretofore granted, issued or executed, or which may hereafter be granted, issued or executed, to it or to its assignors by the United States of America, or by any state, or by any county, township, municipality, village or other political subdivision thereof or by any agency, board, commission or department of any of the foregoing, authorizing the construction, acquisition, ownership, use or operation of the Water and Sewer Utility Facilities in Hill County, Texas, insofar as the same may by law be assigned, granted, bargained, sold, conveyed, transferred, mortgaged or pledged. This grant includes, but is not limited to, Texas Commission on Environmental Quality ("TCEQ") Texas Pollutant Discharge Elimination System ("TPDES") Permit WQ0013786002, Certificate of Convenience and Necessity Numbers 12087 (retail water) and 20705 (retail sewer) issued by the TCEQ and the groundwater well registrations (Registration Numbers 40215-0001/Well ID-216; 39880-0002/Well ID-217; 39879-0001/Well ID 218; and 39880-003/Well ID-219) and groundwater well permits issued by the Prairielands Groundwater Conservation District as such Permits, Registrations and Certificates relates to Borrower's Water and Sewer Utility Facilities operations in Hill County, Texas.

All right, title and interest of the Borrower in, to and under any and all contracts heretofore or hereafter executed, as they may be amended or supplemented from time to time, by and between the Borrower and any person, firm, corporation or governmental body or agency, including, without limitation, contracts relating in any way to (i) the construction, acquisition, ownership, use, operation or output of the Borrower's Water and Sewer Utility Facilities, and (ii) the provision of water and/or sewer services;

VII.

All right, title and interest of the Borrower in and to all accounts relating to Borrower's Water and Sewer Utility Facilities operations in Hill County, Texas

VIII.

All right, title and interest of the Borrower in and to all equipment and inventory relating to Borrower's Water and Sewer Utility Facilities including, but not limited to the equipment and inventory described in Appendix C.

IX.

All right, title and interest of the Borrower in and to all fixtures that are located on the real properties that are described in Appendix B.

X.

Also, all right, title and interest of the Borrower in and to all other property, real or personal, tangible or intangible, of every kind, nature and description, relating directly or indirectly to Borrower's Water and Sewer Utility Facilities in Hill County, Texas, now owned or

hereafter acquired by the Borrower, including, without limitation, all accounts, inventory (including without limitation, returned or repossessed goods), contract rights, chattel paper, electronic chattel paper, instruments, documents, investment property (including, without limitation, certificated and uncertificated securities, security entitlements, securities accounts, commodity contracts, and commodity accounts), letters of credit, letter-of-credit rights, equipment, inventory, fixtures, general intangibles (including, without limitation, payment intangibles, choses or things in action, litigation rights and resulting judgments, goodwill, patents, trademarks and other intellectual property, tax refunds, miscellaneous rights to payment, investments) and other interests in entities not included in the definition of investment property (including, without limitation, all equities and patronage rights in all cooperatives and all interests in partnerships and joint ventures), margin accounts, computer programs, software, invoices, books, records and other information relating directly or indirectly to Borrower's Water and Sewer Utility Facilities in Hill County, Texas; and, to the extent not covered by the above, all other personal property of the Borrower of every type and description, that relate directly or indirectly to Borrower's Water and Sewer Utility Facilities in Hill County, Texas, including without limitation, supporting obligations, interests or claims in or under any policy of insurance, commercial tort claims, deposit accounts, money, and judgments (as such terms are presently or hereafter defined in the applicable Uniform Commercial Code), it being the intention hereof that all such property now owned but not specifically described herein or acquired or held by the Borrower after the date hereof that relate directly or indirectly to Borrower's Water and Sewer Utility Facilities in Hill County, Texas, shall be as fully embraced within and subjected to the Lien hereof as if the same were now owned by the Borrower and were specifically described herein to the extent only, however, that the subjection of such property to the Lien hereof shall not be contrary to law.

Appendix B

Tract I.

All of that certain tract or parcel of land being Lots 17 and 18 of White Bluff Twenty Subdivision, Hill County, Texas, as recorded in Slide A-142 of the Plat Records of Hill County, Texas

Tract II.

All of that certain tract or parcel of land being Tract A of White Bluff Four Subdivision, Hill County, Texas, as shown by plat recorded in Volume 920, Page 692 of the Official Public Records and recorded in Slide 131-AB and 132-A, Plat Records, Hill County, Texas

Tract III.

All of that certain tract or parcel of land being Lot 18 of White Bluff Thirty-Six Subdivision, Hill County, Texas, as recorded in Slide 157-A of the Plat Records of Hill County, Texas

Tract IV.

All of that certain tract or parcel of land being Lot 17 of White Bluff Forty-Four Subdivision, Hill County, Texas, as recorded in Slide 167-A of the Plat Records, Hill County, Texas

Tract V.

See page 2 of this Appendix "B"

Tract VI.

See Page 3 of this Appendix "B"

BEING a tract of land in the E. Durvaln Survey, Abstract No. 220, Hill County, Texas, being a part of a called 3181.640 acre tract conveyed to Double Diamond, Inc., as recorded in Volume 659, Page 633, Deed Records of Hill County, Texas.

BEGINNING at a 1/4 inch steel pin set in County Road No. 1145LP, being a Northerly inside ell corner of said 3181.640 acre tract and being North 04 degrees 16 minutes 59 seconds West, 24.95 feet and North 85 degrees 37 minutes 34 seconds East; 159.34 feet from the Northeast corner of Lot 63, White Bluff Thirty-nine Subdivision as recorded in Slide 161AB, Plat Records of Hill County, Texas;

THENCE, South 85 degrees 37 minutes 34 seconds West, along County Road No. 1145LP, 808.63 feet to a 5/8 inch steel pin found for a corner in a Northerly line of said 3181.640 acre tract;

THENCE, North 58 degrees 39 minutes 35 seconds East, along an old lane and a Northerly line of said 3181.640 acre tract, 716.65 feet to a 5/8 inch steel pin found for a corner;

THENCE, South 31 degrees 58 minutes 30 seconds East, continuing along an old lane, 366.71 feet to the PLACE OF BEGINNING and CONTAINING 3.016 acres of land.

BEING a tract of land in the Freeman White Survey, Abstract No. 1010 and the William Gibson Survey, Abstract No. 335, Hill County, Texas and being a part of a called 199.787 acre tract recorded in Volume 605, Page 904, Deed Records of Hill County, Texas and part of a called 3181.640 acre tract conveyed to Double Diamond, Inc. as recorded in Volume 659, Page 633, Deed Records of Hill County, Texas. Bearings are correlated to an East line of said called 3181.60 acre tract along the West line of F. M. Highway No. 933. (North 04 degrees 17 minutes 44 seconds East)

BEGINNING at a 1/4 inch steel pin set in the West line of F. M. Highway No. 933, being in the East line of said called 199.787 acre tract and an East line of said called 3181.640 acre Double Diamond, Inc. Tract and being North 04 degrees 17 minutes 44 seconds East, 1445.58 feet from a 5/8 inch steel pin found on the West line of F. M. Highway No. 933 at the centerline intersection of County Road No. 1145 being the Southeast corner of said called 199.787 acre tract and an outside ell corner of said called Double Diamond Tract;

THENCE, North 85 degrees 42 minutes 16 seconds West, 300.00 feet to a 1/2 inch steel pin set for a corner;

THENCE, North 04 degrees 17 minutes 44 seconds East, 300.00 feet to a 1/2 inch steel pin set for a corner;

THENCE, South 85 degrees 42 minutes 16 seconds East, 296.38 feet to a 1/2 inch steel pin set for a corner in the West line of F. M. Highway No. 933;

THENCE, along the West line of F. M. Highway No. 933 and a curve to the right having a radius of 1382.26 feet and a chord bearing South 02 degrees 13 minutes 16 seconds West, 100.07 feet, a distance of 100.09 feet to a 5/8 inch steel pin found at the end of said curve;

THENCE, South 04 degrees 17 minutes 44 seconds West, continuing along the West line of F. M. Highway No. 933, 200.00 feet to the PLACE OF BEGINNING and CONTAINING 2.063 acres of land.

Appendix C

White Bluff Water Well Inventory

Well-1

Franklin motor 60HP S/N 10H19-11-800208
 Submonitor S/N 00208
 Goulds pump 18 Stages S/N 111408
 Turner control model 625 D
 Goulds c12 pump 12HP S/N 7GBC05
 Bulldog pressure tank 20,000 gallons S/N 081006562
 Ground Storage 250,000 gallons MI-3- 271001
 Standpipe 67,000 gallons.
 Mission SCADA -1 S/N 689VZWM032
 Chlorine Gas Detector Guardian FX -1500

Booster-1 S/N G230699 12'x20 wood building
 Booster-2
 Generator S/N 2069752
 Marathon motor S/N 8VE266TDX701188
 Marathon motor S/N 8V1C266TDX70118A
 Compressor S/N L5/23/2011-00863
 Probeless controller
 Sensus 3" meter #82112
 Sensus 3" meter #1574757
 16" x 16 Concrete block building
 15" x 15 Concrete block building

Well-2

Franklin motor 60HP E S/N 12E19-02-081078
 Submonitor S/N 12B45-13-00024F
 Goulds pump 18 stages S/N 3M02T
 Turner control model 625 D
 Goulds c12 pump 1/2 HP
 Bulldog 6000 gallon pressure tank
 Standpipe 67,000 gallons
 Mission SCADA -2 S/N 12MIS10921
 Chlorine Gas Detector Superior series /std

Booster-1 S/N G260698
 Booster-2 S/N B011007
 Motor 25HP S/N ZD709100311
 Motor 25HP S/N 0980728
 Compressor S/N L11772007
 Probeless controller
 14" x 12 concrete block building
 4' x 6 wood building

Sensus 3" meter #1636056
 Neptune 6" meter #0

Well-3

Franklin motor 60 HP
 Goulds Pump

Well-4

Centipro motor 125HP S/N 62526203H
 Goulds pump
 Subtrol-Plus S/N 02046

White Bluff Waste Water Plant Inventory

one 50,000 gallon Package plant made by Purestream Model # PT-57-T5
one 50,000 gallon Package plant made by Ashbrook S/N 58910
Old plants blower motor Baldor 7.5 HP S/N M3311T
Old plants blower motor Baldor 7.5HP S/N M3710T
Old plants blower motor Baldor 7.5 S/N M3110T
New plants blower motor Toshiba S/N S75240749
New plants blower motor Toshiba S/N S75240738
Old plants blower Roots S/N 0706950382
Old plants blower Roots S/N 0696925920
Old plants blower Roots
New plants blower Sutorbilt S/N5276168
New plants blower Sutorbilt S/N 5276167
Generator - Generac S/N 6061088
Blower room building 10.5X25' Wood fram
Lab building 10X12 wood fram
EQ Basin 37'X11.8X10'
blower for EQ Basin Lafert

Double Diamond will include all waste water grinder systems that are connected to the central sewer system including all lift stations on White Bluff property.

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

MODIFICATION AND EXTENSION OF DEED OF TRUST

Effective Date: July 7, 2017

Lender: First Financial Bank, N.A.
Lender's Mailing Address: 403 N. Main Street
Cleburne, Texas 76033

Borrower: Double Diamond Utilities Co., a Texas corporation
Borrower's Mailing Address: 5495 Belt Line Road, Suite 200
Dallas, Texas 75254

Note

Date: March 7, 2013
Original Principal Amount: \$3,000,000.00
Lender: First Financial Bank, N.A.
Maturity Date (Original): March 7, 2015

The term "**Lien Documents**" includes all renewals, modifications, and extensions of: (i) that certain Real Estate Deed of Trust and Security Agreement, dated March 7, 2013, executed by Borrower for the benefit of Lender and recorded as Instrument Number 00057803, Volume 1747, Page 557, in the Official Public Records of Hill County, Texas, as previously modified and extended (the "**Deed of Trust**"); and (ii) a Deed of Trust, dated March 7, 2013, executed by Double Diamond, Inc. as grantor thereunder, for the benefit of Lender and recorded as Instrument Number 00057411, Volume 1745, Page 631 in the Official Public Records of Hill County, Texas, as previously modified and extended. As used in this Modification and Extension of Deed of Trust (this "**Modification**"), the term "**Note**" includes all renewals, modifications, and extensions of the Note described above.

Borrower and Lender wish to modify certain provisions of the Deed of Trust and hereby agree as follows:

Modification. As of the Effective Date, the maturity date of the Note is extended to August 21, 2017.

Continuing Obligations. The Note remains secured by liens against the property described in the Lien Documents, including, among other collateral, the property described on **Appendix A** hereto. As modified herein, the Deed of Trust shall continue in full force and effect and Borrower acknowledges and reaffirms its liability to Lender thereunder. Borrower warrants to Lender that the Note and the Lien Documents, as modified, are valid and enforceable and represents that they are not subject to rights of offset, rescission, or other claims. Any default by Borrower in the performance of its obligations under this Modification shall constitute a default under the Note and the Lien Documents and shall allow Lender to exercise all of its remedies set forth therein.

No Novation. Borrower and Lender acknowledge and agree that this Modification shall not constitute a novation of the indebtedness evidenced by the Note and Lien Documents. The parties intend that the liens described in the Note and the Lien Documents are and shall remain continuously as security for all of the obligations evidenced by the Note and Lien Documents without interruption in priority or effect. Nothing herein shall constitute a satisfaction of the Deed of Trust, the Note, or any other agreement secured by the Lien Documents. It is the intention of Lender to retain as liable all parties to the Lien Documents and all parties.

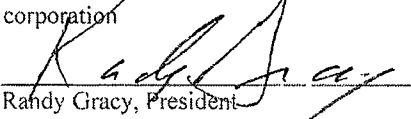
makers, and endorers of the Note, including accommodation parties, unless expressly released by Lender in writing. Any maker or endorser, including accommodation parties, shall not be released by this Modification. If any party to the original Note or Lien Documents does not sign this Modification, then Borrower acknowledges that this Modification is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions herein. This provision applies to all subsequent extensions or modifications.

Miscellaneous. Lender does not, by its execution of this Modification, waive any rights it may have against any person not a party hereto. Consent by Lender to this Modification does not waive Lender's right to require strict performance of the Deed of Trust or any other Lien Documents. Lender is not obligated to make additional modifications or extensions of the Note. In the event of a conflict between the terms of this Modification and the terms of the Deed of Trust, this Modification shall govern. This instrument may be executed in multiple counterparts, each of which shall constitute an original, but all of which shall constitute one and the same agreement.

Executed to be effective as of the Effective Date.

DOUBLE DIAMOND UTILITIES CO.,
a Texas corporation

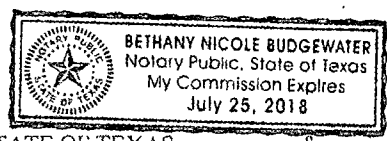
FIRST FINANCIAL BANK, N.A.

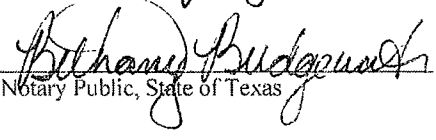
By: 
Randy Gracy, President

By: _____
Duane Thomas, Executive Vice President

STATE OF TEXAS §
 §
COUNTY OF Dallas §

This instrument was acknowledged before me on the 25 day of July, 2017, by Randy Gracy, President of Double Diamond Utilities Co., a Texas corporation, on behalf of said corporation.




Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 2017, by Duane Thomas, Executive Vice President of First Financial Bank, N.A., on behalf of said banking association.

Notary Public, State of Texas

Appendix A

For purposes of this Appendix "Water and Sewer Utility Facilities" shall mean all property, real or personal, tangible or intangible, of every kind, nature and description, and wheresoever situated, now owned or hereafter acquired by the Borrower used in whole or in part in connection with the Water and Sewer Utility Facilities Operations now or hereafter conducted by the Borrower in Hill County, Texas, including, without limitation, the provision of services involving or relating to water and sewer utility plants and systems associated with the White Bluff water and sewer utility systems or any other utility plants or systems of every type and description located in Hill County, Texas. Without limiting the foregoing, "Water and Sewer Utility Facilities" shall include all water and/or sewer utility plants and systems, including, without limitation, all water works, generating stations, substations, pumps, pump houses, pump stations, wells, storage tanks, pressure tanks, chlorination systems, metering systems, stand pipes, motors, controls, pipes, distribution lines, equipment, machinery, computers, computer programs, software, parts, tools, implements, conduits, ducts, lines, wires, cables, switches, testboards, motors, generators, batteries, items of central office equipment and pay-stations.

I.

All right, title and interest of the Borrower in and to those fee and leasehold estates in real property described in Appendix B hereto, including groundwater estates, subject in each case to those matters set forth in such Appendix, together with all buildings and improvements located thereon;

II.

All right, title and interest of the Borrower in and to all other estates and interests in real property now owned by the Borrower and located in Hill County, Texas, or hereafter acquired in Hill County, Texas, including, without limitation, all fixtures, easements, permits, licenses and rights of way comprising real property;

III

All right, title and interest of the Borrower in and to all Water and Sewer Utility Facilities now owned by the Borrower and located in Hill County, Texas, or hereafter constructed or acquired by the Borrower, wherever located in Hill County, Texas;

IV

All right, title and interest of the Borrower in, to and under any and all grants, privileges, rights of way and easements now owned, held, leased, enjoyed or exercised, or which may hereafter be owned, held, leased, acquired, enjoyed or exercised, by the Borrower for the purposes of, or in connection with, the construction, acquisition, ownership, use or operation by or on behalf of the Borrower of the Water and Sewer Utility Facilities, wherever located in Hill County, Texas;

V

All right, title and interest of the Borrower in, to and under any and all licenses, ordinances, privileges, certificates, registrations and permits heretofore granted, issued or executed, or which may hereafter be granted, issued or executed, to it or to its assignors by the United States of America, or by any state, or by any county, township, municipality, village or other political subdivision thereof or by any agency, board, commission or department of any of the foregoing, authorizing the construction, acquisition, ownership, use or operation of the Water and Sewer Utility Facilities in Hill County, Texas, insofar as the same may by law be assigned, granted, bargained, sold, conveyed, transferred, mortgaged or pledged. This grant includes, but is not limited to, Texas Commission on Environmental Quality ("TCEQ") Texas Pollutant Discharge Elimination System ("TPDES") Permit WQ0013786002, Certificate of Convenience and Necessity Numbers 12087 (retail water) and 20705 (retail sewer) issued by the TCEQ and the groundwater well registrations (Registration Numbers 40215-0001/Well ID-216, 39880-0002/Well ID-217; 39879-0001/Well ID 218; and 39880-003/Well ID-219) and groundwater well permits issued by the Prairielands Groundwater Conservation District as such Permits, Registrations and Certificates relates to Borrower's Water and Sewer Utility Facilities operations in Hill County, Texas.

All right, title and interest of the Borrower in, to and under any and all contracts heretofore or hereafter executed, as they may be amended or supplemented from time to time, by and between the Borrower and any person, firm, corporation or governmental body or agency, including, without limitation, contracts relating in any way to (i) the construction, acquisition, ownership, use, operation or output of the Borrower's Water and Sewer Utility Facilities, and (ii) the provision of water and/or sewer services;

VII.

All right, title and interest of the Borrower in and to all accounts relating to Borrower's Water and Sewer Utility Facilities operations in Hill County, Texas

VIII.

All right, title and interest of the Borrower in and to all equipment and inventory relating to Borrower's Water and Sewer Utility Facilities including, but not limited to the equipment and inventory described in Appendix C.

IX.

All right, title and interest of the Borrower in and to all fixtures that are located on the real properties that are described in Appendix B.

X.

Also, all right, title and interest of the Borrower in and to all other property, real or personal, tangible or intangible, of every kind, nature and description, relating directly or indirectly to Borrower's Water and Sewer Utility Facilities in Hill County, Texas, now owned or

hereafter acquired by the Borrower, including, without limitation, all accounts, inventory (including without limitation, returned or repossessed goods), contract rights, chattel paper, electronic chattel paper, instruments, documents, investment property (including, without limitation, certificated and uncertificated securities, security entitlements, securities accounts, commodity contracts, and commodity accounts), letters of credit, letter-of-credit rights, equipment, inventory, fixtures, general intangibles (including, without limitation, payment intangibles, choses or things in action, litigation rights and resulting judgments, goodwill, patents, trademarks and other intellectual property, tax refunds, miscellaneous rights to payment, investments) and other interests in entities not included in the definition of investment property (including, without limitation, all equities and patronage rights in all cooperatives and all interests in partnerships and joint ventures), margin accounts, computer programs, software, invoices, books, records and other information relating directly or indirectly to Borrower's Water and Sewer Utility Facilities in Hill County, Texas; and, to the extent not covered by the above, all other personal property of the Borrower of every type and description, that relate directly or indirectly to Borrower's Water and Sewer Utility Facilities in Hill County, Texas, including without limitation, supporting obligations, interests or claims in or under any policy of insurance, commercial tort claims, deposit accounts, money, and judgments (as such terms are presently or hereafter defined in the applicable Uniform Commercial Code), it being the intention hereof that all such property now owned but not specifically described herein or acquired or held by the Borrower after the date hereof that relate directly or indirectly to Borrower's Water and Sewer Utility Facilities in Hill County, Texas, shall be as fully embraced within and subjected to the Lien hereof as if the same were now owned by the Borrower and were specifically described herein to the extent only, however, that the subjection of such property to the Lien hereof shall not be contrary to law.

Appendix B

Tract I.

All of that certain tract or parcel of land being Lots 17 and 18 of White Bluff Twenty Subdivision, Hill County, Texas, as recorded in Slide A-142 of the Plat Records of Hill County, Texas

Tract II.

All of that certain tract or parcel of land being Tract A of White Bluff Four Subdivision, Hill County, Texas, as shown by plat recorded in Volume 920, Page 692 of the Official Public Records and recorded in Slide 131-AB and 132-A, Plat Records, Hill County, Texas

Tract III.

All of that certain tract or parcel of land being Lot 18 of White Bluff Thirty-Six Subdivision, Hill County, Texas, as recorded in Slide 157-A of the Plat Records of Hill County, Texas

Tract IV.

All of that certain tract or parcel of land being Lot 17 of White Bluff Forty-Four Subdivision, Hill County, Texas, as recorded in Slide 167-A of the Plat Records, Hill County, Texas

Tract V.

See page 2 of this Appendix "B"

Tract VI.

See Page 3 of this Appendix "B"

BEING a tract of land in the E. Duvaln Survey, Abstract No. 220, Hill County, Texas, being a part of a called 3181.640 acre tract conveyed to Double Diamond, Inc., as recorded in Volume 659, Page 633, Deed Records of Hill County, Texas.

BEGINNING at a 1/4 inch steel pin set in County Road No. 1145LP, being a Northerly inside ell corner of said 3181.640 acre tract and being North 04 degrees 16 minutes 59 seconds West, 24.95 feet and North 85 degrees 37 minutes 34 seconds East, 159.34 feet from the Northeast corner of Lot 63, White Bluff Thirty-nine Subdivision as recorded in Slide 161AB, Plat Records of Hill County, Texas;

THENCE, South 85 degrees 37 minutes 34 seconds West, along County Road No. 1145LP, 808.63 feet to a 5/8 inch steel pin found for a corner in a Northerly line of said 3181.640 acre tract;

THENCE, North 58 degrees 39 minutes 35 seconds East, along an old lane and a Northerly line of said 3181.640 acre tract, 716.65 feet to a 5/8 inch steel pin found for a corner;

THENCE, South 31 degrees 58 minutes 30 seconds East, continuing along an old lane, 366.71 feet to the PLACE OF BEGINNING and CONTAINING 3.016 acres of land.

BEING a tract of land in the Freeman White Survey, Abstract No. 1010 and the William Gibson Survey, Abstract No. 335, Hill County, Texas and being a part of a called 199.787 acre tract recorded in Volume 605, Page 904, Deed Records of Hill County, Texas and part of a called 3181.640 acre tract conveyed to Double Diamond, Inc. as recorded in Volume 659, Page 633, Deed Records of Hill County, Texas. Bearings are correlated to an East line of said called 3181.60 acre tract along the West line of F. M. Highway No. 933. (North 04 degrees 17 minutes 44 seconds East)

BEGINNING at a 1/4 inch steel pin set in the West line of F. M. Highway No. 933, being in the East line of said called 199.787 acre tract and an East line of said called 3181.640 acre Double Diamond, Inc. Tract and being North 04 degrees 17 minutes 44 seconds East, 1445.58 feet from a 5/8 inch steel pin found on the West line of F. M. Highway No. 933 at the centerline intersection of County Road No. 1145 being the Southeast corner of said called 199.787 acre tract and an outside cll corner of said called Double Diamond Tract;

THENCE, North 85 degrees 42 minutes 16 seconds West, 300.00 feet to a 1/4 inch steel pin set for a corner;

THENCE, North 04 degrees 17 minutes 44 seconds East, 300.00 feet to a 1/4 inch steel pin set for a corner;

THENCE, South 85 degrees 42 minutes 16 seconds East, 296.38 feet to a 1/4 inch steel pin set for a corner in the West line of F. M. Highway No. 933;

THENCE, along the West line of F. M. Highway No. 933 and a curve to the right having a radius of 1382.26 feet and a chord bearing South 02 degrees 13 minutes 16 seconds West, 100.07 feet, a distance of 100.09 feet to a 5/8 inch steel pin found at the end of said curve;

THENCE, South 04 degrees 17 minutes 44 seconds West, continuing along the West line of F. M. Highway No. 933, 200.00 feet to the PLACE OF BEGINNING and CONTAINING 2.063 acres of land.

Appendix B
Page 3 of 3

Appendix C

White Bluff Water Well Inventory

Well-1

Franklin motor 60HP S/N 10H19-11-800298
 Submonitor S/N 00208
 Goulds pump 18 Stages S/N 111408
 Turner control model 625 D
 Goulds c2 pump 1/2HP S/N YGDC05
 Bulldog pressure tank 20,000 gallons S/N BS1006562
 Ground Storage 250,000 gallons MF-G-271001
 Standpipe 67,000 gallons
 Mission SCADA-1 S/N 689VZV1032
 Chlorine Gas Detector Guardian FX-1500

Booster-1 S/N G230699 12'20 wood building
 Booster-2
 Generator S/N 2069752
 Marathon motor S/N EVE256TTDX701198
 Marathon motor S/N EVK256TTDX70118A
 Compressor S/N L5/23/2011-00863
 Probeless controller
 Sensus 3" meter #82112
 Sensus 8" meter #1574757
 16'16 Concrete block building
 15'15 Concrete block building

Well-2

Franklin motor 60HP S/N 12E19-02-00107B
 Submonitor S/N 12B45-13-00024F
 Goulds pump 18 stages S/N 3M02T
 Turner control model 625 D
 Goulds c2 pump 1/2 HP
 Bulldog 6000 gallon pressure tank
 Standpipe 67,000 gallons
 Mission SCADA-2 S/N 12MIS10921
 Chlorine Gas Detector Superior series /std

Booster-1 S/N G260698 Sensus 3" meter #1636056
 Booster-2 S/N B011007 Neptune 6" meter #0
 Motor 25HP S/N 20709100311
 Motor 25HP S/N 0980728
 Compressor S/N L11/7/2007
 Probeless controller
 14'12 concrete block building
 4'8 wood building

Well-3

Franklin motor 60 HP
 Goulds Pump

Well-4

Centripo motor 125HP S/N 626262G3H
 Goulds pump
 Subtrol-Plus S/N 02G45

White Bluff Waste Water Plant Inventory

one 50,000 gallon Package plant made by Purestream Model # PT-57-T5
one 50,000 gallon Package plant made by Ashbrook S/N 58910
Old plants blower motor Baldor 7.5 HP S/N M3311T
Old plants blower motor Baldor 7.5HP S/N M3710T
Old plants blower motor Baldor 7.5 S/N M3110T
New plants blower motor Toshiba S/N S75240749
New plants blower motor Toshiba S/N S75240738
Old plants blower Roots S/N 0706950382
Old plants blower Roots S/N 0696925920
Old plants blower Roots
New plants blower Sutorbilt S/N5276168
New plants blower Sutorbilt S/N 5276167
Generator - Generac S/N 6061088
Blower room building 10.5X25' Wood fram
Lab building 10X12 wood fram
EQ Basin 37'X11.8X10'
blower for EQ Basin Lafert

Double Diamond will include all waste water grinder systems that are connected to the central sewer system including all lift stations on White Bluff property.

CORPORATE RESOLUTION TO BORROW / GRANT COLLATERAL

Principal \$2,692,648.11	Loan Date 03-07-2013	Maturity 07-07-2017	Loan No	Call / Coll 1E1 / 390	Account DGA0744	Officer TMO	Initials
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.							

Corporation: Double Diamond Utilities, Co.
5496 BELT LINE RD STE 200
DALLAS, TX 75254-7858

Lender: First Financial Bank, N.A.
Cleburne Main St. Office
403 N Main St
P. O. Box 537
Cleburne, TX 76033-0537

I, THE UNDERSIGNED, DO HEREBY CERTIFY THAT:

THE CORPORATION'S EXISTENCE. The complete and correct name of the Corporation is Double Diamond Utilities, Co. ("Corporation"). The Corporation is a corporation for profit which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of Texas. The Corporation is duly authorized to transact business in all other states in which the Corporation is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which the Corporation is doing business. Specifically, the Corporation is, and at all times shall be, duly qualified as a foreign corporation in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. The Corporation has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. The Corporation maintains an office at 5496 BELT LINE RD STE 200, DALLAS, TX 75254-7858. Unless the Corporation has designated otherwise in writing, the principal office is the office at which the Corporation keeps its books and records. The Corporation will notify Lender prior to any change in the location of the Corporation's state of organization or any change in the Corporation's name. The Corporation shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to the Corporation and the Corporation's business activities.

RESOLUTIONS ADOPTED. At a meeting of the Directors of the Corporation, or if the Corporation is a close corporation having no Board of Directors then at a meeting of the Corporation's shareholders, duly called and held on JULY 17, 2015, at which a quorum was present and voting, or by other duly authorized action in lieu of a meeting, the resolutions set forth in this Resolution were adopted.

OFFICER. The following named person is an officer of Double Diamond Utilities, Co.:

NAMES	TITLES	AUTHORIZED	ACTUAL SIGNATURES
Randy Gracy	President	Y X	

ACTIONS AUTHORIZED. The authorized person listed above may enter into any agreements of any nature with Lender, and those agreements will bind the Corporation. Specifically, but without limitation, the authorized person is authorized, empowered, and directed to do the following for and on behalf of the Corporation:

Borrow Money. To borrow, as a cosigner or otherwise, from time to time from Lender, on such terms as may be agreed upon between the Corporation and Lender, such sum or sums of money as in his or her judgment should be borrowed, without limitation.

Execute Notes. To execute and deliver to Lender the promissory note or notes, or other evidence of the Corporation's credit accommodations, on Lender's forms, at such rates of interest and on such terms as may be agreed upon, evidencing the sums of money so borrowed or any of the Corporation's indebtedness to Lender, and also to execute and deliver to Lender one or more renewals, extensions, modifications, refinancings, consolidations, or substitutions for one or more of the notes, any portion of the notes, or any other evidence of credit accommodations.

Grant Security. To mortgage, pledge, transfer, endorse, hypothecate, or otherwise encumber and deliver to Lender any property now or hereafter belonging to the Corporation or in which the Corporation now or hereafter may have an interest, including without limitation all of the Corporation's real property and all of the Corporation's personal property (tangible or intangible), as security for the payment of any loans or credit accommodations so obtained, any promissory notes so executed (including any amendments to or modifications, renewals, and extensions of such promissory notes), or any other or further indebtedness of the Corporation to Lender at any time owing, however the same may be evidenced. Such property may be mortgaged, pledged, transferred, endorsed, hypothecated or encumbered at the time such loans are obtained or such indebtedness is incurred, or at any other time or times, and may be either in addition to or in lieu of any property theretofore mortgaged, pledged, transferred, endorsed, hypothecated or encumbered.

Execute Security Documents. To execute and deliver to Lender the forms of mortgage, deed of trust, pledge agreement, hypothecation agreement, and other security agreements and financing statements which Lender may require and which shall evidence the terms and conditions under and pursuant to which such liens and encumbrances, or any of them, are given; and also to execute and deliver to Lender any other written instruments, any chattel paper, or any other collateral, of any kind or nature, which Lender may deem necessary or proper in connection with or pertaining to the giving of the liens and encumbrances.

Negotiate Items. To draw, endorse, and discount with Lender all drafts, trade acceptances, promissory notes, or other evidences of indebtedness payable to or belonging to the Corporation or in which the Corporation may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to the Corporation's account with Lender, or to cause such other disposition of the proceeds derived therefrom as he or she may deem advisable.

Further Acts. In the case of lines of credit, to designate additional or alternate individuals as being authorized to request advances under such lines, and in all cases, to do and perform such other acts and things, to pay any and all fees and costs, and to execute and deliver such other documents and agreements, including agreements waiving the right to a trial by jury, as the officer may in his or her discretion deem reasonably necessary or proper in order to carry into effect the provisions of this Resolution.

ASSUMED BUSINESS NAMES. The Corporation has filed or recorded all documents or filings required by law relating to all assumed business names used by the Corporation. Excluding the name of the Corporation, the following is a complete list of all assumed business names under which the Corporation does business: None.

NOTICES TO LENDER. The Corporation will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in the Corporation's name; (B) change in the Corporation's assumed business name(s); (C) change in the management of the Corporation; (D) change in the authorized signer(s); (E) change in the Corporation's principal office address; (F) change in the Corporation's state of organization; (G) conversion of the Corporation to a new or different type of business entity; or (H) change in any other aspect of the Corporation that directly or indirectly relates to any agreements between the Corporation and Lender. No change in the Corporation's name or state of organization will take effect until after Lender has received notice.

**CORPORATE RESOLUTION TO BORROW / GRANT COLLATERAL
(Continued)**

Loan No: 41500070739

Page 2

CERTIFICATION CONCERNING OFFICERS AND RESOLUTIONS. The officer named above is duly elected, appointed, or employed by or for the Corporation, as the case may be, and occupies the position set opposite his or her respective name. This Resolution now stands of record on the books of the Corporation, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

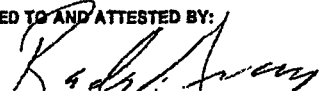
NO CORPORATE SEAL. The Corporation has no corporate seal, and therefore, no seal is affixed to this Resolution.

CONTINUING VALIDITY. Any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved. This Resolution shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to Lender and receipt acknowledged by Lender in writing at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Corporation's agreements or commitments in effect at the time notice is given.

IN TESTIMONY WHEREOF, I have hereunto set my hand and attest that the signature set opposite the name listed above is his or her genuine signature.

I have read all the provisions of this Resolution, and I personally and on behalf of the Corporation certify that all statements and representations made in this Resolution are true and correct. This Corporate Resolution to Borrow / Grant Collateral is dated July 7, 2015.

CERTIFIED TO AND ATTESTED BY:


X Randy Gracy, President of Double Diamond Utilities, Co.

NOTE If the officer signing this Resolution is designated by the foregoing document as one of the officers authorized to act on the Corporation's behalf, it is advisable to have this Resolution signed by at least one non-authorized officer of the Corporation

LoanPro, Ver 13.2 10 001 Corp Doc D-91046 Corporation 1/07, 2015 All Rights Reserved - 72 LCHPLPC16 FC TR-346117 10-15



CHANGE IN TERMS AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$2,692,645.11	03-07-2013	07-07-2017		1E1 / 390	DGA0744	TMO	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.

Borrower: Double Diamond Utilities, Co.
 5496 BELT LINE RD STE 200
 DALLAS, TX 75254-7658

Lender: First Financial Bank, N.A.
 Cleburne Main St. Office
 403 N Main St
 P. O. Box 537
 Cleburne, TX 76033-0537

Principal Amount: \$2,692,645.11

Date of Agreement: July 7, 2015

DESCRIPTION OF EXISTING INDEBTEDNESS. Promissory Note dated March 7, 2013, in the original principal amount of \$3,000,000.00.

DESCRIPTION OF CHANGE IN TERMS. Extend maturity date from July 7, 2015 to July 7, 2017, and continue payments as described in the PAYMENT paragraph below.

PAYMENT. Borrower will pay this loan in 23 regular payments of \$25,459.79 each and one irregular last payment estimated at \$2,418,069.26. Borrower's first payment is due August 7, 2015, and all subsequent payments are due on the same day of each month after that. Borrower's final payment will be due on July 7, 2017, and will be for all principal and all accrued interest not yet paid.

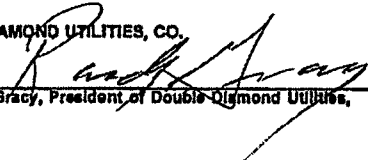
INTEREST CALCULATION METHOD. Interest on this loan is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding, unless such calculation would result in a usurious rate, in which case interest shall be calculated on a per diem basis of a year of 365 or 366 days, as the case may be. All interest payable under this loan is computed using this method.

CONTINUING VALIDITY. Except as expressly changed by this Agreement, the terms of the original obligation or obligations, including all agreements evidenced or securing the obligation(s), remain unchanged and in full force and effect. Consent by Lender to this Agreement does not waive Lender's right to strict performance of the obligation(s) as changed, nor obligate Lender to make any future change in terms. Nothing in this Agreement will constitute a satisfaction of the obligation(s). It is the intention of Lender to retain as liable parties all makers and endorsers of the original obligation(s), including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, will not be released by virtue of this Agreement. If any person who signed the original obligation does not sign this Agreement below, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing party consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension, modification or release, but also to all such subsequent actions.

PRIOR TO SIGNING THIS AGREEMENT, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS AGREEMENT. BORROWER AGREES TO THE TERMS OF THE AGREEMENT.

BORROWER:

DOUBLE DIAMOND UTILITIES, CO.

By: 
 Randy Gracy, President of Double Diamond Utilities, Co.

LENDER:

FIRST FINANCIAL BANK, N.A.

X _____
 Tom O'Neil, CEO

MODIFICATION OF DEED OF TRUST

RECORDATION REQUESTED BY:

First Financial Bank, N.A.
Cleburne Main St. Office
403 N Main St
P. O. Box 537
Cleburne, TX 76033-0537

WHEN RECORDED MAIL TO:

First Financial Bank, N.A.
Credit Department
P. O. Box 2559
Arlene, TX 79604-2559

SEND TAX NOTICES TO:

Double Diamond Utilities, Co.
5495 BELT LINE RD STE 200
DALLAS, TX 75254-7656

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

THIS MODIFICATION OF DEED OF TRUST dated July 7, 2015, is made and executed between Double Diamond Utilities, Co. ("Grantor") and First Financial Bank, N.A., whose address is Cleburne Main St. Office, 403 N Main St, P. O. Box 537, Cleburne, TX 76033-0537 ("Lender").

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated March 7, 2013 (the "Deed of Trust") which has been recorded in HILL County, State of Texas, as follows:

Real Estate Deed of Trust and Security Agreement recorded on March 27, 2013, in the Official Public Records of Hill County, Texas, at County Clerk's File Number 00057803, Volume 1747, Page 567, and all subsequently executed modifications and/or extensions of such Deed of Trust.

REAL PROPERTY DESCRIPTION. The Deed of Trust covers the following described real property located in HILL County, State of Texas:

See Exhibit "A", which is attached to this Modification and made a part of this Modification as if fully set forth herein.

The Real Property or its address is commonly known as TRACTS OF LAND, HILL COUNTY, TX.

MODIFICATION. Lender and Grantor hereby modify the Deed of Trust as follows:

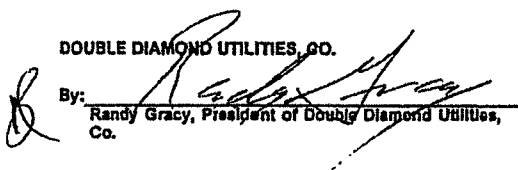
Extend maturity date from July 7, 2015 to July 7, 2017.

CONTINUING VALIDITY. Except as expressly modified above, the terms of the original Deed of Trust shall remain unchanged and in full force and effect. Consent by Lender to this Modification does not waive Lender's right to require strict performance of the Deed of Trust as changed above nor obligate Lender to make any future modifications. Nothing in this Modification shall constitute a satisfaction of the promissory note or other credit agreement secured by the Deed of Trust (the "Note"). It is the intention of Lender to retain as liable all parties to the Deed of Trust and all parties, makers and endorsers to the Note, including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, shall not be released by virtue of this Modification. If any person who signed the original Deed of Trust does not sign this Modification, then all persons signing below acknowledge that this Modification is given conditionally, based on the representation to Lender that the non-signing person consents to the changes and provisions of this Modification or otherwise will not be released by it. This waiver applies not only to any initial extension or modification, but also to all such subsequent actions.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MODIFICATION OF DEED OF TRUST AND GRANTOR AGREES TO ITS TERMS. THIS MODIFICATION OF DEED OF TRUST IS DATED JULY 7, 2015.

GRANTOR:

DOUBLE DIAMOND UTILITIES, CO.

By: 
Randy Gracy, President of Double Diamond Utilities,
Co.

LENDER:

FIRST FINANCIAL BANK, N.A.

X _____
Tom O'Neil, CEO

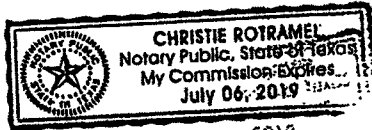
MODIFICATION OF DEED OF TRUST
(Continued)

Page 2

CORPORATE ACKNOWLEDGMENT

STATE OF Texas)
COUNTY OF Dallas) SS

This instrument was acknowledged before me on July 21st, 2015 by Randy Gracy, President of Double Diamond Utilities, Co. a Texas corporation, on behalf of said corporation.



Christie Rotramel
Notary Public, State of Texas

LENDER ACKNOWLEDGMENT

STATE OF _____)
COUNTY OF _____) SS

This instrument was acknowledged before me this _____ day of _____, 20____ by Tom O'Neil as CEO of First Financial Bank, N.A..

Notary Public, State of Texas

Exhibit "A"

Tract I.

All of that certain tract or parcel of land being Lots 17 and 18 of White Bluff Twenty Subdivision, Hill County, Texas, as recorded in Slide A-142 of the Plat Records of Hill County, Texas

Tract II.

All of that certain tract or parcel of land being Tract A of White Bluff Four Subdivision, Hill County, Texas, as shown by plat recorded in Volume 920, Page 692 of the Official Public Records and recorded in Slide 131-AB and 132-A, Plat Records, Hill County, Texas

Tract III.

All of that certain tract or parcel of land being Lot 18 of White Bluff Thirty-Six Subdivision, Hill County, Texas, as recorded in Slide 157-A of the Plat Records of Hill County, Texas

Tract V.

See page 2 of this Appendix "B"

Tract VI.

See Page 3 of this Appendix "B"

BEING a tract of land in the E. Davis Survey, Abstract No. 220, Hill County, Texas, being a part of a called 3181.640 acre tract conveyed to Double Diamond, Inc., as recorded in Volume 659, Page 633, Deed Records of Hill County, Texas.

BEGINNING at a 1/2 inch steel pin set in County Road No. 1145LP, being a Northerly inside oil corner of said 3181.640 acre tract and being North 64 degrees 16 minutes 29 seconds West, 34.85 feet and North 65 degrees 37 minutes 34 seconds East, 138.34 feet from the Northern corner of Lot 61, Wells Bluff Thirty-sixth Subdivision as recorded in Slide 161AR, Deed Records of Hill County, Texas;

TRENCH, South 25 degrees 37 minutes 34 seconds West, along County Road No. 1145LP, 204.83 feet to a 5/8 inch steel pin found for a corner in a Northerly line of said 3181.640 acre tract;

TRENCH, North 38 degrees 39 minutes 15 seconds West, along an old line and a Northerly line of said 3181.640 acre tract, 716.65 feet to a 5/8 inch steel pin found for a corner;

TRENCH, South 31 degree 38 minutes 39 seconds East, continuing along an old line, 366.71 feet to the PLACE OF BEGINNING and CONTAINING 3.016 acres of land.

BEING a tract of land in the Freeman White Survey, Abstract No. 1010, and the William Gibson Survey, Abstract No. 335, Hill County, Texas and being a part of a called 199.787 acre tract recorded in Volume 605, Page 804, Deed Records of Hill County, Texas and part of a called 3161.640 acre tract conveyed to Double Diamond, Inc. as recorded in Volume 659, Page 633, Deed Records of Hill County, Texas. Bearings are correlated to an East line of said called 3161.60 acre tract along the West line of F. M. Highway No. 933. (North 04 degrees 17 minutes 44 seconds East)

BEGINNING at a 1/4 inch steel pin set in the West line of F. M. Highway No. 933, being in the East line of said called 199.787 acre tract and an East line of said called 3161.640 acre Double Diamond, Inc. tract and being North 04 degrees 17 minutes 44 seconds East, 1445.88 feet from a 5/8 inch steel pin found on the West line of F. M. Highway No. 933 at the centerline intersection of County Road No. 1145 being the Southeast corner of said called 199.787 acre tract and an outside oil corner of said called Double Diamond Tract;

THENCE, North 85 degrees 42 minutes 16 seconds West, 300.00 feet to a 1/4 inch steel pin set for a corner;

THENCE, North 04 degrees 17 minutes 44 seconds East, 300.00 feet to a 1/4 inch steel pin set for a corner;

THENCE, South 85 degrees 42 minutes 16 seconds East, 296.38 feet to a 1/4 inch steel pin set for a corner in the West line of F. M. Highway No. 933;

THENCE, along the West line of F. M. Highway No. 933 and a curve to the right having a radius of 1882.25 feet and a chord bearing South 03 degrees 13 minutes 16 seconds West, 100.07 feet, a distance of 100.09 feet to a 5/8 inch steel pin found at the end of said curve;

THENCE, South 04 degrees 17 minutes 44 seconds West, continuing along the West line of F. M. Highway No. 933, 300.00 feet to the **PLACE OF BEGINNING** and **CONTAINING** 2.063 acres of land.



DISBURSEMENT REQUEST AND AUTHORIZATION

Principal \$2,692,645.11	Loan Date 03-07-2013	Maturity 07-07-2017	Loan No	Call / Coll 1E1 / 390	Account DGA0744	Officer TMO	Initials
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.							

Borrower: Double Diamond Utilities, Co.
6495 BELT LINE RD STE 200
DALLAS, TX 75254-7658

Lender: First Financial Bank, N.A.
Cleburne Main St. Office
403 N Main St
P. O. Box 537
Cleburne, TX 76033-0537

LOAN TYPE. This is a non-precomputed Fixed Rate (8.000%) Nondisclosable Balloon Loan to a Corporation for \$2,692,645.11 due on July 7, 2017. This is a secured renewal loan.

PRIMARY PURPOSE OF LOAN. The primary purpose of this loan is for:

- Personal, Family or Household Purposes.
- Personal Investment.
- Business, Agricultural and All Other.

SPECIFIC PURPOSE. The specific purpose of this loan is: Real Estate Loan Renewal #41500070739; Renew and Extend loan originally for general working capital needs.

REAL ESTATE DOCUMENTS. If any party to this transaction is granting a security interest in any real property to Lender and Double Diamond Utilities, Co. is not also a party to the real estate document or documents (the "Real Estate Documents") granting such security interest, Borrower agrees to perform and comply with the Real Estate Documents just as if Borrower has signed as a direct and original party to the Real Estate Documents. This means Borrower agrees to all the representations and warranties made in the Real Estate Documents. In addition, Borrower agrees to perform and comply strictly with all the terms, obligations and covenants to be performed by either Borrower or any Grantor or Trustor, or both, as those words are defined in the Real Estate Documents. Lender need not tell Borrower about any action or inaction Lender takes in connection with the Real Estate Documents. Borrower assumes the responsibility for being and keeping informed about the property. Borrower also waives any defenses that may arise because of any action or inaction of Lender, including without limitation any failure of Lender to realize upon the property, or any delay by Lender in realizing upon the property.

DISBURSEMENT INSTRUCTIONS. Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of \$2,692,645.11, together with funds contributed of \$10,591.96, as follows:

Amount paid on Borrower's account:	\$2,703,237.07
\$2,703,237.07 Payment on Loan # 41500070739 (Loan Renewal)	
Amount Contributed by Borrower:	(\$10,591.96)
\$3,599.51 Non-Loan Funds Contributed By Borrower (Interest Due)	
\$8,992.45 Non-Loan Funds Contributed By Borrower (Principal Reduction)	
Note Principal:	\$2,692,645.11

CHARGES PAID IN CASH. Borrower has paid or will pay in cash as agreed the following charges:

Prepaid Finance Charges Paid in Cash:	\$0.00
Other Charges Paid in Cash: \$72.00 Recording	\$72.00
Total Charges Paid in Cash:	\$72.00

FINANCIAL CONDITION. BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED JULY 7, 2018.

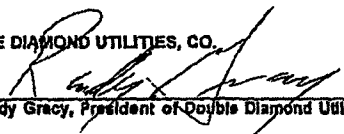
DISBURSEMENT REQUEST AND AUTHORIZATION
(Continued)

Loan No:

Page 2

BORROWER:

DOUBLE DIAMOND UTILITIES, CO.

By: 
Randy Gracy, President of Double Diamond Utilities,
Co.

LoanPro, Ver 13.2 06 09 Doc D:\M LRA Corporation 1997, 2010 All Rights Reserved - TX L12791\1208 FC TX-3-0427 P0-14

Posting Date	Document Type	Document No.	G/L Account No	Business Unit
3/8/2013		JE0004189	2700-0050	
4/7/2013		JE0032331	2700-0050	
5/9/2013		JE0032598	2700-0050	
6/12/2013		JE0032761	2700-0050	
7/8/2013		JE0032885	2700-0050	
8/2/2013		JE0033085	2700-0050	
9/6/2013		JE0033328	2700-0050	
10/9/2013		JE0033527	2700-0050	
11/8/2013		JE0033752	2700-0050	
12/9/2013		JE0033943	2700-0050	
1/8/2014		JE0034085	2700-0050	
2/7/2014		JE0034322	2700-0050	
3/7/2014		JE0034585	2700-0050	
4/11/2014		JE0034869	2700-0050	
6/6/2014		JE0035192	2700-0050	
7/11/2014		JE0035534	2700-0050	
8/8/2014		JE0035868	2700-0050	
9/12/2014		JE0035939	2700-0050	
10/10/2014		JE0036159	2700-0050	
11/18/2014		JE0036486	2700-0050	
12/8/2014		JE0036772	2700-0050	
12/28/2014		JE0036896	2700-0050	
1/8/2015		JE0036897	2700-0050	
2/10/2015		JE0037398	2700-0050	
4/1/2015		JE0038213	2700-0050	
4/23/2015		JE0038209	2700-0050	
5/8/2015		JE0038406	2700-0050	
6/4/2015		JE0038668	2700-0050	
8/10/2015		JE0039141	2700-0050	
9/9/2015		JE0039453	2700-0050	
10/8/2015		JE0039866	2700-0050	
11/5/2015		JE0040100	2700-0050	
12/4/2015		JE0040354	2700-0050	

RESPONSIVE TO WBRG NO. 4-7

Posting Date	Document Typ	Document No	G/L Account	Nc Business U	Description	Amount	User ID	Entry No	Note		Bal
3/8/2013		JE0004189	2700-0050		First Financial Loan funding on WB Utilities	-3,000,000.00	KRS	128283		-3,000,000.00	
4/7/2013		JE0032331	2700-0050		FFB L/N **0739-DDU utilities L/P	10,450.70	KRS	128663	Payments		
5/9/2013		JE0032598	2700-0050		FFB L/N DDU **739 pymt	15,938.92	KRS	129783	2013	101,862.69	-2,898,137.31
6/12/2013		JE0032761	2700-0050		FFB L/N **739 (DDU)	11,047.21	KRS	130507	2014	143,754.59	-2,754,382.72
7/8/2013		JE0032885	2700-0050		FFB L/N **739 pymt (DDU)	13,069.58	KRS	131372	2015	134,889.91	-2,619,492.81
8/2/2013		JE0033085	2700-0050		FFB **0739 pyt (DDU)	11,146.98	KRS	132110			
9/6/2013		JE0033328	2700-0050		FFB L/N **739 (WB utilities)	7,288.11	KRS	133244			
10/9/2013		JE0033527	2700-0050		FFB L/N **0739 pymt	10,273.59	KRS	133918			
11/8/2013		JE0033752	2700-0050		FFB DDU L/N **739 pymt	11,297.68	KRS	134867			
12/9/2013		JE0033943	2700-0050		FFB **739 pymt (DDU)	11,349.92	KRS	135732			
1/8/2014		JE0034085	2700-0050		FFB Loan **739 pymt	11,400.08	KRS	136365			
2/7/2014		JE0034322	2700-0050		FFB **739 Loan pymt	10,970.16	KRS	137180			
3/7/2014		JE0034585	2700-0050		FFB L/N **739 pymt	11,986.72	KRS	137946			
4/11/2014		JE0034869	2700-0050		FFB L/N **739 pymt	10,606.08	KRS	139026			
6/6/2014		JE0035192	2700-0050		FFB L/N **739 pymt	11,664.20	KRS	140682			
7/11/2014		JE0035534	2700-0050		FFB Loan **739 pymt	10,776.14	KRS	141676			
8/8/2014		JE0035868	2700-0050		FFB L/N **0739 pymt	12,709.60	KRS	143988			
9/12/2014		JE0035939	2700-0050		FFB **739 pymt	12,758.30	KRS	144186			
10/10/2014		JE0036159	2700-0050		FFB **0739 pymt	13,275.53	KRS	145411			
11/18/2014		JE0036486	2700-0050		FFB L/N **739 pymt	12,394.37	KRS	146297			
12/8/2014		JE0036772	2700-0050		FFB **739 pymt	14,760.86	KRS	147497			
12/28/2014		JE0036896	2700-0050		FFB Loan **0739 pymt	10,452.55	KRS	147871			
1/8/2015		JE0036897	2700-0050		FFB Loan **0739 pymt	12,499.36	KRS	147877			
2/10/2015		JE0037398	2700-0050		FFB **739 pymt	11,634.44	KRS	149802			
4/1/2015		JE0038213	2700-0050		FFB L/N **0739 pymt	14,436.86	KRS	152704			
4/23/2015		JE0038209	2700-0050		FFB L/N 0739 PYMT	11,226.37	KRS	152684			
5/8/2015		JE0038406	2700-0050		FFB **739 PYMT (DDU)	11,764.68	KRS	153625			
6/4/2015		JE0038668	2700-0050		FFB L/N **0739 PYMT	11,877.40	KRS	154446			
8/10/2015		JE0039141	2700-0050		FFB **739 pymt	11,547.79	KRS	157011			
9/9/2015		JE0039453	2700-0050		FFB L/N **739 pymt	12,941.72	KRS	158524			
10/8/2015		JE0039866	2700-0050		FFB L/N **739 pymt	12,997.94	KRS	159897			
11/5/2015		JE0040100	2700-0050		FFB L/N **739 pymt	12,170.58	KRS	161179			
12/4/2015		JE0040354	2700-0050		FFB L/N **739 pymt	11,792.77	KRS	161856			
						-2,619,492.81					

RESPONSIVE TO WBRG NO. 4-13

7

**SEWER UTILITY TARIFF
FOR**

Double Diamond Utilities Company
a Texas Corporation
(Utility Name)

10100 N. Central Expressway, Suite 400
(Business Address)

Dallas, Texas 75231
(City, State, Zip Code)

(214) 706-9801
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:

20705

This tariff is effective in the following counties:

Grayson, Hill, Johnson and Palo Pinto

This tariff is effective in the following cities or unincorporated towns (if any):

None

This tariff is effective in the following subdivisions and public sewer systems:

The Cliffs: WQ0002789-000

The Retreat: WQ0014373-001

Rock Creek: WQ0014783-001

White Bluff: WQ0013786-002

TABLE OF CONTENTS

The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

SECTION 1.0 -- RATE SCHEDULE	2
SECTION 2.0 -- SERVICE RULES AND POLICIES.....	4
SECTION 3.0 -- EXTENSION POLICY.....	10

APPENDIX A -- SAMPLE SERVICE AGREEMENT

APPENDIX B -- APPLICATION FOR SERVICE

TEXAS COMM. ON ENVIRONMENTAL QUALITY
36340-R, CCN 20705, DECEMBER 31, 2010,
JUNE 1, 2010, and JUNE 30, 2010
APPROVED TARIFF BY 27180

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

Meter Size:	Monthly Minimum Charge	Gallonge Charge
5/8" or 3/4"	\$41.00 (3,000 gallons included)	\$8.00 per 1,000 gallons
1"	\$102.50	
1 1/2 "	\$205.00	
2"	\$328.00	
3"	\$615.00	

Gallonge charges are determined based on average consumption for the winter months which are December, January, and February.

FORM OF PAYMENT: The utility will accept the following forms of payment:
Cash X, Check X, Money Order X, Credit Card X, Other (specify) _____
THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT 1.0%
TCEQ RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL.

Section 1.02 - Miscellaneous Fees

TAP FEE \$3,100
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL CONNECTION. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Large Connection Tap) Actual Cost
TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR TAP SIZE INSTALLED.

RECONNECTION FEE
THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

- a) Non payment of bill (Maximum \$25.00) \$25.00
- b) Customer's request that service be disconnected \$40.00

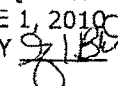
RATES LISTED ARE EFFECTIVE ONLY
IF THIS PAGE HAS TCEQ APPROVAL STAMP

TEXAS COMM. ON ENVIRONMENTAL QUALITY
36340-R, CCN 20705, JUNE 1, 2010
APPROVED TARIFF BY *[Signature]*

SECTION 1.0 - RATE SCHEDULE (CONT.)

- LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL)..... 10%
TCEQ RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.
- TRANSFER FEE \$40.00
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.
- RETURNED CHECK CHARGE..... \$20.00
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.
- CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)..... None
- COMMERCIAL & NON-RESIDENTIAL DEPOSIT 1/6TH OF ESTIMATED ANNUAL BILL
- GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE
WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND TESTING 30 TAC 291.21(K)(2).
- LINE EXTENSION AND CONSTRUCTION CHARGES:
REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.

RATES LISTED ARE EFFECTIVE ONLY
IF THIS PAGE HAS TCEQ APPROVAL STAMP

TEXAS COMM. ON ENVIRONMENTAL QUALITY
36340-R, CCN 20705, JUNE 1, 2010
APPROVED TARIFF BY 

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

Meter Size:	Monthly Minimum Charge	Gallonge Charge per 1,000 gallons
5/8" or 3/4"	\$31.01 (includes 0 gallons)	\$1.59 0-3,000 gallons
1"	\$77.51	\$2.19 3,001-10,000 gallons
1½"	\$155.03	\$3.02 10,001-15,000 gallons
2"	\$248.04	\$4.17 15,001-20,000 gallons
3"	\$465.08	\$5.76 20,001 gallons and over

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash X, Check X, Money Order X, Credit Card X, Other (specify) _____
THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT 1.0%
TCEQ RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL.

Section 1.02 - Miscellaneous Fees

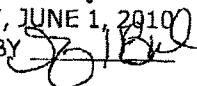
TAP FEE \$675.00
TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Large meter) Actual Cost
TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

METER RELOCATION FEE Actual Relocation Cost, Not to Exceed Tap Fee
THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

METER TEST FEE \$25.00
THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.

RATES LISTED ARE EFFECTIVE ONLY
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SECTION 1.0 - RATE SCHEDULE (CONT.)

RECONNECTION FEE

THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

- a) Non payment of bill (Maximum \$25.00)..... \$25.00
- b) Customer's request that service be disconnected \$25.00

TRANSFER FEE \$25.00

THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL)..... 10%

TCEQ RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE..... \$30.00

RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)..... None

COMMERCIAL & NON-RESIDENTIAL DEPOSIT 1/6TH OF ESTIMATED ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE

WHEN AUTHORIZED IN WRITING BY TCEQ AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING 30 TAC 291.21(K)(2).

LINE EXTENSION AND CONSTRUCTION CHARGES:

REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.

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