



Control Number: 48103



Item Number: 12

Addendum StartPage: 0

LGRVR Water Supply Corporation  
5711 Coffee Pot Ln  
Granbury, TX. 76049

December 17, 2018

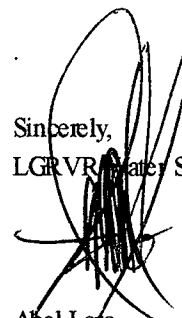
Public Utility Commission of Texas  
Attn: Filing Clerk  
1701 N Congress Ave  
PO Box 13326  
Austin, TX. 78711-3326

Re: Docket #48103 Transfer of operations from Fall Creek Utility Company, Inc to LGRVR Water Supply Corporation

To whom it may concern:

The transfer of Fall Creek Utility Company Inc has been completed as of November 20, 2018. Per your instructions I am submitting final closing documents to confirm completion of the transfer. Enclosed you will find the Bill of Sale and Asset Transfer Agreement between Fall Creek Utility Company Inc and LGRVR Water Supply Corporation executed on November 20, 2018.

Sincerely,  
LGRVR Water Supply Corporation



Abel Lafa  
Vice President, Board of Directors

RECEIVED  
2018 DEC 21 AM 9:25  
PUBLIC UTILITY COMMISSION  
FILING CLERK

## **Bill of Sale and Assignment**

This Bill of Sale and Assignment ("Bill of Sale") is made effective as of this 20th day of November, 2018 by **Fall Creek Utility Company, Inc.**, a Texas corporation ("Seller") and **LGRVR Water Supply Corporation**, a Texas non-profit corporation ("Purchaser").

### **RECITALS**

According to the Transfer Agreement, Seller has agreed to sell and transfer, and Buyer has agreed to purchase and accept, the Assets as identified on **Exhibit "A"** of the Transfer Agreement dated the 20<sup>th</sup> day of November, 2018.

### **AGREEMENT**

NOW, THEREFORE, in consideration of the premises and mutual covenants hereinafter set forth, the parties agree as follows:

1. Transfer. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller hereby sells, transfers, and delivers to Buyer the Assets, and Buyer hereby purchases, accepts, and acquires from Seller the Assets.

2. Seller's Representations. Seller hereby represents and warrants that all the Assets are free and clear of all liens and that Seller will warrant and defend the same against the claims and demands of any and all persons when such claim is made by, through, or under Seller but not otherwise.

3. Further Assurances. Seller hereby covenants to at any time, and from time to time upon written request, execute and deliver to Buyer any new or confirmatory instruments and do and perform any other acts that Buyer may request in order to fully assign and transfer to and vest in Buyer and protect Buyer's right, title and interest in and enjoyment of, all the Assets.

4. BUYER AND SELLER AGREE THAT THE ASSETS ARE SOLD 'AS IS' AND 'WHEREIS.' BUYER AND SELLER FURTHER REPRESENT AND AGREE THAT NEITHER THE SELLER NOR ANY REPRESENTATIVE OR AGENT OF SELLER MAKES OR HAS MADE ANY EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS OF ANY KIND OF NATURE WITH RESPECT TO THE ASSETS. THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY OF FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE PROPERTY PURCHASED HEREUNDER. SELLER WILL IN NO EVENT BE RESPONSIBLE FOR THE CORRECTNESS OF OR BE DEEMED TO HAVE MADE ANY REPRESENTATION OR WARRANTY OF MERCHANTABILITY, DESCRIPTION, SIZE, QUALITY, GENUINENESS, RARITY, IMPORTANCE, ATTRIBUTION, PROVENANCE, REPRODUCTION RIGHTS, CONDITION, EXHIBITIONS, OR LITERARY OR HISTORICAL RELEVANCE CONCERNING THE PROPERTY. BUYER AND SELLER REPRESENT, COVENANT, AND AGREE THAT NO STATEMENT MADE AT OR BEFORE THE SALE OR IN THE BILL OF SALE OR ELSEWHERE WILL BE DEEMED SUCH A WARRANTY OR REPRESENTATION OR AN ASSUMPTION OF LIABILITY. SELLER MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE FITNESS,



QUALITY, DESIGN, CONDITION, SUITABILITY, MERCHANTABILITY, PERFORMANCE OR FITNESS FOR ANY PARTICULAR PURPOSE OF THE ASSETS. ALL SUCH WARRANTIES ARE HEREBY DISCLAIMED BY SELLER, AND SUCH DISCLAIMER IS SPECIFICALLY AGREED TO AND ACCEPTED BY BUYER.

5. FURTHER, BUYER REPRESENTS AND AGREES THAT IT IS FAMILIAR WITH EQUIPMENT OF THE TYPE BEING PURCHASED HEREUNDER. BUYER REPRESENTS AND AGREES THAT IT HAS HAD, AND DOES HAVE, THE OPPORTUNITY AND RIGHT TO INSPECT THE ASSETS BUYER IS PURCHASING FROM SELLER BEFORE SUCH PURCHASE AND BEFORE THE EXECUTION OF THIS AGREEMENT TO THE EXTENT IT DESIRES AND DEEMS NECESSARY.

6. All representations to "Seller" and "Buyer" herein include their respective nominees, successors and/or assigns.

In witness whereof, Seller has caused this General Bill of Sale to be duly executed as of the day and year first above written.

SELLER:

Fall Creek Utility Company, Inc.,  
a Texas corporation

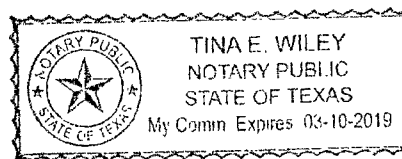
By: \_\_\_\_\_

Name: Abel Lara, Vice President

THE STATE OF TEXAS    }  
                                     }  
COUNTY OF HOOD        }

This instrument was acknowledged before me on the 20<sup>th</sup> day of November, 2018, by Abel Lara, Vice President of Fall Creek Utility Company, Inc., a Texas corporation, on behalf of said corporation.

  
\_\_\_\_\_  
NOTARY PUBLIC, STATE OF TEXAS





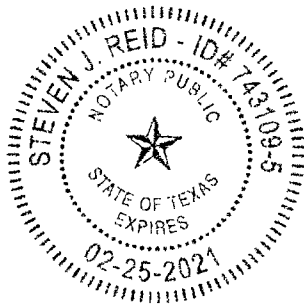
PURCHASER:

LGRVR Water Supply Corporation, a  
Texas non-profit corporation

By: William Lodal  
Name: William (Bill) Lodal, President

THE STATE OF TEXAS }  
COUNTY OF HOOD }

This instrument was acknowledged before me on the 20<sup>th</sup> day of November, 2018, by William (Bill) Lodal, President of LGRVR Water Supply Corporation, a Texas non-profit corporation, on behalf of said non-profit corporation.



[Signature]  
NOTARY PUBLIC, STATE OF TEXAS





**TRANSFER AGREEMENT  
(ASSETS)**

**TRANSFER AGREEMENT  
BY AND BETWEEN LGRVR WATER SUPPLY CORPORATION  
AND  
FALL CREEK UTILITY COMPANY, INC.**

**DATED: NOVEMBER 20, 2018**

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## **Transfer Agreement (Asset)**

### **TRANSFER AGREEMENT BY AND BETWEEN LGRVR WATER SUPPLY CORPORATION AND FALL CREEK UTILITY COMPANY, INC.**

This Transfer Agreement ("Agreement") dated the 20th day of November 2018 by and between LGRVR Water Supply Corporation, a Texas Non-Profit Corporation ("Transferee"), and Fall Creek Utility Company, Inc., a Texas Corporation ("Transferor").

#### **INTRODUCTION**

Transferor desires to sell and Transferee desires to purchase all of the assets of the Transferor commonly known as "Fall Creek Utility Company, Inc." on the terms and conditions set forth in this Agreement.

In consideration of the mutual promises of the parties; in reliance on the representations, warranties, covenants, and conditions contained in this Agreement; and for \$10.00 and other good and valuable consideration, the parties agree as follows:

#### **ARTICLE 1**

##### **SALE**

##### **Sale of Assets**

1.01. Transferor agrees to sell, convey, transfer, assign, and deliver to Transferee, and Transferee agrees to acquire and accept from Transferor, all of the following assets of Transferor:

(a) All real property, inventories, raw materials, and supplies including but not limited to those reflected on **Exhibit "A"** and **Exhibit "C"** appended hereto and incorporated fully into this Agreement.

(b) All of Transferor's rights and interests in and to the Certificates of Convenience and Necessity ("CCN") issued by the State of Texas including but not limited to CCN Number 12884 & 20854, contracts, agreements, purchase orders, real property, real estate leases, and personal property leases, including but not limited to those described on **Exhibit "A"** appended hereto, and incorporated fully into this Agreement; and all of Transferor's deposits; and all rights and claims to refunds and adjustments of any kind owned by Transferor.

(c) All furniture, fixtures, equipment, supplies, water wells, pumps, transmission lines, meters, pipe and other items described on **Exhibit "A"**, attached to and incorporated fully into this Agreement, and all sundry items of a like character that, although not described on **Exhibit "A"**, are owned by Transferor and are situated on or about the premises of Transferor or Transferor's customers or are in transit.

(d) All funds on hand in all bank accounts, including but not limited to operating, checking, savings and other accounts, all deposits (if any) and all accounts receivable of Transferor.

(e) All right, title, and interest in and to all of the following owned by Transferor:

(i) The trademarks, service marks, copyrights, patents, patent applications, and trade names listed on **Exhibit "A"**, attached to and incorporated fully into this Agreement.

(ii) All trademarks, service marks, copyrights, and trade names, whether or not listed on **Exhibit "A"**.

(iii) All applications for or registrations of any of these items, promotional designs, concepts, literature, rights against other persons in respect to these items, and other promotional properties.

(f) All right, title, and interest of Transferor in and to the name Fall Creek Utility Company, Inc., or any variant of the name.

(g) All papers and records (whether in written or other form) of any kind presently in or in the future coming into the care, custody, or control of Transferor relating to any of the assets sold to Transferee pursuant to this Agreement or the acquisition or past, present, or future operation of Transferor, including but not limited to: customer lists, supplier lists, distributor lists, purchase and sales records, blueprints, specifications, personnel and labor relations records, environmental control records, accounting and financial records, maintenance records, operating and management manuals, computer systems and software documentation, blank forms, blank checks, other blank instruments, and plans and designs of products and equipment.

(h) All permits, licenses, franchises, consents, authorities, special authorities, and other similar acts of any government body (federal, state, or local) held by Transferor that may lawfully be assigned or transferred, subject to any action by such body that may be required in connection with such assignment or transfer including the Certificate of Convenience and Necessity.

### **Consideration for Transfer**

1.02. In consideration of the transfer of the assets of Transferor by an executed Bill of Sale and Assignment in the form attached hereto as **Exhibit "L"**, and the representations, warranties, and covenants of Transferor set forth in this Agreement, Transferee shall pay to Transferor on Closing Date, \$10.00 and other good and valuable consideration including the assumption of that certain note, appended hereto as **Exhibit "B"** and dated July 29, 2005 by and between Transferor and Community Bank, now known as Independent Bank, in the principal amount of \$400,000.00, with a current outstanding balance of \$156,861.00 as of October 1, 2018. Transferee shall assume on the Closing Date only those duties and obligations of Transferor pursuant to the contracts, agreements, purchase orders, and leases described on **Exhibit "A"**.

## **Closing**

1.03. The parties agree to use their best efforts to consummate this transaction ("Closing"). The Closing shall take place at the offices of The Reid Firm, P.C. located at 1840 Acton Highway, Granbury, Texas 76049 on or before December 1, 2018, or at such other time, date, and place mutually agreed upon in writing by Transferor and Transferee ("Closing Date"). In either event, all terms and conditions to the Closing of this Agreement shall have been met at least three days prior to the Closing Date.

## **ARTICLE 2 TRANSFEROR'S REPRESENTATIONS AND WARRANTIES**

Transferor hereby represents and warrants to Transferee that the following facts and circumstances are and at all times up to the Closing Date will be true and correct:

### **Organization**

2.01. Transferor is Fall Creek Utility Company, Inc., a Texas non-profit corporation and has full company power to carry on its business as now being conducted.

### **Authorization of Transaction**

2.02. Transferor has full power and authority to execute and deliver this Agreement and to perform its obligations under it. This Agreement constitutes the valid and legally binding obligation of Transferor.

### **Non-Contravention**

2.03. Neither the execution and delivery of this Agreement by Transferor, nor the consummation by Transferor of the transactions contemplated by it will violate any statute, regulation, rule, judgment, order, decree, stipulation, injunction, charge, or other restriction of any government, governmental agency or court to which Transferor is subject or any provision of the Articles of Incorporation or Bylaws of Transferor.

### **Transferor's Board of Directors**

2.04. The Board of Directors (the "Board") of the Transferor possess the full right to sell or dispose of all of the Transferor assets as the Board may choose. No other person or persons have any claim, right, title, interest, or lien in, to, or on Transferor's assets.

### **Ownership in Other Companies**

2.05. Transferor has no interest in any other corporation, firm, business, or partnership.

### **Taxes**

2.06. All federal, state, local, and foreign income, ad valorem, excise, sales, use, payroll, unemployment, and other taxes and assessments ("Taxes") that are due and payable by



Transferor have been properly computed, duly reported, fully paid, and discharged. There are no unpaid Taxes that are or could become a lien on the property or assets of Transferor or require payment by Transferor, except for current Taxes not yet due and payable. All current Taxes not yet due and payable by Transferor have been properly accrued on the balance sheets of Transferor. Transferor has not incurred any liability for penalties, assessments, or interest under the Internal Revenue Code. No unexpired waiver executed by or on behalf of Transferor with respect to any Taxes is in effect.

### **Real Property**

2.07. **Exhibit "C"**, which is attached to this Agreement, contains a complete and accurate legal description of each parcel of real property owned by, leased to, or leased by Transferor together with a substantially true and correct plat of each parcel, when available; and true, correct, and complete copies of all real property leases. All of the material real property leases are valid and in full force. There does not exist any default or event that with notice, lapse of time, or both will constitute a default under any of these lease agreements. All real property owned by Transferor will be deeded to Transferee by executed deeds in the form attached hereto as **Exhibit "M"**. All the buildings, fixtures, and leasehold improvements used by Transferor in its business are located on the real property. The zoning of each parcel of property described in **Exhibit "C"** permits the presently existing improvements and the continuation of Transferor's business presently being conducted on such parcel. Transferor is not aware of any enacted or proposed changes to such zoning.

### **Inventories**

2.08. All inventories owned by Transferor ("Inventories") consist of items of a quality and quantity usable and saleable in the ordinary course of business by Transferor. All items included in the Inventories are the property of Transferor. No items included in the Inventories have been pledged as collateral or are held by Transferor on consignment from others. All of the Inventories are substantially free of defects.

### **Other Tangible Personal Property**

2.09. The equipment, furniture, fixtures, and other personal property described in **Exhibit "A"** attached to this Agreement constitute all the items of tangible personal property owned by, in the possession of, or used by Transferor in connection with Transferor's business except Inventories. Except as stated in **Exhibit "A"**, no personal property used by Transferor in connection with its business is held under any lease, security agreement, conditional sales contract, or other title retention or security agreement or is located any place other than in the possession of Transferor.

### **Title to Assets and Properties**

2.10. Transferor has good and marketable title to all of its assets and properties, tangible and intangible, that are material to Transferor's business and future prospects. These assets and properties constitute all of the assets and interests in assets that are used in Transferor's business. All of these assets are free and clear of mortgages, liens, pledges, charges,

encumbrances, equities, claims, easements, rights of way, covenants, conditions, and restrictions, except for the following:

(a) Those disclosed in Transferor's balance sheets, included in the Financial Statements, or in the Exhibits to this Agreement.

(b) The lien of current Taxes not yet due and payable.

All real property and tangible personal property of Transferor are in good operating condition and repair, ordinary wear and tear excepted. Transferor is in possession of all premises leased to Transferor from others. Except as set forth in the appropriate Exhibit listing such assets, no officer, director, or employee of Transferor, nor any spouse, child, or other relative of any of these persons owns or has any interest, directly or indirectly, in any of the real or personal property owned by or leased by Transferor or in any copyrights, patents, trademarks, trade names, or trade secrets licensed by Transferor. Transferor does not occupy any real property in violation of any law, regulation, or decree that would materially adversely affect its business or future prospects.

### **Customers and Sale**

2.11. **Exhibit "D"** attached to this Agreement is a correct and current list of all customers of Transferor.

### **Contracts**

2.12. **Exhibit "E"** attached to this Agreement contains true and correct lists, with copies when available, of all oral and written contracts or arrangements obligating Transferor, including without limitation, contracts with municipalities, pledges and other security agreements, and copies of standard form customer contracts. There are no other consents or approvals required from any other third party with respect to this transaction. Except as set forth in **Exhibit "E"**, Transferor is not a party to, nor are Transferor's assets and properties bound by, any distributor's or manufacturer's representative, agency agreement, output or requirements agreement, agreement not entered into in the ordinary course of business, indenture, mortgage, deed of trust, lease, or any agreement that is unusual in nature, duration, or amount. There is no default or event that with notice, lapse of time, or both will constitute a default by any party to any of the contracts listed in **Exhibit "E"**. Transferor has not received any notice that any party to any of the contracts listed in **Exhibit "E"** intends to cancel or terminate any of the contracts or to exercise or not exercise any options under any of the contracts. Transferor is not a party to, nor are Transferor's assets or properties bound by, any contract that is materially adverse to the business, property, or financial condition of Transferor.

### **Laws and Regulations**

2.13. Transferor is not in default or in violation of any law; regulation; court order; or order of any federal, state, municipal, foreign, or other government department, board, bureau, agency, or instrumentality, wherever located, that would materially adversely affect its business or future prospects.

## **Litigation**

2.14. Except as disclosed in **Exhibit "F"** attached to this Agreement, there are no pending, outstanding, or threatened claims; legal, administrative, or other proceedings; or suits, investigations, inquiries, complaints, notices of violation, judgments, injunctions, orders, directives, or restrictions against or involving Transferor or any of the assets, properties, or business of Transferor or any of Transferor's officers, directors or employees, that will materially adversely affect Transferor, its assets, properties, or business. To the best of Transferor's knowledge and belief, after conducting a due diligence investigation, there is no basis for any of these proceedings against any of Transferor's assets, properties, persons, or entities. Transferor has furnished or made available to Transferee copies of all relevant court papers and other documents relating to the matters set forth in **Exhibit "F"**. Transferor is not presently engaged in any legal action to recover moneys due Transferor or for damages sustained by Transferor.

## **Employment Contracts**

2.15. **Exhibit "G"** attached to this Agreement contains a complete description and copies of all employment agreements in effect with Transferor and a complete description of all fringe benefits and perquisites available to Transferor's officers, directors, and employees (and, if any, furnished to consultants, agents, and independent contractors), whether required by law or otherwise, including but not limited to, pension, profit sharing, life insurance, medical, bonus, incentive and similar plans, use of automobiles, credit cards, expense accounts and allowances, club memberships, sharing of costs or expenses, vacation, and similar benefits, together with the approximate annual cost of each benefit and perquisite. When available, copies of the plans, agreements, or arrangements regarding each benefit are also attached. The provisions and operations of all such programs and plans are in compliance in all material respects with all applicable material laws and government rules and regulations. There are no unfunded pension or similar liabilities regarding any employee of Transferor. All pension plans have been properly funded as to current and past service costs, have at all times been administered in compliance in all material respects with all applicable requirements of ERISA and any other applicable laws, and Transferor does not maintain any "pension plan" as defined in ERISA that is unfunded. **Exhibit "G"** also includes all states in which Transferor has employees and the status of unemployment insurance accounts in each state.

## **Receivables**

2.16. **Exhibit "H"** attached to this Agreement contains a true and correct list of all accounts receivable and notes receivable of Transferor. All listed accounts and notes receivable of Transferor, are bona fide receivables, arose in the ordinary course of business by Transferor, and require no further performance by Transferor. No material objection, claim, or offset has been made regarding the receivables and the receivables are current and collectible in the normal course of business within 90 days from the Closing Date without resort to litigation or the retention of collection services.

## **Other Liabilities and Obligations**

2.17. **Exhibit "I"** attached to this Agreement contains a true and correct list of all liabilities and obligations of Transferor not disclosed elsewhere in this Agreement of any kind,

character, and description whether accrued, absolute, contingent, or otherwise, and whether or not required to be disclosed or accrued in the financial statements of Transferor, that exceed \$250.00 to any one creditor. In the case of liabilities that are not fixed, an estimate of the maximum amount that may be payable is also included.

### **Trade Names, Trademarks, Copyrights, and Patents**

2.18. **Exhibit "A"** attached to this Agreement contains a true and correct list of all trademarks, trademark registrations or applications, service marks, trade names, copyrights, copyright registrations or applications, trade secrets, patents, inventions, industrial models, processes, designs, formulae, and applications for patents (collectively called "Intellectual Properties") owned by Transferor. These Intellectual Properties are the only ones used and needed by Transferor in conducting its business. Transferor has the right and authority to use all of these Intellectual Properties as necessary to enable Transferor to conduct its business in the manner presently conducted. The use of these Intellectual Properties does not and will not conflict with, infringe, or violate any patent, copyright, or other proprietary right of any person, firm, or corporation, nor is Transferor now infringing on any right belonging to any person, firm, or corporation. Transferor is not a party to any license, agreement, or arrangement, whether as a licensee, licensor, or otherwise with respect to the Intellectual Properties. All of the Intellectual Properties are free and clear of any liens, encumbrances, restrictions, or legal or equitable claims of others. Transferor has taken all necessary security measures to protect the secrecy, confidentiality, and value of these Intellectual Properties.

### **Business Operations**

2.19. The business operations of Transferor are and have been for the past five years in material compliance with all laws, treaties, rulings, directives, and similar regulations of all government authorities having jurisdiction over such business insofar as failure to comply could materially adversely affect Transferor's business and future prospects.

### **Authority**

2.20. Transferor has full power and authority to execute, deliver, and/or consummate this Agreement, subject to the conditions to Closing set forth in this Agreement. All reports and returns required to be filed by each with any government and regulatory agency with respect to this transaction have been properly filed. Except as otherwise disclosed in this Agreement, no notice to or approval by any other person, firm, or entity, including governmental authorities, is required of Transferor to consummate the transaction contemplated by this Agreement.

### **Full Disclosure**

2.21. No representation, warranty, or covenant made to Transferee in this Agreement nor any document, certificate, exhibit, or other information given or delivered to Transferee pursuant to this Agreement contains or will contain any untrue statement of a material fact, or omits or will omit a material fact necessary to make the statements contained in this Agreement or the matters disclosed in the related documents, certificates, information, or exhibits not misleading.

### **Brokers**

2.22. Transferor, nor any of Transferor's officers, directors or employees, has retained, consented to, or authorized any broker, investment banker, or third party to act on Transferor's behalf, directly or indirectly, as a broker or finder in connection with the transactions contemplated by this Agreement.

### **Information Required for Bulk Sales Notice**

2.23. **Exhibit "J"** attached to this Agreement includes a true, complete, and correct list of all existing creditors of Transferor, including their business addresses and the amounts of claims by each creditor against Transferor. **Exhibit "J"** also includes all information required to be furnished by Transferor to Transferee for purposes of complying with the Texas Business and Commerce Code bulk transfer provisions.

## **ARTICLE 3 TRANSFeree'S REPRESENTATIONS AND WARRANTIES**

Transferee represents and warrants to Transferor that:

### **Authority**

3.01. Transferee has full power and authority to execute, deliver, and consummate this Agreement subject to the conditions to Closing set forth in this Agreement.

### **Broker**

3.02. Neither Transferee, nor any of Transferee's officers, directors, or employees, has retained, consented to, or authorized any broker, investment banker, or third party to act on its behalf, directly or indirectly, as a broker or finder in connection with the transactions contemplated by this Agreement.

## **ARTICLE 4 COVENANTS**

Transferor covenants with Transferee that from and after the date of this Agreement until the Closing Date, Transferor will:

### **Business Operations**

4.01. Operate its business and conduct its activities in the normal course of business and not introduce any material new method of management, operation, or accounting.

### **Maintenance of Assets and Properties**

4.02. Maintain all tangible assets and properties of Transferor in as good a state of operating condition and repair as they are on the date of this Agreement, except for ordinary depreciation, wear, and tear.

### **Absence of Liens**

4.03. Not sell, pledge, lease, mortgage, encumber, dispose of, or agree to do any of these acts regarding any of the assets or properties of Transferor, other than in the normal course of business, without the prior written approval of Transferee.

### **Preservation of Business**

4.04. Use its best efforts to preserve intact its organization and personnel and to keep available the services of all of its employees, agents, independent contractors, and consultants commensurate with Transferor's business requirements.

### **Preservation of Customer Relations**

4.05. Use its best efforts to preserve intact the present customers of Transferor and the goodwill of all customers and others with respect to the business.

### **Maintain Insurance**

4.06. Keep in force all policies of insurance covering the Transferor's business, properties, and assets, including all insurance listed in this Agreement. If Transferee so requests in writing, to purchase additional insurance as may be reasonably required at Transferee's expense.

### **Absence of Contractual Obligations**

4.07. Not become obligated on any contract or commitment or incur or agree to incur any liability or make any capital expenditures without the prior written consent of Transferee.

### **Performance of Obligations**

4.08. Perform all of its obligations and not make any material amendment to its obligations under all agreements relating to or affecting Transferor's customers, business, properties, and assets.

### **Notification of Litigation**

4.09. Promptly notify Transferee in writing of any outstanding or threatened claims; legal, administrative, or other proceedings, suits, investigations, inquiries, complaints, notices of violation, or other process; or other judgments, orders, directives, injunctions, or restrictions against or involving Transferor or its personnel that could adversely affect Transferor.

### **Provide Financial Statements**

4.10. Provide Transferee with fairly presented monthly financial statements with respect to Transferor within fifteen days after the end of each month, together with copies of customary monthly management reports.

### **Access to Books and Records**

4.11. Make available to Transferee and its authorized agents and accountants for inspection at reasonable times and under reasonable circumstances the following items with respect to Transferor: assets; properties; business and financial records; and tax returns, working papers, files, and memoranda of its public accountants and outside legal counsel for the purposes of making an accounting review, a legal audit, and investigation and examination of Transferor as deemed desirable by Transferee. Transferor will use its best efforts to cause Transferor's officers, employees, public accountants, and outside legal counsel to cooperate fully with Transferee's examination and to make a full and complete disclosure to Transferee of all facts regarding the financial condition and business operations of Transferor.

### **Employee Compensation**

4.12. Not increase the compensation payable to or to become payable to any executive officer, key employee, or agent; make any bonus payment to any such person; and permit Transferee to contact such employees, agents, and officers at all reasonable times for the purpose of discussing with them prospective employment by Transferee on or after the Closing Date. Transferor shall use its best efforts to encourage all such persons to accept any employment offered by Transferee.

### **Not Solicit**

4.13. Not negotiate with any person or entity, or solicit or entertain any proposal concerning any acquisition in any form of Transferor.

### **Cooperate in Publicity**

4.14. Coordinate any written publicity regarding this transaction with Transferee.

### **Payment of Liabilities and Waiver of Claims**

4.15. Not do, or agree to do, any of the following acts:

- (a) Pay any obligation or liability, fixed or contingent, other than current liabilities.
- (b) Waive or compromise any right or claim.
- (c) Without full payment, cancel any note, loan, or other obligation owing to Transferor.

### **Maintain Existing Agreements**

4.16. Not modify, amend, cancel, or terminate any of Transferor's existing contracts or agreements, or agree to do so.

### **Obtain Consents**

4.17. As soon as reasonably practical after the execution of this Agreement and in any event before the Closing Date, obtain the written consents of all persons described in **Exhibit "K"** and furnish to Transferee copies of the consents.

### **Provide Sales and Use Tax Certificates**

4.18. Furnish to Transferee clearance certificates from the appropriate agencies in all states where Transferor is qualified to do business and any related certificates that Transferee may reasonably request as evidence that all sales, use, and other tax liabilities of Transferor (other than income tax liabilities) accruing before the Closing Date have been fully satisfied or provided for by Transferor.

### **Provide UCC Clearances**

4.19. Deliver to Transferee a Business and Commerce Code search report issued by the Secretary of State in each state where Transferor owns personal property and dated as of a date not more than seven days before the Closing Date. The report must indicate that there are no filings under the UCC on file with the Secretary of State that name Transferor as debtor or otherwise indicate any lien on the assets and properties of Transferor, except for the liens otherwise disclosed in this Agreement.

## **ARTICLE 5 CONDITIONS TO TRANSFEE'S OBLIGATION TO CLOSE**

The obligation of Transferee to Close under this Agreement is subject to each of the following conditions (any one of which may, at the option of Transferee, be waived in writing by Transferee) existing on the Closing Date, or such earlier date as the context may require.

### **Representations and Warranties**

5.01. Each of the representations and warranties of Transferor in this Agreement, the disclosures contained in the exhibits to this Agreement, and all other information delivered under this Agreement shall be true in all material respects at and as of the Closing Date as though each representation, warranty, and disclosure were made and delivered at and as of the Closing Date. Transferor and Transferor shall each comply with and perform all agreements, covenants, and conditions in this Agreement required to be performed and complied with by each of them. All requisite action in order to consummate this Agreement shall be properly taken by Transferor and Transferor.

### **Suit or Proceeding**

5.02. No suit or proceeding, legal or administrative, relating to any of the transactions contemplated by this Agreement shall be overtly threatened or commenced that, in the sole discretion of Transferee and its counsel, would make it inadvisable for Transferee to Close this transaction.



### **Government Approvals and Filings**

5.03. All necessary government approvals and filings regarding this transaction shall be received or made prior to the Closing Date in substantially the form applied for to the reasonable satisfaction of Transferee and its counsel, unless waived by Transferee including but not limited to approval by the Public Utility Commission and the Texas Commission on Environmental Quality. Any applicable waiting period for the approvals and filings shall be expired, unless waived by Transferee.

### **Consents of Others**

5.04. Transferee shall receive written consents from all persons listed in **Exhibit "K"** to this Agreement.

### **Due Diligence**

5.05. In the event Transferee determines, in the course of performing Transferee's due diligence, for any reason that Transferee does not want to purchase the assets of Transferor, Transferee may terminate this Agreement.

## **ARTICLE 6 CONDITIONS TO TRANSFEROR'S OBLIGATION TO CLOSE**

The obligation of Transferor to Close under this Agreement is subject to each of the following conditions (any one of which at the option of Transferor may be waived in writing by Transferor) existing on the Closing Date.

### **Government Approvals**

6.01. All necessary government approvals and filings regarding this transaction shall be received or made prior to the Closing Date in substantially the form applied for, including but not limited to approval by the Public Utility Commission and the Texas Commission on Environmental Quality.

## **ARTICLE 7 PARTIES' OBLIGATIONS AT THE CLOSING Transferor's Obligations at the Closing**

7.01. At the Closing, Transferor shall execute, if appropriate, and shall deliver to Transferee:

(a) A bill of sale in a form acceptable to Transferee sufficient to convey to Transferee all rights, title, and interest in and to all of the inventories, fixtures, equipment, and items of personality being sold to Transferee under the terms of this Agreement.

(b) One or more instruments of assignment in a form acceptable to Transferee assigning to Transferee the exclusive rights to: all contract rights, leases, accounts receivable in the name of Transferor being sold to Transferee under the terms of this Agreement.

(c) All documentation in the possession of Transferor necessary to operate and to use all assets being sold to Transferee in this Agreement.

### **Transferee's Obligation at Closing**

7.02. At the Closing, Transferee shall deliver to Transferor the items specified in *Paragraph 7.01*, above, an escrow or cashier's check in the amount of \$10.00 and other good and valuable consideration including the assumption of that certain note, appended hereto as **Exhibit "B"**, less any and all offsets and closing costs, payable to Transferor in federal funds currently available in Texas.

## **ARTICLE 8 TRANSFEROR'S OBLIGATIONS AFTER THE CLOSING Preservation of Goodwill**

8.01. Following the Closing Date, Transferor will restrict its activities so that Transferee's reasonable expectations with respect to the goodwill, business reputation, employee relations, and prospects connected with the assets and properties purchased under this Agreement will not be materially impaired.

### **Change of Name**

8.02. Transferor agrees that, after the Closing Date, it will not use or employ in any manner, directly or indirectly, the name of Transferor or any variation of the name. Transferor also agrees that, in order to comply with this covenant, it will take and cause to be taken all necessary action, including filing a withdrawal notice for any assumed name certificate bearing Transferor's name or any variant of the name, that Transferor has previously filed.

### **Access to Records**

8.03. From and after the Closing Date, Transferor shall allow Transferee and its counsel, accountants, and other representatives access to records that are, after the Closing Date, in the custody or control of Transferor. Transferor shall give access as Transferee reasonably requires in order to comply with its obligations under law or when reasonably necessary for the business operations of Transferor.

### **Application of Sales Proceeds**

8.04. Transferor covenants and warrants on or before the Closing Date all creditors of Transferor be paid in full.

## **ARTICLE 9 INDEMNIFICATION Covenant to Indemnify and Hold Harmless**

9.01. Transferor covenants and agrees to indemnify, defend, and hold harmless Transferee and Transferor from and against any and all claims, suits, losses, judgments,

damages, and liabilities including any investigation, legal, and other expenses incurred in connection with and any amount paid in settlement of any claim, action, suit, or proceeding (collectively called "Losses"), other than those Losses disclosed in this Agreement or any Exhibit delivered pursuant to this Agreement, to which Transferee or Transferor may become subject, if such Losses arise out of or are based upon any facts and circumstances (or alleged facts and circumstances) that could result in or give rise to a misrepresentation, breach of warranty, or breach of covenant by Transferor to Transferee in this Agreement. This right to indemnification is in addition to any other right available to Transferee and Transferor, including the right to sue Transferor for a misrepresentation, breach of warranty, or breach of covenant under this Agreement.

### **Income Taxes**

9.02. Without limiting the provisions of **Paragraph 9.01**, Transferor shall indemnify, defend, and hold harmless Transferee and Transferor from and against any Losses to which Transferor or Transferee may become subject insofar as such Losses arise out of or are based on any tax on or measured by the net income of Transferor in any period on or before the Closing Date. The indemnifications provided in this **Paragraph 9.02** and in **Paragraph 9.01**, above, are cumulative and neither provision shall limit or in any other way affect the right of Transferee and Transferor under the other provision.

### **Notification and Defense of Claims or Actions**

9.03. When Transferee proposes to assert the right to be indemnified under this Article 9 with respect to third-party claims, actions, suits, or proceedings, Transferee shall, within 30 days after the receipt of notice of the commencement of the claim, action, suit, or proceeding, notify Transferor in writing, enclosing a copy of all papers served or received. On receipt of the notice, Transferor shall have the right to direct the defense of the matter, but Transferee shall be entitled to participate in the defense and, to the extent that Transferee desires, to jointly direct the defense with Transferor with counsel mutually satisfactory to Transferee and Transferor, at Transferor's expense. Transferee shall also have the right to employ its own separate counsel in any such action. The fees and expenses of Transferee's counsel shall be paid by Transferee unless: (a) the employment of the counsel has been authorized by Transferor; (b) Transferee has reasonably concluded that there may be a conflict of interest between Transferor and Transferee in the conduct of the defense of such action; or (c) Transferor has not, in fact, employed counsel satisfactory to Transferee to assume the defense of the action. In each of these cases, the fees and expenses of Transferee's counsel shall be paid by Transferor. Neither Transferor nor Transferee shall be liable for any settlement of any action or claim described in this Article 9 that is affected without their consent.

### **Interest**

9.04. Any indemnification required of Transferor under this Article 9 shall include interest on the amount of the indemnity from the time incurred to the date of payment at six percent simple interest per annum.

**ARTICLE 10**  
**GENERAL PROVISIONS**  
**Survival of Representations, Warranties, and Covenants**

10.01. The representations, warranties, covenants, and agreements of the parties contained in this Agreement or contained in any writing delivered pursuant to this Agreement shall survive the Closing Date for the period of time set forth in this Agreement.

**Notices**

10.02. All notices that are required or that may be given pursuant to the terms of this Agreement shall be in writing and shall be sufficient in all respects if given in writing and delivered personally or by registered or certified mail, return receipt requested, postage prepaid as follows:

If to Transferee:       LGRVR Water Supply Corporation  
                              5711 Coffee Pot Ln  
                              Granbury, Texas 76049

With a copy to:       The Reid Firm, P.C.  
                              Steven J. Reid  
                              1840 Acton Highway  
                              Granbury, Texas 76049

If to Transferor:       Fall Creek Utility Company, Inc.  
                              5711 Coffee Pot Ln  
                              Granbury, Texas 76049

**Assignment of Agreement**

10.03. This Agreement shall be binding on and inure to the benefit of the parties to this Agreement and their respective successors and permitted assigns. This Agreement may not be assigned by any other party without the written consent of all parties and any attempt to make an assignment without consent is void.

**Governing Law**

10.04. This Agreement shall be construed and governed by the laws of the State of Texas and shall be performable in Hood County, Texas.

**Amendments; Waiver**

10.05. This Agreement may be amended only in writing by the mutual consent of all of the parties, evidenced by all necessary and proper corporate authority. No waiver of any provision of this Agreement shall arise from any action or inaction of any party, except an instrument in writing expressly waiving the provision executed by the party entitled to the benefit of the provision.

## Entire Agreement

10.06. This Agreement, together with any documents and exhibits given or delivered pursuant to this Agreement, constitutes the entire agreement between the parties to this Agreement. No party shall be bound by any communications between them on the subject matter of this Agreement unless the communication is (a) in writing, (b) bears a date contemporaneous with or subsequent to the date of this Agreement, and (c) is agreed to by all parties to this Agreement. On execution of this Agreement, all prior agreements or understandings between the parties shall be null and void.

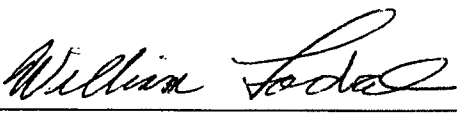
## Reliance Upon Representations and Warranties

10.07. The parties mutually agree that, notwithstanding any right of Transferee to fully investigate the affairs of Transferor and notwithstanding any knowledge of facts determined or determinable by Transferee pursuant to the investigation or right to investigate, Transferee may fully rely upon the representations, warranties, and covenants made to Transferee in this Agreement and on the accuracy of any document, certificate, or exhibit given or delivered to Transferee pursuant to this Agreement. Knowledge by an agent of Transferee of any facts not otherwise disclosed in this Agreement or in a document, certificate, or exhibit delivered to Transferee pursuant to this Agreement shall not constitute a defense by Transferor for indemnification of Transferee under Article 9 or for any claim for misrepresentation or breach of any warranty, agreement, or covenant under this Agreement or any exhibit, certificate, or document delivered under this Agreement.

Signed on the 20th day of November 2018.

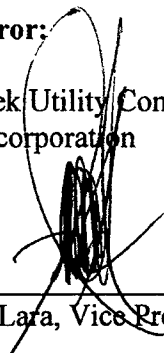
### Transferee:

LGRVR Water Supply Corporation  
a Texas non-profit corporation

By:   
William (Bill) Lodal, President

### Transferor:

Fall Creek Utility Company, Inc.,  
a Texas corporation

By:   
Abel Lara, Vice President

## **EXHIBIT "A"**

**A. Inventories of New Materials and Supplies as follows:**

All furniture, fixtures, equipment, supplies, water wells, pumps, transmission lines, meters, pipe and other items of personal property used in connection with the business known as Fall Creek Utility Company, Inc. including but not limited to Fall Creek Utility Company, Inc. Certificate of Convenience and Necessity from the State of Texas.

**B. Contracts, Agreements, Purchase Orders, Real Property, Real Property Leases and Personal Property Leases.**

**C. Furniture, Fixtures, Equipment, Supplies, Water Wells, Pumps, Transmission Lines, Meters, Pipe and other items.**

**D. Trademarks, Service Marks, Copyrights and Trade Names.**

**E. All other assets of Fall Creek Utility Company, Inc. including, but in no way limited to, the following:**

1. Waste Water Treatment Plant;
2. Water Well & Related Equipment;
3. Kubota Tractor Model #L3400DT-R;
4. Bush Hog Model #RDTH 72 Finish Mower;
5. Kubota Model #LA 463 Front End Loader;
6. Kubota Model #BK976 Back Hoe Attachment;
7. Tora Zero Turn Mower Timecutter Model #Z5035;
8. RVS Billing Software;
9. HP Laptop; and
10. Wastewater Treatment Permit.

## EXHIBIT "B"

### Promissory Note

GF#0570614

Promissory Note

Date: July 29, 2005

Borrower: FALL CREEK UTILITY COMPANY, INC., a Texas corporation

Borrower's Mailing Address:  
7001 Garrett Ranch Road  
Granbury, Texas 76049

Lender: COMMUNITY BANK

Place for Payment:  
P.O. Box 580  
Granbury, Texas 76048, or any other place that Lender may designate in writing.

Principal Amount: \$400,000.00

**Annual Interest Rate on Unpaid Principal from Date of Funding:** A variable rate (called the Variable Rate) which is based on the rate of interest established from time to time as the Prime Rate as quoted in the Wall Street Journal. Each change in the Variable Rate shall be effective, without notice to Maker, on a three (3) year basis, the first change to be effective on the 15<sup>th</sup> day of August, 2008, and each three (3) years thereafter during the term of this Note. The Variable Rate shall be the Prime Rate plus one and one-half percentage points (1.50%); provided, however, the maximum interest rate will not exceed 18% or the State of Texas usury ceiling rate, whichever is less." The beginning Variable Rate shall be 7.75%.

**Annual Interest Rate on Matured, Unpaid Amounts:** The maximum lawful rate of interest.

**Terms of Payment (principal and interest):** Interest only is payable on September 15, 2005 and October 15, 2005, thereafter, the Principal Amount and interest are due and payable in equal monthly installments of THREE THOUSAND THREE HUNDRED SEVEN AND 04/100 DOLLARS (\$3,307.04), or such amounts as may be required from time to time on account of interest rate adjustments, the first being due and payable the 15<sup>th</sup> day of November, 2005, and a like installment shall be due and payable on the same day of each succeeding month thereafter until August 15, 2025, when the entire amount hereof, principal and interest then remaining unpaid, shall be then due and payable; interest being calculated on the unpaid principal to the date of each installment paid and the payment made credited first to the discharge of the interest accrued and the balance to the reduction of the principal.

**Adjustment of Monthly Installments:** On the effective date of each change in the Variable Rate the Lender, at Lender's sole discretion, may adjust the amount of each subsequent monthly installments payable hereunder so that the monthly installments will be in an amount sufficient to amortize, in equal monthly installments, the then remaining principal balance and interest thereon over the remaining portion of a twenty (20) year term at the adjusted Variable Rate.

**Security for Payment:** This note is secured by a deed of trust and security agreement dated July 29, 2005 from FALL CREEK UTILITY COMPANY, INC. to JIMMY CAMPBELL, Trustee, which covers the personal property described in the deed of trust and security agreement and the following real property:

**PART ONE:**

TRACT ONE: A portion of Lot 21 of LAKE GRANBURY R.V. RANCH, a subdivision of Hood County, Texas, according to the plat thereof recorded in Slide A-371-B of the Plat Records of Hood County, Texas, and being more fully described by metes and bounds on Exhibit "A" attached hereto.

TRACT TWO: Lot 112 of LAKE GRANBURY R.V. RANCH, a subdivision of Hood County, Texas, according to the plat thereof recorded in Slide A-371-B of the Plat Records of Hood County, Texas.

TRACT THREE: 2.308 acres, more or less, in the MILTON A. HARDIN SURVEY, Abstract No. 217, Hood County, Texas, and being more fully described by metes and bounds on Exhibit "B" attached hereto.

and

All of Borrower's right, title and interest in and to easement rights reserved, granted or established in any manner in the Restrictive Covenants and recorded plats pertaining to Lake Granbury R.V. Ranch recorded in Slide A-371-B of the Plat Records of Hood County, Texas, including those easement rights reserved, granted or established in any manner described in Volume 1355, Page

## EXHIBIT "B"

### Promissory Note

Page 860, Real Records, Hood County, Texas, together with all appurtenant improvements and fixtures whether presently existing or hereafter acquired, including but not limited to Structures, Pumps, Electric Lines, Water Wells, Fresh Water and Wastewater Distribution Lines, Storage Tanks, Pressure Tanks, Distribution System, Fire Hydrants, Sewer Collection System, Lift Stations, Treatment and Disposal Equipment and Office Equipment, along with easement rights and all utility permits and approvals.

and

Rights of ingress and egress over and across the roadways and easements shown on the Plat of Lake Granbury R.V. Ranch recorded in Slide A-371-B, Plat Records, Hood County, Texas.

#### PART TWO:

A. all rights, privileges, tenements, hereditaments, rights-of-way, easements, appurtenances and appurtenances in anywise appertaining thereto, and all right, title and interest of Borrower in and to any streets, ways, alleys, strips or gores of land adjoining the Land or any part thereof, which Borrower now owns or at any time hereafter acquires;

B. all betterments, accessions, additions, appurtenances, substitutions, replacements and revisions thereof and thereto and all reversions and remainders therein;

C. all of Borrower's right, title and interest in and to any award, remuneration, settlement or compensation heretofore made or hereafter to be made by any Public Authority to Borrower, including those for any vacation of, or change of grade in, any streets affecting the Land or the Improvements;

D. all plans and specifications for the Improvements; all contracts and subcontracts relating to the Land, Improvements, Fixtures, Personalty, Leases and Rents, all deposits (including tenant's security deposits), funds, accounts, contract rights, instruments, documents, general intangibles (including trademarks, service marks, trade names and symbols used in connection therewith), and notes or chattel paper arising from or by virtue of any transactions related to the property described herein; all permits, licenses, franchises, certificates, and other rights and privileges obtained in connection with the property described herein; all proceeds arising from or by virtue of the sale, lease or other disposition of all or any part of the Mortgaged Property (consent to same not granted or to be implied hereby); all proceeds (including premium refunds) payable or to be payable under each policy of insurance relating to the Mortgage Property;

E. all other interest or every kind and character which Borrower now has or at any time hereafter acquires in and to the above described real and personal property and all property which is used or useful in connection therewith including rights of ingress and egress, easements, licenses, water supply contracts, rights to water wells, and water lines on the land, and all reversionary rights or interest of Borrower with respect to such property. To the extent permitted by law, all of the foregoing personal property and Fixtures are to be deemed and held to be a part of and affixed to the real property. In the event the estate of the Borrower in and to any of the Land and Improvements is a leasehold estate, this conveyance shall include, and the lien, security interest and assignment created hereby shall encumber and extend to, all other, further or additional titles, estates, interest or rights which may exist now or at any time be acquired by Borrower in or to the property demised under the lease creating such leasehold estate and including Borrower's rights, if any, to purchase the property demised under such lease and, if fee simple title to any of such property shall ever become vested in Borrower, such fee simple interest shall be encumbered by this Deed of Trust in the same manner as if Borrower had fee simple title to such property as of the date of execution hereof without the necessity of any further act by Borrower, Lender or any third party; and

Borrower promises to pay to the order of Lender the Principal Amount plus interest at the Annual Interest Rate. This note is payable at the Place for Payment and according to the Terms of Payment. All unpaid amounts are due by the Maturity Date. After maturity, Borrower promises to pay any unpaid principal balance plus interest at the Annual Interest Rate on Matured, Unpaid Amounts.

If Borrower defaults in the payment of this note or in the performance of any obligation in any instrument securing or collateral to this note, Lender may declare the unpaid principal balance, earned interest, and any other amounts owed on the note immediately due. Borrower and each surety, endorser, and guarantor waive all demand for payment, presentation for payment, notice of intention to accelerate maturity, notice of acceleration of maturity, protest, and notice of protest, to the extent permitted by law.

Borrower also promises to pay reasonable attorney's fees and court and other costs if this note is placed in the hands of an attorney to collect or enforce the note. These expenses will bear interest from the date of advance at the Annual Interest Rate on Matured, Unpaid Amounts. Borrower will pay Lender these expenses and interest on demand at the Place for Payment. These expenses and interest will become part of the debt evidenced by the note and will be secured by any security for payment.



## EXHIBIT "B"

### Promissory Note

**Prepayment:** Borrower may prepay this note in any amount at any time before the Maturity Date without penalty or premium.

**Application of Prepayment:** Prepayments will be applied to installments on the last maturing principal, and interest on that prepaid principal will immediately cease to accrue.

Interest on the debt evidenced by this note will not exceed the maximum rate or amount of nonusurious interest that may be contracted for, taken, reserved, charged, or received under law. Any interest in excess of that maximum amount will be credited on the Principal Amount or, if the Principal Amount has been paid, refunded. On any acceleration or required or permitted prepayment, any excess interest will be canceled automatically as of the acceleration or prepayment or, if the excess interest has already been paid, credited on the Principal Amount or, if the Principal Amount has been paid, refunded. This provision overrides any conflicting provisions in this note and all other instruments concerning the debt.

This Note represents money advanced by Lender to Borrower to construct improvements on the hereinabove described property, and advances shall be made at the discretion of the Lender as the construction progresses. The security property and improvements, together with all materials and supplies placed on the ground, are hereby impressed and charged with this deed of trust lien, and also with an express mechanic's, materialman's and laborers' lien for all advancements made hereunder. Failure to complete the improvements shall not invalidate said liens, but they shall be enforceable for all funds advanced hereunder. Lender shall not be obligated to advance funds pursuant to this note after December 31, 2005 (date of completion).

Each Borrower is responsible for all obligations represented by this note.


When the context requires, singular nouns and pronouns include the plural

THIS WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

A default exists under this note if (1) (a) Borrower or (b) any other person liable on any part of this note or who grants a lien or security interest on property as security for any part of this note (an "Other Obligated Party") fails to timely pay or perform any obligation or covenant in any written agreement between Lender and Borrower or any Other Obligated Party; (2) any warranty, covenant, or representation in this note or in any other written agreement between Lender and Borrower or any Other Obligated Party is materially false when made; (3) a receiver is appointed for Borrower, any Other Obligated Party, or any property on which a lien or security interest is created as security (the "Collateral Security") for any part of this note; (4) any Collateral Security is assigned for the benefit of creditors; (5) a bankruptcy or insolvency proceeding is commenced by Borrower, a partnership of which Borrower is a general partner, or an Other Obligated Party; (6) (a) a bankruptcy or insolvency proceeding is commenced against Borrower, a partnership of which Borrower is a general partner, or an Other Obligated Party and (b) the proceeding continues without dismissal for sixty days, the party against whom the proceeding is commenced admits the material allegations of the petition against it, or an order for relief is entered; (7) any of the following parties is dissolved, begins to wind up its affairs, is authorized to dissolve or wind up its affairs by its governing body or persons, or any event occurs or condition exists that permits the dissolution or winding up of the affairs of any of the following parties: Borrower, a partnership of which Borrower is a general partner, or an Other Obligated Party; and (8) any Collateral Security is impaired by loss, theft, damage, levy and execution, issuance of an official writ or order of seizure, or destruction, unless it is promptly replaced with collateral security of like kind and quality or restored to its former condition.

This note will be construed under the laws of the state of Texas, without regard to choice-of-law rules of any jurisdiction.

FALL CREEK UTILITY COMPANY, INC.

  
Gene Floyd, President

## EXHIBIT "B"

### Promissory Note

#### EXHIBIT "A"

A portion of Lot 21 of LAKE GRANBURY RV RANCH, a subdivision in Hood County, Texas according to the plat thereof recorded in Slide A-371-B of the Plat Records of Hood County, Texas described by metes and bounds as follows:

All that certain lot, tract or parcel of land, being part of Lot 21 of the Lake Granbury R.V. Ranch, a subdivision in Hood County, Texas as shown on a plat thereof recorded in Cabinet A, Slide 371-B of the Plat Records of Hood County, Texas and described as follows:

BEGINNING at an iron rod set at the intersection of the South line of Coffee Pot Lane and the West line of Ranch House Road, being the NE corner of Lot 21 of the Lake Granbury R.V. Ranch Subdivision, for the NE corner of this tract;

THENCE S 28 deg. 07' 44" E along the East line of Lot 21 and the West line of Ranch House Road, 50.0' to an iron rod set for the SE corner of this tract;

THENCE S 61 deg. 23' 46" W, 49.0' to an iron rod set for the SW corner of this tract;

THENCE N 64 deg. 00' 15" W, 61.43' to an iron rod set in the North line of Lot 21, being in the South line of Coffee Pot Lane, for the NW corner of this tract;

THENCE N 61 deg. 26' 47" E along the South line of Coffee Pot Lane, 85.0' to the place of beginning and containing 0.077 acres of land.

TOGETHER WITH an exclusive utility easement for the purpose of constructing, maintaining, operating, repairing, removing, replacing and upgrading any utility lines upon, over, under and across a 10 foot wide strip of land along, within, and parallel with the northwesterly lot line of Lot 21 of LAKE GRANBURY RV RANCH, a subdivision in Hood County, Texas according to the plat thereof recorded in Slide A-371-B of the Plat Records of Hood County, Texas: During the construction, maintaining, operating, repairing, removing, replacing and upgrading any utility lines located within the easement, the Grantee shall have the right to use such portions of Lot 21 as are necessary for ingress, egress, parking and storage of equipment and machinery, and for all other purposes related to the purposes for which this easement is granted.

## EXHIBIT "B"

### Promissory Note

#### EXHIBIT "B"

All that certain 2.308 acre tract of land, being part of the Milton A. Hardin Survey, Abstract No. 217, in Hood County, Texas, being part of that certain 29.14 acre tract described in deed from Gaston B. Garrett, et ux to J. B. Mayfield, et ux, dated May 6, 1994 and recorded in Volume 1427, Page 231 of the Real Records of Hood County, Texas and described as follows:  
COMMENCING at an iron rod found in place in a fence line along the south line of a 61 1/2 acre tract described as Second Tract in deed from M. C. Matlock, et ux to Gaston B. Garrett, et ux, dated December 12, 1957 and recorded in Volume 118, Page 265 of the Deed Records of Hood County, Texas, being the SW corner of the J. B. Mayfield 29.14 acre tract;  
THENCE N 29 deg. 27' 06" W along the west line of said 29.14 acre tract, 409.78' to an iron rod set for the SW corner and beginning corner of the tract hereinafter described being the NW corner of a 2.694 acre tract out of said 29.14 acre tract;  
THENCE N 29 deg. 27' 06" W, 159.59' to an iron rod set at the NW corner of said 29.14 acre tract, being in the south line of a 5 acre tract described in Deed of Trust from William G. Lilly, et ux to Janet K. Parker, dated March 29, 1993 and recorded in Volume 1386, Page 626 of the Real Records of Hood County, Texas, for the NW corner of this tract;  
THENCE N 60 deg. 32' 00" E along a fence line along the south line of the Janet K. Parker tract and north line of the J. B. Mayfield 29.14 acre tract, 384.0' to an iron rod found at a fence corner post for the NE corner of this tract;  
THENCE S 29 deg. 28' 31" E along a fence line, 343.62' to an iron rod set at the NE corner of a 2.694 acre tract out of said 29.14 acre tract, for the SE corner of this tract;  
THENCE S 80 deg. 33' 40" W 189.92' to an iron rod set at an inner corner of said 2.694 acre tract, for a corner of this tract;  
THENCE N 89 deg. 21' 56" W 237.60' to the place of beginning and containing 2.308 acres of land.

## EXHIBIT "C"

### Parcel 1 – Waste Water Treatment Plant, Legal Description

All that certain 2.308 acre tract of land, being part of the Milton A. Hardin Survey, Abstract No. 217, in Hood County, Texas, being part of that certain 29.14 acre tract described in Deed from Gaston B. Garrett, et ux to J.B. Mayfield, et ux dated May 6, 1994, and recorded in Volume 1427, Page 231, of the Real Records of Hood County, Texas, and described as follows:

COMMENCING at an iron rod found in place in a fence line along the South line of a 61 ½ acre tract described as Second Tract in Deed from M.C. Matlock, et ux to Gaston B. Garrett, et ux, dated December 12, 1957 and recorded in Volume 118, Page 265, of the Deed Records of Hood County, Texas, being the SW corner of the J.B. Mayfield 29.14 acre tract;

THENCE North 29 degrees 27 minutes 06 seconds West, along the West line of said 29.14 acre tract, 409.78 feet to an iron rod set in the SW corner and beginning corner of the tract hereinafter described being the NW corner of a 2.694 acre tract out of said 29.14 acre tract;

THENCE North 29 degrees 27 minutes 06 seconds West, 159.59 feet to an iron rod set at the NW corner of said 29.14 acre tract, being in the South line of a 5 acre tract described in Deed of Trust from William G. Lilly, et ux to Janet K. Parker, dated March 29, 1993 and recorded in Volume 1386, Page 626, of the Real Records of Hood County, Texas, for the NW corner of this tract;

THENCE North 60 degrees 32 minutes 00 seconds East, along a fence line along the South line of the Janet K. Parker tract and North line of the J.B. Mayfield 29.14 acre tract, 384.0 feet to an iron rod found at a fence corner post for the NE corner of this tract;

THENCE South 29 degrees 28 minutes 31 seconds East, along a fence line, 343.62 feet to an iron rod set at the NE corner of a 2.694 acre tract out of said 29.14 acre tract, for the SE corner of this tract;

THENCE South 80 degrees 33 minutes 40 seconds West, 189.92 feet to an iron rod set at an inner corner of said 2.694 acre tract, for a corner of this tract;

THENCE North 89 degrees 24 minutes 56 seconds West 237.60 feet to the Place of Beginning, and containing 2.308 acres of land.

Please see attached Warranty Deed dated July 29, 2005.

**EXHIBIT "C"**

Parcel 1 – Waste Water Treatment Plant, Legal Description  
(continued)

**CT** 0570614  
CENTRAL TEXAS TITLE

**12521**

PREPARED BY BRADLEY AND  
CAIN WITHOUT TITLE  
EXAMINATION

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

2121  
VOL.

**GENERAL WARRANTY DEED**

THE STATE OF TEXAS

§

COUNTY OF HOOD

§

KNOW ALL MEN BY THESE PRESENTS:

§

0905  
Pg.

THAT THE UNDERSIGNED, CHARLOTTE GARRETT, herein referred to as  
"Grantor", whether one or more, for and in consideration of the sum of TEN DOLLARS  
AND NO/100THS, (\$10.00) Cash, the receipt and sufficiency of which is hereby fully  
acknowledged and confessed, the below described property forming no part of my  
homestead, either business or residential, has GRANTED, SOLD and CONVEYED, and by  
these presents does hereby GRANT, SELL and CONVEY unto FALL CREEK UTILITY  
COMPANY, INC., A TEXAS CORPORATION, herein referred to as "Grantee", whether  
one or more, all of Grantor's rights, title and interest in and to the real property, described as  
follows:

All that certain 2.308 acre tract of land, being part of the Milton A. Hardin Survey,  
Abstract No. 217, in Hood County, Texas, being part of that certain 29.14 acre tract  
described in Deed from Gaston B. Garrett, et ux to J.B. Mayfield, et ux dated May 6,  
1994, and recorded in Volume 1427, Page 231, of the Real Records of Hood County,  
Texas, and described as follows:

COMMENCING at an iron rod found in place in a fence line along the South line of  
a 61 ½ acre tract described as Second Tract in Deed from M.C. Matlock, et ux to  
Gaston B. Garrett, et ux, dated December 12, 1957 and recorded in Volume 118, Page  
265, of the Deed Records of Hood County, Texas, being the SW corner of the J.B.  
Mayfield 29.14 acre tract;

THENCE North 29 degrees 27 minutes 06 seconds West, along the West line of  
GENERAL WARRANTY DEED, Page 1

FILED FOR RECORD IN THE PUBLIC RECORDS OF HOOD COUNTY, TEXAS

**EXHIBIT "C"**

**Parcel 1 – Waste Water Treatment Plant, Legal Description  
(continued)**

2121 0906

said 29.14 acre tract, 409.78 feet to an iron rod set in the SW corner PG.  
and beginning corner of the tract hereinafter described being the NW  
corner of a 2.694 acre tract out of said 29.14 acre tract;

- THENCE** North 29 degrees 27 minutes 06 seconds West, 159.59 feet to an iron rod set at the NW corner of said 29.14 acre tract, being in the South line of a 5 acre tract described in Deed of Trust from William G. Lilly, et ux to Janet K. Parker, dated March 29, 1993 and recorded in Volume 1386, Page 626, of the Real Records of Hood County, Texas, for the NW corner of this tract;
- THENCE** North 60 degrees 32 minutes 00 seconds East, along a fence line along the South line of the Janet K. Parker tract and North line of the J.B. Mayfield 29.14 acre tract, 384.0 feet to an iron rod found at a fence corner post for the NE corner of this tract;
- THENCE** South 29 degrees 28 minutes 31 seconds East, along a fence line, 343.62 feet to an iron rod set at the NE corner of a 2.694 acre tract out of said 29.14 acre tract, for the SE corner of this tract;
- THENCE** South 80 degrees 33 minutes 40 seconds West, 189.92 feet to an iron rod set at an inner corner of said 2.694 acre tract, for a corner of this tract;
- THENCE** North 89 degrees 24 minutes 56 seconds West 237.60 feet to the Place of Beginning, and containing 2.308 acres of land.

**Reservations from and Exceptions to Conveyance and Warranty:**

1. Land use restrictions at Volume 1355, Page 157; Volume 1454, Page 56; Volume 1454, Page 882, Real Records, Hood County, Texas;
- 1.2. Ten foot utility easement along front lot lines; Five foot utility easement along rear lot lines and one foot utility easement along side lot lines per restrictions recorded in Volume 1454, Page 56, Real Records, Hood County, Texas;
- 1.3. Easement dated December 1, 1971, executed by Gaston B. Garrett to Texas Power and Light Company, recorded in Volume 177, Page 58, of the Deed Records of Hood County, Texas;
- 1.4. Easement dated July 16, 1992, executed by Gaston B. Garrett, et ux to Johnson County Electric Cooperative Association, recorded in Volume 1366, Page 600, of the Real Records of Hood County, Texas;
- 1.5. Easement for sanitary well in instrument dated May 7, 1992, executed by Gaston B. Garrett and wife, Charlotte A. Garrett, recorded in Volume 1355, Page 157 of the Real Records of Hood County, Texas;

**GENERAL WARRANTY DEED, Page 2**

**EXHIBIT "C"**

**Parcel 1 – Waste Water Treatment Plant, Legal Description  
(continued)**

2121 0907  
VOL. PG.

- 1.6. Estate created by oil, gas and mineral lease granted to Jackson County Oil Company in instrument dated May 26, 1977, recorded in Volume 268, Page 675, of the Real Records of Hood County, Texas;
- 1.7. Estate created by oil, gas and mineral lease granted to Spindletop Oil and Gas Company in instrument recorded in Volume 320, Page 105, of the Deed Records of Hood County, Texas;
- 1.8. All oil, gas and other minerals of every character in and under the herein described property reserved by Gaston B. Garrett and Charlotte Ann Garrett in instrument recorded in Volume 1452, Page 67 of the Real Records of Hood County, Texas.

This conveyance, however, is made and accepted subject to any and all validly existing encumbrances, conditions and restrictions, relating to the hereinabove described property as now reflected by the records of the County Clerk of Hood County, Texas.

TO HAVE AND TO HOLD the above described premises, together with all and singular the rights and appurtenances thereto in anywise belonging to Grantees, their heirs, executors, administrators, successors and/or assigns forever; and Grantor does hereby bind themselves their heirs, executors, administrators, successors and/or assigns, to WARRANT AND FOREVER DEFEND all and singular the said premises unto Grantee, their heirs, executors, administrators, successors and/or assigns, against every person whomsoever claiming or to claim the same or any part thereof.

EXECUTED this 29 day of July, 2005.

  
\_\_\_\_\_  
CHARLOTTE GARRETT, Grantor

**GENERAL WARRANTY DEED, Page 3**

**EXHIBIT "C"**  
Parcel 1 – Waste Water Treatment Plant, Legal Description  
(continued)

2121 0908  
VOL. PG.

**ACKNOWLEDGMENT**

THE STATE OF TEXAS

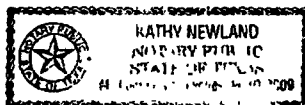
§

§

COUNTY OF HOOD

§

The foregoing instrument was acknowledged before me on the 29<sup>th</sup> day of July, 2005, by CHARLOTTE GARRETT, after presenting proper photographic identification per Texas Civil Practices and Remedies Code §121.005.



Kathy Newland  
Notary Public, State of Texas  
Printed Name: \_\_\_\_\_  
Commission Expires: \_\_\_\_\_

**After Recording, Return to:**

Charlotte Garrett  
P.O. Box 481  
Granbury, Texas 76048-0481

FILED FOR RECORD  
AT 4:00 P.M.

JUL 29 2005

Sally Oba  
County Clerk, Hood County, TX

**GENERAL WARRANTY DEED, Page 4**

Any provision herein which restricts the sale, rental, or use of the described real property because of color or race is invalid and unenforceable under Federal law.  
STATE OF TEXAS COUNTY OF HOOD  
I hereby certify that this instrument was filed on the date and at the time stamped hereon by me and was duly RECORDED in the OFFICIAL PUBLIC RECORDS OF HOOD COUNTY TEXAS, in the Volume and Page as shown hereon.



Sally Oba  
SALLY OBA, County Clerk  
Hood County, Texas



## **EXHIBIT "C"**

### **Parcel 2 – Water Well Site, Storage Tank, Pressure Tank, & Equipment Building, Legal Description**

A portion of Lot 21 of LAKE GRANBURY RV RANCH, a subdivision in Hood County, Texas according to the plat thereof recorded in Slide A-371-B of the Plat Records of Hood County, Texas described by metes and bounds as follows:

All that certain lot, tract or parcel of land, being part of Lot 21 of the Lake Granbury R.V. Ranch, a subdivision in Hood County, Texas as shown on a plat thereof recorded in Cabinet A, Slide 371-B of the Plat Records of Hood County, Texas and described as follows:

BEGINNING at an iron rod set at the intersection of the South line of Coffee Pot Lane and the West line of Ranch House Road, being the NE corner of Lot 21 of the Lake Granbury R.V. Ranch Subdivision, for the NE corner of this tract;

THENCE S 28 deg. 07' 44" E along the East line of Lot 21 and the West line of Ranch House Road, 50.0' to an iron rod set for the SE corner of this tract;

THENCE S 61 deg. 23' 46" W, 49.0' to an iron rod set for the SW corner of this tract;

THENCE N 64 deg. 00' 15" W, 61.43' to an iron rod set in the North line of Lot 21, being in the South line of Coffee Pot Lane, for the NW corner of this tract;

THENCE N 61 deg. 26' 47" E along the South line of Coffee Pot Lane, 85.0' to the place of beginning and containing 0.077 acres of land.

TOGETHER WITH an exclusive utility easement for the purpose of constructing, maintaining, operating, repairing, removing, replacing and upgrading any utility lines upon, over, under and across a 10 foot wide strip of land along, within, and parallel with the northwesterly lot line of Lot 21 of LAKE GRANBURY RV RANCH, a subdivision in Hood County, Texas according to the plat thereof recorded in Slide A-371-B of the Plat Records of Hood County, Texas. During the construction, maintaining, operating, repairing, removing, replacing and upgrading any utility lines located within the easement, the Grantee shall have the right to use such portions of Lot 21 as are necessary for ingress, egress, parking and storage of equipment and machinery, and for all other purposes related to the purposes for which this easement is granted.

Please see attached Warranty Deed dated April 3, 1998.

## **EXHIBIT "C"**

### **Parcel 3 – Former Leech Field for FCU Septic System, Legal Description**

Lot 112 of LAKE GRANBURY RV RANCH, a subdivision in Hood County, Texas according to the plat thereof recorded in Slide A-371-B of the plat Records of Hood County, Texas.

Please see attached Warranty Deed dated April 3, 1998.

**EXHIBIT "C"**  
**Parcel 2 & 3 - Legal Description**  
**(continued)**

**WARRANTY DEED**

1578 0432

VOL. PG

Date: April 3, 1998

Grantor: TERRA-G, LTD., a Texas Limited Partnership, acting by and through its General Partner, La-Tex, Inc., a Texas Corporation

Grantor's Mailing Address (including county): P. O. Box 481  
Granbury, Texas 76048  
Hood County, Texas

Grantee: FALL CREEK UTILITY COMPANY, INC.

Grantee's Mailing Address (including county): P. O. Box 481  
Granbury, Texas 76048  
Hood County, Texas

Consideration: Ten Dollars and other valuable consideration to the undersigned paid by the grantee herein named, the receipt of which is hereby acknowledged.

**Property (including any improvements).**

**PART ONE:**

TRACT I: A portion of Lot 21 of LAKE GRANBURY RV RANCH, a subdivision in Hood County, Texas according to the plat thereof recorded in Slide A-371-B of the Plat Records of Hood County, Texas described by metes and bounds as follows:

All that certain lot, tract or parcel of land, being part of Lot 21 of the Lake Granbury R.V. Ranch, a subdivision in Hood County, Texas as shown on a plat thereof recorded in Cabinet A, Slide 371-B of the Plat Records of Hood County, Texas and described as follows:

BEGINNING at an iron rod set at the intersection of the South line of Coffee Pot Lane and the West line of Ranch House Road, being the NE corner of Lot 21 of the Lake Granbury R.V. Ranch Subdivision, for the NE corner of this tract;

THENCE S 28 deg. 07' 44" E along the East line of Lot 21 and the West line of Ranch House Road, 50.0' to an iron rod set for the SE corner of this tract;

THENCE S 61 deg. 23' 46" W, 49.0' to an iron rod set for the SW corner of this tract;

THENCE N 64 deg. 00' 15" W, 61.43' to an iron rod set in the North line of Lot 21, being in the South line of Coffee Pot Lane, for the NW corner of this tract;

THENCE N 61 deg. 26' 47" E along the South line of Coffee Pot Lane, 85.0' to the place of beginning and containing 0.077 acres of land.

TOGETHER WITH an exclusive utility easement for the purpose of constructing, maintaining, operating, repairing, removing, replacing and upgrading any utility lines upon, over, under and across a 10 foot wide strip of land along, within, and parallel with the northwesterly lot line of Lot 21 of LAKE GRANBURY RV RANCH, a subdivision in Hood County, Texas according to the plat thereof recorded in Slide A-371-B of the Plat Records of Hood County, Texas. During the construction, maintaining, operating, repairing, removing, replacing and upgrading any utility lines located within the easement, the Grantee shall have the right to use such portions of Lot 21 as are necessary for ingress, egress, parking and storage of equipment and machinery, and for all other purposes related to the purposes for which this easement is granted.

TRACT II: Lot 112 of LAKE GRANBURY RV RANCH, a subdivision in Hood County, Texas according to the plat thereof recorded in Slide A-371-B of the Plat Records of Hood County, Texas.

**PART TWO:**

**1. UTILITY**

- 500 foot deep well
- 435 foot-6" steel casing
- 60 feet stainless steel screen
- 66 GPM submersible pump
- 3,000 gallon hydropneumatic tank

Warranty Deed - Page 1

**EXHIBIT "C"**  
**Parcel 2 & 3 – Legal Description**  
**(continued)**

1578 0433

VGL. PG.

22,000 gallon storage tank  
2-216 GPM service pumps  
12' x 12' building  
550 feet 6" PVC pipe  
2,270 feet 4" PVC pipe  
360 feet 2" PVC pipe  
fencing & electrical controls  
2" water meter  
All other equipment, supplies, materials, inventory, plans, drawings and maps

**2. SEWER**

5,700 CPD leach field area W/4" pipe  
17,100 GPD septic tanks  
6" SDR 35 PVC pipe  
10 concrete 4' dia. manholes  
1,460 feet 3" force main  
250 feet 2" force main  
5,700 GPD lift station w/pumps & controls  
All other equipment, supplies, materials, inventory, plans, drawings and maps

3. All permits and licenses from all governmental authorities including those acquired from the County, State and Utility Commission.

**Reservations from and Exceptions to Conveyance and Warranty:**

1. Lane use restrictions at Volume 1355, Page 157; Volume 1454, Page 56; Volume 1454, Page 882, Real Records, Hood County, Texas.
2. Ten foot utility easement along front lot lines; Five foot utility easement along rear lot lines and one foot utility easement along side lot lines per restrictions recorded in Volume 1454, Page 56, Real Records, Hood County, Texas.
3. Easement dated December 1, 1971, executed by Gaston B. Garrett to Texas Power and Light Company, recorded in Volume 177, Page 58 of the Deed Records of Hood County, Texas.
4. Easement dated July 16, 1992, executed by Gaston B. Garrett, et ux to Johnson County Electric Cooperative Association, recorded in Volume 1366, Page 600 of the Real Records of Hood County, Texas;
5. Easement for sanitary well in instrument dated May 7, 1992, executed by Gaston B. Garrett and wife, Charlotte A. Garrett, recorded in Volume 1355, Page 157 of the Real Records of Hood County, Texas;
6. Estate created by oil, gas and mineral lease granted to Jackson County Oil Company in instrument dated May 26, 1977, recorded in Volume 268, Page 675, of the Real Records of Hood County, Texas.
7. Estate created by oil, gas and mineral lease granted to Spindletop Oil and Gas Company in instrument recorded in Volume 320, Page 105, of the Deed Records of Hood County, Texas.
8. All oil, gas and other minerals of every character in and under the herein described property reserved by Gaston B. Garrett and Charlotte Ann Garrett in instrument recorded in Volume 1452, Page 67 of the Real Records of Hood County, Texas.

Grantor, for the consideration and subject to the reservations from, and exceptions to conveyance and warranty, grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any wise belonging, to have and hold it to Grantee, Grantee's heirs, executors, administrators, successors, or assigns forever. Grantor binds Grantor and Grantor's heirs, executors, administrators, and successors to warrant and forever defend all and singular the property to Grantee and Grantee's heirs, executors, administrators, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the reservations from and exceptions to warranty.

Warranty Deed - Page 2

EXHIBIT "C"  
Parcel 2 & 3 - Legal Description  
(continued)

1570 9434

When the context requires, singular nouns and pronouns include the plural Vol. :G.

TERRA-G, LTD., a Texas Limited Partnership, acting  
by and through its General Partner, La-Tex, Inc., a  
Texas Corporation

BY: Charlotte Garrett  
CHARLOTTE GARRETT, President

(Acknowledgment)

State of Texas  
County of Hood

This instrument was acknowledged before me on the 3rd of April, 1998, by  
CHARLOTTE GARRETT, President of La-Tex, Inc., a Texas Corporation, General Partner of  
TERRA-G, LTD., a limited partnership, on behalf of the partnership.

Kathryn Wilks  
Notary Public, State of Texas

AFTER RECORDING RETURN TO:  
Fall Creek Utility Company, Inc.  
P. O. Box 481  
Granbury, Texas 76048

PREPARED BY:  
WALTON, BROWN, WALTON,  
SEILHEIMER & REID  
107 East Pearl  
Granbury, Texas 76048

File wp50\rel\garr-fall.wd

FILED FOR RECORD  
AT 3:10 P.M.

APR 03 1998

Wynette Ables  
Wynette Ables, County Clerk

Notary Public, State of Texas  
Wynette Ables, County Clerk  
Hood County, Texas

# EXHIBIT "D"

## Customer List

11/15/2018

4:21PM

## Customer Accounts 11 19 18

Page 1 of 2

### FALL CREEK UTILITY

Name	Acct #	Address	City	State	Zip
Ake, Terry	38	16 Hereford Ln	Granbury	TX	76049
Allen, Patricia	24	Campfire Lane	Granbury	TX	76049
Austin, Ronnie	57	anch House Rd	Granbury	TX	76049
Barberee, Lonnie E 2	61	her Wind Way	Ft Worth	TX	76135
Barberee, Lonnie E.	86	her Wind Way	Ft Worth	TX	76135
Bingham, Richard	34	P.O. Box 5144	Granbury	TX	76049
Brawner, Len & Gail	81	Coffee Pot Ln	Granbury	TX	76049
Brazos River Authority	77	Atin A/2655	Waco	TX	76714
Carter, Robert & Doris	28	702 Pinto Lane	Granbury	TX	76049
Coates, Donna & Ken	6	eer Hollow Ct	Granbury	TX	76049
Collins, Sylvia	82	P O Box 257	Waxahachie	TX	75168
Connors, Carl & Marjorie	64	Back Forty Ct	Granbury	TX	76049
Crevier, Robert	60	Longleaf Lane	Fort Worth	TX	76137
Crevier, Robert 2	18	Longleaf Lane	Ft. Worth	TX	76137
Cunha, Joe	49	Back Forty Ct.	Granbury	TX	76049
Cusack, James	23	Campfire Lane	Granbury	TX	76049
Davidson, James & Teri	59	anch House Rd	Granbury	TX	76049
Davidson, James 2	62	anch House Rd	Granbury	TX	76049
Diaz, Jesse & Priscilla	74	Deer Hollow Ct	Granbury	TX	76049
Espinoza, David	92	112 Helton	Granbury	TX	76049
Floyd, Gene	48	ck Forty Court	Granbury	TX	76049
Fox, Mark & Cindy	42	Deer Hollow Ct	Granbury	TX	76049
Frey, Carole	15	attail Creek Dr	Kerrville	TX	78028
Funk, Jerry	46	Vestport #2602	Sioux Fall	SD	57106
Garrett Ranch Properties	11	o Judy Garrett	Orange	TX	77630
Garrett, Cynthia	54	anch House Ln	Granbury	TX	76049
Garrison, Gregg	29	5704 Pinto Ln	Granbury	TX	76049
Goleman, Larry	90	sant Ridge Rd	Arlington	TX	76016
Greif Sam 2	67	Eypedition Cir	Plano	TX	75074
Greif, Rosemary 3	52	Eypedition Cir	Plano	TX	75074
Greif, Sam & Rosemary	47	Eypedition Cir	Plano	TX	75074
Hall, Ross & Janet	43	Deer Hollow Ct	Granbury	TX	76049
Hall, Ross 2	75	Deer Hollow Ct	Granbury	TX	76049
Harrison, David	10	Campfire Lane	Granbury	TX	76049
Henley, Bruce	27	nney Rock Rd	Fort Worth	TX	76112
Herrington, Billie	68	O Kaci Thorne	Alice	TX	78332
Hollingshead, Darrel	30	Trammell Dr.	Benbrook	TX	76126
Huey, Charles	56	Back Forty Ct.	Granbury	TX	76049
Jeunelot, Charles	40	! Boy Scout Rd	Blairsville	GA	30512
Jeunelot, Patricia	9	! Boy Scout Rd	Blairsville	GA	30512
Jeunelot, Patricia	73	Deer Hollow Ct	Granbury	TX	76049
Johnston, Rebecca	33	8 Deer Hollow	Granbury	TX	76049
Jones, David & Marianne	20	5 Westover Dr.	Granbury	TX	76049
Jones, David 2	76	5 Westover Dr.	Granbury	TX	76049
Jones, Lloyd	80	eer Hollow Ct.	Granbury	TX	76049
Ketchum, Jerry & Jana	55	anch House Rd	Granbury	TX	76049
Ketchum, Jerry L.	25	nch House Rd.	Granbury	TX	76049
King, Gary	69	nch House Ln.	Granbury	TX	76049
Krambeer, Kevin	1	bow Dr # 2706	Livingston	TX	77399
Lambrecht, Richard	58	7 Shawnee Trl.	Keller	TX	76248
Lara, Abel	71	anch House Rd	Granbury	TX	76049
Lemons, Joey & Mary	65	ring Water Ln	Mansfield	TX	76063
Lewis, Marion	53	Back Forty Ct	Granbury	TX	76049
Lewis, Sherry	12	r Hollow Court	Granbury	TX	76049
Lodal, William & Shelly	7	eer Hollow Ct.	Granbury	TX	76049
Marshall, Margaret	51	arshall, Robert	Granbury	TX	76049
Martinie, Marty	39	ittle Barn Lane	Granbury	TX	76049
McClure, Don & Kathleen	17	Back Forty Ct	Granbury	TX	76049
McGee, Bobby & Darla	36	inbow Dr #859	Livingston	TX	77399

## EXHIBIT "D"

### Customer List

11/15/2018

4:21PM

### Customer Accounts 11 19 18

Page 2 of 2

FALL CREEK UTILITY						
Name	Acct #	Address	City	State	Zip	
McGee, Bobby 2	66	inbow Dr #859	Livingston	TX	77399	
McQueen, Ron	5	eer Hollow Ct.	Granbury	TX	76049	
Merrithew, Tom	22	4500 Robin Ct	Granbury	TX	76049	
Meyer, Robert	16	Deer Hollow Ct	Granbury	TX	76049	
Nicolini, Joe & Jackie	37	nch House RD	Granbury	TX	76049	
O'Donnell, Jeff	91	I Campfire Ln.	Granbury	TX	76049	
Owen, Garleen	2	Vindward Way	Tiki Island	TX	77554	
Palmer, Greg	21	Hereford Lane	Granbury	TX	76049	
Palmer, Greg 2	45	O Hertford Lane	Granbury	TX	76049	
Petrey, Greg	78	Club House Dr	Richland Hills	TX	76148	
Plant, Wastewater	84	eer Hollow Ct.	Granbury	TX	76049	
POA, Lake Granbury RV R	13	eer Hollow Ct.	Granbury	TX	76049	
Pool, Bill & Carolyn	70	nch House Rd	Granbury	TX	76049	
Pool, Kenneth & Denise	83	Hereford Lane	Granbury	TX	76049	
Poynter, Robert	26	nch House Rd	Granbury	TX	76049	
Radenz, Joe T	44	Cattle Barn Ln	Granbury	TX	76049	
Repp, John	32	Back Forty Ct	Granbury	TX	76049	
Shaw, Camelda	87	eer Hollow Ct	Granbury	TX	76049	
Smith, James	50	Douglas Smith	Fort Worth	TX	76107	
Stephens, Donald & Judy	63	nch House Rd	Granbury	TX	76049	
Vieck, Jenny L	3	Back Forty Ct	Granbury	TX	76049	
Villarrreal, Jonas Sandra	79	Coffee Pot Ln	Granbury	TX	76049	
Waldron, John & Sue	35	#2426	Ft. Worth	TX	76107	
White, Kerry	19	nch House Rd.	Granbury	TX	76049	
Whitworth, Gary & Sandy	41	Cattle Barn Ln.	Granbury	TX	76049	
Williams, Ken	8	eer Hollow Ct	Granbury	TX	76049	
Wind, Randall	4	eer Hollow Ct.	Granbury	TX	76049	
Wind, Randall 2	72	eer Hollow Ct.	Granbury	TX	76049	
Windham, Lee	31	5708 Pinto Ln	Granbury	TX	76049	

All Customers  
Fall Creek Utility Co.

### NON-MEMBER CUSTOMERS

1. Brazos River Authority
2. Tom Merrithew
3. Garrett Rentals
4. Lage Granbury RV Ranch POA

## EXHIBIT "E"

### Current Contracts Water Plant Operator

#### AGREEMENT FOR WATER PLANT OPERATOR SERVICES

AGREEMENT made on the 1<sup>st</sup> day of January, 2018 at Hood County, Texas,  
between Fall Creek Utility Company, Inc., a Texas corporation, located at 5711 Coffee Pot Lane Granbury  
[address] (the "Utility") and Billy Martin, whose address is 340 Pickwick Dr. TX 76049  
("Operator"). Granbury, TX 76049

#### Recitals

The Utility is engaged in the business of providing potable water within the area of its Certificate of Convenience and Necessity ("CCN"), and has its principal place of business at Lake Granbury RUP. The Utility desires to engage the services of the Operator, as an independent contractor and not as an employee, to assist the Utility and to render his/her/its services on the terms and conditions provided in this agreement.

The Operator is a water operator properly licensed to practice in the State of Texas. Operator desires to render professional services for the Utility on the terms and conditions provided in this agreement.

THEREFORE, the Utility engages the services of the Operator. In consideration of the mutual promises contained in this contract, the parties agree as follows:

#### Term

1. This agreement is for a period of 12 months, commencing on the 1<sup>st</sup> day of January, 2018. It may be terminated by either party by giving thirty (30) days' written notice to the other party.

#### Services

2. The services to be rendered by the Operator to the Utility consist of:

- a. Monitor the water treatment plant owned by Utility as required by the Texas Commission on Environmental Quality ("TCEQ") unless more frequent monitoring is deemed necessary by Operator in the use of Operator's professional judgment;
- b. Provide water quality testing as required by TCEQ and at such additional times as deemed necessary by Operator to assure that the water is of the highest quality;
- c. Obtain and forward all necessary water samples for testing by the Health Department or any other governmental agency;
- d. Provide all water testing reports and water quality analysis to Utility on a timely basis;
- e. Immediately report any deficiencies in water quality to Utility;
- f. Provide testing and monitoring to accurately calculate the gallons per minute produced by any water well owned by Utility;
- g. Inform Utility of any repairs, upgrades, testing, monitoring or treatment which Operator deems necessary in the exercise of Operator's professional judgment;



## EXHIBIT "E"

### Current Contracts Water Plant Operator

- h. Provide water treatment services, including handling of chemicals necessary to do so, to assure that the water maintains the highest standards of quality;
- i. Forward or transport, as necessary, all required water samples and tests to TCEQ, Health Department or any other governmental agency; and
- j. Read all water meters within the CCN and accurately record such readings for Utility's use in billing and invoicing its customers.

#### Facilities

3. The Utility will furnish all materials, testing supplies, sampling materials, and chemicals necessary for the testing, sampling, and treatment of the water.

#### Fee

4. For services to be rendered under this agreement, the Operator will be entitled to a fee of \$ 400.00 monthly payable as follows: monthly. In addition, the Operator is entitled to reimbursement for expenses incurred in sampling, testing or treating the water. Those expenses are payable on presentation of a statement of their amount, with applicable receipts, to the Utility. If the Utility requires additional services not included in this agreement, the scope and fee for those services must be negotiated and paid separately.

#### Devotion of Time

5. The Operator will devote the time that is reasonably necessary for a satisfactory performance of his/her/its duties under this agreement. If the Utility requires additional services not included under this agreement, the Operator will make a reasonable effort to fit those additional services into his/her/its time schedule without decreasing the effectiveness of performance of duties required under this agreement. However, the availability of additional services is subject to the provisions for additional fees for additional services as discussed in Paragraph 4, above.

#### Insurance

6. The Operator must maintain a policy of liability insurance in the minimum amount of \$1,000,000.00 to cover any claims arising out of the performance of his/her/its services under this agreement. Further, Operator will cause the Utility to be named as an additional insured on any policy intended to cover this obligation.

#### Indemnity

6. Operator agrees to indemnify Utility as follows:

- a. If the indemnities or insurance required in this agreement hereunder are judicially determined to exceed the maximum limits permissible under applicable law, then the indemnity and insurance requirements shall automatically be amended to conform to the maximum limits permitted under such law and will be liberally construed to effectuate the intent and enforceability of these

## **EXHIBIT "E"**

### **Current Contracts Water Plant Operator**

provisions. Furthermore, for work performed in the State of Texas and covered by Tex. Civ. Prac. & Rem. Code §§ 127 and 130, as amended, (a) Section 6(b) below is subject to and expressly limited by the terms and conditions of that statute, and (b) that statute is incorporated herein.

b. To the fullest extent permitted by law, the Operator agrees to indemnify, protect, defend and hold harmless Utility, its successors, assigns, heirs, legal representatives, devisees, officers, directors, shareholders, employees and agents (collectively referred to herein as "Indemnitees") for, from and against all liabilities, claims, damages, losses, liens, fines, penalties, costs, causes of action, suits, judgments and expenses (including court costs, attorney's fees, and costs of investigation) of any nature, kind or description of any person or entity, directly or indirectly arising out of, caused by, or resulting from (in whole or in part), (1) the work performed hereunder, or any part thereof, (2) this Agreement or (3) any act or omission of the Operator, any subcontractor, anyone directly or indirectly employed by them, or anyone that they have the right to control or exercise control over (collectively, "Liabilities"), even if such liabilities are caused in part by the negligence of any indemnitee. The indemnity obligations set forth in this Paragraph shall include any medical, compensation, or other benefits paid by Utility or any member of Utility in connection with employees of Operator (or its subcontractors, if any) and shall apply even if the employee is determined to be the statutory or borrowed employee of Utility or any member of Utility. **IT IS THE EXPRESS INTENTION OF THE PARTIES HERETO THAT THE INDEMNITY AND DEFENSE PROVIDED FOR IN THIS PARAGRAPH IS AN INDEMNITY AND DEFENSE BY OPERATOR TO INDEMNIFY, DEFEND, AND PROTECT UTILITY FROM THE CONSEQUENCES OF UTILITY'S OWN NEGLIGENCE OR OTHER FAULT, WHETHER THAT NEGLIGENCE OR OTHER FAULT IS THE SOLE, JOINT, OR CONCURRING CAUSE OF THE INJURIES OR DEATH OR PROPERTY DAMAGE; EXCLUDING, HOWEVER, TO THE EXTENT SUCH CONSEQUENCES RESULT FROM THE GROSS NEGLIGENCE, WILLFUL MISCONDUCT, OR INTENTIONAL ACT OF THE PARTY SEEKING THE INDEMNITY. IT IS THE PARTIES' EXPRESS INTENTION THAT UTILITY IS ENTITLED TO INDEMNITY BY OPERATOR GROUP FOR ANY AND ALL CLAIMS, LOSSES, AND EXPENSES INCLUDING CLAIMS FOR CONTRACTUAL INDEMNITY.**

#### **Entire Agreement**

7. This agreement constitutes the sole and only agreement of the parties and supersedes any prior understandings or written or oral agreements between the parties respecting this subject matter.

#### **Assignment**

8. Neither this agreement nor any duties or obligations may be assigned by the Operator without the prior written consent of the Utility. In the event of an assignment by the Operator to which the Utility has consented, the assignee or the assignee's legal representative must agree in writing with the Utility to personally assume, perform, and be bound by all the provisions of this agreement.

#### **Successors and Assigns**

## EXHIBIT "E"

### Current Contracts Water Plant Operator

9. Subject to the provisions regarding assignment, this agreement is binding on and inures to the benefit of the parties to it and their respective heirs, executors, administrators, legal representatives, successors, and assigns.

#### Attorney's Fees

10. If any action at law or in equity is brought to enforce or interpret the provisions of this agreement, the prevailing party is entitled to reasonable attorney's fees in addition to any other relief to which he/she/it may be entitled.

#### Governing Law

11. This agreement, and the rights and duties of the parties under it, are governed by the laws of the State of Texas.

#### Amendment

12. This agreement may be amended by the mutual agreement of the parties to it, in a writing to be attached to and incorporated in this agreement.

#### Legal Construction

13. In the event that any one or more of the provisions contained in this agreement is for any reason held to be invalid, illegal, or unenforceable in any respect, that invalidity, illegality, or unenforceability will not affect any other provisions, and the agreement will be construed as if the invalid, illegal, or unenforceable provision had never been contained in it.

Executed at Granbury, Texas, on the 26<sup>th</sup> day of December, 20<sup>18</sup>~~16~~.

FALL CREEK UTILITY COMPANY, INC.

Bill Logal  
By: Bill Logal  
Its: President

Operator:  
Billy M...

## EXHIBIT "E"

### Current Contracts Wastewater Operator

#### AGREEMENT FOR WASTEWATER PLANT OPERATOR SERVICES

AGREEMENT made on the 1<sup>st</sup> day of January, 2018 at Hood County, Texas, between Fall Creek Utility Company, Inc., a Texas corporation, located at 5711 Carter Dr Lane [address] (the "Utility") and Billy Martin, whose address is 340 Pickwick Dr., the Granbury ("Operator").  
Granbury, TX 76449 TX

#### Recitals

The Utility is engaged in the business of providing sewer and wastewater service within the area of its Certificate of Convenience and Necessity ("CCN"), and has its principal place of business at Lake Granbury RV Park. The Utility desires to engage the services of the Operator, as an independent contractor and not as an employee, to assist the Utility and to render his/her/its services on the terms and conditions provided in this agreement.

The Operator is a wastewater treatment operator properly licensed to practice in the State of Texas. Operator desires to render professional services for the Utility on the terms and conditions provided in this agreement.

THEREFORE, the Utility engages the services of the Operator. In consideration of the mutual promises contained in this contract, the parties agree as follows:

#### Term

1. This agreement is for a period of 12 months, commencing on the 1<sup>st</sup> day of January, 2018. It may be terminated by either party by giving thirty (30) days' written notice to the other party.

#### Services

2. The services to be rendered by the Operator to the Utility consist of:

- a. Monitor the wastewater treatment plant owned by Utility as required by the Texas Commission on Environmental Quality ("TCEQ") unless more frequent monitoring is deemed necessary by Operator in the use of Operator's professional judgment;
- b. Provide wastewater testing as required by TCEQ and at such additional times as deemed necessary by Operator;
- c. Obtain and forward all necessary samples for testing by the Health Department or any other governmental agency;
- d. Provide all wastewater testing reports and analysis to Utility on a timely basis;
- e. Immediately report any deficiencies in wastewater treatment quality to Utility;
- f. Inform Utility of any repairs, upgrades, testing, monitoring or treatment which Operator deems necessary in the exercise of Operator's professional judgment;
- g. Provide wastewater treatment services, including handling of chemicals necessary to do so; and

## EXHIBIT "E"

### Current Contracts Wastewater Operator

h. Forward or transport, as necessary, all required wastewater samples and tests to TCEQ, Health Department or any other governmental agency.

#### Facilities

3. The Utility will furnish all materials, testing supplies, sampling materials, and chemicals necessary for the testing, sampling, and treatment of the wastewater.

#### Fee

4. For services to be rendered under this agreement, the Operator will be entitled to a fee of \$ 400.00 monthly payable as follows: monthly. In addition, the Operator is entitled to reimbursement for expenses incurred in sampling, testing or treating the wastewater. Those expenses are payable on presentation of a statement of their amount, with applicable receipts, to the Utility. If the Utility requires additional services not included in this agreement, the scope and fee for those services must be negotiated and paid separately.

#### Devotion of Time

5. The Operator will devote the time that is reasonably necessary for a satisfactory performance of his/her/its duties under this agreement. If the Utility requires additional services not included under this agreement, the Operator will make a reasonable effort to fit those additional services into his/her/its time schedule without decreasing the effectiveness of performance of duties required under this agreement. However, the availability of additional services is subject to the provisions for additional fees for additional services as discussed in Paragraph 4, above.

#### Insurance

6. The Operator must maintain a policy of liability insurance in the minimum amount of \$1,000,000.00 to cover any claims arising out of the performance of his/her/its services under this agreement. Further, Operator will cause the Utility to be named as an additional insured on any policy intended to cover this obligation.

#### Indemnity

7. Operator agrees to indemnify Utility as follows:

a. If the indemnities or insurance required in this agreement hereunder are judicially determined to exceed the maximum limits permissible under applicable law, then the indemnity and insurance requirements shall automatically be amended to conform to the maximum limits permitted under such law and will be liberally construed to effectuate the intent and enforceability of these provisions. Furthermore, for work performed in the State of Texas and covered by Tex. Civ. Prac. & Rem. Code §§ 127 and 130, as amended, (a) Section 7(b) below is subject to and expressly limited by the terms and conditions of that statute, and (b) that statute is incorporated herein.

## **EXHIBIT "E"**

### **Current Contracts Wastewater Operator**

b. To the fullest extent permitted by law, the Operator agrees to indemnify, protect, defend and hold harmless Utility, its successors, assigns, heirs, legal representatives, devisees, officers, directors, shareholders, employees and agents (collectively referred to herein as "Indemnitees") for, from and against all liabilities, claims, damages, losses, liens, fines, penalties, costs, causes of action, suits, judgments and expenses (including court costs, attorney's fees, and costs of investigation) of any nature, kind or description of any person or entity, directly or indirectly arising out of, caused by, or resulting from (in whole or in part), (1) the work performed hereunder, or any part thereof, (2) this Agreement or (3) any act or omission of the Operator, any subcontractor, anyone directly or indirectly employed by them, or anyone that they have the right to control or exercise control over (collectively, "Liabilities"), even if such liabilities are caused in part by the negligence of any indemnitee. The indemnity obligations set forth in this Paragraph shall include any medical, compensation, or other benefits paid by Utility or any member of Utility in connection with employees of Operator (or its subcontractors, if any) and shall apply even if the employee is determined to be the statutory or borrowed employee of Utility or any member of Utility. **IT IS THE EXPRESS INTENTION OF THE PARTIES HERETO THAT THE INDEMNITY AND DEFENSE PROVIDED FOR IN THIS PARAGRAPH IS AN INDEMNITY AND DEFENSE BY OPERATOR TO INDEMNIFY, DEFEND, AND PROTECT UTILITY FROM THE CONSEQUENCES OF UTILITY'S OWN NEGLIGENCE OR OTHER FAULT, WHETHER THAT NEGLIGENCE OR OTHER FAULT IS THE SOLE, JOINT, OR CONCURRING CAUSE OF THE INJURIES OR DEATH OR PROPERTY DAMAGE; EXCLUDING, HOWEVER, TO THE EXTENT SUCH CONSEQUENCES RESULT FROM THE GROSS NEGLIGENCE, WILLFUL MISCONDUCT, OR INTENTIONAL ACT OF THE PARTY SEEKING THE INDEMNITY. IT IS THE PARTIES' EXPRESS INTENTION THAT UTILITY IS ENTITLED TO INDEMNITY BY OPERATOR GROUP FOR ANY AND ALL CLAIMS, LOSSES, AND EXPENSES INCLUDING CLAIMS FOR CONTRACTUAL INDEMNITY.**

#### **Entire Agreement**

8. This agreement constitutes the sole and only agreement of the parties and supersedes any prior understandings or written or oral agreements between the parties respecting this subject matter.

#### **Assignment**

9. Neither this agreement nor any duties or obligations may be assigned by the Operator without the prior written consent of the Utility. In the event of an assignment by the Operator to which the Utility has consented, the assignee or the assignee's legal representative must agree in writing with the Utility to personally assume, perform, and be bound by all the provisions of this agreement.

#### **Successors and Assigns**

10 Subject to the provisions regarding assignment, this agreement is binding on and inures to the benefit of the parties to it and their respective heirs, executors, administrators, legal representatives, successors, and assigns.

#### **Attorney's Fees**

## EXHIBIT "E"

### Current Contracts Wastewater Operator

11. If any action at law or in equity is brought to enforce or interpret the provisions of this agreement, the prevailing party is entitled to reasonable attorney's fees in addition to any other relief to which he/she/it may be entitled.

#### Governing Law

12. This agreement, and the rights and duties of the parties under it, are governed by the laws of the State of Texas.

#### Amendment

13. This agreement may be amended by the mutual agreement of the parties to it, in a writing to be attached to and incorporated in this agreement.

#### Legal Construction

14. In the event that any one or more of the provisions contained in this agreement is for any reason be held to be invalid, illegal, or unenforceable in any respect, that invalidity, illegality, or unenforceability will not affect any other provisions, and the agreement will be construed as if the invalid, illegal, or unenforceable provision had never been contained in it.

Executed at Granbury, Texas, on the 28<sup>th</sup> day of December, 2018.

FALL CREEK UTILITY COMPANY, INC.

Bill Lodal  
By: Bill Lodal  
Its: President

Operator: Billy Mc

**EXHIBIT "F"**

**Pending Litigation**

**NONE**



**EXHIBIT "G"**

**Employment Agreements**

**NONE**

## EXHIBIT "H"

### Receivables

Thursday, November 15, 2018 Page 1 of 1

## PAST DUE LIST

ACCT # RT NAME CURRENT 1-30 31-60 61+ LAST PAYMENT TOTAL  
FALL CREEK UTILITY

9:10:46AM

77 1 Brazos River Authority 134.91 309.78 10/21/18 134.91  
6 1 Coates, Donna & Ken 112.57 108.00 10/21/18 112.57  
74 1 Diaz, Jesse & Priscilla 103.85 99.32 10/17/18 103.85  
48 1 Floyd, Gene 97.18 98.07 10/21/18 97.18  
54 1 Garrett, Cynthia 111.14 105.67 10/21/18 111.14  
68 1 Herrington, Billie 88.88 88.88 88.88 89.13 8/10/18 266.64  
30 1 Hollingshead, Darrel 88.88 88.94 10/21/18 88.88  
69 1 King, Gary 114.16 80.44 10/21/18 114.16  
71 1 Lara, Abel 117.91 130.17 11/12/18 117.91  
53 1 Lewis, Marion 100.89 100.64 10/21/18 100.89  
66 1 McGee, Bobby 2 25.00 25.00  
22 1 Merrithew, Tom 174.18 222.08 10/25/18 174.18  
91 1 O'Donnell, Jeff 95.99 92.95 10/21/18 95.99  
13 1 POA,Lake Granbury RV Rnch 240.52 251.85 11/12/18 240.52  
83 1 Poole, Kenneth & Denise 81.30 81.30  
44 1 Radenz, Joe T 97.25 94.16 10/21/18 97.25  
50 1 Smith, James 89.07 89.07 10/24/18 89.07  
35 1 Waldron, John & Sue 88.88 88.88 10/21/18 88.88  
19 1 White, Kerry 111.33 114.54 10/21/18 111.33  
31 1 Windham, Lee 90.93 98.73 10/21/18 90.93

Total Receivables:

Accounts Listed:

364.47 0.00

\$2,342.58

88.88

88.88

Fall Creek Utility Co.

20

All Customers All Balances > 0

2,164.82

## EXHIBIT "I"

### Outstanding Liabilities & Obligations

Wednesday, November 14, 2018

Page 1 of 1

10:46 32AM

### OVERPAYMENT/PREPAYMENT LIST

#### FALL CREEK UTILITY

ACCT #	NAME	PAYMENTS	PREVIOUS CHARGES	PREPAYMENT
1	Krambeer, Kevin	400.00	70.09	329.91
5	McQueen, Ron	0.00	(198.19)	198.19
7	Lodal, William & Shelly	115.00	29.63	85.37
11	Garrett Ranch Properties	400.00	366.32	33.68
16	Meyer, Robert	0.00	(118.92)	118.92
21	Palmer, Greg	200.00	101.27	98.73
25	Ketchum, Jerry L.	100.00	83.56	16.44
32	Repp, John	120.00	119.07	0.93
33	Johnston, Rebecca	0.00	(23.69)	23.69
36	McGee, Bobby & Darla	0.00	(208.17)	208.17
55	Ketchum, Jerry & Jana	100.00	95.20	4.80
58	Lambrecht, Richard	100.00	73.26	26.74
80	Jones, Lloyd	700.00	18.06	681.94
87	Shaw, Camelda	100.00	(50.60)	150.60
14	Accounts listed	2,335.00	356.89	1,978.11

All Customers

Fall Creek Utility Co.

\*

**EXHIBIT "J"**

**List of Creditors**

**INDEPENDENT BANK  
F/K/A  
COMMUNITY BANK**

**EXHIBIT "K"**

**Necessary Third Party Consent**

**NONE**

## **EXHIBIT "L"**

### **Bill of Sale and Assignment**

This Bill of Sale and Assignment ("Bill of Sale") is made effective as of this 20th day of November, 2018 by **Fall Creek Utility Company, Inc.**, a Texas corporation ("Seller") and **LGRVR Water Supply Corporation**, a Texas non-profit corporation ("Purchaser").

### **RECITALS**

According to the Transfer Agreement, Seller has agreed to sell and transfer, and Buyer has agreed to purchase and accept, the Assets as identified on **Exhibit "A"** of the Transfer Agreement dated the 20<sup>th</sup> day of November, 2018.

### **AGREEMENT**

NOW, THEREFORE, in consideration of the premises and mutual covenants hereinafter set forth, the parties agree as follows:

1. Transfer. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller hereby sells, transfers, and delivers to Buyer the Assets, and Buyer hereby purchases, accepts, and acquires from Seller the Assets.

2. Seller's Representations. Seller hereby represents and warrants that all the Assets are free and clear of all liens and that Seller will warrant and defend the same against the claims and demands of any and all persons when such claim is made by, through, or under Seller but not otherwise.

3. Further Assurances. Seller hereby covenants to at any time, and from time to time upon written request, execute and deliver to Buyer any new or confirmatory instruments and do and perform any other acts that Buyer may request in order to fully assign and transfer to and vest in Buyer and protect Buyer's right, title and interest in and enjoyment of, all the Assets.

4. BUYER AND SELLER AGREE THAT THE ASSETS ARE SOLD 'AS IS' AND 'WHEREIS.' BUYER AND SELLER FURTHER REPRESENT AND AGREE THAT NEITHER THE SELLER NOR ANY REPRESENTATIVE OR AGENT OF SELLER MAKES OR HAS MADE ANY EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS OF ANY KIND OF NATURE WITH RESPECT TO THE ASSETS. THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY OF FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE PROPERTY PURCHASED HEREUNDER. SELLER WILL IN NO EVENT BE RESPONSIBLE FOR THE CORRECTNESS OF OR BE DEEMED TO HAVE MADE ANY REPRESENTATION OR WARRANTY OF MERCHANTABILITY, DESCRIPTION, SIZE, QUALITY, GENUINENESS, RARITY, IMPORTANCE, ATTRIBUTION, PROVENANCE, REPRODUCTION RIGHTS, CONDITION, EXHIBITIONS, OR LITERARY OR HISTORICAL RELEVANCE CONCERNING THE PROPERTY. BUYER AND SELLER REPRESENT, COVENANT, AND AGREE THAT NO STATEMENT MADE AT OR BEFORE THE SALE OR IN THE BILL OF SALE OR ELSEWHERE WILL BE DEEMED SUCH A WARRANTY OR REPRESENTATION OR AN ASSUMPTION OF LIABILITY. SELLER MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE FITNESS,

QUALITY, DESIGN, CONDITION, SUITABILITY, MERCHANTABILITY, PERFORMANCE OR FITNESS FOR ANY PARTICULAR PURPOSE OF THE ASSETS. ALL SUCH WARRANTIES ARE HEREBY DISCLAIMED BY SELLER, AND SUCH DISCLAIMER IS SPECIFICALLY AGREED TO AND ACCEPTED BY BUYER.

5. FURTHER, BUYER REPRESENTS AND AGREES THAT IT IS FAMILIAR WITH EQUIPMENT OF THE TYPE BEING PURCHASED HEREUNDER. BUYER REPRESENTS AND AGREES THAT IT HAS HAD, AND DOES HAVE, THE OPPORTUNITY AND RIGHT TO INSPECT THE ASSETS BUYER IS PURCHASING FROM SELLER BEFORE SUCH PURCHASE AND BEFORE THE EXECUTION OF THIS AGREEMENT TO THE EXTENT IT DESIRES AND DEEMS NECESSARY.

6. All representations to "Seller" and "Buyer" herein include their respective nominees, successors and/or assigns.

In witness whereof, Seller has caused this General Bill of Sale to be duly executed as of the day and year first above written.

SELLER:

Fall Creek Utility Company, Inc.,  
a Texas corporation

By: \_\_\_\_\_  
Name: Abel Lara, Vice President

THE STATE OF TEXAS    }  
                                  }  
COUNTY OF HOOD        }

This instrument was acknowledged before me on the 20<sup>th</sup> day of November, 2018, by Abel Lara, Vice President of Fall Creek Utility Company, Inc., a Texas corporation, on behalf of said corporation.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF TEXAS

PURCHASER:

LGRVR Water Supply Corporation, a  
Texas non-profit corporation

By: \_\_\_\_\_  
Name: William (Bill) Lodal, President

THE STATE OF TEXAS    }  
                                 }  
COUNTY OF HOOD        }

This instrument was acknowledged before me on the 20<sup>th</sup> day of November, 2018, by William (Bill) Lodal, President of LGRVR Water Supply Corporation, a Texas non-profit corporation, on behalf of said non-profit corporation.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF TEXAS



## EXHIBIT "M"

### Warranty Deeds

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

**WARRANTY DEED  
(No Title Policy Transaction)**

**DATE:** November \_\_\_\_, 2018

**GRANTOR:** Fall Creek Utility Company, Inc., a Texas corporation

**GRANTOR'S MAILING ADDRESS:** P O Box 481, Granbury, TX 76048

**GRANTEE:** LGRVR Water Supply Corporation, Inc., a Texas non-profit corporation

**GRANTEE'S MAILING ADDRESS:** 5711 Coffee Pot Lane, Granbury Texas 76049-6459

**CONSIDERATION:** TEN AND NO/100 DOLLARS (\$10.00) and other valuable consideration to the undersigned paid by the Grantee herein named, the receipt of which is hereby acknowledged

**PROPERTY (INCLUDING ANY IMPROVEMENTS):** All that certain 2.308 acre tract of land, being part of the Milton A. Hardin Survey, Abstract No. 217, in Hood County, Texas, being part of that certain 29.14 acre tract described in Deed from Gaston B. Garrett, et ux, to J. B. Mayfield, et ux, dated May 6, 1994, and recorded in Volume 1427, Page 231, of the Real Records of Hood County, Texas, and being more particularly described by metes and bounds in Exhibit "A" appended hereto and incorporated herein by reference as if stated herein verbatim.

**RESERVATIONS FROM CONVEYANCE:** None.

**EXCEPTIONS TO CONVEYANCE AND WARRANTY:**

Any and all restrictions, covenants, easements, rights-of-way and reservations, if any, relating to the hereinabove described property, but only to the extent they are still in effect, shown of record in Hood County, Texas; all zoning laws, regulations or ordinances of municipal and other governmental authorities, if any, but only to the extent they are still in effect, relating to the hereinabove described property; all presently recorded and validly existing instruments, other than conveyances of the surface fee estate, that affect the Property; and taxes for 2018, which Grantee assumes and agrees to pay, but not subsequent assessments for that and prior years due to change in land usage, ownership, or both, the payment of which Grantor assumes.

Liens described as part of the Consideration and any other liens described in this deed as being either assumed or subject to which title is taken.

Further, this conveyance is made subject to any and all prior conveyance or reservation of any mineral interest including but not limited to the conveyance or reservation of any coal, lignite, oil, gas and other minerals, together with all rights, privileges, and immunities relating thereto, appearing in the Public Records of Hood County, Texas.

Grantor, for the Consideration and subject to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty, grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's heirs, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty.

When the context requires, singular nouns and pronouns include the plural.

WARRANTY DEED (2.308 Acre Tract) - Page 1 of 3  
S:\SJR\Entities\Corporations\Non-profit\LGRVR Water Supply Corporation, Inc

## EXHIBIT "M"

### Warranty Deeds

#### NOTICE

This instrument has been prepared solely from information and on instructions furnished to The Reid Firm, P.C. by its client. No title examination has been done by The Reid Firm, P.C. and no title opinion or other title evidence has been furnished to The Reid Firm, P.C. in connection with its preparation. The Reid Firm, P.C. takes no responsibility for the accuracy for the legal description and has made no investigation as to the ownership of the property.

Fall Creek Utility Company, Inc.,  
a Texas corporation

By: \_\_\_\_\_  
\_\_\_\_\_  
(Print Name) (Title)

STATE OF TEXAS           §  
COUNTY OF HOOD       §

This instrument was acknowledged before me on November \_\_\_\_, 2018, by Abel Lara as Vice President of Fall Creek Utility Company, Inc., a Texas corporation, on behalf of said corporation.

\_\_\_\_\_  
NOTARY PUBLIC, STATE OF TEXAS

## EXHIBIT "M"

### Warranty Deeds

#### EXHIBIT A

All that certain 2.308 acre tract of land, being part of the Milton A. Hardin Survey, Abstract No. 217, in Hood County, Texas, being part of that certain 29.14 acre tract described in Deed from Gaston B. Garrett, et ux to J.B. Mayfield, et ux dated May 6, 1994, and recorded in Volume 1427, Page 231, of the Real Records of Hood County, Texas, and described as follows:

COMMENCING at an iron rod found in place in a fence line along the South line of a 61 1/2 acre tract described as Second Tract in Deed from M.C. Matlock, et ux to Gaston B. Garrett, et ux, dated December 12, 1957 and recorded in Volume 118, Page 265, of the Deed Records of Hood County, Texas, being the SW corner of the J.B. Mayfield 29.14 acre tract;

- THENCE North 29 degrees 27 minutes 06 seconds West, along the West line of said 29.14 acre tract, 409.78 feet to an iron rod set in the SW corner PG. and beginning corner of the tract hereinafter described being the NW corner of a 2.694 acre tract out of said 29.14 acre tract;
- THENCE North 29 degrees 27 minutes 06 seconds West, 159.59 feet to an iron rod set at the NW corner of said 29.14 acre tract, being in the South line of a 5 acre tract described in Deed of Trust from William G. Lilly, et ux to Janet K. Parker, dated March 29, 1993 and recorded in Volume 1386, Page 626, of the Real Records of Hood County, Texas, for the NW corner of this tract;
- THENCE North 60 degrees 32 minutes 00 seconds East, along a fence line along the South line of the Janet K. Parker tract and North line of the J.B. Mayfield 29.14 acre tract, 384.0 feet to an iron rod found at a fence corner post for the NE corner of this tract;
- THENCE South 29 degrees 28 minutes 31 seconds East, along a fence line, 343.62 feet to an iron rod set at the NE corner of a 2.694 acre tract out of said 29.14 acre tract, for the SE corner of this tract;
- THENCE South 80 degrees 33 minutes 40 seconds West, 189.92 feet to an iron rod set at an inner corner of said 2.694 acre tract, for a corner of this tract;
- THENCE North 89 degrees 24 minutes 56 seconds West 237.60 feet to the Place of Beginning, and containing 2.308 acres of land.

## EXHIBIT "M"

### Warranty Deeds

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

#### **WARRANTY DEED (No Title Policy Transaction)**

**DATE:** November \_\_\_\_, 2018

**GRANTOR:** Fall Creek Utility Company, Inc., a Texas corporation

**GRANTOR'S MAILING ADDRESS:** P O Box 481, Granbury, TX 76048

**GRANTEE:** LGRVR Water Supply Corporation, Inc., a Texas non-profit corporation

**GRANTEE'S MAILING ADDRESS:** 5711 Coffee Pot Lane, Granbury Texas 76049-6459

**CONSIDERATION:** TEN AND NO/100 DOLLARS (\$10.00) and other valuable consideration to the undersigned paid by the Grantee herein named, the receipt of which is hereby acknowledged

#### **PROPERTY (INCLUDING ANY IMPROVEMENTS):**

##### **PART ONE:**

**TRACT I:** A portion of Lot 21 of LAKE GRANBURY RV RANCH, a subdivision in Hood County, Texas according to the plat thereof recorded in Slide A-371-B of the Plat Records of Hood County, Texas described by metes and bounds as follows:

All that certain lot, tract or parcel of land, being part of Lot 21 of the Lake Granbury R.V. Ranch, a subdivision in Hood County, Texas as shown on a plat thereof recorded in Cabinet A, Slide 371-B of the Plat Records of Hood County, Texas and described as follows:

**BEGINNING** at an iron rod set at the intersection of the South line of Coffee Pot Lane and the West line of Ranch House Road, being the NE corner of Lot 21 of the Lake Granbury R.V. Ranch Subdivision, for the NE corner of this tract;

**THENCE** S 28 deg. 07' 44" E along the East line of Lot 21 and the West line of Ranch House Road, 50.0' to an iron rod set for the SE corner of this tract;

**THENCE** S 61 deg. 23' 46" W, 49.0' to an iron rod set for the SW corner of this tract;

**THENCE** N 64 deg. 00' 15" W, 61.43' to an iron rod set in the North line of Lot 21, being in the South line of Coffee Pot Lane, for the NW corner of this tract;

**THENCE** N 61 deg. 26' 47" E along the South line of Coffee Pot Lane, 85.0' to the place of beginning and containing 0.077 acres of land.

**TOGETHER WITH** an exclusive utility easement for the purpose of constructing, maintaining, operating, repairing, removing, replacing and upgrading any utility lines upon, over, under and across a 10 foot wide strip of land along, within, and parallel with the northwesterly lot line of Lot 21 of LAKE GRANBURY RV RANCH, a subdivision in Hood County, Texas according to the plat thereof recorded in Slide A-371-B of the Plat Records of Hood County, Texas. During the construction, maintaining, operating, repairing, removing, replacing and upgrading any utility lines located within the easement, the Grantee shall have the right to use such portions of Lot 21 as are necessary for ingress, egress, parking and storage of equipment and machinery, and for all other purposes related to the purposes for which this easement is granted.

**TRACT II.** Lot 112 of LAKE GRANBURY RV RANCH, a subdivision in Hood County, Texas according to the plat thereof recorded in Slide A-371-B of the Plat Records of Hood County, Texas.

##### **PART TWO:**

###### **1. UTILITY**

- 500 foot deep well
- 435 foot-6" steel casing
- 60 feet stainless steel screen
- 66 GPM submersible pump
- 3,000 gallon hydropneumatic tank

WARRANTY DEED (Two Tracts) - Page 1 of 3  
S:\SJR\Entities\Corporations\Non-profit\LGRVR Water Supply Corporation, Inc

## EXHIBIT "M"

### Warranty Deeds

22,000 gallon storage tank  
2-216 GPM service pumps  
12' x 12' building  
550 feet 6" PVC pipe  
2,270 feet 4" PVC pipe  
360 feet 2" PVC pipe  
fencing & electrical controls  
2" water meter  
All other equipment, supplies, materials, inventory, plans, drawings and maps

#### 2. SEWER

5,700 CPD leach field area W/4" pipe  
17,100 GPD septic tanks  
6" SDR 35 PVC pipe  
10 concrete 4' dia. manholes  
1,460 feet 3" force main  
250 feet 2" force main  
5,700 GPD lift station w/pumps & controls  
All other equipment, supplies, materials, inventory, plans, drawings and maps

3. All permits and licenses from all governmental authorities including those acquired from the County, State and Utility Commission.

**RESERVATIONS FROM CONVEYANCE:** None.

#### EXCEPTIONS TO CONVEYANCE AND WARRANTY:

Any and all restrictions, covenants, easements, rights-of-way and reservations, if any, relating to the hereinabove described property, but only to the extent they are still in effect, shown of record in Hood County, Texas; all zoning laws, regulations or ordinances of municipal and other governmental authorities, if any, but only to the extent they are still in effect, relating to the hereinabove described property; all presently recorded and validly existing instruments, other than conveyances of the surface fee estate, that affect the Property; and taxes for 2018, which Grantee assumes and agrees to pay, but not subsequent assessments for that and prior years due to change in land usage, ownership, or both, the payment of which Grantor assumes.

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WARRANTY DEED (Two Tracts) - Page 2 of 3  
S:\SJR\Entities\Corporations\Non-profit\LGRVR Water Supply Corporation, Inc

## EXHIBIT "M"

### Warranty Deeds

Fall Creek Utility Company, Inc.,  
a Texas corporation

By: \_\_\_\_\_  
\_\_\_\_\_  
(Print Name) (Title)

STATE OF TEXAS           §  
COUNTY OF HOOD       §

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\_\_\_\_\_  
NOTARY PUBLIC, STATE OF TEXAS