

3.11 Grantor and Beneficiary agree (a) to submit the Appraised Value, as such term is defined below, as the only competent evidence for purposes of fair market value determination under the relevant portion of Sections 51.003, 51.004 and 51.005 of the Texas Property Code (the "Foreclosure Deficiency Statutes"), and (b) to submit such competent evidence to the judge instead of a jury, as the finder of fact under the relevant Foreclosure Deficiency Statute. As used herein, the "Appraised Value" shall mean the fair market value of the Mortgaged Property as appraised for the highest and best use of the Mortgaged Property in accordance with the following provisions:

A. The Mortgaged Property shall be valued in an "as is" condition as of the date of the foreclosure sale, without any assumption or expectation that the Mortgaged Property will be repaired or improved in any manner before a resale of the Mortgaged Property after foreclosure. The valuation shall be based upon an assumption that the foreclosure purchaser desires a resale of the Mortgaged Property for cash promptly (but no later than 12 months) following the foreclosure sale. All reasonable closing costs customarily borne by the seller in commercial real estate transactions should be deducted from the gross fair market value of the Mortgaged Property, including, without limitation, brokerage commissions, title insurance, a survey of the Mortgaged Property, tax prorations, attorneys' fees, and marketing costs. The gross fair market value of the Mortgaged Property shall be further discounted to account for any estimated holding costs associated with maintaining the Mortgaged Property pending sale, including, without limitation, utilities expenses, property management fees, taxes and assessments (to the extent not accounted for above), and other maintenance, operational, and ownership expenses.

B. Grantor and Beneficiary shall each appoint an independent appraiser who is a designated member in good standing with the American Institute of Real Estate Appraisers or another recognized national organization of appraisers if the former organization is no longer in existence, having at least 10 years experience, of which the last 5 years shall have been in the county in which the Mortgaged Property is located, in appraising properties similar to the Mortgaged Property for institutional lenders and others, each of whom shall prepare and submit a written appraisal of the Mortgaged Property within 14 days of such appraiser's appointment. If the difference, if any, between the 2 appraisals submitted is an amount less than or equal to 5% of the amount of the lesser appraisal, the Appraised Value of the Mortgaged Property shall be deemed to be equal to the numerical average of the amounts of the 2 appraisals submitted.

C. If the difference between the 2 appraisals submitted is an amount greater than 5% of the amount of the lesser appraisal, the initial appraisers shall meet within 7 days after the submission of the initial appraisals to appoint a mutually acceptable third appraiser with the same minimum qualifications specified herein for the initial appraisers; and in the event that the initial appraisers are unable to agree upon the appointment of a third appraiser with the same minimum qualifications specified herein for the initial appraisers within 7 days after the submission of the initial appraisals, then either Grantor or Beneficiary, may request the appointment of a third appraiser with the same minimum qualifications specified herein for the initial appraisers by any court of competent jurisdiction. The third appraiser shall prepare and submit a written appraisal of the Mortgaged Property within 45 days of such appraiser's appointment. If a third appraisal is required to be submitted, the Appraised Value of the Mortgaged Property shall be deemed to be equal to the numerical average of the amounts of the 3 appraisals submitted.

D. In the event of the failure, refusal or inability of any appraiser selected pursuant to this Section to act in accordance with the provisions of this Section, a new appraiser shall be appointed in his stead, which appointment shall be made in the same

manner as hereinbefore provided for the appointment of such appraiser so failing, refusing or unable to act.

E. Reasonable fees and expenses of the appraisers shall be borne by Grantor, and to the extent paid by Beneficiary, shall be reimbursed to Beneficiary by Grantor on demand.

ARTICLE IV: SUBSTITUTE AND SUCCESSOR TRUSTEE

4.1 If Trustee shall die or become disqualified from acting in the execution of this trust, or shall fail or refuse to execute the same when requested by Beneficiary to do so, or, if, for any reason, Beneficiary shall prefer to appoint a substitute trustee to act instead of Trustee, Beneficiary shall have full power to appoint, by written instrument, a substitute trustee, and, if desired, several substitute trustees in succession, who shall succeed to all the estate, rights, powers and duties of Trustee named herein. No notice of such appointment need be given to Grantor or other person or filed for record in any public office. Such appointment may be executed by any authorized agent of Beneficiary. Such appointment executed in its behalf by any officer of such entity shall be conclusively presumed to be executed with authority and shall be valid and sufficient without proof of any action by the board of directors or any superior officer of such entity.

ARTICLE V: SECURITY AGREEMENT

5.1 To further secure the Indebtedness, Grantor grants a security interest to Beneficiary in and to all the Fixtures and Personalty (all of Fixtures and Personalty and the proceeds thereof being sometimes called the "Collateral"), and as used in this Deed of Trust, Collateral shall be included in the term "Mortgaged Property" when used herein. The mention of proceeds of Collateral herein shall not be construed as an authorization for the sale or surrender by Grantor of Collateral. This document shall constitute a security agreement as well as a mortgage and deed of trust. The following applies with respect to Collateral:

A. In addition to and cumulative of any other remedies granted in this Deed of Trust to Beneficiary, Beneficiary may, upon an Event of Default and the expiration of any notice and right to cure period in the Loan Agreement, proceed under Chapter 9 of the Texas Business and Commerce Code as now adopted and existing and as it may hereafter be amended or succeeded (the "Code") as to all or any part of the Collateral all of the rights, remedies and powers of a secured party under the Code, including, without limitation, the right and power to repossess, retain and to sell, at public or private sale or sales, or otherwise dispose of, lease or utilize the Collateral or any part thereof and to dispose of the proceeds in any manner authorized or permitted under the applicable provisions of the Code, and to apply the proceeds thereof as provided in Section 3.4 hereof and consistent with the Code. Nothing in this Article V shall be construed to impair or limit any other right or power to which Beneficiary may be entitled at law or in equity.

B. Among the rights of Beneficiary upon an Event of Default and the expiration of any notice and right to cure period in the Loan Agreement, and to the extent permitted by Applicable Law, Beneficiary shall have the right (but not the obligation), without being deemed guilty of trespass and without liability for damages thereby occasioned, (i) upon prior written notice to Grantor, to peaceably enter upon any premises where the Collateral may be situated and take possession of the Collateral, or render it unusable, or dispose of the Collateral on Grantor's premises, and Grantor agrees not to resist or to interfere, and (ii) to take any action deemed reasonably necessary or appropriate or desirable by Beneficiary at Beneficiary's option and in its discretion, to repair, refurbish or otherwise prepare the Collateral for sale, lease or other use or disposition as herein authorized. Beneficiary may at Beneficiary's discretion require Grantor to assemble the Collateral and make it available

to Beneficiary at a place designated by Beneficiary that is reasonably convenient to both parties.

C. Beneficiary shall give Grantor written notice of the time and place of any public sale of any of the Collateral or of the time after which any private sale or other intended disposition thereof is to be made at least 10 days before the time of sale or other disposition, which provisions for notice Grantor and Beneficiary agree are reasonable; provided, however, that nothing herein shall preclude Beneficiary from proceeding as to both real and personal property in accordance with Beneficiary's rights and remedies in respect to real property as provided in the Code, and without any notice to Grantor except for the notices provided for in Article III hereof.

D. To the extent such may now or hereafter be permitted under Applicable Law, Beneficiary is authorized to execute and file financing statements and continuation statements under the Code with respect to the Collateral without joinder of Grantor in such execution or filing. Grantor shall execute and deliver to Beneficiary such financing statements, continuation statements and other documents relating to the Collateral as Beneficiary may reasonably request from time to time to preserve and maintain the priority of the security interest created by this Deed of Trust and shall pay to Beneficiary on written demand any reasonable expenses and attorneys' fees incurred by Beneficiary in connection with the preparation, execution and filing of this Deed of Trust and of any financing statements, continuation statements, partial releases, termination statements or any other documents necessary or desirable to continue or confirm Beneficiary's security interest, or any modification thereof. This document, and any carbon, photographic or other reproduction of this document may be filed by Beneficiary and shall be sufficient as a financing statement. All or part of the Collateral is or may become fixtures on the real estate constituting a portion of the Mortgaged Property, but this statement shall not impair or limit the effectiveness of this document as a security agreement or financing statement for other purposes, and this Deed of Trust shall constitute a fixture financing statement and, as such, shall be filed for record in the real estate records of the county in which the Land is located. Grantor shall not change Grantor's name without the prior express written consent of Beneficiary. The name of the record owner of the Land is the party or parties defined herein as Grantor.

E. Unless otherwise disclosed to Beneficiary as herein provided, Grantor agrees that, except for the security interest granted in the Collateral, Grantor is the owner of the Collateral free of any adverse claim, security interest or encumbrance, and Grantor shall defend the Collateral against all claims and demands of any person at any time claiming the same or any interest therein. Grantor has not heretofore signed any financing statement and no financing statement signed by Grantor is now on file in any public office except those statements, true and correct copies of which have been delivered to Beneficiary. So long as any amount remains unpaid on the Indebtedness, Grantor shall not execute and there shall not be filed in any public office any such financing statement or statements affecting the Collateral other than financing statements in favor of Beneficiary, or other purchase money indebtedness by Grantor.

F. The security interest granted herein shall not be construed or deemed to constitute Beneficiary or Trustee as a trustee or mortgagee in possession of the Mortgaged Property so as to obligate Beneficiary or Trustee to lease the Mortgaged Property or attempt to do the same, or to take any action, incur any expense or perform or discharge any obligation, duty or liability with respect to the Mortgaged Property or any part thereof or otherwise.

G. Grantor's and Beneficiary's addresses are as set forth below. Either party may notify the other of a new address in the manner specified in Section 3.4 above.

ARTICLE VI: ENVIRONMENTAL PROVISIONS

6.1 For the purposes of this Deed of Trust, unless the context otherwise specifies or requires, the following terms shall have the meaning herein specified:

A. "Hazardous Materials" shall mean (i) any "hazardous waste" as defined by the Resources Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901 et seq.), as amended from time to time, and regulations promulgated thereunder; (ii) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. Section 9601 et seq.) ("CERCLA"), as amended from time to time, and regulations promulgated thereunder, save and except those items used by Grantor on or about the Mortgaged Property in compliance with applicable Governmental Requirements; (iii) asbestos; (iv) polychlorinated biphenyls; (v) underground storage tanks, whether empty, filled or partially filled with any substance, (vi) any substance the presence of which on the Mortgaged Property is prohibited by any Governmental Requirements; and (vii) any other substance which by any Governmental Requirements requires special handling or notification of any federal, state or local governmental entity in its collection, storage, treatment, or disposal; provided, however, the term "Hazardous Materials" shall not include (i) any substance described above in such quantities and/or in such manner that does not constitute a violation of any Governmental Requirements or CERCLA or require any reporting or disclosure under any Governmental Requirements or CERCLA or (ii) substances described above of kinds and in amounts ordinarily and customarily used or stored in connection with the construction, development, operation, cleaning or maintenance of properties similar to the Property and otherwise in compliance with all Environmental Laws.

B. "Hazardous Materials Contamination" shall mean the contamination (whether presently existing or hereafter occurring) of the Improvements, facilities, soil, groundwater, air or other elements on or of the Mortgaged Property by Hazardous Materials, or the contamination of the buildings, facilities, soil, groundwater, air or other elements on or of any other property as a result of Hazardous Materials at any time (whether before or after the date of this Deed of Trust) emanating from the Mortgaged Property.

C. "Governmental Requirements" shall mean all laws, ordinances, rules, and regulations of any Governmental Authority (as defined below) applicable to Grantor or the Mortgaged Property.

D. "Governmental Authority" shall mean the United States, the state, county, city, or any other political subdivision in which the Mortgaged Property is located, and any other political subdivision, agency, or instrumentality exercising jurisdiction over Grantor or the Mortgaged Property.

E. "Indemnified Costs" shall mean any and all liabilities (including strict liability), actions, demands, penalties, losses, costs, or expenses (including without limitation reasonable attorneys' fees and expenses, and remedial costs), suits, costs of any settlement or judgment and claims of any and every kind whatsoever which may now or in the future (whether before or after the release of this Deed of Trust) be paid, incurred or suffered by or asserted against Beneficiary or Trustee, by any person or entity or Governmental Authority for, with respect to, or as a direct or indirect result of, the presence prior to the Release Date (as defined below) on or under, or the escape, seepage, leakage, spillage, discharge, emission or release prior to the Release Date from the Mortgaged Property of any Hazardous Materials

or any Hazardous Materials Contamination, or arise out of or result from the environmental condition of the Mortgaged Property prior to the Release Date or the applicability of any Governmental Requirements relating to Hazardous Materials (including without limitation CERCLA, or any federal, state, or local so-called "superfund" or "superlien" laws, statute, law, ordinance, code, rule, regulation, order or decree) prior to the Release Date.

F. "Release Date" shall mean the first to occur of (i) the date Beneficiary forecloses hereunder or accepts a Deed in Lieu of Foreclosure, or (ii) the date Beneficiary removes Grantor from effective control and management of the Mortgaged Property, or (iii) full payment of the Indebtedness.

Where a defined term in this Article derives its meaning from a statutory reference, for the purpose of this Deed of Trust any regulatory definition promulgated pursuant to the applicable statute shall be deemed to be applicable to the extent its definition is broader than the statutory reference and any reference or citation to a statute or regulation shall be deemed to include any amendments to that statute or regulation and judicial and administrative interpretations of it. To the extent that the laws or regulations of the State of Texas established a broader meaning for a term defined in this Article, notwithstanding the reference to federal Governmental Requirements, such broader meaning set forth in the state Governmental Requirements shall apply.

6.2 Grantor represents and warrants that except as may have been previously and expressly disclosed to Beneficiary in writing:

A. To the best of Grantor's current, actual knowledge and belief, no Hazardous Materials are now located on the Mortgaged Property, in violation of Applicable Law, and neither Grantor nor, to the best of Grantor's current, actual knowledge and belief, any other person has ever caused or permitted any Hazardous Materials to be placed, held, located or disposed on, under or at the Mortgaged Property or any part thereof.

B. No part of the Mortgaged Property is being used nor, to the best of Grantor's current, actual knowledge and belief, has been used at any previous time for the disposal, storage, treatment, processing or other handling of Hazardous Materials other than in the ordinary course of Grantor's business, nor to the best of Grantor's current, actual knowledge and belief, is any part of the Mortgaged Property affected by any Hazardous Materials Contamination.

C. To the best of Grantor's current, actual knowledge and belief, the property adjoining the Mortgaged Property is not being used, or has ever been used at any previous time for the disposal, storage, treatment, processing or other handling of Hazardous Materials nor is any other property adjoining the Mortgaged Property affected by Hazardous Materials Contamination.

D. To the best of Grantor's current, actual knowledge and belief, no investigation, administrative order, consent order and agreement, litigation or settlement with respect to Hazardous Materials or Hazardous Materials Contamination is proposed, threatened, anticipated or in existence with respect to the Mortgaged Property. The Mortgaged Property is not currently on, and to Grantor's current, actual knowledge, has never been on, any federal or state "superfund" or "superlien" lists.

6.3 Grantor agrees to (a) give notice to Beneficiary immediately upon Grantor's acquiring knowledge of the presence of any Hazardous Materials Contamination on the Mortgaged Property with a full description thereof; (b) obtain, comply with and properly maintain any and all permits, licenses, registrations, waste identification numbers, approvals or other authorizations relating to

Grantor, Grantor's business or operations, or the Mortgaged Property required by any Governmental Authority; (c) promptly comply with any Governmental Requirements requiring the removal, treatment or disposal of such Hazardous Materials or Hazardous Materials Contamination and provide Beneficiary with satisfactory evidence of such compliance; and (d) provide Beneficiary, within 30 days after written demand by Beneficiary, with a bond, letter of credit or similar financial assurance evidencing to Beneficiary's satisfaction that the necessary funds are available to pay the cost of removing, treating and disposing of such Hazardous Materials Contamination and discharging any assessments which may be established on the Mortgaged Property as a result thereof.

6.4 Grantor agrees and covenants with Beneficiary not to do or permit anything that will cause Grantor or the Mortgaged Property to be in violation of any Governmental Requirements or do or permit anything to be done that might subject Grantor or the Mortgaged Property to (a) any Hazardous Materials Contamination that would materially and adversely affect the financial condition of Grantor or the value or marketability of the Mortgaged Property, or (b) to any enforcement actions under any Governmental Requirements concerning Hazardous Materials.

6.5 If (a) an Event of Default has occurred and continues beyond any applicable notice and right to cure period, or (b) if Beneficiary, acting in good faith, reasonably believes that a Hazardous Materials Contamination has occurred or that either Grantor or the Mortgaged Property is not in compliance with Governmental Requirements, then Beneficiary (by its officers, employees and agents), at any reasonable time and from time to time with written notice to Grantor, may contract for the services of persons (the "Site Reviewers") to perform an environmental site assessment (the "Site Assessment") on the Mortgaged Property for the purpose of determining whether there exists on the Mortgaged Property any environmental condition which could reasonably be expected to result in any liability, cost or expense to the owner, occupier or operator of the Mortgaged Property arising under any Governmental Requirements relating to Hazardous Materials. The Site Assessment may be performed at any time or times, upon reasonable notice, and under reasonable conditions established by Grantor which do not impede the performance of the Site Assessment. The parties understand and agree that the Site Assessment shall be for the sole and exclusive use, benefit and reliance of Beneficiary, in assessing the value of its security interest in the Mortgaged Property. The Site Reviewers are authorized to enter upon the Mortgaged Property for such purposes at reasonable times and upon reasonable advance written notice to Grantor. The Site Reviewers are further authorized to perform both above and below the ground testing for environmental damage or the presence of Hazardous Materials on the Mortgaged Property and such other tests on the Mortgaged Property as may be necessary to conduct the Site Assessment in the reasonable opinion of the Site Reviewers at reasonable times and upon reasonable advance written notice to Grantor. Grantor will supply to the Site Reviewers such historical and operational information regarding the Mortgaged Property as may be reasonably requested by the Site Reviewers to facilitate the Site Assessment and will make available for the meetings with the Site Reviewers appropriate personnel having knowledge of such matters. The reasonable cost of performing such Site Assessment shall be paid by Grantor upon written demand of Beneficiary and any such reasonable expenses borne by Beneficiary and not immediately reimbursed by Grantor shall be secured by this Deed of Trust; provided, unless required by any Governmental Authority, Beneficiary may not request more than one (1) Site Assessment in any 12 calendar month period.

6.6 Regardless of whether any Site Assessments are conducted hereunder, if any Event of Default shall have occurred and be continuing or any remedies in respect of the Mortgaged Property are exercised by Beneficiary, Grantor and each guarantor of the Indebtedness (if any) shall defend, indemnify and hold harmless Beneficiary and Trustee from any and all Indemnified Costs, regardless of whether or not caused by or within the control of Grantor, Beneficiary or Trustee; provided, however, that no indemnity is made hereunder for any fraud, willful misconduct, or negligence of Beneficiary or Trustee.

6.7 After reasonable prior written notice to Grantor, Beneficiary shall have the right but not the obligation, prior or subsequent to the occurrence of an Event of Default, at reasonable times without in any way limiting Beneficiary's other rights and remedies under this Deed of Trust, to enter onto the Mortgaged Property or to take such other actions as it deems necessary or advisable to clean up, remove, resolve or minimize the impact of, or otherwise deal with, any Hazardous Materials or Hazardous Materials Contamination on the Mortgaged Property following receipt of any notice from any person or entity asserting the existence of any Hazardous Materials or Hazardous Materials Contamination pertaining to the Mortgaged Property or any part thereof which, if true, could result in an order, suit, imposition of a lien on the Mortgaged Property, or other action and/or which, in Beneficiary's sole opinion, could jeopardize Beneficiary's security under this Deed of Trust. All necessary and reasonable costs and expenses paid or incurred by Beneficiary in the exercise of any such rights shall become part of the Indebtedness secured by this Deed of Trust and shall be payable by Grantor upon demand.

6.8 For the purposes of this Article, the term "**Beneficiary**" shall include all subsequent owners or holders of any obligations secured by this Deed of Trust, all directors, officers, employees and agents of such entity and any persons or entities owned or controlled by or affiliated with Beneficiary, and its or their directors, officers, employees and agents. The indemnity provisions of this Article shall survive any exercise of the power of sale granted in this Deed of Trust, any foreclosure of the liens created by this Deed of Trust or conveyance in lieu of foreclosure, and the repayment of the Note and the discharge and release of this Deed of Trust and any other instrument securing the Note.

ARTICLE VII: MISCELLANEOUS

7.1 All of the covenants and agreements of Grantor herein shall survive the execution and delivery of this document and shall continue in force until the Indebtedness is paid in full and a written release hereof is promptly executed by Beneficiary. Accordingly, if Grantor shall perform faithfully each and all of the covenants and agreements herein contained, then, and then only, this conveyance shall become null and void and shall be released in due form upon Grantor's written request and at Grantor's expense. No release of this conveyance or the lien thereof shall be valid unless executed by Beneficiary.

7.2 In the event Beneficiary shall elect to invoke any of the rights or remedies provided for herein, but shall thereafter determine to withdraw or discontinue same for any reason, it shall have the unqualified right to do so, whereupon all parties shall be automatically restored and returned to their respective positions regarding the Indebtedness and this document, as shall have existed prior to the invocation of Beneficiary's rights hereunder and the rights, powers and remedies of Beneficiary hereunder, shall be and remain in full force and effect.

7.3 Any part of the Mortgaged Property may be released by Beneficiary without affecting the lien hereof against the remainder of the Mortgaged Property. The lien and rights granted shall not affect or be affected by any other security taken for the Indebtedness or any part thereof. The taking of additional security, or the extension, renewal or rearrangement of the Indebtedness or any part thereof, shall at no time release or impair the lien and rights granted, or affect the liability of any endorser or surety, or improve the right of any junior lienholder; and this Deed of Trust, as well as any instrument given to secure any renewal or extension of the Indebtedness, or any part thereof, shall be and remain a first and prior lien on all of the Mortgaged Property not expressly released, until the Indebtedness is completely paid.

7.4 This Deed of Trust, and its validity, enforcement, and interpretation, shall be governed by the applicable laws of the State of Texas and the United States (the "Applicable Law"), without regard to any conflicts of law rules and principles. The invalidity, or unenforceability in

particular circumstances of any provision of this Deed of Trust shall not extend beyond such provision or such circumstances and no other provision of this Deed of Trust shall be affected thereby.

7.5 It is the intention of the parties hereto to comply with the Applicable Law. Accordingly, it is agreed that notwithstanding any provisions to the contrary in the Note, any instrument evidencing the Indebtedness in this Deed of Trust, or in any of the documents or instruments securing payment of the Indebtedness or otherwise relating thereto, in no event shall the Note or such documents require the payment or permit the collection of interest in excess of the maximum amount permitted by such Applicable Law. If any such excess of interest is contracted for, charged or received, under the Note or any instrument evidencing the Indebtedness, under this Deed of Trust or under the terms of any of the other documents securing payment of the Indebtedness or otherwise relating thereto, or if the maturity of any of the Indebtedness is accelerated in whole or in part, or if all or part of the principal or interest of the Indebtedness shall be prepaid, so that under any of such circumstances, the amount of interest contracted for, charged or received, under the Note or any instruments evidencing the Indebtedness, under this Deed of Trust or under any of the instruments securing payment of the Indebtedness or otherwise relating thereto, on the amount of principal actually outstanding from time to time under the Note and other instruments evidencing the Indebtedness shall exceed the maximum amount of interest permitted by applicable usury laws, then in any such event (a) the provisions of this paragraph shall govern and control, (b) neither Grantor nor any other person or entity now or hereafter liable for the payment of the Note or any instrument evidencing the Indebtedness shall be obligated to pay the amount of such interest to the extent that it is in excess of the maximum amount of interest permitted by applicable usury laws, (c) any such excess that may have been collected shall be either applied as a credit against the then unpaid principal amount of the Note or refunded to Grantor, at Beneficiary's option, and (d) the effective rate of interest shall be automatically reduced to the maximum non-usurious rate allowed under Applicable Law as now or hereafter construed by the courts having jurisdiction thereof. It is further agreed that without limitation of the foregoing, all calculations of the rate of interest contracted for, charged or received under the Note, or any instrument evidencing the Indebtedness, under this Deed of Trust or under such other documents that are made for the purpose of determining whether such rate exceeds the maximum non-usurious applicable rate, shall be made, to the extent permitted, by amortizing, prorating, allocating and spreading in equal parts during the period of the full stated term of the loans evidenced by the Note or the instruments evidencing the Indebtedness, all interest at any time contracted for, charged or received from Grantor or otherwise by the holder or holders hereof in connection with such loans or Indebtedness.

7.6 It is expressly agreed that (i) no waiver of any default on the part of Grantor or breach of any of the provisions of this Deed of Trust shall be considered a waiver of any other or subsequent default or breach, and no delay or omission in exercising or enforcing the rights and powers herein granted shall be construed as a waiver of such rights and powers, and likewise no exercise or enforcement of any rights or powers hereunder shall be held to exhaust such rights and powers, and every such right and power may be exercised from time to time; (ii) any failure by Beneficiary to insist upon the strict performance by Grantor of any of the terms and provisions hereof shall not be deemed to be a waiver of any of the terms and provisions hereof, and Beneficiary, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Grantor of any and all of the terms and provisions of this Deed of Trust; (iii) neither Grantor nor any other person now or hereafter obligated for the payment of the whole or any part of said Indebtedness shall be relieved of such obligation by reason of the failure of Beneficiary or Trustee to comply with any request of Grantor, or of any other person so obligated, to take action to foreclose this Deed of Trust or otherwise enforce any of the provisions of this Deed of Trust or of any obligations secured by this Deed of Trust, or by reason of the release, regardless of consideration, of the whole or any part of the security held for the Indebtedness, or by reason of the subordination in whole or in part by Beneficiary of the lien, security interest or rights evidenced by this Deed of Trust, or by reason of

any agreement or stipulation with any subsequent owner or owners of the Mortgaged Property extending the time of payment or modifying the terms of the Indebtedness or this Deed of Trust without first having obtained the consent of Grantor or such other person, and in the latter event, Grantor and all such other persons shall continue liable to make such payments according to the terms of any such agreement of extension or modification unless expressly released and discharged in writing by Beneficiary; (iv) regardless of consideration, and without the necessity for any notice to or consent by the holder of any subordinate lien or security interest on the Mortgaged Property, Beneficiary may release the obligation of anyone at any time liable for any of the Indebtedness or any part of the security held for the Indebtedness and may extend the time of payment or otherwise modify the terms of the Indebtedness and/or this Deed of Trust without, as to the security or the remainder thereof, in anywise impairing or affecting the lien or security interest of this Deed of Trust or the priority of such lien or security interest, as security for the payment of the Indebtedness as it may be so extended or modified, over any subordinate lien or security interest; (v) the holder of any subordinate lien or security interest shall have no right to terminate any lease affecting the Mortgaged Property whether or not such lease is subordinate to this Deed of Trust; and (vi) Beneficiary may resort for the payment of the Indebtedness to any security therefor held by Beneficiary in such order and manner as Beneficiary may elect.

7.7 Except as otherwise provided herein or required by Applicable Law, any notice or communication required or permitted hereunder to be given to either Grantor or Beneficiary pursuant to the terms hereof shall be given in writing, sent by (i) personal delivery, or (ii) expedited delivery service with proof of delivery, or (iii) United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed to Grantor or Beneficiary at the address below or to such other address as either party shall have designated by written notice, sent in accordance with this paragraph; provided, however, no change of address or designation of a different address shall be binding on Beneficiary until 30 days after notice to Beneficiary and any change of address of Beneficiary shall be effective 3 business days after notice thereof to Grantor. Except as provided otherwise, any such notice or communication shall be deemed to have been given and received either at the time of personal delivery, or in the case of mail, as of the date 3 business days after deposit in an official depository of the United States mail, or in the case of delivery service, upon receipt; provided, however, that the time and manner of delivery for all notices given by Beneficiary to Grantor in connection with Beneficiary's exercise of its remedies set forth in Section 3.4 or Article V of this Deed of Trust shall be effective on the date of deposit if mailed and governed by Chapter 51 of the Texas Property Code and Chapter 9 of the Code (as the same may be hereafter amended or succeeded). To the extent actual receipt is required, rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was received shall be deemed to be receipt of the notice, demand, request or other communication sent.

7.8 Wherever used in this document, unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, the words "this Deed of Trust" shall mean "this Deed of Trust and Security Agreement and any supplement or supplements hereto", the words "Grantor" shall mean "Grantor, their respective heirs, legal representatives, successors and assigns, and/or any subsequent owner or owners of the Mortgaged Property", the word "Beneficiary" shall mean "Beneficiary or any subsequent lawful holder or holders of the Note or other Indebtedness secured hereby", the word "Note" shall mean "Note secured by this Deed of Trust and any renewals, extensions and rearrangements thereof", the word "person" shall mean "an individual, corporation, trust, partnership or unincorporated association", and the pronouns of any gender shall include all other genders, and either the singular or plural shall include the other.

7.9 Notwithstanding anything to the contrary contained in this Deed of Trust, if any person executing this Deed of Trust is a "consumer" as defined in Regulation AA of the Board of Governors of the Federal Reserve System, 12 C.F.R. Part 227, or the Federal Trade Commission Credit Practices Rule, 16 C.F.R. Part 444, as applicable, no lien or security interest created or

evidenced by this Deed of Trust shall extend to or cover a nonpossessory lien or security interest in "household goods," other than a purchase money lien or security interest, in accordance with such regulations as applicable.

7.10 All rights of Grantor, Trustee and/or Beneficiary under this Deed of Trust shall inure to the benefit of their respective heirs, successors and assigns, and all obligations of such parties shall bind their respective heirs, representatives, successors and/or assigns. If this Deed of Trust is executed by more than one Grantor, the representations, covenants and obligations of each party constituting Grantor shall be joint and several.

7.11 This Deed of Trust may be executed by email or facsimile (faxed) signatures and in several or separate counterparts, each of which shall be an original, but all of which, taken together, shall be deemed to constitute one and the same agreement. Production of any counterpart other than the one to be enforced shall not be required.

7.12 The Note is given as a part of the purchase price of the Mortgaged Property. This Deed of Trust is in addition to the Vendor's Lien retained in a Deed of even date herewith to Grantor, securing the payment of the Note. It is expressly agreed that the Vendor's Lien shall not operate as a waiver of the lien created by this Deed of Trust, it being agreed that said lien and rights created by this instrument shall be cumulative and in addition to the Vendor's Lien in the Deed and that the owner or holder of the Note may foreclose under either or both as he or it may elect, without waiving the other. Grantor expressly confesses, recognizes and acknowledges a vendor's lien on the Mortgaged Property as security for the Indebtedness.

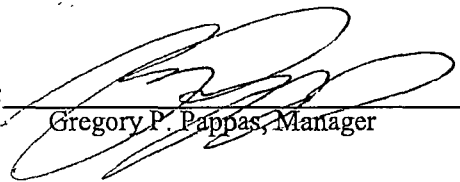
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**SIGNATURE PAGE TO
DEED OF TRUST AND SECURITY AGREEMENT**

IN WITNESS WHEREOF, the undersigned has duly executed this Deed of Trust as of the date(s) of the acknowledgment(s) set forth below, to be effective for all purposes, however, as of the date first above written.

GRANTOR:

NERRO SUPPLY, LLC

By: 

Gregory P. Pappas, Manager

THE STATE OF TEXAS

COUNTY OF HARRIS

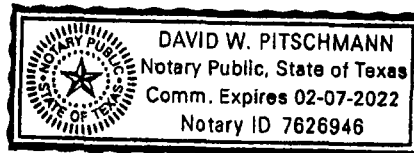
This instrument was acknowledged before me on the 13th day of March, 2019, by Gregory P. Pappas, Manager, for and on behalf of NERRO SUPPLY, LLC, a Texas limited liability company.



NOTARY PUBLIC, STATE OF TEXAS

MAILING ADDRESS OF GRANTOR:

NERRO SUPPLY, LLC
11131 McCracken Circle, Suite A
Cypress, Texas 77429



MAILING ADDRESS OF BENEFICIARY:

ALLEGIANCE BANK
8727 West Sam Houston Parkway North
Houston, Texas 77040

MAILING ADDRESS OF TRUSTEE:

RAMON A. VITULLI, III
ALLEGIANCE BANK
8272 West Sam Houston Parkway North
Houston, Texas 77040

AFTER RECORDING, RETURN TO:

ALAMO TITLE COMPANY
1800 Bering Drive, Suite 150
Houston, Texas 77057
Attn: David Pitschmann/Pamela Hodge
G. F. No. ATCH18078376DP

TRACT 4:

EXHIBIT A

SEWER TREATMENT PLANT: BEING 0.5355 OF AN ACRE OF LAND, MORE OR LESS, SITUATED IN THE ROBERT WISEMAN SURVEY, ABSTRACT NO. 29, CHAMBERS COUNTY, TEXAS, AND BEING OUT OF AND A PART OF A 117.537 ACRE TRACT OF LAND CALLED TRACT NO. 1 IN A DEED FROM GORDON W. SPEER, TRUSTEE TO WALLACE GRAY AND EDDIE V. GRAY DATED JUNE 30, 1976 AND RECORDED IN VOLUME 384 AT PAGE 581 OF THE DEED RECORDS OF CHAMBERS COUNTY, TEXAS, AND BEING OUT OF AND A PART OF A SO-CALLED 70.251 ACRE TRACT OF LAND CONVEYED TO EDDIE V. GRAY, TRUSTEE BY WILLIAM H. CRAIG BY DEED RECORDED IN VOLUME 366 AT PAGE 363 OF THE DEED RECORDS OF CHAMBERS COUNTY, TEXAS. SAID 0.5355 OF AN ACRE OF LAND, MORE OF LESS, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS, TO-WIT:

BEGINNING AT AN IRON ROD FOUND FOR CORNER OF THIS TRACT OF LAND AT THE INTERSECTION OF THE WEST LINE OF SAID 117.537 ACRE TRACT AND THE EAST LINE OF SAID 70.251 ACRE TRACT OF LAND WITH THE SOUTH LINE OF WOODLAND LANE, A COUNTY ROAD AND FROM THIS POINT, A UNITED STATES CORPS OF ENGINEERS BRASS DISC FOUND FOR A CORNER OF SAID 70.21 ACRE TRACT OF LAND IN THE SOUTH LINE OF WOODLAND LANE BEARS SOUTH 84° 14' 05" WEST 175.41 FEET;

THENCE NORTH 84° 17' 58" EAST WITH THE NORTH LINE OF THIS TRACT AND THE SOUTH LINE OF SAID LANE, A DISTANCE OF 40.65 FEET TO A 1/2 INCH IRON ROD SET FOR THE EAST CORNER OF THIS TRACT OF LAND

EXHIBIT A

EXHIBIT "A" Legal Description

ON THE WEST BANK OF A DRAIN DITCH;

THENCE WITH THE SOUTHEAST LINE OF THIS TRACT AND THE WEST BANK OF SAID DRAIN DITCH THE FOLLOWING COURSES:

SOUTH 42° 06' 38" WEST 58.77 FEET; SOUTH 14° 12' 06" WEST 160.14 FEET; SOUTH 30° 23' 31" WEST 48.30 FEET TO A 1/2 INCH IRON ROD SET FOR THE SOUTH CORNER OF THIS TRACT OF LAND IN THE SOUTHWEST LINE OF SAID 117.537 ACRE TRACT OF LAND AND THE NORTHEAST LINE OF THE UNITED STATES TRACT OF LAND;

THENCE NORTH 27° 04' 00" WEST WITH THE SOUTHWEST LINE OF THIS TRACT AND THE SOUTHWEST LINE OF SAID 117.537 ACRE TRACT, AT 69.21 FEET FOUND A 5/8 INCH IRON ROD IN LINE FOR THE SOUTHWEST CORNER OF SAID 117.537 ACRE TRACT AND THE SOUTHEAST CORNER OF SAID 70.251 ACRE TRACT OF LAND, CONTINUING ON WITH THE SOUTHWEST LINE OF THIS TRACT AND THE SOUTHWEST LINE OF SAID 70.251 ACRE TRACT, A TOTAL DISTANCE OF 245.77 FEET TO A UNITED STATES CORPS OF ENGINEERS BRASS DISC FOR THE WEST CORNER OF THIS TRACT OF LAND AND A CORNER OF SAID 70.251 ACRE TRACT IN THE SOUTH RIGHT OF WAY LINE OF SAID LANE;

THENCE NORTH 84° 14' 05" EAST WITH THE NORTH LINE OF THIS TRACT AND THE SOUTH RIGHT OF WAY LINE OF SAID LANE, A DISTANCE OF 175.41 FEET TO THE PLACE OF BEGINNING, CONTAINING WITHIN SAID BOUNDARIES 0.5355 OF AN ACRE OF LAND, MORE OR LESS.

NOTE: The Company is prohibited from insuring the area or quantity of the Land. Any statement in the legal description contained in Schedule "A" as to area or quantity of land is not a representation that such area or quantity is correct but is for informal identification purposes and does not override Item 2 of Schedule B hereof.

TRACT 5:

WATER TREATMENT PLANT: BEING 0.0580 OF AN ACRE OF LAND, MORE OR LESS, SITUATED IN THE ROBERT WISEMAN SURVEY, ABSTRACT NO. 29, CHAMBERS COUNTY, TEXAS, AND BEING OUT OF AND A PART OF A 117.537 ACRE TRACT OF LAND CALLED TRACT NO. 1 IN A DEED FROM GORDON W. SPEER, TRUSTEE TO WALLACE GRAY AND EDDIE V. GRAY DATED JUNE 30, 1976 AND RECORDED IN VOLUME 384 AT PAGE 581 OF THE DEED RECORDS OF CHAMBERS COUNTY, TEXAS. THIS 0.0580 OF AN ACRE, MORE OR LESS, ENCOMPASSES THE EXISTING WATER TREATMENT PLANT FOR WOODLAND ACRES SUBDIVISION AND IS MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS, TO-WIT:

COMMENCING AT AN IRON ROD FOUND AT THE INTERSECTION OF THE WEST LINE OF SAID 117.537 ACRE TRACT WITH THE SOUTH RIGHT OF WAY LINE OF WOODLAND LANE;

THENCE NORTH 84° 17' 58" EAST WITH THE SOUTH RIGHT OF WAY LINE OF SAID LANE, A DISTANCE OF 447.19 FEET TO A PI IN THE SOUTH RIGHT OF WAY LINE OF SAID LANE;

THENCE NORTH 84° 51' 11" EAST WITH THE SOUTH RIGHT OF WAY LINE OF SAID LANE, A DISTANCE OF 74.05 FEET TO A POINT;

THENCE SOUTH 05° 08' 49" EAST A DISTANCE OF 27.59 FEET TO A 1/2 INCH IRON ROD SET FOR THE NORTHEAST CORNER OF THIS TRACT OF LAND AND THE PLACE OF BEGINNING;

THENCE SOUTH 05° 08' 49" EAST WITH THE EAST LINE OF THIS TRACT, A DISTANCE OF 54.30 FEET TO A 1/2 INCH IRON ROD SET FOR THE SOUTHEAST CORNER OF THIS TRACT OF LAND;

THENCE NORTH 79° 23' 40" WEST WITH THE SOUTH LINE OF THIS TRACT, A DISTANCE OF 62.53 FEET TO A 1/2 INCH IRON ROD SET FOR THE SOUTHWEST CORNER OF THIS TRACT OF LAND;

THENCE NORTH 04° 32' 51" WEST WITH THE WEST LINE OF THIS TRACT, A DISTANCE OF 26.83 FEET TO A 1/2 INCH IRON ROD SET FOR THE MOST WESTERN NORTHWEST CORNER OF THIS TRACT OF LAND, 1 FOOT

EXHIBIT A

EXHIBIT "A" Legal Description

SOUTH OF AN EXISTING OFFICE BUILDING;

THENCE NORTH 85° 01' 22" EAST WITH THE NORTH LINE OF THIS TRACT AND 1 FOOT SOUTH OF AN EXISTING OFFICE BUILDING, A DISTANCE OF 25.10 FEET TO A 1/2 INCH IRON ROD SET FOR A CORNER OF THIS TRACT OF LAND;

THENCE NORTH 04° 32' 51" WEST WITH THE WEST LINE OF THIS TRACT AND 1 FOOT EAST OF AN EXISTING BUILDING, A DISTANCE OF 13.07 FEET TO A 1/2 INCH IRON ROD SET FOR THE MOST NORTHERN NORTHWEST CORNER OF THIS TRACT OF LAND;

THENCE NORTH 88° 59' 07" EAST WITH THE NORTH LINE OF THIS TRACT OF LAND AND A CHAIN LINK FENCE, A DISTANCE OF 34.75 FEET TO THE PLACE OF BEGINNING, CONTAINING WITHIN SAID BOUNDARIES 0.580 OF AN ACRE OF LAND, MORE OR LESS.

NOTE: The Company is prohibited from insuring the area or quantity of the Land. Any statement in the legal description contained in Schedule "A" as to area or quantity of land is not a representation that such area or quantity is correct but is for informal identification purposes and does not override Item 2 of Schedule B hereof.

TRACT 6:

WATER WELL SITE: BEING 0.1350 OF AN ACRE OF LAND, MORE OR LESS, SITUATED IN THE ROBERT WISEMAN SURVEY, ABSTRACT NO. 29, CHAMBERS COUNTY, TEXAS, AND BEING OUT OF AND A PART OF WOODLAND ACRES SECTION NO. 11, AS SHOWN ON THE OFFICIAL REPLAT OF SAME RECORDED IN VOLUME "B" AT PAGE 64 OF THE PLAT RECORDS OF CHAMBERS COUNTY, TEXAS. THIS 0.1350 OF AN ACRE OF LAND, MORE OR LESS, IS MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS, TO-WIT:

BEGINNING AT A 1/2 INCH IRON ROD FOUND FOR THE SOUTHWEST CORNER OF THIS TRACT OF LAND AND THE NORTHWEST CORNER OF LOT NO. 128 OF SAID SECTION 11 AND IN THE EAST LINE OF SHADY LANE, A 70 FOOT STREET;

THENCE NORTH 32° 31'04" WEST WITH THE WEST LINE OF THIS TRACT AND THE EAST LINE OF SHADY LANE, A DISTANCE OF 86.72 FEET TO A 1/2 INCH IRON ROD FOUND FOR THE NORTHWEST CORNER OF THIS TRACT AND THE SOUTHWEST CORNER OF LOT NO. 129 OF SAID SECTION II;

THENCE NORTH 77° 17' 01" EAST WITH THE NORTH LINE OF THIS TRACT AND THE SOUTH LINE OF LOT NO. 129, A DISTANCE OF 91.16 FEET TO A 1/2 INCH IRON ROD FOUND FOR THE NORTHEAST CORNER OF THIS TRACT AND THE SOUTHWEST CORNER OF LOT NO. 129 AND IN THE WEST LINE OF LOT NO. 130;

THENCE SOUTH 12° 42' 59" EAST WITH THE EAST LINE OF THIS TRACT AND THE WEST LINE OF LOT NO. 130, A DISTANCE OF 70.00 FEET TO A 1/2 INCH IRON ROD FOR THE SOUTHWEST CORNER OF THIS TRACT AND THE SOUTHWEST CORNER OF LOT NO. 130 AND IN THE NORTH LINE OF LOT NO. 128;

THENCE SOUTH 66° 39' 24" WEST WITH THE SOUTH LINE OF THIS TRACT AND THE NORTH LINE OF LOT NO. 128, A DISTANCE OF 62.86 FEET TO THE PLACE OF BEGINNING, CONTAINING WITHIN SAID BOUNDARIES 0.1350 OF AN ACRE OF LAND, MORE OR LESS.

NOTE: The Company is prohibited from insuring the area or quantity of the Land. Any statement in the legal description contained in Schedule "A" as to area or quantity of land is not a representation that such area or quantity is correct but is for informal identification purposes and does not override Item 2 of Schedule B hereof.

TRACT 7: (EASEMENT ESTATE)

EASEMENT TO WATER WELL SITE: BEING 0.0209 OF AN ACRE OF LAND, MORE OR LESS, SITUATED IN THE ROBERT WISEMAN SURVEY, ABSTRACT NO. 29, CHAMBERS COUNTY, TEXAS, AND BEING OUT OF AND A PART

EXHIBIT A

EXHIBIT "A" Legal Description

OF A 117.537 ACRE TRACT OF LAND CALLED TRACT NO. 1 IN A DEED FROM GORDON W. SPEER, TRUSTEE TO WALLACE GRAY AND EDDIE V. GRAY DATED JUNE 30, 1976 AND RECORDED IN VOLUME 384 AT PAGE 581 OF THE DEED RECORDS OF CHAMBERS COUNTY, TEXAS. THIS 0.0209 OF AN ACRE OF LAND, MORE OR LESS, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS, TO-WIT:

COMMENCING AT AN IRON ROD FOUND AT THE INTERSECTION OF THE WEST LINE OF SAID 117.537 ACRE TRACT WITH THE SOUTH RIGHT OF WAY LINE OF WOODLAND LANE;

THENCE NORTH 84° 17' 58" EAST WITH THE SOUTH RIGHT OF WAY LINE OF SAID LANE, A DISTANCE OF 447.19 FEET TO A PI IN THE SOUTH RIGHT OF WAY LINE OF SAID LANE;

THENCE NORTH 84° 51' 11" EAST WITH THE SOUTH RIGHT OF WAY LINE OF SAID LANE, A DISTANCE OF 40.01 FEET TO AN 80D NAIL SET FOR THE NORTHWEST CORNER OF THIS TRACT OF LAND AND THE PLACE OF BEGINNING;

THENCE NORTH 84° 51' 11" EAST WITH THE NORTH LINE OF THIS TRACT AND THE SOUTH RIGHT OF WAY LINE OF SAID LANE, A DISTANCE OF 34.40 FEET TO AN 80D NAIL SET FOR THE NORTHEAST CORNER OF THIS TRACT OF LAND;

THENCE SOUTH 05° 08' 49" EAST WITH THE EAST LINE OF THIS TRACT, A DISTANCE OF 27.59 FEET TO A 1/2 INCH IRON ROD SET FOR THE SOUTHEAST CORNER OF THIS TRACT AND THE NORTHEAST CORNER OF A 0.0580 OF AN ACRE TRACT AROUND THE WATER TREATMENT PLANT;

THENCE SOUTH 88° 59' 07" WEST WITH THE SOUTH LINE OF THIS TRACT AND THE NORTH LINE OF SAID 0.0580 OF AN ACRE TRACT, A DISTANCE OF 34.75 FEET TO A 1/2 INCH IRON ROD SET FOR THE SOUTHWEST CORNER OF THIS TRACT AND THE MOST NORTHERN NORTHWEST CORNER OF SAID 0.0580 OF AN ACRE TRACT OF LAND;

THENCE NORTH 04° 32' 51" WEST WITH THE WEST LINE OF THIS TRACT A DISTANCE OF 25.09 FEET TO THE PLACE OF BEGINNING, CONTAINING WITHIN SAID BOUNDARIES 0.0209 OF AN ACRE OF LAND, MORE OR LESS.

NOTE: The Company is prohibited from insuring the area or quantity of the Land. Any statement in the legal description contained in Schedule "A" as to area or quantity of land is not a representation that such area or quantity is correct but is for informal identification purposes and does not override Item 2 of Schedule B hereof.

We hereby certify that this is a true and correct copy of the original instrument
ALAMO TITLE COMPANY
By: _____

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

ASSIGNMENT OF LEASES AND RENTS

THE STATE OF TEXAS §
 §
COUNTY OF CHAMBERS §

This Assignment of Leases and Rents ("Assignment") is entered into effective as of March 13, 2019, from NERRO SUPPLY, LLC, a Texas limited liability company (the "Owner") to ALLEGIANCE BANK (the "Lender").

RECITALS:

- A. Owner has applied to Lender for a loan in the original principal amount of \$2,900,000.00 (the "Loan").
- B. As a condition of the Loan, Lender requires Owner to transfer and assign to Lender, all of the rights of Owner, as lessor and landlord, in and to all rents, income, profits, benefits, advantages and guarantees, of every nature whatsoever, including all security deposits and other security therefor (collectively, the "Rents") to arise, accrue and be derived from any and all lease agreements (collectively, the "Leases") either presently or in the future in effect, whether written or oral, or any letting of or any agreement for the use or occupancy of any part of the certain real property located in Chambers County, Texas described in the attached **Exhibit "A"** (the "Property").
- C. Recognizing that but for this Assignment, Lender will not advance the funds represented by the Loan to Owner, Owner and Lender desire to confirm their understanding with respect to the assignment of the Leases and Rents.

AGREEMENT:

NOW, THEREFORE, in consideration of \$10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner and Lender agree as follows:

- 1. **Assignment.** Owner hereby GRANTS, TRANSFERS and ASSIGNS unto Lender, all of the Leases and Rents arising from the Property. Owner and Lender intend that this Assignment constitutes an assignment and security interest with regard to the Rents and Leases under Texas Property Code, Chapter 64, and a security agreement within the meaning of Chapter 9 of the Texas Business and Commerce Code.
- 2. **Indebtedness.** This Assignment is given as part of the consideration for the Loan and all other indebtedness owing by Owner to Lender, including, but not limited to, the following (collectively, the "Indebtedness"):
 - (a) Promissory Note of even date herewith (the "Note"), executed by Owner and payable to the order of Lender, in the amount of the Loan, bearing interest and being payable as therein provided, together with all modifications, renewals, rearrangements and extensions thereof.

- (b) Performance of all obligations of Owner under any instrument or agreement between Owner and Lender or among Owner, Lender and any third party pertaining to or securing the payment of the Note, including but not limited to the Loan Agreement ("Loan Agreement") of even date herewith, by and between Owner and Lender, together with all funds advanced by Lender to or for the benefit of Owner pursuant hereto or any other document securing or relating to the Indebtedness.
- (c) All other debts, obligations and liabilities of Owner to Lender of whatever kind or character, whether now existing or hereafter arising, secured or unsecured, direct or indirect, fixed or contingent, primary or secondary, joint or several or both, including, without limitation, all present and future debts, obligations and liabilities of Owner (i) as principal, surety, endorser, guarantor, accommodation party or otherwise, (ii) arising by operation of law or otherwise, (iii) as a member of any partnership, joint venture, firm, trust or other association, or (iv) payable to or in favor of third parties and hereafter acquired by Lender with or without the knowledge, consent or insistence of Owner. The payment of all such debts, obligations and liabilities of Owner shall not terminate this Assignment unless the lien created hereby is released by Lender, it being contemplated that Owner may from time to time become additionally indebted to Lender, all of which indebtedness shall be secured by this Assignment until the lien hereof is released by Lender.

3. **Representations and Warranties.** Owner represents and warrants that: (a) it owns the entire lessor's or landlord's interest in the Leases; (b) it has all necessary right, power and authority to make this Assignment; (c) the Leases are valid and enforceable and have not been altered, modified or amended in any manner whatsoever save as set forth therein; (d) the Lessees named therein are not in default under any of the terms, covenants or conditions thereof; (e) no Rents reserved in the Leases have been assigned or anticipated; and (f) no Rents for any period subsequent to the date of this Assignment have been collected in advance of the time when the same became due under the terms of the Leases in excess of one month, except prepayments in the nature of security for the performance of the lessee thereunder.

4. **Covenants.** Owner covenants (a) to observe and perform all of the obligations imposed upon the lessor or landlord in the Leases and not to do or permit to be done anything to impair the security thereof; (b) that no Rents reserved in the Leases will be anticipated or assigned; (c) not to collect any of the Rents accruing or to be derived from the Property in advance of the time when the same shall become due under the terms of the Leases in excess of one month, except prepayments in the nature of security for the performance of the lessee thereunder; (d) not to discount any future accruing Rents without first obtaining Lender's approval, such approval not to be unreasonably withheld, conditioned or delayed; (e) except where consistent with prudent business practices and in connection with a default by tenant thereunder, not to terminate or consent to the cancellation or surrender of any of the Leases, now or hereafter existing, except that any of the Leases may be canceled, provided that after the cancellation or surrender thereof, Owner shall use commercially reasonable efforts to secure a new lease with a new lessee having a credit standing, in the reasonable judgment of Lender, at least equivalent to that of the lessee whose lease was canceled, on substantially the same or better terms as the terminated or canceled lease, (f) except where consistent with prudent business practices, not to modify any of the Leases so as to shorten the unexpired term thereof or so as to decrease the amount of rent payable thereunder, and (g) not to execute any other assignment relating to the Rents, Leases or Property, except with the prior written consent of Lender.

5. **Revocable License.** Prior to the occurrence of any Event of Default (as defined below), and the expiration of any right to cure period in the Loan Agreement, Owner shall have a revocable license to collect, as trustee for the benefit of Lender, but not prior to their accrual, all of the Rents from the Leases and the Property. Owner hereby covenants to apply the Rents first, to the payment of interest and principal becoming due on the account of the Indebtedness, to the

satisfaction and discharge of the taxes and assessments upon the Property before payment of penalty or interest are due thereon, to the cost of such insurance, maintenance and repairs as may be required by the terms of the documents securing the Indebtedness and in satisfaction of all obligations under the Leases, all prior to the application by Owner of the Rents for any other purposes. Thereafter, Owner may use the balance of the Rents collected in any manner not inconsistent with the documents securing the Indebtedness. As used herein, the term "Event of Default" shall have the meaning assigned to such terms in the Loan Agreement.

6. **Termination of License.** Upon or at any time during the continuance of any Event of Default herein and the expiration of any right to cure period in the Loan Agreement, the license given by Lender to Owner above, shall, at the election of Lender, terminate and Lender, without in any way waiving such Event of Default, shall, at Lender's option, without the necessity of Lender entering upon and taking possession of the Property in person, by agent or court appointed receiver, immediately be entitled to possession of all Rents as the same become due and payable, including without limitation, Rents then due and unpaid, and all such Rents shall, immediately upon delivery of notice to Owner, be held by Owner as trustee for the benefit of Lender only. Owner agrees that commencing upon delivery of written notice, each tenant of the Property shall make the Rents payable to and pay such Rents to Lender or Lender's agents. Lender may make written demand to each tenant therefor either by delivering to each tenant personally, by mail or by delivering such demand to each rental unit, without any liability on the part of any tenant to inquire further as to the Event of Default. Lender shall apply such Rents to the payment in such order or priority as to any of the following items as Lender, in Lender's sole, but reasonable, discretion, may determine, any statute, law, custom or use to the contrary notwithstanding: (a) the reasonable cost of all such operations, renovations, repairs and replacements and expenses incident to the taking and retaining possession of the Property and the management and operation thereof, (b) all taxes, charges, claims, assessments, water rents and any other liens which may be prior in lien or payment to the Indebtedness evidenced by the Note, and premiums for insurance maintained with respect to the Property, with interest on all such items, and (c) on the Indebtedness, together with all costs and attorney's fees reasonably incurred by Lender.

7. **Remedies.** Upon the occurrence of any Event of Default and the expiration of any right to cure period in the Loan Agreement, Lender may in person, by agent or by a court appointed receiver, regardless of the adequacy of Lender's security, enter upon and take possession of the Property or any part thereof, in order to perform all acts necessary and appropriate for the operation and maintenance thereof, including, without limitation, the execution, cancellation or modification of the Leases, the collection of Rents, the making of repairs to the Property, and the execution or termination of contracts provided for the management or maintenance of the Property, all on such terms as are deemed best to protect the Property. In the event Lender elects to seek the appointment of a receiver for the Property in accordance with this paragraph, Owner consents to the appointment of such receiver. Lender or the receiver shall be entitled to receive a reasonable fee for so managing the Property.

8. **Cost of Collection.** If the Rents are not sufficient to meet the costs, if any, of taking control of and managing the Property and collecting the Rents, any funds expended by Lender for such purposes shall become part of the Indebtedness. Unless Lender and Owner agree in writing to other terms of payment, such amount shall be payable upon notice from Lender to Owner requesting payment thereof and shall accrue interest from the date of such disbursement at the rate stated in the Note, unless payment of such interest at such rate shall be contrary to applicable law, in which event such amount shall bear interest at the highest rate allowed under applicable law.

9. **No Excuse of Performance; Waiver.** No consent or waiver, express or implied, by Lender to or of any breach or default in the payment of the Indebtedness secured hereby or in the performance of any obligation, covenant herein shall be deemed a consent or waiver to any subsequent breach or default. Failure on the part of Lender to complain of, or to exercise any rights granted upon, any breach or default, irrespective of how long such failure continues, shall not constitute a waiver by Lender of Lender's rights hereunder. Lender may take or release other security, may release any party primarily or secondarily liable for any Indebtedness, may grant

extensions, renewals or indulgences with respect to such Indebtedness, and may apply any other security therefor held by Lender to the satisfaction of such Indebtedness without prejudice to any of Lender's rights hereunder. Nothing herein contained and no act done or admitted by Lender pursuant to the powers and rights granted Lender herein shall be deemed to be a waiver by Lender of Lender's rights and remedies under the Note and any instrument securing its payment, but this Assignment is made and accepted without prejudice to any of the rights and remedies possessed by Lender to collect the Indebtedness and any security therefor owned by Lender may be exercised by Lender either prior to, simultaneously with, or subsequent to any action taken by Lender hereunder.

10. **Lender's Obligations and Owner's Indemnity.** Lender shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge any obligation, duty or liability under the Leases, or under this Assignment, and Owner shall and does hereby agree, provided that Owner does not and shall not indemnify Lender for Lender's fraud, willful misconduct, or negligence, to indemnify Lender for and to hold Lender harmless of and from any and all liability, loss or damage, which Lender may or might incur under any of the Leases or under or by reason of this Assignment and of and from any and all claims and demand whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in the Leases. This indemnity shall not extend to or cover acts of fraud, willful misconduct, or gross negligence by Lender. Should Lender incur any such liability, loss or damage under the Leases, or under or by reason of this Assignment, or in defense of any such claims or demands, the amount thereof, including all reasonable costs, expenses and reasonable attorney's fees, shall be secured hereby and Owner shall reimburse Lender therefor immediately upon demand.

11. **Release of Assignment.** Upon the payment in full of all Indebtedness secured hereby, this Assignment shall become and be void and of no force and effect, but the affidavit, certificate, letter or statement of any officer of Lender showing any part of the Indebtedness remaining unpaid shall be and constitute conclusive evidence of the validity, effectiveness and continuing force of this Assignment, and any person may and is hereby authorized to rely thereon. The release of the Deed of Trust and Security Agreement (the "Deed of Trust") of even date herewith, executed by Owner for the benefit of Lender, shall constitute release and cancellation of this Assignment.

12. **Rights Cumulative; Conflict.** The assignment of the Leases and Rents contained in this Assignment is in addition to and not in lieu of, the collateral conveyance contained in the Deed of Trust securing the Note. It is the intent of Owner and Lender that no conflict exist between the assignment contained in this Assignment and the collateral conveyance contained in the Deed of Trust. However, if and to the extent a conflict is perceived to exist as to the Leases or the Rents, such conflict shall be resolved in favor of the assignment in this Assignment.

13. **Successors and Assigns.** This Assignment shall be binding upon Owner, Owner's heirs, representatives, successors and/or permitted assigns, and all parties claiming or occupying the Property or any portion thereof, by, through or under Owner. The rights herein granted shall extend to Lender and Lender's successors and assigns. Whenever used in this document, unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, the pronouns of any gender shall include all other genders, and either the singular or plural shall include the other.

14. **Invalid Provisions.** If any provision of this Assignment or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Assignment and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforceable to the maximum extent permitted by applicable law.

15. **Applicable Law.** THE LAWS OF THE STATE OF TEXAS SHALL APPLY TO THIS ASSIGNMENT AND ITS CONSTRUCTION AND INTERPRETATION SHALL BE ENFORCEABLE IN CHAMBERS COUNTY, TEXAS.

16. **Notice.** Except as otherwise provided herein, all notices, demands, requests, and other communications required or permitted hereunder shall be given in writing and sent by (i) personal delivery, or (ii) expedited delivery service with proof of delivery, or (iii) United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed to the addressee at such party's address set forth in the Note, or to such other address as such party may specify by written notice, sent in accordance with this paragraph. Any such notice or communication shall be deemed to have been given and received either at the time of personal delivery, or in the case of mail, as of the date 3 business days after deposit in an official depository of the United States mail, or in the case of delivery service, upon receipt. To the extent actual receipt is required, rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was received shall be deemed to be receipt of the notice, demand, request or other communication sent.

17. **Counterparts.** This Assignment may be executed by email or facsimile (faxed) signatures and in several or separate counterparts, each of which shall be an original, but all of which, taken together, shall be deemed to constitute one and the same agreement. Production any counterpart other than the one to be enforced shall not be required.

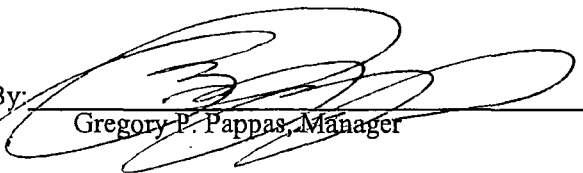
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**SIGNATURE PAGE TO
ASSIGNMENTS OF LEASES AND RENTS**

IN WITNESS WHEREOF, the undersigned has duly executed this Assignment as of the date of the acknowledgment set forth below, to be effective for all purposes, however, as of the date first above written.

OWNER:

NERRO SUPPLY, LLC

By: 
Gregory P. Pappas, Manager

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

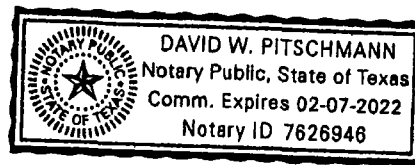
This instrument was acknowledged before me on March 13, 2019, by Gregory P. Pappas, Manager, for and on behalf of NERRO SUPPLY, LLC, a Texas limited liability company.



NOTARY PUBLIC, STATE OF TEXAS

ADDRESS OF OWNER:

NERRO SUPPLY, LLC
11131 McCracken Circle, Suite A
Cypress, Texas 77429



ADDRESS OF LENDER:

ALLEGIANCE BANK
8727 West Sam Houston Parkway North
Houston, Texas 77040

AFTER RECORDING, RETURN TO:

ALAMO TITLE COMPANY
1800 Bering Drive, Suite 150
Houston, Texas 77057
Attn: David Pitschmann/Pamela Hodge
G. F. No. ATCH18078376DP

TRACT 4:

EXHIBIT A

SEWER TREATMENT PLANT: BEING 0.5355 OF AN ACRE OF LAND, MORE OR LESS, SITUATED IN THE ROBERT WISEMAN SURVEY, ABSTRACT NO. 29, CHAMBERS COUNTY, TEXAS, AND BEING OUT OF AND A PART OF A 117.537 ACRE TRACT OF LAND CALLED TRACT NO. 1 IN A DEED FROM GORDON W. SPEER, TRUSTEE TO WALLACE GRAY AND EDDIE V. GRAY DATED JUNE 30, 1976 AND RECORDED IN VOLUME 384 AT PAGE 581 OF THE DEED RECORDS OF CHAMBERS COUNTY, TEXAS, AND BEING OUT OF AND A PART OF A SO-CALLED 70.251 ACRE TRACT OF LAND CONVEYED TO EDDIE V. GRAY, TRUSTEE BY WILLIAM H. CRAIG BY DEED RECORDED IN VOLUME 366 AT PAGE 363 OF THE DEED RECORDS OF CHAMBERS COUNTY, TEXAS. SAID 0.5355 OF AN ACRE OF LAND, MORE OF LESS, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS, TO-WIT:

BEGINNING AT AN IRON ROD FOUND FOR CORNER OF THIS TRACT OF LAND AT THE INTERSECTION OF THE WEST LINE OF SAID 117.537 ACRE TRACT AND THE EAST LINE OF SAID 70.251 ACRE TRACT OF LAND WITH THE SOUTH LINE OF WOODLAND LANE, A COUNTY ROAD AND FROM THIS POINT, A UNITED STATES CORPS OF ENGINEERS BRASS DISC FOUND FOR A CORNER OF SAID 70.21 ACRE TRACT OF LAND IN THE SOUTH LINE OF WOODLAND LANE BEARS SOUTH 84° 14' 05" WEST 175.41 FEET;

THENCE NORTH 84° 17' 58" EAST WITH THE NORTH LINE OF THIS TRACT AND THE SOUTH LINE OF SAID LANE, A DISTANCE OF 40.65 FEET TO A 1/2 INCH IRON ROD SET FOR THE EAST CORNER OF THIS TRACT OF LAND

EXHIBIT A

EXHIBIT "A" Legal Description

ON THE WEST BANK OF A DRAIN DITCH;

THENCE WITH THE SOUTHEAST LINE OF THIS TRACT AND THE WEST BANK OF SAID DRAIN DITCH THE FOLLOWING COURSES:

SOUTH 42° 06' 38" WEST 58.77 FEET; SOUTH 14° 12' 06" WEST 160.14 FEET; SOUTH 30° 23' 31" WEST 48.30 FEET TO A 1/2 INCH IRON ROD SET FOR THE SOUTH CORNER OF THIS TRACT OF LAND IN THE SOUTHWEST LINE OF SAID 117.537 ACRE TRACT OF LAND AND THE NORTHEAST LINE OF THE UNITED STATES TRACT OF LAND;

THENCE NORTH 27° 04' 00" WEST WITH THE SOUTHWEST LINE OF THIS TRACT AND THE SOUTHWEST LINE OF SAID 117.537 ACRE TRACT, AT 69.21 FEET FOUND A 5/8 INCH IRON ROD IN LINE FOR THE SOUTHWEST CORNER OF SAID 117.537 ACRE TRACT AND THE SOUTHEAST CORNER OF SAID 70.251 ACRE TRACT OF LAND, CONTINUING ON WITH THE SOUTHWEST LINE OF THIS TRACT AND THE SOUTHWEST LINE OF SAID 70.251 ACRE TRACT, A TOTAL DISTANCE OF 245.77 FEET TO A UNITED STATES CORPS OF ENGINEERS BRASS DISC FOR THE WEST CORNER OF THIS TRACT OF LAND AND A CORNER OF SAID 70.251 ACRE TRACT IN THE SOUTH RIGHT OF WAY LINE OF SAID LANE;

THENCE NORTH 84° 14' 05" EAST WITH THE NORTH LINE OF THIS TRACT AND THE SOUTH RIGHT OF WAY LINE OF SAID LANE, A DISTANCE OF 175.41 FEET TO THE PLACE OF BEGINNING, CONTAINING WITHIN SAID BOUNDARIES 0.5355 OF AN ACRE OF LAND, MORE OR LESS.

NOTE: The Company is prohibited from insuring the area or quantity of the Land. Any statement in the legal description contained in Schedule "A" as to area or quantity of land is not a representation that such area or quantity is correct but is for informal identification purposes and does not override Item 2 of Schedule B hereof.

TRACT 5:

WATER TREATMENT PLANT: BEING 0.0580 OF AN ACRE OF LAND, MORE OR LESS, SITUATED IN THE ROBERT WISEMAN SURVEY, ABSTRACT NO. 29, CHAMBERS COUNTY, TEXAS, AND BEING OUT OF AND A PART OF A 117.537 ACRE TRACT OF LAND CALLED TRACT NO. 1 IN A DEED FROM GORDON W. SPEER, TRUSTEE TO WALLACE GRAY AND EDDIE V. GRAY DATED JUNE 30, 1976 AND RECORDED IN VOLUME 384 AT PAGE 581 OF THE DEED RECORDS OF CHAMBERS COUNTY, TEXAS. THIS 0.0580 OF AN ACRE, MORE OR LESS, ENCOMPASSES THE EXISTING WATER TREATMENT PLANT FOR WOODLAND ACRES SUBDIVISION AND IS MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS, TO-WIT:

COMMENCING AT AN IRON ROD FOUND AT THE INTERSECTION OF THE WEST LINE OF SAID 117.537 ACRE TRACT WITH THE SOUTH RIGHT OF WAY LINE OF WOODLAND LANE;

THENCE NORTH 84° 17' 58" EAST WITH THE SOUTH RIGHT OF WAY LINE OF SAID LANE, A DISTANCE OF 447.19 FEET TO A PI IN THE SOUTH RIGHT OF WAY LINE OF SAID LANE;

THENCE NORTH 84° 51' 11" EAST WITH THE SOUTH RIGHT OF WAY LINE OF SAID LANE, A DISTANCE OF 74.05 FEET TO A POINT;

THENCE SOUTH 05° 08' 49" EAST A DISTANCE OF 27.59 FEET TO A 1/2 INCH IRON ROD SET FOR THE NORTHEAST CORNER OF THIS TRACT OF LAND AND THE PLACE OF BEGINNING;

THENCE SOUTH 05° 08' 49" EAST WITH THE EAST LINE OF THIS TRACT, A DISTANCE OF 54.30 FEET TO A 1/2 INCH IRON ROD SET FOR THE SOUTHEAST CORNER OF THIS TRACT OF LAND;

THENCE NORTH 79° 23' 40" WEST WITH THE SOUTH LINE OF THIS TRACT, A DISTANCE OF 62.53 FEET TO A 1/2 INCH IRON ROD SET FOR THE SOUTHWEST CORNER OF THIS TRACT OF LAND;

THENCE NORTH 04° 32' 51" WEST WITH THE WEST LINE OF THIS TRACT, A DISTANCE OF 26.83 FEET TO A 1/2 INCH IRON ROD SET FOR THE MOST WESTERN NORTHWEST CORNER OF THIS TRACT OF LAND, 1 FOOT

EXHIBIT A

EXHIBIT "A" Legal Description

SOUTH OF AN EXISTING OFFICE BUILDING;

THENCE NORTH 85° 01' 22" EAST WITH THE NORTH LINE OF THIS TRACT AND 1 FOOT SOUTH OF AN EXISTING OFFICE BUILDING, A DISTANCE OF 25.10 FEET TO A 1/2 INCH IRON ROD SET FOR A CORNER OF THIS TRACT OF LAND;

THENCE NORTH 04° 32' 51" WEST WITH THE WEST LINE OF THIS TRACT AND 1 FOOT EAST OF AN EXISTING BUILDING, A DISTANCE OF 13.07 FEET TO A 1/2 INCH IRON ROD SET FOR THE MOST NORTHERN NORTHWEST CORNER OF THIS TRACT OF LAND;

THENCE NORTH 88° 59' 07" EAST WITH THE NORTH LINE OF THIS TRACT OF LAND AND A CHAIN LINK FENCE, A DISTANCE OF 34.75 FEET TO THE PLACE OF BEGINNING, CONTAINING WITHIN SAID BOUNDARIES 0.580 OF AN ACRE OF LAND, MORE OR LESS.

NOTE: The Company is prohibited from insuring the area or quantity of the Land. Any statement in the legal description contained in Schedule "A" as to area or quantity of land is not a representation that such area or quantity is correct but is for informal identification purposes and does not override Item 2 of Schedule B hereof.

TRACT 6:

WATER WELL SITE: BEING 0.1350 OF AN ACRE OF LAND, MORE OR LESS, SITUATED IN THE ROBERT WISEMAN SURVEY, ABSTRACT NO. 29, CHAMBERS COUNTY, TEXAS, AND BEING OUT OF AND A PART OF WOODLAND ACRES SECTION NO. 11, AS SHOWN ON THE OFFICIAL REPLAT OF SAME RECORDED IN VOLUME "B" AT PAGE 64 OF THE PLAT RECORDS OF CHAMBERS COUNTY, TEXAS. THIS 0.1350 OF AN ACRE OF LAND, MORE OR LESS, IS MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS, TO-WIT:

BEGINNING AT A 1/2 INCH IRON ROD FOUND FOR THE SOUTHWEST CORNER OF THIS TRACT OF LAND AND THE NORTHWEST CORNER OF LOT NO. 128 OF SAID SECTION 11 AND IN THE EAST LINE OF SHADY LANE, A 70 FOOT STREET;

THENCE NORTH 32° 31' 04" WEST WITH THE WEST LINE OF THIS TRACT AND THE EAST LINE OF SHADY LANE, A DISTANCE OF 86.72 FEET TO A 1/2 INCH IRON ROD FOUND FOR THE NORTHWEST CORNER OF THIS TRACT AND THE SOUTHWEST CORNER OF LOT NO. 129 OF SAID SECTION II;

THENCE NORTH 77° 17' 01" EAST WITH THE NORTH LINE OF THIS TRACT AND THE SOUTH LINE OF LOT NO. 129, A DISTANCE OF 91.16 FEET TO A 1/2 INCH IRON ROD FOUND FOR THE NORTHEAST CORNER OF THIS TRACT AND THE SOUTHEAST CORNER OF LOT NO. 129 AND IN THE WEST LINE OF LOT NO. 130;

THENCE SOUTH 12° 42' 59" EAST WITH THE EAST LINE OF THIS TRACT AND THE WEST LINE OF LOT NO. 130, A DISTANCE OF 70.00 FEET TO A 1/2 INCH IRON ROD FOR THE SOUTHEAST CORNER OF THIS TRACT AND THE SOUTHWEST CORNER OF LOT NO. 130 AND IN THE NORTH LINE OF LOT NO. 128;

THENCE SOUTH 66° 39' 24" WEST WITH THE SOUTH LINE OF THIS TRACT AND THE NORTH LINE OF LOT NO. 128, A DISTANCE OF 62.86 FEET TO THE PLACE OF BEGINNING, CONTAINING WITHIN SAID BOUNDARIES 0.1350 OF AN ACRE OF LAND, MORE OR LESS.

NOTE: The Company is prohibited from insuring the area or quantity of the Land. Any statement in the legal description contained in Schedule "A" as to area or quantity of land is not a representation that such area or quantity is correct but is for informal identification purposes and does not override Item 2 of Schedule B hereof.

TRACT 7: (EASEMENT ESTATE)

EASEMENT TO WATER WELL SITE: BEING 0.0209 OF AN ACRE OF LAND, MORE OR LESS, SITUATED IN THE ROBERT WISEMAN SURVEY, ABSTRACT NO. 29, CHAMBERS COUNTY, TEXAS, AND BEING OUT OF AND A PART

EXHIBIT A

EXHIBIT "A"

Legal Description

OF A 117.537 ACRE TRACT OF LAND CALLED TRACT NO. 1 IN A DEED FROM GORDON W. SPEER, TRUSTEE TO WALLACE GRAY AND EDDIE V. GRAY DATED JUNE 30, 1976 AND RECORDED IN VOLUME 384 AT PAGE 581 OF THE DEED RECORDS OF CHAMBERS COUNTY, TEXAS. THIS 0.0209 OF AN ACRE OF LAND, MORE OR LESS, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS, TO-WIT:

COMMENCING AT AN IRON ROD FOUND AT THE INTERSECTION OF THE WEST LINE OF SAID 117.537 ACRE TRACT WITH THE SOUTH RIGHT OF WAY LINE OF WOODLAND LANE;

THENCE NORTH 84° 17' 58" EAST WITH THE SOUTH RIGHT OF WAY LINE OF SAID LANE, A DISTANCE OF 447.19 FEET TO A PI IN THE SOUTH RIGHT OF WAY LINE OF SAID LANE;

THENCE NORTH 84° 51' 11" EAST WITH THE SOUTH RIGHT OF WAY LINE OF SAID LANE, A DISTANCE OF 40.01 FEET TO AN 80D NAIL SET FOR THE NORTHWEST CORNER OF THIS TRACT OF LAND AND THE PLACE OF BEGINNING;

THENCE NORTH 84° 51' 11" EAST WITH THE NORTH LINE OF THIS TRACT AND THE SOUTH RIGHT OF WAY LINE OF SAID LANE, A DISTANCE OF 34.40 FEET TO AN 80D NAIL SET FOR THE NORTHEAST CORNER OF THIS TRACT OF LAND;

THENCE SOUTH 05° 08' 49" EAST WITH THE EAST LINE OF THIS TRACT, A DISTANCE OF 27.59 FEET TO A 1/2 INCH IRON ROD SET FOR THE SOUTHEAST CORNER OF THIS TRACT AND THE NORTHEAST CORNER OF A 0.0580 OF AN ACRE TRACT AROUND THE WATER TREATMENT PLANT;

THENCE SOUTH 88° 59' 07" WEST WITH THE SOUTH LINE OF THIS TRACT AND THE NORTH LINE OF SAID 0.0580 OF AN ACRE TRACT, A DISTANCE OF 34.75 FEET TO A 1/2 INCH IRON ROD SET FOR THE SOUTHWEST CORNER OF THIS TRACT AND THE MOST NORTHERN NORTHWEST CORNER OF SAID 0.0580 OF AN ACRE TRACT OF LAND;

THENCE NORTH 04° 32' 51" WEST WITH THE WEST LINE OF THIS TRACT A DISTANCE OF 25.09 FEET TO THE PLACE OF BEGINNING, CONTAINING WITHIN SAID BOUNDARIES 0.0209 OF AN ACRE OF LAND, MORE OR LESS.

NOTE: The Company is prohibited from insuring the area or quantity of the Land. Any statement in the legal description contained in Schedule "A" as to area or quantity of land is not a representation that such area or quantity is correct but is for informal identification purposes and does not override Item 2 of Schedule B hereof.

Date: March 13, 2019

Lender: ALLEGIANCE BANK
8727 West Sam Houston Parkway North
Houston, Texas 77040

Borrower: NERRO SUPPLY, LLC, a Texas limited liability company
11131 McCracken Circle, Suite A
Cypress, Texas 77429

Property: (i) 0.300 acres, William Cooper Survey, Harris County, Texas;
(ii) 0.138 acres, William Cooper Survey, Harris County, Texas;
(iii) 0.041 acres, William Cooper Survey, Harris County, Texas;
(iv) Sewer treatment plant and 0.5355 acres, Robert Wiseman Survey,
Chambers County, Texas;
(v) Water treatment plant and 0.0580 acres, Robert Wiseman Survey,
Chambers County, Texas;
(vi) Water Well Site on 0.1350 acres, Robert Wiseman Survey,
Chambers County, Texas; and
(vii) Easement to water well site, being 0.0209 acres, Robert Wiseman
Survey, Chambers County, Texas

a/k/a (Maple Leaf) 9716 Birds Eye Maple Lane, 9512 Sugar Maple Street
A, 9645 Maple Leaf Drive, 9516 Red Maple Drive A, 9530 Rustling
Maple, 9702 Zaka Road, Harris County, Texas; (Oakland) 9915
Zaka Road, Harris County, Texas; and (Woodland Acres) 4914
Riverview Drive, 4918 Woodland Lane, 4916 Blackberry Lane,
4805 Danny Lane, and 4918 1/3 Woodland Lane, Chambers County,
Texas.

Loan Amount: \$1,200,000.00

ACCEPTANCE OF PROPERTY CONDITION AGREEMENT

Borrower states that Borrower is familiar with the Property and has accepted the condition thereof.

Borrower has received, reviewed, and approved a copy of the survey or plat of the Property and is aware of the indicated encroachments, protrusions, easements, limitations, access, dimensions, and/or other conditions shown on the survey or plat. Borrower further certifies that Borrower has received a copy of Commitment for Title Insurance and that Borrower has reviewed and consents to all of the exceptions to title which will appear in the Borrower's Owner's Title Policy for the Property.

In consideration of Lender making a loan to Borrower, Borrower agrees to indemnify and hold Lender harmless from any claims, costs, damages, causes of action and expenses including reasonable attorney's fees, in any way arising as a result of the Property condition or any matters indicated in the survey or the plat, the exceptions stated in the Commitment for Title Insurance, and/or the Owner's Title Policy, it being acknowledged, however, that in no event shall Borrower be deemed to indemnify Lender from its own fraud, willful misconduct, or gross negligence. The matters acknowledged in this Agreement are to the best of Borrower's knowledge and belief, and nothing in this Agreement is intended to be construed as a waiver of any claims, damages, causes of action, or rights under any warranty, express or implied, against any party other than Lender, and its successors and assigns.

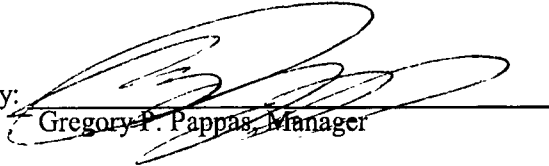
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**SIGNATURE PAGE TO
ACCEPTANCE OF PROPERTY CONDITION AGREEMENT**

BORROWER:

NERRO SUPPLY, LLC

By:


Gregory P. Pappas, Manager

UNLIMITED GUARANTY AGREEMENT

This Unlimited Guaranty Agreement ("Guaranty") is entered into effective as of March 13, 2018, by BLACKSWAN WATER RESOURCES, LLC, a Texas limited liability company (the "Guarantor") for the benefit of ALLEGIANCE BANK (the "Lender").

1. For and in consideration of the sum of \$10.00 and other good and valuable considerations in hand paid to Guarantor, the receipt and sufficiency of which consideration are hereby acknowledged, and for the purpose of enabling NERRO SUPPLY, LLC, a Texas limited liability company (te "Borrower"), to borrow certain funds from Lender, and recognizing that Guarantor has benefitted or shall benefit, directly or indirectly, from the making of such loan from Lender to Borrower, that such loan is in the best interests of Guarantor, and that but for this Guaranty such loan would not be made by Lender to Borrower and the funds advanced thereunder, Guarantor, irrevocably, absolutely, and unconditionally guarantees to Lender the prompt payment when due at maturity of the following (collectively, the "Obligations"): (i) all indebtedness and obligations of any kind of Borrower to Lender (and also to others to the extent of participations granted them by Lender), now outstanding or owing or which may hereafter be executed or incurred directly between Borrower and Lender or acquired outright, as a participation, conditionally or as collateral security from another by Lender, absolute or contingent, joint and/or several, secured or unsecured, due or not due, arising by operation of law or otherwise, direct or indirect, including indebtedness, obligations, and liabilities of Borrower to Lender as a member of any partnership, syndicate, association, or other group, and whether incurred by Borrower as principal, surety, endorser, guarantor, accommodation party, or otherwise, including, but not limited to all sums arising out of or under that certain Promissory Note of even date herewith, in the principal amount of \$1,200,000.00, executed by Borrower and payable to the order of Lender (the "Note"), including all principal, interest, charges, and reasonable attorneys' fees which may be or become due or owing on or under or in connection with the Note, and all renewals, rearrangements, extensions, modifications, and consolidations thereof and of any part thereof; (ii) all sums due to or to become due pursuant to any covenant, agreement, and other obligation undertaken by Borrower in all instruments governing, securing, or pertaining to the Note (collectively, the "Loan Documents"), including, but not limited to the Loan Agreement ("Loan Agreement") of even date, between Borrower and Lender and (iii) all reasonable and bona fide costs, attorneys' fees, and expenses incurred or expended by Lender due to any default in the performance under the Note or Loan Documents, or in enforcing any right granted thereunder or under this Guaranty.

2. All amounts becoming payable by Guarantor to Lender under this Guaranty shall be payable at Lender's offices in Houston, Texas, or such other place as Lender may from time to time designate.

3. In each event whenever any of the Obligations shall become due and remain unpaid (howsoever the maturity thereof may have occurred), after giving effect to any notice and cure provisions contained in the Loan Agreement, Guarantor will, on demand, pay the amount due thereon by Guarantor to Lender, without further notice of dishonor and without any notice having been given to Guarantor previous to such demand of the acceptance by Lender of this Guaranty or of the creating or incurring of such indebtedness. Guarantor shall be liable as a primary obligor for the payment and performance of the Obligations. Guarantor specifically agrees that, except as otherwise provided in the Loan Documents, it shall not be necessary or required, in order to enforce Guarantor's obligations under this Guaranty, that Lender have made demand for payment upon Borrower or any other person or entity liable thereon or have made protest thereof or have given notice to Borrower or any other party liable thereon of maturity or nonpayment of the Obligations.

4. Guarantor specifically waives (a) any notice of: (i) acceptance of this Guaranty by Lender, (ii) the creation, advancement, existence, extension, renewal, modification, consolidation, or the rearrangement from time to time of the Obligations, (iii) the increase from time to time in the principal amount on the Obligations, (iv) the increase or reduction from time to time of the rate of interest thereon, (v) any indulgence from time to time with respect to the Obligations, or any part thereof, and (vi) nonpayment of or default on the Obligations, (b) grace, demand, protest, presentment, (c) notice of demand, protest, and presentment with respect to the Obligations, and (d) notice of the amount of the Obligations outstanding at any time. Guarantor agrees that the maturity of the Obligations, or any part thereof, may be accelerated, extended, modified, amended, or renewed from time to time or any other indulgence may be granted with respect thereto by Lender at its will or as may be agreed by Borrower without notice to or further consent by Guarantor, at any time or times.

5. Guarantor agrees that: (i) no renewal, extension, modification, consolidation, or rearrangement of or any other indulgence, forbearance or compromise with respect to the Obligations, or any part thereof; (ii) no increase in the principal amount thereof; (iii) no increase or reduction of the rate of interest thereon; (iv) no release, withdrawal, substitution, surrender, subordination, exchange, deterioration, waste or other impairment of any security or collateral or other guaranty now or hereafter held by Lender for payment of the Obligations, or of any part thereof; (v) no release of Borrower, any co-guarantor, or of any other person primarily or secondarily liable on the obligations, or any part thereof; and (vi) no delay or omission or lack of diligence or care in exercising any right or power with respect to the Obligations or any security or collateral therefor or guaranty thereof or under this Guaranty shall in any manner impair, diminish or affect the rights of Lender or the Obligations and the liability of Guarantor hereunder. Guarantor specifically agrees that it shall not be necessary or required, and that Guarantor shall not be entitled to require, that Lender mitigate damages (except to the extent required under the Loan Documents), or file suit or proceed to obtain or assert a claim for personal judgment against Borrower for the Obligations, or make any effort at collection of the Obligations from Borrower, or foreclose against or seek to realize upon any security or collateral now or hereafter existing for the Obligations, or file suit or proceed to obtain or assert a claim for personal judgment against any other party (whether maker, guarantor, endorser or surety) liable for the Obligations, or make any effort at collections of the Obligations from any such other party, or exercise or assert any other right or remedy to which Lender is or may be entitled in connection with the Obligations or any security or collateral or other guaranty therefor, or assert or file any claim against the assets or estate of Borrower or any other guarantor or other person liable for the Obligations, or any part thereof, before or as a condition of enforcing the liability of Guarantor under this Guaranty or requiring payment of the Obligations by Guarantor hereunder, or at any time thereafter. Guarantor expressly waives any right to the benefit of or to require or control application of any security or collateral or the proceeds of any security or collateral now existing or hereafter obtained by Lender as security for the Obligations, or any part thereof, and agrees that Lender shall have no duty insofar as Guarantor is concerned to apply upon any of the Obligations any monies, payments or other property at any time received by or paid to or in the possession of Lender, except as Lender shall determine in its sole discretion. Except as specifically provided herein, Guarantor specifically agrees that Guarantor shall not have any recourse or action against Lender by reason of any action Lender may take or omit to take in connection with the Obligations, the collection of any sums or amounts herein mentioned, or in connection with any security or collateral or any other guaranty at any time existing therefor.

6. Guarantor agrees to each of the terms, provisions, and conditions of the instruments evidencing the loan to Borrower and of any renewal, modification, consolidation, or rearrangement instruments or other agreements which may have been or may hereafter be executed by Borrower

from time to time evidencing or in connection with the Obligations or any part thereof, and agrees that Guarantor's liability hereunder shall in no manner be affected, reduced, impaired or released by reason of any term, provision or condition of any such note or other agreement or by the failure, refusal or omission of Lender to enforce or observe any of same or any forbearance or compromise made by Lender or any action taken or omitted to be taken by Lender pursuant thereto or in connection therewith. Guarantor agrees that the provisions of this Paragraph shall survive any exercise of the power of sale granted in any instrument securing the Obligations, any foreclosure of the liens created by any of the instruments securing the Obligations, any conveyance in lieu of any such foreclosure, the repayment of the Obligations, and the discharge and release of all liens, rights, and interests securing payment of the Obligations.

7. Guarantor absolutely and unconditionally covenants and agrees that: (i) in the event that Borrower does not or is unable to pay or perform the Obligations for any reason including, without limitation, liquidation, dissolution, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition or readjustment or other similar proceedings affecting the status, composition, identity, existence, assets or obligations of Borrower, or the disaffirmance or termination of any of the Obligations in or as a result of any such proceedings; and/or (ii) if all or any part of the Obligations (or any instrument or agreement made or executed in connection therewith) is for any reason found to be invalid, illegal, unenforceable, uncollectible or legally impossible, for any reason whatsoever (including, without limiting the generality of the foregoing, upon the grounds that the payment and/or performance of the Obligations is ultra vires or otherwise without authority, may violate applicable usury laws, is subject to valid defenses, claims or offsets of Borrower, or any instrument evidencing any of the Obligations is forged or otherwise irregular), then in any such case Guarantor shall pay and perform the Obligations as herein provided and that no such occurrence shall in any way diminish or otherwise affect Guarantor's obligations hereunder. All indebtedness of Borrower to Guarantor, whether now existing or hereafter arising (including indebtedness arising from this Guaranty) is hereby subordinated to the Obligations and all liens or security interest held by Guarantor shall be subordinate to liens and security interest of Lender in all collateral securing the Obligations.

8. Should the status, composition, structure or name of Borrower change, including, but not limited to, by reason of a merger, dissolution, consolidation or reorganization, this Guaranty shall continue and also cover the indebtedness and Obligations of Borrower under the new status, composition structure or name according to the terms hereof. If Borrower is a general or limited partnership, no termination of said partnership, nor withdrawal therefrom or termination of any ownership interest therein owned, by any general or limited partner of such partnership shall alter, limit or modify Guarantor's obligations set forth in this Guaranty or otherwise affect this Guaranty in any manner whatsoever, all of which obligations of Guarantor shall remain in effect as herein written.

9. In the event any payment from Borrower to Lender is held to constitute a preference under the bankruptcy laws, or if for any other reason Lender is required to refund such payment or pay the amount thereof to any other party, such payment by Borrower to Lender shall not constitute a release of Guarantor from any liability hereunder, but Guarantor agrees to pay such amount to Lender upon demand and this Guaranty shall continue to be effective or shall be reinstated, as the case may be, to the extent of any such payment or payments.

10. All payments made upon the Obligations at any time shall be deemed to have been paid by Borrower unless express notice in writing is given to Lender at the time of payment by Guarantor that Lender has been paid by Guarantor. The payment by Guarantor of any amount pursuant to this Guaranty shall not in anywise entitle Guarantor to any right, title, or interest

(whether by way of subrogation or otherwise) in and to any of the Obligations or any proceeds thereof, or any security or collateral therefor, unless and until the full amount owing to Lender on the Obligations has been fully paid, but when the same has been fully paid, Guarantor shall be subrogated as to any payments made by it to the rights of Lender as against Borrower and/or any endorsers, sureties or other guarantors of the Obligations.

11. Guarantor waives (a) marshaling of assets and liabilities, (b) sale in inverse order of alienation, and (c) all defenses given to sureties or guarantors at law or in equity, including any rights under (i) Rule 31 of the Texas Rules of Civil Procedure, as amended, and (ii) Section 17.001 and Chapter 34 of the Texas Civil Practice & Remedies (except rights under Section 34.004), other than actual payment of the indebtedness and performance of the actions constituting the Obligations. The failure by Lender to file or enforce a claim against the estate (either in administration, bankruptcy, or other proceeding) of Borrower or any other person primarily or secondarily liable for the Obligations or of any other or others shall not affect the liability of Guarantor hereunder.

12. This Guaranty is intended to be an absolute and unconditional guaranty of payment and not of collection for and shall inure to the benefit of Lender and each and every other person who shall from time to time be or become the owner or holder of any of the Obligations, and each and every reference herein to Lender shall also include and refer to each and every successor or assignee of Lender at any time holding or owning any part of or interest in any part of the Obligations. This Guaranty shall be transferable by Lender, it being understood and stipulated that upon the assignment or transfer by Lender of any of the Obligations (or any part thereof or interest therein thus transferred or assigned by Lender), such transferee shall also, unless provided otherwise by Lender in its assignment, have and may exercise all the rights granted to Lender under this Guaranty to the extent of the part of or interest in the Obligations thus assigned or transferred to said person. The Guarantor expressly waives notice of transfer or assignment of the Obligations, or any part thereof, or of the rights of Lender hereunder.

13. If any of the following events shall occur or be continuing, then an event of default under this Guaranty shall have occurred:

(a) An event of default occurs under the terms of the Obligations and continues beyond any time provided therein for the cure of such default;

(b) If Guarantor defaults in the performance or observance of any agreement, covenant, term or condition contained herein;

(c) If (i) Guarantor shall apply for or consent in writing to the appointment of a receiver, trustee or liquidator of Guarantor, or (ii) Guarantor shall file a voluntary petition in bankruptcy, or admit in writing Guarantor's inability to pay its or his debts as they come due, or (iii) Guarantor shall make a general assignment for the benefit of creditors, or (iv) Guarantor shall file a petition or answer seeking reorganization or rearrangement with creditors or taking advantage of any insolvency law, or (v) Guarantor shall file an answer admitting the material allegations of a petition filed against it or him in any bankruptcy, reorganization, insolvency or similar proceeding, or (vi) an order, judgment or decree shall be entered by any court of competent jurisdiction, or by any other duly authorized authority, on the application of a creditor or otherwise, adjudicating Guarantor as bankrupt or insolvent or approving a petition seeking reorganization of Guarantor or appointing a receiver, trustee or liquidator of all or any substantial part of the assets of Guarantor and if such action is involuntary and is not dismissed within 60 days from the filing thereof, or

(v) an order, judgment or decree shall continue unstayed and in effect for any period of 30 consecutive days;

(d) If Guarantor is an entity, the liquidation, dissolution, merger, or consolidations of such entity; or

(e) If an individual Guarantor dies (in which event this Guaranty shall be binding upon such Guarantor's estate, legal representatives, and heirs); provided, however, the death of such Guarantor shall not be deemed an event of default unless and until 60 days have elapsed after the last day for filing a claim in such person's estate; provided further, prior to that 60th day, (x) the executor, administrator, or the court administering the estate has not allowed and/or approved the claim of Lender; or (y) all of the distributees of such estate or part thereof (by an instrument approved in form and substance by Lender) either (i) jointly and severally assuming all of such deceased Guarantor's obligations hereunder, or (ii) additionally securing the payment of the Obligations (but without any personal liability on such distributee's part) by pledging, mortgaging, or otherwise creating a first lien on a portion of the assets of such estate valued by a qualified appraiser approved by Lender, at not less than the amount of the Obligations.

Upon the occurrence of an event of default, Lender shall give Guarantor notice, simultaneously with the giving of notice to Borrower as provided in the Loan Agreement, and if such default is not cured within any applicable right to cure period provided in the Loan Agreement, Lender may, at its option, declare the Obligations to be, and the Obligations shall thereupon be and become forthwith, due and payable together with the interest accrued thereon under the terms of, and with the effect provided in, the Obligations and this Guaranty.

14. Except as otherwise provided herein or required by applicable law, any notice or communication required or permitted hereunder to be given to either Guarantor or Lender pursuant to the terms hereof shall be given in writing, sent by (i) personal delivery, or (ii) expedited delivery service with proof of delivery, or (iii) United States mail, postage prepaid, registered or certified mail, return receipt requested, or (iv) facsimile (provided that such facsimile is confirmed by expedited delivery service or by United States mail in the manner previously described), addressed to Guarantor or Lender at the address as contained herein or to such other address as either party shall have designated by written notice, sent in accordance with this paragraph at least 30 days prior to the date of the giving of such notice. Except as provided otherwise, any such notice or communication shall be deemed to have been given and received either at the time of personal delivery, or in the case of mail, as of the date 3 business days after deposit in an official depository of the United States mail, or in the case of either delivery service or facsimile, upon receipt; provided, however, that the time and manner of delivery for all notices given by Lender to Guarantor in connection with Lender's exercise of its remedies set forth in Section 3.4 or Article V of the Deed of Trust and Security Agreement of even date executed by Borrower for the benefit of Lender, shall be effective on the date of deposit if mailed and governed by Chapter 51 of the Texas Property Code and Chapter 9 of the Texas Business and Commerce Code (as the same may be hereafter amended or succeeded). To the extent actual receipt is required, rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was received shall be deemed to be receipt of the notice, demand, request or other communication sent.

15. The obligations of each guarantor of the Loan, if more than one, shall be several. Lender may pursue any legal, equitable, or contractual remedies against any one or more of the co-guarantors, or less than all, without impairing the rights of Lender against the other co-guarantors. Lender may compromise with any co-guarantor for such sums or sum as it may deem appropriate

and release any co-guarantor from all further liability to Lender for the Obligations without (a) impairing the right of Lender to pursue any legal, equitable, or contractual remedies for the recovery of the balance of the Obligations from the other co-guarantors not so released, or (b) affecting or releasing the other co-guarantors of their liability to the Lender for the Obligations; provided, however, it is agreed that such compromising and release by Lender shall not impair the rights and obligations of the co-guarantors as among themselves.

16. No provision or term within any instrument evidencing any of the Obligations shall ever be construed to create a contract by Guarantor to pay, as consideration for the use, forbearance or detention of money, interest at a rate in excess of the maximum interest rate permitted to be charged by the applicable laws of the State of Texas or the United States of America. Guarantor shall never be liable for interest in excess of the maximum rate that may lawfully be charged under the laws of the State of Texas or the United States of America, and this provision shall control over any other provision of this Guaranty, the Note referred to herein or any other instrument evidencing, related to or securing the Obligations which may be in apparent conflict herewith. It is hereby expressly stipulated and agreed to be the intent of both Guarantor and Lender to at all times comply with the usury and all other laws relating to this Guaranty and the instruments evidencing or securing the Obligations, now or hereafter in effect in the State of Texas and the United States of America, and any subsequent judicial interpretation thereof to the extent that same are made applicable thereto.

17. Each Guarantor warrants and represents that (a) any and all balance sheets, net worth statements, and other financial data which have heretofore been given to Lender with respect to such Guarantor fairly and accurately present the financial condition of such Guarantor as of the date thereof and, since the date thereof, there has been no material adverse change in the financial condition of such Guarantor, and (b) except as may be set out on any exhibit attached hereto, (i) there are no legal proceedings, material claims or demands pending against, or to the knowledge of such Guarantor threatened against, such Guarantor or any such Guarantor's assets, (ii) such Guarantor is not in material breach or material default of any legal requirement, and (iii) no event (including specifically such Guarantor's execution and delivery of this Guaranty) has occurred which, with the lapse of time or action by a third party, could result in such Guarantor's material breach or material default under any legal requirement.

18. Guarantor shall comply with all provisions in the Loan Agreement that are applicable to Guarantor and shall furnish to Lender financial information as required in the Loan Agreement, including current financial reports and statements setting out in reasonable detail Guarantor's financial situation, and containing such information as Lender may reasonably request, and prepared in accordance with generally accepted accounting practices or in other form acceptable to Lender, including, but not limited to, complete and accurate financial and cash flow statements. As soon as available, Guarantor shall furnish Lender with a copy of its tax return filed with the Internal Revenue Service.

19. The rights of Lender are cumulative and shall not be exhausted by its exercise of any of its rights hereunder or otherwise against Guarantor or by any number of successive actions until and unless all indebtedness constituting the Obligations have been paid, all other Obligations have been performed, including each of the obligations of Guarantor hereunder.

20. This Guaranty shall be in addition to and cumulative of, and not in substitution, novation or discharge of, any and all prior or contemporaneous guaranty agreements by Guarantor in favor of Lender or assigned to Lender by others.

21. This Guaranty shall be deemed to have been made under and shall be governed by the laws of the State of Texas in all respects and shall not be waived, altered, modified, or amended as to any of its terms or provisions except in writing duly signed by Lender and Guarantor.

22. Guarantor is familiar with, and has independently reviewed the books and records regarding the financial condition of Borrower and is familiar with the value of any and all collateral intended to be created as security for the payment of the Obligations; however, Guarantor is not relying on such financial condition or the collateral as an inducement to enter into this Guaranty. Guarantor hereby specifically waives any requirement that Lender communicate any facts that might materially increase the risk of Guarantor and releases Lender from any duty to disclose such facts concerning Borrower which Guarantor may not have discovered in its investigation of Borrower. Guarantor acknowledges and agrees that neither Lender, nor any other party has made any representation, warranty or statement to Guarantor in order to induce Guarantor to execute this Guaranty.

23. Guarantor acknowledges and agrees that this Guaranty accurately represents and contains the entire agreement between Guarantor and Lender with respect to the subject matter hereof, that Guarantor is not relying, in the execution of this Guaranty, on any representations (whether written or oral) made by or on behalf of Lender except expressly set forth in this Guaranty, and that any and all prior statements and/or representations made by or on behalf of Lender to Guarantor (whether written or oral) in connection with the subject matter hereof are merged herein.

24. Guarantor acknowledges that Guarantor has been afforded the opportunity to receive the advice of legal counsel of its own choice in connection with the preparation and negotiation of this Guaranty, and Guarantor fully understands the implications and ramifications of the agreements herein made by Guarantor.

25. This Guaranty shall bind the heirs, personal representatives, successors and assigns of Guarantor and shall inure to the benefit of all transferees, credit participants, assignees, and/or endorsees of Lender. The masculine and neuter genders used herein shall each include the masculine, feminine and neuter genders and the singular or plural numbers used herein shall each include the other. The words "person" and "entity" shall include individuals, corporations, partnerships, joint ventures, associations, joint stock companies, trusts and unincorporated organizations.

26. If any provision of this Guaranty is held to be illegal, invalid, avoidable, or unenforceable under present or future laws effective during the term of this Guaranty, such provisions shall be fully severable and this Guaranty shall be construed and enforced as if such illegal, invalid, avoidable, or unenforceable provision had never comprised a part of this Guaranty, and the remaining provisions of this Guaranty shall, to the extent permitted by law, remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision. If the obligations of Guarantor under this Guaranty would otherwise be held or determined to be avoidable, invalid, or unenforceable on account of the amount of Guarantor's liability under this Guaranty, then, notwithstanding any other provision of this Guaranty to the contrary, the amount of such liability shall, without any further action by Guarantor or Lender, be automatically limited and reduced to the highest amount that is valid and enforceable as determined in such action or proceeding (such highest amount determined hereunder being Guarantor's "Maximum Liability"). This paragraph with respect to the Maximum Liability of Guarantor is intended solely to preserve the rights of Lender hereunder to the maximum extent not subject to avoidance under applicable law, and neither Guarantor nor any other person or entity shall have any right or claim under this paragraph with respect to the Maximum Liability, except to the extent necessary so that the obligations of Guarantor hereunder shall not be rendered voidable under applicable law. Guarantor agrees that the Obligations may at any time and from time to time exceed the Maximum Liability

of Guarantor, without impairing this Guaranty or affecting the rights and remedies of Lender hereunder. Nothing in this paragraph shall be construed to increase Guarantor's obligations hereunder beyond its Maximum Liability.

27. GUARANTOR VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) BETWEEN OR AMONG GUARANTOR AND LENDER ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS. THIS PROVISION IS A MATERIAL INDUCEMENT TO LENDER TO PROVIDE THE FINANCING DESCRIBED HEREIN OR IN THE OTHER LOAN DOCUMENTS.

28. This Guaranty may be executed by email or facsimile (faxed) signatures and in several or separate counterparts, each of which shall be an original, but all of which, taken together, shall be deemed to constitute one and the same agreement. Production any counterpart other than the one to be enforced shall not be required.

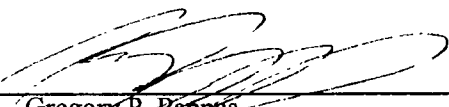
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**SIGNATURE PAGE TO
UNLIMITED GUARANTY AGREEMENT**

IN WITNESS WHEREOF, the undersigned has duly executed this Guaranty as of the date of the acknowledgment(s) set forth below, to be effective for all purposes, however, as of the date first above written.

Address:
11131 McCracken Circle, Suite A
Cypress, Texas 77429

GUARANTOR:
BLACKSWAN WATER RESOURCES, LLC

By: 

Gregory P. Pappas,
Chairman of the Board of Managers

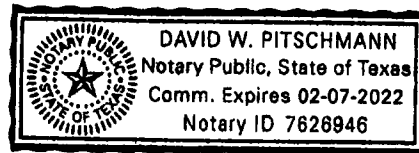
THE STATE OF TEXAS
COUNTY OF HARRIS

This instrument was acknowledged before me on the 13th day of March, 2019, by Gregory P. Pappas, Chairman of the Board of Managers of BLACKSWAN WATER RESOURCES, LLC, a Texas limited liability company.



NOTARY PUBLIC, STATE OF TEXAS

LENDER:
ALLEGIANCE BANK
8727 W. Sam Houston Parkway North
Houston, Texas 77040
Attn: Fernando D. Parra



**UNANIMOUS WRITTEN CONSENT
OF THE BOARD OF MANAGERS OF
NERRO SUPPLY, LLC**

The undersigned, being all of the members of the Board of Managers (the "Board") of NERRO SUPPLY, LLC, a Texas limited liability company (the "Company"), hereby waive any and all requirements for calling, giving notice of, and holding a meeting of the Managers of the Company and, in lieu of such meeting and pursuant to the Texas Business Organizations Code, hereby consent to the adoption of the following resolutions as of February 28, 2019 (the "Effective Date"):

Allegiance Bank Loan

RESOLVED, that Gregory P. Pappas, Chairman of the Board of Managers of the Company (the "Executing Officer") is hereby authorized for and on behalf of the Company to (i) borrow from ALLEGIANCE BANK (the "Lender") the principal amount of \$1,200,000.00 (the "Loan"), (ii) execute and deliver to the Lender for and on behalf of the Company, the Letter Loan Agreement, Promissory Note, Deed of Trust and Security Agreement, Assignment of Leases and Rents, Security Agreement, and such other instruments or written obligations of the Company, including interest rate management agreements in connection with the Loan and containing such terms and conditions as may be acceptable or agreeable to the Executing Officer, and (iii) pay any fees, expenses or other amounts that may become due to Lender in connection therewith.

FURTHER RESOLVED, that the Executing Officer is hereby authorized for and on behalf of the Company to pledge as security for the repayment of the Loan and any extensions, rearrangements, or renewals thereof, such assets of the Company as may be agreed upon between the Executing Officer and Lender.

FURTHER RESOLVED, that the Executing Officer is hereby authorized to take such further action and to do all things that may appear in his or her discretion to be necessary in connection with renewals, extensions, rearrangements, retirements, or compromises of the indebtedness of the Company owing to the Lender, either directly or by assignment.

FURTHER RESOLVED, that the Lender be promptly notified in writing of any change in these Resolutions, and until it has actually received such notice in writing, the Lender is authorized to act in pursuance of these Resolutions.

FURTHER RESOLVED, that the execution by the Executing Officer of any document authorized by the foregoing Resolutions or any document executed in the accomplishment of any action or actions so authorized, is and/or shall become upon delivery, the enforceable and binding act and obligation of the Company, without the necessity of the signature or attestation of any other officer of the Company or the affixing of the corporate seal.

Board Consent
Nerro Supply, LLC

FURTHER RESOLVED, that pursuant to a mutual agreement between the Lender and the Company, Gregory P. Pappas and Charles G. Peterson shall be the only managers required to sign the signature card for the Company's bank account with the Lender.

FURTHER RESOLVED, that all acts, transactions, or agreements undertaken by any of the officers or representatives of the Company in connection with the foregoing matters are hereby ratified, confirmed, and adopted by the Company.

Appointment of Company Officers

RESOLVED, that the Board hereby appoints the following individuals to the offices of the Company set forth opposite his respective name, to serve as such until his successor is elected or appointed and qualified or, if earlier, until his death, resignation or removal from office:

<u>Name</u>	<u>Office</u>
Charles G. Peterson	President and Chief Executive Officer
Shawn O'Brien	Secretary
Gregory P. Pappas	Chairman of the Board


General

RESOLVED, that any officer of the Company is hereby authorized and directed to take or cause to be taken all such further legal actions and to sign, execute, acknowledge, certify, deliver, accept, record, and file all such further instruments in the name of and on behalf of the Company as in the judgment of such officer shall be necessary, desirable or advisable in order to carry out the intent, and to accomplish the purposes of, the foregoing Resolutions.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned Managers have executed this consent as of the Effective Date.


MANAGERS:



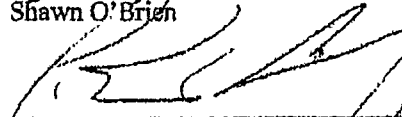
Gregory P. Pappas



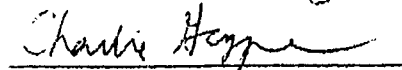
Charles G. Peterson



Shawn O'Brien



P. Embry Canterbury



Charlie Gasper

EXHIBIT "1"
RESOLUTIONS

"RESOLVED, that Gregory P. Pappas, Manager (the "Executing Officer") of NERRO SUPPLY, LLC, a Texas limited liability company (the "Company") is hereby authorized for and on behalf of the Company to (i) borrow from POST ALLEGIANCE BANK (the "Lender") the principal amount of \$1,200,000.00 (the "Loan"), (ii) execute and deliver to the Lender for and on behalf of the Company, the Loan Agreement, Promissory Note, 2 Deeds of Trust and Security Agreement, 2 AssignmentS of Leases and Rents, Security Agreement, and such other instruments or written obligations of the Company, including interest rate management agreements in connection with the Loan and containing such terms and conditions as may be acceptable or agreeable to the Executing Officer, and (iii) pay any fees, expenses or other amounts that may become due to Lender in connection therewith.

"FURTHER RESOLVED, that the Executing Officer is hereby authorized for and on behalf of the Company to pledge as security for the repayment of the Loan and any extensions, rearrangements, or renewals thereof, such assets of the Company as may be agreed upon between the Executing Officer and Lender.

"FURTHER RESOLVED, that the Executing Officer is hereby authorized to take such further action and to do all things that may appear in his or her discretion to be necessary in connection with renewals, extensions, rearrangements, retirements, or compromises of the indebtedness of the Company owing to the Lender, either directly or by assignment.

"FURTHER RESOLVED, that the Lender be promptly notified in writing of any change in these Resolutions, and until it has actually received such notice in writing, the Lender is authorized to act in pursuance of these Resolutions.

"FURTHER RESOLVED, that the execution by the Executing Officer of any document authorized by the foregoing Resolutions or any document executed in the accomplishment of any action or actions so authorized, is and/or shall become upon delivery, the enforceable and binding act and obligation of the Company, without the necessity of the signature or attestation of any other officer of the Company or the affixing of the corporate seal.

"FURTHER RESOLVED, that all acts, transactions, or agreements undertaken by any of the officers or representatives of the Company in connection with the foregoing matters are hereby ratified, confirmed, and adopted by the Company.

Exhibit "2"

ATTACH COPY OF CERTIFICATE OF FORMATION

Exhibit "3"

ATTACH COPY OF COMPANY AGREEMENT

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**Franchise Tax Account Status**

As of : 02/05/2019 10:42:36

This Page is Not Sufficient for Filings with the Secretary of State**NERRO SUPPLY, LLC**

Texas Taxpayer Number	32043563207
Mailing Address	PO BOX 691008 HOUSTON, TX 77269-1008
‡ Right to Transact Business in Texas	ACTIVE
State of Formation	TX
Effective SOS Registration Date	02/07/2011
Texas SOS File Number	0801380548
Registered Agent Name	CHARLES PETERSON
Registered Office Street Address	11131 MCCRACKEN CIR STE A CYPRESS, TX 77429

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Public Information Report

Public Information Report
NERRO SUPPLY, LLC
 Report Year :2018

Information on this site is obtained from the most recent Public Information Report (PIR) processed by the Secretary of State (SOS). PIRs filed with annual franchise tax reports are forwarded to the SOS. After processing, the SOS sends the Comptroller an electronic copy of the information, which is displayed on this web site. The information will be updated as changes are received from the SOS.

You may order a copy of a Public Information Report from open.records@cpa.texas.gov or Comptroller of Public Accounts, Open Records Section, PO Box 13528, Austin, Texas 78711.

Title	Name and Address
PRESIDENT	CHARLES G PETERSON IV 11131 MCCRACKEN CIR STE A CYPRESS, TX 77429
SECRETARY	GREGORY P PAPPAS 1131 GRAY MOSS HOUSTON, TX 77055
DIRECTOR	GREGORY P PAPPAS 1131 GRAY MOSS HOUSTON, TX 77055
DIRECTOR	SHAWN O BRIEN 3234 REBA DRIVE HOUSTON, TX 77019

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697



Hope Andrade
Secretary of State

Office of the Secretary of State

CERTIFICATE OF FILING OF

Nerro Supply, LLC
File Number: 801380548

The undersigned, as Secretary of State of Texas, hereby certifies that a Certificate of Formation for the above named Domestic Limited Liability Company (LLC) has been received in this office and has been found to conform to the applicable provisions of law.

ACCORDINGLY, the undersigned, as Secretary of State, and by virtue of the authority vested in the secretary by law, hereby issues this certificate evidencing filing effective on the date shown below.

The issuance of this certificate does not authorize the use of a name in this state in violation of the rights of another under the federal Trademark Act of 1946, the Texas trademark law, the Assumed Business or Professional Name Act, or the common law.

Dated: 02/07/2011

Effective: 02/07/2011



A handwritten signature in black ink, appearing to read "Hope Andrade".

Hope Andrade
Secretary of State

EXHIBIT "A"
Legal Description

TRACT 1:

BEING A 0.300 ACRE TRACT OR PARCEL OF LAND SITUATED IN THE WILLIAM COOPER SURVEY, ABSTRACT NO. 213, HARRIS COUNTY, TEXAS, AND BEING A PORTION OF A CALLED 160 ACRE TRACT AS DESCRIBED IN DEED RECORDED IN VOLUME 1915 PAGE 345 OF THE DEED RECORDS OF HARRIS COUNTY, TEXAS, SAID 0.300 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING AT A POINT FOR CORNER FOR THE SOUTHWEST CORNER OF THE SAID CALLED 160 ACRE TRACT, ON THE NORTH LINE OF ZAKA ROAD, 50' WIDE; THENCE EAST ALONG THE NORTH LINE OF ZAKA ROAD, A CALLED DISTANCE OF 1693.27 FEET, TO A POINT FOR CORNER; THENCE NORTH, A CALLED DISTANCE OF 314.00 FEET, TO A POINT FOR CORNER;

THENCE EAST, A CALLED DISTANCE OF 410.22 FEET, TO A POINT FOR CORNER; THENCE NORTH, A CALLED DISTANCE OF 346.32 FEET, TO A POINT FOR CORNER FOR THE SOUTHEAST CORNER AND POINT OF BEGINNING OF THE HEREIN DESCRIBED TRACT;

THENCE N 89°23'23" W, CALLED WEST, PASSING AT 98.61 FEET A 1/2" IRON ROD WITH PLASTIC CAP STAMPED "RPLS 4980" SET ON THE EAST LINE OF A 25 FEET WIDE ROAD EASEMENT FOR RUSTLING MAPLE DRIVE, AND CONTINUING FOR A TOTAL DISTANCE OF 123.61 FEET, CALLED 125.08 FEET, TO A PK NAIL SET IN ASPHALT FOR THE SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE NORTH, ALONG THE CENTERLINE OF RUSTLING MAPLE DRIVE EASEMENT, A DISTANCE OF 105.66 FEET TO A PK NAIL FOUND FOR THE NORTHWEST CORNER OF THE HEREIN DESCRIBED TRACT; THENCE S 89°23'23" E, CALLED EAST, PASSING AT 25.00 FEET, A FOUND 5/8" IRON ROD ON THE EAST LINE OF SAID RUSTLING MAPLE DRIVE EASEMENT, FROM WHICH A FOUND 5/8" IRON ROD BEARS NORTH A DISTANCE OF 105.66 FEET, AND CONTINUING FOR A TOTAL DISTANCE OF 123.61 FEET, CALLED 125.08 FEET, TO A POINT FOR CORNER FOR THE NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT, FROM WHICH A FOUND 1" IRON PIPE BEARS NORTH A DISTANCE OF 105.66 FEET;

THENCE SOUTH, A DISTANCE OF 105.66 FEET, TO THE POINT OF BEGINNING, CONTAINING A CALCULATED AREA OF 0.300 ACRE OF LAND.

NOTE: The Company is prohibited from insuring the area or quantity of the Land. Any statement in the legal description contained in Schedule "A" as to area or quantity of land is not a representation that such area or quantity is correct but is for informal identification purposes and does not override Item 2 of Schedule B hereof.

TRACT 2:

BEING A 0.138 ACRE TRACT SITUATED IN THE WILLIAM COOPER SURVEY, ABSTRACT NO. 213, HARRIS COUNTY, TEXAS, AND BEING A PORTION OF A CALLED 160 ACRE TRACT AS DESCRIBED IN DEED RECORDED IN VOLUME 1915 PAGE 345 OF THE DEED RECORDS OF HARRIS COUNTY, TEXAS, SAID 0.138 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2" IRON ROD WITH PLASTIC CAP STAMPED "RPLS 4980" SET FOR THE INTERSECTION OF THE EAST LINE OF SUGAR MAPLE DRIVE, 50' WIDE, AND THE NORTH LINE OF ZAKA ROAD, 50' WIDE, FOR THE SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT, FROM WHICH THE SOUTHWEST CORNER OF THE SAID CALLED 160 ACRE TRACT BEARS A CALLED BEARING AND DISTANCE OF WEST 1433.27 FEET;

THENCE NORTH, ALONG THE EAST LINE OF SUGAR MAPLE DRIVE, A DISTANCE OF 100.00 FEET, TO A 1/2" IRON ROD WITH PLASTIC CAP STAMPED "RPLS 4980" SET FOR THE NORTHWEST CORNER OF THE HEREIN DESCRIBED TRACT; THENCE EAST, A DISTANCE OF 60.00 FEET, TO A 1/2" IRON ROD WITH PLASTIC CAP STAMPED "RPLS 4980" SET FOR THE NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE SOUTH, A DISTANCE OF 100.00 FEET, TO POINT FOR CORNER UNDER A JUNK CAR, ON THE NORTH LINE OF ZAKA ROAD, FOR THE SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

EXHIBIT "A"
Legal Description

THENCE WEST, ALONG THE NORTH LINE OF ZAKA ROAD, A DISTANCE OF 60.00 FEET, TO THE POINT OF BEGINNING, CONTAINING A CALCULATED AREA OF 0.138 ACRE OF LAND.

NOTE: The Company is prohibited from insuring the area or quantity of the Land. Any statement in the legal description contained in Schedule "A" as to area or quantity of land is not a representation that such area or quantity is correct but is for informal identification purposes and does not override Item 2 of Schedule B hereof.

TRACT 3:

BEING A 0.041 ACRE TRACT SITUATED IN THE WILLIAM COOPER SURVEY, ABSTRACT NO. 213, HARRIS COUNTY, TEXAS, AND BEING CALLED THE NORTH 40.98 FEET OF THE WEST 43 FEET OF OAKLAND VILLAGE, AN UNRECORDED SUBDIVISION IN SAID SURVEY, SAID 0.041 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2" IRON ROD FOUND ON THE SOUTH LINE OF ZAKA ROAD, 50' WIDE, FOR THE NORTHWEST CORNER OF SAID OAKLAND VILLAGE, FOR THE NORTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE EAST, CALLED N 89°59'00" E, ALONG THE SOUTH LINE ZAKA ROAD, A DISTANCE OF 43.00 FEET, TO A 1/2" IRON ROD FOUND FOR THE NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE S 00°09'14" E, CALLED S 00°00'49" E, A DISTANCE OF 40.96 FEET, CALLED 40.98 FEET, TO A 1/2" IRON ROD FOUND FOR THE SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE WEST, CALLED N 89°59'59" W, A DISTANCE OF 43.00 FEET, TO A 1/2" IRON ROD FOUND FOR THE SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE N 00°03'24" E, CALLED N 00°00'49" E, A DISTANCE OF 41.22 FEET, CALLED 40.98 FEET, TO THE POINT OF BEGINNING, CONTAINING A CALCULATED AREA OF 0.041 ACRE OF LAND.

NOTE: The Company is prohibited from insuring the area or quantity of the Land. Any statement in the legal description contained in Schedule "A" as to area or quantity of land is not a representation that such area or quantity is correct but is for informal identification purposes and does not override Item 2 of Schedule B hereof.

TRACT 4:

SEWER TREATMENT PLANT: BEING 0.5355 OF AN ACRE OF LAND, MORE OR LESS, SITUATED IN THE ROBERT WISEMAN SURVEY, ABSTRACT NO. 29, CHAMBERS COUNTY, TEXAS, AND BEING OUT OF AND A PART OF A 117.537 ACRE TRACT OF LAND CALLED TRACT NO. 1 IN A DEED FROM GORDON W. SPEER, TRUSTEE TO WALLACE GRAY AND EDDIE V. GRAY DATED JUNE 30, 1976 AND RECORDED IN VOLUME 384 AT PAGE 581 OF THE DEED RECORDS OF CHAMBERS COUNTY, TEXAS, AND BEING OUT OF AND A PART OF A SO-CALLED 70.251 ACRE TRACT OF LAND CONVEYED TO EDDIE V. GRAY, TRUSTEE BY WILLIAM H. CRAIG BY DEED RECORDED IN VOLUME 366 AT PAGE 363 OF THE DEED RECORDS OF CHAMBERS COUNTY, TEXAS. SAID 0.5355 OF AN ACRE OF LAND, MORE OR LESS, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS, TO-WIT:

BEGINNING AT AN IRON ROD FOUND FOR CORNER OF THIS TRACT OF LAND AT THE INTERSECTION OF THE WEST LINE OF SAID 117.537 ACRE TRACT AND THE EAST LINE OF SAID 70.251 ACRE TRACT OF LAND WITH THE SOUTH LINE OF WOODLAND LANE, A COUNTY ROAD AND FROM THIS POINT, A UNITED STATES CORPS OF ENGINEERS BRASS DISC FOUND FOR A CORNER OF SAID 70.21 ACRE TRACT OF LAND IN THE SOUTH LINE OF WOODLAND LANE BEARS SOUTH 84° 14' 05" WEST 175.41 FEET;

THENCE NORTH 84° 17' 58" EAST WITH THE NORTH LINE OF THIS TRACT AND THE SOUTH LINE OF SAID LANE, A DISTANCE OF 40.85 FEET TO A 1/2 INCH IRON ROD SET FOR THE EAST CORNER OF THIS TRACT OF LAND

EXHIBIT "A"
Legal Description

ON THE WEST BANK OF A DRAIN DITCH;

THENCE WITH THE SOUTHEAST LINE OF THIS TRACT AND THE WEST BANK OF SAID DRAIN DITCH THE FOLLOWING COURSES:

SOUTH 42° 06' 38" WEST 58.77 FEET; SOUTH 14° 12' 06" WEST 160.14 FEET; SOUTH 30° 23' 31" WEST 48.30 FEET TO A 1/2 INCH IRON ROD SET FOR THE SOUTH CORNER OF THIS TRACT OF LAND IN THE SOUTHWEST LINE OF SAID 117.537 ACRE TRACT OF LAND AND THE NORTHEAST LINE OF THE UNITED STATES TRACT OF LAND;

THENCE NORTH 27° 04' 00" WEST WITH THE SOUTHWEST LINE OF THIS TRACT AND THE SOUTHWEST LINE OF SAID 117.537 ACRE TRACT, AT 69.21 FEET FOUND A 5/8 INCH IRON ROD IN LINE FOR THE SOUTHWEST CORNER OF SAID 117.537 ACRE TRACT AND THE SOUTHEAST CORNER OF SAID 70.251 ACRE TRACT OF LAND, CONTINUING ON WITH THE SOUTHWEST LINE OF THIS TRACT AND THE SOUTHWEST LINE OF SAID 70.251 ACRE TRACT, A TOTAL DISTANCE OF 245.77 FEET TO A UNITED STATES CORPS OF ENGINEERS BRASS DISC FOR THE WEST CORNER OF THIS TRACT OF LAND AND A CORNER OF SAID 70.251 ACRE TRACT IN THE SOUTH RIGHT OF WAY LINE OF SAID LANE;

THENCE NORTH 84° 14' 05" EAST WITH THE NORTH LINE OF THIS TRACT AND THE SOUTH RIGHT OF WAY LINE OF SAID LANE, A DISTANCE OF 175.41 FEET TO THE PLACE OF BEGINNING, CONTAINING WITHIN SAID BOUNDARIES 0.5355 OF AN ACRE OF LAND, MORE OR LESS.

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TRACT 5:

WATER TREATMENT PLANT: BEING 0.0580 OF AN ACRE OF LAND, MORE OR LESS, SITUATED IN THE ROBERT WISEMAN SURVEY, ABSTRACT NO. 29, CHAMBERS COUNTY, TEXAS, AND BEING OUT OF AND A PART OF A 117.537 ACRE TRACT OF LAND CALLED TRACT NO. 1 IN A DEED FROM GORDON W. SPEER, TRUSTEE TO WALLACE GRAY AND EDDIE V. GRAY DATED JUNE 30, 1976 AND RECORDED IN VOLUME 384 AT PAGE 581 OF THE DEED RECORDS OF CHAMBERS COUNTY, TEXAS. THIS 0.0580 OF AN ACRE, MORE OR LESS, ENCOMPASSES THE EXISTING WATER TREATMENT PLANT FOR WOODLAND ACRES SUBDIVISION AND IS MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS, TO-WIT:

COMMENCING AT AN IRON ROD FOUND AT THE INTERSECTION OF THE WEST LINE OF SAID 117.537 ACRE TRACT WITH THE SOUTH RIGHT OF WAY LINE OF WOODLAND LANE;

THENCE NORTH 84° 17' 58" EAST WITH THE SOUTH RIGHT OF WAY LINE OF SAID LANE, A DISTANCE OF 447.19 FEET TO A PI IN THE SOUTH RIGHT OF WAY LINE OF SAID LANE;

THENCE NORTH 84° 51' 11" EAST WITH THE SOUTH RIGHT OF WAY LINE OF SAID LANE, A DISTANCE OF 74.05 FEET TO A POINT;

THENCE SOUTH 05° 08' 49" EAST A DISTANCE OF 27.59 FEET TO A 1/2 INCH IRON ROD SET FOR THE NORTHEAST CORNER OF THIS TRACT OF LAND AND THE PLACE OF BEGINNING;

THENCE SOUTH 05° 08' 49" EAST WITH THE EAST LINE OF THIS TRACT, A DISTANCE OF 54.30 FEET TO A 1/2 INCH IRON ROD SET FOR THE SOUTHEAST CORNER OF THIS TRACT OF LAND;

THENCE NORTH 79° 23' 40" WEST WITH THE SOUTH LINE OF THIS TRACT, A DISTANCE OF 62.53 FEET TO A 1/2 INCH IRON ROD SET FOR THE SOUTHWEST CORNER OF THIS TRACT OF LAND;

THENCE NORTH 04° 32' 51" WEST WITH THE WEST LINE OF THIS TRACT, A DISTANCE OF 26.83 FEET TO A 1/2 INCH IRON ROD SET FOR THE MOST WESTERN NORTHWEST CORNER OF THIS TRACT OF LAND, 1 FOOT

EXHIBIT "A"
Legal Description

SOUTH OF AN EXISTING OFFICE BUILDING;

THENCE NORTH 85° 01' 22" EAST WITH THE NORTH LINE OF THIS TRACT AND 1 FOOT SOUTH OF AN EXISTING OFFICE BUILDING, A DISTANCE OF 25.10 FEET TO A 1/2 INCH IRON ROD SET FOR A CORNER OF THIS TRACT OF LAND;

THENCE NORTH 04° 32' 51" WEST WITH THE WEST LINE OF THIS TRACT AND 1 FOOT EAST OF AN EXISTING BUILDING, A DISTANCE OF 13.07 FEET TO A 1/2 INCH IRON ROD SET FOR THE MOST NORTHERN NORTHWEST CORNER OF THIS TRACT OF LAND;

THENCE NORTH 88° 59' 07" EAST WITH THE NORTH LINE OF THIS TRACT OF LAND AND A CHAIN LINK FENCE, A DISTANCE OF 34.75 FEET TO THE PLACE OF BEGINNING, CONTAINING WITHIN SAID BOUNDARIES 0.580 OF AN ACRE OF LAND, MORE OR LESS.

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TRACT 6:

WATER WELL SITE: BEING 0.1350 OF AN ACRE OF LAND, MORE OR LESS, SITUATED IN THE ROBERT WISEMAN SURVEY, ABSTRACT NO. 29, CHAMBERS COUNTY, TEXAS, AND BEING OUT OF AND A PART OF WOODLAND ACRES SECTION NO. 11, AS SHOWN ON THE OFFICIAL REPLAT OF SAME RECORDED IN VOLUME "B" AT PAGE 64 OF THE PLAT RECORDS OF CHAMBERS COUNTY, TEXAS. THIS 0.1350 OF AN ACRE OF LAND, MORE OR LESS, IS MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS, TO-WIT:

BEGINNING AT A 1/2 INCH IRON ROD FOUND FOR THE SOUTHWEST CORNER OF THIS TRACT OF LAND AND THE NORTHWEST CORNER OF LOT NO. 128 OF SAID SECTION 11 AND IN THE EAST LINE OF SHADY LANE, A 70 FOOT STREET;

THENCE NORTH 32° 31'04" WEST WITH THE WEST LINE OF THIS TRACT AND THE EAST LINE OF SHADY LANE, A DISTANCE OF 86.72 FEET TO A 1/2 INCH IRON ROD FOUND FOR THE NORTHWEST CORNER OF THIS TRACT AND THE SOUTHWEST CORNER OF LOT NO. 129 OF SAID SECTION II;

THENCE NORTH 77° 17' 01" EAST WITH THE NORTH LINE OF THIS TRACT AND THE SOUTH LINE OF LOT NO. 129, A DISTANCE OF 91.16 FEET TO A 1/2 INCH IRON ROD FOUND FOR THE NORTHEAST CORNER OF THIS TRACT AND THE SOUTHEAST CORNER OF LOT NO. 129 AND IN THE WEST LINE OF LOT NO. 130;

THENCE SOUTH 12° 42' 59" EAST WITH THE EAST LINE OF THIS TRACT AND THE WEST LINE OF LOT NO. 130, A DISTANCE OF 70.00 FEET TO A 1/2 INCH IRON ROD FOR THE SOUTHEAST CORNER OF THIS TRACT AND THE SOUTHWEST CORNER OF LOT NO. 130 AND IN THE NORTH LINE OF LOT NO. 128;

THENCE SOUTH 66° 39' 24" WEST WITH THE SOUTH LINE OF THIS TRACT AND THE NORTH LINE OF LOT NO. 128, A DISTANCE OF 62.86 FEET TO THE PLACE OF BEGINNING, CONTAINING WITHIN SAID BOUNDARIES 0.1350 OF AN ACRE OF LAND, MORE OR LESS.

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TRACT 7: (EASEMENT ESTATE)

EASEMENT TO WATER WELL SITE: BEING 0.0209 OF AN ACRE OF LAND, MORE OR LESS, SITUATED IN THE ROBERT WISEMAN SURVEY, ABSTRACT NO. 29, CHAMBERS COUNTY, TEXAS, AND BEING OUT OF AND A PART

EXHIBIT "A"
Legal Description

OF A 117.537 ACRE TRACT OF LAND CALLED TRACT NO. 1 IN A DEED FROM GORDON W. SPEER, TRUSTEE TO WALLACE GRAY AND EDDIE V. GRAY DATED JUNE 30, 1976 AND RECORDED IN VOLUME 384 AT PAGE 581 OF THE DEED RECORDS OF CHAMBERS COUNTY, TEXAS. THIS 0.0209 OF AN ACRE OF LAND, MORE OR LESS, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS, TO-WIT:

COMMENCING AT AN IRON ROD FOUND AT THE INTERSECTION OF THE WEST LINE OF SAID 117.537 ACRE TRACT WITH THE SOUTH RIGHT OF WAY LINE OF WOODLAND LANE;

THENCE NORTH 84° 17' 58" EAST WITH THE SOUTH RIGHT OF WAY LINE OF SAID LANE, A DISTANCE OF 447.19 FEET TO A PI IN THE SOUTH RIGHT OF WAY LINE OF SAID LANE;

THENCE NORTH 84° 51' 11" EAST WITH THE SOUTH RIGHT OF WAY LINE OF SAID LANE, A DISTANCE OF 40.01 FEET TO AN 80D NAIL SET FOR THE NORTHWEST CORNER OF THIS TRACT OF LAND AND THE PLACE OF BEGINNING;

THENCE NORTH 84° 51' 11" EAST WITH THE NORTH LINE OF THIS TRACT AND THE SOUTH RIGHT OF WAY LINE OF SAID LANE, A DISTANCE OF 34.40 FEET TO AN 80D NAIL SET FOR THE NORTHEAST CORNER OF THIS TRACT OF LAND;

THENCE SOUTH 05° 08' 49" EAST WITH THE EAST LINE OF THIS TRACT, A DISTANCE OF 27.59 FEET TO A 1/2 INCH IRON ROD SET FOR THE SOUTHEAST CORNER OF THIS TRACT AND THE NORTHEAST CORNER OF A 0.0580 OF AN ACRE TRACT AROUND THE WATER TREATMENT PLANT;

THENCE SOUTH 88° 59' 07" WEST WITH THE SOUTH LINE OF THIS TRACT AND THE NORTH LINE OF SAID 0.0580 OF AN ACRE TRACT, A DISTANCE OF 34.75 FEET TO A 1/2 INCH IRON ROD SET FOR THE SOUTHWEST CORNER OF THIS TRACT AND THE MOST NORTHERN NORTHWEST CORNER OF SAID 0.0580 OF AN ACRE TRACT OF LAND;

THENCE NORTH 04° 32' 51" WEST WITH THE WEST LINE OF THIS TRACT A DISTANCE OF 25.09 FEET TO THE PLACE OF BEGINNING, CONTAINING WITHIN SAID BOUNDARIES 0.0209 OF AN ACRE OF LAND, MORE OR LESS.

NOTE: The Company is prohibited from insuring the area or quantity of the Land. Any statement in the legal description contained in Schedule "A" as to area or quantity of land is not a representation that such area or quantity is correct but is for informal identification purposes and does not override Item 2 of Schedule B hereof.