



Control Number: 51005



Item Number: 1

Addendum StartPage: 0

**Application Summary**

**Transferor:** Olan Johnson (dba North University Estates Water Company) <sup>2020 JUL -6 AM 9:36</sup>  
*(selling entity)*

**CCN No.s:** 12179

- Sale    
  Transfer    
  Merger    
  Consolidation    
  Lease/Rental

**Transferee:** Intermediary Solutions Holding, LLC (Brian Parker)  
*(acquiring entity)*

**CCN No.s:** CN605786508

- Water    
  Sewer    
  All CCN    
  Portion CCN    
  Facilities transfer

**County(ies):** Lubbock

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**Please mark the items included in this filing**

- |  |                                   |
|--|-----------------------------------|
| <input checked="" type="checkbox"/> Contract, Lease, Purchase, or Sale Agreement   | Part A: Question 1 ✓              |
| <input checked="" type="checkbox"/> Tariff including Rate Schedule                 | Part B: Question 4 ✓              |
| <input checked="" type="checkbox"/> List of Customer Deposits                      | Part B: Question 5 ✓              |
| <input checked="" type="checkbox"/> Partnership Agreement                          | Part C: Question 7                |
| <input checked="" type="checkbox"/> Articles of Incorporation and By-Laws (WSC) }  | Part C: Question 7                |
| <input checked="" type="checkbox"/> Certificate of Account Status                  | Part C: Question 7                |
| <input checked="" type="checkbox"/> Financial Audit                                | Part C: Question 10               |
| <input checked="" type="checkbox"/> Application Attachment B (new market entrant)  | Part C: Question 10               |
| <input checked="" type="checkbox"/> Disclosure of Affiliated Interests             | Part C: Question 10               |
| <input checked="" type="checkbox"/> Capital Improvement Plan                       | Part C: Question 10               |
| <input checked="" type="checkbox"/> List of Assets to be Transferred               | Part D: 11.B                      |
| <input checked="" type="checkbox"/> Developer Contribution Contracts or Agreements | Part D: 11.D                      |
| <input checked="" type="checkbox"/> Enforcement Action Correspondence              | Part E: Question 18 (Part D: Q12) |
| <input checked="" type="checkbox"/> TCEQ Compliance Correspondence                 | Part F: Question 22               |
| <input checked="" type="checkbox"/> TCEQ Engineering Approvals                     | Part F: Question 24               |
| <input checked="" type="checkbox"/> Purchased Water Supply or Treatment            | Part F: Question 26               |
| <input checked="" type="checkbox"/> Agreement Detailed (large scale) Map           | Part G: Question 29               |
| <input checked="" type="checkbox"/> General Location (small scale) Map             | Part G: Question 29               |
| <input checked="" type="checkbox"/> Digital Mapping Data                           | Part G: Question 29               |
| <input type="checkbox"/> Signed & Notarized Oath                                   | Page 13-14                        |

**Part A: General Information**

1. Describe the proposed transaction, including the effect on all CCNs involved, and provide details on the existing or expected land use in the area affected by the proposed transaction. Attach all supporting documentation, such as a contract, a lease, or proposed purchase agreements:

Olan Johnson dba North University Estates Water Company CCN 12179, transferor, does sell its entirety to Intermediary Solutions Holding, LLC, transferee, all land, equipment and assets of Olan Johnson dba North University Estates Water Company.

2. The proposed transaction will require (check all applicable):

For **Transferee** (Purchaser) CCN:

- Obtaining a NEW CCN for Purchaser
- Transfer all CCN into Purchaser's CCN (Merger)
- Transfer Portion of CCN into Purchaser's CCN
- Transfer all CCN to Purchaser and retain Seller CCN
- Uncertificated area added to Purchaser's CCN

For **Transferor** (Seller) CCN:

- Cancellation of Seller's CCN
- Transfer of a Portion of Seller's CCN to Purchaser
- Only Transfer of Facilities, No CCN or Customers
- Only Transfer of Customers, No CCN or Facilities
- Only Transfer CCN Area, No Customers or Facilities

**Part B: Transferor Information**

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

3. A. Name: Olan Johnson dba North University Estates Water Company  
(individual, corporation, or other legal entity)  
 Individual     Corporation     WSC     Other: \_\_\_\_\_

B. Mailing Address: 3704 44th St Lubbock, TX 79413

Phone: 806-786-8578      Email: ojohnson@sbcglobal.net

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

Name: Olan Johnson      Title: Owner

Mailing Address: 3704 44th St Lubbock, Tx 79413

Phone: 806-786-8578      Email: ojohnson@sbcglobal.net

4. If the utility to be transferred is an Investor Owned Utility (IOU), for the most recent rate change, attach a copy of the current tariff and complete A through B: NOT AN IOU

A. Effective date for most recent rates: January 1, 2017

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

No     Yes    Application or Docket Number: 46418

**If the transferor is a Water Supply or Sewer Service Corporation, provide a copy of the current tariff.**

5. For the customers that will be transferred following the approval of the proposed transaction, check all that apply:

There are *no* customers that will be transferred

# of customers without deposits held by the transferor 167

# of customers with deposits held by the transferor\* 25

\*Attach a list of all customers affected by the proposed transaction that have deposits held, and include a customer indicator (name or account number), date of each deposit, amount of each deposit, and any unpaid interest on each deposit.

**Part C: Transferee Information**

Questions 6 through 10 apply only to the *transferee* (purchaser or proposed service provider)

6. A. Name: Intermediary Solutions Holding, LLC

(individual, corporation, or other legal entity)  
 Individual  Corporation  WSC  Other:

B. Mailing Address: 5729 Lebanon Rd Suite 144/211 Frisco, Tx 75034

Phone: 469-645-1890 Email: bparker07@gmail.com

C. Contact Person. Provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.

Name: Brian Parker Title: President

Address: 5 Sawgrass Ct Frisco, TX 75034

Phone: 214-799-5156 Email: bparker07@gmail.com

D. If the transferee is someone other than a municipality, is the transferee current on the Regulatory Assessment Fees (RAF) with the Texas Commission on Environmental Quality (TCEQ)?

No  Yes  N/A

E. If the transferee is an IOU, is the transferee current on the Annual Report filings with the Commission?

No  Yes  N/A

7. The legal status of the transferee is:

Individual or sole proprietorship

Partnership or limited partnership (*attach* Partnership agreement)

Corporation |  
Charter number (as recorded with the Texas Secretary of State): \_\_\_\_\_

Non-profit, member-owned, member controlled Cooperative Corporation [Article 1434(a) Water Supply or Sewer Service Corporation, incorporated under TWC Chapter 67]

Charter number (as recorded with the Texas Secretary of State): \_\_\_\_\_

Articles of Incorporation and By-Laws established (*attach*)

Municipally-owned utility

District (MUD, SUD, WCID, FWSD, etc.)

- County
- Affected County (a county to which Subchapter B, Chapter 232, Local Government Code, applies)
- Other (please explain): Limited Liability Company Filing Number 703025822, EIN Number 83-3460425

8. If the transferee operates under any d/b/a, provide the name below:

Name: \_\_\_\_\_

9. If the transferee's legal status is anything other than an individual, provide the following information regarding the officers, members, or partners of the legal entity applying for the transfer:

Name: Brian Parker  
 Position: President Ownership % (if applicable): 50%  
 Address: 5 Sawgrass Ct Frisco, TX 75034  
 Phone: 214-799-5156 Email: bparker07@gmail.com

Name: Joshua Pierce  
 Position: General Manager Ownership % (if applicable): 50%  
 Address: 714 W Dormard Ave Midland, TX 79705  
 Phone: 432-924-6312 Email: joshpierce19@yahoo.com

Name: \_\_\_\_\_  
 Position: \_\_\_\_\_ Ownership % (if applicable): \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Name: \_\_\_\_\_  
 Position: \_\_\_\_\_ Ownership % (if applicable): \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Email: \_\_\_\_\_

10. **Financial Information**

The transferee Applicant must provide accounting information typically included within a balance sheet, income statement, and statement of cash flows. If the Applicant is an existing retail public utility, this must include historical financial information and projected financial information. However, projected financial information is only required if the Applicant proposes new service connections and new investment in plant, or if requested by Staff. If the Applicant is a new market entrant and does not have its own historical balance sheet, income statement, and statement of cash flows information, then the Applicant should establish a five-year projection taking the historical information of the transferor Applicant into consideration when establishing the projections. *No New service connections*

**Historical Financial Information** may be shown by providing any combination of the following that includes necessary information found in a balance sheet, income statement, and statement of cash flows:

1. Completed Appendix A;
2. Documentation that includes all of the information required in Appendix A in a concise format; or
3. Audited financial statements issued within 18 months of the application filing date. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

**Projected Financial Information may be shown by providing any of the following:**

1. Completed Appendix B;
2. Documentation that includes all of the information required in Appendix B in a concise format;
3. A detailed budget or capital improvement plan, which indicates sources and uses of funds required, including improvements to the system being transferred; or
4. A recent budget and capital improvements plan that includes information needed for analysis of the operations test (16 Tex. Admin. Code § 24.11(e)(3)) for the system being transferred and any operations combined with the system. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

**Part D: Proposed Transaction Details**

11. A. Proposed Purchase Price: \$ 150,000

If the transferee Applicant is an investor owned utility (IOU) provide answers to B through D.

B. Transferee has a copy of an inventory list of assets to be transferred (*attach*):

No  Yes  N/A

Total Original Cost of Plant in Service: \$ \_\_\_\_\_

Accumulated Depreciation: \$ \_\_\_\_\_

Net Book Value: \$ \_\_\_\_\_

C. **Customer contributions in aid of construction (CIAC):** Have the customers been billed for any surcharges approved by the Commission or TCEQ to fund any assets currently used and useful in providing utility service? Identify which assets were funded, or are being funded, by surcharges on the list of assets.

No  Yes

Total Customer CIAC: \$ \_\_\_\_\_

Accumulated Amortization: \$ \_\_\_\_\_

D. **Developer CIAC:** Did the transferor receive any developer contributions to pay for the assets proposed to be transferred in this application? If so, identify which assets were funded by developer contributions on the list of assets and provide any applicable developer agreements.

No  Yes

Total developer CIAC: \$ \_\_\_\_\_

Accumulated Amortization: \$ \_\_\_\_\_

12. A. Are any improvements or construction required to meet the minimum requirements of the TCEQ or Commission and to ensure continuous and adequate service to the requested area to be transferred plus any area currently certificated to the transferee Applicant? Attach supporting documentation and any necessary TCEQ approvals, if applicable.

No  Yes

**B.** If yes, describe the source and availability of funds and provide an estimated timeline for the construction of any planned or required improvements:

N/A

**13.** Provide any other information concerning the nature of the transaction you believe should be given consideration:

Olan Johnson, transferor, is the grandfather of Brian Parker and Joshua Pierce (transferees). North University Estates Water Company is important for the grandsons as their grandfather spent many decades providing water to the community. Transferees have spent time over the years helping their grandfather on the WSC. Olan will consult for 2 years. The loan is approved by the SBA.

**14.** Complete the following proposed entries (listed below) as shown in the books of the Transferee (purchaser) after the acquisition. Debits (positive numbers) should equal credits (negative numbers) so that all line items added together equal zero. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations:

Utility Plant in Service:	\$	<u>196,933</u>
Accumulated Depreciation of Plant:	\$	<u>97,413</u>
Cash:	\$	<u>15,000</u>
Notes Payable:	\$	<u>139,000</u>
Mortgage Payable:	\$	<u>0</u>
(Proposed) Acquisition Adjustment*:	\$	<u>                    </u>

\* Acquisition Adjustments will be subject to review under 16 TAC § 24.41(d) and (e)

Other (NARUC account name & No.): \_\_\_\_\_

Other (NARUC account name & No.): \_\_\_\_\_

**15. A.** Explain any proposed billing change (NOTE: If the acquiring entity is an IOU, the IOU may not change the rates charged to the customers through this STM application. Rates can only be changed through the approval of a rate change application.)

No proposed billing changes

**B.** If transferee is an IOU, state whether or not the transferee intends to file with the Commission, or an applicable municipal regulatory authority, an application to change rates for some or all of its customers as a result of the transaction within the next twelve months. If so, provide details below:

**Part E: CCN Obtain or Amend Criteria Considerations**

16. Describe, in detail, the anticipated impact or changes in the quality of retail public utility service in the requested area as a result of the proposed transaction:

The quality of service is expected to improve as a result of the water utility being under the ownership of the transferee as capital improvements will be made such as smart meter technology, improvement of bill payment methods, and improvement in disinfection processes and procedures.

17. Describe the transferee's experience and qualifications in providing continuous and adequate service. This should include, but is not limited to: other CCN numbers, water and wastewater systems details, and any corresponding compliance history for all operations.

This is the first operation by Transferee. The transferor is available for 2 years as a consultant on the water plant, and the water plant is also working with Trident Compliance (WO004576) to provide water quality monitoring and plant improvement design consulting. *Transferee, Brian Parker has a civil engineering degree from Texas Tech University in 1993.*

18. Has the transferee been under an enforcement action by the Commission, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG), or the Environmental Protection Agency (EPA) in the past five (5) years for non-compliance with rules, orders, or state statutes? Attach copies of any correspondence with the applicable regulatory agency(ies)

No     Yes

19. Explain how the environmental integrity or the land will be impacted or disrupted as a result of the proposed transaction:

The environmental integrity will not be impacted or disrupted because there is no new construction or any changes that will impact the land.

20. How will the proposed transaction serve the public interest?

The public interest will be serviced by the delivery of improved service, accurate meter readings, and improvement in billing and payment processes for the water company's customers.

21. List all neighboring water or sewer utilities, cities, districts (including ground water conservation districts), counties, or other political subdivisions (including river authorities) providing the same service within two (2) miles from the outer boundary of the requested area affected by the proposed transaction:

High Plains UWCD #1  
Brazos River Authority



**Part F: TCEQ Public Water System or Sewer (Wastewater) Information**

**Complete Part F for EACH Public Water or Sewer system to be transferred subject to approval of the transaction. Attach a separate sheet with this information if you need more space for additional systems being transferred.**

22. A. For Public Water System (PWS):

TCEQ PWS Identification Number: 1520159 (7 digit ID)

Name of PWS: North University Estates Water Company

Date of last TCEQ compliance inspection: 5/15/2019 (attach TCEQ letter)

Subdivisions served: North University Estates

B. For Sewer service:

TCEQ Water Quality (WQ) Discharge Permit Number: WQ - (8 digit ID)

Name of Wastewater Facility: \_\_\_\_\_

Name of Permittee: \_\_\_\_\_

Date of last TCEQ compliance inspection: \_\_\_\_\_ (attach TCEQ letter)

Subdivisions served: \_\_\_\_\_

Date of application to transfer permit *submitted* to TCEQ: \_\_\_\_\_

23. List the number of *existing* connections, by meter/connection type, to be affected by the proposed transaction:

Water				Sewer	
	Non-metered		2"		Residential
192	5/8" or 3/4"		3"		Commercial
	1"		4"		Industrial
	1 1/2"		Other		Other
Total Water Connections:			192	Total Sewer Connections:	

24. A. Are any improvements required to meet TCEQ or Commission standards?

No  Yes

B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:
n/a		

C. Is there a moratorium on new connections?

No  Yes:

25. Does the system being transferred operate within the corporate boundaries of a municipality?

No  Yes: \_\_\_\_\_ (name of municipality)

If yes, indicate the number of customers within the municipal boundary.

Water: \_\_\_\_\_ Sewer: \_\_\_\_\_

26. A. Does the system being transferred purchase water or sewer treatment capacity from another source?

No  Yes: If yes, attach a copy of purchase agreement or contract.

Capacity is purchased from: \_\_\_\_\_

Water: \_\_\_\_\_

Sewer: \_\_\_\_\_

B. Is the PWS required to purchase water to meet capacity requirements or drinking water standards?

No  Yes

C. What is the amount of water supply or sewer treatment purchased, per the agreement or contract? What is the percent of overall demand supplied by purchased water or sewer treatment (if any)?

	Amount in Gallons	Percent of demand
Water:		
Sewer:		

D. Will the purchase agreement or contract be transferred to the Transferee?

No  Yes: *N/A*

27. Does the PWS or sewer treatment plant have adequate capacity to meet the current and projected demands in the requested area?

No  Yes:

28. List the name, class, and TCEQ license number of the operator that will be responsible for the operations of the water or sewer utility service:

Name (as it appears on license)	Class	License No.	Water or Sewer
Olan Johnson	D	WO0000916	Water
Brian Parker	D	WO0046361	Water

**Part G: Mapping & Affidavits**

**ALL applications require mapping information to be filed in conjunction with the STM application. Read question 29 A and B to determine what information is required for your application.**

29. A. For applications requesting to transfer an entire CCN, without a CCN boundary adjustment, provide the following mapping information with each of the seven (7) copies of the application:

1. A general location (small scale) map identifying the requested area in reference to the nearest county boundary, city, or town. The following guidance should be adhered to:
  - i. If the application requests to transfer certificated service areas for both water and sewer, separate maps must be provided for each.
  - ii. A hand drawn map, graphic, or diagram of the requested area is not considered an acceptable mapping document.

- iii. To maintain the integrity of the scale and quality of the map, copies must be exact duplicates of the original map. Therefore, copies of maps cannot be reduced or enlarged from the original map, or in black and white if the original map is in color.

- 2. A detailed (large scale) map identifying the requested area in reference to verifiable man-made and natural landmarks such as roads, rivers, and railroads. The Applicant should adhere to the following guidance:
  - i. The map must be clearly labeled and the outer boundary of the requested area should be marked in reference to the verifiable man-made or natural landmarks. These verifiable man-made or natural landmarks must be labeled and marked on the map as well.
  - ii. If the application requests an amendment for both water and sewer certificated service area, separate maps need to be provided for each.
  - iii. To maintain the integrity of the scale and quality of the map, copies must be exact duplicates of the original map. Therefore, copies of maps cannot be reduced or enlarged from the original map, or in black and white if the original map is in color.
  - iv. The outer boundary of the requested area should not be covered by any labels, roads, city limits or extraterritorial jurisdiction (ETJ) boundaries.

- B. For applications that are requesting to include area not currently within a CCN, or for applications that require a CCN amendment (any change in a CCN boundary), such as the transfer of only a portion of a certificated service area, provide the following mapping information with each of the seven (7) copies of the application:
  - 1. A general location (small scale) map identifying the requested area with enough detail to locate the requested area in reference to the nearest county boundary, city, or town. Please refer to the mapping guidance in part A 1 (above).
  - 2. A detailed (large scale) map identifying the requested area with enough detail to accurately locate the requested area in reference to verifiable man-made or natural landmarks such as roads, rivers, or railroads. Please refer to the mapping guidance in part A 2 (above).
  - 3. One of the following identifying the requested area:
    - i. A metes and bounds survey sealed or embossed by either a licensed state land surveyor or a registered professional land surveyor. Please refer to the mapping guidance in part A 2 (above);
    - ii. A recorded plat. If the plat does not provide sufficient detail, Staff may request additional mapping information. Please refer to the mapping guidance in part A 2 (above); or
    - iii. Digital mapping data in a shapefile (SHP) format georeferenced in either NAD 83 Texas State Plane Coordinate System (US Feet) or in NAD 83 Texas Statewide Mapping System (Meters). The digital mapping data shall include a single, continuous polygon record. The following guidance should be adhered to:
      - a. The digital mapping data must correspond to the same requested area as shown on the general location and detailed maps. The requested area must be clearly labeled as either the water or sewer requested area.
      - b. A shapefile should include six files (.dbf, .shp, .shx, .sbx, .sbn, and the projection (.prj) file).
      - c. The digital mapping data shall be filed on a data disk (CD or USB drive), clearly labeled, and filed with Central Records. Seven (7) copies of the digital mapping data is also required.

**Part H: Notice Information**

The following information will be used to generate the proposed notice for the application.  
**DO NOT provide notice** of the application until it is found sufficient and the Applicants are ordered to provide notice.

30. Complete the following using verifiable man-made or natural landmarks such as roads, rivers, or railroads to describe the requested area (to be stated in the notice documents). Measurements should be approximated from the outermost boundary of the requested area:

The total acreage of the requested area is approximately: 106 acres

Number of customer connections in the requested area: 192

Affected subdivision : North University Estates

The closest city or town: Lubbock, TX

Approximate mileage to closest city or town center: 10 miles

Direction to closest city or town: South

The requested area is generally bounded on the North by: FM 1294

on the East by: N University Ave

on the South by: Elgin Ave

on the West by: N Elgin Ave

31. A copy of the proposed map will be available at: 3704 44th St Lubbock TX 79413

32. What effect will the proposed transaction have on an average bill to be charged to the affected customers? Take into consideration the average consumption of the requested area, as well as any other factors that would increase or decrease a customer's monthly bill.

All of the customers will be charged the same rates they were charged before the transaction.

All of the customers will be charged different rates than they were charged before the transaction.

higher monthly bill     lower monthly bill

Some customers will be charged different rates than they were charged before (i.e. inside city limit customers)

higher monthly bill     lower monthly bill

DOCKET NO. 46418

RECEIVED

2016 NOV 15 PM 12:46

APPLICATION OF NORTH  
UNIVERSITY ESTATES WATER  
COMPANY FOR A PRICE INDEX  
RATE ADJUSTMENT

§  
§  
§  
§

PUBLIC UTILITY COMMISSION  
OF TEXAS  
PUBLIC UTILITY COMMISSION  
FILING CLERK

**NOTICE OF APPROVAL**

This Notice addresses the application of North University Estates Water Company for a Class C rate adjustment. Commission Staff recommended approval of the application. The application is approved.

The Commission adopts the following findings of fact and conclusions of law:

**I. Findings of Fact**

**Procedural History**

1. On September 30, 2016, North University Estates filed an application for a Class C rate adjustment under Texas Water Code § 13.1872 (TWC) and 16 Texas Administrative Code § 24.36 (TAC).
2. On October 31, 2016, Commission Staff recommended that the application be deemed administratively complete and approved. Commission Staff provided a compliance tariff sheet and a copy of the recommended notice of the application, reflecting a January 1, 2017, effective date.
3. On November 3, 2016, Order No. 2 was issued, finding the application administratively complete.
4. The compliance tariff sheet discussed in Finding of Fact No. 2 is attached to this Notice.

**Rate Adjustment Requested**

5. North University Estates requested an adjustment to its water tariff base rate (monthly meter charge) and its monthly gallonage rate based on the Commission's current price index of 1.57%.
6. The rate adjustment will affect ratepayers in North University Estates.

5

7. North University Estates requested an effective date of November 1, 2016.
8. Commission Staff recommended a January 1, 2017, effective date for North University Estates' requested rate adjustment to coincide with the appropriate billing cycle and that North University Estates be required to provide notice using the amended notice provided by Commission Staff no later than November 30, 2016, to satisfy the 30-day noticing requirement of 16 TAC § 24.36(e).

## II. Conclusions of Law

1. The Commission has jurisdiction over this proceeding under TWC §§ 13.041 and 13.1872.
2. North University Estates is a utility as that term is defined in TWC § 13.002(23) and is a Class C utility under TWC § 13.002(4-c), which defines a Class C utility as one that provides retail water or sewer utility service through fewer than 500 taps or connections.
3. Consistent with TWC § 13.1872(e), a Class C utility is allowed to receive, without a hearing, an annual rate adjustment based on changes in the "price index," as that term is defined in TWC § 13.1872(b).
4. The Commission-approved price index for calendar year 2016 is 1.57%.<sup>1</sup>
5. The application was processed in accordance with the requirements of the TWC and the Commission's rules.
6. North University Estates is entitled to approval of the price index rate adjustment requested in the application, having demonstrated that the requirements of TWC § 13.1872 and 16 TAC § 24.36 have been satisfied.
7. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.

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<sup>1</sup> *Setting Price Index for Calendar Year 2016*, Project No. 45320, Order at 1 (Nov. 20, 2015).

### III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following order:

1. North University Estates' application is approved.
2. North University Estates' new rates may go into effect on or after January 1, 2017.
3. North University Estates shall issue the amended notice of this approved rate change recommended by Commission Staff at least 30 days before the effective date of the rate change.
4. All other motions, requests for entry of specific findings of fact and conclusions of law, and any other requests for general or specific relief, if not expressly granted herein, are denied.

Signed at Austin, Texas the 15<sup>th</sup> day of November 2016.

PUBLIC UTILITY COMMISSION OF TEXAS

  
\_\_\_\_\_  
JEFFREY J. HUHN  
ADMINISTRATIVE LAW JUDGE



**WATER UTILITY TARIFF  
Docket Number 46418**

Olan Johnson dba  
North University Estates Water Co.  
(Utility Name)

3704 44<sup>th</sup> St  
(Business Address)

Lubbock, TX 79413  
(City, State, Zip Code)

(806) 786-8578  
(Area Code/Telephone)

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

12179

This tariff is effective in the following county:

Lubbock

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

None

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

North University Estates: PWS ID No. 1520159

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

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SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u>	<u>Gallage Charge</u>
5/8" or 3/4"	\$26.13 (Includes 2,000 gallons)	\$2.29 per 1000 gallons (2,001 - 10,000 gallons)
1"	\$57.72	\$2.74 per 1000 gallons (10,001 - up gallons)
1 1/2"	\$110.36	
2"	\$173.52	
3"	\$320.91	
4"	\$531.47	
6"	\$1057.85	

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

Cash , Check , Money Order , Credit Card , Other (specify) \_\_\_\_\_

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

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

Section 1.02 - Miscellaneous Fees

TAP FEE ..... \$500.00

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

TAP FEE (Unique costs) ..... Actual Cost  
FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

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

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

SECTION 1.0 – RATE SCHEDULE (Continued)

METER TEST FEE ..... \$25.00  
REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED \$25.

RECONNECTION FEE  
THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):  
a) Non payment of bill (Maximum \$25.00)..... \$25.00  
b) Customer's request that service be disconnected ..... \$50.00

TRANSFER FEE ..... \$25.00  
THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED

LATE CHARGE (EITHER \$5.00 OR 10% OF THE BILL)..... \$5.00  
PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE..... \$30.00  
RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50)..... \$50.00

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

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:  
WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [30 TAC 24.21(K)(2)]

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

**SECTION 1.0 – RATE SCHEDULE (Continued)**

**PASS THROUGH ADJUSTMENT CLAUSE:**

The utility's cost attributable to annual fee, pumpage fee and/or consumption-based fee from the Baytown Area Water Authority and/or other such governmental authority shall be passed through to all customers affected by such fees using the following calculations:

**Annual Fee:**

Monthly minimum charge + (Annual fee / Number of Customers affected) / 12months

**Volume Charge:**

Monthly gallonage charge per 1,000 gallons + (Increase or decrease in pumpage fee \* 1.15)

To implement or modify the Pass Through Adjustment Clause, the utility must comply with all notice requirements of 30 TAC 291.21 (h).

**Example of a Pass Through Provision:**

Adjusted Gallonage Rate (AG) =  $G + [B/(1 - L)]$ , Where:

AG = adjusted gallonage charge, rounded to nearest one cent;

G = approved gallonage charge, per 1,000 gallons;

B = change in fee (per 1,000 gallons);

L = water or sewer line loss for preceding 12 months, not to exceed 0.15 (15%)

## SECTION 2.0 – SERVICE RULES AND POLICIES

The utility will have the most current Public Utility Commission of Texas (PUC or Commission) Rules, Chapter 24, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

### Section 2.01 - Application for Water Service

All applications for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff), will be signed by the applicant, any required fees (deposits, reconnect, tap, extension fees, etc. as applicable) will be paid and easements, if required, will be granted before service is provided by the utility. A separate application or contract will be made for each service location.

### Section 2.02 - Refusal of Service

The utility may decline to serve an applicant until the applicant has complied with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the PUC Rules. In the event that the utility refuses to serve an applicant, the utility will inform the applicant in writing of the basis of its refusal. The utility is also required to inform the applicant that a complaint may be filed with the Commission.

### Section 2.03 - Fees and Charges & Easements Required Before Service Can Be Connected

#### (A) Customer Deposits

If a residential applicant cannot establish credit to the satisfaction of the utility, the applicant may be required to pay a deposit as provided for in Section 1.02 - Miscellaneous Fees of this tariff. The utility will keep records of the deposit and credit interest in accordance with PUC Rules.

Residential applicants 65 years of age or older may not be required to pay deposits unless the applicant has an outstanding account balance with the utility or another water or sewer utility which accrued within the last two years.

Nonresidential applicants who cannot establish credit to the satisfaction of the utility may be required to make a deposit that does not exceed an amount equivalent to one-sixth of the estimated annual billings.

Refund of deposit - If service is not connected, or after disconnection of service, the utility will promptly refund the customer's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. The utility may refund the deposit at any time prior to termination of utility service but must refund the deposit plus interest for any residential customer who has paid 18 consecutive billings without being delinquent.

#### (B) Tap or Reconnect Fees

A new customer requesting service at a location where service has not previously been provided must pay a tap fee as provided in Section 1. A customer requesting service where service has previously been provided must pay a reconnect fee as provided in Section 1. Any applicant or existing customer required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to request for payment and/or commencement of construction. If the applicant or existing customer does not believe that these costs are reasonable or necessary, the applicant or existing customer shall be informed of their right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's or existing customer's property(ies) is located.

**SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)**

Fees in addition to the regular tap fee may be charged if listed specifically in Section 1 to cover unique costs not normally incurred as permitted by 30 TAC 24.86(a)(1)(C). For example, a road bore for customers outside a subdivision or residential area could be considered a unique cost.

**(C) Easement Requirement**

Where recorded public utility easements on the service applicant's property do not exist or public road right-of-way easements are not available to access the applicant's property, the Utility may require the applicant to provide it with a permanent recorded public utility easement on and across the applicant's real property sufficient to provide service to that applicant. Such easement(s) shall not be used for the construction of production, storage, transmission or pressure facilities unless they are needed for adequate service to that applicant.

**Section 2.04 - Utility Response to Applications for Service**

After the applicant has met all the requirements, conditions and regulations for service, the utility will install tap, meter and utility cut-off valve and/or take all necessary actions to initiate service. The utility will serve each qualified applicant for service within 5 working days unless line extensions or new facilities are required. If construction is required to fill the order and if it cannot be completed within 30 days, the utility will provide the applicant with a written explanation of the construction required and an expected date of service.

Except for good cause where service has previously been provided, service will be reconnected within one working day after the applicant has met the requirements for reconnection.

**Section 2.05 - Customer Responsibility**

The customer will be responsible for furnishing and laying the necessary customer service pipe from the meter location to the place of consumption. Customers will not be allowed to use the utility's cutoff valve on the utility's side of the meter. Existing customers may install cutoff valves on their side of the meter and are encouraged to do so. All new customers may be required to install and maintain a cutoff valve on their side of the meter.

No direct connection between a public water supply system and any potential source of contamination or between a public water supply system and a private water source (ex. private well) will be allowed. A customer shall not connect, or allow any other person or party to connect, onto any water lines on his premises.

**Section 2.06 - Customer Service Inspections**

Applicants for new service connections or facilities which have undergone extensive plumbing modifications are required to furnish the utility a completed customer service inspection certificate. The inspection certificate shall certify that the establishment is in compliance with the Texas Commission on Environmental Quality (TCEQ) Rules and Regulations for Public Water Systems, Section 290.46(j). The Utility is not required to perform these inspections for the applicant/customer, but will assist the applicant/customer in locating and obtaining the services of a certified inspector.

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Section 2.07 - Back Flow Prevention Devices

No water connection shall be allowed to any residence or establishment where an actual or potential contamination hazard exists unless the public water facilities are protected from contamination by either an approved air gap, backflow prevention assembly, or other approved device. The type of device or backflow prevention assembly required shall be determined by the specific potential hazard identified in §290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems.

The use of a backflow prevention assembly at the service connection shall be considered as additional backflow protection and shall not negate the use of backflow protection on internal hazards as outlined and enforced by local plumbing codes. When a customer service inspection certificate indicates that an adequate internal cross-connection control program is in effect, backflow protection at the water service entrance or meter is not required.

At any residence or establishment where it has been determined by a customer service inspection, that there is no actual or potential contamination hazard, as referenced in Section 290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems, then a backflow prevention assembly or device is not required. Outside hose bibs do require, at a minimum, the installation and maintenance of a working atmospheric vacuum breaker.

All backflow prevention assemblies or devices shall be tested upon installation by a TCEQ certified backflow prevention assembly tester and certified to be operating within specifications. Backflow prevention assemblies which are installed to provide protection against health hazards must also be tested and certified to be operating within specifications at least annually by a certified backflow prevention assembly tester.

If the utility determines that a backflow prevention assembly or device is required, the utility will provide the customer or applicant with a list of TCEQ certified backflow prevention assembly testers. The customer will be responsible for the cost of installation and testing, if any, of backflow prevention assembly or device. The customer should contact several qualified installers to compare prices before installation. The customer must pay for any required maintenance and annual testing and must furnish a copy of the test results demonstrating that the assembly is functioning properly to the utility within 30 days after the anniversary date of the installation unless a different date is agreed upon.

Section 2.08 - Access to Customer's Premises

The utility will have the right of access to the customer's premises at all reasonable times for the purpose of installing, testing, inspecting or repairing water mains or other equipment used in connection with its provision of water service, or for the purpose of removing its property and disconnecting lines, and for all other purposes necessary to the operation of the utility system including inspecting the customer's plumbing for code, plumbing or tariff violations. The customer shall allow the utility and its personnel access to the customer's property to conduct any water quality tests or inspections required by law. Unless necessary to respond to equipment failure, leak or other condition creating an immediate threat to public health and safety or the continued provision of adequate utility service to others, such entry upon the customer's property shall be during normal business hours and the utility personnel will attempt to notify the customer that they will be working on the customer's property. The customer may require any utility representative, employee, contractor, or agent seeking to make such entry identify themselves, their affiliation with the utility, and the purpose of their entry.

**SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)**

All customers or service applicants shall provide access to meters and utility cutoff valves at all times reasonably necessary to conduct ordinary utility business and after normal business hours as needed to protect and preserve the integrity of the public drinking water supply.

**Section 2.09 - Meter Requirements, Readings, and Testing**

One meter is required for each residential, commercial, or industrial connection. All water sold by the utility will be billed based on meter measurements. The utility will provide, install, own and maintain meters to measure amounts of water consumed by its customers.

Meters will be read at monthly intervals and as nearly as possible on the corresponding day of each monthly meter reading period unless otherwise authorized by the Commission.

Meter tests. The utility will, upon the request of a customer, and, if the customer so desires, in his or her presence or in that of his or her authorized representative, make without charge a test of the accuracy of the customer's meter. If the customer asks to observe the test, the test will be made during the utility's normal working hours at a time convenient to the customer. Whenever possible, the test will be made on the customer's premises, but may, at the utility's discretion, be made at the utility's testing facility. If within a period of two years the customer requests a new test, the utility will make the test, but if the meter is found to be within the accuracy standards established by the American Water Works Association, the utility will charge the customer a fee which reflects the cost to test the meter up to a maximum \$25 for a residential customer. Following the completion of any requested test, the utility will promptly advise the customer of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

**Section 2.10 - Billing**

**(A) Regular Billing**

Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of bills for utility service will be at least sixteen (16) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. Payment for utility service is delinquent if full payment, including late fees and the regulatory assessment, is not received at the utility or the utility's authorized payment agency by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next workday after the due date.

**(B) Late Fees**

A late penalty of either \$5.00 or 10.0% will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The utility must maintain a record of the date of mailing to charge the late penalty.

**(C) Information on Bill**

Each bill will provide all information required by the PUC Rules. For each of the systems it operates, the utility will maintain and note on the monthly bill a local or toll-free telephone number (or numbers) to which customers can direct questions about their utility service.

**(D) Prorated Bills**

If service is interrupted or seriously impaired for 24 consecutive hours or more, the utility will prorate the monthly base bill in proportion to the time service was not available to reflect this loss of service.

**SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)**

**Section 2.11 - Payments**

All payments for utility service shall be delivered or mailed to the utility's business office. If the business office fails to receive payment prior to the time of noticed disconnection for non-payment of a delinquent account, service will be terminated as scheduled. Utility service crews shall not be allowed to collect payments on customer accounts in the field.

Payment of an account by any means that has been dishonored and returned by the payor or payee's bank, shall be deemed to be delinquent. All returned payments must be redeemed with cash or valid money order. If a customer has two returned payments within a twelve month period, the customer shall be required to pay a deposit if one has not already been paid.

**Section 2.12 - Service Disconnection**

**(A) With Notice**

Utility service may be disconnected if the bill has not been paid in full by the date listed on the termination notice. The termination date must be at least 10 days after the notice is mailed or hand delivered.

The utility is encouraged to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 26 days from the date of issuance of a bill and if proper notice of termination has been given.

Notice of termination must be a separate mailing or hand delivery in accordance with the PUC Rules.

**B) Without Notice**

Utility service may also be disconnected without notice for reasons as described in the PUC Rules.

**Section 2.13 - Reconnection of Service**

Utility personnel must be available during normal business hours to accept payments on the day service is disconnected and the following day unless service was disconnected at the customer's request or due to a hazardous condition.

Service will be reconnected within 36 hours after the past due bill, reconnect fees and any other outstanding charges are paid or the conditions which caused service to be disconnected are corrected.

**Section 2.14 - Service Interruptions**

The utility will make all reasonable efforts to prevent interruptions of service. If interruptions occur, the utility will re-establish service within the shortest possible time. Except for momentary interruptions due to automatic equipment operations, the utility will keep a complete record of all interruptions, both emergency and scheduled and will notify the Commission in writing of any service interruptions affecting the entire system or any major division of the system lasting more than four hours. The notice will explain the cause of the interruptions.



**SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)**

**Section 2.15 - Quality of Service**

The utility will plan, furnish, and maintain production, treatment, storage, transmission, and distribution facilities of sufficient size and capacity to provide a continuous and adequate supply of water for all reasonable consumer uses. Unless otherwise authorized by the Commission, the utility will maintain facilities as described in the TCEQ Rules and Regulations for Public Water Systems.

**Section 2.16 - Customer Complaints and Disputes**

If a customer or applicant for service lodges a complaint, the utility will promptly make a suitable investigation and advise the complainant of the results. Service will not be disconnected pending completion of the investigation. If the complainant is dissatisfied with the utility's response, the utility must advise the complainant that he has recourse through the PUC complaint process. Pending resolution of a complaint, the commission may require continuation or restoration of service.

The utility will maintain a record of all complaints which shows the name and address of the complainant, the date and nature of the complaint and the adjustment or disposition thereof, for a period of two years after the final settlement of the complaint.

In the event of a dispute between a customer and a utility regarding any bill for utility service, the utility will conduct an investigation and report the results to the customer. If the dispute is not resolved, the utility will inform the customer that a complaint may be filed with the Commission.

**Section 2.17 - Customer Liability**

Customer shall be liable for any damage or injury to utility-owned property shown to be caused by the customer:

### SECTION 3.0 – EXTENSION POLICY

#### Section 3.01 - Standard Extension Requirements

**Line Extension and Construction Charges:** No Contribution in Aid of Construction may be required of any customer except as provided for in this approved extension policy.

The Utility is not required to extend service to any applicant outside of its certified service area and will only do so under terms and conditions mutually agreeable to the Utility and the applicant, in compliance with PUC rules and policies, and upon extension of the Utility's certified service area boundaries by the PUC.

The applicant for service will be given an itemized statement of the costs, options such as rebates to the customer, sharing of construction costs between the utility and the customer, or sharing of costs between the customer and other applicants prior to beginning construction.

#### Section 3.02 - Costs Utilities and Service Applicants Shall Bear

Within its certified area, the utility will pay the cost of the first 200 feet of any water main or distribution line necessary to extend service to an individual residential customer within a platted subdivision.

However, if the residential customer requesting service purchased the property after the developer was notified in writing of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

Residential customers will be charged the equivalent of the costs of extending service to their property from the nearest transmission or distribution line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the additional cost of extending service to and throughout their property, including the cost of all necessary transmission and storage facilities necessary to meet the service demands anticipated to be created by that property.

Unless an exception is granted by the PUC, the residential service applicant shall not be required to pay for costs of main extensions greater than 2" in diameter for water distribution and pressure wastewater collection lines and 6" in diameter for gravity wastewater lines.

Exceptions may be granted by the PUC if:

- adequate service cannot be provided to the applicant using the maximum line sizes listed due to distance or elevation, in which case, it shall be the utility's burden to justify that a larger diameter pipe is required for adequate service;
- or larger minimum line sizes are required under subdivision platting requirements or building codes of municipalities within whose corporate limits or extraterritorial jurisdiction the point of use is located; or the residential service applicant is located outside the CCN service area.

**SECTION 3.0 -- EXTENSION POLICY (Continued)**

If an exception is granted, the Utility shall establish a proportional cost plan for the specific extension or a rebate plan which may be limited to seven years to return the portion of the applicant's costs for oversizing as new customers are added to ensure that future applicants for service on the line pay at least as much as the initial service applicant.

For purposes of determining the costs that service applicants shall pay, commercial customers with service demands greater than residential customer demands in the certified area, industrial, and wholesale customers shall be treated as developers. A service applicant requesting a one inch meter for a lawn sprinkler system to service a residential lot is not considered nonstandard service.

If an applicant requires service other than the standard service provided by the utility, such applicant will be required to pay all expenses incurred by the utility in excess of the expenses that would be incurred in providing the standard service and connection beyond 200 feet and throughout his property including the cost of all necessary transmission facilities.

The utility will bear the full cost of any over-sizing of water mains necessary to serve other customers in the immediate area. The individual residential customer shall not be charged for any additional production, storage, or treatment facilities. Contributions in aid of construction may not be required of individual residential customers for production, storage, treatment or transmission facilities unless otherwise approved by the Commission under this specific extension policy.

Section 3.03 - Contributions in Aid of Construction

Developers may be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with TCEQ minimum design criteria for facilities used in the production, transmission, pumping, or treatment of water or TCEQ minimum requirements. For purposes of this subsection, a developer is one who subdivides or requests more than two meters on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction for the actual costs of any additional facilities required to maintain compliance with the TCEQ minimum design criteria for water production, treatment, pumping, storage and transmission.

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 30 TAC 24.86(d). When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension; plus a pro-rata charge for facilities which must be committed to such extension compliant with the TCEQ minimum design criteria. As provided by 30 TAC 24.85(e)(3), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

**SECTION 3.0 – EXTENSION POLICY (Continued)**

A utility may only charge a developer standby fees for unrecovered costs of facilities committed to a developer's property under the following circumstances:

- Under a contract and only in accordance with the terms of the contract; or
- if service is not being provided to a lot or lots within two years after installation of facilities necessary to provide service to the lots has been completed and if the standby fees are included on the utility's approved tariff after a rate change application has been filed. The fees cannot be billed to the developer or collected until the standby fees have been approved by the commission or executive director.
- For purposes of this section, a manufactured housing rental community can only be charged standby fees under a contract or if the utility installs the facilities necessary to provide individually metered service to each of the rental lots or spaces in the community.

Section 3.04 - Appealing Connection Costs

The imposition of additional extension costs or charges as provided by Sections 3.0 - Extension Policy of this tariff shall be subject to appeal as provided in this tariff, PUC rules, or the rules of such other regulatory authority as may have jurisdiction over the utility's rates and services. Any applicant required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to payment and/or commencement of construction. If the applicant does not believe that these costs are reasonable or necessary, the applicant shall be informed of the right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's property(ies) is located.

Section 3.05 - Applying for Service

The Utility will provide a written service application form to the applicant for each request for service received by the Utility's business offices. A separate application shall be required for each potential service location if more than one service connection is desired by any individual applicant. Service application forms will be available at the Utility's business office during normal weekday business hours. Service applications will be sent by prepaid first class United States mail to the address provided by the applicant upon request. Completed applications should be returned by hand delivery in case there are questions which might delay fulfilling the service request. Completed service applications may be submitted by mail if hand delivery is not possible.

Where a new tap or service connection is required, the service applicant shall be required to submit a written service application and request that a tap be made. A diagram, map, plat, or written metes and bounds description of precisely where the applicant desires each tap or service connection is to be made and, if necessary, where the meter is to be installed, along the applicant's property line may also be required with the tap request. The actual point of connection and meter installation must be readily accessible to Utility personnel for inspection, servicing, and meter reading while being reasonably secure from damage by vehicles and mowers. If the Utility has more than one main adjacent to the service applicant's property, the tap or service connection will be made to the Utility's nearest service main with adequate capacity to service the applicant's full potential service demand. Beyond the initial 200 feet, the customer shall bear only the equivalent cost of extending from the nearest main. If the tap or service connection cannot be made at the applicant's desired location, it will be made at another location mutually acceptable to the applicant and the Utility. If no agreement on location can be made, the applicant may refer the matter to the PUC for resolution.

**SECTION 3.0 – EXTENSION POLICY (Continued)**

**Section 3.06 - Qualified Service Applicant**

A "qualified service applicant" is an applicant who has: (1) met all of the Utility's requirements for service contained in this tariff, PUC rules and/or PUC order, (2) has made payment or made arrangement for payment of tap fees, (3) has provided all easements and rights-of-way required to provide service to the requested location, (4) delivered an executed customer service inspection certificate to the Utility, if applicable, and (5) has executed a customer service application for each location to which service is being requested.

The Utility shall serve each qualified service applicant within its certified service area as soon as practical after receiving a completed service application. All service requests will be fulfilled within the time limits prescribed by PUC rules once the applicant has met all conditions precedent to achieving "qualified service applicant" status. If a service request cannot be fulfilled within the required period, the applicant shall be notified in writing of the delay, its cause and the anticipated date that service will be available. The PUC service dates shall not become applicable until the service applicant has met all conditions precedent to becoming a qualified service applicant as defined by PUC rules.

**Section 3.07 - Developer Requirements**

As a condition of service to a new subdivision, the Utility shall require a developer (as defined by PUC rule) to provide permanent recorded public utility easements as a condition of service to any location within the developer's property.

# List of Customer Deposits

Period: Yr 20 Pd 01 to Yr 20 Pd 12

North University Estates

Page. 1

Title: Security Deposit Status, Bank ID: 1, All Accounts

Date: 06/23/2020 11:34 AM

Format: Deposit Status, All Accounts

Credit No	Date	Account No.	Company	Type	Class	Amount	Balance
C13469	6/29/2018	0100202	Sheila Moon #2	P		-50.00	
C13865	11/15/2019	0100203	Maya Lachman #2	P		-50.00	
C13335	1/29/2018	0100503	C. Dean/A. Flores #5	P		-50.00	
C13829	9/30/2019	0100504	Gabriela Espinoza #5	P		-50.00	-50.00
C13933	3/06/2020	0100606	Raul Pena III #6	P		-50.00	-50.00
C13348	2/19/2018	0102303	Cory Howerd #23	P		-50.00	
C13425	4/20/2018	0103103	Edwin D Futrell #31	P		-50.00	-50.00
C13318	1/08/2018	0103907	Bryan/Debbie Harkey #39	P		-50.00	-50.00
C13504	8/27/2018	0104311	Rosemary Mercado #43	P		-50.00	-50.00
C13978	5/07/2020	0104504	Cristina Garcia-Moreno	P		-50.00	-50.00
C14005	6/08/2020	0104607	Priscilla Castillo #46	P		-50.00	-50.00
C13603	2/05/2019	0105004	Miranda Barrentine #50	P		-50.00	-50.00
C13968	4/18/2020	0105305	Lupe Serna #53	P		-50.00	
C13998	5/28/2020	0105306	Martha Sanchez #53	P		-50.00	-50.00
C12518	8/04/2015	0107404	Alesia Rodriguez	P		-25.00	
C14014	6/17/2020	0107408	John Cook #74	P		-50.00	-50.00
C11965	9/09/2013	0107604	Angela Shaffer #76	P		-50.00	
C13745	6/08/2019	0107608	Verdell & Jan Haney #76	P		-50.00	-50.00
C13641	3/16/2019	0108607	Monica Ramos #86	P		-50.00	
C13904	1/07/2020	0108608	Miriam Santiago #86	P		-50.00	-50.00
C13856	10/30/2019	0110309	Alisha Wyatt #103	P		-50.00	
C13647	3/18/2019	0110803	Ernest Jones #108	P		-50.00	-50.00
C14013	6/17/2020	0111402	Abraham Herrera #114	P		-50.00	-50.00
C13882	11/30/2019	0111704	Ramiro Barron #117	P		-50.00	-50.00
C13535	10/03/2018	0112403	Justin Johnson #124	P		-50.00	
C13187	8/10/2017	0112702	Mildred Scott #127	P		-50.00	
C14017	6/19/2020	0112703	Christian Tucker #127	P		-50.00	-50.00
C13164	7/13/2017	0112803	Antonio Villalobos	P		-50.00	
C13663	4/09/2019	0113302	Evan Weiss #133	P		-50.00	-50.00
C13754	6/25/2019	0113407	Rhonda Baxter #134	P		-50.00	
C14022	6/01/2020	0113503	Amanda Fraser #135	P		-50.00	-50.00
C13934	3/03/2020	0114203	Alexis Luera #142	P		-50.00	-50.00
C13439	5/15/2018	0116906	Thomas Holt #169	P		-50.00	-50.00
C11954	8/12/2013	0117207	Armanda Fraser #172	P		-50.00	
C13391	4/06/2018	0117211	Norma Ortiz Manzano #172	P		-50.00	-50.00
C13972	4/27/2020	0117303	Aaron O' Neal #173	P		-50.00	-50.00
C13646	3/18/2019	0117407	Antonio Mora #174	P		-50.00	
C13973	4/29/2020	0117408	Kevin Salois	P		-50.00	-50.00
C13668	4/16/2019	0117907	C Hunt/A Thompson #179	P		-50.00	
C13496	8/09/2018	0118004	Robbey Cockrell #180	P		-50.00	-50.00
C13919	1/22/2020	0118603	Justin Johnson #186	P		-50.00	-50.00
C13677	11/19/2019	0119210	Lonnie Wayne Kirklin #192	P		-25.00	
C13242	10/10/2017	0121208	Neomia Napper #212	P		-50.00	
						-2,100.00	-1,250.00

-1,250.00



## Office of the Secretary of State

### Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Articles Of Organization for Intermediary Solutions Holding LLC (file number 703025822), a Domestic Limited Liability Company (LLC), was filed in this office on October 15, 1997.

It is further certified that the entity status in Texas is in existence.

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on June 23, 2020.



A handwritten signature in black ink, appearing to read "Ruth R. Hughs".

Ruth R. Hughs  
Secretary of State

ARTICLES OF ORGANIZATION  
OF  
PARKER LIMITED, LLC

FILED  
in the Office of the  
Secretary of State of Texas  
OCT 15 1997  
Corporations Section

The undersigned, being a natural person of the age of eighteen years or more, acting as the organizer of a limited liability company under the Texas Limited Liability Company Act, hereby adopts the following Articles of Organization for such limited liability company (the "Company"):

ARTICLE ONE

The name of the Company is Parker Limited, LLC

ARTICLE TWO

The period of the Company's duration shall be perpetual

ARTICLE THREE

The purpose for which the Company is organized is to transact any and all lawful business for which limited liability companies may be organized under the Texas Limited Liability Company Act.

ARTICLE FOUR

The street address of the initial registered office of the Company is 10109 Hunter Run, Frisco, Texas 75035, and the name of the initial registered agent at such address is Brian I. Parker.

ARTICLE FIVE

The Company is to be managed by managers. The number of managers shall be fixed in the manner provided in the Regulations of the Company. The initial number of managers of the Company will be two (2), and the names and addresses of the persons who are to serve as managers until the first annual meeting of members, or until their successors shall have been elected and qualified are:

Name

Address

Brian I. Parker

10109 Hunter Run  
Frisco, Texas 75035



Tamara D Parker

10109 Hunter Run  
Frisco, Texas 75035

ARTICLE SIX

To the fullest extent permitted by Texas statutory or decisional law, as the same exists or may hereafter be amended or interpreted, a manager of the Company shall not be liable to the Company or its members for any act or omission in such manager's capacity as a manager. Any repeal or amendment of this Article, or adoption of any other provision of these Articles of Organization inconsistent with this Article, by the members of the Company shall be prospective only and shall not adversely affect any limitation on the liability to the Company or its members of a manager of the Company existing at the time of such repeal, amendment, or adoption of an inconsistent provision

ARTICLE SEVEN

The name and address of the organizer are as follows:

Name

Address

Kenneth D. Roe

1601 Elm Street  
Suite 3000  
Dallas, Texas 75204

IN WITNESS WHEREOF, the undersigned has executed these Articles of Organization this 14th day of October, 1997.

Kenneth D. Roe  
Kenneth D. Roe

ARTICLES OF ORGANIZATION  
OF  
PARKER LIMITED, LLC

FILED  
in the Office of the  
Secretary of State of Texas  
OCT 15 1997  
Corporations Section

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Kenneth D. Roe  
Kenneth D. Roe

**Form 424**  
**(Revised 05/11)**  
 Submit in duplicate to:  
 Secretary of State  
 P.O. Box 13697  
 Austin, TX 78711-3697  
 512 463-5555  
 FAX: 512/463-5709  
**Filing Fee: See instructions**



**Certificate of Amendment**

This space reserved for office use.

**FILED**  
 In the Office of the  
 Secretary of State of Texas  
**FEB 11 2019**  
 Corporations Section

**Entity Information**

The name of the filing entity is:

Parker Limited, LLC

State the name of the entity as currently shown in the records of the secretary of state. If the amendment changes the name of the entity, state the old name and not the new name.

The filing entity is a: (Select the appropriate entity type below.)

- For-profit Corporation
- Nonprofit Corporation
- Cooperative Association
- Limited Liability Company
- Professional Corporation
- Professional Limited Liability Company
- Professional Association
- Limited Partnership

The file number issued to the filing entity by the secretary of state is: 703025822

The date of formation of the entity is: Oct 15, 1997

**Amendments**

**1. Amended Name**

(If the purpose of the certificate of amendment is to change the name of the entity, use the following statement)

The amendment changes the certificate of formation to change the article or provision that names the filing entity. The article or provision is amended to read as follows:

The name of the filing entity is: (state the new name of the entity below)

Intermediary Solutions Holding LLC

The name of the entity must contain an organizational designation or accepted abbreviation of such term, as applicable.

**2. Amended Registered Agent/Registered Office**

The amendment changes the certificate of formation to change the article or provision stating the name of the registered agent and the registered office address of the filing entity. The article or provision is amended to read as follows:

Registered Agent  
(Complete either A or B, but not both. Also complete C.)

A. The registered agent is an organization (cannot be entity named above) by the name of:

OR

B. The registered agent is an individual resident of the state whose name is:

Brian		Parker	
<i>First Name</i>	<i>M.I.</i>	<i>Last Name</i>	<i>Suffix</i>

The person executing this instrument affirms that the person designated as the new registered agent has consented to serve as registered agent.

C. The business address of the registered agent and the registered office address is:

1110 Cogburn Ct	Shady Shores	TX	76208
<i>Street Address (No P.O. Box)</i>	<i>City</i>	<i>State</i>	<i>Zip Code</i>

**3. Other Added, Altered, or Deleted Provisions**

Other changes or additions to the certificate of formation may be made in the space provided below. If the space provided is insufficient, incorporate the additional text by providing an attachment to this form. Please read the instructions to this form for further information on format.

Text Area (The attached addendum, if any, is incorporated herein by reference.)

Add each of the following provisions to the certificate of formation. The identification or reference of the added provision and the full text are as follows:

Alter each of the following provisions of the certificate of formation. The identification or reference of the altered provision and the full text of the provision as amended are as follows:

Delete each of the provisions identified below from the certificate of formation.

**Statement of Approval**

The amendments to the certificate of formation have been approved in the manner required by the Texas Business Organizations Code and by the governing documents of the entity.

**Effectiveness of Filing** (Select either A, B, or C.)

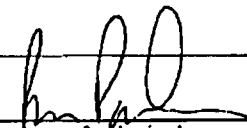
- A.  This document becomes effective when the document is filed by the secretary of state.
- B.  This document becomes effective at a later date, which is not more than ninety (90) days from the date of signing. The delayed effective date is: \_\_\_\_\_
- C.  This document takes effect upon the occurrence of a future event or fact, other than the passage of time. The 90<sup>th</sup> day after the date of signing is: \_\_\_\_\_

The following event or fact will cause the document to take effect in the manner described below:

**Execution**

The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument and certifies under penalty of perjury that the undersigned is authorized under the provisions of law governing the entity to execute the filing instrument.

Date: 02/08/2019

By:   
\_\_\_\_\_  
Signature of authorized person

Brian Parker  
Printed or typed name of authorized person (see instructions)

**Appendix B: Projected Information**

<b>HISTORICAL BALANCE SHEETS (ENTER DATE OF YEAR END )</b>	<b>CURRENT(A) (12-31-2020)</b>	<b>A-1 YEAR (12 -31-2021)</b>	<b>A-2 YEAR (12-31-2022)</b>	<b>A-3 YEAR (12-31-2023)</b>	<b>A-4 YEAR (12-31-2024)</b>	<b>A-5 YEAR (12-31-2025)</b>
<b>CURRENT ASSETS</b>						
Cash		35,000.00	7,000.00	7,500.00	8,000.00	8,500.00
Accounts Receivable	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00
Inventories	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
Income Tax Receivable						
Other						
<b>A. Total Current Assets</b>	<b>6,500.00</b>	<b>41,500.00</b>	<b>13,500.00</b>	<b>14,000.00</b>	<b>14,500.00</b>	<b>15,000.00</b>
<b>FIXED ASSETS</b>						
Land						
Collection/Distribution System	90,655.00	130,538.00	124,018.00	117,498.00	110,978.00	104,458.00
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves	3,791.00	6,520.00	6,520.00	6,520.00	6,520.00	6,520.00
<b>B. Total Fixed Assets</b>	<b>86,864.00</b>	<b>124,018.00</b>	<b>117,498.00</b>	<b>110,978.00</b>	<b>104,458.00</b>	<b>97,938.00</b>
<b>C. TOTAL Assets (A + B)</b>	<b>93,364.00</b>	<b>165,518.00</b>	<b>130,998.00</b>	<b>124,978.00</b>	<b>118,958.00</b>	<b>112,938.00</b>
<b>CURRENT LIABILITIES</b>						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
<b>D. Total Current Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>LONG TERM LIABILITIES</b>						
Notes Payable, Long-term		150,000.00	138,849.00	126,980.00	114,348.00	100,904.00
Other						
<b>E. Total Long Term Liabilities</b>	<b>0</b>	<b>150,000.00</b>	<b>138,849.00</b>	<b>126,980.00</b>	<b>114,348.00</b>	<b>100,904.00</b>

<b>F. TOTAL LIABILITIES (D + E)</b>	0	150,000.00	138,849.00	126,980.00	114,348.00	100,904.00
<b>OWNER'S EQUITY</b>						
Paid in Capital		35,000.00				
Retained Equity	6,000.00		7,000.00	7,500.00	8,000.00	8,500.00
Other						
Current Period Profit or Loss		23,215.00	27,881.00	28,296.00	27,399.00	25,477.00
<b>G. TOTAL OWNER'S EQUITY</b>	6,000.00	58,215.00	34,881.00	35,796.00	35,399.00	33,977.00
<b>TOTAL LIABILITIES+EQUITY (F + G) = C</b>	6,000.00	91,785.00	103,968.00	91,184.00	78,949.00	66,927.00
<b>WORKING CAPITAL (A - D)</b>	6,500.00	41,500.00	13,500.00	14,000.00	14,500.00	15,000.00
<b>CURRENT RATIO (A / D)</b>	NA	NA	NA	NA	NA	NA
<b>DEBT TO EQUITY RATIO (F / G)</b>	0	2.58	3.98	3.54	3.23	2.96

PUCT Sale, Transfer, Merger

Page 18 of 20 (September 2019)



**PROJECTED NET INCOME INFORMATION**

(ENTER DATE OF YEAR END )	CURRENT(A) (12-31-2020)	A-1 YEAR (12-31-2021)	A-2 YEAR (12-31-2022)	A-3 YEAR (12-31-2023)	A-4 YEAR (12-31-2024)	A-5 YEAR (12-31-2025)	
<b>METER NUMBER</b>							
Existing Number of Taps	190	190	194	196	198	200	
New Taps Per Year		4	2	2	2	2	
<b>Total Meters at Year End</b>	190	194	196	198	200	202	
<b>METER REVENUE</b>							
Revenue per Meter (use for projections)	477.00	477.00	477.00	477.00	477.00	477.00	
Expense per Meter (use for projections)	358.00	357.00	334.00	334.00	340.00	350.00	
<b>Operating Revenue Per Meter</b>	119.00	120.00	143.00	143.00	137.00	127.00	
<b>GROSS WATER REVENUE</b>							
Revenues- Base Rate & Gallonage Fees	90,655.00	92,538.00	93,492.00	94,446.00	95,400.00	96,354.00	
Other (Tap, reconnect, transfer fees, etc)							
<b>Gross Income</b>	90,655.00	92,538.00	93,492.00	94,446.00	95,400.00	96,354.00	
<b>EXPENSES</b>							
General & Administrative (see schedule)	29,328.00	27,132.00	27,611.00	30,113.00	30,646.00	33,203.00	
Operating (see schedule)	38,877.90	42,191.00	38,000.00	36,037.00	37,355.00	37,674.00	
Interest							
Other (list)							
<b>NET INCOME</b>	22,449.10	23,215.00	27,881.00	28,296.00	27,399.00	25,477.00	
<b>PROJECTED EXPENSE DETAIL</b>		<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>	<b>TOTALS</b>
<b>GENERAL/ADMINISTRATIVE EXPENSES</b>							
Salaries		18,000.00	18,000.00	20,000.00	20,000.00	22,000.00	98,000.00
Office		1,694.00	1,780.00	1,873.00	1,971.00	2,074.00	9,392.00
Computer		500.00	530.00	557.00	586.00	616.00	2,792.00
Auto		3,000.00	3,157.00	3,323.00	3,500.00	3,684.00	13,664.00
Insurance		1,100.00	1,157.00	1,217.00	1,281.00	1,348.00	6,103.00
Telephone		1,000.00	1,053.00	1,108.00	1,166.00	1,227.00	5,554.00

Utilities						
Depreciation						
Franchise Taxes	1,838.00	1,934.00	2,035.00	2,142.00	2,254.00	<b>10,203.00</b>
Professional Fees						
Interest						
Other						
<b>Total</b>	<b>27,132.00</b>	<b>27,611.00</b>	<b>30,113.00</b>	<b>30,646.00</b>	<b>33,203.00</b>	<b>148,705.00</b>
<b>% Increase Per projected Year</b>	5%	5%	5%	5%	5%	
<b>OPERATIONAL EXPENSES</b>						
Salaries	5,000.00	5,000.00	5,000.00	6,000.00	6,000.00	<b>27,000.00</b>
Auto						
Utilities	5,200.00	5,473.00	5,761.00	6,064.00	6,383.00	<b>28,881.00</b>
Depreciation	3,791.00	3,791.00	3,791.00	3,791.00	3,791.00	<b>18,955.00</b>
Repair & Maintenance	8,700.00	4,000.00	1,500.00	1,500.00	1,500.00	<b>17,200.00</b>
Supplies	4,500.00	4,736.00	4,985.00	5,000.00	5,000.00	<b>24,221.00</b>
Interest						
Contract Labor	15,000.00	15,000.00	15,000.00	15,000.00	15,000.00	<b>75,000.00</b>
<b>Total</b>	<b>42,191.00</b>	<b>38,000.00</b>	<b>36,037.00</b>	<b>37,355.00</b>	<b>37,674.00</b>	<b>191,257.00</b>

<b>PROJECTED SOURCES AND USES OF CASH STATEMENTS</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>	<b>TOTALS</b>
<b>SOURCES OF CASH</b>						
Net Income	23,215.00	27,881.00	28,296.00	27,399.00	25,477.00	<b>132,268.00</b>
Depreciation (If funded by revenues of system)						
Loan Proceeds						
Paid in Capital	35,000.00					
<b>Total Sources</b>	<b>55,215.00</b>	<b>27,881.00</b>	<b>28,296.00</b>	<b>27,399.00</b>	<b>25,477.00</b>	<b>132,268.00</b>
<b>USES OF CASH</b>						
Net Loss						
Principle Portion of Pmts.	11,151.00	11,869.00	12,632.00	13,444.00	14,309.00	<b>63,405.00</b>
Fixed Asset Purchase	43,674.00	10,000.00	10,000.00	5,000.00	5,000.00	<b>40,000.00</b>
Reserve						
Other						
<b>Total Uses</b>	<b>54,825.00</b>	<b>21,869.00</b>	<b>22,632.00</b>	<b>18,444.00</b>	<b>19,309.00</b>	<b>103,405.00</b>
<b>NET CASH FLOW</b>	<b>390.00</b>	<b>6,012.00</b>	<b>5,664.00</b>	<b>8,955.00</b>	<b>6,168.00</b>	<b>28,863.00</b>
<b>DEBT SERVICE COVERAGE</b>						
Cash Available for Debt Service (CADS)						
A: Net Income (Loss)	23,215.00	27,881.00	28,296.00	27,399.00	25,477.00	<b>132,268.00</b>
B: Depreciation, or Reserve Interest						
<b>C: Total CADS (A + B = C)</b>	<b>23,215.00</b>	<b>27,881.00</b>	<b>28,296.00</b>	<b>27,399.00</b>	<b>25,477.00</b>	<b>132,268.00</b>
<b>D: DEBT SERVICE (DS)</b>						
Principle Plus Interest	20,210.00	20,211.00	20,210.00	20,210.00	20,210.00	<b>101,051.00</b>
<b>E: DEBT SERVICE COVERAGE RATIO</b>						
CADS Divided by DS (E = C / D)	1.14	1.38	1.40	1.36	1.26	

THE STATE OF TEXAS           §  
  §  
COUNTY OF LUBBOCK         §

**SALE AND PURCHASE AGREEMENT**

This Agreement is effective as of the \_\_\_\_ day of \_\_\_\_\_ 2020, by OLAN & LULA MAE JOHNSON REV. TRUST D/B/A NORTH UNIVERSITY ESTATES WATER CO., (SELLER), and INTERMEDIARY SOLUTIONS HOLDING, LLC (PURCHASER).

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

A. **ASSETS.** SELLER shall sell to PURCHASER, and PURCHASER shall purchase from SELLER, on the terms and conditions set forth in this Agreement, all of the assets of SELLER, (the assets), including but not limited to the following:

1. The real property and improvements located in Lubbock County, Texas at: \_\_\_\_\_ and is legally described as:

University Est North L 163A (Less Bldg Only)

University Est North NW 50x50 of L 40 & N63' of W 32.4 of TR A1

University Est North L 40 Less NW50X50

Building Only University Est North L 163A.

2. All existing wells on the properties.
3. All existing pumps on the properties.
4. All existing buildings on the properties.
5. All existing equipment on the properties.
6. All existing measuring devices.
7. All maintenance equipment.
8. All meters.
9. All distribution lines.
10. All testing equipment.

11. Any property left on site at the time of the sale.
12. All files, customer files, records, work papers and company data.
13. All leases, contracts, and associated rights.
14. All intangible assets, including but not limited to goodwill.
15. All existing web sites and other social media platforms, including: www.alpinetaxidermy.com, together with the necessary credentials to manage and operate the web sites and social media platforms.

B. PURCHASE PRICE. The total purchase price herein (called "said purchase price") to be paid by PURCHASER to SELLER for all of the assets and rights described in this Agreement shall be ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000.00). PURCHASER assumes no liabilities relating to the assets or the business, including but not limited to any personal property taxes relating to the assets for any period of ownership by SELLER. SELLER shall retain all accounts receivable, and shall be responsible for all accounts payable, relating to the assets, as of the date of closing. PURCHASER shall collect the accounts receivable, and shall pay the accounts payable on behalf of SELLER for a period of 90 days following closing, at which time the parties will reconcile the accounts and make payment to each other as warranted to settle the accounts. After the 90-day period, accounts payable will no longer be paid by PURCHASER and shall be the sole responsibility of SELLER (and PURCHASER shall have no liability therefor), and all unpaid accounts receivable shall become the property of PURCHASER.

C. ALLOCATION OF PURCHASE PRICE. The purchase price is deemed to be allocated among the purchased assets as follows:

1.	Real Property:	\$ 40,000
2.	Equipment and Tools:	\$ 110,000

D. MANNER AND TIME OF PAYMENT. The said purchase price for all of the assets and rights described in this Agreement as provided in paragraph A of this Agreement is payable as follows:

1. Cashier's check in the amount of \$149,000 paid at closing (with credit for \$ 1,000.00 paid by PURCHASER to SELLER at the execution of this Agreement);

E. SELLER'S WARRANTIES. SELLER hereby agrees, warrants, and represents to PURCHASER that:

1. SELLER is owner of, and has good and marketable title to, all of the purchased assets, free and clear of all liens, encumbrances and claims in favor of another for PURCHASER's rights under this Agreement.
2. No suits or claims are pending or threatened against SELLER growing out of or in any way relating to the business or any of the purchased assets.
3. All business records and other information furnished to PURCHASER and pertaining to either the business or any of the purchased assets are in all respects true and correct.
4. SELLER has full power and authority to enter into this Agreement and to perform its obligations under this Agreement and SELLER's execution and delivery to PURCHASER of this Agreement and all instruments required of SELLER by this Agreement have been duly authorized and, upon execution and delivery, all instruments required of SELLER by this Agreement are and will be valid and binding obligations of SELLER, enforceable against SELLER according to their terms and provisions, and execution and delivery of this Agreement by SELLER and consummation of the sale will not result in a breach or violation of any agreement or undertaking to which SELLER is a party or by which any of his properties are bound.
5. SELLER represents that he has no personal knowledge of any matters which will materially adversely impact the business (general business and economic conditions excepted).

F. DELIVERY AT CLOSING.

1. At closing PURCHASER shall:
  - a. Deliver to SELLER a cashiers check in the amount \$149,000
2. At closing SELLER shall:
  - a. Deliver to PURCHASER all executed and acknowledged bills of sale, assignments of lease, vehicle titles, and other instruments of transfer which PURCHASER may reasonably require to transfer to PURCHASER good and marketable title to all of the purchased assets, all of which shall contain covenants of general warranty. A form of the Bill of Sale is attached hereto as Exhibit "B"

- b. File such documents and take such action as required to terminate any and all assumed name filings held by SELLER, including the \_\_\_\_\_.

G. POSSESSION. Upon closing SELLER shall deliver to PURCHASER possession of the purchased assets.

H. PURCHASER'S WARRANTIES. PURCHASER hereby agrees, warrants and represents to SELLER that:

1. PURCHASER has full power and authority to enter into this Agreement and to perform its obligations under this Agreement and PURCHASER's execution and delivery to SELLER of this Agreement and all instruments required of PURCHASER by this Agreement have been duly authorized and, upon execution and delivery, all instruments required of PURCHASER by this Agreement are and will be valid and binding obligations of PURCHASER, enforceable against PURCHASER according to their terms and provisions, and execution and delivery of this Agreement by PURCHASER and consummation of the sale will not result in a breach or violation of any agreement or undertaking to which PURCHASER is a party or by which any of his properties are bound.

I. PRIOR TO CLOSING.

1. From the date of this Agreement and until closing, SELLER shall continue the usual business operations of the business relating to the assets.
2. Prior to closing, SELLER shall bear the risk of any loss of or damage to any of the purchased assets.
3. Prior to closing SELLER shall afford PURCHASER's representatives full and free access to the business and books and records of SELLER pertaining to the assets.

J. CONDITIONS.

1. Neither party will be obligated to close:
  - a. If the other fails to perform any of its or his obligations under this Agreement;
  - b. If either party discovers any error, misstatement or omission in the warranties or representations of the other or any circumstances which would, if the sale were closed, result in a breach of any warranty or representation of the other party; or

2. PURCHASER will not be obligated to close:
  - a. If there occurs any loss, destruction or damage of any material part of the purchased assets.

K. SURVIVAL OF WARRANTIES. All warranties and representations of the parties are true and correct upon the date of execution of this Agreement, and shall be true and correct as of the date of closing with the same force and effect as though made on the date of closing. All of the parties' warranties and representations shall survive the closing and remain in full force and effect regardless of any investigation at any time made by or on behalf of the party and shall not be deemed merged into any document or instrument given at closing. SELLER has made no representations to PURCHASER except those contained in this Agreement, any exhibit hereto, or in any document executed at closing hereof.

L. INDEMNITY.

1. SELLER shall indemnify and hold PURCHASER harmless from and against any and all claims, demands, losses, damages, suits, judgments and expenses of any description (including, without limitation, all costs and expenses, including attorneys' fees, incurred in investigating into or defending against any such claim, demand or suit) which PURCHASER may suffer, sustain or have asserted against it, and which in any manner arises out of or in connection with any of the following and having occurred prior to closing:
  - a. Any claim by another of any interest in any of the purchased assets adverse to PURCHASER; or
  - b. Any debt or liability incurred by SELLER; or
  - c. Any breach by SELLER of any warranty or representation contained in this Agreement or in any instrument given pursuant to this Agreement, including those warranties and representations deemed to have been made at closing as provided herein.
2. PURCHASER shall indemnify and hold SELLER harmless from and against any and all claims, demands, losses, damages, suits, judgments and expenses of any description (including, without limitation, all costs and expenses, attorneys' fees incurred in investigating into or defending against any such claim, demand or suit) which SELLER may suffer, sustain, or have asserted against it, and which in any manner arises out of or in connection with any of the following and having occurred on or after closing:
  - a. Any debt or liability incurred by PURCHASER; or



b. Any breach by PURCHASER of any warranty or representation contained in this Agreement or in any instrument given pursuant to this Agreement, including those warranties and representations deemed to have been made at closing as provided herein.

M. CLOSING DATE. Closing shall be on or before \_\_\_\_ day of \_\_\_\_\_, 2020 unless extended by agreement of the parties, and shall occur at a location to be agreed upon by the parties.

N. DOCUMENTS EXECUTED. On and after the date of closing, SELLER and PURCHASER will each execute all certificates, instruments and documents and take all action reasonably requested by the other party to effectuate the purposes of this Agreement and to consummate and evidence the consummation of the transactions herein provided for.

O. NOTICES. All notices, requests, demands, and other communications hereunder (including notices of all asserted claims or liabilities) shall be in writing and shall be either delivered personally, by courier service, or mailed by postage prepaid registered or certified U.S. mail, return receipt requested, to the addresses herein designated or such other address as may be designated in writing by notice given in the manner provided herein, and shall be effective upon personal delivery thereof or forty-eight (48) hours following deposit in the U.S. mail or with a courier service, whether delivery is accepted.

If to SELLER: Olan & Lula Mae Johnson Rev. Trust  
D/B/A North University Estates Water Co.

\_\_\_\_\_  
Address

If to PURCHASER: Intermediary Solutions Holdings, LLC

\_\_\_\_\_  
Address

P. GENERAL PROVISIONS:

1. ASSIGNABILITY; BINDING EFFECT. PURCHASER may not assign its rights, obligations and liabilities hereunder to any other party without the written consent of SELLER, nor may SELLER assign his rights, obligations and liabilities hereunder to any other party without the written consent of PURCHASER.

2. GOVERNING LAW. This Agreement shall be construed and governed in accordance with the laws of the State of Texas.

3. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.
4. RECITALS AND EXHIBITS. The recitals and exhibits to this Agreement are incorporated herein and made a part hereof as though fully set forth at length herein.
5. WAIVER. The waiver by any party hereto of any breach, default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall not be deemed to extend to any prior or subsequent breach, default, misrepresentation or breach of warranty or covenant hereunder and shall not affect in any way any rights arising by virtue of any such prior or subsequent occurrence.
6. SECTION HEADINGS. The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.
7. PRONOUNS. Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and plural, and pronouns stated in either the masculine, the feminine or the neuter gender shall include the masculine, the feminine, and the neuter.

Q. SPECIAL PROVISIONS RELATING TO THE REAL ESTATE: The following provisions shall apply to the real estate portion of this Sale and Purchase Agreement, notwithstanding any other terms and provisions hereof, except that provisions relating to the earnest money and termination of the agreement shall apply to the entire agreement, and not just to the real estate portion thereof:

1. SALE. SELLER hereby agrees to sell to PURCHASER upon the terms, provisions and conditions hereinafter set forth those certain tracts of land, being more fully described as follows:

University Est North L 163A (Less Bldg Only)

University Est North NW 50x50 of L 40 & N63' of W 32.4 of TR A1

University Est North L 40 Less NW50X50

according to the plat recorded in Volume \_\_\_\_\_, Page \_\_\_\_\_, Deed Records, Lubbock County, Texas, together with all buildings, improvements, fixtures and all property of every kind and character and description owned by SELLER located thereon, attached to, or used in connection with the property, and all rights, privileges, and appurtenances pertaining to the property, including any right, title, and interest of SELLER in and to adjacent streets, alleys,

easements, or rights of way existing and/or to be created in accordance with the consideration, terms, provisions, and conditions of this Contract (collectively referred to as the "Property").

2. **PURCHASE PRICE.** The purchase price for the Property is \$50,000 and is included in the purchase price of \$150,000 as set forth in this Agreement.
  
3. **EARNEST MONEY.** Within three (3) business days after the Effective Date of this Contract, PURCHASER shall deposit the sum of **One Thousand and no/100 Dollars (\$1,000.00)** (together with \$\_\_\_\_ previously paid by PURCHASER to SELLER, shall be called the "Earnest Money") with \_\_\_\_\_ (the "Title Company"), whose principal address is \_\_\_\_\_, in its Trust Account to be applied at closing, forfeited or refunded, as set forth in this Contract. If PURCHASER fails to timely deposit the Earnest Money, SELLER may, at SELLER's option, terminate this Contract by delivering a written termination notice to PURCHASER. The Earnest Money is deposited with the Title Company with the understanding that the Title Company (a) does not assume or have any liability for performance or nonperformance of any party, (b) has the right to require the receipt, release, and authorization in writing of all parties before paying the deposit to any party, and (c) is not liable for interest or other charges on the funds held. If any party unreasonably fails to agree in writing to an appropriate release of the Earnest Money, then such party shall be liable to the other parties to the extent provided for in Section \_\_\_\_ of this Contract. Before PURCHASER shall be entitled to a refund of the Earnest Money, any actual expenses incurred or paid on PURCHASER's behalf, shall be deducted therefrom and paid to the creditors entitled thereto.
  
4. **SURVEY.** Within thirty (30) days after the Effective Date of this Contract, PURCHASER shall obtain a survey at PURCHASER's expense. The survey shall be made by a Registered Professional Land Surveyor acceptable to the Title Company and any lender. The plat shall (a) identify the Property by metes and bounds or platted lot description (b) show that the survey was made and staked on the ground with corners permanently marked (c) set forth the dimensions of the Property (d) show the location of all improvements, highways, streets, roads, railroads, rivers, creeks or other waterways, fences, easements and rights-of-way on the Property (e) show any discrepancies or conflicts in boundaries, any visible encroachments, and any portion of the Property lying within the 100-year flood plain as shown on the current Federal Emergency Management Agency map and (f) contain the surveyor's certificate that the survey as shown by the plat is true and correct. PURCHASER may object in writing within ten (10) days from PURCHASER's receipt of the survey to any matter which constitutes a defect or encumbrance to title. PURCHASER's failure to object within the time allowed shall constitute a waiver of PURCHASER's right to object. If objections are made by PURCHASER, SELLER shall cure the objections within fifteen (15) days from the date SELLER receives them and the Closing Date

shall be extended as necessary. If objections are not cured by the extended Closing Date, this entire Contract shall terminate, and the Earnest Money shall be refunded to PURCHASER unless PURCHASER elects to waive the objections.

5. **TITLE POLICY.** SELLER shall furnish to PURCHASER at SELLER's expense an Owner Policy of Title Insurance (the Title Policy) issued by **Lawyer's American Title Company** (the Title Company) in the amount of the sales price, dated at or after Closing, insuring PURCHASER against loss under the provisions of the Title Policy. Within twenty (20) days after the Title Company receives a copy of this Contract, SELLER shall furnish to PURCHASER a commitment for Title Insurance and legible copies of documents evidencing exceptions in the commitment. SELLER authorizes the Title Company to mail or hand deliver the commitment and related documents to PURCHASER at PURCHASER's address shown below. If the commitment is not delivered to PURCHASER within the specified time, the time for delivery shall be automatically extended up to fifteen (15) days. PURCHASER shall have ten (10) days after the receipt of the commitment to object in writing to matters disclosed in the commitment. PURCHASER may object to existing building and zoning ordinances if PURCHASER determines that any such ordinance or items prohibit PURCHASER's intended use of the Property. PURCHASER's failure to object within the time allowed shall constitute a waiver of PURCHASER's right to object, except that the requirements in Schedule C of the Title Commitment shall not be deemed to have been waived. If objections are made by PURCHASER, SELLER shall cure the objections within fifteen (15) days from the date SELLER receives them, and the Closing Date shall be extended as necessary. If objections are not cured by the extended Closing Date, this entire Contract shall terminate, and the Earnest Money shall be refunded to PURCHASER unless PURCHASER elects to waive the objections.
  
6. **NOTICE TO SELLER AND PURCHASER.** SELLER and PURCHASER are hereby advised as follows: (a) PURCHASER should have an Abstract covering the Property examined by an attorney of PURCHASER's selection, or PURCHASER should be furnished with or obtain a Title Policy; (b) if the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Section 50.301 of the Texas Water Code requires SELLER to deliver and PURCHASER to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fee of the district prior to final execution of this Contract; (c) the presence of wetlands, toxic substances, including lead-based paint or asbestos and wastes or other environmental hazards or the presence of a threatened or endangered species or its habitat may affect PURCHASER's intended use of the Property, and if concerned about these matters, PURCHASER should conduct an investigation of the Property.

7. **PROPERTY CONDITION.** Except as expressly represented herein by SELLER, the Property is sold “as is” and “with all faults.”
  
8. **INVESTIGATION STUDY.** PURCHASER, at PURCHASER’s expense, is granted the right to conduct appropriate physical and environmental studies, including, but not limited to, a Phase I study of the Property and mechanical, structural, electrical and plumbing inspections, all at PURCHASER’s expense (the “Study”) to evaluate potential environmental risks and Property defects. PURCHASER shall have sixty (60) days from the Effective Date of this Contract to perform the Study. PURCHASER or PURCHASER’s agents shall have the right of access to the Property prior to closing for the purpose of conducting the Study, and shall have the right to conduct tests and obtain core samples. SELLER agrees to cooperate with PURCHASER in connection with the Study, and agrees to furnish PURCHASER with copies of any and all documents in SELLER’s possession relating to the Property that might be necessary to complete the Study. If PURCHASER determines, in PURCHASER’s sole judgment and discretion, that the Property is not suitable for PURCHASER’s intended use, or that corrective action is needed, within the sixty (60) days, PURCHASER shall give SELLER written notice of such fact on or before the end of said period, and PURCHASER shall have the option to either (a) perform clean up and other corrective work deemed necessary by the Study and applicable government authority, or (b) terminate this entire Contract and receive a refund of all Earnest Money paid. If PURCHASER does not send such written notice to SELLER, then it shall be presumed that the Property is suitable for PURCHASER’s intended use, and this Contract may not be terminated by PURCHASER for the reasons set forth in this Section. If this Contract does not close, through no fault of SELLER, PURCHASER shall restore the Property to its original condition, if changed due to the Study performed.
  
9. **SELLER’S REPRESENTATIONS AND WARRANTIES.** SELLER hereby represents and warrants to PURCHASER that (a) SELLER has fee simple title to the Property free and clear of liens, assessments, security interests and leases and all other rights of any party as to use or possession of the Property, except for such rights terminating or terminable prior to closing, (b) there is no condemnation or similar proceeding which is pending or threatened against the Property or any part thereof, (c) SELLER has not received any notification from, nor is SELLER otherwise aware of any plans by any governmental or private agency, authority or instrumentality regarding any pending or threatened assessments on or against the Property for the cost of public or private improvements to be made with respect to the Property or any plan thereof, (d) no action or proceeding before a court or other governmental agency or officer shall be pending as of the Closing Date that might restrain or enjoin either party from consummating this transaction, or PURCHASER from undertaking or completing PURCHASER’s intended use, (e) SELLER is not aware of any material defects to the Property, and (f) SELLER is not aware of any environmental

hazards or conditions affecting the Property which would violate any federal, state, or local statutes, regulations, ordinances, or other requirements and more specifically, but without limitation, whether (1) the Property is or has ever been used for the storage or disposal of hazardous substances or materials or toxic waste, a dump site or landfill, or the housing of any underground tanks or drums, or (2) radon, asbestos insulation or fireproofing, urea-formaldehyde foam insulation, lead based paint, or other pollutants or contaminants of any nature now exist or have ever existed on the Property.

10. **CLOSING.** The closing of the sale (the "Closing Date") shall be on or before \_\_\_\_\_ day of \_\_\_\_\_, 2020. At closing, SELLER shall deliver to PURCHASER (a) a General Warranty Deed conveying the Property, subject only to liens securing debts created or assumed, taxes for the current year, and any other reservations or exceptions previously approved by PURCHASER in accordance with this Contract, (b) an Owner's Policy of Title Insurance issued in the full amount of the Purchase Price, dated as of closing, insuring PURCHASER's fee simple title to the Property to be good and indefeasible, subject only to those title exceptions permitted herein, or as may be approved in writing by PURCHASER, and the standard printed exceptions contained in the usual form of the Title Policy, (c) an Affidavit as to Debts and Liens, and (d) possession of the Property.
11. **POSSESSION.** SELLER shall deliver possession of the Property to PURCHASER at closing.
12. **CLOSING COSTS.** Except as otherwise expressly provided herein, SELLER shall pay on the Closing Date the cost of (a) the Owner's Policy of Title Insurance, (b) the Deed, (c) one-half (1/2) of any escrow fees or other customary charges of the Title Company (d) tax statements and certificates, and (e) other expenses of SELLER as stipulated herein. PURCHASER shall pay on the Closing Date, (a) the cost of the Survey, (b) all recording fees, (c) one-half (1/2) of any escrow fees or other customary charges of the Title Company, (d) all other costs and expenses incurred in connection with this Contract, which are not recited herein to be the obligation of SELLER and (e) Mortgagee Title Policy to SELLER. Unless otherwise paid, before PURCHASER shall be entitled to a refund of the Earnest Money, any such costs and expenses shall be deducted therefrom and paid to the creditors entitled thereto.
13. **TAXES.** Ad valorem taxes for the current year shall be prorated between SELLER and PURCHASER.
14. **CASUALTY LOSS AND CONDEMNATION.**
  - (A) If any part of the Property is damaged or destroyed by fire or other casualty loss, SELLER shall restore the Property to its previous condition as soon as

reasonably possible, but in any event by the Closing Date. If SELLER is unable to do so without fault, PURCHASER may (1) terminate this Contract and the Earnest Money shall be refunded to PURCHASER, (2) extend the time for performance up to fifteen (15) days and the Closing Date shall be extended as necessary, or (3) accept the Property in its damaged condition and accept an assignment of insurance proceeds.

- (B) If prior to Closing condemnation proceedings are commenced against any portion of the Property, PURCHASER may (1) terminate this Contract by written notice to SELLER within ten (10) days after PURCHASER is advised of the condemnation proceeding and the earnest money shall be refunded to PURCHASER, or (2) appear and defend in the condemnation proceeding and any award in condemnation shall, at PURCHASER's election, become the property of SELLER and the sales price shall be reduced by the same amount or any award shall become the property of the PURCHASER and the sales price shall not be reduced.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the \_\_\_\_ day of \_\_\_\_\_, 2020 with the intention of being legally bound hereby.

**SELLER:**

OLAN & LULA MAE JOHNSON  
REV. TRUST D/B/A NORTH UNIVERSITY  
ESTATES WATER CO.

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

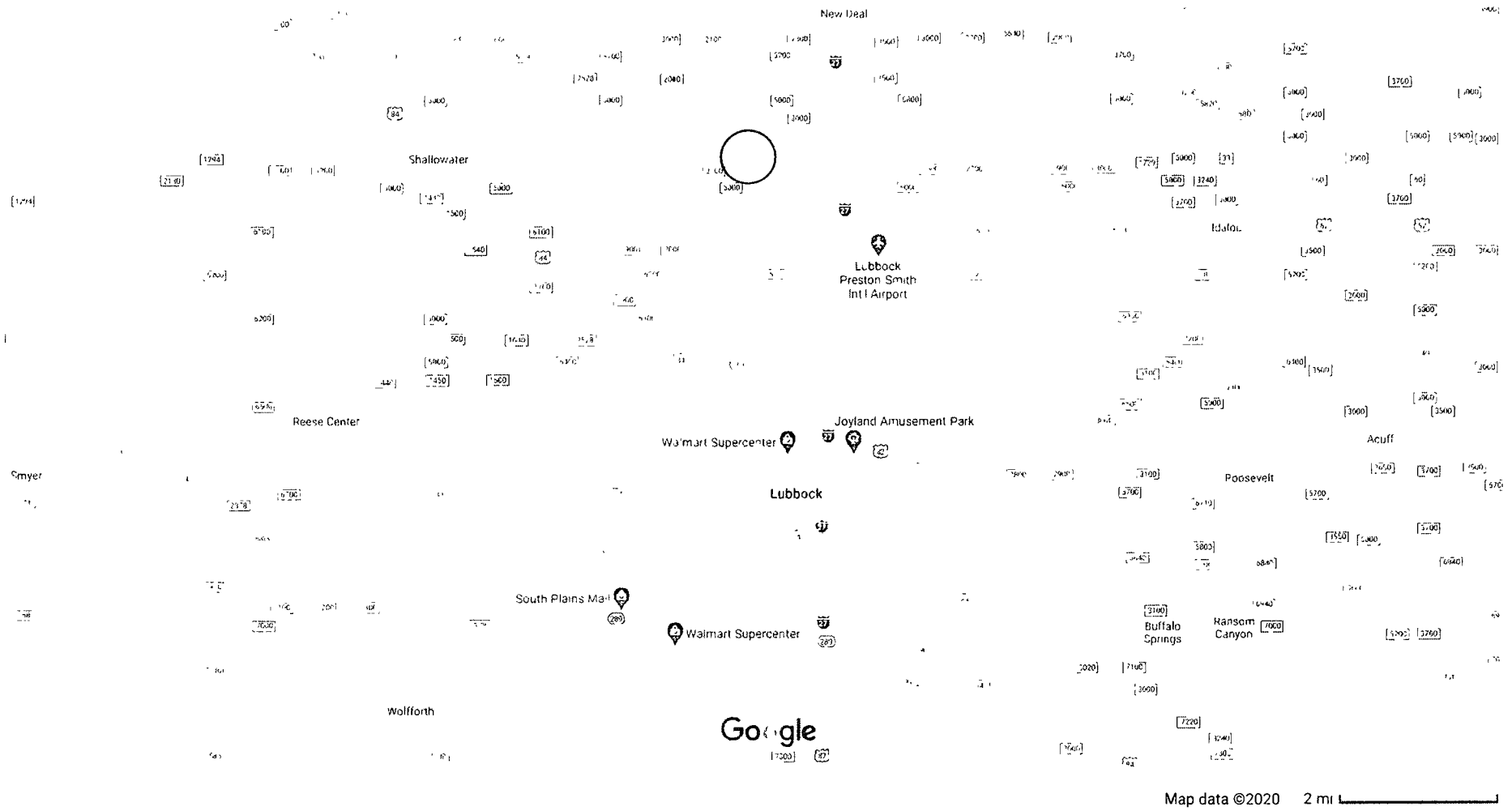
**PURCHASER:**

INTERMEDIARY SOLUTIONS HOLDING, LLC

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

# Small Scale Map - North University Estates Water Company (red circle indicates the area)

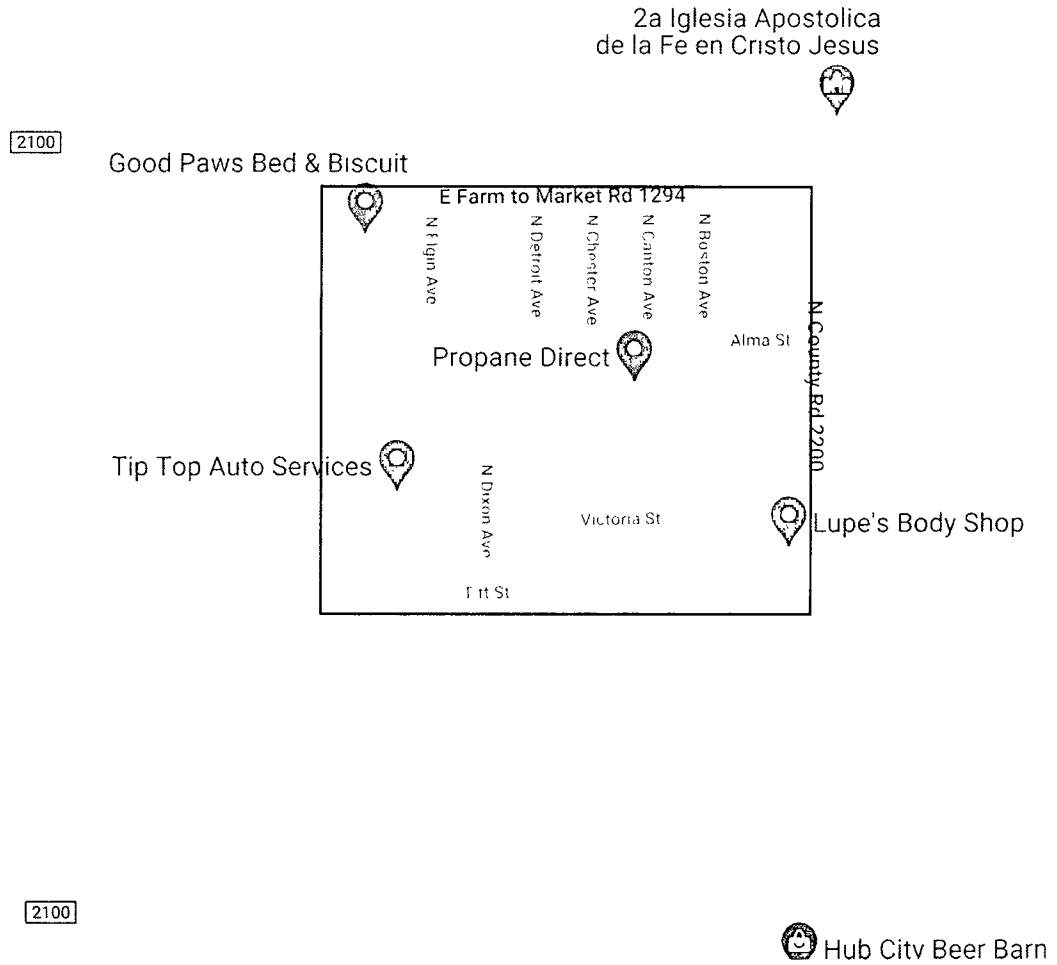
Google Maps





# 9717 N Detroit

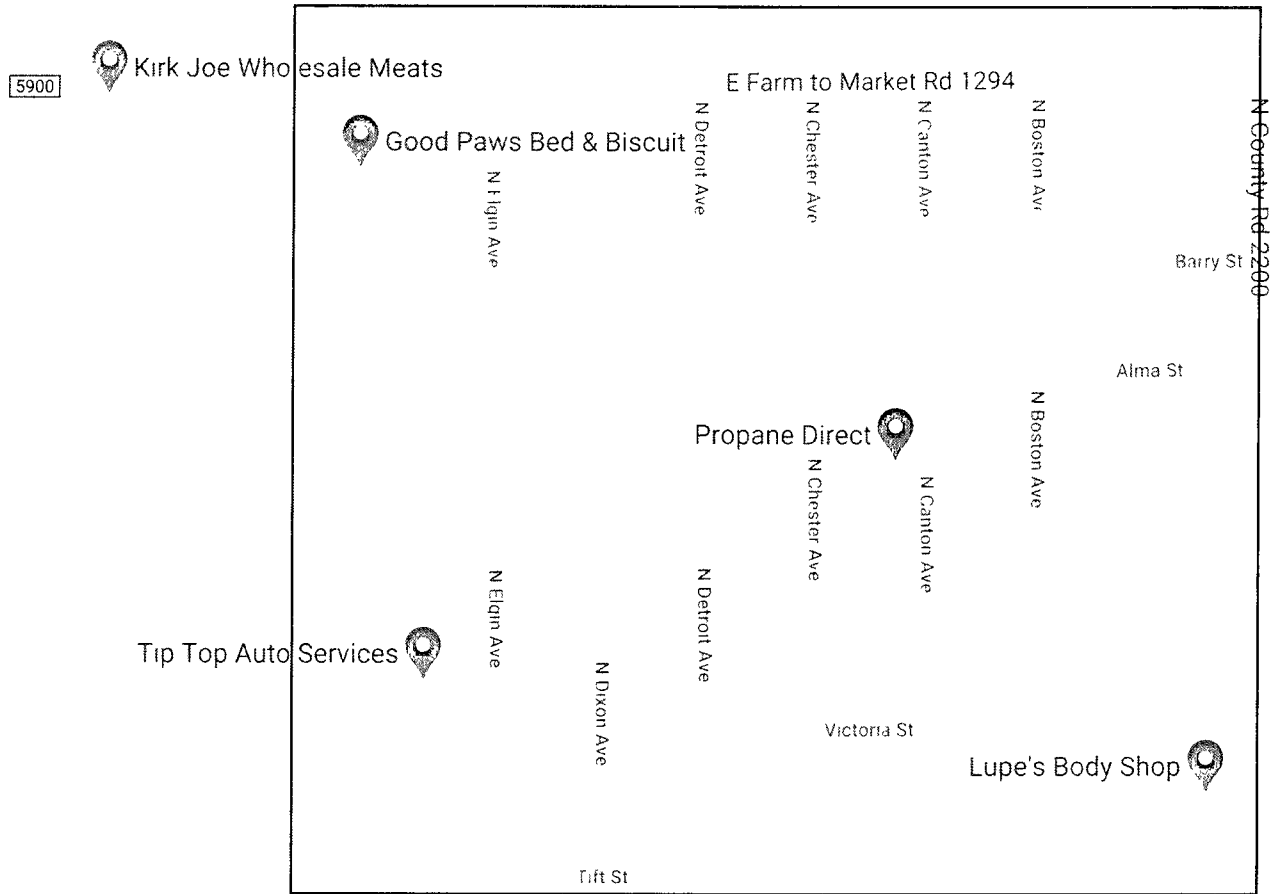
## North University Estates Water Company Service Area (red box is service area)



# 9717 N Detroit

North University Estates Water Company  
Service Area is red box.

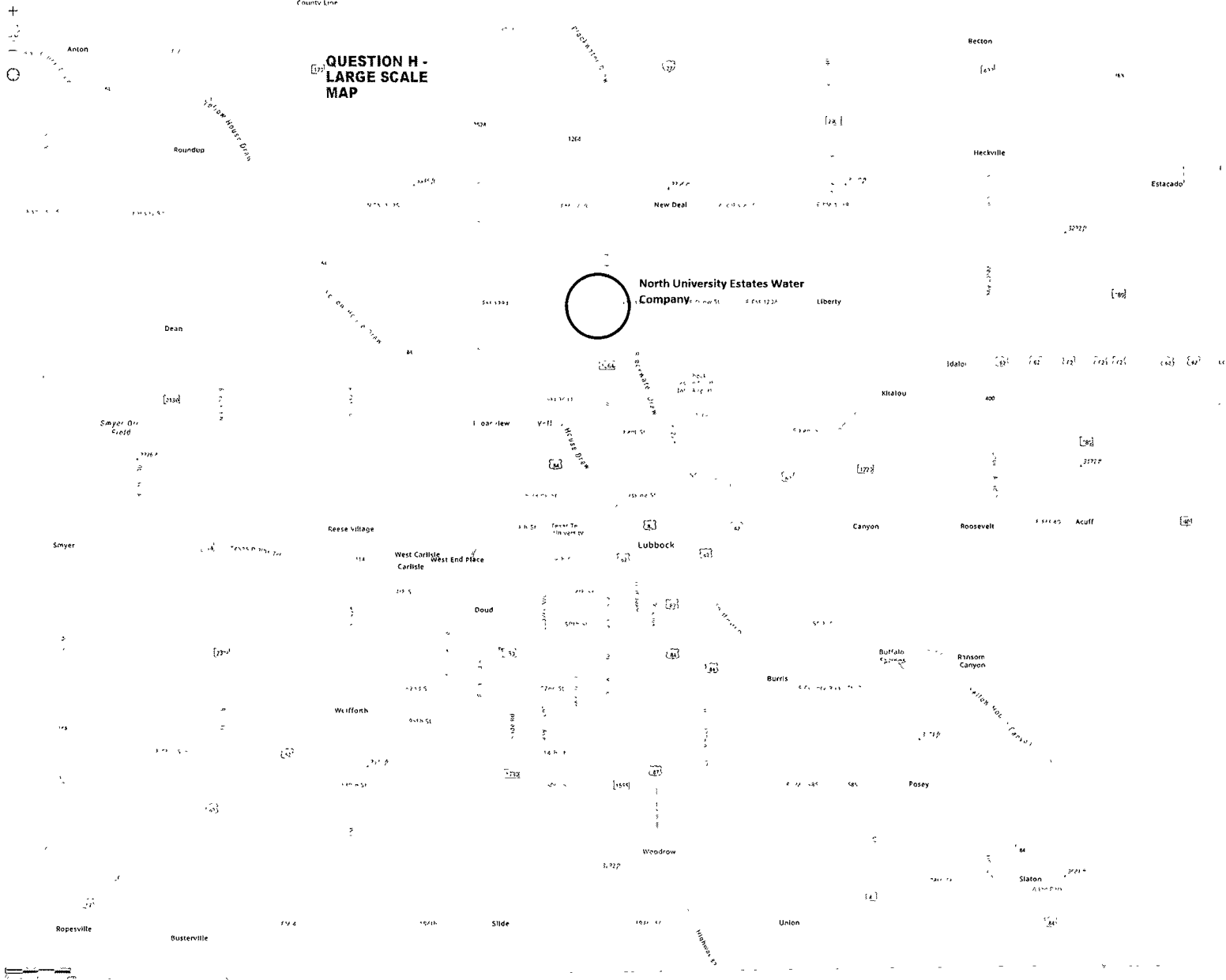
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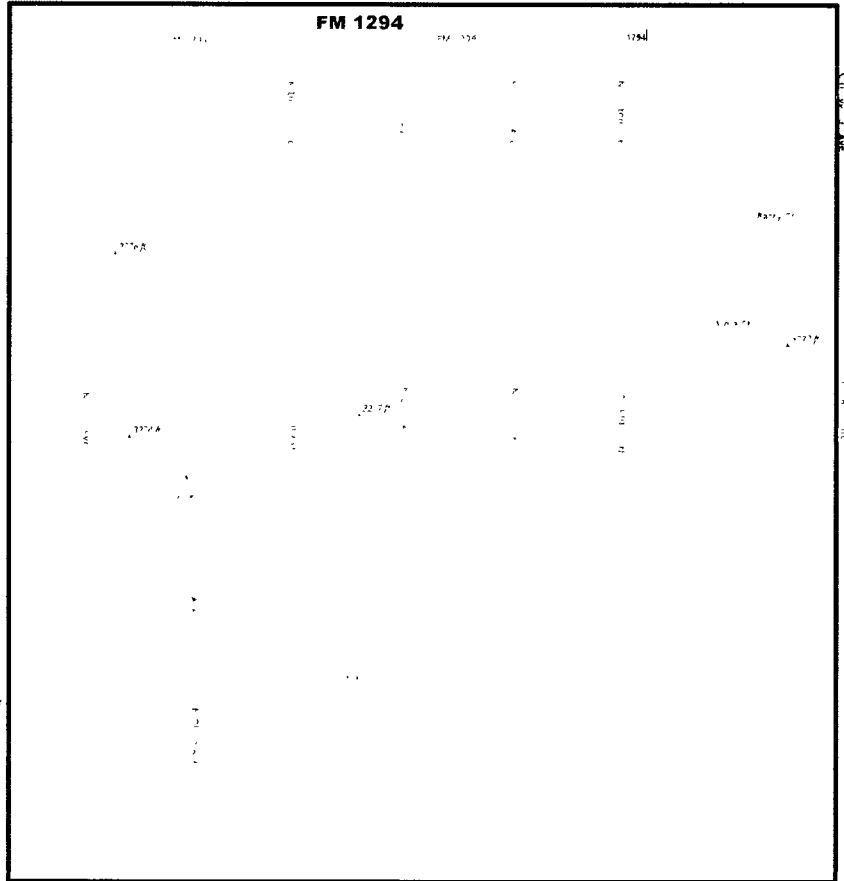
**QUESTION H -  
LARGE SCALE  
MAP**



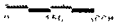
**North University Estates Water  
Company**



**QUESTION H SMALL SCALE MAP**



**North University Estates  
Water Company Servicing  
Area**



Oath for Transferor (Transferring Entity)

STATE OF Texas

COUNTY OF Lubbock

I, Olan Johnson being duly sworn, file this application for sale, transfer, merger, consolidation, acquisition, lease, or rental, as OWNER

(owner, member of partnership, title as officer of corporation, or authorized representative)

I attest that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to Applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I further state that I have been provided with a copy of the 16 TAC § 24.239 Commission rules. I am also authorized to agree and do agree to be bound by and comply with any outstanding enforcement orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas or the Attorney General which have been issued to the system or facilities being acquired and recognize that I will be subject to administrative penalties or other enforcement actions if I do not comply.

Olan Johnson

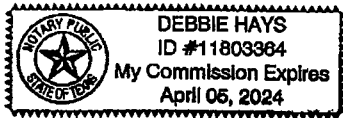
AFFIANT

(Utility's Authorized Representative)

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

SUBSCRIBED AND SWORN BEFORE ME, a Notary Public in and for the State of Texas this day the 12th of June, 2020

SEAL



Debbie Hays

NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

Debbie Hays

PRINT OR TYPE NAME OF NOTARY

My commission expires: April 6, 2024

Oath for Transferee (Acquiring Entity)

STATE OF Texas

COUNTY OF Lubbock

I, Brian Parker being duly sworn, file this application for sale, transfer, merger, consolidation, acquisition, lease, or rental, as Member

(owner, member of partnership, title as officer of corporation, or authorized representative)

I attest that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to Applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I further state that I have been provided with a copy of the 16 TAC § 24.239 Commission rules. I am also authorized to agree and do agree to be bound by and comply with any outstanding enforcement orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas or the Attorney General which have been issued to the system or facilities being acquired and recognize that I will be subject to administrative penalties or other enforcement actions if I do not comply.

[Handwritten signature of Brian Parker]

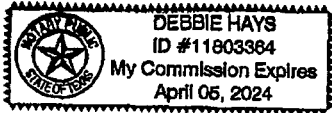
AFFIANT

(Utility's Authorized Representative)

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

SUBSCRIBED AND SWORN BEFORE ME, a Notary Public in and for the State of Texas this day the 20th of June, 2020

SEAL



[Handwritten signature of Debbie Hays]
NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

Debbie Hays
PRINT OR TYPE NAME OF NOTARY

My commission expires: April 6, 2024