



Control Number: 51610



Item Number: 1

Addendum StartPage: 0



# Application for Sale, Transfer, or Merger of a Retail Public Utility

Pursuant to Texas Water Code § 13.301 and 16 Texas Administrative Code § 24.239

## **Sale, Transfer, or Merger (STM) Application Instructions**

- I. **COMPLETE:** In order for the Commission to find the application sufficient for filing, the Applicant should:
  - i. Provide an answer to every question and submit any required attachment applicable to the STM request (i.e., agreements or contracts).
  - ii. Use attachments or additional pages to answer questions as necessary. If you use attachments or additional pages, reference their inclusion in the form.
  - iii. Provide all mapping information as detailed in Part G: Mapping & Affidavits.
- II. **FILE.** Seven (7) copies of the completed application with numbered attachments. One copy should be filed with no permanent binding, staples, tabs, or separators; and 7 copies of the portable electronic storage medium containing the digital mapping data.
  - i. **SEND TO:** Public Utility Commission of Texas, Attention: Filing Clerk, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326 (**NOTE: Electronic documents may be sent in advance of the paper copy, however they will not be processed and added to the Commission's on-line Interchange until the paper copy is received and file-stamped in Central Records.**)
- III. The application will be assigned a docket number, and an administrative law judge (ALJ) will issue an order requiring Commission Staff to file a recommendation on whether the application is sufficient. The ALJ will issue an order after Staff's recommendation has been filed:
  - i. **DEFICIENT (Administratively Incomplete):** Applicants will be ordered to provide information to cure the deficiencies by a certain date, usually 30 days from ALJ's order. ***Application is not accepted for filing.***
  - ii. **SUFFICIENT (Administratively Complete):** Applicants will be ordered by the ALJ to give appropriate notice of the application using the notice prepared by Commission Staff. ***Application is accepted for filing.***
- IV. Once the Applicants issue notice, a copy of the actual notice sent and an affidavit attesting to notice should be filed in the docket assigned to the application. Recipients of notice may request a hearing on the merits.
 

**HEARING ON THE MERITS:** An affected party may request a hearing within 30 days of notice. In this event, the application may be referred to the State Office of Administrative Hearings (SOAH) to complete this request.
- V. **TRANSACTION TO PROCEED:** at any time following the provision of notice, or prior to 120 days from the last date that proper notice was given, Commission Staff will file a recommendation for the transaction to proceed as proposed or recommend that the STM be referred to SOAH for further investigation. The Applicants will be required to file an update in the docket to the ALJ every 30 days following the approval of the transaction. The transaction must be completed within six (6) months from the ALJ's order (Note: The Applicants may request an extension to the 6 month provision for good cause).
- VI. **FILE:** Seven (7) copies of completed transaction documents and documentation addressing the transfer or disposition of any outstanding deposits. After receiving all required documents from the Applicants, the application will be granted a procedural schedule for final processing. The Applicants are requested to consent in writing to the proposed maps and certificates, or tariff if applicable.
- VII. **FINAL ORDER:** The ALJ will issue a final order issuing or amending the applicable CCNs.

### **FAQ:**

#### ***Who can use this form?***

Any retail public utility that provides water or wastewater service in Texas.

#### ***Who is required to use this form?***

A retail public utility that is an investor owned utility (IOU) or a water supply corporation (WSC) prior to any STM of a water or sewer system, or utility, or prior to the transfer of a portion of a certificated service area.

### **Terms**

**Transferor:** Seller

**Transferee:** Purchaser

**CCN:** Certificate of Convenience and Necessity

**STM:** Sale, Transfer, or Merger

**IOU:** Investor Owned Utility



## Application Summary

**Transferor:** Markout Water Supply Corporation

*(selling entity)*

**CCN No.s:** 10846

Sale     
  Transfer     
  Merger     
  Consolidation     
  Lease/Rental

**Transferee:** City of Mesquite

*(acquiring entity)*

**CCN No.s:** 10060

Water     
  Sewer     
  All CCN     
  Portion CCN     
  Facilities transfer

**County(ies):** Kaufman

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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 type="checkbox"/> List of Customer Deposits	Part B: Question 5
<input type="checkbox"/> Partnership Agreement	Part C: Question 7
<input type="checkbox"/> Articles of Incorporation and By-Laws (WSC)	Part C: Question 7
<input type="checkbox"/> Certificate of Account Status	Part C: Question 7
<input checked="" type="checkbox"/> Financial Audit	Part C: Question 10
<input type="checkbox"/> Application Attachment A & B	Part C: Question 10
<input 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 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 type="checkbox"/> TCEQ Engineering Approvals	Part F: Question 24
<input checked="" type="checkbox"/> Purchased Water Supply or Treatment Agreement	Part F: Question 26
<input checked="" type="checkbox"/> 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 checked="" 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:

The City of Mesquite and Markout Water Supply Corporation have agreed to transfer all of Markout's water system assets, customers, and service area to Mesquite. The transaction will not effect land use in the area. The area will continue to see growth, and the City has the ability to meet those additional water supply needs. For additional information regarding the transaction, see Exhibits A - R.

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

For **Transferee** (Purchaser) CCN:

For **Transferor** (Seller) CCN:

- |  |   |
|--|---|
| <input type="checkbox"/> Obtaining a NEW CCN for Purchaser                         | <input checked="" type="checkbox"/> Cancellation of Seller's CCN            |
| <input checked="" type="checkbox"/> Transfer all CCN into Purchaser's CCN (Merger) | <input type="checkbox"/> Transfer of a Portion of Seller's CCN to Purchaser |
| <input type="checkbox"/> Transfer Portion of CCN into Purchaser's CCN              | <input type="checkbox"/> Only Transfer of Facilities, No CCN or Customers   |
| <input type="checkbox"/> Transfer all CCN to Purchaser and retain Seller CCN       | <input type="checkbox"/> Only Transfer of Customers, No CCN or Facilities   |
| <input type="checkbox"/> Uncertificated area added to Purchaser's CCN              | <input type="checkbox"/> 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: Markout Water Supply Corporation  
(individual, corporation, or other legal entity)  
 Individual  Corporation  WSC  Other: \_\_\_\_\_

B. Mailing Address: P.O Box 907, Forney, TX 75126

Phone: (972) 564-1250 Email: \_\_\_\_\_

- 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: James Wilson Title: Attorney

Mailing Address: 103 W. Main Street, Allen, TX 75013

Phone: (972) 727-9904 Email: jwilson@jww-law.com

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:

A. Effective date for most recent rates: \_\_\_\_\_

- 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: \_\_\_\_\_

**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 1,081

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

\*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: City of Mesquite, Texas

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

B. Mailing Address: 1515 N Galloway, Mesquite, TX 75149

Phone: (972) 216-6293 Email: \_\_\_\_\_

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: Emily Rogers Title: Attorney

Address: 3711 S. MoPac Expressway, Bld. 1, Suite 300, Austin, TX 78746

Phone: (512) 471-8021 Email: erogers@bickerstaff.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): \_\_\_\_\_

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

Name: n/a

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: See Attachment F

Position: \_\_\_\_\_ Ownership % (if applicable): 0.00%

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

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

Position: \_\_\_\_\_ Ownership % (if applicable): 0.00%

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

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

Position: \_\_\_\_\_ Ownership % (if applicable): 0.00%

Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

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

Position: \_\_\_\_\_ Ownership % (if applicable): 0.00%

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.

**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: \$ 0.00

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:

**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:	\$	0.00
Accumulated Depreciation of Plant:	\$	0.00
Cash:	\$	0.00
Notes Payable:	\$	0.00
Mortgage Payable:	\$	0.00
(Proposed) Acquisition Adjustment*:	\$	0.00

\* 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.)

Mesquite has been the contract manager for the Markout Water Supply System since October 1, 2020 and is currently managing the billing process for Markout. (Attachment I) Once Mesquite acquires the Markout system and customers, Mesquite will review the Markout rates and intends to implement new rates that will likely be less than the current Markout rates.

**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:

N/A

**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 to Markout will not be impacted. Mesquite will be assigned Markout's contract with Inframark, LLC and will continue to contract with Inframark, LLC to provide operation and maintenance work and to connect and disconnect customers until such time as Mesquite has completed the construction of its extension of its system to the Markout system. See Attachment J for proposed extension of Mesquite's system to Markout. At that time, the Markout system will be fully integrated into the Mesquite's water system. Because Markout (through the City of Forney) and Mesquite both obtain treated water from the same source, North Texas Municipal Water District, there will be no change in the quality of water provided to the customers.

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.

North Texas Municipal Water District delivers treated water to the City under the City's wholesale water supply contract (Attachment K) Mesquite then delivers that treated water to its retail and wholesale customers using the City's over 600 miles of water transmission and distribution lines, 3 pump stations, 34 million gallons of ground and elevated storage. (Attachment L) Mesquite has a superior water system rating and compliance history. Mesquite currently serves 55,932 customers, and employs 19 water system operators and 11 customers and billing representatives. Additionally, the City has an engineering department that works with the City's utility department to plan, design, and construct water system improvements. Mesquite has adopted comprehensive rules and rates that govern its water system to ensure continuous and adequate water is provided to the customers. Mesquite's budgeted total revenues for its combined water and sewer systems for FY 2020-2021 is \$73,519,080 and its budgeted total expenditures for the combined water and sewer system for FYI 2020-2021 is \$68,546,560. (See Attachments G and H) Because Mesquite has a well-established water system, quality of service Markout customers will receive once the system is transferred to the City should be the same or better, given the size of Mesquite's system relative to Markout's system.

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 proposed transaction will not impact or disrupt the land. The land will be disrupted as a result of the extension of Mesquite's water system to the Markout water system. As with all water line construction projects, Mesquite will follow the local, state, and federal environmental requirements to ensure that extension of the water line does not adversely affect the environmental integrity.

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

Kaufman County is a rapidly growing area in Texas. Markout started as a small rural water utility, but over time, the area around the system has become more urbanized, and more urbanization is expected. Mesquite, as a municipal water provider, has the expertise and the means to ensure that the area currently served by Markout has adequate facilities to meet the increasing water supply needs of the area. Because Mesquite is a member city of NTMWD, and because Mesquite can bring to bear economies of scale and associated efficiencies, Mesquite anticipates the quality of service will remain the same or will improve, and that the rates for the former customers of Markout will be less than the current rates Markout's customers pay, without a reduction in the quality of service those customers receive. Additionally, the members of Markout voted to transfer the system to Mesquite.

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:

City of Forney, City of Mesquite, Town of Sunnyvale, City of Crandall, City of Seagoville, Talty Special Utility District, Forney Lake Water Supply Corporation, Kaufman County Municipal Utility District No. 11, Kaufman County Municipal Utility District No. 12, Kaufman County Municipal Utility District No. 14, Kaufman County Freshwater Supply District No. 6

**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: 1290019 (7 digit ID)

Name of PWS: Markout Water Supply Corporation

Date of last TCEQ compliance inspection: October 28, 2020 (attach TCEQ letter)

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

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	4	2"		Residential
978	5/8" or 3/4"	4	3"		Commercial
89	1"	0	4"		Industrial
5	1 1/2"	1	Other		Other
Total Water Connections:			1,081	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:

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: City of Forney and City of Mesquite (See Attachment N) (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: The City of Forney (water supply, not capacity)

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:		100.00%
Sewer:		0.00%

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

No  Yes:

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
See Attachment R			

**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: 6,279.18

Number of customer connections in the requested area: 1,081

Affected subdivision : Multiple subdivisions

The closest city or town: City of Mesquite

Approximate mileage to closest city or town center: 0

Direction to closest city or town: West-Northwest to the downtown area of the City of Mesquite

The requested area is generally bounded on the North by: Hollow Creek Drive

on the East by: Mustang Creek

on the South by: FM 2757

on the West by: Dallas/Kaufman County line

31. A copy of the proposed map will be available at: City of Mesquite City Hall

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

Oath for Transferor (Transferring Entity)

STATE OF Texas

COUNTY OF Kaufman

I, Brian Andrews being duly sworn, file this application for sale, transfer, merger, consolidation, acquisition, lease, or rental, as President of Markout Water Supply Corporation

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

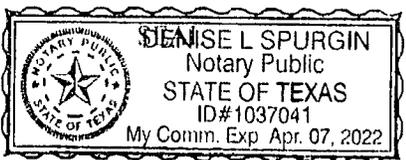
I attest that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth 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]
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 10 of December 2020



[Handwritten Signature]
NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS
Denise L. Spurgin
PRINT OR TYPE NAME OF NOTARY

My commission expires: 04/07/2022

**Oath for Transferee (Acquiring Entity)**

STATE OF Texas

COUNTY OF Dallas

I, Cliff Keheley being duly sworn, file this application for sale, transfer, merger, consolidation, acquisition, lease, or rental, as City Manager of the City of Mesquite, Texas  
(owner, member of partnership, title as officer of corporation, or authorized representative)

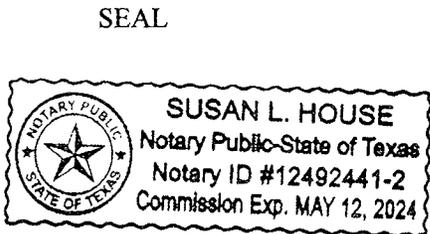
I attest that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth 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.

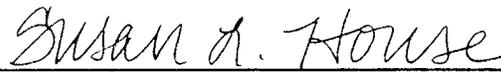
I further state that I have been provided with a copy of the 16 TAC § 24.239 Commission rules. I am also authorized to agree and do agree to be bound by and comply with any outstanding enforcement orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas or the Attorney 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.

  
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 9th of December, 2020



  
NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS

Susan L. House  
PRINT OR TYPE NAME OF NOTARY

My commission expires: May 12, 2024

## Appendix A: Historical Financial Information (Balance Sheet and Income Schedule)

*(Audited financial statements may be substituted for this schedule – see Item 17 of the instructions)*

HISTORICAL BALANCE SHEETS (ENTER DATE OF YEAR END)	CURRENT(A) ( - - )	A-1 YEAR ( - - )	A-2 YEAR ( - - )	A-3 YEAR ( - - )	A-4 YEAR ( - - )	A-5 YEAR ( - - )
<b>CURRENT ASSETS</b>						
Cash						
Accounts Receivable						
Inventories						
Other						
<b>A. Total Current Assets</b>						
<b>FIXED ASSETS</b>						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
<b>B. Total Fixed Assets</b>						
<b>C. TOTAL Assets (A + B)</b>						
<b>CURRENT LIABILITIES</b>						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
<b>D. Total Current Liabilities</b>						
<b>LONG TERM LIABILITIES</b>						
Notes Payable, Long-term						
Other						
<b>E. Total Long Term Liabilities</b>						
<b>F. TOTAL LIABILITIES (D + E)</b>						
<b>OWNER'S EQUITY</b>						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
<b>G. TOTAL OWNER'S EQUITY</b>						
<b>TOTAL LIABILITIES+EQUITY (F + G) = C</b>						
<b>WORKING CAPITAL (A – D)</b>						
<b>CURRENT RATIO (A / D)</b>						
<b>DEBT TO EQUITY RATIO (E / G)</b>						

**DO NOT INCLUDE ATTACHMENTS A OR B IN FILED APPLICATION IF LEFT BLANK**

## HISTORICAL NET INCOME INFORMATION

(ENTER DATE OF YEAR END )	CURRENT(A) ( - - )	A-1 YEAR ( - - )	A-2 YEAR ( - - )	A-3 YEAR ( - - )	A-4 YEAR ( - - )	A-5 YEAR ( - - )
<b>METER NUMBER</b>						
Existing Number of Taps						
New Taps Per Year						
<b>Total Meters at Year End</b>						
<b>METER REVENUE</b>						
Revenue per Meter (use for projections)						
Expense per Meter (use for projections)						
<b>Operating Revenue Per Meter</b>						
<b>GROSS WATER REVENUE</b>						
Revenues- Base Rate & Gallonage Fees						
Other (Tap, reconnect, transfer fees, etc)						
<b>Gross Income</b>						
<b>EXPENSES</b>						
General & Administrative (see schedule)						
Operating (see schedule)						
Interest						
Other (list)						
<b>NET INCOME</b>						

<b>HISTORICAL EXPENSE INFORMATION (ENTER DATE OF YEAR END)</b>	<b>CURRENT(A)</b> ( - - )	<b>A-1 YEAR</b> ( - - )	<b>A-2 YEAR</b> ( - - )	<b>A-3 YEAR</b> ( - - )	<b>A-4 YEAR</b> ( - - )	<b>A-5 YEAR</b> ( - - )
<b>GENERAL/ADMINISTRATIVE EXPENSES</b>						
Salaries & Benefits–Office/Management						
Office (services, rentals, supplies, electricity)						
Contract Labor						
Transportation						
Insurance						
Telephone						
Utilities						
Property Taxes						
Professional Services/Fees (recurring)						
Regulatory- other						
Other (describe)						
Interest						
Other						
<b>Total General Admin. Expenses (G&amp;A)</b>						
<b>% Increase Per Year</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>OPERATIONS &amp; MAINTENANCE EXPENSES</b>						
Salaries & Benefits (Employee, Management)						
Materials & Supplies						
Utilities Expense-office						
Contract Labor						
Transportation Expense						
Depreciation Expense						
Other(describe)						
<b>Total Operational Expenses (O&amp;M)</b>						
<b>Total Expense (Total G&amp;A + O&amp;M)</b>						
<b>Historical % Increase Per Year</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>ASSUMPTIONS</b>						
Interest Rate/Terms						
Depreciation Schedule (attach)						
Other assumptions/information (List all)						

**Appendix B: Projected Information**

<b>HISTORICAL BALANCE SHEETS (ENTER DATE OF YEAR END)</b>	<b>CURRENT(A) ( - - )</b>	<b>A-1 YEAR ( - - )</b>	<b>A-2 YEAR ( - - )</b>	<b>A-3 YEAR ( - - )</b>	<b>A-4 YEAR ( - - )</b>	<b>A-5 YEAR ( - - )</b>
<b>CURRENT ASSETS</b>						
Cash						
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
<b>A. Total Current Assets</b>						
<b>FIXED ASSETS</b>						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
<b>B. Total Fixed Assets</b>						
<b>C. TOTAL Assets (A + B)</b>						
<b>CURRENT LIABILITIES</b>						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
<b>D. Total Current Liabilities</b>						
<b>LONG TERM LIABILITIES</b>						
Notes Payable, Long-term						
Other						
<b>E. Total Long Term Liabilities</b>						
<b>F. TOTAL LIABILITIES (D + E)</b>						
<b>OWNER'S EQUITY</b>						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
<b>G. TOTAL OWNER'S EQUITY</b>						
<b>TOTAL LIABILITIES+EQUITY (F + G) = C</b>						
<b>WORKING CAPITAL (A - D)</b>						
<b>CURRENT RATIO (A / D)</b>						
<b>DEBT TO EQUITY RATIO (F / G)</b>						



<b>PROJECTED SOURCES AND USES OF CASH STATEMENTS</b>	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
<b>SOURCES OF CASH</b>						
Net Income						
Depreciation (If funded by revenues of system)						
Loan Proceeds						
Other						
<b>Total Sources</b>						
<b>USES OF CASH</b>						
Net Loss						
Principle Portion of Pmts.						
Fixed Asset Purchase						
Reserve						
Other						
<b>Total Uses</b>						
<b>NET CASH FLOW</b>						
<b>DEBT SERVICE COVERAGE</b>						
Cash Available for Debt Service (CADS)						
A: Net Income (Loss)						
B: Depreciation, or Reserve Interest						
<b>C: Total CADS (A + B = C)</b>						
<b>D: DEBT SERVICE (DS)</b>						
Principle Plus Interest						
<b>E: DEBT SERVICE COVERAGE RATIO</b>						
CADS Divided by DS (E = C / D)						

## **List of Attachments**

- A. Overview of Application
- B. Water System Asset Transfer Agreement
- C. Markout Water Supply Corporation's Notice of Member Vote, Certification of Election, Notice of Board Meeting to Consider the Election Results and the Water System Asset Transfer Agreement, and Minutes of Board Meeting to Consider the Election Results and the Water System Asset Transfer Agreement
- D. City of Mesquite's Agenda and Minutes of Meeting Approving the Water System Asset Management Agreement
- E. Markout WSC's Tariff
- F. List of Council Members and City Management
- G. FY 2020-2021 Budget of the City of Mesquite
- H. FY 2019-2020 CAFR for the City of Mesquite
- I. Water System Management Agreement between Mesquite and Markout
- J. Proposed Extension of Mesquite's System to Markout
- K. North Texas Municipal Water District Regional Water Supply Facilities Amendatory Contract and Amendment No. 1 to that Contract
- L. Map of the City of Mesquite's Water System
- M. Texas Commission on Environmental Quality's Comprehensive Compliance Investigation Information
- N. Map of the City of Forney's and City of Mesquite's City Limits and ETJ, and Markout's CCN
- O. Markout WSC's and the City of Forney's Wholesale Water Supply Agreement
- P. Memorandum of Understanding between the City of Mesquite and the City of Forney
- Q. Water Transportation Agreement between the City of Mesquite and the City of Forney

**R. List of City of Mesquite Operators**

**S. Maps and Digital Data**

# Attachment A

## Overview of Application

## Overview of Application

On October 18, 2020, the members of the Markout Water Supply Corporation (Markout) voted to transfer the Markout Water Supply System, all of Markout's assets, and the Markout customers to the City of Mesquite (City). 478 members voted in the election, and 319 members voted "yes" to transfer the Markout system to Mesquite. The measure required approval by 2/3rds of the members voting. An independent election judge certified the results. On October 26, 2020, the Markout Board of Directors approved the execution of the Water System Asset Transfer Agreement with the City of Mesquite. The Board of Directors Meeting was noticed in accordance with the Open Meetings Act on October 22, 2020. *See Attachment C.*

On September 21, 2020, the City Council of the City of Mesquite considered and approved the execution of the Water System Asset Transfer Agreement. *See Attachment D, Agenda Item 17.*

On October 29, 2020, the City and Markout executed the Water System Asset Transfer Agreement whereby the parties have agreed to the transfer of the system and all of the assets and customers. *See Attachment B.* Additionally, on September 23, 2020, the City and Markout executed a Management Agreement that provides for Mesquite's management of the Markout water system until such time as the system is transferred to the City. *See Attachment I.* The key components of the Water System Asset Transfer Agreement are as follows:

1. After approval of the transfer by the Public Utility Commission (PUC), at closing, Markout will transfer to the City all its real property, easements and appurtenances, and tangible and intangible personal property, and will assign certain contracts to the City.
2. Upon closing, Markout will deliver to the City an updated list of customers, and the final meter reading of each customers, along with the amount of each customer's deposits, if any.
3. After the closing, the City will assist Markout with winding up and terminating Markout as an entity.

*See Attachment B.* Almost all of Markout's water service area is located within the city limits and extraterritorial jurisdictions of both the cities of Forney and Mesquite. *See Attachment N.* Forney is the wholesale water provider for Markout. *See Attachment O.* To facilitate a smooth transfer of the Markout system to Mesquite, Mesquite and Forney have entered into a Memorandum of Understanding (MOU) (effective on September 22, 2020) regarding the Markout system, and a Water Transportation Agreement (effective on \_\_\_\_). *See Attachments P and Q.*

The key provisions of the MOU are as follows:

1. Mesquite has agreed to transfer to Forney the rights to serve the Grayhawk subdivision in the Markout service area once Mesquite has completed a feasibility study regarding the transfer of the area.
2. Mesquite and Forney will execute a Texas Water Code § 13.248 Agreement after the closing of the transfer of the Markout water system to Mesquite regarding the transfer of the Grayhawk subdivision to Forney.

3. Forney has agreed to the assignment to Mesquite and termination of the wholesale water contract with Markout upon the closing of the transfer of the Markout water system to Mesquite.

Upon the termination of the wholesale water supply agreement between Forney and Mesquite, the Water Transportation Agreement will become effective. Under the Water Transportation Agreement, Forney has agreed to transport Mesquite's water it purchases from the North Texas Municipal Water District through Forney's water system to the Markout water system until such time as Mesquite has completed its water transmission line that would bring water from Mesquite directly to the Markout system. *See Attachment Q.*

### **Request for Waiver of Public Notice and Public Hearing**

The City of Mesquite and Markout Water Supply Corporation respectfully request that the PUC waive public notice of the application and a public hearing on the application, as provided by Texas Water Code § 13.301. There is good cause to waive public notice of this STM Application and to not require a public hearing.

As noted previously, Markout's members voted to approve the transfer of the Markout system to the City. Notice of the vote to transfer the Markout system and customers to Mesquite was provided on September 15, 2020. Markout also held three informational meetings regarding the proposed transfer of the system on September 17, 2020, September 28, 2020, and October 12, 2020. The vote of members on the transfer of the system was tabulated on October 18, 2020. The Markout Board of Directors then approved the Water System Asset Transfer Agreement at its October 26, 2020 board meeting that was noticed in accordance with the Texas Open Meetings Act. Because the members, who are also the customers of Markout, received notice of the vote to transfer the system to Mesquite, were provided several opportunities to learn about and discuss the transfer at informational meetings, voted to approve the transfer, and were provided notice of the Board of Director's meeting to approve the Water System Asset Transfer Agreement, no additional public interest is served by providing those same members/customers notice of and an opportunity for a hearing on the STM Application which seeks approval of the actions the members/customers voted to approve.

Additionally, the neighboring cities and other retail public utilities will be unaffected by this transfer of the Markout system to Mesquite. None of these entities have a legal right to provide service to Markout's customers or its certificated area. With respect to the City of Forney specifically, Forney and Mesquite executed the MOU whereby Forney has indicated it supports the transfer of the Markout system to Mesquite and has agreed to not file any protest or objection to the STM Application.

As provided by the STM Application and attached documents, the City of Mesquite has the necessary financial, managerial, and technical capabilities to provide continuous and adequate service to the area being acquired and Mesquite's existing service area. Mesquite does not have a history of non-compliance, and is rated a superior water system, and Mesquite has the financial ability to provide any necessary capital investment to ensure that continuous and adequate service is provided to the customers of the Markout water system.

# Attachment B

## Water System Asset Transfer Agreement

## **WATER SYSTEM ASSET TRANSFER AGREEMENT**

**THIS WATER SYSTEM ASSET TRANSFER AGREEMENT** (“Agreement”) is made and entered into by and between **MARKOUT WATER SUPPLY CORPORATION**, a Texas non-profit water supply corporation (“Markout”), and **THE CITY OF MESQUITE**, a home rule municipality in the State of Texas (“Mesquite”).

### **RECITALS:**

A. Markout is a retail public utility and currently provides water service under Certificate of Convenience and Necessity No. 10846 (“CCN No. 10846”) to certain areas within Kaufman County, Texas, and Mesquite is also a retail public utility and currently provides water service under Certificate of Convenience and Necessity (CCN) No. 10060 to certain areas;

B. Markout and Mesquite have entered into the September 23, 2020 Water System Management Agreement (“Management Agreement”) whereby Mesquite has agreed to certain management services, as those services are described in the Management Agreement, on Markout’s behalf;

C. Markout, in accordance with this Agreement desires to convey Assets, as hereafter defined, to Mesquite, and Mesquite desires to acquire the Assets and assume the Liabilities (as hereafter defined) of Markout;

D. Mesquite’s acquisition of the Assets and associated property and rights will ensure that a state-approved retail water utility system will be operated within the Markout service area as Mesquite is capable of providing continuous and adequate service to consumers under applicable codes and regulations without unreasonable or unduly burdensome financial impact on Mesquite or Mesquite’s current and future customers;

E. Markout and Mesquite acknowledge that, upon the Closing (herein defined), the customers of Markout will become the customers of Mesquite; and

F. Markout and Mesquite acknowledge their intention to fully comply with the provisions of Chapter 13 of the Texas Water Code, as applicable, and the corresponding Texas Public Utility Commission (“PUC”) regulations concerning the subject matter of this Agreement.

### **AGREEMENT:**

NOW, THEREFORE, the foregoing recitals are incorporated herein and constitute material terms of this Agreement, and for good and valuable consideration and the mutual promises and covenants herein expressed, the receipt and sufficiency of which is hereby acknowledged, Markout and Mesquite contract, covenant and agree as follows:

#### **I**

#### **Assets to be Conveyed**

Markout, in accordance with this Agreement, shall convey and Mesquite shall acquire the following assets, hereafter collectively referred to as the “Assets”:

1.1 **Utility System.** The retail public utility and water system (the “Utility System”) designated by the Texas Commission on Environmental Quality (“TCEQ”) as Public Water System I.D. No. 1290019 and the certificated service area defined by CCN No. 10846.

1.2 **Land.** All right, title and interest to the real property listed in Exhibit “A” attached hereto, including Markout’s interest in any and all security agreements or deeds of trust and leases, hereafter collectively referred to as the “Land”.

1.3 **Improvements.** All right, title and interest of Markout in and to the improvements affixed to and located on the Land which are owned by Markout, including, without limitation, (i) any buildings and other improvements, located on the Land, water wells, storage tanks, pressure tanks, pumps and controls connected to the storage tanks, and service lines and pipes located on the Land, and (ii) all those items specifically listed on Exhibit “B” attached hereto and made a part hereof (collectively, the “Improvements”).

1.4 **Property Rights.** All right, title and interest of Markout in and to any land lying in the bed or right of way of any alley, street, road or access way, opened or proposed, in front of, at a side of or adjoining the Land to the centerline thereof (“Adjacent Property Rights”).

1.5 **Easements and Appurtenances.** All rights, privileges, and easements, including public utility and pipeline easements, which are owned by or benefit Markout, whether obtained by formal grant, dedication or prescription, and any interest and rights of Markout in other easements, rights-of-way or appurtenances arising or used in connection with the Utility System, whether appurtenant to the Land or in gross, including but not limited to, Markout’s rights and/or access easements used to access the water lines and meters on land owned by customers of Markout, and any other such access rights and sanitary control easements in favor of Markout (the “Appurtenances”).

1.6 **Groundwater.** All right, title and interest of Markout in and to all of the underground water, percolating water, artesian water, and any other water from any and all reservoirs, formations, depths, and horizons beneath the surface of the earth, excluding underflow or flow in a defined subterranean channel (collectively, the “Groundwater”), now or in the future located in, on, or under the Land, together with all associated rights related to the Groundwater, including, without limitation, the right to capture, explore for, drill for, develop, withdraw, produce, transport, and/or otherwise beneficially use such Groundwater, and the right to use the surface of the Land for the exercise of such rights, including the right to ingress and egress, and all permits, licenses, or other governmental authorizations relating to any of the foregoing, including rights under any permit issued by any applicable groundwater conservation district, together with any leases, reservations, or other legal entitlements of Markout that allow the holder to produce Groundwater in Kaufman County for the purpose of supplying a public water system.

1.7 **Tangible Personal Property.** All of Markout's right, title, and interest in and to items of furniture, fixtures, equipment, machinery, supplies, and other items of tangible personal property owned or leased, used or held for use by Markout and affixed, attached to, placed, or located on the Land or used by Markout in connection with the ownership, operation, and/or maintenance of the Utility System, including, without limitation, all facilities, water lines, distribution lines, tanks, pumps, pipes, fittings, treatment equipment, meters, ground and elevated storage, water in all facilities and in storage, tools, vehicles, trailers, fuel tanks, fences, fill dirt and clay, copies of records (which shall include, without limitation, bills, employment and customer files, operational records, and insurance records), permits, materials and supplies, and inventories (which shall include, without limitation, those items identified on Exhibit "C" attached hereto and made a part hereof) (collectively, the "Tangible Personal Property").

1.8 **Intangibles.** With the exception of the Intangibles to be excluded that are listed on Exhibit "C", and to the extent assignable, all of Markout's rights, title, and interest in and to (i) all plans, drawings, specifications, surveys, engineering reports, and other materials related to the Land and/or the Utility System, which are conveyed without representation or warranty as to the information or conclusions set out therein; (ii) warranties and guaranties related to the Improvements and the Tangible Personal Property; (iii) licenses, permits, franchises, approvals, and any other development rights and benefits relating to the Land, including, without limitation, all correspondence, permits, CCN, and reports to or from the PUC related to the Utility System; and (iv) all software and intellectual property rights, as well as rights under any insurance policies, including, without limitation, automobile, property, or liability insurance, and all of Markout's rights and interest under any claims, causes of action, and judgments (collectively, the "Intangibles") which shall include, without limitation, those Intangibles also listed on Exhibit "C".

1.9 **Deposits and Monies.** All of Markout's right, title and interest on the Closing Date in monies and customer security deposits, if any, with accrued statutory interest, excluding the Membership Fee (herein so called) listed on Schedule "1" attached hereto, held by Markout or in Markout accounts held at a bank or other financial institution (collectively, the "Deposits"). Markout, with the assistance of Mesquite as provided by the Management Agreement, shall be responsible for returning the Membership Fees to the appropriate members and Mesquite shall have no responsibility or liability with regard to the Membership Fees. This provision, as it relates to the Membership Fees, shall survive Closing, as that term is hereafter defined.

1.10 **Contractual Rights.** All rights, obligations, and interests in Markout's contractual rights and liens, to the extent those rights and obligations are assigned to Mesquite as provided by this Section 1.10.

1.10.1 Markout represents that Exhibit "D" contains a complete list of Markout's contracts relating to the ownership, operation, maintenance, repair and billing related to the Utility System, provided this Section 1.10 does not include contracts with customers for retail water service. Markout further represents that Exhibit "D" is true and correct list of all written contracts that may be described by this Section 1.10.

1.10.2. Markout and Mesquite shall cooperate during the Review Period to determine which contracts, if any, listed in Exhibit “D” will be assigned to Mesquite. To the extent any contracts listed in Exhibit “D” that are related to the Utility System and are terminable at will, or otherwise terminable without causing a breach by Markout, Markout shall, at Mesquite’s request, terminate any or all of such contracts simultaneously with the Closing. Mesquite may, but is not obligated to, accept the assignment or partial assignment of any contracts listed in Exhibit “D” that are related to the Utility System not otherwise terminated (collectively, “Transferred Contracts”).

## **II. Consideration**

2.1. As consideration for the acquisition of the Assets, Mesquite will assume all of Markout’s liabilities and pay all debts of Markout (collectively, the “Liabilities”), perform all obligations of Markout, and will provide water service for the service area of Markout (collectively, the “Consideration”). The Liabilities are listed in Exhibit “E” of this Agreement. Markout hereby acknowledges and agrees the sufficiency of the Consideration and that the payment and assumption of Liabilities and assumption of service obligations for Markout’s customers is a fair and equitable benefit received. This Section II shall survive Closing, as that term is hereafter defined.

## **III. Representations, Warranties, and Covenants**

Markout and Mesquite represent and warrant to the following, which representations and warranties shall be true and accurate as of the Effective Date (as hereafter defined):

3.1 **Markout’s Representations and Warranties.** For purposes of inducing Mesquite to enter into this Agreement and to accept conveyance of the Assets, and subject to all other terms and conditions of this Agreement, Markout represents and warrants to Mesquite the following, which representations and warranties shall be true and accurate as of the Effective Date through the Closing:

3.1.1 Except for the Transferred Contracts, Markout has not entered into any contract, license, or lease relating to the use or possession of the Utility System including the Assets, which will be binding on Mesquite;

3.1.2 Markout has received no written notice of any pending or threatened litigation, condemnation or similar proceeding against Markout, or of any charge or special assessment affecting any of the Assets or any part thereof. Markout shall promptly advise Mesquite of any litigation, condemnation or assessments affecting the Assets which is instituted or threatened after the Effective Date;

3.1.3 Markout has received no written notice from any insurance company which has issued a policy with respect to any portion of Land or any of the Assets, or from any Board of Fire Underwriters (or other body exercising similar functions) claiming any defects or deficiencies

or requesting the performance of any repairs, replacements, alterations, or other work which have not been complied with. Markout shall promptly advise Mesquite of any such notice received by Markout after the Effective Date;

3.1.4 Markout has received no written notices of any civil or criminal suits, or other judicial proceedings or judgments affecting the Assets and no civil or criminal suits, or other judicial proceedings or judgments affecting the Assets are pending. Markout has received no written notice of violations, or other administrative proceedings or judgments relating to the violation of any laws, ordinances, regulations, codes, orders or other requirements affecting the Assets, including but not limited to written notices from the TCEQ, the United States Environmental Protection Agency, or the PUC, for which the violations or other administrative proceedings remain unresolved. Markout shall promptly advise Mesquite of any such notice, suits or other proceedings or judgments; or of any written notice from TCEQ, PUC, or any other third party that any violation, action, or proceeding is pending or threatened that questions the validity or enforceability of this Agreement or any action taken or to be taken pursuant hereto which come to Markout's knowledge after the Effective Date;

3.1.5 Except for any portions of the Utility System located in a public right-of-way and otherwise provided by this Section 3.1.5, Markout is the owner of, lessee, or licensee of all easements, rights-of-way, or appurtenances listed in Exhibit A of this Agreement; Markout owns 40 % of the easement in which the 24 inch shared waterline with Talty Special Utility District that runs from Rogers Street to the Forney Pump Station #2 driveway is located;

3.1.6 Markout has all requisite power, authority, authorization and consents necessary to make, execute, deliver and perform this Agreement and all instruments and agreements contemplated hereby and obtain any and all required approvals to perform its obligations hereunder and to consummate the transactions contemplated hereby;

3.1.7 The execution, transaction, delivery and performance of this Agreement by Markout and the consummation by Markout of the transaction contemplated hereby has been duly authorized and approved by the governing board of directors of Markout and no other action on the part of Markout is necessary to authorize the execution, delivery and performance of this Agreement by Markout or the consummation of this transaction contemplated hereby;

3.1.8 This Agreement has been duly executed and delivered by Markout and is a valid and binding obligation of Markout subject to applicable law;

3.1.9 The persons signing this Agreement on behalf of Markout are authorized to do so;

3.1.10 Markout has not knowingly stored, disposed of, or permitted the release or threatened release of any hazardous substances or hazardous wastes on, from, or under the Land in violation of law (for purposes of this Agreement, the terms "disposal," "release," "threatened release," "hazardous substances," and "hazardous wastes" shall have the definitions assigned thereto by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601, et seq., as amended);

3.1.11 Markout has received no notice of a condition existing with respect to the Assets that violates any restrictive covenant, or any city, county, state or federal regulation, ordinance or statute, including the violation of any zoning ordinance or use restriction;

3.1.12 Markout is not aware of any underground storage tanks located on the Land or of any underground storage tanks previously located on the Land and subsequently removed and filled;

3.1.13 Markout has not conveyed to any person or entity other than Mesquite any rights in, or any rights to acquire any interest in any of the Assets;

3.1.14 Markout is not aware of any previous use of the Land as a dump site or landfill;

3.1.15 There are no leases relating to the Land and there are no contracts relating to the Assets, including but not limited to, service, maintenance, supply and/or employment contracts, other than the Transferred Contracts and those contracts that will be canceled on or before Closing, and all sums due pursuant to any such contracts will be paid by Markout on or before Closing;

3.1.16 Markout shall convey to Mesquite at Closing the Assets subject to the terms of this Agreement;

3.1.17 Markout has not defaulted under any promissory note, deed of trust, loan or other type of indebtedness or under any contract or committed any act that with the passage of time or giving of notice would result in a default under any indebtedness or contract;

3.1.18 Markout represents that there are no liens on the Assets or revenues of the Utility System; and

3.1.19 As of the date of Closing, Utility System is fully operational, is in full compliance with all regulatory requirements, and that it has provided Mesquite with copies of all documentation related to the history of regulatory compliance of the Utility System.

By executing and delivering the documents listed in this Agreement, Markout shall be deemed to have made all of the foregoing representations and warranties as of the Closing Date. Should any of the foregoing representations and warranties be found to be incorrect on or prior to Closing, Markout shall notify Mesquite and use all reasonable efforts to cure same by Closing; provided, however, in no event shall Markout be required to incur any costs or expenses in connection with its cure of same. If Markout is unable to cure same by Closing, at Mesquite's option, Closing shall be postponed until five (5) business days following Mesquite's receipt of proof satisfactory to Mesquite that such matters have been cured. Provided, however, if Markout is unable despite reasonable efforts to cure same within ten (10) business days after the originally scheduled Closing Date, Mesquite shall have the right to either waive same and proceed to Closing, or terminate this Agreement upon written notice to Markout.

3.2 **Markout's Covenants.** Markout covenants and agrees with Mesquite that from and after the Effective Date through the Closing Date:

3.2.1 Upon obtaining knowledge of the institution of any proceedings for the condemnation of the Land or Assets or any associated easements, or any portion thereof, or any other proceedings arising out of injury or damage to the Land or Assets, or both, or any portion thereof, Markout will notify Mesquite of the pendency of such proceedings as soon as reasonably possible thereafter;

3.2.2 Upon obtaining knowledge of the institution of any litigation, arbitration or administrative hearing concerning or affecting the Assets, Markout will notify Mesquite of the pendency of such proceedings as soon as reasonably possible thereafter;

3.2.3 Markout will not encumber the Assets or allow any encumbrance upon title to the Assets that will not be released at or prior to Closing;

3.2.4 Markout will maintain the Assets, including the Land, the Improvements and Tangible Personal Property, in its current conditions reasonable wear, tear and casualty loss or condemnation loss excepted;

3.2.5 Markout will continue to operate its Utility System business, generally, in the manner it has operated its Utility System business in the past;

3.2.6 Markout will obtain all necessary approvals for the authority, authorization and consents necessary to make, execute, deliver and perform this Agreement and all instruments and agreements contemplated hereby;

3.2.7 Markout will not enter into any contracts with respect to the Assets or the Utility System which will obligate Mesquite after Closing;

3.2.8 Markout will not intentionally take or omit to take any action that would have the effect of violating any of the representations, warranties, covenants and agreements of Markout contained in this Agreement;

3.2.9 Markout will maintain all casualty and liability as well as fire and extended property insurance policies currently covering the Assets or any part thereof in full force and effect;

3.2.10 Effective as of the Closing Date, Markout will terminate all leases and contracts, except the Transferred Contracts, relating to the Assets unless Markout and Mesquite otherwise mutually agree in writing prior to the Closing Date that certain of such leases or contracts, if any, will not be so terminated; and

3.2.11 If any liens are placed on the Assets or revenues, Markout shall work to remove any liens on the Assets or revenues. To the extent Markout is not able to remove liens,

Mesquite, at its sole election, may (1) waive this requirement and proceed to Closing, or (2) terminate this Agreement.

**3.3 Mesquite's Representations and Warranties.** Mesquite represents and warrants to Markout the following, which representations and warranties shall be true and accurate as of the Effective Date:

3.3.1 Mesquite is a municipal corporation;

3.3.2 Mesquite has full power and authority to make, execute, deliver and perform this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby;

3.3.3 The execution, delivery and performance of this Agreement by Mesquite and the consummation by it of the transaction contemplated hereby, has been duly authorized and approved by all required action of Mesquite and no other action on the part of Mesquite is necessary to authorize the execution, delivery and performance of this Agreement by Mesquite and the consummation of the transaction contemplated hereby;

3.3.4 To Mesquite's knowledge, neither the execution, delivery or performance of this Agreement by Mesquite, nor compliance with the terms and provisions hereof, will result in any breach of the terms, conditions or provisions of, or conflict with or constitute a default under the terms of any note, agreement or other instrument by which Mesquite is bound;

3.3.5 To Mesquite's knowledge, Mesquite has received no written notice that any action or proceeding is pending or threatened that questions the validity of this Agreement or any action taken or to be taken pursuant hereto; and

3.3.6 This Agreement has been duly executed and delivered by Mesquite and is a valid and binding obligation of Mesquite subject to applicable law.

**3.4.** The representations, warranties, and covenants in Section 3.1 shall survive Closing for a period of two (2) years from the date of Closing.

#### IV.

#### **Review Period and Right to Inspect**

**4.1 Mesquite's Right to Inspect.** Within fourteen (14) days after the Effective Date, Markout shall make available for reasonable inspection and copying by Mesquite, at Markout's office during regular business hours, the following, to the extent in Markout's control or possession and to the extent not already delivered to Mesquite:

4.1.1 All environmental reports, structural reports, engineering reports, soils tests results, evaluations, maps, traffic studies, flood control plans, drainage plans, and any and all other reports, studies or the like relating to the Assets;

4.1.2 All notices from any governmental agencies affecting the Utility System or the Land;

4.1.3 All current licenses, permits and other governmental licenses or approvals relating to the Utility System;

4.1.4 All surveys, title records, title documents (including any title insurance policies), debt instruments, liens, insurance policies, contracts, easement documents, and deeds;

4.1.5 Any engineering reports and plans and specifications relating to the Assets; provided, however, all such reports are delivered without representation or warranty as to the content;

4.1.6 True copies of any leases and contracts relating to the Assets, including but not limited to the contracts listed in Exhibit "D", and copies, if any, of any documents or records related to any beneficial interests, including but not limited to, security agreements, deeds of trusts, promissory notes or leases held by Markout;

4.1.7 A list of all customers of Markout, the current accounts receivable for such customers, and the amount of each customer's deposit, if any, with accrued statutory interest, together with copies of statements for all deposit accounts held by Markout;

4.1.8 Copies of all insurance policies and financial instruments related to the Utility System, Assets, or Markout; and

4.1.9 Copies of all warranties and guaranties related to the Assets.

**4.2 Review Period.** At any time from and after the Effective Date, Mesquite its agents, employees, consultants, or invitees shall have the right, at its sole cost, to order title work to obtain title policies insuring the title to the Land, to order surveys or inspections, and enter upon the Land during normal business hours and upon reasonable advance notice to Markout to inspect the Land or to conduct feasibility studies regarding the Assets, and shall have the further right to access those portions of the Utility System located on property other than the Land, if any, (but only to the extent authorized by that landowner) to conduct feasibility studies. Mesquite, its agents, employees, consultants and invitees shall have such right of entry only during normal business hours and upon reasonable advance notice to Markout for purposes of conducting all such studies, inspections, tests and examinations deemed necessary by Mesquite. All said studies, tests, inspections and examinations (collectively, the "Reports") shall be at Mesquite's expense. Mesquite shall provide Markout a copy of the Reports but failure to provide such copies to Markout shall not be considered a default under this Agreement. As used herein, the "Review Period" shall mean the period commencing on the Effective Date and ending on the date Mesquite files the Application, as that term is defined in Section 7.1, with the PUC. During the Review Period, and subject to approval of both parties, Markout or Mesquite may substitute any of the exhibits listed in this Agreement.

**4.3 Mesquite's Right to Review Books.** During the Review Period, Markout shall make available for reasonable inspection and copying by Mesquite and Mesquite's accountants and other representatives, at Markout's office during regular business hours, the books and records of Markout with respect to the operation of the Assets. All such copying costs shall be borne by Mesquite.

**4.4 Mesquite's Title Commitment and Review.** Mesquite, within its sole discretion and at Mesquite's sole expense, may procure within sixty (60) days after the Effective Date, a commitment for title insurance on any of the Assets that Mesquite desires. Markout shall not be required to provide an owner's policy for title insurance for any portions of the Assets, but Markout shall otherwise cooperate with Mesquite in the review by Mesquite of any title commitment applied for, or obtained by, Mesquite. Mesquite will have twenty (20) days after the receipt of the title commitment with respect to any particular portion of the Assets to review such title commitment and to deliver to Markout written notice by hand delivery or overnight delivery, receipt requested, of any objections to the matters set forth in such title commitment. Any items to which Mesquite does not object with during this 20-day period will be deemed to be "Permitted Exceptions." As to items in the title commitment to which Mesquite timely makes objections to in writing to Markout, Markout shall have a period of ten (10) days during which it may, but shall have no obligation to cooperate with Mesquite to attempt to effectuate the cure of such objections such that Markout's covenants or representations in this Agreement are not false or misleading. At the end of the twenty (20) day period (if no objections are made by Mesquite), or the ten (10) day period (if objections are made by Mesquite), Mesquite shall have the right, as its sole and exclusive remedies, to either terminate this Agreement, or waive such title objections and proceed to Closing.

**4.5 Termination by Mesquite.** Except as otherwise provided in this Agreement, Mesquite shall have the right to terminate this Agreement for any reason prior to date of a Determination Notice (herein defined) by providing written notice to Markout, and all rights and obligations hereunder shall terminate, except those expressly providing otherwise.

## **V. Remedies**

**5.1 Markout's Remedies.** In the event Mesquite (i) fails or refuses to consummate the acquisition of the Assets pursuant to this Agreement at the Closing, (ii) fails to perform any of Mesquite's other obligations hereunder either prior to or at the Closing for any reason other than the breach of any of Markout's representations, warranties or covenants, or other failure by Markout to perform its obligations hereunder, or (iii) otherwise breaches this Agreement, Markout shall be entitled as its sole and exclusive remedy to: (a) terminate this Agreement by giving Mesquite timely written notice of such election prior to Closing or (b) waive the default and close the transfer of the Assets pursuant to the terms hereof.

**5.2 Mesquite's Remedies.** In the event Markout (i) fails or refuses to consummate the conveyance of the Assets pursuant to this Agreement at Closing, (ii) fails to perform any of Markout's other obligations hereunder either prior to or at the Closing for any reason other than the breach of any of Mesquite's representations, warranties or covenants or Mesquite's failure to perform its obligations hereunder, or (iii) otherwise breaches the Agreement, Mesquite shall be

entitled as its sole remedy to either: (a) terminate this Agreement by giving Markout timely written notice of such election prior to Closing or (b) waive the default and close the transfer of the Assets pursuant to the terms hereof.

## **VI. Closing**

**6.1 Closing Date.** The Closing (herein so called) shall be held at a location that may be mutually agreed upon by Markout and Mesquite on the date (“Closing Date”) which shall be no later than sixty (60) days following receipt of a Determination Notice (hereafter defined). Markout and Mesquite acknowledge that the Closing cannot occur before 120 days from the date an application is filed with the PUC pursuant to Texas Water Code § 13.301, unless approved by the PUC to close earlier.

### **6.2 Closing Matters.**

6.2.1 At Closing, Markout, with the assistance of Mesquite as provided by the Management Agreement shall:

- (a) Deliver all keys to the Assets to Mesquite;
- (b) Deliver control of the Assets to Mesquite;
- (c) Deliver control of the equipment or other Tangible Personal Property, if any, listed as part of the Tangible and Intangible Personal Property on Exhibit “C” to Mesquite;
- (d) Deliver an updated list of all customers of Markout, the service address for each customer, a final meter reading for, or a meter reading associated with the last bill sent by Markout to, each customer, the accounts receivable for such customers, and the amount of each customer’s deposit, with accrued statutory interest, certified by Markout to be true and correct as of the day immediately preceding Closing;
- (e) Deliver to Mesquite evidence of payment of all bills by Markout;
- (f) Grant to Mesquite the authority to provide the necessary consents of Markout to PUC with respect to the proposed maps, certificates, and the recommendation for approval and issuance or decertification of the CCN, and authorize the PUC to effectuate the transfer of the Utility System upon receipt of Mesquite’s signed consent form without the further involvement of Markout, including without limitation executing all necessary consent documents on behalf of Markout;
- (g) Deliver consents to assignment and assignment of any Transferred Contract listed in Exhibit “D” to which Mesquite has agreed to accept assignment; and

(h) Deliver evidence that Markout has withdrawn as a party to the Petition of High Point Water Supply Corporation, Talty Special Utility District, and Markout Water Supply Corporation Appealing a Decision by the City of Forney Affecting Wholesale Water Rates and Request for Interim Rates, PUC Docket No. 47814.

6.2.2 At Closing, Markout shall execute, deliver, and acknowledge the following documents:

(a) A copy of an Affidavit of Closing, in substantially the form attached hereto as Exhibit “F”, and any and all documents which Mesquite may reasonably request after the Closing to evidence the consent and agreement of Markout for decertification of its service area and certification of the service area to Mesquite. The agreement set forth in the preceding sentence shall survive the Closing. Markout shall file the Affidavit of Closing with the PUC in accordance with Section 7.1 of this Agreement;

(b) A Contract Closing Certification, in substantially the form attached hereto as Exhibit “G”, which shall include the certification of records and the certification of correspondence, as well as the Engineering Certificate, attached hereto as Exhibit “F-1”.

(c) A Special Warranty Deed and Assignment of Easements, conveying the Land, Appurtenances, easements, Adjacent Property Rights, and any Improvements, in substantially the form attached hereto as Exhibit “H”; and

(d) A Bill of Sale and Assignment of Easements, conveying Tangible Personal Property, Intangibles, Deposits, and Contractual Rights, in substantially the form attached hereto as Exhibit “I”.

6.2.3 At Closing, Mesquite shall:

(a) Deliver reasonable evidence of Mesquite’s capacity and authority for the Closing of this transaction;

(b) Provide written acknowledgement and acceptance, without conditions, of Markout’s assignment of the Transferred Contracts; and

(c) Execute any and all documents reasonably necessary.

6.2.4 At Closing, Markout shall:

(a) Pay all special taxes or assessments, if any, assessed prior to the Closing Date;

(b) Transfer all revenues for water utility services and Deposits to Mesquite; and

(c) Provide all copies of the last billing statement paid for each utility meter, copies of tax assessments (if any), and statements of any other recurring expenses of Markout.

**6.3 Winding Up and Termination of Markout.** Prior to Closing, Markout, with the assistance of Mesquite, shall seek to obtain the members' approval of a voluntary winding up of the entity and approval of a dissolution plan. Markout shall comply with all applicable winding-up procedures as provided for by the Corporate Documents and the Texas Business Organizations Code ("Code"), including but not limited to Section 11.051 of the Code. Mesquite shall assist Markout with the termination of Markout as an entity, including the preparation and filing of the Certificate of Termination and any other documents necessary to transfer the Assets and dissolve Markout as an entity and to pay reasonable and necessary professional fees and costs incurred therewith. Markout acknowledges that, in accordance with Section 11.356 of the Code, after the Certificate of Termination is filed, Markout will continue to exist for settling affairs of Markout not completed before Closing and that, in accordance with Section 11.357, the persons currently governing Markout will continue to have powers necessary to complete any winding up of Markout not finalized at Closing. Markout and Mesquite covenant and agree to work with each other with regard to all matters related to the winding up of Markout. Markout hereby appoints the President of Markout, or his designee, as a representative of Markout, who can be contacted at the address and telephone number set forth in Section 8.4 below to be the contact person for all matters arising after Closing. Markout agrees to start the process to windup Markout within thirty (30) days after the Closing and to file the Certificate of Termination and any other documents necessary to transfer the Assets and dissolve Markout as an entity within six (6) months after the Closing. This deadline may be extended upon written consent by Mesquite, which shall not be unreasonably withheld. Notwithstanding any provision in this Agreement or any closing document to the contrary, these provisions of this Section 6.3 shall survive Closing.

## **VII.** **Conditions Precedent**

### **7.1 PUC Determination.**

7.1.1 Notwithstanding anything in this Agreement to the contrary, the obligations of Markout and Mesquite to consummate the transaction contemplated by this Agreement shall be subject to and specifically conditioned upon receipt of the written determination ("Determination Notice") by the PUC that authorizes the transaction contemplated herein to close in accordance with this Agreement. Markout and Mesquite each acknowledge that this purchase and sale transaction must comply with the requirements of Texas Water Code § 13.301 and, therefore, cannot be completed prior to the Determination Notice. Mesquite agrees, at Mesquite's expense, to file with the PUC an Application for Sale, Transfer or Merger of a Retail Public Utility ("Application") as soon as reasonably possible after the Effective Date of this Agreement, and Markout and Mesquite agree to cooperate in connection with completing the Application and further agree to support the PUC approval of the Application. The Parties hereby acknowledge that Mesquite will not file the Application with the PUC unless and until Mesquite has executed a water transportation or wholesale water supply agreement with the City of Forney. In this regard, Markout acknowledges that after receipt of the Determination Notice and within 30 days after the

Closing Date, Mesquite must file with PUC documents evidencing that the purchase and sale transaction contemplated by this Agreement is final and that support the disposition of customer security deposits, if any. Following receipt by PUC of these documents evidencing completion of the transaction contemplated by this Agreement and disposition of customer security deposits, PUC will prepare a proposed map, certificate, and recommendation for both Markout and Mesquite to review and consent to before submitting the map, certificate, and recommendation to the PUC for approval and issuance of the CCN. The consent must be received by PUC in order for the PUC to approve the CCN transfer. If the Parties have not received the Determination Notice within eighteen (18) months of the Effective Date, if the Application is contested, or if the PUC denies the Application and such decision is final and non-appealable, either Markout or Mesquite may at any time terminate this Agreement upon ten (10) days' written notice of the other party and neither party shall thereafter have any further rights, liabilities, or obligations hereunder. If PUC requires a hearing and neither Markout nor Mesquite terminate this Agreement, this condition precedent provided for herein shall not be satisfied until after PUC enters final, appealable order(s) necessary for the transaction contemplated herein.

## **VIII.** **Miscellaneous**

**8.1 Entire Agreement.** The Agreement together with the Contract Closing Certification constitute the entire agreement of the parties hereto as to the subject matter hereof and shall supersede any and all prior agreements and understandings of the parties hereto, whether oral or written. If there is any conflict between this Agreement and the Contract Closing Certification, this Agreement shall control. This Agreement can be amended or modified only by written agreement executed by Markout and Mesquite.

**8.2 Binding.** This Agreement, and the terms, covenants, and conditions herein contained, shall inure to the benefit of and be binding upon the heirs, personal representatives, successors, and assigns of each of the parties hereto. Neither Markout nor Mesquite may assign its respective rights under this Agreement without the other party's prior written consent.

**8.3 Effective Date.** The term "Effective Date" as used in this Agreement shall be the date on which this Agreement is executed by the last to sign of Markout and Mesquite.

**8.4 Notice.** Any notice required or permitted hereunder shall be in writing and shall be deemed to be delivered on the date received if delivered by hand to the address shown below for Markout or Mesquite, as appropriate, or such notice shall, if deposited in the mail, be deemed to be delivered, whether actually received or not, on the third business day after having been deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed to Markout or Mesquite, as appropriate, at the address shown below. The addresses for Markout and Mesquite for all purposes under this Agreement shall be the following:

If to Markout:

Markout Water Supply Corporation  
Attn: President

Mail Delivery 8540 FM 2757  
Forney, TX 75126

Hand Delivery 8540 FM 2757  
Forney, TX 75126

Phone: 972-564-1250  
FAX: 972-552-2777

With simultaneous copy to: The Law Office of James W. Wilson  
Attn: James Wilson  
103 W. Main Street  
Allen, TX 75013  
Phone: 972-727-9904  
FAX: 972-755-0904

If to Mesquite:

City of Mesquite, Texas  
Attn: City Manager  
1515 N. Galloway  
Mesquite, TX 75149  
Phone: 972-216-6293

And

City of Mesquite, Texas  
Attn: City Attorney  
1515 N. Galloway  
Mesquite, TX 75149  
Phone: 972-216-6272

With a simultaneous copy to: Bickerstaff Heath Delgado Acosta LLP  
Attn: Emily W. Rogers  
3711 S. MoPac Expressway  
Building One, Suite 300  
Austin, TX 78746  
Phone: 512-472-8021  
FAX: 512-320-5638

The parties hereto shall have the right from time to time to change their respective addresses, and each shall have the right to specify as its address any other address within the United States of America by at least five (5) days' written notice to the other party.

**8.5 Time.** Time is of the essence in all things pertaining to the performance of this Agreement.

**8.6 Applicable Law; Venue.** This Agreement shall be construed and enforced in accordance with the laws of the State of Texas. Any action in law or equity brought to enforce or interpret any provision of this Agreement shall be brought in a court of competent jurisdiction with venue in Kaufman County, Texas.

**8.7 Counterparts, Faxes and PDFs.** This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original and all of which shall constitute the same instrument. In making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart. A telecopied facsimile or portable document format copy of an executed counterpart of this Agreement shall be sufficient to evidence the binding agreement of each party to the terms hereof. However, each party agrees to promptly deliver to the other party an original, duly executed counterpart of this Agreement.

**8.8 Section Headings.** The section headings contained in this Agreement are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several sections hereof.

**8.9 Business Days.** In the event that any date or any period provided for in this Agreement shall end on a Saturday, Sunday or legal holiday, the applicable period shall be extended to the first business day following such Saturday, Sunday or legal holiday. As used herein, the term "legal holiday" means any state or federal holiday for which financial institutions or post offices are generally closed in the State of Texas.

**8.10 Severability.** If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, administrative rule, regulation or finding, rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

**8.11 Exhibits.** All references to exhibits contained herein are references to exhibits attached hereto, all of which are made a part hereof. It is expressly understood that if any exhibit attached hereto which is to be executed and delivered at Closing contains blanks, the same shall be completed correctly and in accordance with the terms and provisions contained herein and as contemplated hereby prior to or at the time of execution and delivery thereof.

**8.12 Negotiation by Counsel.** The Parties acknowledge that each Party and its counsel have reviewed and revised this Agreement, and agree that the normal rule of construction, to the effect that any ambiguities are to be resolved against the drafting party, shall not be employed in the interpretation of this Agreement or any amendments or exhibits hereto.

**8.13 Modification; Assignment; and Benefit.** This Agreement shall be subject to change or modification at any time, but only with the mutual, written consent of all of the Parties hereto. This Agreement shall not be assignable by either party hereto without the prior written consent of the other party hereto, such consent to not be unreasonably withheld, conditioned or delayed. This Agreement shall be for the sole and exclusive benefit of the Parties and third-party beneficiaries, if any, are hereby expressly disclaimed.

**8.14 No Waiver.** No waiver or waivers of any breach or default (or any breaches or defaults) by either party hereto of any term, covenant, condition, or liability hereunder, or of performance by the other party of any duty or obligation hereunder, shall be deemed or construed to be a waiver of subsequent breaches or defaults of any kind.

**8.15 Further Assurances.** Each signatory party agrees to execute and deliver any additional documents and instruments and to perform any additional acts necessary or appropriate to perform the terms, provisions, and conditions of this Agreement and all transactions contemplated by this Agreement, including but not limited to, acquiring easements or rights-of-way necessary to operate the Utility System, and to complete the contemplated transaction.

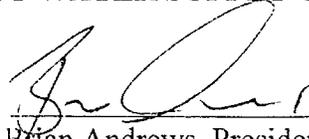
**8.16 Legal Construction.** Whenever context requires, the singular will include the plural and neuter include the masculine or feminine gender, and vice versa. Article and section headings in this Agreement are for reference only and are not intended to restrict or define the text of any section. This Agreement will not be construed more or less favorably between the parties by reason of authorship or origin of language.

IN WITNESS WHEREOF, this Agreement has been duly executed in multiple counterparts (each of which is to be deemed original for all purposes) by the parties hereto on the date appearing opposite each party's signature.

*[Signatures on next pages]*

MARKOUT WATER SUPPLY CORPORATION

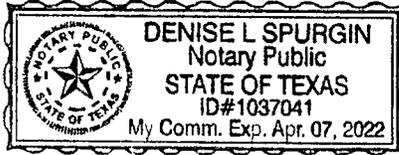
Date: October 26, 2020

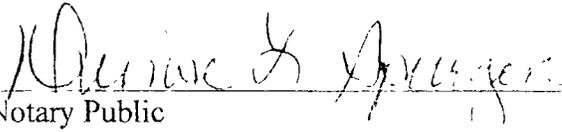
By:   
Brian Andrews, President

STATE OF TEXAS                   §  
  §  
COUNTY OF KAUFMAN         §

BEFORE ME, the undersigned authority, on this day personally appeared Brian Andrews, President of Markout Water Supply Corporation, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the MARKOUT WATER SUPPLY CORPORATION, and that he executed the same as the President of the MARKOUT WATER SUPPLY CORPORATION for the purposes and consideration therein expressed, and in the capacity therein stated.

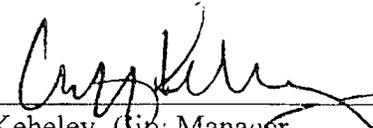
GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 26 day of October, 2020.



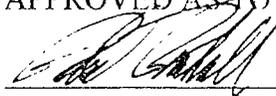
  
Notary Public  
The State of Texas

CITY OF MESQUITE, TEXAS

Date: 10, 29, 2020

By:   
Cliff Keheley, City Manager

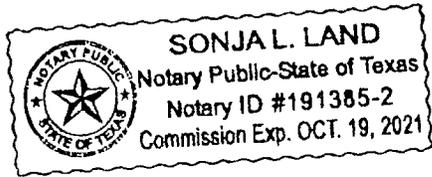
APPROVED AS TO FORM:

  
David Paschell, City Attorney  
City of Mesquite, Texas

STATE OF TEXAS                   §  
   §  
COUNTY OF DALLAS           §

BEFORE ME, the undersigned authority, on this day personally appeared Cliff Keheley, City Manager of the City of Mesquite, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the CITY OF MESQUITE, and that he executed the same as the act of the CITY OF MESQUITE for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 29 day of October, 2020.



  
Notary Public  
The State of Texas

**EXHIBIT "A"**

**LAND**

**Kaufman County Appraisal District Property ID #18994**

Vol. 485, Page 385

10371 Walnut Lane, Forney, TX 75126

1965 – Original Purchase - .38 acres - Bederkesa Addition, Lot 79 Part (front of lot)  
Office/Warehouse/EST

**Kaufman County Appraisal District Property ID #11823**

Vol. 863, Page 958

10371 Walnut Lane, Forney, TX 75126

1986 – Additional Purchase - .418 acres - Bederkesa Addition, Lot 79 Part (back of lot)  
Office/Warehouse/EST

**Kaufman County Appraisal District Property ID #20642**

Vol. 1137, Page 550

13360 Melody Lane, Forney, TX 75126

1994 – Original Purchase – 1.23 acres – Lot 1A Block A Colonial Acres  
Pump Station #1

**EXHIBIT "B"**

**IMPROVEMENTS**

**Office at 10371 Walnut Lane, Forney**

Septic System  
Office Building and parking lot  
Shop and attached Carport  
Cummins 20KW generator

**150,000 Gallon Water Tower at 10371 Walnut Lane** - watersphere, single pedestal, 132' tall  
8" standpipe replaced in conjunction with new 12" line coming to the tower from the  
Grayhawk subdivision

**Pump Station #1 at 13360 Melody Lane**

Three pumps and associated appurtenances  
Master meter  
Cummins 150KW generator  
Hach CL 17 Machine  
Bard 5-ton air conditioning/heating unit  
Chlorine Plant

**50,000 Gallon Ground Storage Tank at 13360 Melody Lane**

**108,000 Gallon Ground Storage Tank at 13360 Melody Lane**

**150,000 Gallon Ground Storage Tank at 13360 Melody Lane**

**EXHIBIT "C"**

**TANGIBLE PROPERTY AND INTANGIBLES**

**Tangible Property**

2009 Chevrolet Pick-up Truck – Silverado C1500

VIN: 1GCEC19X19Z266414

License Plate: TX AHO 3324

2004 Black Flatbed Trailer – Single Axle

VIN: 5LCF121631001941

License Plate: TX 1224420H

Contents of Shop and attached car port located at 10371 Walnut Lane, Forney, TX 75126:  
including all hand tools, pipes, fittings, clamps, dressers, shelving, cabinets, benches, etc.

Contents of Office located at 10371 Walnut Lane, Forney, TX 75126:  
including furniture, filing cabinets, shelving, tables, chairs, folding machine, printers, computers,  
server, office supplies, kitchen contents, etc. Customer files containing service agreements will  
also be included.

Contents of Pump Station located at 13360 Melody Lane, Forney, TX 75126:  
including the chemical room and meter room, pipes, tools, etc. The LAS and Chlorine chemical  
bottles are rented from Lonestar Maintenance.

System Maps: All maps including as-builts and full system maps.

All documents and papers including corporate minute books, official records, and public  
information of any kind, whether in written or other form, member/customer lists, tariff, deeds and  
easements, usage reports, field operator reports, backflow reports, project files, purchase and sales  
records, personnel and independent contractor records, invoices, environmental control records,  
maintenance records, operating and management manuals, computer systems and software  
documentation, and forms.

Tangible property located on the three parcels of real estate owned by Markout Water Supply  
Corporation including all buildings, water storage tanks, generators, piping, equipment, etc.  
located in or on the property:

10371 Walnut Lane, Forney, TX (2 parcels)

13360 Melody Lane, Forney, TX

Entire water distribution system including water lines, pipes, clamps, fittings, meters, flush and  
fire hydrants, valves, and appurtenances.

40% of the 24 inch water line that runs from Rogers Street to the Forney Pump Station #2, the ownership of which is shared with Talty Special Utility District, and 40% of the capacity in that water line.

18 inch water line that runs from Sycamore Street to Rogers Street.

12 inch water line that runs from Sycamore Street to Melody Street.

All Deposits.

*(REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK)*

**Intangible Property**

Certificate of Convenience and Necessity (CCN) #10846 issued by the Public Utility Commission on May 31, 1965 as amended from time to time.

All right, title, and interest in and to all of the following assets owned by Markout Water Supply Corporation including the name “Markout Water Supply Corporation” and any variant of the name as well as all promotional designs, concepts, literature, advertising lay-outs, designs, and concepts.

All permits, licenses, franchises, consents, authorities, special authorities, and other similar acts of any government body (federal, state, local, or foreign) held by Markout Water Supply Corporation that may be lawfully assigned or transferred, subject to any action by such body that may be required in connection with such assignment or transfer.

Any all causes of action, uncollected receivables, refunds, customer security deposits, tax credits, franchise tax receipts, general intangibles and easements owned by Markout Water Supply Corporation.

VT SCADA Software (owned)  
Software Serial #52972

Website: [www.markoutwsc.com](http://www.markoutwsc.com)

Provider: GoDaddy

Domain name expires 10/2022

Hosting contract expires 10/2021

Federal Communications Commission (FCC) Registration #: 0007-0483-33

**EXHIBIT “D”**

**CONTRACTUAL RIGHTS**

1. Wholesale Water Contract and Amendment #1 between Markout Water Supply Corporation and the City of Forney
2. Non-Standard Service Contract for Grayhawk Addition 3 between Markout Water Supply Corporation and Madison Grayhawk Forney, Ltd.
3. March 2004 Agreement to Provide Water in Designated Areas between Markout Water Supply and the Forney Volunteer Fire Department, Inc.
4. December 10, 2019 Service Agreement with Texas Tank Services
5. Preventative Maintenance Agreement with Waukesha-Pearce Industries, LLC
6. December 10, 2019 ATT Internet and Voice Bundle Agreement
7. January 15, 2019 Service Agreement with Inframark, LLC
8. January 15, 2018 Coating Agreement with Cunningham, Inc.
9. January 17, 2020 Hach Pick and Ship Purchase Order
10. February 2017 Agreement between CareFlite and Markout Water Supply Corporation
11. Non-Standard Service Contract for Grayhawk Addition Phase 4 between Markout Water Supply Corporation and Madison Grayhawk Forney, Ltd.
12. 2007 Inter-Local Agreement between Talty Special Utility District and Markout Water Supply Corporation

**EXHIBIT "E"**

**LIABILITIES**

None

**EXHIBIT "F"**

**AFFIDAVIT OF CLOSING**

**TEXAS PUBLIC UTILITY COMMISSION**

**DOCKET NO. \_\_\_\_\_**

STATE OF TEXAS

COUNTY OF KAUFMAN

**AFFIDAVIT OF CLOSING**

BEFORE ME, the undersigned authority, on this day personally appeared Brian Andrews, President of Markout Water Supply Corporation, a non-profit water supply corporation ("Seller"), personally known to me to be the person whose name is subscribed hereto and upon his/her oath deposed and stated that:

"I am a citizen of the United States, of legal age, and have never been known by any other name than set out below; I am Brian Andrews, President of Markout Water Supply Corporation, authorized agent of Seller, and am authorized to make this affidavit on its behalf.

Seller and City of Mesquite ("Buyer") entered into that certain Water System Asset Transfer Agreement dated effective as of \_\_\_\_\_ ("Contract"), which provided for the sale and transfer to Buyer of Seller's water supply system, consisting of real property rights, easements, pipelines and related infrastructure and personal property as more fully described in the Contract (collectively the "Assets"), located within or to serve the area designated by the Commission under Water CCN No. 10846 ("Transfer Area").

Pursuant to the terms of the Contract the Seller has agreed that upon closing it will decertify and transfer the Transfer Area within its CCN No. 10846 to Buyer so that Buyer may amend its CCN No. 10060, to the extent required or necessary, in order to include the Transfer Area in accordance with Chapter 13 of the Texas Water Code.

The sale and transfer to the Buyer of Seller's water supply system, the decertification of Seller's CCN No. 10846, and the transfer of the Transfer Area to Buyer shall be collectively referred to as the "Transfer."

In addition, after the receipt by the Public Utility Commission ("PUC") of the applicable closing documents, Seller understands that PUC staff will prepare proposed maps, certificates, and recommendations for both the Seller and the Buyer to review and approve before their submittal to the PUC for approval of the Transfer; provided, however, that

Seller understands that it has the right to grant the Buyer the right to consent to the proposed maps, certificates and recommendations on behalf of the Seller.

The Seller hereby certifies that (i) as of the date hereof all of the water supply system and the Assets have been sold to Buyer in accordance with the terms of the Contract, (ii) Seller concurs with the Transfer under the applicable provisions of Chapter 13 of the Texas Water Code, (iii) Seller agrees that the PUC may take action to decertify the Transfer Area from Seller and certificate the Transfer Area to the Purchaser; and (iv) Seller has granted Buyer the authority to provide the necessary Seller's consent to PUC with respect to the proposed maps, certificates and the recommendation for decertification, and approval and issuance of any CCN necessary to effectuate the Transfer, and hereby authorizes the PUC to effectuate the Transfer upon receipt of Buyer's signed consent form without the further involvement of Seller, including, but not limited to, executing all necessary consent documents on behalf of the Seller.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_."

\_\_\_\_\_  
Brian, Andrews, Affiant

SUBSCRIBED AND SWORN TO before me on \_\_\_\_\_, 20\_\_ by Brian Andrews, President of Markout Water Supply Corporation, on behalf of said corporation.

SEAL

\_\_\_\_\_  
Print name: \_\_\_\_\_

Notary Public for the State of Texas  
Commission expires: \_\_\_\_\_

**EXHIBIT "G"**

**CONTRACT CLOSING CERTIFICATION**

Date: \_\_\_\_\_, 20\_\_ (the  
"Closing Date")

BEFORE ME, the undersigned authority, on this day personally appeared Brian Andrews, President of Markout Water Supply Corporation, a Texas non-profit corporation ("Seller"), personally known to me to be the person whose name is subscribed hereto and upon his/her oath depose and state that:

I am of legal age, and have never been known by any other name than set out below; I am Brian Andrews, President of Seller, and am authorized to make this affidavit on its behalf.

1. Seller and the City of Mesquite ("Buyer") entered into that certain Water System Asset Transfer Agreement dated effective as of \_\_\_\_\_ 2020 ("Agreement"), which provided for the sale and transfer of Seller's water supply system, consisting of real property rights, easements, pipelines and related infrastructure and personal property as more fully described in the Agreement (collectively the "Assets"), located within or for the purpose of serving the area designated by the Public Utility Commission of Texas under Water CCN No. 10846.

2. Seller has performed its disclosure obligations under the Agreement by providing the Buyer records and other documents as set out in Article 4 of the Agreement.

3. Seller is the owner of the Assets and has not granted any rights or interests in Assets during the pendency of the Agreement, and there are no leases, contracts of sale, parties in possession, or other contracts for the use or purchase of Assets.

4. Seller has no improvements to the Assets that have not been fully paid for or that could give rise to any mechanic's and materialman's liens or adverse claims.

5. There are no unpaid debts, judgments, taxes, liens, or obligations affecting the Assets.

6. Except as listed on Exhibit "A" hereto, to Seller's knowledge, Seller has not received notice of any condemnation proceeding, proceeding arising out of injury or damage to the Assets, litigation, arbitration, or administrative hearing, adverse claim, violation of applicable law, notice of default, or other proceeding that could adversely affect the Assets.

7. Seller has complied with Seller's Covenants in Section 3.2 of the Agreement.

8. Seller acknowledges that this affidavit is made to induce Buyer to purchase the Assets.

9. To Seller's knowledge, as of the Closing Date, the representations and warranties set out in the Agreement are still true and correct and have not been breached.

10. Seller's engineer has provided an Engineering Certificate, attached hereto as Exhibit "B" to this affidavit.

11. Seller's representations, warranties, covenants, and other agreements set forth in this Contract Closing Certification shall merge on the closing of the transactions contemplated by the Agreement and shall have no further force and effect thereafter.

\_\_\_\_\_  
Brian Andrews, President  
Markout Water Supply Corporation

**STATE OF TEXAS**       §  
                                      §  
**COUNTY OF KAUFMAN** §

SWORN AND SUBSCRIBED TO under oath by Brian Andrews, President of Markout Water Supply Corporation, before the undersigned notary public in witness of which I place my hand and seal on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

SEAL

\_\_\_\_\_  
Print name: \_\_\_\_\_  
Notary Public for the State of Texas  
  
Commission expires: \_\_\_\_\_

**Exhibit "A" to Contract Closing Certification**

**Notice of Claims and Proceedings**

**Exhibit "B" to Contract Closing Certification**

**Engineer's Certificate**

**EXHIBIT "F-1"**

**FORM OF ENGINEER'S CERTIFICATE**

**Engineer's Certificate**

THE STATE OF TEXAS           §  
  §  
COUNTY OF KAUFMAN       §

I, the undersigned ("Engineer"), of the firm of \_\_\_\_\_, do hereby certify the following:

1.     Engineer is familiar with the Markout Water Supply Corporation water utility system, including transmission pipelines, the distributions lines, the storage tanks, pressure tanks, and related appurtenances.

2.     In the course of performing engineering services for the Markout Water Supply Corporation, Engineer is not aware of any information regarding the engineering design of such water utility system affecting the current condition and future needs of the water utility system that is not contained in the records of the Markout Water Supply Corporation, except for the following:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3.     The word "certify" as used herein is an expression of professional opinion only and shall not be construed or understood to be a statement of fact, a warranty, or a guarantee of any kind, expressed or implied.

NAME OF ENGINEERING FIRM

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

STATE OF TEXAS       §  
                                  §  
COUNTY OF KAUFMAN §

SWORN AND SUBSCRIBED TO under oath by \_\_\_\_\_ before the  
undersigned notary public in witness of which I place my hand and seal on this \_\_\_\_\_ day of  
\_\_\_\_\_, 20\_\_\_\_.

SEAL

\_\_\_\_\_  
Print name: \_\_\_\_\_  
Notary Public for the State of Texas

Commission expires: \_\_\_\_\_

EXHIBIT "H"

FORM OF SPECIAL WARRANTY DEED AND ASSIGNMENT OF EASEMENTS

THE STATE OF TEXAS                   §  
  §   KNOW ALL BY THESE PRESENTS:  
COUNTY OF KAUFMAN                 §

That Markout Water Supply Corporation (hereinafter called "Grantor"), for and in consideration of the sum of TEN and NO/100 DOLLARS (\$10.00) and other good and valuable consideration paid to Grantor by the City of Mesquite (hereinafter called "Grantee"), the receipt and sufficiency of which are hereby acknowledged and for the payment of which no lien, express or implied, is retained, has GRANTED, SOLD AND CONVEYED, and by these presents does GRANT, SELL AND CONVEY to Grantee the real property situated in Kaufman County, Texas described in Exhibit "A" attached hereto and made a part hereof (the "Land"), together with (i) any and all improvements located thereon; (ii) all right, title and interest of Grantor, if any, in and to any land lying in the bed of any alley, street, road or access way, open or proposed, in front of, at a side of, or adjoining the Land to the centerline thereof; (iii) to the extent assignable, all rights, privileges, and easements whether appurtenant to the Land or in gross, which are owned by Grantor, including without limitation, those easements more particularly described in Exhibit "B" hereto, and, to the extent such are used by Grantor in connection with Grantor's water treatment and retail water system operated on the Land, the right to access the water lines and other appurtenances on lands owned by customers of the retail water system operated on the Land, all development rights relating to the Land and any other easements, rights-of-way, or appurtenances arising or used in connection with the beneficial use and enjoyment of the Land; and (iv) any and all reversionary interests of the Grantor in and to the Land (the Land and all of the related improvements, appurtenances, rights and interests referenced in items (i) through (iv) above are collectively referred to herein as the "Property"). This conveyance is made and accepted subject and subordinate to (i) any and all matters affecting the state of title to the Property and recorded in the appropriate public records or that would be apparent on a Land survey and (ii) all zoning, building and other laws, regulations and ordinances of any and all municipal, governmental and quasi-governmental bodies and agencies having jurisdiction over the Property or any part thereof (collectively, the "Permitted Exceptions").

**TO HAVE AND TO HOLD** the Property, together with all and singular the rights and appurtenances thereto in anywise belonging, unto Grantee, and Grantee's successors and assigns forever; and Grantor does hereby bind Grantor and Grantor's successors to warrant and forever defend all and singular the Property unto Grantee, and Grantee's successors and assigns, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof by, through or under Grantor, but not otherwise.

**IN WITNESS WHEREOF**, this Special Warranty Deed is executed by Grantor on the \_\_\_\_\_ day of \_\_\_\_\_, 2020.

\_\_\_\_\_  
Brian Andrews, President  
Markout Water Supply Corporation

THE STATE OF TEXAS           §  
  §  
COUNTY OF KAUFMAN       §

This instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by Brian Andrews, President of Markout Water Supply Corporation.

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_

**EXHIBIT "A" TO DEED**

**LAND**

**Kaufman County Appraisal District Property ID #18994**

Vol. 485, Page 385

10371 Walnut Lane, Forney, TX 75126

1965 – Original Purchase - .38 acres - Bederkesa Addition, Lot 79 Part (front of lot)

Office/Warehouse/EST

**Kaufman County Appraisal District Property ID #11823**

Vol. 863, Page 958

10371 Walnut Lane, Forney, TX 75126

1986 – Additional Purchase - .418 acres - Bederkesa Addition, Lot 79 Part (back of lot)

Office/Warehouse/EST

**Kaufman County Appraisal District Property ID #20642**

Vol. 1137, Page 550

13360 Melody Lane, Forney, TX 75126

1994 – Original Purchase – 1.23 acres – Lot 1A Block A Colonial Acres

Pump Station #1

**EXHIBIT "B" TO THE DEED  
EASEMENTS**

**EXHIBIT "I"**

**FORM OF CONVEYANCE, BILL OF SALE, AND ASSIGNMENT**

This Conveyance, Bill of Sale and Assignment ("Assignment") is entered into by and between Markout Water Supply Corporation ("Grantor"), a Texas corporation, and the City of Mesquite ("Grantee"), a municipal corporation of Texas.

**RECITALS**

A. Concurrently with the execution and delivery of this instrument, the Grantor is conveying to Grantee by Special Warranty Deed all of that certain parcel of real property, together with improvements thereon ("Improvements"), in Kaufman County, Texas (the "Property"), more particularly described in Exhibit "A" attached hereto and made a part hereof for all purposes.

B. It is the desire of the Grantor to bargain, sell, convey, transfer, set over and assign unto Grantee the following:

- (i) All of the Grantor's right, title and interest in items of furniture, fixtures, equipment, machinery, supplies and other items of tangible personal property presently owned, used or held for use by the Grantor and affixed, attached to, placed or located on the Property or used by the Grantor exclusively in connection with the ownership, operation and/or maintenance of the retail water system operated on the Property ("Utility System"), including without limitation, all facilities, wells, water lines, distribution lines, tanks, pumps, pipes, fittings, treatment equipment, meters, copies of records, permits, materials and supplies, inventories, and those items listed in Exhibit "B" attached hereto and made a part hereof (collectively, the "Tangible Personal Property");
- (ii) All of the Grantor's right, title and interest in Deposits, on the Closing Date;
- (iii) To the extent assignable, all of the Grantor's right, title and interest in and to (a) all plans, drawings, specifications, surveys, engineering reports, and other materials related to the Land and the Utility System, which are conveyed without representation or warranty as to the information or conclusions set out therein; (b) all warranties and guaranties related to the Improvements and the Tangible Personal Property; (c) all licenses, permits, franchises, approvals and any other development rights and benefits relating to the Property; and (d) all insurance policies, software and intellectual property rights, all contract rights, interest in any claims, causes of action or judgments (collectively, the "Intangible Property"); and
- (iv) All of the Grantor's rights under the agreements listed in Exhibit "C" attached hereto and made a part hereof.

C. The Tangible Personal Property, Deposits, and Intangible Property are hereinafter collectively referred to as the "Transferred Properties."

## **CONVEYANCE, ASSIGNMENT AND AGREEMENT**

For and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor does hereby BARGAIN, SELL, CONVEY, TRANSFER, SET-OVER AND ASSIGN unto Grantee, its successors and assigns, the Transferred Properties.

TO HAVE AND TO HOLD the Transferred Properties, together with all and singular the rights and appurtenances thereto in anywise belonging, unto Grantee and Grantee's successors and assigns forever, and the Grantor does hereby bind the Grantor and the Grantor's successors to warrant and forever defend all and singular the Transferred Properties unto Grantee, and Grantee's successors and assigns against any person whomsoever lawfully claiming, or to claim the same, or any part thereof, by, through or under the Grantor, but not otherwise.

This Assignment is given pursuant to that certain Closing Agreement dated effective \_\_\_\_\_ (the "Agreement") by and between the Grantor and Grantee concerning the Property and the Transferred Properties.

This Assignment shall be construed under and in accordance with the laws of the State of Texas and shall be performable in Kaufman County, Texas. This Assignment and the covenants, conditions and agreements herein shall inure to the benefit of and be binding upon the Grantor and Grantee, and their respective heirs, executors, administrators, successors and assigns.

EXECUTED the \_\_\_\_ day of \_\_\_\_\_, 2020.

**MARKOUT WATER SUPPLY CORPORATION:**

By: \_\_\_\_\_  
Name: Brian Andrews  
Title: President

THE STATE OF TEXAS           §  
  §  
COUNTY OF KAUFMAN         §

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2020 by Brian Andrews, President of Markout Water Supply Corporation.

\_\_\_\_\_  
Notary Public, State of Texas

**CITY OF MESQUITE**

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

Name: Cliff Keheley

Title: City Manager

THE STATE OF TEXAS           §

§

COUNTY OF DALLAS           §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2020 by  
Cliff Keheley, City Manager of the City of Mesquite.

\_\_\_\_\_  
Notary Public, State of Texas

**EXHIBIT "A" TO CONVEYANCE**  
**IMPROVEMENT ON PROPERTY**

**Office at 10371 Walnut Lane, Forney**

Septic System  
Office Building and parking lot  
Shop and attached Carport  
Cummins 20KW generator

**150,000 Gallon Water Tower at 10371 Walnut Lane** - watersphere, single pedestal, 132' tall  
8" standpipe replaced in conjunction with new 12" line coming to the tower from the  
Grayhawk subdivision

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Three pumps and associated appurtenances  
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**50,000 Gallon Ground Storage Tank at 13360 Melody Lane**

**108,000 Gallon Ground Storage Tank at 13360 Melody Lane**

**150,000 Gallon Ground Storage Tank at 13360 Melody Lane**

## EXHIBIT "B" TO CONVEYANCE

### TANGIBLE PERSONAL PROPERTY AND INTANGIBLES

#### Tangible Property

2009 Chevrolet Pick-up Truck – Silverado C1500

VIN: 1GCEC19X19Z266414

License Plate: TX AHO 3324

2004 Black Flatbed Trailer – Single Axle

VIN: 5LCF121631001941

License Plate: TX 1224420H

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including all hand tools, pipes, fittings, clamps, dressers, shelving, cabinets, benches, etc.

Contents of Office located at 10371 Walnut Lane, Forney, TX 75126:  
including furniture, filing cabinets, shelving, tables, chairs, folding machine, printers, computers,  
server, office supplies, kitchen contents, etc. Customer files containing service agreements will  
also be included.

Contents of Pump Station located at 13360 Melody Lane, Forney, TX 75126:  
including the chemical room and meter room, pipes, tools, etc. The LAS and Chlorine chemical  
bottles are rented from Lonestar Maintenance.

System Maps: All maps including as-builts and full system maps.

All documents and papers including corporate minute books, official records, and public  
information of any kind, whether in written or other form, member/customer lists, tariff, deeds and  
easements, usage reports, field operator reports, backflow reports, project files, purchase and sales  
records, personnel and independent contractor records, invoices, environmental control records,  
maintenance records, operating and management manuals, computer systems and software  
documentation, and forms.

Tangible property located on the three parcels of real estate owned by Markout Water Supply  
Corporation including all buildings, water storage tanks, generators, piping, equipment, etc.  
located in or on the property:

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13360 Melody Lane, Forney, TX

Entire water distribution system including water lines, pipes, clamps, fittings, meters, flush and  
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All Deposits.

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VT SCADA Software (owned)  
Software Serial #52972

Website: [www.markoutwsc.com](http://www.markoutwsc.com)  
Provider: GoDaddy  
Domain name expires 10/2022  
Hosting contract expires 10/2021

Federal Communications Commission (FCC) Registration #: 0007-0483-33

## **EXHIBIT “C” TO CONVEYANCE**

### **ASSIGNED AGREEMENTS**

1. Wholesale Water Contract and Amendment # 1 between Markout Water Supply Corporation and the City of Forney
2. Non-Standard Service Contract for Grayhawk Addition 3 between Markout Water Supply Corporation and Madison Grayhawk Forney, Ltd.
3. March 2004 Agreement to Provide Water in Designated Areas between Markout Water Supply and the Forney Volunteer Fire Department, Inc.
4. December 10, 2019 Service Agreement with Texas Tank Services
5. Preventative Maintenance Agreement with Waukesha-Pearce Industries, LLC
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12. 2007 Inter-Local Agreement between Talty Special Utility District and Markout Water Supply Corporation

**Schedule 1**  
**Membership Fees Schedule**

MARKOUT WATER SUPPLY CORPORATION		
MEMBERSHIP FEE DEPOSITS		
AS OF 09/23/2020		
LOCATION#	ADDRESS	DEPOSIT
01-0002	800 S BOIS D' ARC	\$50.00
01-0004	804 S BOIS D' ARC	\$50.00
01-0005	806 S BOIS D' ARC	\$250.00
01-0006	808 S BOIS D' ARC	\$50.00
01-0007	810 S BOIS D' ARC	\$100.00
01-0008	812 S BOIS D' ARC	\$100.00
01-0009	814 S BOIS D' ARC	\$50.00
01-0010	816 S BOIS D' ARC	\$50.00
01-0011	14038 SUNSET CT	\$100.00
01-0012	14086 SUNSET CT	\$100.00
01-0013	14120 SUNSET CT	\$100.00
01-0014	14081 SUNSET CT	\$100.00
01-0015	14035 SUNSET CT	\$100.00
01-0016	13333 FM 740	\$50.00
01-0017	13301 FM 740	\$100.00
01-0018	13275 FM 740	\$50.00
01-0019	13225 FM 740	\$100.00
01-0020	13125 FM 740	\$50.00
01-0021	13122 FM 740	\$100.00
01-0022	13186 FM 740	\$100.00
01-0023	13200 FM 740	\$250.00
01-0024	13234 FM 740	\$100.00
01-0025	13250 FM 740	\$100.00
01-0026	13308 FM 740	\$50.00
01-0027	13340 FM 740	\$100.00
01-0028	13091 FM 740	\$50.00
01-0029	12951 FM 740	\$100.00
01-0030	11550 BUSH LANE	\$100.00
01-0031	11600 BUSH LANE	\$100.00
01-0032	11618 BUSH LANE	\$100.00
01-0033	11632 BUSH LANE	\$100.00
01-0034	11660 BUSH LANE	\$100.00

01-0035	11704 BUSH LANE	\$100.00
01-0036	11711 BUSH LANE	\$100.00
01-0037	11701 BUSH LANE	\$100.00
01-0038	11683 BUSH LANE	\$100.00
01-0039	11651 BUSH LANE	\$100.00
01-0040	11581 BUSH LANE	\$250.00
01-0041	11685 MCMAHAN LN	\$100.00
01-0042	11671 MCMAHAN LN	\$100.00
01-0043	11613 MCMAHAN LN	\$100.00
01-0044	11509 MCMAHAN LN	\$100.00
01-0045	11497 MCMAHAN LN	\$100.00
01-0046	12875 FM 740	\$200.00
01-0047	12837 FM 740	\$100.00
01-0048	12747 FM 740	\$100.00
01-0049	11625 MCMAHAN LN	\$50.00
01-0050	12675 FM 740	\$100.00
01-0051	14722 CR 209	\$250.00
01-0052	CR 209	\$200.00
01-0053	15082 CR 209	\$200.00
01-0054	15101 CR 209	\$250.00
01-0055	12425 FM 740	\$100.00
01-0056	12425 FM 740	\$100.00
01-0057	12425 FM 740	\$100.00
01-0058	12155 FM 740	\$100.00
01-0059	12139 FM 740	\$50.00
01-0060	12075 FM 740	\$50.00
01-0061	12001 FM 740	\$50.00
01-0062	12009 FM 740	\$50.00
01-0063	10511 COUNTY ROAD 202	\$50.00
01-0064	10519 COUNTY ROAD 202	\$100.00
01-0065	10519 COUNTY ROAD 202	\$50.00
01-0066	10519 COUNTY ROAD 202	\$50.00
01-0067	10519 COUNTY ROAD 202	\$50.00
01-0068	15273 MARKOUT CENTRAL	\$100.00
01-0069	14873 MARKOUT CENTRAL	\$100.00
01-0070	10230 COUNTY ROAD 202	\$100.00
01-0071	14799 MARKOUT CENTRAL	\$100.00
01-0073	9979 OLD NACOGDOCHES TR	\$100.00
01-0074	9947 OLD NACOGDOCHES TR	\$50.00
01-0075	9925 OLD NACOGDOCHES TR	\$100.00
01-0076	9887 OLD NACOGDOCHES TR	\$100.00
01-0077	9861 OLD NACOGDOCHES TR	\$100.00
01-0078	9711 OLD NACOGDOCHES TR	\$100.00

01-0079	9649 OLD NACOGDOCHES TR	\$100.00
01-0081	9605 OLD NACOGDOCHES TR	\$100.00
01-0082	9581 OLD NACOGDOCHES TR	\$100.00
01-0083	9555 OLD NACOGDOCHES TR	\$100.00
01-0084	9337 OLD NACOGDOCHES TR	\$100.00
01-0085	9337 OLD NACOGDOCHES TR	\$100.00
01-0086	9199 OLD NACOGDOCHES TR	\$100.00
01-0087	9081 OLD NACOGDOCHES TR	\$200.00
01-0088	9076 OLD NACOGDOCHES TR	\$100.00
01-0089	9100 OLD NACOGDOCHES TR	\$50.00
01-0090	9428 OLD NACOGDOCHES TR	\$250.00
01-0091	9420 OLD NACOGDOCHES TR	\$250.00
01-0092	9500 OLD NACOGDOCHES TR	\$250.00
01-0094	9602 OLD NACOGDOCHES TR	\$100.00
01-0095	9688 OLD NACOGDOCHES TR	\$100.00
01-0096	9688 OLD NACOGDOCHES TR	\$100.00
01-0098	9876 OLD NACOGDOCHES TR	\$100.00
01-0099	11270 FM 740	\$100.00
01-0100	1152 BLUE RIDGE DR	\$200.00
01-0101	1133 BLUE RIDGE DR	\$200.00
01-0102	14728 MARKOUT CENTRAL	\$100.00
01-0103	10881 FM 740	\$100.00
01-0104	10833 FM 740	\$100.00
01-0105	10751 FM 740	\$100.00
01-0106	10611 FM 740	\$100.00
01-0107	10575 FM 740	\$100.00
01-0108	10511 FM 740	\$100.00
01-0109	15090 WISER RD	\$100.00
01-0110	15122 WISER RD	\$100.00
01-0111	15154 WISER RD	\$100.00
01-0112	15180 WISER RD	\$100.00
01-0113	10138 WILSON LN	\$100.00
01-0114	15400 WISER RD	\$100.00
01-0115	10074 WILSON LN	\$100.00
01-0116	10051 WILSON LN	\$100.00
01-0117	10051 WILSON LN	\$100.00
01-0118	10101 WILSON LN	\$100.00
01-0119	15558 WISER RD	\$100.00
01-0120	15586 WISER RD	\$200.00
01-0121	15674 WISER RD	\$100.00
01-0122	15760 WISER RD	\$50.00
01-0123	15908 WISER RD	\$100.00
01-0124	10713 FM 740	\$100.00

01-0125	15547 WISER RD	\$100.00
01-0126	15429 WISER RD	\$100.00
01-0127	15429 WISER RD	\$100.00
01-0128	15311 WISER RD	\$100.00
01-0129	10467 FM 740	\$50.00
01-0130	10403 FM 740	\$50.00
01-0131	7022 TERRI LEA LN	\$100.00
01-0132	10399 MUSTANG RUN	\$100.00
01-0133	1144 GRAYHAWK DR	\$100.00
01-0134	1140 GRAYHAWK DR	\$100.00
01-0135	1136 GRAYHAWK DR	\$100.00
01-0138	1017 GRAYHAWK DR	\$100.00
01-0139	1121 GLENDON DR	\$100.00
01-0140	1125 GLENDON DR	\$100.00
01-0141	1305 WARBLER DR	\$100.00
01-0142	1309 WARBLER DR	\$100.00
01-0143	1105 GLENDON DR	\$250.00
01-0144	1304 STORK WAY	\$100.00
01-0145	1120 WARBLER DR	\$100.00
01-0146	1124 WARBLER DR	\$100.00
01-0147	1137 WARBLER DR	\$100.00
01-0148	9908 FM 2757	\$100.00
01-0149	1128 WARBLER DR	\$100.00
01-0150	1116 WARBLER DR	\$100.00
01-0151	14833 TRADEWINDS CIRCLE	\$50.00
01-0152	1308 STORK WAY	\$100.00
01-0153	1141 WARBLER DR	\$100.00
01-0154	1125 WARBLER DR	\$100.00
01-0155	8433 FM 2757	\$100.00
01-0157	9925 FM 740	\$100.00
01-0158	9873 FM 740	\$50.00
01-0159	9737 FM 740	\$100.00
01-0160	9655 S FM 740	\$100.00
01-0161	9570 FM 740	\$100.00
01-0162	9562 FM 740	\$50.00
01-0163	9650 FM 740	\$50.00
01-0164	9710 FM 740	\$100.00
01-0165	9878 FM 740	\$100.00
01-0166	9878 FM 740	\$100.00
01-0167	10410 FM 740	\$50.00
01-0168	10460 FM 740	\$50.00
01-0169	11150 FM 740	\$100.00
01-0170	10630 FM 740	\$100.00

01-0171	10252 MUSTANG RUN	\$100.00
01-0172	10874 FM 740	\$200.00
01-0173	10990 FM 740 - NEW BUILDING	\$250.00
01-0174	11218 FM 740	\$50.00
01-0175	11312 FM 740	\$100.00
01-0176	10421 FM 2757	\$100.00
01-0177	10421 FM 2757	\$100.00
01-0179	10287 FM 2757	\$200.00
01-0180	10114 FM 2757	\$100.00
01-0181	9900 FM 2757	\$100.00
01-0182	9908 FM 2757	\$100.00
01-0186	8250 UNION HILL RD	\$50.00
01-0187	8283 UNION HILL RD	\$100.00
01-0188	8329 UNION HILL RD	\$50.00
01-0189	8286 UNION HILL RD	\$200.00
01-0190	8338 UNION HILL RD	\$250.00
01-0191	8338 UNION HILL RD	\$250.00
01-0192	8375 UNION HILL RD	\$25.00
01-0193	8421 UNION HILL RD	\$200.00
01-0194	8512 UNION HILL RD	\$50.00
01-0195	8575 UNION HILL RD	\$100.00
01-0196	8575 UNION HILL RD	\$100.00
01-0197	8568 UNION HILL RD	\$250.00
01-0198	8670 UNION HILL RD	\$50.00
01-0200	8690 UNION HILL RD	\$50.00
01-0201	14115 KELLY RD	\$100.00
01-0202	14173 KELLY RD	\$50.00
01-0203	14221 KELLY RD	\$100.00
01-0204	14247 KELLY RD	\$200.00
01-0205	14325 KELLY RD	\$200.00
01-0206	14471 KELLY RD	\$50.00
01-0208	14675 KELLY RD	\$50.00
01-0209	14725 KELLY RD	\$25.00
01-0212	15125 KELLY RD	\$50.00
01-0213	15125 KELLY RD	\$50.00
01-0214	14025 SHERWOOD LN	\$50.00
01-0215	14053 SHERWOOD LN	\$50.00
01-0216	14040 SHERWOOD LN	\$50.00
01-0217	14084 SHERWOOD LN	\$50.00
01-0218	14087 SHERWOOD LN	\$50.00
01-0219	14115 SHERWOOD LN	\$50.00
01-0220	14371 PECAN LN	\$50.00
01-0221	14136 SHERWOOD LN	\$50.00

01-0223	14204 SHERWOOD LN	\$50.00
01-0224	14283 SHERWOOD LN	\$50.00
01-0225	14292 SHERWOOD LN	\$50.00
01-0226	14321 SHERWOOD LN	\$50.00
01-0227	9754 OLD NACOGDOCHES TR	\$100.00
01-0228	8520 FM 2757	\$200.00
01-0229	8430 FM 2757	\$200.00
01-0230	8433 FM 2757	\$50.00
01-0231	13914 OVERLOOK LN	\$50.00
01-0232	14050 OVERLOOK LN	\$50.00
01-0233	14026 OVERLOOK LN	\$50.00
01-0234	14866 MELODY LN	\$100.00
01-0235	14074 OVERLOOK LN	\$50.00
01-0236	14050 OVERLOOK LN	\$50.00
01-0238	8249 FM 2757	\$50.00
01-0239	8145 FM 2757	\$0.00
01-0240	8075 FM 2757	\$50.00
01-0241	7909 FM 2757	\$50.00
01-0242	7901 PECAN OAK LN	\$200.00
01-0243	7901 PECAN OAK LN	\$50.00
01-0244	10216 FM 2757	\$50.00
01-0245	10620 WALNUT LN	\$100.00
01-0246	10728 WALNUT LN	\$200.00
01-0247	10826 WALNUT LN	\$200.00
01-0248	10826 WALNUT LN	\$200.00
01-0250	11102 WALNUT LN	\$100.00
01-0251	813 GOOSE CT	\$250.00
01-0252	10000 WALNUT LN - Entrance 1 - Meter 1	\$100.00
01-0253	10000 WALNUT LN - Entrance 1 - Meter 2	\$100.00
01-0254	8010 TERRI LEA LN	\$100.00
01-0255	1128 GRAYHAWK DR	\$100.00
01-0256	7066 TERRI LEA LN	\$100.00
01-0257	11400 WALNUT LN	\$100.00
01-0258	14175 PECAN LN	\$50.00
01-0259	9487 OLD NACOGDOCHES TR	\$100.00
01-0260	14253 PECAN LN	\$50.00
01-0261	14279 PECAN LN	\$100.00
01-0262	14279 PECAN LN	\$50.00
01-0263	14303 PECAN LN	\$50.00
01-0264	14325 PECAN LN	\$100.00
01-0265	14325 PECAN LN	\$50.00
01-0266	14371 PECAN LN	\$50.00
01-0267	14701 KELLY RD	\$100.00

01-0268	14413 PECAN LN	\$25.00
01-0269	14445 PECAN LN	\$50.00
01-0270	14469 PECAN LN	\$50.00
01-0271	14491 PECAN LN	\$50.00
01-0272	14565 PECAN LN	\$50.00
01-0273	14615 PECAN LN	\$50.00
01-0274	14661 PECAN LN	\$50.00
01-0275	14721 PECAN LN	\$100.00
01-0276	14729 PECAN LN	\$100.00
01-0277	14763 PECAN LN	\$100.00
01-0278	11511 WALNUT LN	\$100.00
01-0279	11523 WALNUT LN	\$100.00
01-0280	11559 WALNUT LN	\$100.00
01-0281	11567 WALNUT LN	\$100.00
01-0282	11589 WALNUT LN	\$100.00
01-0283	11601 WALNUT LN	\$100.00
01-0284	11619 WALNUT LN	\$100.00
01-0285	13522 HOLLOWCREEK DR	\$100.00
01-0286	13654 HOLLOWCREEK DR	\$50.00
01-0287	13702 HOLLOWCREEK DR	\$50.00
01-0288	13774 HOLLOWCREEK DR	\$50.00
01-0289	13892 HOLLOWCREEK DR	\$50.00
01-0290	13889 HOLLOWCREEK DR	\$100.00
01-0291	13821 HOLLOWCREEK DR	\$100.00
01-0292	13791 HOLLOWCREEK DR	\$50.00
01-0293	13763 HOLLOWCREEK DR	\$50.00
01-0294	13737 HOLLOWCREEK DR	\$50.00
01-0295	13699 HOLLOWCREEK DR	\$50.00
01-0296	13579 HOLLOWCREEK DR	\$50.00
01-0297	13525 HOLLOWCREEK DR	\$100.00
01-0298	11690 WALNUT LN	\$100.00
01-0299	14954 MELODY LN	\$50.00
01-0300	14936 MELODY LN	\$50.00
01-0301	14900 MELODY LN	\$50.00
01-0302	14914 MELODY LN	\$50.00
01-0303	14848 MELODY LN	\$50.00
01-0304	14812 MELODY LN	\$50.00
01-0305	14754 MELODY LN	\$100.00
01-0306	14728 MELODY LN	\$50.00
01-0307	14694 MELODY LN	\$50.00
01-0308	14675 MELODY LN	\$250.00
01-0309	14660 MELODY LN	\$100.00
01-0310	14642 MELODY LN	\$100.00

01-0311	14591 MELODY LN	\$50.00
01-0312	14534 MELODY LN	\$50.00
01-0313	14432 MELODY LN	\$50.00
01-0314	14424 MELODY LN	\$50.00
01-0315	14368 MELODY LN	\$50.00
01-0316	14322 MELODY LN	\$50.00
01-0317	14274 MELODY LN	\$50.00
01-0318	14226 MELODY LN	\$50.00
01-0319	14208 MELODY LN	\$250.00
01-0320	14178 MELODY LN	\$50.00
01-0321	14142 MELODY LN	\$50.00
01-0322	14126 MELODY LN	\$50.00
01-0323	14062 MELODY LN	\$50.00
01-0324	14027 MELODY LN	\$50.00
01-0325	14075 MELODY LN	\$50.00
01-0326	14129 MELODY LN	\$50.00
01-0327	14155 MELODY LN	\$50.00
01-0328	14201 MELODY LN	\$50.00
01-0329	14231 MELODY LN	\$50.00
01-0330	14259 MELODY LN	\$50.00
01-0331	14297 MELODY LN	\$50.00
01-0332	14325 MELODY LN	\$50.00
01-0333	14361 MELODY LN	\$50.00
01-0334	14425 MELODY LN	\$50.00
01-0335	14463 MELODY LN	\$50.00
01-0336	14477 MELODY LN	\$100.00
01-0337	14525 MELODY LN	\$50.00
01-0339	14627 MELODY LN	\$50.00
01-0340	14639 MELODY LN	\$50.00
01-0341	14682 MELODY LN	\$50.00
01-0342	14685 MELODY LN	\$50.00
01-0343	14713 MELODY LN	\$50.00
01-0344	14727 MELODY LN	\$50.00
01-0345	14745 MELODY LN	\$250.00
01-0346	14787 MELODY LN	\$50.00
01-0347	14829 MELODY LN	\$100.00
01-0348	14851 MELODY LN	\$50.00
01-0349	14875 MELODY LN	\$50.00
01-0350	14903 MELODY LN	\$50.00
01-0351	10001 MUSTANG RUN	\$50.00
01-0352	11334 FM 740	\$200.00
01-0353	10350 WALNUT LN	\$200.00
01-0354	10414 WALNUT LN	\$200.00

01-0355	10436 WALNUT LN	\$200.00
01-0356	10474 WALNUT LN	\$200.00
01-0357	10500 WALNUT LN	\$200.00
01-0358	10572 WALNUT LN	\$200.00
01-0359	10594 WALNUT LN	\$200.00
01-0360	10126 MUSTANG RUN	\$200.00
01-0361	10567 MUSTANG RUN	\$100.00
01-0362	10525 MUSTANG RUN	\$100.00
01-0363	10483 MUSTANG RUN	\$100.00
01-0364	10210 MUSTANG RUN	\$100.00
01-0365	10168 MUSTANG RUN	\$200.00
01-0366	10357 MUSTANG RUN	\$100.00
01-0367	10315 MUSTANG RUN	\$100.00
01-0368	10273 MUSTANG RUN	\$200.00
01-0369	10231 MUSTANG RUN	\$200.00
01-0370	10189 MUSTANG RUN	\$200.00
01-0371	10147 MUSTANG RUN	\$200.00
01-0372	10105 MUSTANG RUN	\$200.00
01-0373	10063 MUSTANG RUN	\$200.00
01-0374	14113 PECAN LN	\$100.00
01-0375	14337 PECAN LN	\$100.00
01-0376	14227 PECAN LN	\$100.00
01-0377	15214 WISER RD	\$100.00
01-0378	10380 WALNUT LN	\$100.00
01-0379	9743 OLD NACOGDOCHES TR	\$100.00
01-0380	15940 WISER RD	\$100.00
01-0381	13551 HOLLOWCREEK DR	\$100.00
01-0382	10713 FM 740	\$100.00
01-0383	15490 MARKOUT CENTRAL	\$250.00
01-0384	15276 WISER RD	\$100.00
01-0385	9663 OLD NACOGDOCHES TR	\$100.00
01-0386	14931 MELODY LN	\$100.00
01-0387	CORNER OF FM 740 S & FM 2757	\$100.00
01-0388	13837 HOLLOWCREEK DR	\$100.00
01-0389	9570 FM 740	\$100.00
01-0390	9574 FM 740	\$100.00
01-0391	8372 UNION HILL RD	\$100.00
01-0392	15175 MARKOUT CENTRAL	\$100.00
01-0393	14129 MELODY LN	\$100.00
01-0395	13653 HOLLOWCREEK DR	\$100.00
01-0396	9461 OLD NACOGDOCHES TR	\$100.00
01-0397	8685 UNION HILL RD	\$100.00
01-0398	15007 CR 209	\$100.00

01-0399	15007 CR 209	\$100.00
01-0400	9453 OLD NACOGDOCHES TR	\$100.00
01-0401	14981 MARKOUT CENTRAL	\$100.00
01-0402	15311 WISER RD	\$100.00
01-0403	14397 PECAN LN	\$100.00
01-0404	15936 WISER RD	\$100.00
01-0405	13881 HOLLOWCREEK DR	\$100.00
01-0406	1110 BLUE RIDGE DR	\$100.00
01-0407	12853 FM 740	\$100.00
01-0408	11619 WALNUT LN	\$100.00
01-0409	9913 FM 740	\$100.00
01-0410	13881 HOLLOWCREEK DR	\$100.00
01-0411	9901 FM 740	\$100.00
01-0412	11461 MCMAHAN LN	\$100.00
01-0413	8522 FM 2757	\$100.00
01-0414	15265 MARKOUT CENTRAL	\$100.00
01-0415	11650 MCMAHAN LN	\$100.00
01-0416	15477 MARKOUT CENTRAL	\$100.00
01-0417	14955 MELODY LN	\$100.00
01-0419	10216 FM 2757	\$100.00
01-0420	12689 FM 740	\$100.00
01-0421	9123 OLD NACOGDOCHES TR	\$100.00
01-0422	9105 OLD NACOGDOCHES TR	\$100.00
01-0423	9147 OLD NACOGDOCHES TR	\$100.00
01-0424	9578 FM 740	\$50.00
01-0425	15045 MARKOUT CENTRAL	\$100.00
01-0426	15301 MARKOUT CENTRAL	\$100.00
01-0427	15900 WISER RD	\$100.00
01-0428	15892 WISER RD	\$100.00
01-0429	9609 FM 740	\$100.00
01-0430	14513 PECAN LN	\$100.00
01-0431	15117 MARKOUT CENTRAL	\$100.00
01-0432	10622 FM 740	\$100.00
01-0433	15053 MARKOUT CENTRAL	\$250.00
01-0434	9533 OLD NACOGDOCHES TR	\$100.00
01-0435	9555 FM 740	\$100.00
01-0436	9315 OLD NACOGDOCHES TR	\$100.00
01-0437	9293 OLD NACOGDOCHES TR	\$250.00
01-0438	15420 MARKOUT CENTRAL	\$100.00
01-0439	9581 OLD NACOGDOCHES TR	\$100.00
01-0440	10380 FM 740	\$100.00
01-0441	12001 FM 740	\$100.00
01-0442	8670 UNION HILL RD	\$100.00

01-0443	14633 KELLY RD	\$100.00
01-0444	14675 KELLY RD	\$100.00
01-0445	14541 KELLY RD	\$100.00
01-0447	14675 KELLY RD	\$100.00
01-0448	14675 KELLY RD	\$100.00
01-0449	14310 SHERWOOD LN	\$100.00
01-0450	15485 MARKOUT CENTRAL	\$100.00
01-0451	14031 PECAN LN	\$100.00
01-0452	15081 MARKOUT CENTRAL	\$100.00
01-0453	14713 KELLY RD	\$100.00
01-0454	14095 PECAN LN	\$100.00
01-0455	15141 MARKOUT CENTRAL	\$100.00
01-0456	15530 WISER RD	\$100.00
01-0457	10707 WALNUT LN	\$100.00
01-0458	14732 TRADEWINDS BLVD	\$50.00
01-0459	10696 MEADOWBROOK BLVD	\$50.00
01-0460	12290 FM 740	\$50.00
01-0461	14800 TRADEWINDS CIRCLE	\$50.00
01-0462	11976 FM 740	\$50.00
01-0463	14601 GREENBRIER BLVD	\$50.00
01-0464	10612 LIVE OAK DR	\$250.00
01-0465	10692 LIVE OAK DR	\$50.00
01-0466	10524 LIVE OAK DR	\$50.00
01-0467	10654 LIVE OAK DR	\$50.00
01-0468	10631 LIVE OAK DR	\$50.00
01-0469	14650 TRADEWINDS BLVD	\$50.00
01-0470	10636 MEADOWBROOK BLVD	\$50.00
01-0471	10831 PEACH CIR	\$50.00
01-0472	14625 TRADEWINDS BLVD	\$50.00
01-0473	10650 GREENBRIER CIRCLE	\$50.00
01-0474	11654 FM 740	\$50.00
01-0475	10467 WALNUT LN	\$100.00
01-0476	10601 WALNUT LN	\$100.00
01-0477	14718 TRADEWINDS BLVD	\$50.00
01-0478	11590 FM 740	\$50.00
01-0479	10673 LIVE OAK DR	\$50.00
01-0480	10571 WALNUT LN	\$100.00
01-0481	14701 TRADEWINDS BLVD	\$50.00
01-0482	14746 TRADEWINDS BLVD	\$50.00
01-0483	11912 FM 740	\$50.00
01-0484	11626 FM 740	\$50.00
01-0485	11736 FM 740	\$50.00
01-0486	14614 TRADEWINDS BLVD	\$50.00

01-0487	10836 PEACH CIR	\$50.00
01-0488	12064 FM 740	\$50.00
01-0491	10696 LIVE OAK DR	\$50.00
01-0492	10559 LIVE OAK DR	\$50.00
01-0493	10655 LIVE OAK DR	\$50.00
01-0494	10689 LIVE OAK DR	\$50.00
01-0495	10839 PEACH CIR	\$50.00
01-0496	14590 GREENBRIER BLVD	\$50.00
01-0497	14655 TRADEWINDS BLVD	\$50.00
01-0498	14560 GREENBRIER BLVD	\$50.00
01-0499	10678 MEADOWBROOK BLVD	\$50.00
01-0500	11822 FM 740	\$250.00
01-0501	14626 TRADEWINDS BLVD	\$50.00
01-0503	10744 MEADOWBROOK BLVD	\$50.00
01-0504	10822 PEACH CIR	\$50.00
01-0505	10844 PEACH CIR	\$50.00
01-0506	10701 MEADOWBROOK BLVD	\$50.00
01-0508	10421 WALNUT LN	\$100.00
01-0509	10751 MEADOWBROOK BLVD	\$50.00
01-0510	10483 WALNUT LN	\$100.00
01-0511	10700 TRADEWINDS BLVD	\$50.00
01-0512	10532 LIVE OAK DR	\$50.00
01-0513	14686 TRADEWINDS BLVD	\$50.00
01-0514	14505 GREENBRIER BLVD	\$50.00
01-0515	10707 MEADOWBROOK BLVD	\$250.00
01-0516	10610 MEADOWBROOK BLVD	\$50.00
01-0517	10716 MEADOWBROOK BLVD	\$50.00
01-0518	10689 GREENBRIER CIRCLE	\$50.00
01-0519	10636 LIVE OAK DR	\$50.00
01-0520	11561 FM 740	\$50.00
01-0521	14639 TRADEWINDS BLVD	\$50.00
01-0522	11682 FM 740	\$50.00
01-0523	10704 MEADOWBROOK BLVD	\$50.00
01-0524	12152 FM 740	\$50.00
01-0525	14583 GREENBRIER BLVD	\$50.00
01-0526	14531 GREENBRIER BLVD	\$50.00
01-0527	10739 MEADOWBROOK BLVD	\$50.00
01-0528	10741 WALNUT LN	\$100.00
01-0529	10637 GREENBRIER CIRCLE	\$50.00
01-0530	10490 LIVE OAK DR	\$50.00
01-0531	11762 FM 740	\$50.00
01-0532	10470 LIVE OAK DR	\$50.00
01-0533	10713 MEADOWBROOK BLVD	\$50.00

01-0534	14578 GREENBRIER BLVD	\$50.00
01-0535	10678 LIVE OAK DR	\$50.00
01-0536	11790 FM 740	\$50.00
01-0537	8500 FM 2757	\$100.00
01-0538	14039 OVERLOOK LN	\$100.00
01-0539	9401 OLD NACOGDOCHES TR	\$250.00
01-0540	12973 FM 740	\$100.00
01-0541	9415 OLD NACOGDOCHES TR	\$100.00
01-0542	14713 KELLY RD	\$100.00
01-0543	15488 MARKOUT CENTRAL	\$100.00
01-0544	9041 OLD NACOGDOCHES TR	\$250.00
01-0545	13840 HOLLOWCREEK DR	\$100.00
01-0546	10000 MUSTANG RUN	\$100.00
01-0547	9199 OLD NACOGDOCHES TR	\$100.00
01-0548	8977 OLD NACOGDOCHES TR	\$100.00
01-0549	8945 OLD NACOGDOCHES TR	\$100.00
01-0553	12837 FM 740	\$100.00
01-0554	8540 FM 2757	\$100.00
01-0555	7099 TERRI LEA LN	\$100.00
01-0556	10000 CIMARRON TR	\$100.00
01-0557	10022 CIMARRON TR	\$100.00
01-0558	10044 CIMARRON TR	\$100.00
01-0559	10066 CIMARRON TR	\$100.00
01-0560	10088 CIMARRON TR	\$100.00
01-0561	10110 CIMARRON TR	\$250.00
01-0562	10132 CIMARRON TR	\$100.00
01-0563	10154 CIMARRON TR	\$100.00
01-0564	10176 CIMARRON TR	\$100.00
01-0565	10198 CIMARRON TR	\$100.00
01-0566	10230 CIMARRON TR	\$100.00
01-0567	10252 CIMARRON TR	\$100.00
01-0568	10274 CIMARRON TR	\$100.00
01-0569	10296 CIMARRON TR	\$250.00
01-0570	10318 CIMARRON TR	\$100.00
01-0571	11340 GLENN COVE	\$100.00
01-0572	11351 GLENN COVE	\$100.00
01-0573	11329 GLENN COVE	\$100.00
01-0575	11275 GLENN COVE	\$100.00
01-0576	11253 GLENN COVE	\$100.00
01-0577	11231 GLENN COVE	\$100.00
01-0578	11209 GLENN COVE	\$100.00
01-0579	11187 GLENN COVE	\$100.00
01-0580	11165 GLENN COVE	\$100.00

01-0581	11143 GLENN COVE	\$100.00
01-0582	11121 GLENN COVE	\$100.00
01-0583	11099 GLENN COVE	\$100.00
01-0584	11077 GLENN COVE	\$100.00
01-0585	11055 GLENN COVE	\$100.00
01-0586	10021 MUSTANG RUN	\$200.00
01-0587	10336 MUSTANG RUN	\$100.00
01-0588	10294 MUSTANG RUN	\$100.00
01-0589	10042 MUSTANG RUN	\$100.00
01-0590	7077 TERRI LEA LN	\$100.00
01-0591	8021 TERRI LEA LN	\$100.00
01-0592	14750 MARKOUT CENTRAL	\$100.00
01-0593	8601 FM 2757	\$100.00
01-0594	14041 KELLY RD	\$100.00
01-0595	11033 GLENN COVE	\$100.00
01-0596	11000 GLENN COVE	\$100.00
01-0597	11022 GLENN COVE	\$100.00
01-0598	11044 GLENN COVE	\$100.00
01-0599	11066 GLENN COVE	\$100.00
01-0600	11088 GLENN COVE	\$100.00
01-0601	11110 GLENN COVE	\$100.00
01-0602	11132 GLENN COVE	\$100.00
01-0603	11154 GLENN COVE	\$100.00
01-0604	11176 GLENN COVE	\$100.00
01-0605	11198 GLENN COVE	\$100.00
01-0606	11220 GLENN COVE	\$100.00
01-0607	11242 GLENN COVE	\$100.00
01-0608	11264 GLENN COVE	\$100.00
01-0609	11286 GLENN COVE	\$100.00
01-0610	10309 CIMARRON TR	\$100.00
01-0611	10287 CIMARRON TR	\$100.00
01-0612	10265 CIMARRON TR	\$250.00
01-0613	10243 CIMARRON TR	\$100.00
01-0614	10221 CIMARRON TR	\$100.00
01-0615	10209 CIMARRON TR	\$100.00
01-0616	10187 CIMARRON TR	\$100.00
01-0617	10165 CIMARRON TR	\$100.00
01-0618	10143 CIMARRON TR	\$100.00
01-0619	10121 CIMARRON TR	\$100.00
01-0620	10099 CIMARRON TR	\$100.00
01-0621	10077 CIMARRON TR	\$100.00
01-0622	10055 CIMARRON TR	\$100.00
01-0623	10033 CIMARRON TR	\$100.00

01-0624	11011 GLENN COVE	\$100.00
01-0625	10084 MUSTANG RUN	\$100.00
01-0626	15620 WISER RD	\$100.00
01-0627	10546 MUSTANG RUN	\$100.00
01-0628	14849 KELLY RD	\$50.00
01-0629	13557 HOLLOWCREEK DR	\$100.00
01-0631	14322 MELODY LN	\$50.00
01-0633	14226 MELODY LN	\$50.00
01-0635	8522 FM 2757	\$50.00
01-0637	14027 MELODY LN	\$50.00
01-0638	9055 OLD NACOGDOCHES TR	\$50.00
01-0639	14296 MELODY LN	\$100.00
01-0642	7044 TERRI LEA LN	\$100.00
01-0643	7055 TERRI LEA LN	\$100.00
01-0644	15915 WISER RD	\$100.00
01-0645	9650 FM 740	\$50.00
01-0646	10378 MUSTANG RUN	\$100.00
01-0647	10462 MUSTANG RUN	\$100.00
01-0648	10441 MUSTANG RUN	\$100.00
01-0649	9719 OLD NACOGDOCHES TR	\$50.00
01-0650	9033 OLD NACOGDOCHES TR	\$100.00
01-0651	11695 BUSH LANE	\$100.00
01-0652	13580 HOLLOWCREEK DR	\$100.00
01-0653	13550 HOLLOWCREEK DR	\$100.00
01-0654	14529 PECAN LN	\$100.00
01-0656	1217 GRAYHAWK DR	\$100.00
01-0657	1132 WARBLER DR	\$100.00
01-0658	1205 GRAYHAWK DR	\$100.00
01-0659	1313 WARBLER DR	\$100.00
01-0660	1317 WARBLER DR	\$100.00
01-0661	1308 WARBLER DR	\$100.00
01-0662	1204 GRAYHAWK DR	\$100.00
01-0663	1308 CANARY LN	\$100.00
01-0664	1141 GRAYHAWK DR	\$100.00
01-0665	1216 LITTLE GULL DR	\$100.00
01-0666	1140 WARBLER DR	\$100.00
01-0667	7033 TERRI LEA LN	\$100.00
01-0668	1117 GLENDON DR	\$100.00
01-0669	1109 GLENDON DR	\$100.00
01-0670	1312 WARBLER DR	\$100.00
01-0671	1229 GRAYHAWK DR	\$100.00
01-0672	1309 STORK WAY	\$250.00
01-0673	1220 GRAYHAWK DR	\$250.00

01-0674	1305 STORK WAY	\$100.00
01-0675	1321 WARBLER DR	\$100.00
01-0676	1216 GRAYHAWK DR	\$100.00
01-0677	1220 LITTLE GULL DR	\$100.00
01-0678	1201 WARBLER DR	\$100.00
01-0679	7917 FM 2757	\$100.00
01-0680	1316 WARBLER DR	\$100.00
01-0681	1309 CANARY LN	\$100.00
01-0682	1316 CANARY LN	\$100.00
01-0683	1245 GRAYHAWK DR	\$100.00
01-0684	680 S FM 548	\$100.00
01-0685	1233 GRAYHAWK DR	\$100.00
01-0686	1320 CANARY LN	\$100.00
01-0687	800 WREN CT	\$100.00
01-0688	808 WREN CT	\$100.00
01-0689	809 WREN CT	\$100.00
01-0690	1201 GRAYHAWK DR	\$100.00
01-0691	1301 STORK WAY	\$100.00
01-0692	1136 WARBLER DR	\$100.00
01-0693	801 WREN CT	\$100.00
01-0694	1312 STORK WAY	\$100.00
01-0695	800 ORIOLE DR	\$100.00
01-0696	1300 STORK WAY	\$100.00
01-0697	1117 WARBLER DR	\$100.00
01-0698	1101 GLENDON DR	\$100.00
01-0699	1105 GRAYHAWK DR	\$100.00
01-0700	1124 GRAYHAWK DR	\$100.00
01-0701	15125 MARKOUT CENTRAL	\$100.00
01-0702	1224 GRAYHAWK DR	\$100.00
01-0703	1113 GLENDON DR	\$100.00
01-0704	1232 GRAYHAWK DR	\$100.00
01-0705	1125 GRAYHAWK DR	\$100.00
01-0707	1320 WARBLER DR	\$100.00
01-0708	10504 MUSTANG RUN	\$100.00
01-0709	1112 WARBLER DR	\$100.00
01-0710	801 MALLARD DR	\$100.00
01-0711	1224 LITTLE GULL DR	\$100.00
01-0712	1313 STORK WAY	\$100.00
01-0713	905 MALLARD DR	\$100.00
01-0714	1324 CANARY LN	\$100.00
01-0715	1325 CANARY LN	\$100.00
01-0716	1329 CANARY LN	\$100.00
01-0717	1121 GRAYHAWK DR	\$100.00

01-0718	1133 GRAYHAWK DR	\$100.00
01-0719	1137 GRAYHAWK DR	\$100.00
01-0720	1224 WARBLER DR	\$100.00
01-0721	1112 GLENDON DR	\$100.00
01-0722	1208 LITTLE GULL DR	\$100.00
01-0723	812 ORIOLE DR	\$100.00
01-0724	1301 CANARY LN	\$100.00
01-0725	1317 CANARY LN	\$100.00
01-0726	1305 CANARY LN	\$100.00
01-0727	1213 GRAYHAWK DR	\$100.00
01-0728	1209 GRAYHAWK DR	\$100.00
01-0729	1136 GLENDON DR	\$100.00
01-0730	1200 LITTLE GULL DR	\$100.00
01-0731	1313 CANARY LN	\$100.00
01-0732	1120 GRAYHAWK DR	\$100.00
01-0733	1100 GLENDON DR	\$100.00
01-0734	800 CRANE CT	\$100.00
01-0735	1241 GRAYHAWK DR	\$100.00
01-0736	828 WREN CT	\$100.00
01-0737	832 WREN CT	\$100.00
01-0738	901 MALLARD DR	\$100.00
01-0739	1129 GLENDON DR	\$100.00
01-0740	1312 CANARY LN	\$100.00
01-0741	1121 WARBLER DR	\$100.00
01-0742	1104 GLENDON DR	\$100.00
01-0743	813 WREN CT	\$100.00
01-0744	1321 CANARY LN	\$100.00
01-0745	1129 GRAYHAWK DR	\$100.00
01-0746	1117 GRAYHAWK DR	\$100.00
01-0747	14844 TRADEWINDS CIRCLE	\$50.00
01-0748	909 MALLARD DR	\$100.00
01-0749	805 WREN CT	\$100.00
01-0750	1120 GLENDON DR	\$100.00
01-0751	1237 GRAYHAWK DR	\$100.00
01-0752	1208 GRAYHAWK DR	\$100.00
01-0753	1129 WARBLER DR	\$100.00
01-0754	1148 GRAYHAWK DR	\$100.00
01-0755	15393 MARKOUT CENTRAL	\$100.00
01-0756	1144 WARBLER DR	\$100.00
01-0757	1233 LITTLE GULL DR	\$100.00
01-0758	1221 GRAYHAWK DR	\$100.00
01-0759	1236 LITTLE GULL DR	\$100.00
01-0760	1225 LITTLE GULL DR	\$100.00

01-0762	1220 WARBLER DR	\$100.00
01-0763	1200 WARBLER DR	\$100.00
01-0764	1145 WARBLER DR	\$100.00
01-0765	1228 LITTLE GULL DR	\$100.00
01-0766	1132 GLENDON DR	\$100.00
01-0767	1228 GRAYHAWK DR	\$100.00
01-0768	1133 WARBLER DR	\$100.00
01-0770	804 ORIOLE DR	\$100.00
01-0771	1221 WARBLER DR	\$100.00
01-0772	1132 GRAYHAWK DR	\$50.00
01-0774	1217 LITTLE GULL DR	\$100.00
01-0775	812 GOOSE CT	\$100.00
01-0776	913 MALLARD DR	\$100.00
01-0777	14855 TRADEWINDS CIRCLE	\$50.00
01-0778	1109 GRAYHAWK DR	\$100.00
01-0783	10011 CIMARRON TR	\$100.00
01-0784	11297 GLENN COVE	\$100.00
01-0787	10345 WALNUT LN	\$100.00
01-0788	10990 FM 740	\$100.00
01-0789	1116 GLENDON DR	\$100.00
01-0790	1241 LITTLE GULL DR	\$100.00
01-0791	1200 GRAYHAWK DR	\$100.00
01-0792	1113 GRAYHAWK DR	\$100.00
01-0793	1212 GRAYHAWK DR	\$100.00
01-0794	804 WREN CT	\$100.00
01-0795	1225 WARBLER DR	\$100.00
01-0796	1145 GRAYHAWK DR	\$100.00
01-0797	1116 GRAYHAWK DR	\$100.00
01-0798	1204 LITTLE GULL DR	\$100.00
01-0799	1212 LITTLE GULL DR	\$100.00
01-0800	1217 WARBLER DR	\$100.00
01-0801	1213 WARBLER DR	\$100.00
01-0802	10371 WALNUT LN - MARKOUT OFFICE	\$0.00
01-0804	1124 GLENDON DR	\$100.00
01-0805	1128 GLENDON DR	\$100.00
01-0806	7088 TERRI LEA LN	\$100.00
01-0807	1204 WARBLER DR	\$100.00
01-0808	1228 WARBLER DR	\$100.00
01-0809	1225 GRAYHAWK DR	\$100.00
01-0810	1229 LITTLE GULL DR	\$100.00
01-0811	1237 LITTLE GULL DR	\$100.00
01-0812	808 ORIOLE DR	\$100.00
01-0813	1205 WARBLER DR	\$100.00

01-0814	1101 GRAYHAWK DR	\$100.00
01-0815	812 CRANE CT	\$100.00
01-0816	804 MALLARD DR	\$100.00
01-0817	804 CRANE CT	\$100.00
01-0818	808 CRANE CT	\$100.00
01-0819	14563 MELODY LN	\$100.00
01-0823	801 GOOSE CT	\$100.00
01-0824	812 WREN CT	\$100.00
01-0825	10331 FM 2757	\$250.00
01-0826	1240 GRAYHAWK DR	\$100.00
01-0827	1209 WARBLER DR	\$100.00
01-0828	15125 KELLY RD - KELLY RD AUTO FLUSHER	\$0.00
01-0836	817 MALLARD DR	\$100.00
01-0837	1216 WARBLER DR	\$100.00
01-0847	808 GOOSE CT	\$100.00
01-0848	813 MALLARD DR	\$100.00
01-0854	820 GOOSE CT	\$100.00
01-0874	800 MALLARD DR	\$100.00
01-0875	808 MALLARD DR	\$100.00
01-0876	1149 WARBLER DR	\$100.00
01-0877	1108 GLENDON DR	\$100.00
01-0878	1236 GRAYHAWK DR	\$100.00
01-0879	800 GOOSE CT	\$100.00
01-0880	804 GOOSE CT	\$100.00
01-0883	1233 WARBLER DR	\$100.00
01-0884	805 MALLARD DR	\$100.00
01-0885	1229 WARBLER DR	\$100.00
01-0895	817 GOOSE CT	\$100.00
01-0897	809 MALLARD DR	\$100.00
01-0898	1208 WARBLER DR	\$100.00
01-0899	1212 WARBLER DR	\$100.00
01-0900	821 MALLARD DR	\$100.00
01-0901	14757 KELLY RD	\$250.00
01-0902	14750 KELLY RD	\$250.00
01-0903	816 GOOSE CT	\$100.00
01-0955	14855 CR 209	\$250.00
01-0968	809 GOOSE CT	\$100.00
01-0971	805 GOOSE CT	\$100.00
01-0992	14045 OVERLOOK LN	\$250.00
01-1000	9401 OLD NACOGDOCHES TR - SUTTON AUTO FLUSHER	\$0.00
01-1001	10371 WALNUT LN - MARKOUT SHOP	\$50.00

01-1021	1201 FLAMINGO RD - HOA POOL	\$250.00
01-1026	1028 LITTLE GULL DR	\$250.00
01-1028	1237 FLAMINGO RD	\$250.00
01-1029	1225 GLENDON DR	\$250.00
01-1030	1001 MALLARD DR	\$250.00
01-1032	1352 SANDPIPER DR	\$250.00
01-1033	901 BLUE JAY WAY	\$250.00
01-1034	917 BLUE JAY WAY	\$250.00
01-1035	1300 SANDPIPER DR	\$250.00
01-1036	1316 SANDPIPER DR	\$250.00
01-1039	1332 CANARY LN	\$250.00
01-1040	1005 HUMMINGBIRD CT	\$250.00
01-1041	1012 BLUE HERON CT	\$250.00
01-1042	1016 BLUE HERON CT	\$250.00
01-1043	1020 BLUE HERON CT	\$250.00
01-1044	1217 FLAMINGO RD	\$250.00
01-1045	1221 FLAMINGO RD	\$250.00
01-1046	1229 FLAMINGO RD	\$250.00
01-1047	1249 FLAMINGO RD	\$250.00
01-1048	1312 SANDPIPER DR	\$250.00
01-1049	1253 FLAMINGO RD	\$250.00
01-1050	1317 SANDPIPER DR	\$250.00
01-1051	1321 SANDPIPER DR	\$250.00
01-1052	1013 MACAW CT	\$250.00
01-1053	1269 FLAMINGO RD	\$250.00
01-1054	1017 MACAW CT	\$250.00
01-1056	1221 GLENDON DR	\$250.00
01-1057	905 BLUE JAY WAY	\$250.00
01-1058	1021 BLUE HERON CT	\$250.00
01-1059	1013 BLUE HERON CT	\$250.00
01-1060	1220 GLENDON DR	\$250.00
01-1062	15480 MARKOUT CENTRAL	\$250.00
01-1066	1005 LITTLE GULL DR	\$250.00
01-1067	1012 MACAW CT	\$250.00
01-1068	1009 LITTLE GULL DR	\$250.00
01-1069	1308 SANDPIPER DR	\$250.00
01-1070	1261 FLAMINGO RD	\$250.00
01-1072	1328 CANARY LN	\$250.00
01-1073	1021 MACAW CT	\$250.00
01-1074	1005 MALLARD DR	\$250.00
01-1075	1024 LITTLE GULL DR	\$250.00
01-1077	1320 SANDPIPER DR	\$250.00
01-1078	1340 CANARY LN	\$250.00

01-1080	1040 LITTLE GULL DR	\$250.00
01-1083	1044 LITTLE GULL DR	\$250.00
01-1084	1017 BLUE HERON CT	\$250.00
01-1085	1024 BLUE HERON CT	\$250.00
01-1086	1252 GLENDON DR	\$250.00
01-1087	1004 HUMMINGBIRD CT	\$250.00
01-1090	1021 HUMMINGBIRD CT	\$250.00
01-1091	1004 MACAW CT	\$250.00
01-1093	1333 CANARY LN	\$250.00
01-1097	1009 MALLARD DR	\$250.00
01-1101	1225 FLAMINGO RD	\$250.00
01-1105	1257 FLAMINGO RD	\$250.00
01-1108	1200 GLENDON DR	\$250.00
01-1111	1277 FLAMINGO RD	\$250.00
01-1113	1241 FLAMINGO RD	\$250.00
01-1114	1332 SANDPIPER DR	\$250.00
01-1116	1337 CANARY LN	\$250.00
01-1125	1012 LITTLE GULL DR	\$250.00
01-1126	1001 MACAW CT	\$250.00
01-1127	913 BLUE JAY WAY	\$250.00
01-1128	1265 FLAMINGO RD	\$250.00
01-1129	1013 HUMMINGBIRD CT	\$250.00
01-1134	14779 KELLY RD	\$250.00
01-1135	10420 MUSTANG RUN	\$250.00
01-1136	1244 GLENDON DR	\$250.00
01-1140	1348 SANDPIPER DR	\$250.00
01-1150	1273 FLAMINGO RD	\$250.00
01-1155	1341 CANARY LN	\$250.00
01-1158	1336 CANARY LN	\$250.00
01-1160	1032 BLUE HERON CT	\$250.00
01-1161	1345 SANDPIPER DR	\$250.00
01-1162	1240 GLENDON DR	\$250.00
01-1181	1336 SANDPIPER DR	\$250.00
01-1182	1028 BLUE HERON CT	\$250.00
01-1183	1017 HUMMINGBIRD CT	\$250.00
01-1184	1353 SANDPIPER DR	\$250.00
01-1185	1280 FLAMINGO RD	\$250.00
01-1196	1217 GLENDON DR	\$250.00
01-1209	1025 MALLARD DR	\$250.00
01-1210	1341 SANDPIPER DR	\$250.00
01-1211	1025 MACAW CT	\$250.00
01-1212	1329 SANDPIPER DR	\$250.00
01-1216	1008 MALLARD DR	\$250.00

01-1217	1245 FLAMINGO RD	\$250.00
01-1218	1201 FLAMINGO RD - LANDSCAPE METER "NOT POOL"	\$250.00
01-1225	1020 LITTLE GULL	\$250.00
01-1227	1016 LITTLE GULL DR	\$250.00
01-1228	1229 GLENDON DR	\$250.00
01-1229	1233 FLAMINGO RD	\$250.00
01-1231	1333 SANDPIPER DR	\$250.00
01-1232	1349 SANDPIPER DR	\$250.00
01-1233	1004 LITTLE GULL DR	\$250.00
01-1234	1328 SANDPIPER DR	\$250.00
01-1235	1340 SANDPIPER DR	\$250.00
01-1236	1344 SANDPIPER DR	\$250.00
01-1237	909 BLUE JAY WAY	\$250.00
01-1243	1324 SANDPIPER DR	\$250.00
01-1244	1000 BLUE HERON CT	\$250.00
01-1254	1304 SANDPIPER DR	\$250.00
01-1265	1325 SANDPIPER DR	\$250.00
01-1271	1008 LITTLE GULL DR	\$250.00
01-1278	1253 GLENDON DR	\$250.00
01-1288	1224 GLENDON DR	\$250.00
01-1289	1008 HUMMINGBIRD CT	\$250.00
01-1299	1337 SANDPIPER DR	\$250.00
01-1311	1013 LITTLE GULL DR	\$250.00
01-1312	1257 GLENDON DR	\$250.00
01-1317	1008 MACAW CT	\$250.00
01-1318	1001 HUMMINGBIRD CT	\$250.00
01-1319	1005 BLUE HERON CT	\$250.00
01-1320	1201 GLENDON DR	\$250.00
01-1325	1248 GLENDON DR	\$250.00
01-1326	1012 MALLARD DR	\$250.00
01-1327	1016 MALLARD DR	\$250.00
01-1328	1029 LITTLE GULL DR	\$250.00
01-1332	1017 MALLARD DR	\$250.00
01-1333	1020 MALLARD DR	\$250.00
01-1334	1013 MALLARD DR	\$250.00
01-1335	1024 MALLARD DR	\$250.00
01-1336	1213 GLENDON DR	\$250.00
01-1337	1004 BLUE HERON CT	\$250.00
01-1338	1033 LITTLE GULL DR	\$250.00
01-1339	1012 HUMMINGBIRD CT	\$250.00
01-1340	1021 MALLARD DR	\$250.00
01-1342	1236 GLENDON DR	\$250.00

01-1347	1008 BLUE HERON CT	\$250.00
01-1350	1245 GLENDON DR	\$250.00
01-1351	14162 SHERWOOD LN	\$250.00
01-1356	1020 HUMMINGBIRD CT	\$250.00
01-1359	1249 GLENDON DR	\$250.00
01-1360	1212 GLENDON DR	\$250.00
01-1379	1009 MACAW CT	\$250.00
01-1417	1037 LITTLE GULL DR	\$250.00
01-1423	1025 BLUE HERON CT	\$250.00
01-1424	1017 LITTLE GULL DR	\$250.00
01-1425	1237 GLENDON DR	\$250.00
01-1430	1016 MACAW CT	\$250.00
01-1431	1025 LITTLE GULL DR	\$250.00
01-1432	1045 LITTLE GULL DR	\$250.00
01-1433	1209 GLENDON DR	\$250.00
01-1434	1009 BLUE HERON CT	\$250.00
01-1435	1016 HUMMINGBIRD CT	\$250.00
01-1436	1020 MACAW CT	\$250.00
01-1437	1021 LITTLE GULL DR	\$250.00
01-1438	1029 BLUE HERON CT	\$250.00
01-1439	1233 GLENDON DR	\$250.00
01-1440	1241 GLENDON DR	\$250.00
01-1450	14413 PECAN LN	\$250.00
01-1451	10970 WALNUT LN - ENTRANCE 2 - 2" METER	\$250.00
01-1452	10970 WALNUT LN - ENTRANCE 2 - 1.5" METER	\$250.00
01-1458	15154 WISER RD	\$250.00
01-1465	8676 UNION HILL RD	\$250.00
01-1470	1205 GLENDON DR	\$250.00
01-1475	1024 MACAW CT	\$250.00
01-1476	909 LITTLE GULL DR	\$250.00
01-1485	1108 REDHAWK LN	\$250.00
01-1486	1128 FLAMINGO RD	\$250.00
01-1487	1104 CHICKADEE DR	\$250.00
01-1492	1005 MEADOWLARK AVE	\$250.00
01-1493	961 LITTLE GULL DR	\$250.00
01-1494	1125 RED HAWK LN	\$250.00
01-1495	1140 RED HAWK LN	\$250.00
01-1496	1017 MEADOWLARK AVE	\$250.00
01-1501	1333 WARBLER DR	\$250.00
01-1511	1337 WARBLER DR	\$250.00
01-1512	1109 CHICKADEE DR	\$250.00

01-1514	14822 TRADEWINDS CIR	\$50.00
01-1520	1145 FLAMINGO RD	\$250.00
01-1521	1153 FLAMINGO RD	\$250.00
01-1522	1149 FLAMINGO RD	\$250.00
01-1523	1140 FLAMINGO RD	\$250.00
01-1524	1136 FLAMINGO	\$250.00
01-1525	1133 FLAMINGO RD	\$250.00
01-1526	1132 FLAMINGO	\$250.00
01-1527	1129 FLAMINGO RD	\$250.00
01-1528	1120 FLAMINGO	\$250.00
01-1529	905 LITTLE GULL DR	\$250.00
01-1530	1005 MACAW CT	\$250.00
01-1531	1148 RED HAWK LN	\$250.00
01-1532	1113 CHICKADEE DR	\$250.00
01-1533	1144 FLAMINGO	\$250.00
01-1535	965 LITTLE GULL DR	\$250.00
01-1536	1232 GLENDON DR	\$250.00
01-1539	1152 FLAMINGO RD	\$250.00
01-1545	877 GOLD FINCH	\$250.00
01-1550	15480 MARKOUT CENTRAL	\$250.00
01-1556	1169 FLAMINGO RD	\$250.00
01-1574	10101 WILSON LN	\$250.00
01-1579	1105 FLAMINGO RD	\$250.00
01-1580	1005 GRAYHAWK DR	\$250.00
01-1584	869 GOLD FINCH LN	\$250.00
01-1585	13575 HOLLOWCREEK DR	\$250.00
01-1590	1128 CHICKADEE DR	\$250.00
01-1591	857 GOLD FINCH	\$250.00
01-1592	1125 CHICKADEE	\$250.00
01-1593	1009 GRAYHAWK DR	\$250.00
01-1603	889 GOLD FINCH LN	\$250.00
01-1604	888 GOLD FINCH LN	\$250.00
01-1605	1117 RED HAWK LN	\$250.00
01-1606	1121 FLAMINGO RD	\$250.00
01-1615	1101 FLAMINGO RD	\$250.00
01-1619	861 GOLD FINCH LN	\$250.00
01-1620	1028 MEADOWLARK AVE	\$250.00
01-1624	900 GOLD FINCH LN	\$250.00
01-1627	1013 MEADOWLARK	\$250.00
01-1628	957 LITTLE GULL	\$250.00
01-1629	1136 RED HAWK LN	\$250.00
01-1634	1133 CHICKADEE	\$250.00
01-1635	1329 WARBLER	\$250.00

01-1636	937 LITTLE GULL DR	\$250.00
01-1637	1013 GRAYHAWK DR	\$250.00
01-1642	873 GOLD FINCH LN	\$250.00
01-1645	1116 RED HAWK LN	\$250.00
01-1650	1009 MEADOWLARK AVE	\$250.00
01-1661	897 GOLD FINCH LN	\$250.00
01-1662	904 EGRET LN	\$250.00
01-1663	912 EGRET LN	\$250.00
01-1677	1137 RED HAWK LN	\$250.00
01-1678	1129 CHICKADEE DR	\$250.00
01-1679	913 GOLDFINCH LN	\$250.00
01-1680	1144 RED HAWK LN	\$250.00
01-1681	1161 FLAMINGO RD	\$250.00
01-1682	904 GOLD FINCH LN	\$250.00
01-1689	949 LITTLE GULL	\$250.00
01-1690	893 GOLD FINCH	\$250.00
01-1694	8602 UNION HILL RD	\$250.00
01-1718	1112 RED HAWK LN	\$250.00
01-1719	1104 RED HAWK LN	\$250.00
01-1720	1137 FLAMINGO LN	\$250.00
01-1721	945 LITTLE GULL	\$250.00
01-1722	1132 CHICKADEE	\$250.00
01-1723	1108 CHICKADEE	\$250.00
01-1728	1156 RED HAWK LN	\$250.00
01-1729	1121 CHICKADEE DR	\$250.00
01-1731	1088 BLUE RIDGE DR	\$250.00
01-1736	15674 WISER RD (2ND METER)	\$250.00
01-1741	15690 WISER RD	\$250.00
01-1742	941 LITTLE GULL DR	\$250.00
01-1743	1112 CHICKADEE DR	\$250.00
01-1750	1160 RED HAWK LN	\$250.00
01-1751	1141 CHICKADEE DR	\$250.00
01-1752	1117 CHICKADEE DR	\$250.00
01-1753	1021 MEADOWLARK AVE	\$250.00
01-1756	1124 FLAMINGO RD	\$250.00
01-1758	1204 GLENDON DR	\$250.00
01-1763	936 EGRET LN	\$250.00
01-1764	908 GOLD FINCH LN	\$250.00
01-1768	1208 GLENDON DR	\$250.00
01-1770	1113 FLAMINGO RD	\$250.00