



Control Number: 47690



Item Number: 1

Addendum StartPage: 0



Application for Sale, Transfer, or Merger of a Retail Public Utility

Pursuant to Chapter 13.251 of the Texas Water Code

Docket Number: 47690

(this number will be assigned by the Public Utility Commission after your application is filed)

7 copies of the application, including the original, along with one copy of the portable electronic storage medium (such as CD or DVD) containing the GIS data shall be filed with

Public Utility Commission of Texas
Attention: Filing Clerk
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

No later than seven days after filing the application for the boundary change, provide a copy of each paper map and a portable electronic storage medium (such as CD, flash drive or DVD) containing complete and identical data to the portable electronic storage medium submitted above to

Texas Natural Resources Information System
1700 N. Congress Ave, Room B40
Austin, Texas 78701

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43872

Part A – General Information

*RN# LA101197382/GS101277309 *CN# LA603781253/GS0180030 * (PRIOR TCEQ ID numbers)

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

☒ Sale of ☒ All ☐ Portion of the ☒ Water system(s) under CCN No.: 11777
☐ Acquisition ☐ Sewer system(s) under CCN No.:
☐ Lease/Rental

☒ Transfer of ☒ All ☐ Portion of the ☒ Certificated water service area – CCN No.: 11777
☐ Certificated sewer service area – CCN No.:

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

N/A

and to:

☐ Obtain a CCN for the transferee (purchaser) – indicate if purchaser will take the seller's CCN
☒ Amend the transferee's CCN No.: 12997
☐ Merge or consolidate public utilities
☐ Cancel CCN of the transferor (seller)

2. Proposed effective date of this transaction: 2/1/2018

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

Part B – Current Service Provider or Seller Information

Questions 3 through 5 apply to the transferor (current service provider or seller)

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

A. Name: George T. Foley, Jr. / Aileen M. Foley Estate

(Individual, Corporation or Other Legal Entity)

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

B. Utility Name (if different than above): Lakeline/Glenshores Water Co.

Address: 3331 Mitchell Rd, Waco, TX 76708 Telephone: (AC) (254) 644-6884

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

Name: George T. Foley, Jr. for Estate of Aileen M. Foley

Title: Independent Executor

Address: 3331 Mitchell Rd, Waco, TX 76708

Telephone: (AC) (254) 644-6884

PUCT Sale Merger Transfer (Previous TCEQ Form 10516)

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Fax:

Email:

4. About the last rate increase for the system or facilities being transferred:

A. What was the effective date of the last rate increase?

B. Was notice of this increase provided to the Public Utility Commission of Texas (commission or PUC) or a predecessor regulatory authority?

☐ No ☒ Yes- Application/Docket Number: Date

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

Name and Address of Utility Customer	Date of Deposit	Amount of Deposit	Amount of Unpaid Interest on Deposit
None			
Exhibit "A"			

Part C – Purchaser or Transferee Information

Questions 6 through 16 refer to the transferee or purchaser.

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

Applicant:

(Individual, Corporation, or Other Legal Entity)

Utility Name:

(If different than above)

Utility Address:

Fax: Email: Telephone (AC):

CCN Numbers held prior to the filing of this application:

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

☐ Individual

☐ Home or Property Owners Association

☐ Partnership; attach copy of partnership agreement

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

Texas:

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

<input type="checkbox"/>	Municipally-owned utility
<input type="checkbox"/>	District (MUD, SUD, WCID, etc.)
<input type="checkbox"/>	County
<input type="checkbox"/>	Other (please explain):

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

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

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

•Name:	Robert Payne	Telephone (AC):	(254) 675-3551
Address:	122 S. Ave D, Clifton, TX 76634		
Position:	President	Ownership % (if applicable):	100.00%

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%

- Attach additional sheet(s) if necessary -

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

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

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

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

Name:	Patricia Coy	Title:	Attorney
Address:	815 W 5th St, Clifton, TX 76634	Telephone (AC):	(254) 675-8663
Fax #	(254) 675-4567	Email	pcoy@bosquelaw.com
Relationship to the applicant:	Attorney		

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

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

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

Exhibit "C"

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

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

Exhibit "D"

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

Exhibit "E"

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

The number of Licensed Water Operators will increase. Also, owner is closely involved in day to day operation resulting in improved service.

E. How will the transaction serve the public interest?

The current service will be improved. Purchaser has years experience and will provide adequate and quality drinking water.

12. Please describe the nature of the proposed transaction:

Cash purchase for facilities and customers that will add to applicants ongoing operation.

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

A.

• Total Purchase Price: \$ 100,000.00

• Total Original Cost (as recorded on books of seller or merging entity):

\$ 100,000.00

• Accumulated Depreciation as of the proposed effective date of the transaction:

• Contributions in Aid of Construction:

- Specific surcharges approved by TCEQ or PUC:

- Revenues from explicit customer agreements:

- Developer Contributions (please explain):

N/A

- Other Contributions (please explain):

N/A

Total Contributions in Aid of Construction

• Net Book Value: \$ 100,000.00

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

Application/Docket Number: Date:

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

Please provide any other information concerning the nature of the transaction you believe should be given consideration if not explained elsewhere in the application.

[attach additional sheet(s) if necessary]:

N/A

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

Utility Plant in Service:	<input type="text"/>
Plant Acquisition Adjustment:	<input type="text"/>
Extraordinary Loss on Purchase:	<input type="text"/>
Accumulated Depreciation of Plant:	<input type="text"/>
Cash:	<input type="text" value="\$ 100,000.00"/>
Notes Payable:	<input type="text"/>
Mortgage Payable:	<input type="text"/>
Others (please list):	<input type="text"/>

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

Purchaser's Initials: Date:

14. Please indicate the proposed effect of this transaction on the rates to be charged to the affected customers:

<input checked="" type="checkbox"/>	All the customers will be charged the same rates as they were charged before the transaction.
<input type="checkbox"/>	Some

If rates are changing, please explain:

N/A

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

N/A

☐ Other. Please explain:

N/A

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

Exhibit "F"

16. Financial, Managerial and Technical information for the acquiring entity.

Exhibit "G" - Financial Statement

Part D – Historical Financial Information

HISTORICAL BALANCE SHEETS	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
CURRENT ASSETS						
Cash	2,040.00	3,255.04	4,692.00	1,190.00		
Accounts Receivable	3,579.95	41,995.00	40,795.00	42,959.40		
Inventories	0.00	0.00	0.00	0.00		
Income Tax Receivable	0.00	0.00	0.00	0.00		
Other	0.00	0.00	0.00	0.00		
Total	5,619.95	45,250.04	45,487.00	44,149.40		
FIXED ASSETS						
Land	31,277.00	31,277.00	31,277.00	31,277.00		
Collection/Distribution System	140,000.00	140,000.00	140,000.00	140,000.00		
Buildings	30,000.00	30,000.00	30,000.00	30,000.00		
Equipment	0.00	0.00	0.00	0.00		
Other	0.00	0.00	0.00	0.00		
Less: Accum. Depreciation or Reserves	0.00	0.00	0.00	0.00		
Total	201,277.00	201,277.00	201,277.00	201,277.00		
TOTAL ASSETS	206,896.95	246,527.04	246,764.00	245,426.40		
CURRENT LIABILITIES						
Accounts Payable	0.00	0.00	0.00	0.00		
Notes Payable, Current	0.00	0.00	0.00	0.00		
Accrued Expenses	0.00	0.00	0.00	0.00		
Other	0.00	0.00	0.00	0.00		
TOTAL						
LONGTERM LIABILITIES						
Notes Payable, Long-term	0.00	0.00	0.00	0.00		
Other	0.00	0.00	0.00	0.00		
TOTAL LIABILITIES	0.00	0.00	0.00	0.00		
OWNER'S EQUITY						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss	1,539.95	4,122.05	4,075.30	42,959.40		
TOTAL OWNER'S EQUITY	201,277.00	201,277.00	201,244.00	201,277.00		
TOTAL LIABILITIES AND EQUITY						
WORKING CAPITAL						
CURRENT RATIO						
DEBT TO EQUITY RATIO EQUITY TO TOTAL ASSETS						

HISTORICAL INCOME STATEMENT	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
METER NUMBER						
Existing Number of Taps	147.00	147.00	148.00	148.00		
New Taps Per Year	0.00	0.00	0.00	0.00		
Total Meters at Year End	147.00	147.00	148.00	148.00		
METER REVENUE						
Fees Per Meter						
Cost Per Meter						
Operating Revenue Per Meter						
GROSS WATER REVENUE						
Fees						
Other						
Gross Income	10832.45	41,995.76	40,745.38	42,959.40		
OPERATING EXPENSES						
General & Administrative						
Interest						
Other	400.00	1,686.39	1,686.39	1,686.39		
NET INCOME	5,020.00	4,122.05	4,192.92	7,322.94		

HISTORICAL EXPENSE DETAIL	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries	0.00	0.00	0.00	0.00		
Office Expense	188.00	1,128.00	1,130.00	1,130.00		
Computer Expense	0.00	0.00	0.00	0.00		
Auto Expense	0.00	0.00	0.00	0.00		
Insurance Expense	0.00	0.00	0.00	0.00		
Telephone Expense	138.00	828.00	828.00	828.00		
Utilities Expense	982.96	6,449.32	6,799.80	6,799.80		
Depreciation Expense						
Property Taxes	4,111.27	4,111.27	4,111.27	4,111.27		
Professional Fees						
Other						
Total						
% Increase Per Year						
OPERATIONAL EXPENSES						
Salaries	3,400.00	20,400.00	20,400.00	20,400.00		
Auto Expense	0.00	0.00	0.00	0.00		
Utilities Expense	0.00	0.00	0.00	0.00		
Depreciation Expense						
Repair & Maintenance	0.00	20,107.55	18,951.00	0.00		
Supplies	167.86	671.00	671.00	671.00		
Other						
Total	3,567.86	41,178.55	40,022.00	21,071.00		
% Increase Per Year						
ASSUMPTIONS						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

Part E – Projected Information

PROJECTED BALANCE SHEETS

	START UP	2018	2019	2020	2021	2022
CURRENT ASSETS						
Cash		10,000.00	15,000.00	20,000.00	25,000.00	30,000.00
Accounts Receivable		3,675.00	4,662.00	4,992.00	5,325.00	5,814.00
Inventories						
Income Tax Receivable						
Other						
Total		13,675.00	19,662.00	24,992.00	30,325.00	35,814.00
FIXED ASSETS						
Land		30,000.00	32,000.00	34,000.00	36,000.00	36,000.00
Collection/Distribution System		75,000.00	75,000.00	75,000.00	75,000.00	75,000.00
Buildings		15,000.00	15,000.00	15,000.00	15,000.00	15,000.00
Equipment						
Other						
Less: Accum. Depreciation or Reserves		3,375.00	9,872.00	15,881.00	21,440.00	26,582.00
Total		116,625.00	112,128.00	108,119.00	104,560.00	99,418.00
TOTAL ASSETS		130,300.00	131,790.00	133,111.00	134,885.00	135,232.00
CURRENT LIABILITIES						
Accounts Payable						
Notes Payable, Current		1,891.00	1,986.00	2,109.00	2,239.00	2,377.00
Accrued Expenses						
Other						
Total		1,891.00	1,986.00	2,109.00	2,239.00	2,377.00
LONGTERM LIABILITIES						
Notes Payable, Long-term		95,062.00	92,681.00	90,449.00	88,079.00	79,564.00
Other						
TOTAL LIABILITIES		96,953.00	94,667.00	92,558.00	90,318.00	87,991.00
OWNER'S EQUITY						
Paid in Capital						
Retained Equity		26,229.00	23,175.00	22,259.00	21,999.00	19,214.00
Other						
Current Period Profit or Loss		7,118.00	13,948.00	18,294.00	22,568.00	28,027.00
TOTAL OWNER'S EQUITY		33,347.00	37,123.00	40,553.00	44,567.00	47,241.00
TOTAL LIABILITIES AND EQUITY		130,300.00	131,790.00	133,111.00	134,885.00	135,232.00
WORKING CAPITAL						
CURRENT RATIO						
DEBT TO EQUITY RATIO		2.90	2.55	2.28	2.17	1.86
EQUITY TO TOTAL ASSETS		75.00	71.00	69.00	66.00	65.00

PROJECTED INCOME STATEMENT

	2018	2019	2020	2021	2022	TOTALS
METER NUMBER						
Existing Number of Taps	147	147	148	149	150	
New Taps Per Year		1	1	1	1	
Total Meters at Year End		148	149	150	151	
METER REVENUE						
Fees Per Meter	25.00	31.50	33.50	35.50	38.50	
Cost Per Meter						
Operating Revenue Per Meter	300.00	372.00	402.00	426.00	462.00	
GROSS WATER REVENUE						
Fees						
Other						
Gross Income	44,100.00	55,056.00	59,898.00	63,900.00	69,762.00	
OPERATING EXPENSES						
General & Administrative	26,600.00	26,700.00	27,650.00	27,750.00	28,500.00	
Interest	4,967.00	5,861.00	5,745.00	5,623.00	5,493.00	
Other	5,325.00	8,507.00	8,209.00	7,959.00	7,742.00	
NET INCOME	7,118.00	13,948.00	18,294.00	22,568.00	28,027.00	

PROJECTED EXPENSE DETAIL

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries	14,400.00	14,400.00	15,000.00	15,000.00	15,500.00	
Office Expense	1,000.00	1,000.00	1,050.00	1,050.00	1,100.00	
Computer Expense						
Auto Expense	100.00	100.00	100.00	100.00	100.00	
Insurance Expense						
Telephone Expense	100.00	100.00	100.00	100.00	100.00	
Utilities Expense	6,500.00	6,600.00	6,700.00	6,800.00	7,000.00	
Depreciation Expense	0.00					
Property Taxes	4,000.00	4,000.00	4,200.00	4,200.00	4,200.00	
Professional Fees	500.00	500.00	500.00	500.00	500.00	
Other						
Total	26,600.00	26,700.00	27,650.00	27,750.00	28,500.00	
% Increase Per Year	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
OPERATIONAL EXPENSES						
Salaries	1,250.00	1,250.00	1,300.00	1,400.00	1,500.00	
Auto Expense	100.00	100.00	100.00	100.00	100.00	
Utilities Expense						
Depreciation Expense	3,375.00	6,497.00	6,009.00	5,559.00	5,142.00	
Repair & Maintenance	500.00	600.00	700.00	800.00	900.00	
Supplies	100.00	100.00	100.00	100.00	100.00	
Other						
Total	5,325.00	8,547.00	8,209.00	7,959.00	7,742.00	
% Increase Per Year	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ASSUMPTIONS						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

PROJECTED SOURCES AND USES OF CASH STATEMENTS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
SOURCES OF CASH						
Net Income (Income - Expense)	7,118.00	13,948.00	18,294.00	22,568.00	28,027.00	
Depreciation (If Funded)	3,375.00	6,497.00	6,009.00	5,559.00	5,142.00	
Loan Proceeds	100,000.00					
Other						
Total Sources	110,693.00	20,445.00	24,303.00	28,129.00	33,169.00	
USES OF CASH						
Net Loss						
Principle Portion of Pmts.	1,332.00	1,871.00	1,986.00	2,109.00	2,239.00	
Fixed Asset Purchase	100,000.00					
Reserve						
Other						
Total Uses	101,332.00	1,871.00	1,986.00	2,109.00	2,239.00	
NET CASH FLOW	9,361.00	18,574.00	22,317.00	26,020.00	30,930.00	
DEBT SERVICE COVERAGE						
Cash Available for Debt	10,493.00	19,445.00	24,303.00	28,129.00	33,169.00	
SERVICE (CADS)						
Net Income (Loss)						
Depreciation, or Reserve Interest						
Total						
REQUIRED DEBT SERVICE (RDS)						
Principle Plus Interest	6,443.00	7,732.00	7,732.00	7,732.00	7,732.00	
DEBT SERVICE COVERAGE RATIO						
CADS Divided by RDS						

Part F – TCEQ Public Water or Sewer System Information

- ☞ Please answer questions 17 through 22 on a different sheet for each physically Distinct system being transferred or acquired.

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

1	8	0	0	2	5	
---	---	---	---	---	---	--

 LA
Date of last inspection:

4	1	/	2	0	1	6
---	---	---	---	---	---	---

 1 8 0 0 3 0 GS

B. For Wastewater Systems: N/A

-TCEQ Discharge Permit Number: W Q

--	--	--	--	--	--

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 -Name of Permittee:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

 -Date of application to transfer Discharge Permit submitted:

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

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

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

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

--

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

--

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

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

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

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

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

20. Do you currently purchase water or sewer treatment capacity from another source? ☐ Yes ☒ No
☐ Water ☐ Sewer Purchased on a ☐ Regular ☐ Seasonal ☐ Emergency Basis

• Source: % of total supply:

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

Water				Sewer	
	-Non Metered		-2" meter	-Residential Connection	
147	-5/8" or 3/4" meter		-3" meter	-Commercial Connection	
	-1" meter		-4" meter	-Industrial Connection	
	-1 1/2" meter		-Other	-Other	
Total Water Connections:			147	Total Sewer Connections	0

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

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

Name	Class	License#
Todd A. Dilworth	C-GWT Operator	WG0002063
Todd A. Dilworth	Inspector	CI0005133
Robert Payne	D-Water Operator	WO0004678

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

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

Part G – Oaths and Notices

OATH FOR SELLER OR FORMER SERVICE PROVIDER

STATE OF Texas
COUNTY OF Bosque

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

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

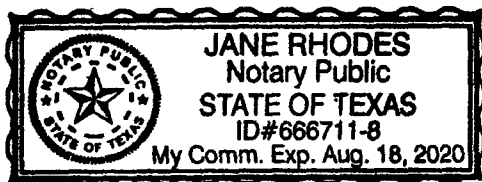
George Foley Jr.
executor

AFFIRANT
(Utility's Authorized Representative)

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

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas, this 4 day 4 of October, 2017.

SEAL



Jane Rhodes
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

JANE RHODES
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES

8-18-20

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

OATH FOR PURCHASER OR ACQUIRING ENTITY

STATE OF Texas

COUNTY OF Bosque

I, Robert Payne, being duly sworn, file this application for

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

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

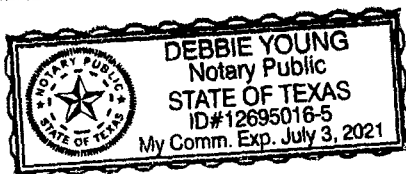

AFFIANT
(Utility's Authorized Representative)

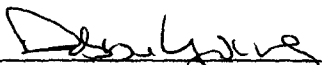
If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

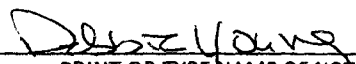
Applicant represents that all other parties to this transaction have been furnished copies of this completed application.

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas, this
day 6 of Oct, 20 17.

SEAL




NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS


PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES

7-3-21

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

Notice to Current Customers, Neighboring Systems and Cities

_____'S
(Seller's or Transferor's Name)

NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) NO _____ TO _____

(Purchaser's or Transferee's Name)

IN _____ COUNTY, TEXAS

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

(Address)

City State Zip

Sellers or Transferors' Name

Address

City/State/Zip Code

has submitted an application with the Public Utility Commission of Texas to sell facilities and transfer water or sewer (please select) CCN No. _____ in _____ [County Name]

County to:

Lakeline Acres/Glenshores Water LLC

307 South Fuller St.

Meridian, TX 76665

Purchasers or Transferee's Name

Address

City/State/Zip Code

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

The area subject to this transaction is located approximately _____ miles _____ [direction] of downtown _____, [City or Town] Texas, and is **generally** bounded on the north by

_____ ;on the east by _____

_____ ;on the south by _____ ;and on the west by _____

The total area being requested includes approximately _____ acres and serves _____ current customers.

This transaction will have the following effect on the current customer's rates and services:

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

To request a hearing, you must:

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

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

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

Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

**Se desea informacion en Espanol, puede llamar al
1-888-782-8477**

Utility Representative

Utility Name

Notice to Current Customers, Neighboring Systems, Landowner and Cities**'S NOTICE OF INTENT TO SELL FACILITIES TO**_____
(Seller's or Transferor's Name)

AND FOR

(Purchaser's or Transferee's Name)_____
Purchaser's or Transferee's Name)TO OBTAIN OR AMEND A CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) IN

COUNTY, TEXASTo: _____ Date Notice Mailed _____, 20 ____
(Name of Customer, Neighboring System, Landowner or City)_____
(Address)_____
City_____
State_____
Zip_____
Sellers or Transferors' Name_____
Address_____
City/State/Zip Codehas submitted an application with the Public Utility Commission of Texas to sell water or sewer (please
select) Facilities in _____ [County Name] County to:_____
Purchasers or Transferee's Name_____
Address_____
City/State/Zip CodeThe transferee has also requested to obtain/amend a CCN in this application. The sale is scheduled to take place as approved by the
Commission (Texas Water Code §13.301). The transaction and the proposed service area include the following subdivision(s):
_____The area subject to this transaction is located approximately _____ miles _____ [direction] of
downtown _____, [City or Town] Texas, and is generally bounded on the north by
_____; on the east by _____
; on the south by _____; and on the west by _____The total area being requested includes approximately _____ acres and serves _____ current customers.
This transaction will have the following effect on the current customer's rates and services:

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

To request a hearing, you must:

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

Only those persons who submit a written request to be notified of a hearing will receive notice if a hearing is scheduled. The
Commission will issue the CCN requested in the referenced application unless a hearing is scheduled to consider the transaction. If no

protests or requests for hearing are filed during the comment period, the Commission may issue the CCN 30 days after publication of this notice.

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

Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

**Se desea informacion en Espanol, puede llamar al
1-888-782-8477**

Utility Representative

Utility Name

Exhibit "A"	Customer List
Exhibit "B"	Certificate of Account Status
Exhibit "C"	Qualifications of Payne
Exhibit "D"	Enforcement Actions
Exhibit "E"	Availability of Funds
Exhibit "F"	Neighboring Utilities
Exhibit "G"	Financial Statement
Exhibit "H"	Map of area and description

Exhibit "A"

Lakeline Acres Customer List

Sherree Carter
110 CR 1630
Clifton, TX 76634
254-622-3610

Jerri Hawly
124 CR 1630
Clifton, TX 76634
432-528-4574

James Dyndergaard
129 CR 1630
Clifton, TX 76634

Lee Gentry
136 CR 1630
Clifton, TX 76634

Don Benda
135 CR 1630
Clifton, TX 76634

Emilie Shipman
141 CR 1630
Clifton, TX 76634

Gene Smirl
144 CR 1630
Clifton, TX 76634
409-392-7760

Charles Hall
146 CR 1630
Clifton, TX 76634
254-622-2215

John Slaughter
CR 1630
Clifton, TX 76634
214-793-0257

Dake Shields
155 CR 1630
Clifton, TX 76634
254-622-3610

Lakeline Acres Customer List

Gary Farrell
170 CR 1630
Clifton, TX 76634
817-975-6119

Stephanie Lansford
193 CR 1630
Clifton, TX 76634

Ron Stanley
111 CR 1629
Clifton, TX 76634

Jeff Michaud
102 CR 1629
Clifton, TX 76634

Bill Cospèr
202 CR 1630
Clifton, TX 76634
262-914-5237

Ellen Shields
203 CR 1630
Clifton, TX 76634
254-253-1482

Graham
300 CR 1624
Clifton, TX 76634

Sonja Leavelle
303 CR 1624
Clifton, TX 76634

Petra Rodriguez
CR 1624
Clifton, TX 76634
972- 739-6935

Gerald Longacre
282 CR 1624
Clifton, TX 76634

Lakeline Acres Customer List

Beverly Tomlin
121 CR 1626
Clifton, TX 76634
254-447-9652

Lance Alsobrook
110 CR 1626
Clifton, TX 76634
254-707-1653

Tomlin Rental
125 CR 1626
Clifton, TX 76634

Richard Abbe
127 CR 1626
Clifton, TX 76634
254-722-3238

Carroll Winnett
272 CR 1624
Clifton, TX 76634

Richard Dills
105 CR 1625
Clifton, TX 76634
254-253-1330

Tom McRay
271 CR 1624
Clifton, TX 76634

Joe Howard
248 CR 1624
Clifton, TX 76634
254-749-6058

Billy Smith
233 CR 1624
Clifton, TX 76634

James Nawara
225 CR 1624
Clifton, TX 76634

Lakeline Acres Customer List

Sandra Tobias
199 CR 1624
Clifton, TX 76634

Carolyn Billington
172 CR 1624
Clifton, TX 76634
254-644-8035

John Warren
177 CR 1624
Clifton, TX 76634

Travis Hubbard
171 CR 1624
Clifton, TX 76634

Larry Denman
391 CR 1627
Clifton, TX 76634
254-644-3411

Billy Young
396 CR 1627
Clifton, TX 76634
254-537-3007

Shiraz Poonawalla
CR 1627
Clifton, TX 76634
817-932-2495

Michael Young
418 CR 1627
Clifton, TX 76634

Tom Marshall
428 CR 1627
Clifton, TX 76634

Billy Hall
434 CR 1627
Clifton, TX 76634

Lakeline Acres Customer List

Gary Powell
444 CR 1627
Clifton, TX 76634

Jeff Schwarzer
459 CR 1627
Clifton, TX 76634

Kim Sharp
458 CR 1627
Clifton, TX 76634

Harold Winnett
479 CR 1627
Clifton, TX 76634

Rich Boone
484 CR 1627
Clifton, TX 76634

Bill Russell
485 CR 1627
Clifton, TX 76634

Eddie Mendel, Jr.
492 CR 1627
Clifton, TX 76634

Roy Freyer
494 CR 1627
Clifton, TX 76634

Rod Warren
498 CR 1627
Clifton, TX 76634

Eddie Mendel
CR 1627
Clifton, TX 76634

Lakeline Acres Customer List

Todd Marshall
506 CR 1627
Clifton, TX 76634

Darren Ponewash
508 CR 1627
Clifton, TX 76634

Bobby Hardgrave
189 CR 1627
Clifton, TX 76634
254-978-0929

Bobby Hardgrave
249 CR 1624
Clifton, TX 76634
254-978-0929

Jerry Buckner
188 CR 1627
Clifton, TX 76634
254-223-0102

Delphen Morrow
191 CR 1627
Clifton, TX 76634

Rober Plsek
201 CR 1627
Clifton, TX 76634
254-244-3580

Wanda Argabright
202 CR 1627
Clifton, TX 76634
254-644-8457

Wayne Smith
214 CR 1627
Clifton, TX 76634
254-978-1962

Tanner Electronics
215 CR 1627
Clifton, TX 76634

Lakeline Acres Customer List

Kevin Pringle
236 CR 1627
Clifton, TX 76634

Mike Nash
240 CR 1627
Clifton, TX 76634
682-465-6476

Sam Jackson
247 CR 1627
Clifton, TX 76634

Connie Eichelberger
257 CR 1627
Clifton, TX 76634

Bruce Miller
260 CR 1627
Clifton, TX 76634
817-774-6424

Bruce Miller
264 CR 1627
Clifton, TX 76634

Wayne Barnet
269 CR 1627
Clifton, TX 76634
254-622-3570

DeWayne Jackson
348 CR 1627
Clifton, TX 76634

Catherine Locke
354 CR 1627
Clifton, TX 76634

Gayle Cyrulik
372 CR 1627
Clifton, TX 76634
217-737-0220

Lakeline Acres Customer List

Clyde Duke
373 CR 1627
Clifton, TX 76634

Kenneth White
390 CR 1627
Clifton, TX 76634
254-315-7414

Wayne Lantz
326 CR 1630
Clifton, TX 76634
682-365-3340

Wayne Lantz
530 CR 1627
Clifton, TX 76634
682-365-3340

Reba Johnson
335 CR 1630
Clifton, TX 76634

Hurbert Nutt, Jr.
339 CR 1630
Clifton, TX 76634

Craig Lantz
345 CR 1630
Clifton, TX 76634

Blain Bryant
355 CR 1630
Clifton, TX 76634

Pete Lohmer
342 CR 1630
Clifton, TX 76634
254-644-6038

Pete Lohmer
353 CR 1624
Clifton, TX 76634
254-644-6038

Lakeline Acres Customer List

Wayne Jackson
330 CR 1630
Clifton, TX 76634

Dave Stallard
334 CR 1624
Clifton, TX 76634
254-694-6090

Linda Otis
350 CR 1624
Clifton, TX 76634
254-405-3609

J.M. Hollinger
533 CR 1627
Clifton, TX 76634
254-716-1895

Thelma Chavarria
CR 1624
Clifton, TX 76634
469-865-4522

George Hicks
CR 1624
Clifton, TX 76634
817-223-5888

Jimmy McElyea
108 CR 1627
Clifton, TX 76634
817-933-5594

Robert Nichols
120 CR 1627
Clifton, TX 76634
254-253-0882

Larry Saunders
131 CR 1627
Clifton, TX 76634

Teresa Olney
141 CR 1627
Clifton, TX 76634

Lakeline Acres Customer List

James Boothe, III
147 CR 1627
Clifton, TX 76634

Chris McLain
181 CR 1627
Clifton, TX 76634
254-978-1664

Randy Essex
225 CR 1630
Clifton, TX 76634

Randy Ellison
250 CR 1630
Clifton, TX 76634

James Campbell
252 CR 1630
Clifton, TX 76634

Harlin Roberts
CR 1630
Clifton, TX 76634

Janice Loven
265 CR 1630
Clifton, TX 76634
972-978-9488

Darrell Winnett
262 CR 1630
Clifton, TX 76634
817-271-6066

Kathy Conaway
266 CR 1630
Clifton, TX 76634

J.T. Marshall
278 CR 1630
Clifton, TX 76634

Lakeline Acres Customer List

Lana Gudgel
275 CR 1630
Clifton, TX 76634
620-482-1302

Judy Bingaman
285 CR 1630
Clifton, TX 76634
254-707-0894

Steve Vineyard
288 CR 1630
Clifton, TX 76634

Walter Lane
301 CR 1630
Clifton, TX 76634
254-709-0581

James Greenwade
302 CR 1630
Clifton, TX 76634

James Greenwade
CR 1626
Clifton, TX 76634

Steve Lowder
306 CR 1630
Clifton, TX 76634

Leonard McCain
311 CR 1630
Clifton, TX 76634

Leonard McCain
220 CR 1627
Clifton, TX 76634

Ince (Joy Lohmer)
310 CR 1630
Clifton, TX 76634

Lakeline Acres Customer List

Stephen Mayfield
CR 1630
Clifton, TX 76634
972-242-9062

Lakehaven
321 CR 1630
Clifton, TX 76634

Harry Turnpaugh
155 CR 1624
Clifton, TX 76634
254-709-3998

Paul Bozewicz (deceased)
140 CR 1624
Clifton, TX 76634
682-667-1119 (Heather)

Joyce Andrews
126 CR 1624
Clifton, TX 76634

Sheldon Perkins
128 CR 1624
Clifton, TX 76634
254-248-2351

Ken Williams
144 CR 1624
Clifton, TX 76634

Steve Blakeney
135 CR 1624
Clifton, TX 76634
254-836-1981

Kirk Sims
125 CR 1624
Clifton, TX 76634
254-266-3366

Lorce Lewis
1012 FM 2841
Clifton, TX 76634

Lakeline Acres Customer List

U.S. Army Corps of Engineers-Whitney/Aquilla
Project
285 CR 3602
Clifton, TX 76634

George T. Foley
1050 FM 2841
Clifton, TX 76634
254-644-6884
Mailing Address:
3331 Mitchell Rd
Waco, TX 76708

George T. Foley
106 CR 1630
Clifton, TX 76634
254-644-6884
Mailing Address:
3331 Mitchell Rd
Waco, TX 76708

EXHIBIT "A"
Glenshores Customer List

Bill Reitmeyer
122 PR 1623
Clifton, TX 76634
409-392-4858

Daniel Sanchez
135 CR 1619
Clifton, TX 76634
817-655-0533

Jimme Coppenger
128 PR 128
Clifton, TX 76634
512-556-6420

Vangie Martinez
137 CR 1619
Clifton, TX 76634

Richard Bakke
134 PR 1623
Clifton, TX 76634

Ben Johnson
154 CR 1619A
Clifton, TX 76634

Jackie Sones
138 PR 1623
Clifton, TX 76634

William Johnson
168 PR 1619A
Clifton, TX 76634
817-999-6594

Vicky Villanueva
124 CR 1621
Clifton, TX 76634

Zonella Gould
174 PR 1619A
Clifton, TX 76634

Glenshores Customer List

Joyce Pruitt
115 CR 1620
Clifton, TX 76634
254-865-7328

George Saxon
186 PR 1619A
Clifton, TX 76634
254-622-2902

Troy Spies
126 CR 1619
Clifton, TX 76634
254-622-2558

Dolores Marek
160 CR 1619
Clifton, TX 76634
817-480-7385

Roland Jones, Jr.
119 PR 1620A
Clifton, TX 76634
254-749-5820

Terri McKinney
400 CR 1609A
Clifton, TX 76634
817-564-4492

Jim Land
156 CR 1620
Clifton, TX 76634
254-749-6510

Chris Sternberg
424 CR 1609A
Clifton, TX 76634
512-440-7724

Bob Hart
152 CR 1620
Clifton, TX 76634
817-473-2220

Walter Fulks
434 CR 1609
Clifton, TX 76634
972-893-2909

Glenshores Customer List

Rebecca McWherter
144 CR 1620
Clifton, TX 76634
214-244-6394

Patrick Dennehy
700 CR 1609
Clifton, TX 76634
817-267-6577

Val Prather
133 CR 1620
Clifton, TX 76634
817-692-1758

James Bilderback
740 CR 1610
Clifton, TX 76634
817-428-1080

Steve Kimbrel
142 CR 1620
Clifton, TX 76634
214-704-8216

Doug Hennig
108 CR 1620
Clifton, TX 76634
254-709-6921

Q Taxable Entity Search Results

C



for the search string : Crystal Clear Water

Exhibit B

i

ions about the search results, send an email to tax.help@cpa.texas.gov or call 1-800-252-1386.

Franchise Tax Account Status

As of : 10/02/2017 16:34:49

Results

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

Name CRYSTAL CLEAR WATER INC

Taxpayers ID# 18504342769

Zip CRYSTAL CLEAR WATER, INC.
88240

Name **Texas Taxpayer Number** 32001427767
CRYSTAL CLEAR WATER SUPPLY CORPORATION

Taxpayers ID# **Mailing Address** 122 S AVENUE D CLIFTON, TX 76634-2229
17460671542

Right to Transact Business in Texas ACTIVE

Zip 78666

Name **State of Formation** TX
CRYSTAL CLEAR WATER SYSTEMS INC

Effective SOS Registration Date 03/30/1999

Taxpayers ID# 17603724059

Texas SOS File Number 0152991400

Zip 77073

Registered Agent Name ROBERT PAYNE

Name CRYSTAL CLEAR WATER, INC.

Registered Office Street Address 122 S AVENUE D CLIFTON, TX 76634

Taxpayers ID# 32001427767

Zip 76634

Exhibit "C"

Robert Payne
122 S Ave. D
Clifton, Texas 76634
254-675-3551
254-749-0942

OBJECTIVE

To purchase Lake Line / Glen Shore Water System

EXPERIENCE

1997	Built and started a Public Water System (Crystal Clear Water, Inc.), personally supplied the labor and all of the overseeing of building this system.
2002	Purchased an additional Water System (Aqua Pure Water).
2017	Currently operating both water systems.
1997-2017	Licensed Class D Water Operator Licensed Backflow Prevention Operator

Exhibit "D"

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Jon Niermann, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



PWS_0180032_CO_20170531_NOV
RN101277481
CN601521255

Texas Commission on Environmental Quality

Protecting Texas by Reducing and Preventing Pollution

May 31, 2017

Emailed 6-13-17.

ROBERT PAYNE
CRYSTAL CLEAR WATER AIRPORT
122 S AVENUE D
CLIFTON, TX 76634-2229

SUBJECT: **Notice of Violation: Revised Total Coliform Rule - Monitoring Violation**
CRYSTAL CLEAR WATER AIRPORT - PWS ID 0180032
BOSQUE COUNTY, TEXAS

This letter contains important information about compliance requirements for your public water system.

Attention: Public Water System Owner/Manager/Operator

Based on the Texas Commission on Environmental Quality's (TCEQ) review of documents submitted pursuant to the federal Safe Drinking Water Act and its implementing regulations, it has been determined that the above-referenced Public Water System (PWS) has violated the requirements of the federal Revised Total Coliform Rule (RTCR), which took effect on April 1, 2016. Specifically, the above-referenced PWS violated the monitoring requirements of 40 Code of Federal Regulations (CFR) §141.860(c) by failure to collect every required routine sample according to the PWS's Sample Siting Plan (SSP) and/or failure to collect replacement samples when a State or lab invalidates one or more routine samples as described in the 40 CFR §141.853 and §141.860 [see 30 Texas Administrative Code (TAC) §290.109(d)(2)(F), §290.109(g)(4) and (6)]. The attached Monitoring Violation Report summarizes each violation by monitoring period.

Presently, any failure of a PWS to comply with the RTCR subjects the PWS to the Environmental Protection Agency's (EPA) enforcement authority. In accordance with 40 CFR §141.852, 141.853, and 141.860 [see 30 TAC §290.109(d) and (d)(1)(B), 290.109(g)(4), and 290.119], the PWS must: collect every required routine sample according to the PWS's Sample Siting Plan (SSP); and/or collect replacement samples when the TCEQ or lab invalidates one or more routine samples; and/or use approved analytical methods, holding times, sample collection methods by a State-accredited laboratory.

Public Notice Requirement

The PWS must provide public notice of this violation to the persons served by the PWS as soon as practical, but no later than **July 31, 2017**. In accordance with federal regulation, including 40 CFR §141.201, 141.202, 141.203, 141.204, and 141.205 [see 30 TAC §290.109(g)(4) and (6), and § 290.122], PWSs must also provide copies of this public notice to the TCEQ. Following the initial notice, the PWS shall repeat the notice annually for as long as the violation or situation persists, unless the TCEQ determines that appropriate circumstances warrant a different repeat notice frequency, and in no circumstance may the repeat notice be given less frequently than once per year. For additional requirements regarding the form, manner, and frequency of the required public notice, please consult 40 CFR 141, Subpart Q, including specifically 40 CFR §141.204 and §141.205 [see 30 TAC §290.122].

P.O. BOX 13087 • AUSTIN, TEXAS 78711-3087 • 512-239-1000 • WWW.TCEQ.TEXAS.GOV

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Left voice mail for
Christine 6-19-17 per David

Send email to pwson@tceq.texas.gov
6-20-17.

Monitoring Violation Report:

PWS ID 0180032		CRYSTAL CLEAR WATER AIRPORT		
JULY 2016 7/1/2016 - 7/31/2016				
<u>Violation Type</u>	<u>Analyte Code</u>	<u>Violation ID</u>	<u>Analyte</u>	<u>Rule Citation</u>
3A	8000	12	REVISED TOTAL COLIFORM RULE	40 C.F.R. §141.860(c), §141.853(a)(1), §141.853(c) - Routine Monitoring Violation [see 30 TAC § 290.109(d)(2)(F), § 290.109(g)(4) and (6)]



Texas Commission on Environmental Quality

CERTIFICATE OF DELIVERY OF PUBLIC NOTICE TO CUSTOMERS: TIER III
Public Notice to be posted within 12 months of the violation

Public Water System (PWS) name: CRYSTAL CLEAR WATER AIRPORT

PWS ID: 0180032 Month / Year of violation(s): JULY 2016

Type of Revised Total Coliform Rule or Ground Water Rule violation(s):

☒ Distribution Routine Monitoring or Reporting violation

☐ Triggered Source Monitoring (raw groundwater source sample) violation

30 TAC 290.122(c) requires that your PWS make an adequate, good-faith effort to reach all consumers served by the system by appropriate methods (check all below that apply):

COMMUNITY WATER SYSTEM:

☒ Mail or directly distribute PN to each customer receiving a bill and to other service connections to which water is delivered by the public water system

and at least one of the following methods if direct delivery may not reach all persons regularly served by the system:

☐ Publish PN in local newspaper

☐ Deliver multiple PNs for distribution by customers that provide their drinking water to others (e.g. apartment building owners or large private employers)

☐ Post PN in public places

☐ Deliver PN to community organizations

☐ Post PN on the Internet at: www._____

NONCOMMUNITY WATER SYSTEM:

☐ Post PN in conspicuous places within the water system, or

☐ Mail or directly deliver PN to each customer and service connection

and at least one of the following methods if direct delivery or public posting may not reach all persons regularly served by the system:

☐ Publish PN in local newspaper

☐ Deliver multiple PNs for distribution by customers that provide their drinking water to others (e.g. apartment building owners or large private employers)

☐ Post PN in public places

☐ Deliver PN to community organizations

☐ Post PN on the Internet at: www._____

REQUIRED SIGNATURE ON REVERSE SIDE

Revised Total Coliform Rule (RTCR) Failure to Report Monitoring Events to the State that are Not Related to *E. coli*-positive Sample Results – Template 3-5

IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER

Reporting Requirement Not Met for CRYSTAL CLEAR WATER, INC. AIRPORT

We are required to report “the results of the monitoring of your drinking water for specific contaminants on a regular basis” by July 2016. Results of “regular monitoring” are an indicator of whether or not your drinking water meets health standards. During July 2016, we did not “report the results of monitoring”.

According TCEQ the system failed to notify the state drinking water program as required by July 2016]. Although public health was not impacted, as our customers, you have a right to know what happened and what we did to correct the situation. The sample for July was pulled on June 30, 2016 in the afternoon and taken to the Lab on July 1, 2016. The reason for pulling the July monthly sample on June 30, 2016 instead of the first week of July was because the Lab closes at Noon on Fridays and was going to be closed for the fourth of July. The sample was tested on July 1st, 201 by the lab and results were in compliance. TCEQ sent the Violation because it looks like the Monthly Monitoring was not done for July because it shows we pulled the sample June 30, 2016. If you have any questions, please give us a call.

What should I do?

There is nothing you need to do at this time. You do not need to boil your water or take other actions.

What is being done?

While the state says we did not notify them as quickly as we should have. We did not receive this notice until June 5, 2017. They have been notified and explained the reason for pulling the sample on June 30, 2016 instead of in July 2016. Please be assured that your water is being monitored as required by law. Samples are always pulled the first week of the month. We are working with TCEQ on getting this Violation resolved.

For more information, please contact Janice Gacke at 254-675-3551 or come by the office at 122 S. Avenue D, Clifton, Texas.

Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses). You can do this by posting this notice in a public place or distributing copies by hand or mail.

This notice is being sent to you by CRYSTAL CLEAR WATER, INC. AIRPORT State Water System ID#PWS 0180032.

Date distributed: July 1, 2017.



Texas Commission on Environmental Quality

CERTIFICATE OF DELIVERY OF PUBLIC NOTICE TO CUSTOMERS: TIER III Public Notice to be posted within **12 months** of the violation

Public Water System (PWS) name: CRYSTAL CLEAR WHISPERING RIDGE

PWS ID: 0180081 Month / Year of violation(s): JULY 2016

Type of Revised Total Coliform Rule or Ground Water Rule violation(s):

☒ Distribution Routine Monitoring or Reporting violation

☐ Triggered Source Monitoring (raw groundwater source sample) violation

30 TAC 290.122(c) requires that your PWS make an adequate, good-faith effort to reach all consumers served by the system by appropriate methods (check all below that apply):

COMMUNITY WATER SYSTEM:

☒ Mail or directly distribute PN to each customer receiving a bill and to other service connections to which water is delivered by the public water system

and at least one of the following methods if direct delivery may not reach all persons regularly served by the system:

☐ Publish PN in local newspaper

☐ Deliver multiple PNs for distribution by customers that provide their drinking water to others (e.g. apartment building owners or large private employers)

☐ Post PN in public places

☐ Deliver PN to community organizations

☐ Post PN on the Internet at: www._____

NONCOMMUNITY WATER SYSTEM:

☐ Post PN in conspicuous places within the water system, or

☐ Mail or directly deliver PN to each customer and service connection

and at least one of the following methods if direct delivery or public posting may not reach all persons regularly served by the system:

☐ Publish PN in local newspaper

☐ Deliver multiple PNs for distribution by customers that provide their drinking water to others (e.g. apartment building owners or large private employers)

☐ Post PN in public places

☐ Deliver PN to community organizations

☐ Post PN on the Internet at: www._____

REQUIRED SIGNATURE ON REVERSE SIDE

Revised Total Coliform Rule (RTCR) Failure to Report Monitoring Events to the State that are Not Related to *E. coli*-positive Sample Results – Template 3-5

IMPORTANT INFORMATION ABOUT YOUR DRINKING WATER

Reporting Requirement Not Met for CRYSTAL CLEAR WATER, INC. WHISPERING RIDGE

We are required to report “the results of the monitoring of your drinking water for specific contaminants on a regular basis” by July 2016. Results of “regular monitoring” are an indicator of whether or not your drinking water meets health standards. During July 2016, we did not “report the results of monitoring”.

According to TCEQ the system failed to notify the state drinking water program as required by July 2016]. Although public health was not impacted, as our customers, you have a right to know what happened and what we did to correct the situation. The sample for July was pulled on June 30, 2016 in the afternoon and taken to the Lab on July 1, 2016. The reason for pulling the July monthly sample on June 30, 2016 instead of the first week of July was because the Lab closes at Noon on Fridays and was going to be closed for the fourth of July. The sample was tested on July 1st, 2016 by the lab and results were in compliance. TCEQ sent the Violation because it looks like the Monthly Monitoring was not done for July because it shows we pulled the sample June 30, 2016. If you have any questions, please give us a call.

What should I do?

There is nothing you need to do at this time. You do not need to boil your water or take other actions.

What is being done?

While the state says we did not notify them as quickly as we should have. We did not receive this notice until June 5, 2017. They have been notified and explained the reason for pulling the sample on June 30, 2016 instead of in July 2016. Please be assured that your water is being monitored as required by law. Samples are always pulled the first week of the month. We are working with TCEQ on getting this Violation resolved.

For more information, please contact Janice Gacke at 254-675-3551 or come by the office at 122 S. Avenue D, Clifton, Texas.

Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example, people in apartments, nursing homes, schools, and businesses). You can do this by posting this notice in a public place or distributing copies by hand or mail.

This notice is being sent to you by CRYSTAL CLEAR WATER, INC WHISPERING RIDGE. State Water System ID#PWS 0180081.

Date distributed: July 1, 2017.

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Jon Niermann, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



PWS_0180081_CO_20170531_NOV
RN102315496
CN601521255

Texas Commission on Environmental Quality

Protecting Texas by Reducing and Preventing Pollution

May 31, 2017

ROBERT PAYNE
CRYSTAL CLEAR WHISPERING RIDGE
122 S AVENUE D
CLIFTON, TX 76634-2229

SUBJECT: **Notice of Violation: Revised Total Coliform Rule - Monitoring Violation**
CRYSTAL CLEAR WHISPERING RIDGE - PWS ID 0180081
BOSQUE COUNTY, TEXAS

This letter contains important information about compliance requirements for your public water system.

Attention: Public Water System Owner/Manager/Operator

Based on the Texas Commission on Environmental Quality's (TCEQ) review of documents submitted pursuant to the federal Safe Drinking Water Act and its implementing regulations, it has been determined that the above-referenced Public Water System (PWS) has violated the requirements of the federal Revised Total Coliform Rule (RTCR), which took effect on April 1, 2016. Specifically, the above-referenced PWS violated the monitoring requirements of 40 Code of Federal Regulations (CFR) §141.860(c) by failure to collect every required routine sample according to the PWS's Sample Siting Plan (SSP) and/or failure to collect replacement samples when a State or lab invalidates one or more routine samples as described in the 40 CFR §141.853 and §141.860 [see 30 Texas Administrative Code (TAC) §290.109(d)(2)(F), §290.109(g)(4) and (6)]. The attached Monitoring Violation Report summarizes each violation by monitoring period.

Presently, any failure of a PWS to comply with the RTCR subjects the PWS to the Environmental Protection Agency's (EPA) enforcement authority. In accordance with 40 CFR §141.852, 141.853, and 141.860 [see 30 TAC §290.109(d) and (d)(1)(B), 290.109(g)(4), and 290.119], the PWS must: collect every required routine sample according to the PWS's Sample Siting Plan (SSP); and/or collect replacement samples when the TCEQ or lab invalidates one or more routine samples; and/or use approved analytical methods, holding times, sample collection methods by a State-accredited laboratory.

Public Notice Requirement

The PWS must provide public notice of this violation to the persons served by the PWS as soon as practical, but no later than **July 31, 2017**. In accordance with federal regulation, including 40 CFR §141.201, 141.202, 141.203, 141.204, and 141.205 [see 30 TAC §290.109(g)(4) and (6), and § 290.122], PWSs must also provide copies of this public notice to the TCEQ. Following the initial notice, the PWS shall repeat the notice annually for as long as the violation or situation persists, unless the TCEQ determines that appropriate circumstances warrant a different repeat notice frequency, and in no circumstance may the repeat notice be given less frequently than once per year. For additional requirements regarding the form, manner, and frequency of the required public notice, please consult 40 CFR 141, Subpart Q, including specifically 40 CFR §141.204 and §141.205 [see 30 TAC §290.122].

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How is our customer service? www.tceq.texas.gov/goto/customersurvey

Monitoring Violation Report:

PWS ID 0180081		CRYSTAL CLEAR WHISPERING RIDGE		
JULY 2016 7/1/2016 - 7/31/2016				
<u>Violation Type</u>	<u>Analyte Code</u>	<u>Violation ID</u>	<u>Analyte</u>	<u>Rule Citation</u>
3A	8000	10	REVISED TOTAL COLIFORM RULE	40 C.F.R. §141.860(c), §141.853(a)(1), §141.853(c) - Routine Monitoring Violation [see 30 TAC § 290.109(d)(2)(F), § 290.109(g)(4) and (6)]

Exhibit "E"

ITEM C ON PAGE 5-23

Personal funds or funds from my current water supply are available to operate the system. The system already meets and exceeds the requirements of the PUC and TCEQ.

The public water system is already in operation now and will continue to ensure continuous and adequate service.

Exhibit F
Neighboring Utilities

1. Smith Bend Water Supply Corporation (11470)
P O Box 207
Valley Mills, Texas 76689
2. Cooney Cavern Lodge (12412)
403 County Road 1607
Laguna Park, Texas 76644
3. Silver Leaf Resorts, Inc. (11072)
1221 River Bend Drive, Suite 120
Dallas, Texas 75247
4. King Creek Water Supply Corporation (11900)
P O Box 5459
Laguna Park, Texas 76644
5. HILCO United Services, Inc.
P O Box 2480
Whitney, Texas 76692
6. Schuler Point Water (12484)
7. Cedar Shores Water Corporation (11441)
1111 County Road 1500
Morgan, Texas 76671

CRYSTAL CLEAR WATER, INC.

Exhibit G

ASSETS: \$200,000.00

**CRYSTAL CLEAR WATER, INC. FIRST SECURITY STATE BANK
CHECKING ACCOUNT #40008948**

1. Balance Sheet

Exhibit G (cont'd)

Name of Utility: Crystal Clear Water, Inc.

Line #	ASSETS	End of Year mm/dd/yyyy 12/31/2016	End of Prior Year mm/dd/yyyy 12/31/2015
	<u>UTILITY PLANT</u>		
1	101 Utility Plant in Service	12/31/2016	12/31/2015
2	TOTAL UTILITY PLANT	170,182	170,182
3	108 Less: Accumulated Amortization		
4	110 Less: Accumulated Depreciation	148,617	137,924
5	NET UTILITY PLANT	21,565	32,258
6	<u>CURRENT ASSETS</u>	XXXX	XXXX
7	131-135 Cash	27,759	26,635
8	141-143 Accounts Receivable	682	1,522
9	151 Plant Materials and Supplies (not previously expensed)	0	0
10	171-174 Other Current Assets	0	0
11	TOTAL CURRENT ASSETS		
12	<u>TOTAL ASSETS*</u>	50,006	60,415

LIABILITIES & EQUITY

EQUITY

13	201 Common Stock	0	0
14	211 Other paid in capital	0	0
15	215 Retained Earnings	0	0
16	218 Proprietary Capital	0	0
17	TOTAL STOCKHOLDERS' EQUITY	0	0

LONG-TERM DEBT

18	224 Long-term debt (more than 1 year)	0	0
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CURRENT LIABILITIES (less than 1 year)

19	231 Accounts Payable	42,627	56,554
20	232 Notes Payable	0	0
21	241.0 Other Current Liabilities	0	0
	TOTAL CURRENT LIABILITIES	42,627	56,554

OTHER LIABILITIES and DEFERRED CREDITS

22	253 Other Deferred Credits	0	0
23	271-272 Net Contributions in Aid of Construction	0	0
24	TOTAL OTHER LIABILITIES and DEFERRED CREDITS	0	0
25	<u>TOTAL LIABILITIES & EQUITY*</u>	42,627	56,554

Add NARUC accounts as needed, and if not shown above.

[illegible]

NOTE:

- CCN BOUNDARY DATA UTILIZED WAS RECEIVED FROM THE PUBLIC UTILITY COMMISSION, DATED 8/2/17

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Lakeline Acres Water Co. Boundary Descriptions

Boundary "A" Description;

BEGINNING at a point;

THENCE South 23 DEGREES 31 MINUTES 16 SECONDS East , a distance of 1298.33 feet to a point;
THENCE South 63 DEGREES 25 MINUTES 38 SECONDS West , a distance of 84.89 feet to a point;
THENCE South 63 DEGREES 03 MINUTES 42 SECONDS West , a distance of 187.08 feet to a point;
THENCE South 47 DEGREES 52 MINUTES 02 SECONDS West , a distance of 135.72 feet to a point;
THENCE South 46 DEGREES 53 MINUTES 47 SECONDS West , a distance of 95.36 feet to a point;
THENCE South 69 DEGREES 00 MINUTES 42 SECONDS West , a distance of 173.58 feet to a point;
THENCE South 64 DEGREES 30 MINUTES 22 SECONDS West , a distance of 50.90 feet to a point;
THENCE South 55 DEGREES 28 MINUTES 44 SECONDS West , a distance of 50.91 feet to a point;
THENCE South 46 DEGREES 28 MINUTES 14 SECONDS West , a distance of 50.90 feet to a point;
THENCE South 37 DEGREES 26 MINUTES 44 SECONDS West , a distance of 50.90 feet to a point;
THENCE South 31 DEGREES 33 MINUTES 35 SECONDS West , a distance of 1.14 feet to a point;
THENCE South 31 DEGREES 46 MINUTES 04 SECONDS West , a distance of 12.50 feet to a point;
THENCE South 30 DEGREES 38 MINUTES 20 SECONDS West , a distance of 10.98 feet to a point;
THENCE South 30 DEGREES 38 MINUTES 21 SECONDS West , a distance of 55.30 feet to a point;
THENCE South 30 DEGREES 40 MINUTES 21 SECONDS West , a distance of 11.65 feet to a point;
THENCE North 32 DEGREES 08 MINUTES 35 SECONDS West , a distance of 1003.85 feet to a point;
THENCE North 19 DEGREES 11 MINUTES 05 SECONDS West , a distance of 119.12 feet to a point;
THENCE North 19 DEGREES 11 MINUTES 01 SECONDS West , a distance of 97.29 feet to a point;
THENCE North 16 DEGREES 20 MINUTES 37 SECONDS East , a distance of 78.13 feet to a point;
THENCE North 52 DEGREES 25 MINUTES 49 SECONDS East , a distance of 222.47 feet to a point;
THENCE North 78 DEGREES 43 MINUTES 22 SECONDS East , a distance of 158.02 feet to a point;
THENCE South 82 DEGREES 41 MINUTES 13 SECONDS East , a distance of 74.28 feet to a point;
THENCE South 34 DEGREES 32 MINUTES 41 SECONDS East , a distance of 119.66 feet to a point;
THENCE South 11 DEGREES 15 MINUTES 29 SECONDS East , a distance of 169.22 feet to a point;
THENCE South 29 DEGREES 05 MINUTES 24 SECONDS East , a distance of 154.71 feet to a point;
THENCE North 55 DEGREES 40 MINUTES 34 SECONDS East , a distance of 351.76 feet to a point;
THENCE North 12 DEGREES 06 MINUTES 02 SECONDS East , a distance of 122.34 feet to a point;
THENCE North 10 DEGREES 39 MINUTES 21 SECONDS West , a distance of 142.73 feet to a point;
THENCE North 75 DEGREES 13 MINUTES 51 SECONDS West , a distance of 99.06 feet to a point;
THENCE North 33 DEGREES 10 MINUTES 31 SECONDS West , a distance of 20.40 feet to a point;
THENCE North 52 DEGREES 31 MINUTES 20 SECONDS West , a distance of 45.32 feet to a point;
THENCE North 55 DEGREES 57 MINUTES 17 SECONDS West , a distance of 72.29 feet to a point;
THENCE North 37 DEGREES 18 MINUTES 00 SECONDS West , a distance of 27.70 feet to a point;
THENCE North 04 DEGREES 03 MINUTES 09 SECONDS East , a distance of 24.67 feet to a point;
THENCE North 27 DEGREES 08 MINUTES 16 SECONDS East , a distance of 99.27 feet to a point;
THENCE North 27 DEGREES 08 MINUTES 16 SECONDS East , a distance of 99.27 feet to a point;
THENCE North 59 DEGREES 46 MINUTES 10 SECONDS East , a distance of 76.77 feet to a point;
THENCE North 59 DEGREES 46 MINUTES 22 SECONDS East , a distance of 38.05 feet to the POINT
OF BEGINNING and having an area of 24.530 acres

Boundary "B" Description;

BEGINNING at a point;

THENCE North 26 DEGREES 19 MINUTES 06 SECONDS West , a distance of 68.09 feet to a point;
THENCE North 31 DEGREES 57 MINUTES 27 SECONDS West , a distance of 59.86 feet to a point;
THENCE North 43 DEGREES 28 MINUTES 16 SECONDS West , a distance of 59.71 feet to a point;
THENCE North 56 DEGREES 10 MINUTES 31 SECONDS West , a distance of 39.85 feet to a point;
THENCE North 65 DEGREES 22 MINUTES 58 SECONDS West , a distance of 71.00 feet to a point;
THENCE North 70 DEGREES 02 MINUTES 40 SECONDS West , a distance of 70.35 feet to a point;
THENCE North 71 DEGREES 23 MINUTES 27 SECONDS West , a distance of 133.92 feet to a point;
THENCE North 71 DEGREES 41 MINUTES 02 SECONDS West , a distance of 134.07 feet to a point;

THENCE North 72 DEGREES 48 MINUTES 05 SECONDS West , a distance of 179.94 feet to a point;
 THENCE North 74 DEGREES 03 MINUTES 54 SECONDS West , a distance of 179.34 feet to a point;
 THENCE North 77 DEGREES 40 MINUTES 28 SECONDS West , a distance of 51.99 feet to a point;
 THENCE North 89 DEGREES 42 MINUTES 04 SECONDS West , a distance of 52.01 feet to a point;
 THENCE South 74 DEGREES 12 MINUTES 28 SECONDS West , a distance of 35.71 feet to a point;
 THENCE South 55 DEGREES 54 MINUTES 56 SECONDS West , a distance of 53.42 feet to a point;
 THENCE South 37 DEGREES 11 MINUTES 07 SECONDS West , a distance of 34.44 feet to a point;
 THENCE South 18 DEGREES 37 MINUTES 18 SECONDS West , a distance of 30.00 feet to a point;
 THENCE South 03 DEGREES 35 MINUTES 26 SECONDS West , a distance of 58.76 feet to a point;
 THENCE South 07 DEGREES 22 MINUTES 14 SECONDS East , a distance of 44.82 feet to a point;
 THENCE South 11 DEGREES 21 MINUTES 18 SECONDS East , a distance of 45.38 feet to a point;
 THENCE South 02 DEGREES 12 MINUTES 58 SECONDS West , a distance of 29.68 feet to a point;
 THENCE South 32 DEGREES 44 MINUTES 06 SECONDS East , a distance of 50.89 feet to a point;
 THENCE South 64 DEGREES 23 MINUTES 42 SECONDS East , a distance of 107.67 feet to a point;
 THENCE South 64 DEGREES 49 MINUTES 05 SECONDS East , a distance of 70.30 feet to a point;
 THENCE South 25 DEGREES 21 MINUTES 56 SECONDS East , a distance of 62.82 feet to a point;
 THENCE South 11 DEGREES 33 MINUTES 08 SECONDS West , a distance of 55.50 feet to a point;
 THENCE South 16 DEGREES 25 MINUTES 40 SECONDS West , a distance of 706.86 feet to a point;
 THENCE South 10 DEGREES 42 MINUTES 59 SECONDS West , a distance of 290.25 feet to a point;
 THENCE South 05 DEGREES 29 MINUTES 29 SECONDS East , a distance of 248.51 feet to a point;
 THENCE South 25 DEGREES 34 MINUTES 16 SECONDS East , a distance of 264.36 feet to a point;
 THENCE South 49 DEGREES 37 MINUTES 11 SECONDS East , a distance of 177.34 feet to a point;
 THENCE South 64 DEGREES 14 MINUTES 35 SECONDS East , a distance of 149.08 feet to a point;
 THENCE South 78 DEGREES 55 MINUTES 52 SECONDS East , a distance of 88.58 feet to a point;
 THENCE North 76 DEGREES 54 MINUTES 32 SECONDS East , a distance of 122.07 feet to a point;
 THENCE North 76 DEGREES 56 MINUTES 06 SECONDS East , a distance of 10.11 feet to a point;
 THENCE North 73 DEGREES 42 MINUTES 45 SECONDS East , a distance of 10.61 feet to a point;
 THENCE North 73 DEGREES 40 MINUTES 53 SECONDS East , a distance of 23.48 feet to a point;
 THENCE North 65 DEGREES 46 MINUTES 52 SECONDS East , a distance of 49.10 feet to a point;
 THENCE North 56 DEGREES 25 MINUTES 28 SECONDS East , a distance of 49.10 feet to a point;
 THENCE North 47 DEGREES 04 MINUTES 38 SECONDS East , a distance of 49.09 feet to a point;
 THENCE North 37 DEGREES 43 MINUTES 47 SECONDS East , a distance of 49.09 feet to a point;
 THENCE North 28 DEGREES 22 MINUTES 40 SECONDS East , a distance of 49.10 feet to a point;
 THENCE North 19 DEGREES 01 MINUTES 17 SECONDS East , a distance of 49.09 feet to a point;
 THENCE North 09 DEGREES 40 MINUTES 23 SECONDS East , a distance of 49.09 feet to a point;
 THENCE North 05 DEGREES 00 MINUTES 02 SECONDS East , a distance of 470.63 feet to a point;
 THENCE North 15 DEGREES 37 MINUTES 49 SECONDS East , a distance of 925.86 feet to a point;
 THENCE North 24 DEGREES 38 MINUTES 06 SECONDS West , a distance of 67.93 feet to the POINT
 OF BEGINNING and having an area of 39.449 acres

Boundary "C" Description;

BEGINNING at a point;
 THENCE North 64 DEGREES 59 MINUTES 17 SECONDS East , a distance of 258.72 feet to a point;
 THENCE North 64 DEGREES 59 MINUTES 15 SECONDS East , a distance of 302.19 feet to a point;
 THENCE North 64 DEGREES 58 MINUTES 55 SECONDS East , a distance of 59.27 feet to a point;
 THENCE North 64 DEGREES 58 MINUTES 13 SECONDS East , a distance of 10.42 feet to a point;
 THENCE North 65 DEGREES 03 MINUTES 14 SECONDS East , a distance of 11.67 feet to a point;
 THENCE North 64 DEGREES 59 MINUTES 01 SECONDS East , a distance of 105.37 feet to a point;
 THENCE North 64 DEGREES 41 MINUTES 12 SECONDS East , a distance of 7.62 feet to a point;
 THENCE North 61 DEGREES 33 MINUTES 24 SECONDS East , a distance of 52.00 feet to a point;
 THENCE South 32 DEGREES 31 MINUTES 38 SECONDS East , a distance of 1303.86 feet to a point;
 THENCE South 01 DEGREES 00 MINUTES 18 SECONDS West , a distance of 573.04 feet to a point;
 THENCE South 63 DEGREES 00 MINUTES 19 SECONDS East , a distance of 950.32 feet to a point;
 THENCE South 26 DEGREES 38 MINUTES 48 SECONDS West , a distance of 623.80 feet to a point;

THENCE South 54 DEGREES 47 MINUTES 47 SECONDS West , a distance of 2961.21 feet to a point;
THENCE North 34 DEGREES 27 MINUTES 04 SECONDS West , a distance of 637.61 feet to a point;
THENCE North 54 DEGREES 39 MINUTES 48 SECONDS East , a distance of 2182.42 feet to a point;
THENCE North 61 DEGREES 49 MINUTES 31 SECONDS West , a distance of 605.34 feet to a point;
THENCE North 02 DEGREES 01 MINUTES 35 SECONDS East , a distance of 1096.32 feet to a point;
THENCE North 29 DEGREES 59 MINUTES 43 SECONDS West , a distance of 986.82 feet to the
POINT OF BEGINNING having an area of 102.177 acres of land.

Foley



TEXAS ASSOCIATION OF REALTORS®
COMMERCIAL CONTRACT - IMPROVED PROPERTY

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS® IS NOT AUTHORIZED
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1. **PARTIES:** Seller agrees to sell and convey to Buyer the Property described in Paragraph 2. Buyer agrees to buy the Property from Seller for the sales price stated in Paragraph 3. The parties to this contract are:

Seller: The Estate of Aileen M. Foley, George Thomas Foley, Jr. Ind. Exec.

Address: 3331 Mitchell Rd, Waco, TX 76708-2327
Phone: (255)644-6884 E-mail: _____
Fax: _____ Other: _____

Buyer: Crystal Clear and /or assigns

Address: 122 S. Ave D., Clifton, TX. 76634
Phone: _____ E-mail: rpayneag@gmail.com
Fax: _____ Other: _____

2. **PROPERTY:**

A. "Property" means that real property situated in Bosque County, Texas at Lakeline Acres Water Co. and Glenshores Water Co.

(address) and that is legally described on the attached Exhibit _____ or as follows:
Lots 240-245 in the Lakeline Acres Subdivision and all property, equipment, well, etc. that comprise Lakeline Acres Water Co. and Lot 29 at Glenshores Subdivision and all property, equipment, well, etc. that comprise Glenshores Water Co., and Lots 149, 163, 216, 248, and 322 in the Lakeline Acres Subdivision.

B. Seller will sell and convey the Property together with:

- (1) all buildings, improvements, and fixtures;
- (2) all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way;
- (3) Seller's interest in all leases, rents, and security deposits for all or part of the Property;
- (4) Seller's interest in all licenses and permits related to the Property;
- (5) Seller's interest in all third party warranties or guaranties, if transferable, relating to the Property or any fixtures;
- (6) Seller's interest in any trade names, if transferable, used in connection with the Property; and
- (7) all Seller's tangible personal property located on the Property that is used in connection with the Property's operations except: _____

Any personal property not included in the sale must be removed by Seller prior to closing.

(Describe any exceptions, reservations, or restrictions in Paragraph 12 or an addendum.)
(If mineral rights are to be reserved an appropriate addendum should be attached.)
(If the Property is a condominium, attach Commercial Contract Condominium Addendum (TAR-1930).)

3. **SALES PRICE:** At or before closing, Buyer will pay the following sales price for the Property:

- A. Cash portion payable by Buyer at closing \$ 100,000.00
- B. Sum of all financing described in Paragraph 4 \$ _____
- C. Sales price (sum of 3A and 3B) \$ 100,000.00

(TAR-1801) 1-1-16 Initialed for Identification by Seller GF and Buyer R. P Page 1 of 14

4. FINANCING: Buyer will finance the portion of the sales price under Paragraph 3B as follows:

- ☐ A. **Third Party Financing:** One or more third party loans in the total amount of \$ _____. This contract:
- ☒ (1) is not contingent upon Buyer obtaining third party financing.
- ☐ (2) is contingent upon Buyer obtaining third party financing in accordance with the attached Commercial Contract Financing Addendum (TAR-1931).
- ☐ B. **Assumption:** In accordance with the attached Commercial Contract Financing Addendum (TAR-1931), Buyer will assume the existing promissory note secured by the Property, which balance at closing will be \$ _____.
- ☐ C. **Seller Financing:** The delivery of a promissory note and deed of trust from Buyer to Seller under the terms of the attached Commercial Contract Financing Addendum (TAR-1931) in the amount of \$ _____.

5. EARNEST MONEY:

- A. Not later than 3 days after the effective date, Buyer must deposit \$ \$1,000.00 as earnest money with Bosque Cen-Tex Title Co. (title company) at Meridian, TX. (address) _____ (closer). If Buyer fails to timely deposit the earnest money, Seller may terminate this contract or exercise any of Seller's other remedies under Paragraph 15 by providing written notice to Buyer before Buyer deposits the earnest money.
- B. Buyer will deposit an additional amount of \$ _____ with the title company to be made part of the earnest money on or before:
- ☐ (i) _____ days after Buyer's right to terminate under Paragraph 7B expires; or
- ☐ (ii) _____.
- Buyer will be in default if Buyer fails to deposit the additional amount required by this Paragraph 5B within 3 days after Seller notifies Buyer that Buyer has not timely deposited the additional amount.
- C. Buyer may instruct the title company to deposit the earnest money in an interest-bearing account at a federally insured financial institution and to credit any interest to Buyer.

6. TITLE POLICY, SURVEY, AND UCC SEARCH:**A. Title Policy:**

- (1) Seller, at Seller's expense, will furnish Buyer an Owner's Policy of Title Insurance (the title policy) issued by any underwriter of the title company in the amount of the sales price, dated at or after closing, insuring Buyer against loss under the title policy, subject only to:
- (a) those title exceptions permitted by this contract or as may be approved by Buyer in writing; and
- (b) the standard printed exceptions contained in the promulgated form of title policy unless this contract provides otherwise.
- (2) The standard printed exception as to discrepancies, conflicts, or shortages in area and boundary lines, or any encroachments or protrusions, or any overlapping improvements:
- ☒ (a) will not be amended or deleted from the title policy.
- ☐ (b) will be amended to read "shortages in areas" at the expense of ☐ Buyer ☐ Seller.
- (3) Within 20 days after the effective date, Seller will furnish Buyer a commitment for title insurance (the commitment) including legible copies of recorded documents evidencing title exceptions. Seller authorizes the title company to deliver the commitment and related documents to Buyer at Buyer's address.

B. Survey: Within _____ days after the effective date:

- ☐ (1) Buyer will obtain a survey of the Property at Buyer's expense and deliver a copy of the survey to Seller. The survey must be made in accordance with the: (i) ALTA/ACSM Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition. Seller will reimburse Buyer _____ (insert amount) of the cost of the survey at closing, if closing occurs.
- ☐ (2) Seller, at Seller's expense, will furnish Buyer a survey of the Property dated after the effective date. The survey must be made in accordance with the: (i) ALTA/ACSM Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition.
- ☐ (3) Seller will deliver to Buyer and the title company a true and correct copy of Seller's most recent survey of the Property along with an affidavit required by the title company for approval of the existing survey. If the existing survey is not acceptable to the title company, Seller, at Seller's expense, will obtain a new or updated survey acceptable to the title company and deliver the acceptable survey to Buyer and the title company within 20 days after Seller receives notice that the existing survey is not acceptable to the title company. The closing date will be extended daily up to 20 days if necessary for Seller to deliver an acceptable survey within the time required. Buyer will reimburse Seller _____ (insert amount) of the cost of the new or updated survey at closing, if closing occurs.

C. UCC Search:

- ☐ (1) Within _____ days after the effective date, Seller, at Seller's expense, will furnish Buyer a Uniform Commercial Code (UCC) search prepared by a reporting service and dated after the effective date. The search must identify documents that are on file with the Texas Secretary of State and the county where the Property is located that relate to all personal property on the Property and show, as debtor, Seller and all other owners of the personal property in the last 5 years.
- ☐ (2) Buyer does not require Seller to furnish a UCC search.

D. Buyer's Objections to the Commitment, Survey, and UCC Search:

- (1) Within 3 days after Buyer receives the commitment, copies of the documents evidencing the title exceptions, any required survey, and any required UCC search, Buyer may object to matters disclosed in the items if: (a) the matters disclosed are a restriction upon the Property or constitute a defect or encumbrance to title to the real or personal property described in Paragraph 2 other than those permitted by this contract or liens that Seller will satisfy at closing or Buyer will assume at closing; or (b) the items show that any part of the Property lies in a special flood hazard area (an "A" or "V" zone as defined by FEMA). If Paragraph 6B(1) applies, Buyer is deemed to receive the survey on the earlier of: (i) the date Buyer actually receives the survey; or (ii) the deadline specified in Paragraph 6B.
- (2) Seller may, but is not obligated to, cure Buyer's timely objections within 15 days after Seller receives the objections. The closing date will be extended as necessary to provide such time to cure the objections. If Seller fails to cure the objections by the time required, Buyer may terminate this contract by providing written notice to Seller within 5 days after the time by which Seller must cure the objections. If Buyer terminates, the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer.
- (3) Buyer's failure to timely object or terminate under this Paragraph 6D is a waiver of Buyer's right to object except that Buyer will not waive the requirements in Schedule C of the commitment.

- ☒ (a) a current rent roll of all leases affecting the Property certified by Seller as true and correct;
- ☐ (b) copies of all current leases pertaining to the Property, including any modifications, supplements, or amendments to the leases;
- ☐ (c) a current inventory of all personal property to be conveyed under this contract and copies of any leases for such personal property;
- ☐ (d) copies of all notes and deeds of trust against the Property that Buyer will assume or that Seller will not pay in full on or before closing;
- ☐ (e) copies of all current service, maintenance, and management agreements relating to the ownership and operation of the Property;
- ☐ (f) copies of current utility capacity letters from the Property's water and sewer service provider;
- ☒ (g) copies of all current warranties and guaranties relating to all or part of the Property;
- ☐ (h) copies of fire, hazard, liability, and other insurance policies that currently relate to the Property;
- ☐ (i) copies of all leasing or commission agreements that currently relate to the tenants of all or part of the Property;
- ☐ (j) a copy of the "as-built" plans and specifications and plat of the Property;
- ☒ (k) copies of all invoices for utilities and repairs incurred by Seller for the Property in the 24 months immediately preceding the effective date;
- ☐ (l) a copy of Seller's income and expense statement for the Property from _____ to _____;
- ☒ (m) copies of all previous environmental assessments, geotechnical reports, studies, or analyses made on or relating to the Property;
- ☐ (n) real & personal property tax statements for the Property for the previous 2 calendar years; and
- ☐ (o) Tenant reconciliation statements including, operating expenses, insurance and taxes for the Property from _____ to _____; and
- ☒ (p) COPIES OF PREVIOUS INSPECTIONS RP
COPIES OF ALL PREVIOUS REPORTS TO TREP & PUC RP

(2) Return of Property Information: If this contract terminates for any reason, Buyer will, not later than 10 days after the termination date: (Check all that apply.)

- ☒ (a) return to Seller all those items described in Paragraph 7D(1) that Seller delivered to Buyer in other than an electronic format and all copies that Buyer made of those items;
- ☐ (b) delete or destroy all electronic versions of those items described in Paragraph 7D(1) that Seller delivered to Buyer or Buyer copied; and
- ☐ (c) deliver copies of all inspection and assessment reports related to the Property that Buyer completed or caused to be completed.

This Paragraph 7D(2) survives termination of this contract.

E. Contracts Affecting Operations: Until closing, Seller: (1) will operate the Property in the same manner as on the effective date under reasonably prudent business standards; and (2) will not transfer or dispose of any part of the Property, any interest or right in the Property, or any of the personal property or other items described in Paragraph 2B or sold under this contract. After the feasibility period ends, Seller may not enter into, amend, or terminate any other contract that affects the operations of the Property without Buyer's written approval.

8. LEASES:

A. Each written lease Seller is to assign to Buyer under this contract must be in full force and effect according to its terms. Seller may not enter into any new lease, fail to comply with any existing lease, or make any amendment or modification to any existing lease without Buyer's written consent. Seller must disclose, in writing, if any of the following exist at the time Seller provides the leases to the Buyer or subsequently occur before closing:

- (1) any failure by Seller to comply with Seller's obligations under the leases;
- (2) any circumstances under any lease that entitle the tenant to terminate the lease or seek any offsets or damages;

- (3) any non-occupancy of the leased premises by a tenant;
- (4) any advance sums paid by a tenant under any lease;
- (5) any concessions, bonuses, free rents, rebates, brokerage commissions, or other matters that affect any lease; and
- (6) any amounts payable under the leases that have been assigned or encumbered, except as security for loan(s) assumed or taken subject to under this contract.

B. **Estoppel Certificates:** Within _____ days after the effective date, Seller will deliver to Buyer estoppel certificates signed not earlier than _____ by each tenant that leases space in the Property. The estoppel certificates must include the certifications contained in the current version of TAR Form 1938 - Commercial Tenant Estoppel Certificate and any additional information requested by a third party lender providing financing under Paragraph 4 if the third party lender requests such additional information at least 10 days prior to the earliest date that Seller may deliver the signed estoppel certificates.

9. BROKERS:

A. The brokers to this sale are:

Principal Broker: Sidney Carlisle
Agent: _____
Address: P.O. Box 248
Meridian, TX. 76665
Phone & Fax: (254)978-0373
E-mail: sidneycarlisle@yahoo.com
License No.: 505203

Cooperating Broker: Roger Bushee
Agent: _____
Address: 150 CR 3260
Clifton, TX. 76634
Phone & Fax: (254)640-3490
E-mail: rogerbushee@ymail.com
License No.: 178320

Principal Broker: (Check only one box.)

- ☒ represents Seller only.
☐ represents Buyer only.
☐ is an intermediary between Seller and Buyer.

Cooperating Broker represents Buyer.

B. **Fees:** (Check only (1) or (2) below.)

(Complete the Agreement Between Brokers on page 14 only if (1) is selected.)

☒ (1) Seller will pay Principal Broker the fee specified by separate written commission agreement between Principal Broker and Seller. Principal Broker will pay Cooperating Broker the fee specified in the Agreement Between Brokers found below the parties' signatures to this contract.

☐ (2) At the closing of this sale, Seller will pay:

Principal Broker a total cash fee of:
☐ _____ % of the sales price.
☐ _____

Cooperating Broker a total cash fee of:
☐ _____ % of the sales price.
☐ _____

The cash fees will be paid in Bosque County, Texas. Seller authorizes the title company to pay the brokers from the Seller's proceeds at closing.

NOTICE: Chapter 62, Texas Property Code, authorizes a broker to secure an earned commission with a lien against the Property.

- C. The parties may not amend this Paragraph 9 without the written consent of the brokers affected by the amendment.

10. CLOSING:

- A. The date of the closing of the sale (closing date) will be on or before the later of:
- (1) ☐ _____ days after the expiration of the feasibility period.
 - ☒ May 31, 2017 (specific date).
 - (2) 7 days after objections made under Paragraph 6D have been cured or waived.
- B. If either party fails to close by the closing date, the non-defaulting party may exercise the remedies in Paragraph 15.
- C. At closing, Seller will execute and deliver to Buyer, at Seller's expense, a ☒ general ☐ special warranty deed. The deed must include a vendor's lien if any part of the sales price is financed. The deed must convey good and indefeasible title to the Property and show no exceptions other than those permitted under Paragraph 6 or other provisions of this contract. Seller must convey the Property:
- (1) with no liens, assessments, or Uniform Commercial Code or other security interests against the Property which will not be satisfied out of the sales price, unless securing loans Buyer assumes;
 - (2) without any assumed loans in default; and
 - (3) with no persons in possession of any part of the Property as lessees, tenants at sufferance, or trespassers except tenants under the written leases assigned to Buyer under this contract.
- D. At closing, Seller, at Seller's expense, will also deliver to Buyer:
- (1) tax statements showing no delinquent taxes on the Property;
 - (2) a bill of sale with warranties to title conveying title, free and clear of all liens, to any personal property defined as part of the Property in Paragraph 2 or sold under this contract;
 - (3) an assignment of all leases to or on the Property;
 - (4) to the extent that the following items are assignable, an assignment to Buyer of the following items as they relate to the Property or its operations:
 - (a) licenses and permits;
 - (b) maintenance, management, and other contracts; and
 - (c) warranties and guaranties;
 - (5) a rent roll current on the day of the closing certified by Seller as true and correct;
 - (6) evidence that the person executing this contract is legally capable and authorized to bind Seller;
 - (7) an affidavit acceptable to the title company stating that Seller is not a foreign person or, if Seller is a foreign person, a written authorization for the title company to: (i) withhold from Seller's proceeds an amount sufficient to comply applicable tax law; and (ii) deliver the amount to the Internal Revenue Service together with appropriate tax forms; and
 - (8) any notices, statements, certificates, affidavits, releases, and other documents required by this contract, the commitment, or law necessary for the closing of the sale and the issuance of the title policy, all of which must be completed and executed by Seller as necessary.
- E. At closing, Buyer will:
- (1) pay the sales price in good funds acceptable to the title company;
 - (2) deliver evidence that the person executing this contract is legally capable and authorized to bind Buyer;
 - (3) sign and send to each tenant in the Property a written statement that:
 - (a) acknowledges Buyer has received and is responsible for the tenant's security deposit; and
 - (b) specifies the exact dollar amount of the security deposit;
 - (4) sign an assumption of all leases then in effect; and
 - (5) execute and deliver any notices, statements, certificates, or other documents required by this contract or law necessary to close the sale.

F. Unless the parties agree otherwise, the closing documents will be as found in the basic forms in the current edition of the State Bar of Texas Real Estate Forms Manual without any additional clauses.

11. POSSESSION: Seller will deliver possession of the Property to Buyer upon closing and funding of this sale in its present condition with any repairs Seller is obligated to complete under this contract, ordinary wear and tear excepted. Any possession by Buyer before closing or by Seller after closing that is not authorized by a separate written lease agreement is a landlord-tenant at sufferance relationship between the parties.

12. SPECIAL PROVISIONS: The following special provisions apply and will control in the event of a conflict with other provisions of this contract. *(If special provisions are contained in an Addendum, identify the Addendum here and reference the Addendum in Paragraph 22D.)*

Water payments for both Lakeline Acres Water Co. and Glenshores Water Co. will be payable to Buyer on the first day of the month immediately following the closing.

13. SALES EXPENSES:

A. Seller's Expenses: Seller will pay for the following at or before closing:

- (1) releases of existing liens, other than those liens assumed by Buyer, including prepayment penalties and recording fees;
- (2) release of Seller's loan liability, if applicable;
- (3) tax statements or certificates;
- (4) preparation of the deed and any bill of sale;
- (5) one-half of any escrow fee;
- (6) costs to record any documents to cure title objections that Seller must cure; and
- (7) other expenses that Seller will pay under other provisions of this contract.

B. Buyer's Expenses: Buyer will pay for the following at or before closing:

- (1) all loan expenses and fees;
- (2) preparation fees of any deed of trust;
- (3) recording fees for the deed and any deed of trust;
- (4) premiums for flood and hazard insurance as may be required by Buyer's lender;
- (5) one-half of any escrow fee; and
- (6) other expenses that Buyer will pay under other provisions of this contract.

14. PRORATIONS:**A. Prorations:**

- (1) Interest on any assumed loan, taxes, rents, and any expense reimbursements from tenants will be prorated through the closing date.
- (2) If the amount of ad valorem taxes for the year in which the sale closes is not available on the closing date, taxes will be prorated on the basis of taxes assessed in the previous year. If the taxes for the year in which the sale closes vary from the amount prorated at closing, the parties will adjust the prorations when the tax statements for the year in which the sale closes become available. This Paragraph 14A(2) survives closing.
- (3) If Buyer assumes a loan or is taking the Property subject to an existing lien, Seller will transfer all reserve deposits held by the lender for the payment of taxes, insurance premiums, and other charges to Buyer at closing and Buyer will reimburse such amounts to Seller by an appropriate adjustment at closing.

B. Rollback Taxes: If Seller's use or change in use of the Property before closing results in the assessment of additional taxes, penalties, or interest (assessments) for periods before closing, the assessments will be the obligation of Seller. If this sale or Buyer's use of the Property after closing results in additional assessments for periods before closing, the assessments will be the obligation of Buyer. This Paragraph 14B survives closing.

C. Rent and Security Deposits: At closing, Seller will tender to Buyer all security deposits and the following advance payments received by Seller for periods after closing: prepaid expenses, advance rental payments, and other advance payments paid by tenants. Rents prorated to one party but received by the other party will be remitted by the recipient to the party to whom it was prorated within 5 days after the rent is received. This Paragraph 14C survives closing.

15. DEFAULT:

A. If Buyer fails to comply with this contract, Buyer is in default and Seller, as Seller's sole remedy(ies), may terminate this contract and receive the earnest money, as liquidated damages for Buyer's failure except for any damages resulting from Buyer's inspections, studies or assessments in accordance with Paragraph 7C(4) which Seller may pursue, or
(Check if applicable)

☐ enforce specific performance, or seek such other relief as may be provided by law.

B. If, without fault, Seller is unable within the time allowed to deliver the estoppel certificates, survey or the commitment, Buyer may:

- (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
- (2) extend the time for performance up to 15 days and the closing will be extended as necessary.

C. Except as provided in Paragraph 15B, if Seller fails to comply with this contract, Seller is in default and Buyer may:

- (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
- (2) enforce specific performance, or seek such other relief as may be provided by law, or both.

16. CASUALTY LOSS AND CONDEMNATION:

A. If any part of the Property is damaged or destroyed by fire or other casualty after the effective date, Seller must restore the Property to its previous condition as soon as reasonably possible and not later than the closing date. If, without fault, Seller is unable to do so, Buyer may:

- (1) terminate this contract and the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer;

- (2) extend the time for performance up to 15 days and closing will be extended as necessary; or
- (3) accept at closing: (i) the Property in its damaged condition; (ii) an assignment of any insurance proceeds Seller is entitled to receive along with the insurer's consent to the assignment; and (iii) a credit to the sales price in the amount of any unpaid deductible under the policy for the loss.

B. If before closing, condemnation proceedings are commenced against any part of the Property, Buyer may:

- (1) terminate this contract by providing written notice to Seller within 15 days after Buyer is advised of the condemnation proceedings and the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer; or
- (2) appear and defend the condemnation proceedings and any award will, at Buyer's election, belong to: (a) Seller and the sales price will be reduced by the same amount; or (b) Buyer and the sales price will not be reduced.

17. ATTORNEY'S FEES: If Buyer, Seller, any broker, or the title company is a prevailing party in any legal proceeding brought under or with relation to this contract or this transaction, such party is entitled to recover from the non-prevailing parties all costs of such proceeding and reasonable attorney's fees. This Paragraph 17 survives termination of this contract.

18. ESCROW:

- A. At closing, the earnest money will be applied first to any cash down payment, then to Buyer's closing costs, and any excess will be refunded to Buyer. If no closing occurs, the title company may require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of the title company from all parties.
- B. If one party makes written demand for the earnest money, the title company will give notice of the demand by providing to the other party a copy of the demand. If the title company does not receive written objection to the demand from the other party within 15 days after the date the title company sent the demand to the other party, the title company may disburse the earnest money to the party making demand, reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and the title company may pay the same to the creditors.
- C. The title company will deduct any independent consideration under Paragraph 7B(1) before disbursing any earnest money to Buyer and will pay the independent consideration to Seller.
- D. If the title company complies with this Paragraph 18, each party hereby releases the title company from all claims related to the disbursement of the earnest money.
- E. Notices under this Paragraph 18 must be sent by certified mail, return receipt requested. Notices to the title company are effective upon receipt by the title company.
- F. Any party who wrongfully fails or refuses to sign a release acceptable to the title company within 7 days after receipt of the request will be liable to the other party for: (i) damages; (ii) the earnest money; (iii) reasonable attorney's fees; and (iv) all costs of suit.
- G. ☐ Seller ☐ Buyer intend(s) to complete this transaction as a part of an exchange of like-kind properties in accordance with Section 1031 of the Internal Revenue Code, as amended. All expenses in connection with the contemplated exchange will be paid by the exchanging party. The other party will not incur any expense or liability with respect to the exchange. The parties agree to cooperate fully and in good faith to arrange and consummate the exchange so as to comply to the maximum extent feasible with the provisions of Section 1031 of the Internal Revenue Code. The other provisions of this contract will not be affected in the event the contemplated exchange fails to occur.

19. MATERIAL FACTS: To the best of Seller's knowledge and belief: *(Check only one box.)*

- ☒ A. Seller is not aware of any material defects to the Property except as stated in the attached Commercial Property Condition Statement (TAR-1408).
- ☐ B. Except as otherwise provided in this contract, Seller is not aware of:
- (1) any subsurface: structures, pits, waste, springs, or improvements;
 - (2) any pending or threatened litigation, condemnation, or assessment affecting the Property;
 - (3) any environmental hazards or conditions that materially affect the Property;
 - (4) whether the Property is or has been used for the storage or disposal of hazardous materials or toxic waste, a dump site or landfill, or any underground tanks or containers;
 - (5) whether radon, asbestos containing materials, urea-formaldehyde foam insulation, lead-based paint, toxic mold (to the extent that it adversely affects the health of ordinary occupants), or other pollutants or contaminants of any nature now exist or ever existed on the Property;
 - (6) any wetlands, as defined by federal or state law or regulation, on the Property;
 - (7) any threatened or endangered species or their habitat on the Property;
 - (8) any present or past infestation of wood-destroying insects in the Property's improvements;
 - (9) any contemplated material changes to the Property or surrounding area that would materially and detrimentally affect the ordinary use of the Property;
 - (10) any material physical defects in the improvements on the Property; or
 - (11) any condition on the Property that violates any law or ordinance.

(Describe any exceptions to (1)-(11) in Paragraph 12 or an addendum.)

20. NOTICES: All notices between the parties under this contract must be in writing and are effective when hand-delivered, mailed by certified mail return receipt requested, or sent by facsimile transmission to the parties addresses or facsimile numbers stated in Paragraph 1. The parties will send copies of any notices to the broker representing the party to whom the notices are sent.

- ☐ A. Seller also consents to receive any notices by e-mail at Seller's e-mail address stated in Paragraph 1.
- ☒ B. Buyer also consents to receive any notices by e-mail at Buyer's e-mail address stated in Paragraph 1.

21. DISPUTE RESOLUTION: The parties agree to negotiate in good faith in an effort to resolve any dispute related to this contract that may arise. If the dispute cannot be resolved by negotiation, the parties will submit the dispute to mediation before resorting to arbitration or litigation and will equally share the costs of a mutually acceptable mediator. This paragraph survives termination of this contract. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

22. AGREEMENT OF THE PARTIES:

- A. This contract is binding on the parties, their heirs, executors, representatives, successors, and permitted assigns. This contract is to be construed in accordance with the laws of the State of Texas. If any term or condition of this contract shall be held to be invalid or unenforceable, the remainder of this contract shall not be affected thereby.
- B. This contract contains the entire agreement of the parties and may not be changed except in writing.
- C. If this contract is executed in a number of identical counterparts, each counterpart is an original and all counterparts, collectively, constitute one agreement.
- D. Addenda which are part of this contract are: *(Check all that apply.)*
- ☐ (1) Property Description Exhibit identified in Paragraph 2;
 - ☐ (2) Commercial Contract Condominium Addendum (TAR-1930);
 - ☐ (3) Commercial Contract Financing Addendum (TAR-1931);
 - ☒ (4) Commercial Property Condition Statement (TAR-1408);
 - ☐ (5) Commercial Contract Addendum for Special Provisions (TAR-1940);

- ☐ (6) Addendum for Seller's Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (TAR-1906);
- ☐ (7) Notice to Purchaser of Real Property in a Water District (MUD);
- ☐ (8) Addendum for Coastal Area Property (TAR-1915);
- ☐ (9) Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TAR-1916);
- ☐ (10) Information About Brokerage Services (TAR-2501); and
- ☐ (11) _____

(Note: Counsel for the Texas Association of REALTORS® (TAR) has determined that any of the foregoing addenda which are promulgated by the Texas Real Estate Commission (TREC) or published by TAR are appropriate for use with this form.)

- E. Buyer ☒ may ☐ may not assign this contract. If Buyer assigns this contract, Buyer will be relieved of any future liability under this contract only if the assignee assumes, in writing, all of Buyer's obligations under this contract.

23. TIME: Time is of the essence in this contract. The parties require strict compliance with the times for performance. If the last day to perform under a provision of this contract falls on a Saturday, Sunday, or legal holiday, the time for performance is extended until the end of the next day which is not a Saturday, Sunday, or legal holiday.

24. EFFECTIVE DATE: The effective date of this contract for the purpose of performance of all obligations is the date the title company receives this contract after all parties execute this contract.

25. ADDITIONAL NOTICES:

- A. Buyer should have an abstract covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a title policy.
- B. If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fees of the district before final execution of this contract.
- C. Notice Required by §13.257, Water Code: "The real property, described below, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in the notice or at closing of purchase of the real property." The real property is described in Paragraph 2 of this contract.
- D. If the Property adjoins or shares a common boundary with the tidally influenced submerged lands of the state, §33.135, Texas Natural Resources Code, requires a notice regarding coastal area property to be included as part of this contract.
- E. If the Property is located seaward of the Gulf Intracoastal Waterway, §61.025, Texas Natural Resources Code, requires a notice regarding the seaward location of the Property to be included as part of this contract.
- F. If the Property is located outside the limits of a municipality, the Property may now or later be included in the extra-territorial jurisdiction (ETJ) of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and ETJ. To

determine if the Property is located within a municipality's ETJ, Buyer should contact all municipalities located in the general proximity of the Property for further information.

- G. If apartments or other residential units are on the Property and the units were built before 1978, federal law requires a lead-based paint and hazard disclosure statement to be made part of this contract.
- H. Section 1958.154, Occupations Code requires Seller to provide Buyer a copy of any mold remediation certificate issued for the Property during the 5 years preceding the date the Seller sells the Property.
- I. Brokers are not qualified to perform property inspections, surveys, engineering studies, environmental assessments, or inspections to determine compliance with zoning, governmental regulations, or laws. Buyer should seek experts to perform such services. Buyer should review local building codes, ordinances and other applicable laws to determine their effect on the Property. Selection of experts, inspectors, and repairmen is the responsibility of Buyer and not the brokers. Brokers are not qualified to determine the credit worthiness of the parties.
- J. NOTICE OF WATER LEVEL FLUCTUATIONS: If the Property adjoins an impoundment of water, including a reservoir or lake, constructed and maintained under Chapter 11, Water Code, that has a storage capacity of at least 5,000 acre-feet at the impoundment's normal operating level, Seller hereby notifies Buyer: "The water level of the impoundment of water adjoining the Property fluctuates for various reasons, including as a result of: (1) an entity lawfully exercising its right to use the water stored in the impoundment; or (2) drought or flood conditions."

26. CONTRACT AS OFFER: The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts the offer by 5:00 p.m., in the time zone in which the Property is located, on _____, the offer will lapse and become null and void.

READ THIS CONTRACT CAREFULLY. The brokers and agents make no representation or recommendation as to the legal sufficiency, legal effect, or tax consequences of this document or transaction. **CONSULT** your attorney **BEFORE** signing.

The Estate of Aileen M. Foley, George Thomas

Seller: Foley, Jr. Ind. Exec.

Buyer: Crystal Clear and /or assigns

By: _____
By (signature): George T Foley
Printed Name: George T Foley
Title: _____

By: _____
By (signature): Robert Payne
Printed Name: _____
Title: _____

By: _____
By (signature): _____
Printed Name: _____
Title: _____

By: _____
By (signature): _____
Printed Name: _____
Title: _____

AGREEMENT BETWEEN BROKERS

(use only if Paragraph 9B(1) is effective)

Principal Broker agrees to pay Roger Bushee (Cooperating Broker) a fee when the Principal Broker's fee is received. The fee to be paid to Cooperating Broker will be:

☐ \$ _____, or
☒ 3.000 % of the sales price, or
☐ _____ % of the Principal Broker's fee.

The title company is authorized and directed to pay Cooperating Broker from Principal Broker's fee at closing. This Agreement Between Brokers supersedes any prior offers and agreements for compensation between brokers.

Principal Broker: _____

Cooperating Broker: _____

By: _____

By: _____

ATTORNEYS

Seller's attorney: _____

Buyer's attorney: _____

Address: _____

Address: _____

Phone & Fax: _____

Phone & Fax: _____

E-mail: _____

E-mail: _____

Seller's attorney requests copies of documents, notices, and other information:

- ☐ the title company sends to Seller.
☐ Buyer sends to Seller.

Buyer's attorney requests copies of documents, notices, and other information:

- ☐ the title company sends to Buyer.
☐ Seller sends to Buyer.

ESCROW RECEIPT

The title company acknowledges receipt of:

- ☒ A. the contract on this day 4-17-17 (effective date);
☒ B. earnest money in the amount of \$ 1000 in the form of per. check
on 4-17-17.

Title company: Bosque Center Title IncAddress: PO Box 898By: [Signature]Mendon, TX 76661Phone & Fax: 254-435-2722/2642

Assigned file number (GF#): _____

E-mail: bosque@bosquecenter.com