



Control Number: 49386



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**DOCKET NO. 49386**

<b>APPLICATION OF LAS LOMAS</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>MUNICIPAL UTILITY DISTRICT NO.</b>	<b>§</b>	
<b>4A OF KAUFMAN COUNTY,</b>	<b>§</b>	<b>OF TEXAS</b>
<b>FORMERLY KNOWN AS LAS LOMAS</b>	<b>§</b>	
<b>MUNICIPAL UTILITY DISTRICT NO. 4</b>	<b>§</b>	
<b>OF KAUFMAN COUNTY AND LAS</b>	<b>§</b>	
<b>LOMAS MUNICIPAL UTILITY</b>	<b>§</b>	
<b>DISTRICT NO. 4B OF KAUFMAN</b>	<b>§</b>	
<b>COUNTY FOR SALE, TRANSFER, OR</b>	<b>§</b>	
<b>MERGER OF SEWER FACILITIES</b>	<b>§</b>	
<b>AND CERTIFICATE RIGHTS IN</b>	<b>§</b>	
<b>KAUFMAN COUNTY</b>		

**SUPPLEMENTAL INFORMATION IN RESPONSE TO COMMISSION STAFF'S  
RECOMMENDATION ON ADMINISTRATIVE COMPLETENESS**

COMES NOW, Las Lomas Municipal Utility District No. 4A of Kaufman County (formerly, Las Lomas Municipal Utility District No. 4 of Kaufman County) and Las Lomas Municipal Utility District No. 4B of Kaufman County (collectively, the "Applicants"), and files this Supplemental Information in Response to Commission Staff's Recommendation on Administrative Completeness in the above-referenced proceeding, and in support thereof, respectfully shows the following:

**I. BACKGROUND**

On March 28, 2019, Applicants submitted an application for approval of a sale, transfer, or merger of sewer facilities and certificate rights in Kaufman County.

On May 1, the Commission Staff filed a Recommendation on Administrative Completeness and Proposed Procedural Schedule, including a memorandum from Roshan Pokhrel identifying certain deficiencies in the application content, financial and technical information (the "Memo").

## **II. SUPPLEMENTAL INFORMATION**

### **Application Content**

The Memo stated that the Applicants must provide responses to the following questions:

#### **Question 13:**

Las Lomas Municipal Utility District No. 4 ("MUD 4") was the original holder of CCN No. 21007. Pursuant to that Order Calling Election to Divide the District and Order Canvassing Returns for Election to Divide, MUD 4 split into Las Lomas Municipal Utility District Nos. 4A, 4B, and 4C ("MUD4A," "MUD 4B," and "MUD 4C," respectively). In conjunction with the division, MUD 4A assumed all contracts, agreements, assets, obligations, and liabilities of MUD 4, including CCN No. 21007. Applicants intend that MUD 4B will act as the master district, providing service to the area contained within CCN No. 21007. As such, MUD 4A would like to transfer CCN No. 21007 to MUD 4B. All of the original intentions regarding the system and the operations thereof remain the same, but the Applicants intend for MUD 4B to act as the master district and provide the service instead of MUD 4A. Additionally, ownership of the land contained within MUD 4 has not changed as a result of the split into MUDs 4A, 4B, and 4C. Everything remains the same other than the boundary lines.

#### **Question 14:**

\$0.00.

#### **Question 27:**

Yes.

Question 28:

Inframark, LLC

Registration No. OC0000232

Issue Date: 12/08/2017

Expiration Date: 12/08/2020

Question 31:

The proposed service area map can be located at the following link:

<https://www.dropbox.com/s/6fnoqd8s80mlgiv/19009-00-Sanitary%20Sewer%20Master%20Plan%20-%20Exhibit%201.pdf?dl=0>

**Financial Information**

The Memo stated that the Applicants must provide the following financial information:

1. Projections for first five years of operation:

See Exhibit “1” attached hereto, also titled “Appendix B” as it is intended to be included as Appendix B to the original application for approval of a sale, transfer, or merger of sewer facilities and certificate rights in Kaufman County.

2. Business Plan:

See Exhibit “2” attached hereto.

3. Developer Agreement:

A developer agreement for contributions in aid of construction for the installation of facilities to serve the requested area has not yet been approved by the Board of Directors of MUD 4B, as MUD 4B has not yet had its Organizational Meeting. A copy of the agreement executed by the landowner and to be approved by the Board of Directors of MUD 4B at the Organizational Meeting is attached hereto as Exhibit “3.”

4. Letter from Financial Advisor:

See Exhibit “4” attached hereto.

**Technical Information**

The Memo stated that the Applicants must provide the following technical information:

1. Proof of application to transfer Wastewater Discharge Permit No. 14803001 submitted:

See Exhibit “5” attached hereto.

2. & 3. Written Description of Sewer Service & Description of Sewer Facilities:

MUD 4A holds the Sewer CCN for the service area containing land located in MUD 4A, MUD 4B, MUD 4C, Las Lomas Municipal Utility District Nos. 1, 2, and 3 (“MUD 1,” “MUD 2,” and “MUD 3,” respectively), and the Ingram, Gay, Beckman tracts of land (the “Service Area”). MUD 4A needs to transfer the Sewer CCN to MUD 4B.

MUD 4B will hold the Sewer CCN for the Service Area and will provide sewer services for the service area within said boundaries. The major sanitary sewer collection system improvements within the Service Area consist of construction and installation of pipes, service lines, manholes, encasements, lift station, force main, and appurtenances necessary to provide sanitary sewer service to the Assessed Property. The sanitary sewer improvements will be designed and constructed in accordance with TCEQ standards and specifications and will be owned and operated by the respective MUD.

Force mains from all District sources will discharge into a MUD 4B manholes and raw sewage will be conveyed to the proposed lift station that will convey the raw sewage into the proposed Las Lomas Wastewater Treatment Plant. The raw sewage will then be processed by the proposed wastewater treatment plant and discharged in accordance with the TCEQ Wastewater Treatment Plant Discharge Permit. The sanitary sewer improvements, lift station, and wastewater

treatment plant will be designed and constructed in accordance with TCEQ standards and specifications and will be owned and operated by MUD 4B.

Respectfully submitted,

**COATS ROSE, P.C.**

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ATTORNEYS FOR APPLICANTS

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of this document will be served on all parties of record on June 20, 2019 in accordance with Public Utility Commission Procedural Rule 22.74.

  
Joshua A. Bethke

# EXHIBIT “1”

Appendix B  
Sanitary Sewer Projected Net Income Information for First 5 Years

Year	Current	2020	2021	2022	2023	2024
<b>Existing Number of Taps</b>	-	-	250	750	1,750	2,750
New Taps per Year		250	500	1,000	1,000	1,000
Total Taps at Year End	-	250	750	1,750	2,750	3,750
<b>Sanitary Sewer Revenue</b>						
Revenue per Tap (1)		\$ 40.50	\$ 40.50	\$ 40.50	\$ 40.50	\$ 40.50
Expense per Tap (2)		\$ (4.00)	\$ (4.00)	\$ (4.00)	\$ (4.00)	\$ (4.00)
<b>Operating Revenue per Tap</b>		\$ 36.50	\$ 36.50	\$ 36.50	\$ 36.50	\$ 36.50
<b>GROSS SANITARY SEWER REVENUE</b>						
Revenues - Base Rate and Gallonage Fees		\$ 54,750	\$ 219,000	\$ 547,500	\$ 985,500	\$ 1,423,500
Other (Tap, reconnect, transfer fees, etc)(3)		\$ 50,000	\$ 100,000	\$ 200,000	\$ 200,000	\$ 200,000
Ad Valorem Taxes		\$ 37,500	\$ 156,250	\$ 331,250	\$ 537,500	\$ 673,000
<b>GROSS INCOME</b>		\$ 142,250	\$ 475,250	\$ 1,078,750	\$ 1,723,000	\$ 2,296,500
<b>EXPENSES</b>						
Contract Operator(2)		\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Energy(4)		\$ 37,500	\$ 37,500	\$ 75,000	\$ 75,000	\$ 112,500
Contract Tap Installation(5)		\$ 40,000	\$ 80,000	\$ 160,000	\$ 160,000	\$ 160,000
Maintenance & Repair(6)		\$ 47,665	\$ 142,995	\$ 333,655	\$ 524,315	\$ 714,975
<b>Total Expenses</b>		\$ 155,165	\$ 290,495	\$ 598,655	\$ 789,315	\$ 1,017,475
<b>NET INCOME (7)</b>		\$ (12,915)	\$ 184,755	\$ 480,095	\$ 933,685	\$ 1,279,025

Notes:

- 1 Revenue per connection is projected to be \$40.50 per month assuming 9,000 gallons per month at City of Terrell current rate of \$4.50/1,000 gallons.
- 2 Contract operator expense is projected at \$2,500/month plus \$4/connection/month for operation and billing.
- 3 Initial Tap Fees are estimated at \$200 per connection.
- 4 Energy cost is projected at \$0.30/gallon at the WWTP design capacities (i.e. 0.125 MGD for years 1 and 2; 0.25 MGD for years 3 and 4; and 0.375 MGD for year 5.
- 5 Contract tap installation cost is estimated at \$160 per connection.
- 6 Maintenance and repair cost are projected at 2% of the \$9,533/connection capital cost.

Appendix B  
Sanitary Sewer Projected Balance Sheet for First 5 Years

	Year	Current	2020	2021	2022	2023	2024
<b>CURRENT ASSETS</b>							
Cash	-	-	603,986	662,814	1,221,867	1,314,266	1,055,210
Accounts Receivable	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Income Tax Receivable	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>A. Total Current Assets</b>	-	-	603,986	662,814	1,221,867	1,314,266	1,055,210
<b>FIXED ASSETS</b>							
Land	-	-	-	-	-	-	-
Collection System (2)	-	-	2,383,250	7,149,750	16,682,750	26,215,750	35,748,750
Buildings	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Less Accum Depreciation or Reserves	-	-	(340,384)	(810,824)	(1,656,001)	(2,228,551)	(2,563,847)
<b>B. Total Fixed Assets</b>	-	-	2,042,866	6,338,926	15,026,749	23,987,199	33,184,903
<b>C. TOTAL ASSETS (A+B)</b>	\$ -	-	2,646,852	7,001,740	16,248,616	25,301,465	34,240,113
<b>CURRENT LIABILITIES</b>							
Accounts Payable	-	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	-	-
Accrued Expenses	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>D. Total Current Liabilities</b>	-	-	-	-	-	-	-
<b>LONG TERM LIABILITIES</b>							
Notes Payable (4)	-	-	2,659,767	6,829,900	15,596,681	23,715,845	31,375,468
Other	-	-	-	-	-	-	-
<b>E. Total Long Term Liabilities</b>	-	-	-	-	-	-	-
<b>F. TOTAL LIABILITIES (D+E)</b>	\$ -	-	2,659,767	6,829,900	15,596,681	23,715,845	31,375,468
<b>OWNER'S EQUITY</b>							
Paid in Capital	-	-	-	-	-	-	-
Retained Equity	-	-	-	(12,915)	171,840	651,935	1,585,620
Other	-	-	-	-	-	-	-
Current Period Profit or Loss	-	-	(12,915)	184,755	480,095	933,685	1,279,025
<b>G. TOTAL OWNER'S EQUITY</b>	-	-	(12,915)	171,840	651,935	1,585,620	2,864,645
<b>TOTAL LIABILITIES+EQUITY (F+G)=C</b>	\$ -	-	2,646,852	7,001,740	16,248,616	25,301,465	34,240,113
<b>WORKING CAPITAL (A-D)</b>	-	-	603,986	662,814	1,221,867	1,314,266	1,055,210
<b>CURRENT RATIO (A/D)</b>	-	-	-	-	-	-	-
<b>DEBT TO EQUITY RATIO (F/G)</b>	0%	-	(206)	40	24	15	11

		Year	Current	2020	2021	2022	2023	2024
<b>SOURCES OF CASH</b>								
	Net Income		-	-	184,755	480,095	933,685	1,279,025
	Depreciation (if funded by revenues of system)		-	340,384	470,440	845,177	572,550	335,296
	Loan Proceeds		-	2,659,767	4,170,134	8,766,781	8,119,164	7,659,623
	Other - Ad Valorem Taxes		-	37,500	156,250	331,250	537,500	673,000
<b>Total Sources</b>			-	3,037,651	4,981,578	10,423,303	10,162,899	9,946,944
<b>USES OF CASH</b>								
	Net Loss		-	(12,915)	-	-	-	-
	Principle Portion of Pmts.		-	53,835	138,242	315,687	480,024	635,060
	Fixed Asset Purchase		-	2,383,250	4,766,500	9,533,000	9,533,000	9,533,000
	Reserve		-	279,275	627,497	1,228,239	1,556,352	1,647,212
	Other		-	-	-	-	-	-
<b>B. Total Uses</b>			-	2,703,446	5,532,239	11,076,926	11,569,377	11,815,272
<b>NET CASH FLOW</b>			\$ -	334,205	(550,661)	(653,623)	(1,406,478)	(1,868,328)
<b>DEBT SERVICE COVERAGE</b>								
Cash Available for Debt (CADS)			-	-	-	-	-	-
	A Net Income (Loss)		-	(\$12,915)	\$184,755	\$480,095	\$933,685	\$1,279,025
	B: Depreciation, or Reserve Interest		-	619,660	\$1,097,937	\$2,073,416	\$2,128,902	\$1,982,508
<b>C: Total CADS</b>			-	\$606,745	\$1,282,692	\$2,553,511	\$3,062,587	\$3,261,533
<b>D: DEBT SERVICE COVERAGE</b>								
	Annual Principle Plus Interest		-	\$193,473	\$496,811	\$1,134,513	\$1,725,106	\$2,282,272
<b>E. DEBT SERVICE COVERAGE RATIO</b>			-	-	-	-	-	-
	CADS Divided by DS ( E = C/D)		\$ -	\$ 3.14	\$ 2.58	\$ 2.25	\$ 1.78	\$ 1.43

# EXHIBIT “2”

# Sanitary Sewer Master Plan

Las Lomas Municipal Utility District No. 4B  
Kaufman County, Texas

## Sewer System Improvements for Proposed Sewer CCN Area

Prepared by:  
Petitt & Associates LLC  
1651 N. Glenville Dr.  
Suite 212  
Richardson, TX 75080

June 2019

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Exhibit 1 – Sanitary Sewer Master Plan for Las Lomas MUD 4B

Exhibit 2 – Detailed Cost Estimates

# **1. Introduction**

This report is to present the sanitary sewer system requirements and capital improvements necessary to satisfy the development schedule for the properties located within the proposed Certificate of Convenience and Necessity (CCN) area of Las Lomas Municipal Utility District No. 4B. This report presents a summary of design assumptions used in determination of minimum sanitary sewer system components' sizes and capacities. This report is prepared for the purpose of obtaining an approval from the Public Utility Commission (PUC) for the transfer of the sanitary sewer Certificate of Convenience and Necessity (CCN) over the proposed service area of Las Lomas Municipal Utility District No. 4A to Las Lomas Municipal Utility District 4B (District) of Kaufman County, Texas. The proposed CCN service area includes approximately 6,088.2 acres and covers Las Lomas Municipal Utility District Nos. 1, 2, 3, 4A, 4B, 4C, and the Ingram, Gay, Beckman tracts of land. The proposed CCN area is located approximately 3 miles southwest of downtown Terrell and 28 miles east of downtown Dallas. A portion of the proposed CCN area is located within the extraterritorial jurisdiction (ETJ) limits of both the City of Terrell and the Town of Talty. The remaining area is located in unincorporated Kaufman County, Texas. Access is provided by Interstate 20 and FM 148 which run through the proposed CCN area and Spur 557 and US 80 which border the area of the northeast.

The proposed CCN area will be developed as a master planned residential community with schools, open space, parks, commercial and light industrial uses. Currently, the CCN holder is Las Lomas MUD 4A. There is no existing sewer system in the area. According to an approved Development Agreement between the Owner and the City of Terrell, a regional sewer system will be developed for the City of Terrell to provide wholesale wastewater treatment service to the proposed CCN area. Before a regional system is in place, the wastewater from the area will be treated at a proposed interim regional wastewater treatment plant inside the district. The district has secured the wastewater treatment permit.

This report is intended to provide general background information regarding the activities as they relate to providing retail sanitary sewer service to the proposed CCN area, along with technical information regarding system capacities with regard to 30 TAC 317 minimum requirements for sewage systems.

## 2. Design Criteria

The sanitary sewer system inside the proposed CCN area will be designed based on TCEQ and City of Terrell requirements. In this report, sewer system flows and capacities are expressed in Living Unit Equivalents (LUE). A LUE is defined as the sewer flow from a typical single-family residential connection. A single-family connection is assumed to consist of 3 people with an average of 100 gallons of wastewater per person per day. The land use in the development includes Low Density Residential, Medium Density Residential, High Density Residential, Schools, Light Industrial and Mixed Use. The estimated number of LUEs for different land uses are shown below:

Low Density Residential	3.8 per Acre
Medium Density Residential	5 per Acre
High Density Residential	20 per Acre
Elementary School	50 per School
Middle School	75 per School
High School	100 per School
Light Industrial	1.52 per Acre
Commercial	1.52 per Acre

The sewer system design criteria required by the City of Terrell are show below. They all exceed TCEQs minimum requirements.

Daily Average Flow per LUE:	300 gpd	(100 gpcd with 3 residents per LUE)
Dry Weather Peak Hour Flow per LUE:	900 gpd	(Peaking factor of 3.0)
Peak Infiltration/Inflow Per LUE:	300 gpd	(100 gpcd with 3 residents per LUE)
Wet Weather Peak Hour Flow per LUE:	1,200 gpd	(Dry weather peak hour plus peak I/I)

The wastewater treatment capacity will be determined based on the daily average flow and the piping and lift station capacities will be determined based on the wet weather peak hour flow.

### 3. Wastewater Requirements

The wastewater requirements for the proposed CCN area are calculated by the number of LUEs. Table 1 summarizes the number of LUEs per the land use phasing plan.

**Table 1 – Living Unit Equivalent (LUE) Summary**

	Residential Use	Non-Residential Use						Total LUE
	SF/A	LI	GO/SC	H/AL	ES	MS	HS	
<b>MUDs 1, 2, 4B, 4C</b>								
Units	11,107	325	278	-	7	3	1	
Total No. LUE(s)	11,107	494	423	-	350	225	100	12,699
<b>MUD 4A</b>								
Units	2,130	-	-	-	1	-	-	
Total No. LUE(s)	2,130	-	-	-	50	-	-	2,180
<b>MUD 3</b>								
Units	920	-	85	70	-	-	-	
Total No. LUE(s)	920	-	129	106	-	-	-	1,156
<b>Ingram, Gay &amp; Beckman</b>								
<b>Tracts</b>								
Units	2,225	-	-	-	-	-	-	
Total No. LUE(s)	2,225	-	-	-	-	-	-	2,225
<b>GRAND TOTAL LUE(s)</b>	<b>16,382</b>	<b>494</b>	<b>552</b>	<b>106</b>	<b>400</b>	<b>225</b>	<b>100</b>	<b>18,259</b>

**Notes:**

- Units based on the following: SF/A - no. dwelling units; LI - no. acres; GO/SC - no. acres; H/AL - no. acres; ES/MS/HS - no. schools
- LUE(s) calculation based on the following: SF/A - 1/dwelling unit; LI/GO/SC/H/AL - 1.52/acre; ES - 50/school; MS - 75/school; HS - 100/school
- Legend: SF - Single Family; A - Apartment; LI - Light Industrial; GO - General Office; SC - Shopping Center; H - Hospital; AL - Assisted Living; ES - Elementary School; MS - Middle School; HS - High School

The land use phasing plan calls for five development phases. The number of LUEs planned for each phase is shown below:

Phase 1	2,180
Phase 2	4,018
Phase 3	4,018
Phase 4	4,662
Phase 5	3,381
Total	18,259

The breakdown of LUEs and wastewater flow calculations are shown in Table 2.

**Table 2 – LUE(s) and Wastewater Flow Calculation Breakdowns**

Description	LUE(s)	Daily Avg. Flow (mgd)	Peak Flow (mgd)
<b>MUD 4A</b>	2,180	0.65	2.62
<b>MUD 4B</b>			
Phase 1	1,447	0.43	1.74
Phase 2	1,173	0.35	1.41
Phase 3	1,594	0.48	1.91
Phase 4	1,078	0.32	1.29
Phase 5	2,744	0.82	3.29
<b>MUDs 1, 2, 4C</b>			
Phase 1	428	0.13	0.51
Phase 2	1,610	0.48	1.93
Phase 3	993	0.30	1.19
Phase 4	1,119	0.34	1.34
Phase 5	512	0.15	0.61
<b>MUD 3</b>	1,156	0.35	1.39
<b>Ingram, Gay &amp; Beckman Tracts</b>	2,225	0.67	2.67
<b>Total</b>	<b>18,259</b>	<b>5.48</b>	<b>21.91</b>

To develop phasing plans for wastewater treatment facility improvements, the cumulative number of LUEs is projected for each year for the entire duration of the development in the proposed CCN area from 2020 to 2039. The projected daily average flow and peak hour flow for each year are also calculated for the development based on the design criteria listed in Section 2. The daily average flow at the development build-out condition is 21.91 MGD.

The projected number of LUEs, average day and peak hour flows for each year are shown in Table 3.

The proposed CCN area falls into three drainage basins: Big Brushy Creek Basin, Terry Creek Basin and Little Brushy Creek Basin. Based on the land plan, there are approximately 5,300 LUEs in Big Brushy Creek Basin, 6,300 LUEs in Terry Creek Basin and 5,300 LUE's in Little Brushy Creek Basin.

**Table 3 – Wastewater Capacity Requirement Projection for the Proposed CCN Area**

Year	Phase 1 (2,180 LUEs)	Phase 2 (4,018 LUEs)	Phase 3 (4,018 LUE's)	Phase 4 (4,662 LUEs)	Phase 5 (3,381 LUEs)	Total LUE(s)	Cummulative Number of LUE(s)	Daily Average Flow in MGD (300 GPD per LUE)	Peak Hour Flow in MGD (1,200 GPD per LUE)
2020	250					250	250	0.08	0.30
2021	500					500	750	0.23	0.90
2022	1,000					1,000	1,750	0.53	2.10
2023	430	570				1,000	2,750	0.83	3.30
2024	-	1,000				1,000	3,750	1.13	4.50
2025		1,000				1,000	4,750	1.43	5.70
2026		1,000				1,000	5,750	1.73	6.90
2027		448	552			1,000	6,750	2.03	8.10
2028			1,000			1,000	7,750	2.33	9.30
2029			1,000			1,000	8,750	2.63	10.50
2030			1,000			1,000	9,750	2.93	11.70
2031			466	534		1,000	10,750	3.23	12.90
2032				1,000		1,000	11,750	3.53	14.10
2033				1,000		1,000	12,750	3.83	15.30
2034				1,000		1,000	13,750	4.13	16.50
2035				1,000		1,000	14,750	4.43	17.70
2036				128	872	1,000	15,750	4.73	18.90
2037					1,000	1,000	16,750	5.03	20.10
2038					1,000	1,000	17,750	5.33	21.30
2039					509	509	18,259	5.48	21.91

## 4. Wastewater Treatment

The City of Terrell is currently working to develop a plan for the long term regional wastewater service for the City and all developments in its ETJ and surrounding areas. The City is currently pursuing two alternatives for ultimate wastewater treatment: (i) expansion of the City of Terrell's King's Creek Wastewater Treatment Plant; or (ii) participating in a proposed North Texas Municipal Water District's ("NTMWD") Regional System. The regional system would require the City to pump its sewage flows west to a regional plant.

Before the long term regional plan is in place, an interim regional wastewater treatment plan will be constructed within the limits of the District in order to accommodate the immediate waste water treatment service need for the development in the proposed CCN area.

Exhibit 1 shows the interim regional wastewater treatment plant plan. This plan included an interim regional wastewater treatment plant which will be located in the vicinity of the confluence of Big Brushy Creek and Terry Creek. The initial capacity of this interim regional plant will be 0.25 MGD as a packaged treatment plant.

The Plant will be expanded to 1.50 MGD capacity in year 2022 by adding 0.625 MGD capacity at a time. The treatment process for the permit application will be activated sludge process with chlorine disinfection and sludge aerobic digestion.

Once a long term regional wastewater plan for the City of Terrell, its ETJ and surrounding areas has been finalized and approved by all the parties involved, the interim regional wastewater treatment plant will be disassembled and sewer flows will be routed to the Big Brushy Creek Regional Life Station. Exhibit 1 is the Sanitary Sewer Master Plan and shows the location of the Big Brushy Creek Regional Lift Station.

## 5. Cost Estimates

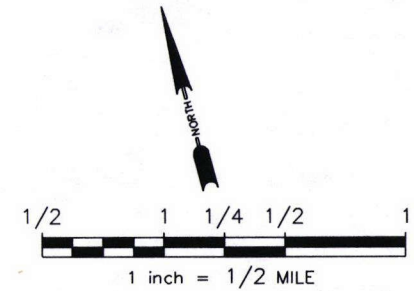
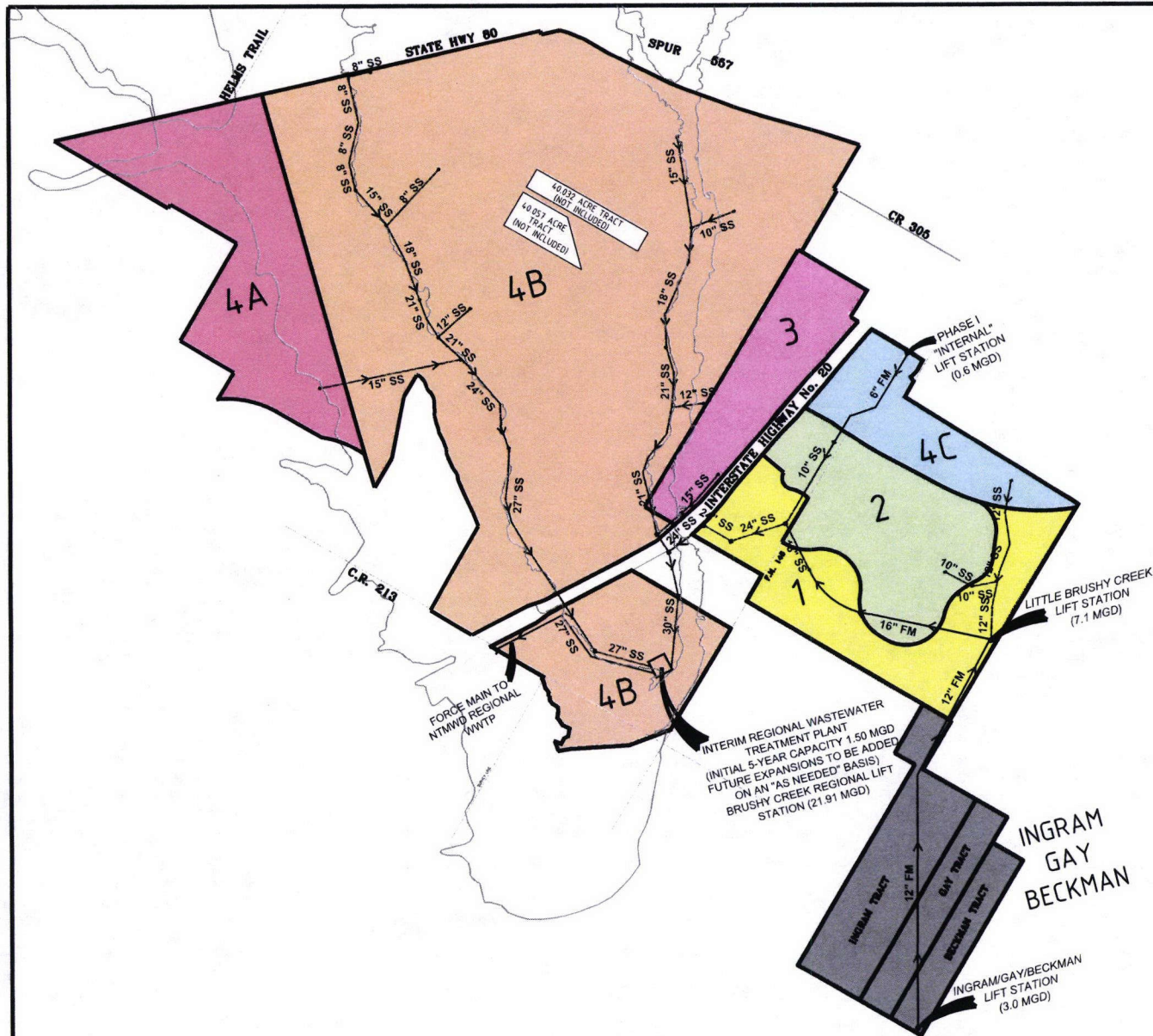
The following cost estimates represent the cost of the proposed sanitary sewer infrastructure system that the District is planning to construct in order to provide service to the proposed CCN area. It is assumed that the proposed interim regional wastewater treatment plant will service the area in the first five years. Table 4 shows a cost estimate summary for the proposed sewer system improvements. See Exhibit 2 for detailed cost estimate.

**Table 4 – Cost Estimate Summary for Proposed Sewer System Improvements**

<b>Cost Item</b>	<b>Cost</b>
Internal Collection System - Las Lomas MUD 4A, 4B & 4C	\$ 23,291,200.00
Internal Collection System - Las Lomas MUD 1	\$ 4,045,120.00
Internal Collection System - Las Lomas MUD 2	\$ 3,502,640.00
Internal Collection System - Las Lomas MUD 3	\$ 2,762,528.00
Internal Collection System - Ingram, Gay & Beckman Tracts	\$ 5,282,520.00
Trunk Lines/ Lift Stations/ Force Mains	\$ 9,122,240.00
Wastewater Treatment	\$ 43,272,000.00
Sub-Total Construction Costs	\$ 91,278,248.00
Contingency at 15%	\$ 13,691,737.20
Engineering, Surveying, Inspection & Testing at 15%	\$ 15,745,497.78
Total Project Cost	\$ 120,715,482.98

## **6. Summary**

This sanitary sewer master plan is intended to summarize the engineering design data, the capital improvement plan, costs and the timeline of construction for providing sanitary sewer service by Las Lomas Municipal Utility District No. 4B to the proposed CCN area.



**EXHIBIT 1**  
**SANITARY SEWER MASTER PLAN**  
 LAS LOMAS MUD 4B  
 KAUFMAN COUNTY, TEXAS

**PETITT & ASSOCIATES**  
 ENGINEERING SURVEYING CONSTRUCTION ADMINISTRATION

TBPE FIRM REGISTRATION NO. 1488  
 TBPLS FIRM REGISTRATION NO. 101068-00  
 1651 N. Glenville Drive, Suite 212 Tel. No. (214) 221-9955  
 Richardson, Texas 75081 Fax No. (214) 340-3550

DATE: 06-17-2019

SCALE: AS SHOWN

JOB NO. 19009-00

SHEET 1 OF 1

Exhibit 2  
Detailed Cost Estimate - Sewer System Improvements

ITEM	QUANTITY	UNIT	UNIT PRICE	COST
<b>INTERNAL COLLECTION SYSTEM - LAS LOMAS MUD NO. 4, TRACTS 1-6 &amp; AP DUPONT TRACT</b>				
8" Sanitary Sewer	328,000	LF	\$32.00	\$10,496,000.00
10" Sanitary Sewer	15,200	LF	\$35.20	\$535,040.00
12" Sanitary Sewer	3,000	LF	\$40.00	\$120,000.00
4' Diameter Manhole	920	EA	\$4,000.00	\$3,680,000.00
Cleanout	123	EA	\$1,040.00	\$127,920.00
Concrete Encasement	7,500	LF	\$80.00	\$600,000.00
End & Plug	25	EA	\$480.00	\$12,000.00
Connect to Existing Line	25	EA	\$1,600.00	\$40,000.00
Testing	346,200	LF	\$1.60	\$553,920.00
Trench Safety	346,200	LF	\$1.60	\$553,920.00
4" Service Lines	10,954	EA	\$600.00	\$6,572,400.00
Sub-Total				<b>\$23,291,200.00</b>
<b>INTERNAL COLLECTION SYSTEM - LAS LOMAS MUD NO. 1</b>				
8" Sanitary Sewer	55,800	LF	\$32.00	\$1,785,600.00
10" Sanitary Sewer	1,400	LF	\$35.20	\$49,280.00
4' Diameter Manhole	205	EA	\$4,000.00	\$820,000.00
Cleanout	40	EA	\$1,040.00	\$41,600.00
Concrete Encasement	1,500	LF	\$80.00	\$120,000.00
End & Plug	10	EA	\$480.00	\$4,800.00
Connect to Existing Line	10	EA	\$1,600.00	\$16,000.00
Testing	57,200	LF	\$1.60	\$91,520.00
Trench Safety	57,200	LF	\$1.60	\$91,520.00
4" Service Lines	1,708	EA	\$600.00	\$1,024,800.00
Sub-Total				<b>\$4,045,120.00</b>
<b>INTERNAL COLLECTION SYSTEM - LAS LOMAS MUD NO. 2</b>				
8" Sanitary Sewer	49,900	LF	\$32.00	\$1,596,800.00
10" Sanitary Sewer	900	LF	\$35.20	\$31,680.00
4' Diameter Manhole	165	EA	\$4,000.00	\$660,000.00
Cleanout	15	EA	\$1,040.00	\$15,600.00
Concrete Encasement	1,500	LF	\$80.00	\$120,000.00
End & Plug	10	EA	\$480.00	\$4,800.00
Connect to Existing Line	10	EA	\$1,600.00	\$16,000.00
Testing	50,800	LF	\$1.60	\$81,280.00
Trench Safety	50,800	LF	\$1.60	\$81,280.00
4" Service Lines	1,492	EA	\$600.00	\$895,200.00
Sub-Total				<b>\$3,502,640.00</b>

Exhibit 2  
Detailed Cost Estimate - Sewer System Improvements

**INTERNAL COLLECTION SYSTEM - LAS LOMAS MUD NO. 3**

8" Sanitary Sewer	39,900	LF	\$32.00	\$1,276,800.00
10" Sanitary Sewer	720	LF	\$35.20	\$25,344.00
4' Diameter Manhole	130	EA	\$4,000.00	\$520,000.00
Cleanout	10	EA	\$1,040.00	\$10,400.00
Concrete Encasement	1,200	LF	\$80.00	\$96,000.00
End & Plug	5	EA	\$480.00	\$2,400.00
Connect to Existing Line	5	EA	\$1,600.00	\$8,000.00
Testing	40,620	LF	\$1.60	\$64,992.00
Trench Safety	40,620	LF	\$1.60	\$64,992.00
4" Service Lines	1,156	EA	\$600.00	\$693,600.00

Sub-Total **\$2,762,528.00**

**INTERNAL COLLECTION SYSTEM - INGRAM, GAY & BECKMAN TRACTS**

8" Sanitary Sewer	75,800	LF	\$32.00	\$2,425,600.00
10" Sanitary Sewer	1,400	LF	\$35.20	\$49,280.00
4' Diameter Manhole	250	EA	\$4,000.00	\$1,000,000.00
Cleanout	20	EA	\$1,040.00	\$20,800.00
Concrete Encasement	2,300	LF	\$80.00	\$184,000.00
End & Plug	10	EA	\$480.00	\$4,800.00
Connect to Existing Line	10	EA	\$1,600.00	\$16,000.00
Testing	77,200	LF	\$1.60	\$123,520.00
Trench Safety	77,200	LF	\$1.60	\$123,520.00
4" Service Lines	2,225	EA	\$600.00	\$1,335,000.00

Sub-Total **\$5,282,520.00**

**Trunk Lines/Lift Stations/Forcemains**

10" Sanitary Sewer	2,400	LF	\$35.20	\$84,480.00
12" Sanitary Sewer	6,300	LF	\$40.00	\$252,000.00
15" Sanitary Sewer	11,900	LF	\$51.20	\$609,280.00
18" Sanitary Sewer	6,600	LF	\$64.00	\$422,400.00
21" Sanitary Sewer	7,100	LF	\$80.00	\$568,000.00
24" Sanitary Sewer	7,600	LF	\$104.00	\$790,400.00
27" Sanitary Sewer	6,500	LF	\$128.00	\$832,000.00
30" Sanitary Sewer	3,000	LF	\$160.00	\$480,000.00
36" Steel Casing by Bore under I-20	750	LF	\$640.00	\$480,000.00
Trench Safety	51,400	LF	\$1.60	\$82,240.00
Testing	51,400	LF	\$3.20	\$164,480.00
4' Diameter Manhole	18	EA	\$3,520.00	\$63,360.00
5' Diameter Manhole	80	EA	\$6,400.00	\$512,000.00
6' Diameter Manhole	6	EA	\$9,600.00	\$57,600.00
6" Force Main & Appurtenances	3,100	LF	\$32.00	\$99,200.00
12" Force Main & Appurtenances	6,500	LF	\$44.80	\$291,200.00
16" Force Main & Appurtenances	5,100	LF	\$56.00	\$285,600.00
Phase 1 Internal Lift Station	0.6	MGD	\$640,000.00	\$384,000.00
Little Brushy Creek Lift Station	7.1	MGD	\$240,000.00	\$1,704,000.00
Beckman Tract Lift Station	3.0	MGD	\$320,000.00	\$960,000.00

Sub-Total **\$9,122,240.00**

Exhibit 2  
Detailed Cost Estimate - Sewer System Improvements

<b>Wastewater Treatment</b>				
Water Treatment Plant	6.01	MGD	\$7,200,000.00	\$43,272,000.00
Sub-Total			\$	<b>43,272,000.00</b>
<b>Sub-Total Construction Costs</b>				<b>\$91,278,248.00</b>
Contingency	15%		\$	13,691,737.20
Engineering	15%		\$	15,745,497.78
<b>Grand Total</b>			<b>\$</b>	<b>120,715,482.98</b>
<b>Cost Per Lot</b>	17,534	LOTS		<b>\$6,884.65</b>

# EXHIBIT “3”

FACILITIES AND OPERATING COSTS  
REIMBURSEMENT AGREEMENT  
(Operations, Water, Sewer, Drainage, and Roads)

THE STATE OF TEXAS           §  
  §  
COUNTY OF KAUFMAN       §

THIS FACILITIES AND OPERATING COSTS REIMBURSEMENT AGREEMENT (the "Agreement") is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2019, by and between AP DUPONT LIMITED PARTNERSHIP, a Texas limited partnership ("Owner"), and LAS LOMAS MUNICIPAL UTILITY DISTRICT NO. 4B OF KAUFMAN COUNTY (the "District"), a political subdivision of the State of Texas, operating under the provisions of Article III, Section 52, and Article XVI, Section 59, of the Texas Constitution and Chapters 49 and 54, Texas Water Code, as amended. Owner and the District may be individually referred to as a "Party" or collectively as the "Parties."

RECITALS:

WHEREAS, the District was created for the purpose of providing water, sanitary sewer and drainage facilities, and certain roads to serve the land within its boundaries; and

WHEREAS, Owner is the owner of the approximately 3,432 acres in the District described in the attached Exhibit "A" ("Owner's Land"); and

WHEREAS, Owner wishes the District to finance the construction or other acquisition of the water, sanitary sewer and drainage facilities or capacities, and roads necessary to serve Owner's Land (collectively, the "Facilities"), as Owner's development schedule dictates; and

WHEREAS, the District wishes Owner to proceed with the development of Owner's Land, as Owner's development schedule dictates, but the District does not have any funds which could be used to construct the Facilities, nor does the District have the ability, at this time, to issue its bonds to construct such Facilities;

WHEREAS, pursuant to the laws of the State of Texas, including Local Government Code, Section 375.092, the District is authorized to enter into agreements whereby a landowner constructs certain facilities on behalf of the District so that land in the District can be served with public facilities or whereby a landowner advances funds to allow the operation of the district.

AGREEMENT:

FOR AND IN CONSIDERATION of the mutual promises, covenants, benefits and obligations hereinafter set forth, the receipt and sufficiency of which is hereby acknowledged by both Parties, the District and Owner hereby agree and contract as follows:

- A. Provision of Facilities and Operating Costs. Owner, acting on behalf of the District, shall, from time to time as Owner's development schedule dictates, purchase, construct or otherwise cause the construction or acquisition of the Facilities or capacities needed for

development of Owner's Land in the manner provided by the general law for municipal utility districts and in full compliance with the applicable rules and regulations of the Texas Commission on Environmental Quality (the "TCEQ"), the provisions of the Texas Water Code, the applicable regulations of Kaufman County, Texas, and all other regulatory bodies having jurisdiction over such construction or acquisition. In addition, from time to time, as needed, Owner has already or in the future will loan to the District or pay on behalf of the District the costs to properly create, operate and maintain the District, such costs being hereinafter referred to as the "District's Operating Costs."

- B. **Project Management.** The District's engineer, or such engineer chosen by Owner and reasonably acceptable to the District, shall serve as "Project Engineer" for the construction of the Facilities. The Project Engineer shall prepare plans and specifications for the Facilities; advise and make recommendations to the Board of Directors upon the award of construction contracts on the Facilities; shall make monthly reports, if requested, to the Board and Owner on the progress of construction; approve all pay estimates and change orders and shall submit the same to the Board and Owner for approval; and provide the appropriate level of inspection and observation during the construction of the Facilities to assure construction in substantial compliance with the approved plans, and shall recommend final acceptance of the Facilities to the Board when appropriate. No changes to the plans and specifications or change orders to any construction contracts shall be made without approval by the Board of Directors of the District and Owner, which approvals shall not be unreasonably withheld.
- C. **Contracts.** The Board of Directors of the District shall review all bids received for the construction of the Facilities and shall authorize the award of the construction contracts in accordance with state laws related to competitive bidding requirements for municipal utility districts, provided that Owner authorizes such award. If Owner fails to authorize award of the construction contracts, the District shall reject all bids, and the District and Owner shall jointly determine whether to re-bid the project or postpone construction. Construction contracts shall include payment and performance bonds and maintenance guarantees after completion, all as required by law for municipal utility districts.
- D. **Payment of Costs.** Owner shall make, in a timely fashion, all payments on the contracts awarded by the Owner on behalf of the District or by the District for the construction or other acquisition of the Facilities. Such contracts shall provide that the contractor shall look solely to the Owner for payment of all claims. Owner shall, upon making any payment, provide copies of all invoices and certifications recommending payment to the District.
- E. **District Reimbursement.** The District shall reimburse Owner for the monies heretofore and hereafter funded by Owner for the Facilities with the proceeds of its bonds in accordance with the terms of this Agreement. The amount to be reimbursed for the Facilities shall be an amount equal to the maximum amount allowed by law, and, if applicable, the TCEQ under its then current rules, including, but not limited to, land, engineering fees, reports, studies and interest on the monies expended by Owner through the date such monies are repaid to Owner. In addition, the District shall repay Owner, to the maximum extent allowed under the rules of the TCEQ for the District's Operating

Costs upon approval of such repayment by the TCEQ. To the extent the TCEQ determines in reviewing the District's bond application (if applicable) that the cost of any portion of the Facilities or any portion of the District's Operating Costs may not be reimbursed or interest paid under the rules of such agency, then the amount of payment or reimbursement shall be appropriately reduced. Owner shall provide the District with such information and documentation as the District may reasonably request to enable it to calculate interest and verify payments. The District's obligation to repay Owner for the Facilities and the District's Operating Costs is subject to the following:

- 1) Owner shall cause to be dedicated to the District, Kaufman County, or other applicable governmental entity all easements, sites and rights-of-way necessary for the installation of the Facilities. If required by TCEQ, Owner shall dedicate such easements, sites, or rights-of-way without cost to the District. The District agrees to exercise its right of eminent domain if Owner cannot acquire such real property rights from third parties by negotiation.
- 2) Owner shall include in any street and road construction contract a provision that places the responsibility on the contractor for repair and clean-up of broken manholes, buried valve boxes, broken sewer pipes, and any and all other damage to District Facilities caused by the construction of such streets and roads.
- 3) Prior to the initiation of development within the District, Owner and all holders of a lien on Owner's Land shall enter into an agreement whereby, as to taxes levied by the District, Owner and any subsequent owner of all or any portion of Owner's Land permanently waive the right to claim agricultural, open space, wildlife management, timberland, or inventory valuations for any land, homes, or buildings owned by Owner within the District, unless such reduced valuation is in effect at the time the District issues its first series of bonds. Nothing herein shall prevent (a) Owner from maintaining an agricultural exemption over Owner's Land for any taxing jurisdiction other than the District, or (b) a residential homeowner from qualifying for any lawfully available exemption from any taxing jurisdiction, including the District.
- 4) Approval by the TCEQ (if required) of the issuance and sale by the District of bonds for the purchase of, or reimbursement of Owner for, the Facilities and repayment of the District's Operating Costs (the "Bonds").
- 5) Approval of the Bonds by the Attorney General of the State of Texas.
- 6) Registration of the Bonds by the Comptroller of Public Accounts of the State.
- 7) The receipt of a bid and awarding of sale of the Bonds by the District, and the receipt of the proceeds from the sale of such Bonds.

F. **Order and Amount of Payment.** Unless otherwise agreed by the District and Owner, the District shall include in its bond application the first monies expended by Owner pursuant to this Agreement and shall thereafter proceed to reimburse Owner for monies owed

hereunder on a first in/first out basis. In the event there is a disagreement between Owner and the District as to whether an expenditure or advance of money by Owner is owed hereunder or eligible to be reimbursed under state law or the rules of the TCEQ, the District shall include such amount in the bond application (if applicable) and shall provide Owner with the opportunity to submit information and appear before the TCEQ in support of the reimbursement. The District and Owner shall be bound by the decision of the TCEQ.

G. Bond Issuance Activities. The District shall use its reasonable best efforts to:

- 1) Apply to the TCEQ for approval of the issuance of the Bonds, if required, at such time as Owner requests, and upon the District's financial advisor determining that it is feasible for the District to issue its Bonds to repay Owner. Unless otherwise agreed by Owner, in no event shall the District file its application for the issuance of its Bonds at a date later than eight (8) months prior to the date Owner projects that the tax rate necessary to retire the District's outstanding indebtedness, including the Bonds, will be feasible. For purposes hereof, a bond issue will be considered "feasible" if it can be amortized with a tax rate of \$1.00 per \$100 valuation, based upon the taxable value of Owner's Land (and taxable improvements thereon) on a "stand alone" basis. "Stand alone" basis means that only the taxable value of Owner's Land (and taxable improvements thereon) may be considered in determining the amount of reimbursement allowable to Owner (taking into consideration previously issued bonds sold to fund Facilities serving Owner's Land). Owner may request that the Bonds be issued in more than one series, provided that the District shall not be required to issue any series of bonds in an initial principal amount of less than \$1,500,000, unless it is the last series of bonds to be issued by the District.
- 2) Following TCEQ approval (if required), market and sell the Bonds at the earliest time or times advised by the District's financial advisor; provided, however, that the District is only obligated to sell the Bonds at a rate which is acceptable under state law.
- 3) Obtain the Attorney General's approval of the Bonds.
- 4) Obtain registration of the Bonds by the Comptroller of Public Accounts and the State of Texas.
- 5) Reimburse Owner as soon as possible upon both receipt by the District of (a) the funds from the sale of Bonds, and (b) a reimbursement audit and approval by the Board of Directors.

H. Applicable Law. This Agreement and the obligations of the Parties hereunder are subject to all rules, regulations and laws which may be applicable by the United States, the State of Texas, or any regulatory agency having jurisdiction, including the applicable rules of the TCEQ. Venue shall lie solely in Kaufman County.

- I. Parties in Interest. This Agreement shall be for the sole and exclusive benefit of the District and Owner and shall not be construed to confer any benefit or right upon any other party.
- J. Modification. This Agreement shall be subject to change or modification only with the mutual written consent of Owner and the District; provided, however, the term “Owner’s Land” shall automatically be amended to include any land subsequently purchased by Owner and annexed into the District.
- K. Recitals. The “Recitals” set forth in this Agreement are true and correct and are incorporated as part of this Agreement.
- L. Entire Agreement. This Agreement constitutes the entire Agreement between the Parties relative to the subject matter hereof. There have not been and are no agreements, covenants, representations or warranties between the Parties other than those expressly stated or provided for herein.
- M. Good Faith Cooperation. The Parties agree to use good faith in the performance of their respective duties and obligations under this Agreement such that the intent of the Parties shall be fulfilled. The Parties further agree to take such additional actions, from time to time, as may be necessary to fully carry out the purposes and intent of this Agreement including, but not limited to, the execution of further documentation.
- N. Default and Remedies. No Party shall be in default under this Agreement until notice of the alleged failure of such Party to perform has been given (which notice shall set forth in reasonable detail the nature of the alleged failure) and until such Party has had a reasonable time to cure the alleged failure (such reasonable time determined based on the nature of the alleged failure). In addition, no Party shall be in default under this Agreement if within the applicable reasonable cure period the Party to whom the default notice was given begins performance and thereafter uses its good faith efforts to diligently and continuously pursue performance until the alleged failure has been cured. If a Party is in default under this Agreement, then the non-defaulting Party shall be entitled to all remedies available under applicable law including, but not limited to, specific performance, injunctive relief, mandamus relief, and damages; provided, however, (i) the District does not have the right to terminate this Agreement prior to the expiration of its term, and (ii) once Owner advances money to the District, the obligation of the District to issue and sell Bonds to reimburse for such monies shall not be affected by any alleged default by Owner that is unrelated to the advancing of such monies. The failure of any Party to insist, in one or more instances, upon performance by another Party of any provision of this Agreement shall not be construed as a waiver of future performance of such provision. If any Party hereto is the prevailing Party in any legal proceedings against the other brought under or with relation to this Agreement, such prevailing Party shall additionally be entitled to recover court costs and reasonable attorney’s fees from the non-prevailing Party to such proceedings.

The District acknowledges that this Agreement is for the providing of goods and services and, pursuant to Section 271.151, Texas Local Government Code, the District has waived its immunity from suit solely for the purpose of Owner enforcing this Agreement.

- O. Merger of District. In the event the District should consolidate or otherwise merge with another utility district or another public entity, such merger shall not act in any way impair or diminish Owner's rights hereunder.
- P. Assignment. In the event Owner sells, conveys, or otherwise transfers ownership of Owner's Land to any person or entity other than a homebuilder or end-user homeowner, Owner may, upon written notice to the District, assign Owner's rights and obligations under this Agreement to the new owner, provided that the new owner executes a joinder to this Agreement or otherwise agrees in writing to be bound by the terms of this Agreement. Upon written notice to the District, Owner may assign its rights to funds reimbursed hereunder to any lender providing monies to Owner for development of Owner's Land. Owner shall obtain from such lender and deliver to the District written releases and/or subordination agreements, in a form reasonably satisfactory to the District, evidencing that such lender has not taken a lien on any portion of the Facilities and that in the event such lienholder should foreclose on any portion of Owner's Land, such lienholder shall not have any title to the Facilities and takes title to Owner's Land subject to the terms and conditions of this Agreement. The District's acknowledgment of notice of any assignment hereunder shall not be deemed a waiver of the District's rights hereunder, and the Parties hereto acknowledge and agree that any subsequent assignments shall be subject to all of the terms hereof.
- Q. Severability. The provisions of this Agreement are severable, and if any word, phrase, clause, sentence, paragraph, section, or other part of this Agreement, or the application thereof to any person or circumstance, shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Agreement to other persons or circumstances shall be not be affected thereby.
- R. Consideration. Each Party hereto hereby finds, determines and represents that the benefits provided to it and the obligations hereunder are binding upon it constitute due consideration for its execution of this Agreement. In particular, Owner's commitment to advance monies to the District results in certain material benefits being provided to the District and constitute adequate consideration for the District's obligations to issue bonds from time to time, impose an ad valorem operation and maintenance tax, or otherwise reimburse Owner. Owner hereby represents that the District's commitment to reimburse it for monies expended pursuant to this Agreement constitutes adequate consideration for its commitment to perform its obligations hereunder.
- S. Force Majeure. If a Party is prevented from performing, in whole or in part, its obligations under this Agreement by reason of "force majeure" that could not have been avoided by the exercise of due diligence by such Party, then performance by such Party may be suspended to the limited extent and during the limited period that performance is

made impossible by the force majeure; provided, however, such Party must use its best efforts to diligently and continuously pursue a course of action that will eliminate the force majeure and allow such Party to resume full performance at the earliest possible time. As an express condition precedent to suspending performance, however, immediately after the occurrence of any force majeure, the Party whose performance is rendered impossible shall give notice and full details of the force majeure to the other Party. For purposes of this Agreement, "force majeure" means any of the following: floods; earthquakes; acts of God; acts of war; acts of terrorism; acts of public enemies; insurrection; riot; labor strikes; the inability to procure labor or materials in the open market; the interruption of utility services by an entity other than the District; the issuance of a restraining order by any court having jurisdiction; and no other.

- T. Notice. All notices provided or permitted to be given under this Agreement must be in writing and may be served by depositing same in the United States mail, addressed to the Party to be notified, postage prepaid and registered or certified with return receipt requested; by delivering the same in person to such Party; or by facsimile copy transmission. Notice given by mail shall be effective upon deposit in the United States mail. Notice given in any other manner shall be effective upon receipt at the address of the addressee. For purposes of notice, the addresses of the Parties shall be as follows:

If to the District:      Las Lomas Municipal Utility District No. 4B of Kaufman County  
                                 c/o Coats Rose, P.C.  
                                 14755 Preston Road, Suite 600  
                                 Dallas, Texas 75254  
                                 Attention: Mindy L. Koehne

If to Owner:              AP Du Pont Limited Partnership  
                                 12770 Coit Road, Suite 970  
                                 Dallas, Texas 75251  
                                 Attention: Ross Anthony

Either Party hereto may change its address for notice by giving three (3) days prior written notice to the other Party.

- U. Required Verifications. As required by Chapter 2270, Government Code, the Developer hereby verifies that neither it, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, boycotts Israel and will not boycott Israel through the term of this Agreement. For purposes of this verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. Pursuant to Chapter 2252, Texas Government Code, Developer represents and certifies that, at the time of execution of this Agreement neither Developer, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same (i) engages in business with Iran, Sudan, or any foreign terrorist organization as described in Chapter 2270 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) is a company listed

by the Texas Comptroller of Public Accounts under Sections 2270.0102, 2270.0052, or 2252.153 of the Texas Government Code. The term “foreign terrorist organization” in this paragraph has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.

- V. Term. This Agreement shall remain in effect for a term of forty (40) years.

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IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date and year first written above.

DISTRICT:

LAS LOMAS MUNICIPAL UTILITY  
DISTRICT NO. 4B OF KAUFMAN COUNTY

ATTEST:

\_\_\_\_\_  
Secretary, Board of Directors


By: \_\_\_\_\_  
President, Board of Directors

(DISTRICT SEAL)

OWNER:

AP DUPONT LIMITED PARTNERSHIP,  
a Texas limited partnership

By: AP Land Management, Inc.,  
a Texas corporation  
its General Partner

By:   
Name: Jay Anthony  
Title: President

**EXHIBIT "A"**

**LAS LOMAS MUNICIPAL UTILITY DISTRICT No. 4B  
OF KAUFMAN COUNTY  
DESCRIPTION**

**TRACT 1**

BEING A TRACT OF LAND SITUATED IN THE J. R. LEATH SURVEY, ABSTRACT NO. 305, THE W. C. MOODY SURVEY, ABSTRACT NO. 321, THE RICHARD MEAD SURVEY, ABSTRACT NO. 326, THE LEWIS PEARCE SURVEY, ABSTRACT NO. 373, THE WILLIAM SIMPSON SURVEY, ABSTRACT NO. 453, THE J. W. WARD SURVEY, ABSTRACT NO. 596, AND THE T. A. WALDROP SURVEY, ABSTRACT NO. 597 IN KAUFMAN COUNTY, TEXAS, AND BEING ALL OF A CALLED 1012.488 ACRE TRACT OF LAND DESCRIBED AS TRACT 1 IN A DEED TO AP DUPONT LIMITED PARTNERSHIP RECORDED IN VOLUME 2502, PAGE 77 OF THE DEED RECORDS OF KAUFMAN COUNTY, TEXAS, PART OF A CALLED 1406.504 ACRE TRACT OF LAND DESCRIBED AS TRACT 2 IN SAID DEED, ALL OF A CALLED 57.77 ACRE TRACT OF LAND DESCRIBED AS TRACT 5 IN SAID DEED, ALL OF A CALLED 38.410 ACRE TRACT OF LAND DESCRIBED AS TRACT 6A IN SAID DEED, ALL OF A CALLED 46.324 ACRE TRACT OF LAND DESCRIBED AS TRACT 6B IN SAID DEED, ALL OF A CALLED 146.491 ACRE TRACT OF LAND DESCRIBED A TRACT 6C IN SAID DEED, ALL OF A CALLED 418.350 ACRE TRACT OF LAND DESCRIBED AS TRACT 6D IN SAID DEED, ALL OF A CALLED 210.082 ACRE TRACT OF LAND DESCRIBED AS TRACT 7 IN SAID DEED, ALL OF A CALLED 3.09 ACRE TRACT OF LAND DESCRIBED AS TRACT 8 IN SAID DEED, ALL OF A CALLED 20.575 ACRE TRACT OF LAND DESCRIBED AS TRACT 9 IN SAID DEED, ALL OF A CALLED 242.39 ACRE TRACT OF LAND DESCRIBED AS TRACT 10 IN SAID DEED, AND ALL OF A CALLED 55.848 ACRE TRACT OF LAND DESCRIBED AS TRACT 11 IN SAID DEED, ALL OF A CALLED 40.186 ACRE TRACT OF LAND DESCRIBED IN A DEED AP DUPONT LIMITED PARTNERSHIP RECORDED IN VOLUME 2489, PAGE 481 OF SAID DEED RECORDS, ALL OF A CALLED 20.000 ACRE TRACT DESCRIBED IN A DEED TO THE TEXAS VETERANS LAND BOARD RECORDED IN VOLUME 1070, PAGE 332 AND IN A CONTRACT OF SALE BETWEEN THE TEXAS VETERANS LAND BOARD AND MELVIN EARL DUKE RECORDED IN VOLUME 1070, PAGE 336 OF SAID DEED RECORDS, AND ALL OF A CALLED 20.000 ACRE TRACT OF LAND DESCRIBED IN A DEED TO ROBERT A. BROOKS AND BARBARA M. BROOKS RECORDED IN VOLUME 1277, PAGE 618 OF SAID DEED RECORDS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHWEST RIGHT-OF-WAY LINE OF SPUR 557 (VARIABLE RIGHT-OF-WAY) FOR THE MOST EASTERLY CORNER OF SAID 1012.488 ACRE TRACT (TRACT 1) AND THE NORTHWEST CORNER OF A CALLED 131.36 ACRE TRACT OF LAND DESCRIBED AS TRACT V IN A DEED TO 148/I-20 TERRELL PARTNERSHIP, LTD., RECORDED IN VOLUME 1939, PAGE 341 OF SAID DEED RECORDS;

THENCE SOUTH 45 DEGREES 16 MINUTES 35 SECONDS WEST, ALONG THE SOUTHEASTERLY BOUNDARY OF SAID TRACT 1 AND THE NORTHWEST LINES OF SAID TRACT V AND A CALLED 120.00 ACRE TRACT OF LAND DESCRIBED AS TRACT IV IN SAID DEED TO 148/I-20 TERRELL PARTNERSHIP, LTD., A DISTANCE OF 2141.57 FEET TO A POINT FOR THE MOST WESTERLY CORNER OF SAID TRACT IV;

THENCE SOUTH 45 DEGREES 02 MINUTES 34 SECONDS EAST, ALONG THE SOUTHWEST LINE OF SAID TRACT IV, A DISTANCE OF 99.72 FEET TO A POINT FOR A RE-ENTRANT CORNER IN SAID TRACT 1 AND THE NORTH CORNER OF A CALLED 80.083 ACRE TRACT OF LAND DESCRIBED IN A DEED TO C. L. HAMILTON, JR., RECORDED IN VOLUME 528, PAGE 759 OF SAID DEED RECORDS;

THENCE SOUTH 45 DEGREES 05 MINUTES 40 SECONDS WEST, CONTINUING ALONG THE SOUTHEASTERLY BOUNDARY OF SAID TRACT 1 AND ALONG THE NORTHWEST LINE OF SAID HAMILTON TRACT, A DISTANCE OF 1795.83 FEET TO A POINT IN THE NORTHEAST LINE OF A CALLED 288.239 ACRE TRACT OF LAND DESCRIBED AS TRACT 1 IN A DEED TO AP TERRELL LIMITED PARTNERSHIP RECORDED IN VOLUME 2324, PAGE 267 OF SAID DEED RECORDS FOR THE WEST CORNER OF SAID HAMILTON TRACT AND A RE-ENTRANT CORNER OF SAID TRACT 1;

THENCE NORTH 44 DEGREES 23 MINUTES 07 SECONDS WEST, CONTINUING ALONG THE SOUTHEASTERLY BOUNDARY OF SAID TRACT 1 AND THE NORTHEAST LINE OF SAID 288.239 ACRE TRACT, A DISTANCE OF 99.93 FEET TO A POINT FOR THE MOST NORTHERLY CORNER OF SAID 288.239 ACRE TRACT;

THENCE SOUTH 45 DEGREES 29 MINUTES 35 SECONDS WEST, ALONG THE COMMON LINE BETWEEN SAID TRACT 1 AND SAID 288.239 ACRE TRACT, A DISTANCE OF 6060.97 FEET TO A POINT FOR AN ANGLE POINT;

THENCE SOUTH 45 DEGREES 28 MINUTES 26 SECONDS WEST, CONTINUING ALONG SAID COMMON LINE, A DISTANCE OF 1601.11 FEET TO A POINT FOR THE WEST CORNER OF SAID 288.239 ACRE TRACT AND THE NORTH CORNER OF SAID TRACT 9;

THENCE SOUTH 44 DEGREES 25 MINUTES 44 SECONDS EAST, ALONG THE NORTHEAST LINE OF SAID TRACT 9 AND THE SOUTHWEST LINE OF SAID 288.239 ACRE TRACT, A DISTANCE OF 898.56 FEET TO A POINT IN THE NORTHERLY RIGHT-OF-WAY OF INTERSTATE HIGHWAY 20 (VARIABLE RIGHT-OF-WAY) FOR THE SOUTH CORNER OF SAID 288.239 ACRE TRACT AND THE EAST CORNER OF SAID TRACT 9;

THENCE ALONG THE NORTHERLY RIGHT-OF-WAY OF INTERSTATE HIGHWAY 20 THE FOLLOWING COURSES AND DISTANCES:

SOUTH 63 DEGREES 04 MINUTES 03 SECONDS WEST, A DISTANCE OF 631.14 FEET TO A POINT FOR CORNER;

SOUTH 75 DEGREES 45 MINUTES 02 SECONDS WEST, A DISTANCE OF 1122.84 FEET TO A POINT FOR CORNER;

SOUTH 77 DEGREES 15 MINUTES 22 SECONDS WEST, A DISTANCE OF 2160.34 FEET TO A POINT FOR CORNER;

SOUTH 87 DEGREES 10 MINUTES 56 SECONDS WEST, A DISTANCE OF 406.08 FEET TO A POINT FOR CORNER;

SOUTH 77 DEGREES 15 MINUTES 22 SECONDS WEST, A DISTANCE OF 1593.39 FEET TO A POINT FOR THE MOST SOUTHERLY SOUTHWEST CORNER OF SAID TRACT 1;

THENCE NORTH 44 DEGREES 55 MINUTES 22 SECONDS WEST, ALONG THE SOUTHWEST LINE OF SAID TRACT 1, A DISTANCE OF 1236.59 FEET TO THE WEST CORNER THEREOF AND THE SOUTH CORNER OF A CALLED 226.262 ACRE TRACT OF LAND DESCRIBED IN A DEED TO STEPHEN EDWARD CUMMINGS AND WIFE TAMARA CANNON CUMMINGS RECORDED IN VOLUME 1105, PAGE 405 OF SAID DEED RECORDS;

THENCE NORTH 44 DEGREES 40 MINUTES 05 SECONDS EAST, ALONG THE MOST SOUTHERLY NORTHWEST LINE OF SAID TRACT 1 AND THE SOUTHEAST LINE OF SAID CUMMINGS TRACT, A DISTANCE OF 2494.90 FEET TO A POINT IN THE APPROXIMATE CENTER OF BIG BRUSHY CREEK;

THENCE ALONG THE APPROXIMATE CENTER OF BIG BRUSHY CREEK THE FOLLOWING COURSES AND DISTANCES;

NORTH 06 DEGREES 12 MINUTES 18 SECONDS WEST, A DISTANCE OF 345.93 FEET;

NORTH 09 DEGREES 55 MINUTES 23 SECONDS WEST, A DISTANCE OF 554.42 FEET;

NORTH 08 DEGREES 46 MINUTES 10 SECONDS WEST, A DISTANCE OF 381.09 FEET;

NORTH 05 DEGREES 35 MINUTES 18 SECONDS EAST, A DISTANCE OF 162.78 FEET;

NORTH 22 DEGREES 31 MINUTES 18 SECONDS WEST, A DISTANCE OF 166.93 FEET;

NORTH 09 DEGREES 47 MINUTES 43 SECONDS WEST, A DISTANCE OF 320.94 FEET;

NORTH 05 DEGREES 05 MINUTES 10 SECONDS WEST, A DISTANCE OF 140.62 FEET;

NORTH 23 DEGREES 45 MINUTES 30 SECONDS EAST, A DISTANCE OF 76.71 FEET;

NORTH 11 DEGREES 46 MINUTES 42 SECONDS WEST, A DISTANCE OF 70.46 FEET;

NORTH 03 DEGREES 51 MINUTES 18 SECONDS WEST, A DISTANCE OF 166.62 FEET;

NORTH 13 DEGREES 06 MINUTES 48 SECONDS WEST, A DISTANCE OF 273.76 FEET;

NORTH 12 DEGREES 55 MINUTES 02 SECONDS EAST, A DISTANCE OF 79.03 FEET;

NORTH 05 DEGREES 00 MINUTES 55 SECONDS WEST, A DISTANCE OF 192.13 FEET;

NORTH 07 DEGREES 15 MINUTES 15 SECONDS EAST, A DISTANCE OF 69.36 FEET;

NORTH 05 DEGREES 47 MINUTES 42 SECONDS WEST, A DISTANCE OF 88.93 FEET;

NORTH 19 DEGREES 00 MINUTES 10 SECONDS EAST, A DISTANCE OF 143.40 FEET;

NORTH 07 DEGREES 53 MINUTES 29 SECONDS EAST, A DISTANCE OF 76.28 FEET;

NORTH 18 DEGREES 45 MINUTES 36 SECONDS EAST, A DISTANCE OF 63.08 FEET;

NORTH 09 DEGREES 31 MINUTES 32 SECONDS EAST, A DISTANCE OF 132.11 FEET;

NORTH 02 DEGREES 16 MINUTES 10 SECONDS WEST, A DISTANCE OF 71.67 FEET;

NORTH 14 DEGREES 29 MINUTES 56 SECONDS WEST, A DISTANCE OF 124.10 FEET;

NORTH 31 DEGREES 34 MINUTES 04 SECONDS WEST, A DISTANCE OF 80.42 FEET;

NORTH 20 DEGREES 56 MINUTES 55 SECONDS WEST, A DISTANCE OF 85.21 FEET;

NORTH 02 DEGREES 03 MINUTES 48 SECONDS EAST, A DISTANCE OF 66.26 FEET;

NORTH 04 DEGREES 20 MINUTES 07 SECONDS WEST, A DISTANCE OF 107.71 FEET;

NORTH 25 DEGREES 55 MINUTES 20 SECONDS WEST, A DISTANCE OF 126.58 FEET;

NORTH 33 DEGREES 42 MINUTES 49 SECONDS WEST, A DISTANCE OF 66.57 FEET;

NORTH 48 DEGREES 30 MINUTES 57 SECONDS WEST, A DISTANCE OF 45.41 FEET;

NORTH 75 DEGREES 33 MINUTES 32 SECONDS WEST, A DISTANCE OF 35.14 FEET TO THE WEST CORNER OF SAID TRACT 4 AND THE NORTH CORNER OF SAID CUMMINGS TRACT, SAID POINT BEING IN THE SOUTHEASTERLY BOUNDARY OF SAID TRACT 2;

THENCE SOUTH 45 DEGREES 08 MINUTES 13 SECONDS WEST, ALONG THE NORTHWESTERLY BOUNDARY OF SAID CUMMINGS TRACT AND THE SOUTHEASTERLY BOUNDARY OF SAID TRACT 2, A DISTANCE OF 636.24 FEET TO A POINT FOR CORNER;

THENCE SOUTH 25 DEGREES 51 MINUTES 12 SECONDS WEST, CONTINUING ALONG THE NORTHWESTERLY BOUNDARY OF SAID CUMMINGS TRACT AND THE SOUTHEASTERLY BOUNDARY OF SAID TRACT 2, A DISTANCE OF 1632.88 FEET TO A POINT FOR CORNER;

THENCE SOUTH 44 DEGREES 51 MINUTES 12 SECONDS WEST, CONTINUING ALONG THE NORTHWESTERLY BOUNDARY OF SAID CUMMINGS TRACT AND THE SOUTHEASTERLY BOUNDARY OF SAID TRACT 2, A DISTANCE OF 864.04 FEET TO THE EAST CORNER OF A CALLED 10.0 ACRE TRACT OF LAND DESCRIBED IN A DEED TO FLOYD DARDEN AND JOHN DARDEN RECORDED IN VOLUME 1033, PAGE 384 OF SAID DEED RECORDS;

THENCE NORTH 00 DEGREES 51 MINUTES 17 SECONDS WEST, A DISTANCE OF 10481.50 FEET TO A POINT IN THE SOUTH LINE OF THE UNION PACIFIC RAILWAY (100' RIGHT-OF-WAY) AND IN THE NORTH LINE OF SAID TRACT 2;

THENCE SOUTH 88 DEGREES 06 MINUTES 52 SECONDS EAST, ALONG THE NORTH LINE OF SAID TRACT 2 AND THE SOUTH LINE OF THE RAILWAY, A DISTANCE OF 7,277.69 FEET TO A POINT FOR CORNER;

THENCE SOUTH 02 DEGREES 52 MINUTES 47 SECONDS WEST, A DISTANCE OF 98.14 FEET TO A POINT FOR THE NORTHEAST CORNER OF SAID TRACT 8;

THENCE SOUTH 10 DEGREES 52 MINUTES 20 SECONDS WEST, ALONG THE MOST NORTHERLY EAST LINE OF SAID TRACT 8, A DISTANCE OF 191.83 FEET TO A POINT FOR CORNER;

THENCE SOUTH 78 DEGREES 58 MINUTES 12 SECONDS EAST, A DISTANCE OF 18.76 FEET TO A POINT IN THE APPROXIMATE CENTER OF COUNTY ROAD 238 (UNDEDICATED PUBLIC ROAD) AND THE WEST LINE OF SAID TRACT 6A;

THENCE NORTH 09 DEGREES 34 MINUTES 14 SECONDS EAST, ALONG THE APPROXIMATE CENTER OF COUNTY ROAD 238 AND THE WEST LINE OF SAID TRACT 6A, A DISTANCE OF 194.23 FEET TO A POINT FOR THE NORTHWEST CORNER OF SAID TRACT 6A;

THENCE SOUTH 88 DEGREES 13 MINUTES 07 SECONDS EAST, ALONG THE NORTH LINE OF SAID TRACT 6A, A DISTANCE OF 439.54 FEET TO A POINT FOR THE NORTHEAST CORNER OF SAID TRACT 6A AND THE NORTHWEST CORNER OF A 40.186 ACRE TRACT OF LAND DESCRIBED IN A DEED TO AP DUPONT LIMITED PARTNERSHIP RECORDED IN VOLUME 2489, PAGE 481 OF SAID DEED RECORDS;

THENCE ALONG THE SOUTHWESTERLY RIGHT-OF-WAY OF SPUR 557 AS FOLLOWS:

SOUTH 62 DEGREES 14 MINUTES 39 SECONDS EAST, A DISTANCE OF 239.63 FEET TO A POINT FOR CORNER;

SOUTH 56 DEGREES 59 MINUTES 45 SECONDS EAST, A DISTANCE OF 398.38 FEET TO A POINT FOR CORNER;

SOUTH 61 DEGREES 40 MINUTES 02 SECONDS EAST, A DISTANCE OF 801.48 FEET TO A POINT FOR CORNER;

SOUTH 58 DEGREES 29 MINUTES 39 SECONDS EAST, A DISTANCE OF 1701.26 FEET TO A POINT FOR CORNER;

SOUTH 60 DEGREES 45 MINUTES 58 SECONDS EAST, A DISTANCE OF 399.56 FEET TO A POINT FOR CORNER;

SOUTH 58 DEGREES 10 MINUTES 40 SECONDS EAST, A DISTANCE OF 197.28 FEET TO A POINT FOR CORNER;

SOUTH 58 DEGREES 08 MINUTES 34 SECONDS EAST, A DISTANCE OF 1002.54 FEET TO A POINT FOR CORNER;

SOUTH 54 DEGREES 48 MINUTES 28 SECONDS EAST, A DISTANCE OF 901.01 FEET TO A POINT AT A CUT-BACK CORNER FOR COUNTY ROAD 305;

SOUTH 00 DEGREES 24 MINUTES 39 SECONDS EAST, ALONG SAID CUT-BACK, A DISTANCE OF 306.16 FEET TO A POINT FOR CORNER;

SOUTH 48 DEGREES 51 MINUTES 21 SECONDS EAST, A DISTANCE OF 139.01 FEET TO A POINT FOR CORNER;

NORTH 68 DEGREES 37 MINUTES 22 SECONDS EAST, ALONG A CUT-BACK LINE FOR COUNTY ROAD 305, A DISTANCE OF 369.51 FEET TO A POINT FOR CORNER;

SOUTH 62 DEGREES 55 MINUTES 42 SECONDS EAST, A DISTANCE OF 908.33 FEET TO A POINT FOR CORNER;

SOUTH 62 DEGREES 41 MINUTES 47 SECONDS EAST, A DISTANCE OF 1218.13 FEET TO A POINT FOR CORNER;

SOUTH 62 DEGREES 58 MINUTES 31 SECONDS EAST, A DISTANCE OF 65.33 FEET TO THE POINT OF BEGINNING AND CONTAINING 3,152.439 ACRES OF LAND, SAVE AND EXCEPT THE FOLLOWING TWO (2) TRACTS OF LAND:

**SAVE AND EXCEPT TRACT 1**

BEING A TRACT OF LAND SITUATED IN THE LEWIS PEARCE SURVEY, ABSTRACT NO. 373, IN KAUFMAN COUNTY, TEXAS, AND BEING ALL OF A CALLED 10.000 ACRE TRACT OF LAND DESCRIBED IN A DEED TO ROBERT A. KAUS AND WIFE MARTHA LEE KAUS RECORDED IN VOLUME 1050, PAGE 120 OF THE DEED RECORDS OF KAUFMAN COUNTY, TEXAS, AND ALL OF A CALLED 30.000 ACRE TRACT DESCRIBED IN A DEED TO ROBERT A. KAUS AND WIFE MARTHA LEE KAUS RECORDED IN VOLUME 1050, PAGE 124 OF SAID DEED RECORDS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE APPROXIMATE CENTER OF COUNTY ROAD 238 (UNDEDICATED PUBLIC ROAD) FOR THE NORTH CORNER OF SAID 30.000 TRACT AND THE WEST CORNER OF A CALLED 46.324 ACRE TRACT OF LAND DESCRIBED AS TRACT 6B IN A DEED TO AP DUPONT LIMITED PARTNERSHIP RECORDED IN VOLUME 2502, PAGE 77 OF SAID DEED RECORDS;

THENCE SOUTH 45 DEGREES 11 MINUTES 54 SECONDS EAST, ALONG THE NORTHEAST LINE OF SAID 30.000 ACRE TRACT AND THE SOUTHWEST LINE OF SAID TRACT 6B, A DISTANCE OF 3,261.17 FEET TO A POINT FOR THE EAST CORNER OF SAID 30.000 ACRE TRACT AND THE SOUTH CORNER OF SAID TRACT 6B, SAID

POINT ALSO BEING LOCATED IN THE NORTHWEST LINE OF A CALLED 242.39 ACRE TRACT OF LAND DESCRIBED AS TRACT 10;

THENCE SOUTH 44 DEGREES 50 MINUTES 02 SECONDS WEST, ALONG THE SOUTHEAST LINES OF SAID 30.000 ACRE TRACT AND SAID 10.000 ACRE TRACT, AND THE NORTHWEST LINE OF SAID TRACT 10, A DISTANCE OF 534.82 FEET TO A POINT FOR THE SOUTH CORNER OF SAID 10.000 ACRE TRACT AND THE EAST CORNER OF A CALLED 55.84 ACRE TRACT DESCRIBED AS TRACT 11 IN SAID AP DUPONT DEED;

THENCE NORTH 45 DEGREES 11 MINUTES 25 SECONDS WEST, ALONG THE SOUTHWEST LINE OF SAID 10.00 ACRE TRACT AND THE NORTHEAST LINE OF SAID TRACT 11, A DISTANCE OF 3262.61 FEET TO A POINT IN THE APPROXIMATE CENTER OF COUNTY ROAD 238 FOR THE WEST CORNER OF SAID 10.000 ACRE TRACT AND THE NORTH CORNER OF SAID TRACT 11;

THENCE NORTH 44 DEGREES 59 MINUTES 17 SECONDS EAST, ALONG THE APPROXIMATE CENTER OF COUNTY ROAD 238 AND THE NORTHWEST LINES OF SAID 10.000 ACRE TRACT AND SAID 30.000 ACRE TRACT; A DISTANCE OF 534.37 FEET TO THE POINT OF BEGINNING AND CONTAINING 40.032 ACRES OF LAND, MORE OR LESS.

## **SAVE AND EXCEPT TRACT 2**

BEING A TRACT OF LAND SITUATED IN THE LEWIS PEARCE SURVEY, ABSTRACT NO. 373, IN KAUFMAN COUNTY, TEXAS, AND BEING ALL OF A CALLED 20.000 ACRE TRACT OF LAND DESCRIBED IN A DEED TO JAMES EDGAR CRAWFORD, SR., AND WIFE EARLENA FAYE CRAWFORD RECORDED IN VOLUME 1056, PAGE 531 OF THE DEED RECORDS OF KAUFMAN COUNTY, TEXAS, AND ALL OF A CALLED 20.000 ACRE TRACT DESCRIBED IN A DEED TO THE TEXAS VETERANS LAND BOARD RECORDED IN VOLUME 1070, PAGE 352 OF SAID DEED RECORDS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE APPROXIMATE CENTER OF COUNTY ROAD 238 (UNDEDICATED PUBLIC ROAD) FOR THE NORTH CORNER OF SAID TEXAS VETERANS LAND BOARD TRACT AND THE WEST CORNER OF A CALLED 55.84 ACRE TRACT OF LAND DESCRIBED AS TRACT 11 IN A DEED TO AP DUPONT LIMITED PARTNERSHIP RECORDED IN VOLUME 2502, PAGE 77 OF SAID DEED RECORDS;

THENCE SOUTH 45 DEGREES 13 MINUTES 34 SECONDS EAST, ALONG THE COMMON LINE BETWEEN SAID LAND BOARD TRACT AND SAID TRACT 11, A DISTANCE OF 1291.85 FEET TO A POINT FOR THE MOST NORTHERLY EAST CORNER OF SAID LAND BOARD TRACT AND A RE-ENTRANT CORNER IN SAID TRACT 11;

THENCE SOUTH 00 DEGREES 11 MINUTES 46 SECONDS EAST, ALONG THE MOST SOUTHERLY WEST LINE OF SAID TRACT 11 AND THE EAST LINES OF SAID LAND BOARD TRACT AND SAID CRAWFORD TRACT, A DISTANCE OF 1381.15 FEET TO A POINT FOR THE SOUTH CORNER OF SAID CRAWFORD TRACT AND THE MOST NORTHERLY EAST CORNER OF A CALLED 418.609 ACRE TRACT OF LAND DESCRIBED AS TRACT 6D IN SAID AP DUPONT DEED;

THENCE NORTH 45 DEGREES 16 MINUTES 57 SECONDS WEST, ALONG THE SOUTHWEST LINE OF SAID CRAWFORD TRACT AND THE NORTHEAST LINE OF SAID TRACT 6D, A DISTANCE OF 2274.35 FEET TO A POINT IN THE APPROXIMATE CENTER OF COUNTY ROAD 238 FOR THE WEST CORNER OF SAID CRAWFORD TRACT AND THE NORTH CORNER OF SAID TRACT 6D;

THENCE NORTH 45 DEGREES 08 MINUTES 53 SECONDS EAST, ALONG THE APPROXIMATE CENTER OF COUNTY ROAD 238 AND THE NORTHWEST LINE OF SAID TRACT 6D, A DISTANCE OF 979.39 FEET TO THE POINT OF BEGINNING AND CONTAINING 40.057 ACRES OF LAND, MORE OF LESS, LEAVING A TOTAL AREA OF 3072.350 ACRES, MORE OR LESS.

## **TRACT 2**

BEING A TRACT OF LAND SITUATED IN THE WILLIAM SIMPSON SURVEY, ABSTRACT NO. 453, IN KAUFMAN COUNTY, TEXAS, AND BEING ALL OF A CALLED 362.357 ACRE TRACT OF LAND DESCRIBED AS TRACT 3 IN A DEED TO AP DUPONT LIMITED PARTNERSHIP RECORDED IN VOLUME 2502, PAGE 77 OF THE DEED RECORDS OF KAUFMAN COUNTY, TEXAS, SAID LAND CONTAINING A PORTION OF A CALLED 76 ACRE TRACT OF LAND DESCRIBED AS TRACT 4 IN A DEED TO MAHER PROPERTIES ONE RECORDED IN VOLUME 694, PAGE 167 OF SAID DEED RECORDS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE CENTER OF F. M. 148 (80' RIGHT-OF-WAY) FOR THE EAST CORNER OF SAID TRACT 3;

THENCE SOUTH 45 DEGREES 32 MINUTES 14 SECONDS WEST, ALONG THE CENTER OF F. M. 148 AND THE SOUTHEAST LINE OF SAID TRACT 3, PASSING A POINT FOR THE BEGINNING OF A CURVE TO THE LEFT AT 2741.39 FEET, 38.24 FEET RIGHT, A TOTAL DISTANCE OF 3002.67 FEET TO A POINT FOR THE EASTERLY SOUTHEAST CORNER OF SAID TRACT 3;

THENCE SOUTH 83 DEGREES 54 MINUTES 51 SECONDS WEST, ALONG THE SOUTHERLY BOUNDARY OF SAID TRACT 3 AND THE NORTHERLY BOUNDARY OF A CALLED 155 ACRE TRACT OF LAND DESCRIBED AS TRACT 1 IN A DEED TO JERRY R. SIMS AND WIFE MARGIE SIMS RECORDED IN VOLUME 1124, PAGE 103 OF SAID DEED RECORDS, A DISTANCE OF 1129.08 FEET TO A POINT FOR CORNER;

THENCE NORTH 79 DEGREES 01 MINUTE 39 SECONDS WEST, CONTINUING ALONG THE SOUTHERLY BOUNDARY OF SAID TRACT 3 AND THE NORTHERLY BOUNDARY OF SAID 155 ACRE TRACT, A DISTANCE OF 929.89 FEET TO A POINT FOR CORNER;

THENCE NORTH 79 DEGREES 03 MINUTES 39 SECONDS WEST, CONTINUING ALONG THE SOUTHERLY LINE OF SAID TRACT 3 AND THE NORTHERLY LINE OF SAID 155 ACRE TRACT, DISTANCE OF 360.00 FEET TO A POINT FOR CORNER;

THENCE NORTH 77 DEGREES 41 MINUTES 39 SECONDS WEST, CONTINUING ALONG THE SOUTHERLY LINE OF SAID TRACT 3 AND THE NORTHERLY LINE OF SAID 155 ACRE TRACT, A DISTANCE OF 205.00 FEET TO A POINT FOR CORNER;

THENCE NORTH 85 DEGREES 30 MINUTES 59 SECONDS WEST, CONTINUING ALONG THE SOUTHERLY LINE OF SAID TRACT 3 AND THE NORTHERLY LINE OF SAID 155 ACRE TRACT, A DISTANCE OF 289.63 FEET TO A POINT IN THE APPROXIMATE CENTER OF BIG BRUSHY CREEK;

THENCE ALONG THE APPROXIMATE CENTER OF BIG BRUSHY CREEK THE FOLLOWING COURSES AND DISTANCES:

NORTH 23 DEGREES 14 MINUTES 25 SECONDS WEST, A DISTANCE OF 54.89 FEET;

NORTH 04 DEGREES 05 MINUTES 31 SECONDS WEST, A DISTANCE OF 216.07 FEET;

SOUTH 51 DEGREES 10 MINUTES 14 SECONDS EAST, A DISTANCE OF 171.26 FEET;

NORTH 41 DEGREES 26 MINUTES 55 SECONDS EAST, A DISTANCE OF 167.67 FEET;

NORTH 76 DEGREES 53 MINUTES 55 SECONDS EAST, A DISTANCE OF 118.88 FEET;

NORTH 25 DEGREES 24 MINUTES 54 SECONDS EAST, A DISTANCE OF 196.89 FEET;

NORTH 49 DEGREES 32 MINUTES 49 SECONDS WEST, A DISTANCE OF 195.65 FEET;

NORTH 18 DEGREES 50 MINUTES 34 SECONDS WEST, A DISTANCE OF 237.39 FEET;

NORTH 23 DEGREES 34 MINUTES 39 SECONDS EAST, A DISTANCE OF 165.47 FEET;

NORTH 03 DEGREES 20 MINUTES 51 SECONDS EAST, A DISTANCE OF 101.63 FEET;

NORTH 40 DEGREES 18 MINUTES 31 SECONDS WEST, A DISTANCE OF 172.48 FEET;

NORTH 17 DEGREES 35 MINUTES 08 SECONDS WEST, A DISTANCE OF 97.88 FEET;

NORTH 08 DEGREES 29 MINUTES 33 SECONDS EAST, A DISTANCE OF 76.51 FEET;

NORTH 13 DEGREES 52 MINUTES 15 SECONDS WEST, A DISTANCE OF 69.50 FEET;

NORTH 21 DEGREES 42 MINUTES 00 SECONDS EAST, A DISTANCE OF 69.26 FEET;

NORTH 21 DEGREES 26 MINUTES 22 SECONDS WEST, A DISTANCE OF 146.39 FEET;

NORTH 00 DEGREES 08 MINUTES 09 SECONDS WEST, A DISTANCE OF 158.73 FEET;

NORTH 09 DEGREES 54 MINUTES 29 SECONDS WEST, A DISTANCE OF 77.56 FEET TO A POINT IN THE WESTERLY BOUNDARY OF SAID TRACT 3, SAID POINT ALSO BEING LOCATED IN THE NORTHWEST LINE OF SAID MAHER TRACT AND THE SOUTHEAST LINE OF A CALLED 100 ACRE TRACT OF LAND DESCRIBED AS TRACT 1 IN A DEED TO KENNETH L. CLEAVER AND WIFE CYNTHIA L. CLEAVER RECORDED IN VOLUME 1173, PAGE 351 OF SAID DEED RECORDS;

THENCE NORTH 45 DEGREES 27 MINUTES 16 SECONDS EAST, ALONG THE NORTHWEST LINE OF MAHER TRACT AND THE SOUTHEAST LINE OF SAID CLEAVER TRACT, A DISTANCE OF 54.41 FEET TO A POINT FOR CORNER;

THENCE NORTH 44 DEGREES 51 MINUTES 27 SECONDS WEST, ALONG THE SOUTHWEST LINE OF SAID TRACT 3 AND THE NORTHEAST LINE OF SAID CLEAVER 100 ACRE TRACT AND THE NORTHEAST LINE OF THE REMAINDER OF A CALLED 117.93 ACRE TRACT DESCRIBED AS TRACT 2 IN SAID CLEAVER DEED, A DISTANCE OF 1535.89 FEET TO A POINT IN THE SOUTHERLY RIGHT-OF-WAY LINE OF I. H. 20 (VARIABLE RIGHT-OF-WAY) FOR THE WEST CORNER OF SAID TRACT 3;

THENCE ALONG THE SOUTHERLY RIGHT-OF-WAY OF I. H. 20 THE FOLLOWING COURSES AND DISTANCES:

NORTH 77 DEGREES 15 MINUTES 22 SECONDS EAST, A DISTANCE OF 1291.15 FEET TO A POINT FOR CORNER;

NORTH 68 DEGREES 43 MINUTES 31 SECONDS EAST, A DISTANCE OF 404.48 FEET TO A POINT FOR CORNER;

NORTH 77 DEGREES 15 MINUTES 22 SECONDS EAST, A DISTANCE OF 2377.18 FEET TO A POINT FOR THE NORTH CORNER OF SAID TRACT 3;

THENCE SOUTH 44 DEGREES 39 MINUTES 40 SECONDS EAST, ALONG THE NORTHEAST LINE OF SAID TRACT 3 AND THE SOUTHWEST LINE OF A CALLED 26.796 ACRE TRACT OF LAND DESCRIBED IN A DEED TO MILOWE JUNGJOHANN AND WIFE JANICE JUNGJOHANN RECORDED IN VOLUME 764, PAGE 444 AND THE SOUTHWEST LINE OF A CALLED 23.017 ACRE TRACT DESCRIBED IN A DEED TO MILOWE EUGENE JUNGJOHANN RECORDED IN VOLUME 729, PAGE 680, A DISTANCE OF 2908.97 FEET TO THE POINT OF BEGINNING AND CONTAINING 362.394 ACRES OF LAND, MORE OF LESS, 2.780 ACRES OF WHICH ARE WITHIN THE RIGHT-OF-WAY OF F. M. 148, LEAVING AN AREA OF 359.614 ACRES OF LAND, MORE OR LESS.

# EXHIBIT “4”

June 20, 2019

Public Utility Commission of Texas  
Central Records  
1701 N. Congress P.O. Box 13326  
Austin, Texas 78711-3326

RE: Las Lomas Municipal Utility District No. 4B of Kaufman County(the "District")  
Sewer Certificate of Convenience and Necessity Feasibility

Administrative Law Judge and Legal Division:

We have been asked to provide an opinion on the financial feasibility of the Sewer Certificate of Convenience and Necessity No 21007 ("CCN") for Las Lomas Municipal Utility District No. 4B of Kaufman County (the "District"). Robert W. Baird & Co. Incorporated acts as financial advisor to over 250 special districts in Texas and are considered an expert in our field. As part of the process in preparing a financial feasibility opinion, the projected assessed values provided to us by the Petitt & Associates LLC (the "Engineer") and Developer for the estimated planned development within the CCN area as more fully described in the Las Lomas Master Sewer Plan prepared by the Engineer. Our initial financial analysis is based upon the following assumptions and conclusions:

- We have assumed an ultimate assessed value for the CCN area of \$4,853,500,000 at full build-out which includes;
  - An estimated 16,382 single family lots with an average home value of \$250,000; and
  - 758 acres of commercial development with an average value of \$1,000,000;
- The bonds are structured with 25-year maturity schedules, an estimated average interest rate of 5.00%, an average of 1-year of capitalized interest on the bonds to be set aside from bond proceeds, and estimated issuance costs (bond counsel, financial advisor, bond discount, etc.);
- \$141,605,000 in principal amount of bonds to fully reimburse the costs of the sewer infrastructure to service the CCN area (\$120,715,483);
- A tax collection rate of 98%;

The average annual debt service requirement on the \$141,605,000 principal amount of bonds is approximately \$10,047,223. Assuming an assessed valuation of \$4,853,500,000, the required debt service tax rate necessary to generate tax revenues sufficient to meet the average annual debt service requirement is approximately \$0.21 per \$100 of assessed valuation.

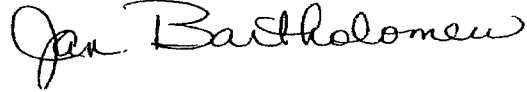
Given the assumptions and the necessary tax rate to support the issuance the bonds to finance the necessary sewer facilities, it is our opinion that the bonds can be successfully marketed and this project is financially feasible.

Robert W. Baird & Co  
1331 Larnar, Suite 1560  
Houston TX 77010  
Main 713 230-6120  
Toll Free 800 711-6126

[www.rwbaird.com](http://www.rwbaird.com)

Please do not hesitate to contact us should you need additional information.

Sincerely,  
ROBERT W. BAIRD & CO. INCORPORATED

A handwritten signature in black ink that reads "Jan Bartholomew". The signature is fluid and cursive, with the first name "Jan" being more prominent.

Jan Bartholomew  
Managing Director

# EXHIBIT “5”



TCEQ Use Only

# TCEQ Core Data Form

For detailed instructions regarding completion of this form, please read the Core Data Form Instructions or call 512-239-5175.

## SECTION I: General Information

1. Reason for Submission (If other is checked please describe in space provided.)		
<input type="checkbox"/> New Permit, Registration or Authorization (Core Data Form should be submitted with the program application.)		
<input checked="" type="checkbox"/> Renewal (Core Data Form should be submitted with the renewal form)		<input type="checkbox"/> Other
2. Customer Reference Number (if issued)	Follow this link to search for CN or RN numbers in Central Registry**	3. Regulated Entity Reference Number (if issued)
CN 603166927		RN 105228878

## SECTION II: Customer Information

4. General Customer Information		5. Effective Date for Customer Information Updates (mm/dd/yyyy)	
<input type="checkbox"/> New Customer		<input type="checkbox"/> Update to Customer Information	
<input checked="" type="checkbox"/> Change in Legal Name (Verifiable with the Texas Secretary of State or Texas Comptroller of Public Accounts)		<input type="checkbox"/> Change in Regulated Entity Ownership	
<b>The Customer Name submitted here may be updated automatically based on what is current and active with the Texas Secretary of State (SOS) or Texas Comptroller of Public Accounts (CPA).</b>			
6. Customer Legal Name (If an individual, print last name first: eg: Doe, John)		If new Customer, enter previous Customer below:	
Las Lomas Municipal Utility District No. 4B of Kaufman County		Las Lomas MUD No. 4 of Kaufman County	
7. TX SOS/CPA Filing Number	8. TX State Tax ID (11 digits)	9. Federal Tax ID (9 digits)	10. DUNS Number (if applicable)
11. Type of Customer: <input type="checkbox"/> Corporation <input type="checkbox"/> Individual Partnership: <input type="checkbox"/> General <input type="checkbox"/> Limited			
Government: <input type="checkbox"/> City <input type="checkbox"/> County <input type="checkbox"/> Federal <input type="checkbox"/> State <input checked="" type="checkbox"/> Other		<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other:	
12. Number of Employees <input checked="" type="checkbox"/> 0-20 <input type="checkbox"/> 21-100 <input type="checkbox"/> 101-250 <input type="checkbox"/> 251-500 <input type="checkbox"/> 501 and higher		13. Independently Owned and Operated? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
14. Customer Role (Proposed or Actual) – as it relates to the Regulated Entity listed on this form. Please check one of the following:			
<input checked="" type="checkbox"/> Owner <input type="checkbox"/> Operator <input type="checkbox"/> Owner & Operator			
<input type="checkbox"/> Occupational Licensee <input type="checkbox"/> Responsible Party <input type="checkbox"/> Voluntary Cleanup Applicant <input type="checkbox"/> Other:			
15. Mailing Address:	14755 PRESTON ROAD		
	SUITE 600		
	City	DALLAS	State TX ZIP 75254 ZIP + 4 6815
16. Country Mailing Information (if outside USA)		17. E-Mail Address (if applicable)	
18. Telephone Number ( 972 ) 982-8461	19. Extension or Code		20. Fax Number (if applicable) ( 713 ) 890-3979

## SECTION III: Regulated Entity Information

21. General Regulated Entity Information (If 'New Regulated Entity' is selected below this form should be accompanied by a permit application)	
<input type="checkbox"/> New Regulated Entity <input type="checkbox"/> Update to Regulated Entity Name <input type="checkbox"/> Update to Regulated Entity Information	
<b>The Regulated Entity Name submitted may be updated in order to meet TCEQ Agency Data Standards (removal of organizational endings such as Inc, LP, or LLC.)</b>	
22. Regulated Entity Name (Enter name of the site where the regulated action is taking place.)	
LAS LOMAS WASTEWATER TREATMENT PLANT	

23. Street Address of the Regulated Entity: (No PO Boxes)							
	City		State		ZIP		ZIP + 4
24. County							

**Enter Physical Location Description if no street address is provided.**

25. Description to Physical Location:	Approximately 950 feet northwest of Farm-to-Market (FM) Road 148 and 1,450 feet southwest of the intersection of FM Road 148 and Norton Drive, in Kaufman County.						
26. Nearest City	CITY OF TERRELL				State	TX	Nearest ZIP Code
							75254
27. Latitude (N) In Decimal:	Degrees		Minutes	Seconds	28. Longitude (W) In Decimal:	Degrees	
	32	41	32		96	21	42
29. Primary SIC Code (4 digits)	30. Secondary SIC Code (4 digits)		31. Primary NAICS Code (5 or 6 digits)		32. Secondary NAICS Code (5 or 6 digits)		
4952			22132				
33. What is the Primary Business of this entity? (Do not repeat the SIC or NAICS description.)							
TREATMENT OF WASTEWATER							
34. Mailing Address:	14755 PRESTON RD						
	SUITE 600						
	City	DALLAS	State	TX	ZIP	75254	ZIP + 4
							6815
35. E-Mail Address:							
36. Telephone Number		37. Extension or Code		38. Fax Number (if applicable)			
( 972 ) 982-8461				( 713 ) 890-3979			

39. TCEQ Programs and ID Numbers Check all Programs and write in the permits/registration numbers that will be affected by the updates submitted on this form. See the Core Data Form instructions for additional guidance.

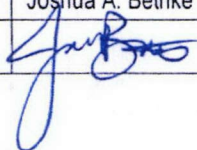
<input type="checkbox"/> Dam Safety	<input type="checkbox"/> Districts	<input type="checkbox"/> Edwards Aquifer	<input type="checkbox"/> Emissions Inventory Air	<input type="checkbox"/> Industrial Hazardous Waste
<input type="checkbox"/> Municipal Solid Waste	<input type="checkbox"/> New Source Review Air	<input type="checkbox"/> OSSF	<input type="checkbox"/> Petroleum Storage Tank	<input type="checkbox"/> PWS
<input type="checkbox"/> Sludge	<input type="checkbox"/> Storm Water	<input type="checkbox"/> Title V Air	<input type="checkbox"/> Tires	<input type="checkbox"/> Used Oil
<input type="checkbox"/> Voluntary Cleanup	<input checked="" type="checkbox"/> Waste Water	<input type="checkbox"/> Wastewater Agriculture	<input type="checkbox"/> Water Rights	<input type="checkbox"/> Other:
WQ0014803001				

#### **SECTION IV: Preparer Information**

40. Name:	Travis Mondok		41. Title:	District Engineer-Petitt Barraza	
42. Telephone Number	43. Ext./Code	44. Fax Number	45. E-Mail Address		
( 214 ) 584-6795		( 214 ) 340-3350	tmondok@petittbarraza.com		

#### **SECTION V: Authorized Signature**

46. By my signature below, I certify, to the best of my knowledge, that the information provided in this form is true and complete, and that I have signature authority to submit this form on behalf of the entity specified in Section II, Field 6 and/or as required for the updates to the ID numbers identified in field 39.

Company:	Coats Rose, P.C.	Job Title:	Attorney
Name(In Print) :	Joshua A. Bethke	Phone:	( 972 ) 982-8454
Signature:		Date:	5/3/19