



Control Number: 51005



Item Number: 8

Addendum StartPage: 0



DOCKET NO. 51005

APPLICATION OF OLAN JOHNSON § PUBLIC UTILITY COMMISSION
DBA NORTH UNIVERSITY ESTATES §
WATER COMPANY AND § OF TEXAS
INTERMEDIARY SOLUTIONS §
HOLDING, LLC FOR SALE, §
TRANSFER, OR MERGER OF §
FACILITIES AND CERTIFICATE §
RIGHTS IN LUBBOCK COUNTY §

Proposed Order

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Docket #51005

CCN 12179

STM for North University Estates Water Company to Intermediary Solutions Holding, LLC

Please see attached corrections to deficiencies outlined in Order No 3

Deficiencies listed in the PUC Interoffice Memorandum have been addressed in this filing. Except item #3, which is most recent 2 years of Purchaser's financial statements, as Purchaser is a new market entrant.

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>(108,071)</u>
Cash:	\$	<u>(10,900)</u>
Notes Payable:	\$	<u>(139,100)</u>
Mortgage Payable:	\$	<u>0</u>
(Proposed) Acquisition Adjustment*:	\$	<u>61,138</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:

Appendix B: Projected Information

HISTORICAL BALANCE SHEETS (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)
CURRENT ASSETS						
Cash	13,239.00	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						
A. Total Current Assets	19,739.00	41,500.00	13,500.00	14,000.00	14,500.00	15,000.00
FIXED ASSETS						
Land	14,248.00	14,248.00	14,248.00	14,248.00	14,248.00	14,248.00
Collection/Distribution System	134,329.00	130,538.00	126,747.00	122,956.00	119,165.00	115,374.00
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves	3,791.00	3,791.00	3,791.00	3,791.00	3,791.00	3,791.00
B. Total Fixed Assets	144,786.00	140,995.00	137,204.00	133,413.00	129,622.00	125,831.00
C. TOTAL Assets (A + B)	164,525.00	182,495.00	150,704.00	147,413.00	144,122.00	140,831.00
CURRENT LIABILITIES						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
D. Total Current Liabilities	0	0	0	0	0	0
LONG TERM LIABILITIES						
Notes Payable, Long-term	135,942.00	125,276.60	113,952.00	101,930.00	89,184.00	75,634.00
Other						
E. Total Long Term Liabilities	135,942.00	125,276.60	113,952.00	101,930.00	89,184.00	75,634.00

F. TOTAL LIABILITIES (D + E)	135,942.00	125,276.00	113,952.00	101,930.00	89,184.00	75,634.00
OWNER'S EQUITY						
Paid in Capital		21,500.00				
Retained Equity	13,239.00	12,504.00	8,871.00	17,187.00	27,539.00	39,720.00
Other						
Current Period Profit or Loss	15,344.00	23,215.00	27,881.00	28,296.00	27,399.00	25,477.00
G. TOTAL OWNER'S EQUITY	28,583.00	57,219.00	36,752.00	45,483.00	54,938.00	65,197.00
TOTAL LIABILITIES+EQUITY (F + G) = C	164,525.00	182,495.00	150,704.00	147,413.00	144,122.00	140,831.00
WORKING CAPITAL (A - D)	19,739.00	41,500.00	13,500.00	14,000.00	14,500.00	15,000.00
CURRENT RATIO (A / D)	NA	NA	NA	NA	NA	NA
DEBT TO EQUITY RATIO (F / G)	4.76	2.19	3.10	2.24	1.62	.116

PUCT Sale, Transfer, Merger
Page 18 of 20 (September 2019)

North University Estates Water Company Asset List

Item Description	Installation Date	Original Cost	Expected Service Life	Remaining Life	Annual Depreciation Expense	Total Accumulated Depreciation	Net Book Value
Land- 9717 N Detroit	7/1/1984	\$12,000.00					12,000.00
Land- Lot 41	7/1/1984	\$1,124.00					1,124.00
Land- Lot A1	7/1/1984	\$1,124.00					1,124.00
Well #1 (7.5 Hp)	7/1/1997	\$7,358.00	50	27	\$147.00	\$3,381.00	\$3,977.00
Well #2 (5 Hp)	7/1/2010	\$13,155.00	50	40	\$400.00	\$4,000.00	\$9,155.00
Well #3 (10 Hp)	7/1/2000	\$7,548.00	50	30	\$151.00	\$3,020.00	\$4,528.00
1000 Gal Pressure Tank	7/1/1984	\$1,813.00	50	14	\$36.00	\$1,296.00	\$517.00
2000 Gal Pressure Tank	7/1/1988	\$6,043.00	50	18	\$121.00	\$3,872.00	\$2,171.00
6000 Gal Pressure	7/1/1986	\$9,503.00	50	16	\$190.00	\$6,460.00	\$3,043.00
60,000 Gal Storage Tank	7/1/1998	\$23,786.00	50	28	\$476.00	\$10,472.00	\$13,314.00
20,000 Gal Storage Tank	7/1/2009	\$12,300.00	50	39	\$246.00	\$2,706.00	\$9,594.00
Dist, System 18,655 Ft 3" PVC	7/1/1984	\$83,010.00	50	14	\$1,660.00	\$59,760.00	\$23,250.00
Dist, System 18,655 Ft 4" PVC	7/1/1984	\$8,543.00	50	14	\$171.00	\$6,156.00	\$2,387.00
Dist, System 18,655 Ft 6" PVC	7/1/1984	\$9,626.00	50	14	\$193.00	\$6,948.00	\$2,678.00
Water Utility Plant Totals:		\$196,933.00			\$3,791.00	\$108,071.00	88,862.00

Report Date: 08/19/2020

THE FIRST NATIONAL BANK OF MCGREGOR
 901 S. 8th St
 Waco, TX 76706

INTERMEDIARY SOLUTIONS HOLDING
 5729 LEBANON RD STE 144/211

FRISCO TX 75034

Loan Amortization Schedule

Entered Values			Loan Summary			
Loan Amount:		\$139,100.00	Scheduled Payment Amount:		\$1,544.30	
Annual Interest Rate:		6.0000 %	Number Scheduled Payments:		120	
Accrual Method:		365/365	Total Interest:		\$46,704.46	
Note Type:		Reg P&I	Balloon Payment Amount:		\$2,032.76	
Loan Term (months):						
Maturity Date:		7/23/2030				
Payment Frequency:		Monthly				
Date First Payment Due:		9/3/2020				
Date Next Payment Due:		9/3/2020				
Amortization Begin Date:		7/23/2020				
Payment Amount:		\$1,544.30				
Extra Payment Amount:		\$0.00				
Payment Date	Begin Balance	Sched Payment	Principal Interest	Cumulative Principal Interest	Ending Balance	
09/03/20	\$139,100.00	\$1,544.30	\$583.94	\$583.94	\$138,516.06	
			\$960.36	\$960.36		
10/03/20	\$138,516.06	\$1,544.30	\$861.21	\$1,445.15	\$137,654.85	
			\$683.09	\$1,643.45		
11/03/20	\$137,654.85	\$1,544.30	\$842.83	\$2,287.98	\$136,812.02	
			\$701.47	\$2,344.92		
12/03/20	\$136,812.02	\$1,544.30	\$869.61	\$3,157.59	\$135,942.41	
			\$674.69	\$3,019.61		
Year 1 totals:		\$6,177.20	\$3,157.59			
			\$3,019.61			
01/03/21	\$135,942.41	\$1,544.30	\$851.55	\$4,009.14	\$135,090.86	
			\$692.75	\$3,712.36		
02/03/21	\$135,090.86	\$1,544.30	\$855.89	\$4,865.03	\$134,234.97	
			\$688.41	\$4,400.77		
03/03/21	\$134,234.97	\$1,544.30	\$926.45	\$5,791.48	\$133,308.52	
			\$617.85	\$5,018.62		
04/03/21	\$133,308.52	\$1,544.30	\$864.97	\$6,656.45	\$132,443.55	
			\$679.33	\$5,697.95		

Loan Amortization Schedule

INTERMEDIARY SOLUTIONS HOLDING - 46163-10010

Payment Date	Begin Balance	Sched Payment	Principal Interest	Cumulative Principal Interest	Ending Balance
05/03/21	\$132,443.55	\$1,544.30	\$891.15 \$653.15	\$7,547.60 \$6,351.10	\$131,552.40
06/03/21	\$131,552.40	\$1,544.30	\$873.92 \$670.38	\$8,421.52 \$7,021.48	\$130,678.48
07/03/21	\$130,678.48	\$1,544.30	\$899.86 \$644.44	\$9,321.38 \$7,665.92	\$129,778.62
08/03/21	\$129,778.62	\$1,544.30	\$882.96 \$661.34	\$10,204.34 \$8,327.26	\$128,895.66
09/03/21	\$128,895.66	\$1,544.30	\$887.46 \$656.84	\$11,091.80 \$8,984.10	\$128,008.20
10/03/21	\$128,008.20	\$1,544.30	\$913.03 \$631.27	\$12,004.83 \$9,615.37	\$127,095.17
11/03/21	\$127,095.17	\$1,544.30	\$896.64 \$647.66	\$12,901.47 \$10,263.03	\$126,198.53
12/03/21	\$126,198.53	\$1,544.30	\$921.95 \$622.35	\$13,823.42 \$10,885.38	\$125,276.58
Year 2 totals:		\$18,531.60	\$10,665.83 \$7,865.77		
01/03/22	\$125,276.58	\$1,544.30	\$905.90 \$638.40	\$14,729.32 \$11,523.78	\$124,370.68
02/03/22	\$124,370.68	\$1,544.30	\$910.52 \$633.78	\$15,639.84 \$12,157.56	\$123,460.16
03/03/22	\$123,460.16	\$1,544.30	\$976.05 \$568.25	\$16,615.89 \$12,725.81	\$122,484.11
04/03/22	\$122,484.11	\$1,544.30	\$920.13 \$624.17	\$17,536.02 \$13,349.98	\$121,563.98
05/03/22	\$121,563.98	\$1,544.30	\$944.81 \$599.49	\$18,480.83 \$13,949.47	\$120,619.17
06/03/22	\$120,619.17	\$1,544.30	\$929.64 \$614.66	\$19,410.47 \$14,564.13	\$119,689.53
07/03/22	\$119,689.53	\$1,544.30	\$954.05 \$590.25	\$20,364.52 \$15,154.38	\$118,735.48
08/03/22	\$118,735.48	\$1,544.30	\$939.24 \$605.06	\$21,303.76 \$15,759.44	\$117,796.24
09/03/22	\$117,796.24	\$1,544.30	\$944.02 \$600.28	\$22,247.78 \$16,359.72	\$116,852.22
10/03/22	\$116,852.22	\$1,544.30	\$968.04 \$576.26	\$23,215.82 \$16,935.98	\$115,884.18
11/03/22	\$115,884.18	\$1,544.30	\$953.77 \$590.53	\$24,169.59 \$17,526.51	\$114,930.41
12/03/22	\$114,930.41	\$1,544.30	\$977.52 \$566.78	\$25,147.11 \$18,093.29	\$113,952.89

Loan Amortization Schedule

INTERMEDIARY SOLUTIONS HOLDING - 46163-10010

Payment Date	Begin Balance	Sched Payment	Principal Interest	Cumulative Principal Interest	Ending Balance
Year 3 totals:		\$18,531.60	\$11,323.69 \$7,207.91		
01/03/23	\$113,952.89	\$1,544.30	\$963.61 \$580.69	\$26,110.72 \$18,673.98	\$112,989.28
02/03/23	\$112,989.28	\$1,544.30	\$968.52 \$575.78	\$27,079.24 \$19,249.76	\$112,020.76
03/03/23	\$112,020.76	\$1,544.30	\$1,028.70 \$515.60	\$28,107.94 \$19,765.36	\$110,992.06
04/03/23	\$110,992.06	\$1,544.30	\$978.70 \$565.60	\$29,086.64 \$20,330.96	\$110,013.36
05/03/23	\$110,013.36	\$1,544.30	\$1,001.77 \$542.53	\$30,088.41 \$20,873.49	\$109,011.59
06/03/23	\$109,011.59	\$1,544.30	\$988.79 \$555.51	\$31,077.20 \$21,429.00	\$108,022.80
07/03/23	\$108,022.80	\$1,544.30	\$1,011.58 \$532.72	\$32,088.78 \$21,961.72	\$107,011.22
08/03/23	\$107,011.22	\$1,544.30	\$998.98 \$545.32	\$33,087.76 \$22,507.04	\$106,012.24
09/03/23	\$106,012.24	\$1,544.30	\$1,004.07 \$540.23	\$34,091.83 \$23,047.27	\$105,008.17
10/03/23	\$105,008.17	\$1,544.30	\$1,026.45 \$517.85	\$35,118.28 \$23,565.12	\$103,981.72
11/03/23	\$103,981.72	\$1,544.30	\$1,014.42 \$529.88	\$36,132.70 \$24,095.00	\$102,967.30
12/03/23	\$102,967.30	\$1,544.30	\$1,036.52 \$507.78	\$37,169.22 \$24,602.78	\$101,930.78
Year 4 totals:		\$18,531.60	\$12,022.11 \$6,509.49		
01/03/24	\$101,930.78	\$1,544.30	\$1,024.87 \$519.43	\$38,194.09 \$25,122.21	\$100,905.91
02/03/24	\$100,905.91	\$1,544.30	\$1,030.09 \$514.21	\$39,224.18 \$25,636.42	\$99,875.82
03/03/24	\$99,875.82	\$1,544.30	\$1,068.18 \$476.12	\$40,292.36 \$26,112.54	\$98,807.64
04/03/24	\$98,807.64	\$1,544.30	\$1,040.79 \$503.51	\$41,333.15 \$26,616.05	\$97,766.85
05/03/24	\$97,766.85	\$1,544.30	\$1,062.16 \$482.14	\$42,395.31 \$27,098.19	\$96,704.69
06/03/24	\$96,704.69	\$1,544.30	\$1,051.50 \$492.80	\$43,446.81 \$27,590.99	\$95,653.19
07/03/24	\$95,653.19	\$1,544.30	\$1,072.59 \$471.71	\$44,519.40 \$28,062.70	\$94,580.60

Loan Amortization Schedule

INTERMEDIARY SOLUTIONS HOLDING - 46163-10010

Payment Date	Begin Balance	Sched Payment	Principal Interest	Cumulative Principal Interest	Ending Balance
08/03/24	\$94,580.60	\$1,544.30	\$1,062.33 \$481.97	\$45,581.73 \$28,544.67	\$93,518.27
09/03/24	\$93,518.27	\$1,544.30	\$1,067.74 \$476.56	\$46,649.47 \$29,021.23	\$92,450.53
10/03/24	\$92,450.53	\$1,544.30	\$1,088.38 \$455.92	\$47,737.85 \$29,477.15	\$91,362.15
11/03/24	\$91,362.15	\$1,544.30	\$1,078.73 \$465.57	\$48,816.58 \$29,942.72	\$90,283.42
12/03/24	\$90,283.42	\$1,544.30	\$1,099.07 \$445.23	\$49,915.65 \$30,387.95	\$89,184.35
Year 5 totals:		\$18,531.60	\$12,746.43 \$5,785.17		
01/03/25	\$89,184.35	\$1,544.30	\$1,089.83 \$454.47	\$51,005.48 \$30,842.42	\$88,094.52
02/03/25	\$88,094.52	\$1,544.30	\$1,095.38 \$448.92	\$52,100.86 \$31,291.34	\$86,999.14
03/03/25	\$86,999.14	\$1,544.30	\$1,143.87 \$400.43	\$53,244.73 \$31,691.77	\$85,855.27
04/03/25	\$85,855.27	\$1,544.30	\$1,106.79 \$437.51	\$54,351.52 \$32,129.28	\$84,748.48
05/03/25	\$84,748.48	\$1,544.30	\$1,126.36 \$417.94	\$55,477.88 \$32,547.22	\$83,622.12
06/03/25	\$83,622.12	\$1,544.30	\$1,118.17 \$426.13	\$56,596.05 \$32,973.35	\$82,503.95
07/03/25	\$82,503.95	\$1,544.30	\$1,137.43 \$406.87	\$57,733.48 \$33,380.22	\$81,366.52
08/03/25	\$81,366.52	\$1,544.30	\$1,129.67 \$414.63	\$58,863.15 \$33,794.85	\$80,236.85
09/03/25	\$80,236.85	\$1,544.30	\$1,135.42 \$408.88	\$59,998.57 \$34,203.73	\$79,101.43
10/03/25	\$79,101.43	\$1,544.30	\$1,154.21 \$390.09	\$61,152.78 \$34,593.82	\$77,947.22
11/03/25	\$77,947.22	\$1,544.30	\$1,147.09 \$397.21	\$62,299.87 \$34,991.03	\$76,800.13
12/03/25	\$76,800.13	\$1,544.30	\$1,165.56 \$378.74	\$63,465.43 \$35,369.77	\$75,634.57
Year 6 totals:		\$18,531.60	\$13,549.78 \$4,981.82		
01/03/26	\$75,634.57	\$1,544.30	\$1,158.87 \$385.43	\$64,624.30 \$35,755.20	\$74,475.70
02/03/26	\$74,475.70	\$1,544.30	\$1,164.78 \$379.52	\$65,789.08 \$36,134.72	\$73,310.92

Loan Amortization Schedule

INTERMEDIARY SOLUTIONS HOLDING - 46163-10010

Payment Date	Begin Balance	Sched Payment	Principal Interest	Cumulative Principal Interest	Ending Balance
03/03/26	\$73,310.92	\$1,544.30	\$1,206.87 \$337.43	\$66,995.95 \$36,472.15	\$72,104.05
04/03/26	\$72,104.05	\$1,544.30	\$1,176.87 \$367.43	\$68,172.82 \$36,839.58	\$70,927.18
05/03/26	\$70,927.18	\$1,544.30	\$1,194.52 \$349.78	\$69,367.34 \$37,189.36	\$69,732.66
06/03/26	\$69,732.66	\$1,544.30	\$1,188.95 \$355.35	\$70,556.29 \$37,544.71	\$68,543.71
07/03/26	\$68,543.71	\$1,544.30	\$1,206.28 \$338.02	\$71,762.57 \$37,882.73	\$67,337.43
08/03/26	\$67,337.43	\$1,544.30	\$1,201.16 \$343.14	\$72,963.73 \$38,225.87	\$66,136.27
09/03/26	\$66,136.27	\$1,544.30	\$1,207.28 \$337.02	\$74,171.01 \$38,562.89	\$64,928.99
10/03/26	\$64,928.99	\$1,544.30	\$1,224.10 \$320.20	\$75,395.11 \$38,883.09	\$63,704.89
11/03/26	\$63,704.89	\$1,544.30	\$1,219.67 \$324.63	\$76,614.78 \$39,207.72	\$62,485.22
12/03/26	\$62,485.22	\$1,544.30	\$1,236.15 \$308.15	\$77,850.93 \$39,515.87	\$61,249.07
Year 7 totals:		\$18,531.60	\$14,385.50 \$4,146.10		
01/03/27	\$61,249.07	\$1,544.30	\$1,232.18 \$312.12	\$79,083.11 \$39,827.99	\$60,016.89
02/03/27	\$60,016.89	\$1,544.30	\$1,238.46 \$305.84	\$80,321.57 \$40,133.83	\$58,778.43
03/03/27	\$58,778.43	\$1,544.30	\$1,273.76 \$270.54	\$81,595.33 \$40,404.37	\$57,504.67
04/03/27	\$57,504.67	\$1,544.30	\$1,251.26 \$293.04	\$82,846.59 \$40,697.41	\$56,253.41
05/03/27	\$56,253.41	\$1,544.30	\$1,266.89 \$277.41	\$84,113.48 \$40,974.82	\$54,986.52
06/03/27	\$54,986.52	\$1,544.30	\$1,264.09 \$280.21	\$85,377.57 \$41,255.03	\$53,722.43
07/03/27	\$53,722.43	\$1,544.30	\$1,279.37 \$264.93	\$86,656.94 \$41,519.96	\$52,443.06
08/03/27	\$52,443.06	\$1,544.30	\$1,277.06 \$267.24	\$87,934.00 \$41,787.20	\$51,166.00
09/03/27	\$51,166.00	\$1,544.30	\$1,283.56 \$260.74	\$89,217.56 \$42,047.94	\$49,882.44
10/03/27	\$49,882.44	\$1,544.30	\$1,298.30 \$246.00	\$90,515.86 \$42,293.94	\$48,584.14

Loan Amortization Schedule

INTERMEDIARY SOLUTIONS HOLDING - 46163-10010

Payment Date	Begin Balance	Sched Payment	Principal Interest	Cumulative Principal Interest	Ending Balance
11/03/27	\$48,584.14	\$1,544.30	\$1,296.72	\$91,812.58	\$47,287.42
			\$247.58	\$42,541.52	
12/03/27	\$47,287.42	\$1,544.30	\$1,311.10	\$93,123.68	\$45,976.32
			\$233.20	\$42,774.72	
Year 8 totals:		\$18,531.60	\$15,272.75		
			\$3,258.85		
01/03/28	\$45,976.32	\$1,544.30	\$1,310.01	\$94,433.69	\$44,666.31
			\$234.29	\$43,009.01	
02/03/28	\$44,666.31	\$1,544.30	\$1,316.69	\$95,750.38	\$43,349.62
			\$227.61	\$43,236.62	
03/03/28	\$43,349.62	\$1,544.30	\$1,337.65	\$97,088.03	\$42,011.97
			\$206.65	\$43,443.27	
04/03/28	\$42,011.97	\$1,544.30	\$1,330.21	\$98,418.24	\$40,681.76
			\$214.09	\$43,657.36	
05/03/28	\$40,681.76	\$1,544.30	\$1,343.68	\$99,761.92	\$39,338.08
			\$200.62	\$43,857.98	
06/03/28	\$39,338.08	\$1,544.30	\$1,343.84	\$101,105.76	\$37,994.24
			\$200.46	\$44,058.44	
07/03/28	\$37,994.24	\$1,544.30	\$1,356.93	\$102,462.69	\$36,637.31
			\$187.37	\$44,245.81	
08/03/28	\$36,637.31	\$1,544.30	\$1,357.60	\$103,820.29	\$35,279.71
			\$186.70	\$44,432.51	
09/03/28	\$35,279.71	\$1,544.30	\$1,364.52	\$105,184.81	\$33,915.19
			\$179.78	\$44,612.29	
10/03/28	\$33,915.19	\$1,544.30	\$1,377.05	\$106,561.86	\$32,538.14
			\$167.25	\$44,779.54	
11/03/28	\$32,538.14	\$1,544.30	\$1,378.49	\$107,940.35	\$31,159.65
			\$165.81	\$44,945.35	
12/03/28	\$31,159.65	\$1,544.30	\$1,390.64	\$109,330.99	\$29,769.01
			\$153.66	\$45,099.01	
Year 9 totals:		\$18,531.60	\$16,207.31		
			\$2,324.29		
01/03/29	\$29,769.01	\$1,544.30	\$1,392.60	\$110,723.59	\$28,376.41
			\$151.70	\$45,250.71	
02/03/29	\$28,376.41	\$1,544.30	\$1,399.70	\$112,123.29	\$26,976.71
			\$144.60	\$45,395.31	
03/03/29	\$26,976.71	\$1,544.30	\$1,420.13	\$113,543.42	\$25,556.58
			\$124.17	\$45,519.48	
04/03/29	\$25,556.58	\$1,544.30	\$1,414.07	\$114,957.49	\$24,142.51
			\$130.23	\$45,649.71	
05/03/29	\$24,142.51	\$1,544.30	\$1,425.24	\$116,382.73	\$22,717.27
			\$119.06	\$45,768.77	

Loan Amortization Schedule

INTERMEDIARY SOLUTIONS HOLDING - 46163-10010

Payment Date	Begin Balance	Sched Payment	Principal Interest	Cumulative Principal Interest	Ending Balance
06/03/29	\$22,717.27	\$1,544.30	\$1,428.54	\$117,811.27	\$21,288.73
			\$115.76	\$45,884.53	
07/03/29	\$21,288.73	\$1,544.30	\$1,439.31	\$119,250.58	\$19,849.42
			\$104.99	\$45,989.52	
08/03/29	\$19,849.42	\$1,544.30	\$1,443.15	\$120,693.73	\$18,406.27
			\$101.15	\$46,090.67	
09/03/29	\$18,406.27	\$1,544.30	\$1,450.50	\$122,144.23	\$16,955.77
			\$93.80	\$46,184.47	
10/03/29	\$16,955.77	\$1,544.30	\$1,460.68	\$123,604.91	\$15,495.09
			\$83.62	\$46,268.09	
11/03/29	\$15,495.09	\$1,544.30	\$1,465.34	\$125,070.25	\$14,029.75
			\$78.96	\$46,347.05	
12/03/29	\$14,029.75	\$1,544.30	\$1,475.11	\$126,545.36	\$12,554.64
			\$69.19	\$46,416.24	
Year 10 totals:		\$18,531.60	\$17,214.37		
			\$1,317.23		
01/03/30	\$12,554.64	\$1,544.30	\$1,480.32	\$128,025.68	\$11,074.32
			\$63.98	\$46,480.22	
02/03/30	\$11,074.32	\$1,544.30	\$1,487.87	\$129,513.55	\$9,586.45
			\$56.43	\$46,536.65	
03/03/30	\$9,586.45	\$1,544.30	\$1,500.18	\$131,013.73	\$8,086.27
			\$44.12	\$46,580.77	
04/03/30	\$8,086.27	\$1,544.30	\$1,503.09	\$132,516.82	\$6,583.18
			\$41.21	\$46,621.98	
05/03/30	\$6,583.18	\$1,544.30	\$1,511.84	\$134,028.66	\$5,071.34
			\$32.46	\$46,654.44	
06/03/30	\$5,071.34	\$1,544.30	\$1,518.46	\$135,547.12	\$3,552.88
			\$25.84	\$46,680.28	
07/03/30	\$3,552.88	\$1,544.30	\$1,526.78	\$137,073.90	\$2,026.10
			\$17.52	\$46,697.80	
07/23/30	\$2,026.10	\$2,032.76	\$2,026.10	\$139,100.00	\$0.00
			\$6.66	\$46,704.46	
Year 11 totals:		\$12,842.86	\$12,554.64		
			\$288.22		



03/25/2020

North University Water Company

Dear Mr. Parker

TFNB Your Bank for Life ("Lender") has approved the following loan request for the purchase of an existing business. This loan will be subject to, and contingent upon approval by the SBA and completion of documentation acceptable to Lender. Terms of the loan are summarized as follows:

Loan: Maximum amount of the new SBA loan will be \$139,100, which will be used to purchase an existing business.

Term: Ten (10) Years.

Interest Rate: The Wall Street Journal Prime Rate (WSJP) plus two and three quarters percent (2.75%) floating, adjusted every calendar quarter.

Repayment: The loan shall be payable in one hundred and twenty (120) months of principal and interest payments of \$1,553.51 monthly. If the interest rate should change, the rate on your loan would adjust on a calendar quarter basis to 2.75% over WSJP, which would be reflected in your payment.

If a payment is more than ten (10) days late, Borrower will be charged a late fee equal to five percent (5.0%) of the unpaid portion of the regularly scheduled payment.

Prepayment Penalties: There are no prepayment penalties.

Good Faith Deposit: A good faith deposit of \$2,000 will be due upon signing this commitment letter. This amount will contribute to the total of the equity injection.

Collateral: First lien security interests on:

- Equipment
- Accounts Receivable
- Inventory
- 9717 N Detroit Ave, Lubbock TX 79415
- 9601 N Boston Ave, Lubbock TX 79415
- University Est North NW 50x50 of L 40 & N63' of W32.4' of TR A1



Guarantors: Unlimited personal guaranty of Brian Parker.

Fees: SBA Guaranty Fee of \$2,364.70.

You will also agree to pay normal closing costs, costs of credit reports, filing fees, legal fees and other charges that may be incurred in the normal course of business. These fees will be due and payable whether or not the loan closes and will be reimbursed to TFNB Your Bank for Life. These obligations to the borrower under this paragraph shall survive termination of this commitment.

Conditions: Collateral assignment of life insurance in the amount of the loan on Brian Parker

SBA Guaranty of 85% provided by the U.S. Small Business Administration.

Receipt and acceptable review of all related legal documentation.

Other conditions may be required by SBA or Lender's legal counsel.

Financial Requirements: Annual business tax return on the company, no later than 30 days after filing, or in the case of extension, no later than 6 months after the first filing due date. Quarterly financial statements on the company, no later than 30 days after the end of the quarter. Annual personal financial statements from Guarantors, no later than 90 days after the end of the year. Annual personal tax returns on Guarantors, no later than 30 days after filing, or in the case of extension, no later than 6 months after the first filing due date.

No Material Adverse Change: TFNB Your Bank for Life reserves the right to withdraw this commitment if there shall have occurred, in the opinion of the bank, a material adverse change in the financial condition of Borrower (or Guarantor) since the date of the latest financial statements delivered to the bank or there shall have occurred, in the opinion of the bank, any material adverse change with regard to the Collateral securing the Loan or the final selected lease location.

Expiration Date: The Loan shall close on or before 6/26/20, or TFNB Your Bank for Life shall have no further obligation hereunder.

Depository: Borrower will maintain a business depository account at TFNB Your Bank for life.

Other: The "Loan Agreement" documentation and all other documentation will be prepared by Lender's attorney covering the credit facility, the cost of



which is to be paid by Borrower. All documentation must be approved by TFNB Your Bank for Life in its sole discretion.

There are a number of other issues relative to the closing, funding and servicing of the credit facility described. They will be specifically addressed in the "Loan Agreement" and other germane documents, on which you will have the opportunity to review and comment.

This letter of commitment is issued for discussion purposes and is not intended to represent or be construed as a binding commitment on behalf of TFNB Your Bank for Life to make the loans contemplated hereby. No such binding commitment or undertaking shall be deemed made until the conditions set forth herein have been satisfied, the Lender has elected, in its sole discretion, to proceed to make the loans contemplated hereby, the Lender (or its counsel) have prepared loan agreements which have been executed by the Borrower, all Guarantors and such other parties as required by the Lender, and which have been returned to the Lender, and the Lender has executed such documents or advanced funds in reliance thereon.

This conditional approval is effective as of the date of this letter. It shall be considered expired as the close of business on 4/3/20. It is our pleasure to be of service to you, and we look forward to a long relationship. We appreciate your business.

Sincerely,

TFNB Your Bank for Life


Jason Lavender, SVP
Director of Strategic Initiatives & Business Development

3-25-20
Date



If the terms and conditions of this Loan Commitment as outlined above and attached are acceptable, please sign in the appropriate section below and return an executed original.

Accepted By:

Entity to be formed *Intermediary Solutions Holdings, LLC*

Brian Parker, Owner/Guarantor

4/1/2020

Date



Use of Proceeds	Total Costs	10 % Borrower Injection	SBA (7a)
Purchase Business	\$150,000	\$10,900	\$139,100
7(a) Closing Costs	4,600	4,600	
Total	\$154,600	\$15,500	\$139,100

*Per SBA SOP 50 10 (K), no source of equity injection can come from borrowed funds. TFNB is responsible for proving all sources of equity injection prior to closing of the loan

*Per SBA SOP 50 10 (K), please note that neither the Lender nor SBA is responsible for cost overruns and is under no obligation to increase the loan to cover overages

Description	SBA 7(a)
Attorney Fees	\$2,000
SBA Guaranty Fee (Based on 2.0% of the SBA Guaranteed Amount)	2,365
Miscellaneous Filings, Searches, Etc.	235
Total Closing Costs	\$4,600

*The above closing costs are estimates. Actual costs may vary from this estimate.