



Filing Receipt

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October 7, 2021

Mr. Darryl Waldock
Aqua, Texas, Inc.
9450 Silver Creek Road
Fort Worth, Texas 76108

SUBJECT: PUC DOCKET NO. 51738; PETITION BY THE SANCTUARY TEXAS, LLC FOR EXPEDITED RELEASE FROM WATER CCN NO. 13201 HELD BY AQUA TEXAS IN DENTON COUNTY

Dear Mr. Waldock,

KOR Group is pleased to present this appraisal as considered by the Public Utility Commission of Texas to determine just compensation for the expedited release of 58.794 acres of land from Aqua Texas Inc.'s Certificate of Convenience and Necessity (CCN) No. 13201 in Denton County, Texas. The petition was filed by The Sanctuary Texas, LLC and is part of the Public Utility Commission of Texas Docket No. 51738. The application was filed pursuant to Tex. Water Code §13.2541 – Streamlined Expedited Release Initiated by Landowner. The intended users of the report include the client, Aqua Texas, Inc., its representatives, and the Public Utility Commission of Texas.

The subject property is at the southwest corner of West Eldorado Parkway and Cardinal Ridge Lane in Denton County, Texas. The CCN is within the southeast Denton County market in a high growth area.

SCOPE OF WORK

As part of this appraisal, we have completed the following steps to gather, confirm, and analyze the data.

- ❖ Utilized the appraisal process to estimate compensation due to the expedited release of 58.794 acres of land from Aqua Texas, Inc.'s Certificate of Convenience and Necessity (CCN) No. 13201 in Denton County, Texas, as of October 7, 2021, pursuant to Tex. Water Code §13.2541 – Streamlined Expedited Release Initiated by Landowner.
- ❖ Collected and reviewed information about the history of the subject property and market. A list of documents reviewed is detailed in the report.
- ❖ Gathered market information on the surrounding market area. Sources of data include, but are not limited to, County deed records, County Appraisal District data, owner's representatives, brokers, investors, developers, and other knowledgeable individuals active in the area.
- ❖ Prepared an appraisal report to determine just compensation as considered by the Public Utility Commission of Texas that falls outside of Standards Rules 1-10 of the *Uniform Standards of Professional Appraisal Practice, 2020-2021 Edition*. However, we have complied with the portions of the *Uniform Standards of Professional Appraisal Practice, 2020-2021 Edition* that apply to the assignment.

COMPETENCY RULE

We have the ability to properly identify the problem to be addressed; the knowledge and experience to complete the assignment competently; and recognize and comply with the laws and regulations

that apply to the appraisers and the assignment. Additional competency was gained through the client and the client's representatives.

JURISDICTIONAL EXCEPTION RULE

If any applicable law or regulation precludes compliance with any part of the *Uniform Standards of Professional Appraisal Practice*, only that part of the *Uniform Standards of Professional Appraisal Practice* becomes void for the assignment.

DOCUMENTS REVIEWED

The documents collected and reviewed in preparation of the appraisal include, but are not limited to, the below. Additionally, we have reviewed other filed documents on the Public Utility Commission of Texas website.

- ❖ Tex. Water Code §13.254
- ❖ Tex. Water Code §13.2541
- ❖ Petition by The Sanctuary Texas, LLC for Expedited Release from Water CCN No. 13201 Held by Aqua Texas in Denton County – PUC Docket No. 50405 (January 2, 2020)
- ❖ Petition by The Sanctuary Texas, LLC for Expedited Release from Water CCN No. 13201 Held by Aqua Texas in Denton County – PUC Docket No. 51738 (January 20, 2021)
- ❖ Summary of Legal Costs (February 26, 2020 – September 23, 2021)
- ❖ Preliminary Engineering Report for the Creation of Denton County Municipal Utility District No. 15 by Kimley-Horn and Associates, Inc. (December 7, 2020)
- ❖ Aqua Texas, Inc.'s Response to Petition of The Sanctuary Texas, LLC for Streamlined Expedited Release (May 3, 2021)
- ❖ Commissions Staff's Recommendation on Final Disposition (May 17, 2021)
- ❖ Aqua Texas, Inc.'s Exceptions to Proposed Order (July 8, 2021)
- ❖ Dunaway Map of Excavation (July 16, 2021)
- ❖ Order (July 30, 2021)
- ❖ Notice of Approval – Rate Schedule (August 5, 2021)
- ❖ A&V Water Estimate (September 15, 2021)
- ❖ Net Asset Value of Abandoned Facilities (October 4, 2021)
- ❖ Net Asset Value of Spanish Oaks System (October 6, 2021)

FACTORS FOR COMPENSATION

The required factors that must be considered in determining compensation of a certificate holder subject to a decertification from a utility's CCN are set forth in Tex. Water Code §13.254(g) and Chapter 21 of the Property Code (for real property). Those factors apply to streamlined expedited release petitions filed under Tex. Water Code §13.2541. Per Tex. Water Code §13.254(g), the factors ensuring that the compensation to a retail public utility is just and adequate shall include:

- ❖ Factor 1 – the value of real property must be determined according to the standards set forth in chapter 21 of the Texas Property Code governing actions in eminent domain.

- ❖ Factor 2A – the amount of the former CCN holder's debt allocable to service to the removed area.
- ❖ Factor 2B – the value of the service facilities belonging to the former CCN holder that are within the removed area.
- ❖ Factor 2C – the amount of any expenditures for planning, design, or construction of the service facilities of the former CCN holder that are allocable to service to the removed area.
- ❖ Factor 2D – the amount of the former CCN holder's contractual obligations allocable to the removed area.
- ❖ Factor 2E – any demonstrated impairment of service or any increase of cost to consumers of the former CCN holder remaining after a CCN revocation or amendment under this section.
- ❖ Factor 2F – the impact on future revenues lost from existing customers.
- ❖ Factor 2G – necessary and reasonable legal expenses and professional fees, including costs incurred to comply with TWC §13.257(r).
- ❖ Factor 2H – any other relevant factors as determined by the commission.

ANALYSIS

The area to be released is at the southwest corner of West Eldorado Parkway and Cardinal Ridge Lane in Denton County, Texas. According to filings found in PUC Docket No. 50405, the area to be released was receiving active water service from Aqua Texas, Inc. at the time of the streamlined expedited release (SER) petition filed in that docket and the Commission denied the SER petition. Filings in PUC Docket No. 51738 show that the same landowner then filed a second petition seeking release of the same Aqua Texas, Inc. water CCN No. 13201 area. In PUC Docket No. 51738, the Commission found Aqua Texas, Inc. was not providing water service to the released area and Aqua Texas, Inc. disputed that finding. The Commission partially granted the requested SER in PUC Docket No. 51738. That decision prompted a compensation phase for the proceeding.

Aqua Texas, Inc. had performed planning and design activities, and constructed facilities, to serve the subject property, among other areas. Below is a summary of compensation due to Aqua Texas, Inc. based on the applicable factors for compensation.

Factor 1:

There is no real property being acquired by the petitioner, thus no compensation is considered under this factor.

Factor 2A:

There is no reported debt associated with the released area.

Factor 2B:

Within the area to be removed from the CCN, Aqua Texas, Inc. will be losing 2,410 linear feet of a 4-inch water main and a 1-inch service line. Aqua Texas, Inc. has provided us with the net value of those assets. We have calculated the net value of the assets on a per unit basis and applied it to the abandoned property and it totals **\$13,000**.

	Qty	Cost	Allocated Reserve	Net Value	Net Value per Unit	Abandoned Qty	Abandoned Value
Water Main	22,942	\$ 174,026.36	\$ 73,938.07	\$ 100,088.29	\$ 4.3627	2,410	\$ 10,514.03
Service Line	1	\$ 4,187.65	\$ 1,701.81	\$ 2,485.84	\$ 2,485.84	1	\$ 2,485.84
Total				\$ 102,574.13			\$ 12,999.87

Factor 2C:

Aqua Texas, Inc. has performed planning and design activities and committed facilities toward servicing the subject property, which is part of the CCN. This includes the design planning and construction of a water plant and the associated improvements at a cost of \$245,946. The water plant is designed to serve approximately 45 connections in CCN No. 13201. Currently, there are 34 connections being served with capacity to serve an additional 11. With 58.794 acres being removed from the CCN, Aqua Texas, Inc. will have stranded capacity that will potentially not serve future customers. Below is the calculation of the allocable costs associated with the land to be released:

$$(11 \text{ connections} / 45 \text{ connections}) \times \$245,946 = \$60,120$$

Factor 2D:

Not applicable.

Factor 2E/2F/2H:

We considered residences, developers, entities, and corporations within the CCN to be customers. If they are not considered to be customers, then we believe the below analysis should be considered as other relevant factors. There is potentially an increase in cost to rate-paying customers if Aqua Texas, Inc. is not able to serve the released tract. Aqua Texas, Inc. is losing the opportunity to receive revenues from serving the released 58.794 acres. 268 LUE's are proposed to be developed on the property. Further, we have estimated that after a year of planning and development activity, 50 LUE's per year could be brought online. The minimum monthly rate is set at \$54.06 per month or \$540.72 per annum according to the approved rate schedule. Additionally, Aqua would have received revenues for gallonage charges and an offset of 5.20% for Federal Tax Change Credit Rider. The below discounted cash flow models the net revenues to Aqua Texas, Inc. at a discount rate of 10% over a 20-year period, which accounts for time, management, and risk. The result is a loss in the net present value amount of **\$2,427,048**.

Discounted Cash Flow									
Period	Year	LUE's	Min Charge	Gal Charge	Credit	Net	Total	PV @ 10%	
0	2021 - 2022	-	\$ 540.72	\$ 882.92	5.2000%	\$(74.03)	\$1,349.61	\$ -	\$ -
1	2022 - 2023	50	\$ 540.72	\$ 882.92	5.2000%	\$(74.03)	\$1,349.61	\$ 67,480	\$ 61,346
2	2023 - 2024	100	\$ 540.72	\$ 882.92	5.2000%	\$(74.03)	\$1,349.61	\$134,961	\$ 111,538
3	2024 - 2025	150	\$ 540.72	\$ 882.92	5.2000%	\$(74.03)	\$1,349.61	\$202,441	\$ 152,097
4	2025 - 2026	200	\$ 540.72	\$ 882.92	5.2000%	\$(74.03)	\$1,349.61	\$269,922	\$ 184,360
5	2026 - 2027	250	\$ 540.72	\$ 882.92	5.2000%	\$(74.03)	\$1,349.61	\$337,402	\$ 209,500
6	2027 - 2028	268	\$ 540.72	\$ 882.92	5.2000%	\$(74.03)	\$1,349.61	\$361,695	\$ 204,168
7	2028 - 2029	268	\$ 540.72	\$ 882.92	5.2000%	\$(74.03)	\$1,349.61	\$361,695	\$ 185,607
8	2029 - 2030	268	\$ 540.72	\$ 882.92	5.2000%	\$(74.03)	\$1,349.61	\$361,695	\$ 168,734
9	2030 - 2031	268	\$ 540.72	\$ 882.92	5.2000%	\$(74.03)	\$1,349.61	\$361,695	\$ 153,394
10	2031 - 2032	268	\$ 540.72	\$ 882.92	5.2000%	\$(74.03)	\$1,349.61	\$361,695	\$ 139,449
11	2032 - 2033	268	\$ 540.72	\$ 882.92	5.2000%	\$(74.03)	\$1,349.61	\$361,695	\$ 126,772
12	2033 - 2034	268	\$ 540.72	\$ 882.92	5.2000%	\$(74.03)	\$1,349.61	\$361,695	\$ 115,247
13	2034 - 2035	268	\$ 540.72	\$ 882.92	5.2000%	\$(74.03)	\$1,349.61	\$361,695	\$ 104,770
14	2035 - 2036	268	\$ 540.72	\$ 882.92	5.2000%	\$(74.03)	\$1,349.61	\$361,695	\$ 95,246
15	2036 - 2037	268	\$ 540.72	\$ 882.92	5.2000%	\$(74.03)	\$1,349.61	\$361,695	\$ 86,587
16	2037 - 2038	268	\$ 540.72	\$ 882.92	5.2000%	\$(74.03)	\$1,349.61	\$361,695	\$ 78,715
17	2038 - 2039	268	\$ 540.72	\$ 882.92	5.2000%	\$(74.03)	\$1,349.61	\$361,695	\$ 71,559
18	2039 - 2040	268	\$ 540.72	\$ 882.92	5.2000%	\$(74.03)	\$1,349.61	\$361,695	\$ 65,054
19	2040 - 2041	268	\$ 540.72	\$ 882.92	5.2000%	\$(74.03)	\$1,349.61	\$361,695	\$ 59,140
20	2041 - 2042	268	\$ 540.72	\$ 882.92	5.2000%	\$(74.03)	\$1,349.61	\$361,695	\$ 53,764
Net Present Value									\$2,427,048

Additionally, Aqua Texas, Inc. will need to remove the 2,410 linear feet of the 4-inch water main and cap both ends of the abandoned area. On September 15, 2021, Aqua Texas, Inc. received an estimate from A&V Water to perform these services at a cost of **\$51,235**.

Factor 2G:

Aqua Texas, Inc. incurred legal fees in connection with defending the decertification of the area in question. As of the date of this report, reasonable and necessary legal fees identified by Aqua Texas, Inc. and its counsel associated with the decertification process total \$29,050. The fees include \$14,620 for defending the first petition in Docket No. 50405 and \$14,430 in defending the current petition, Docket No. 51738. Legal counsel has estimated an additional \$2,000 of fees for work that will be performed after the submission of the report but related to the decertification.

Aqua Texas, Inc. also engaged KOR Group to perform an appraisal report to estimate the compensation due to Aqua Texas, Inc. for the decertification. The fee for the appraisal service is \$10,000. A copy of the signed engagement letter can be found in the addenda.

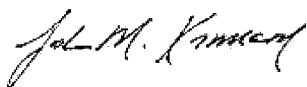
Legal Expenses (as of October 7, 2021)	\$ 29,050
Legal Expenses (estimated after October 7, 2021)	\$ 2,000
Aqua Texas, Inc. Appraisal Fee	+ \$ 10,000
Total Factor 2G	\$ 41,050

TOTAL COMPENSATION

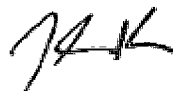
Below is a summary of the total compensation due to Aqua Texas, Inc. for the release of 58.794 acres of land from a portion of its Certificate of Convenience and Necessity (CCN) No. 13201 in Denton County, Texas, as of October 7, 2021:

Factor 2B	\$ 13,000
Factor 2C	\$ 60,120
Factors 2E/2F/2H	\$ 2,427,048
Factors 2E/2F/2H – Costs to Cure	\$ 51,235
Factor 2G	+ \$ 41,050
Total Compensation	\$ 2,592,453

We have retained all information regarding this appraisal in our file. Please contact us if we can be of further assistance in this matter.

Joshua M. Korman
State of Texas Certification #TX-1330595-G



John Kostohryz
State of Texas Certification #TX-1380151-G

QUALIFICATIONS

JOSHUA M. KORMAN

Experience: Mr. Korman is a principal of KOR Group, a full-service real estate consulting and appraisal firm based in Fort Worth, Texas. Mr. Korman has been appraising real property since 1997. Mr. Korman's assignments have involved property types including, but not limited to, office buildings, retail centers, service stations, hospitals, educational facilities, apartment complexes, industrial facilities, raw and developed land, timberland, restaurants, mixed-use developments, automobile dealerships, mining operations, and master planned communities. Mr. Korman has valued and consulted on properties in Alabama, Arkansas, Florida, Kansas, Louisiana, Mississippi, Nebraska, New Mexico, New York, North Carolina, Oklahoma, South Carolina, Tennessee, and Texas.

Mr. Korman's assignments have included flooding impacts on master planned communities and residential subdivisions, analysis of sales, cost and income for office buildings and retail centers, estimates of value in tax increment financing districts, asset management, assistance in acquisitions/dispositions of property, estate tax planning, contributions to family limited partnerships, market studies, analysis of environmental impacts, and condemnation. Specific assignments include reporting on the impact of existing and proposed railroad corridors and sidings on adjacent properties. He has had extensive experience in eminent domain cases ranging from public roadway expansions to pipeline easements. Assignments have also included consultation for both ad valorem and estate tax purposes. Mr. Korman has testified in eminent domain proceedings and before appraisal district review boards in ad valorem tax disputes. Other assignments include retrospective valuations of real estate assets held by financial institutions in relation to Winstar cases. Properties within these portfolios consisted of master planned communities, commercial developments, ground leases, and government secured multi-family residential developments.

Mr. Korman attended preparatory school at Fort Worth Country Day before continuing at The University of Texas at Austin McCombs Business School. During college, Mr. Korman worked for an independent oil and gas company as a gas account manager and assistant to the Chief Financial Officer. Later Mr. Korman was employed as a legal aide for Texas State Representative Anna Mowery where he assisted with local and state policymaking. While with Representative Mowery, Mr. Korman worked with the Land and Resource Management Committee and the Appropriations Committee on budgeting issues. After graduation in 1996, Mr. Korman was employed as an appraiser and consultant with Lewis Realty Advisors.

Professional Activities:

- Licensed: Texas State Certified General Real Estate Appraiser
Certificate No. TX-1330595-G
- Member: Practicing Affiliate of the Appraisal Institute
2007 Social Committee Chairman (Houston Chapter)
2008 Alternate Regional Representative (Houston Chapter)
- Member: Forensic Expert Witness Association (Director for 2016, 2017)
- Member: Greater Fort Worth Real Estate Council
- Member: International Right of Way Association
- Member: Institute of Real Estate Management
- Member: University of Texas Real Estate Finance and Investment Center Council
- Member: International Council of Shopping Centers
- Member: Tarrant County Bar Association

Education: University of Texas at Austin – 1996 (Bachelor of Business Administration – Finance)
Coursework accredited by the Appraisal Institute, The University of Texas, and the State of Texas

JOHN S. KOSTOHRYZ

Experience: Mr. Kostohryz is a principal of KOR Group, a full-service real estate consulting and appraisal firm. Mr. Kostohryz has provided real estate consulting and appraisal services since 2008. He has provided consultation for complex eminent domain assignments of numerous types of properties including, but not limited to, raw and developed land, office buildings, retail centers, service stations, hospitals, apartment complexes, master planned communities, restaurants, amusement park facilities, mixed-use developments, and industrial facilities.

Mr. Kostohryz is a 2006 graduate from Texas Christian University in Fort Worth, Texas with a Bachelor of Business Administration with majors in Finance, Accounting, and Marketing.

Prior to becoming a real estate appraiser and consultant, Mr. Kostohryz was a Consultant with Ryan, Inc. in Dallas, Texas where he consulted with transaction tax departments of Fortune 500 companies.

Mr. Kostohryz is from Fort Worth, Texas and graduated from Trinity Valley School.

Professional Activities:

Licensed:	Texas State Certified General Real Estate Appraiser Certificate No. TX-1380151-G Various temporary out of state licenses Practicing Affiliate of the Appraisal Institute
Member:	Member of the International Right of Way, Chapter 36
Member:	Fort Worth Chamber of Commerce
Member:	Greater Fort Worth Real Estate Council

Education: Texas Christian University, Fort Worth, Texas – 2006
Bachelor of Business Administration
Majors: Finance, Accounting, and Marketing

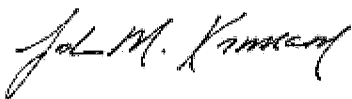
Relevant Coursework by the Appraisal Institute, accredited universities, and others:

Principles of Real Estate Appraisal
Procedures of Real Estate Appraisal
Uniform Standards of Professional Appraisal Practice
General Income Approach Part I
General Income Approach Part II
General Appraiser Sales Comparison Approach
General Appraiser Site Valuation and Cost Approach
Statistics and Valuation Modeling
General Appraiser Report Writing and Case Studies
General Appraiser Market Analysis and Highest & Best Use
Expert Witness for Commercial Appraisers
Commercial Appraisal Review

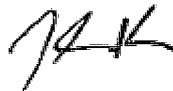
CERTIFICATION OF THE APPRAISAL

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have performed no services, as an appraiser or in any other capacity, regarding the property that is subject of its report within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and Standards of Professional Appraisal Practice of the Appraisal Institute.
9. Joshua M. Korman made a personal inspection of the property that is the subject of this report.
10. Joseph McWherter provided significant real property appraisal assistance to the persons signing this certification including, data research.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. As of the date of the report, we have completed the Standards and Ethics Education Requirements of the Appraisal Institute.



Joshua M. Korman
State of Texas Certification #TX-1330595-G



John Kostohryz
State of Texas Certification #TX-1380151-G

ADDENDA

Texas Water Code § 13.254. Decertification Initiated by Utility Commission or Utility; Expedited Release Initiated by Landowner

(a) The utility commission at any time after notice and hearing may revoke or amend any certificate of public convenience and necessity with the written consent of the certificate holder or if the utility commission finds that:

(1) the certificate holder has never provided, is no longer providing, is incapable of providing, or has failed to provide continuous and adequate service in the area, or part of the area, covered by the certificate;

(2) in an affected county as defined in Section 16.341, the cost of providing service by the certificate holder is so prohibitively expensive as to constitute denial of service, provided that, for commercial developments or for residential developments started after September 1, 1997, in an affected county as defined in Section 16.341, the fact that the cost of obtaining service from the currently certificated retail public utility makes the development economically unfeasible does not render such cost prohibitively expensive in the absence of other relevant factors;

(3) the certificate holder has agreed in writing to allow another retail public utility to provide service within its service area, except for an interim period, without amending its certificate; or

(4) the certificate holder has failed to file a cease and desist action pursuant to Section 13.252 within 180 days of the date that it became aware that another retail public utility was providing service within its service area, unless the certificate holder demonstrates good cause for its failure to file such action within the 180 days.

(a-1) As an alternative to decertification under Subsection (a), the owner of a tract of land that is at least 50 acres and that is not in a platted subdivision actually receiving water or sewer service may petition the utility commission under this subsection for expedited release of the area from a certificate of public convenience and necessity so that the area may receive service from another retail public utility. The fact that a certificate holder is a borrower under a federal loan program is not a bar to a request under this subsection for the release of the petitioner's land and the receipt of services from an alternative provider. On the day the petitioner submits the petition to the utility commission, the petitioner shall send, via certified mail, a copy of the petition to the certificate holder, who may submit information to the utility commission to controvert information submitted by the petitioner. The petitioner must demonstrate that:

(1) a written request for service, other than a request for standard residential or commercial service, has been submitted to the certificate holder, identifying:

(A) the area for which service is sought;

(B) the timeframe within which service is needed for current and projected service demands in the area;

(C) the level and manner of service needed for current and projected service demands in the area;

(D) the approximate cost for the alternative provider to provide the service at the same level and manner that is requested from the certificate holder;

(E) the flow and pressure requirements and specific infrastructure needs, including line size and system capacity for the required level of fire protection requested; and

(F) any additional information requested by the certificate holder that is reasonably related to determination of the capacity or cost for providing the service;

(2) the certificate holder has been allowed at least 90 calendar days to review and respond to the written request and the information it contains;

(3) the certificate holder:

(A) has refused to provide the service;

(B) is not capable of providing the service on a continuous and adequate basis within the timeframe, at the level, at the approximate cost that the alternative provider is capable of providing for a comparable level of service, or in the manner reasonably needed or requested by current and projected service demands in the area; or

(C) conditions the provision of service on the payment of costs not properly allocable directly to the petitioner's service request, as determined by the utility commission; and

(4) the alternate retail public utility from which the petitioner will be requesting service possesses the financial, managerial, and technical capability to provide continuous and adequate service within the timeframe, at the level, at the cost, and in the manner reasonably needed or requested by current and projected service demands in the area.

(a-2) A landowner is not entitled to file a petition under Subsection (a-1) or Section 13.2541(a-5) but is entitled to contest under Subsection (a) the involuntary certification of the landowner's property in a hearing held by the utility commission if the landowner's property is located:

(1) in the boundaries of any municipality or the extraterritorial jurisdiction of a municipality with a population of more than 500,000 and the municipality or retail public utility owned by the municipality is the holder of the certificate; or

(2) in a platted subdivision actually receiving water or sewer service.

(a-3) Within 60 calendar days from the date the utility commission determines the petition filed pursuant to Subsection (a-1) to be administratively complete, the utility commission shall grant the petition unless the utility commission makes an express finding that the petitioner failed to satisfy the elements required in Subsection (a-1) and supports its finding with separate findings and conclusions for each element based solely on the information provided by the petitioner and the certificate holder. The utility commission may grant or deny a petition subject to terms and conditions specifically related to the service request of the petitioner and all relevant information submitted by the petitioner and the certificate holder. In addition, the utility commission may require an award of compensation as otherwise provided by this section.

(a-4) Chapter 2001, Government Code, does not apply to any petition filed under Subsection (a-1). The decision of the utility commission on the petition is final after any reconsideration authorized by the utility commission's rules and may not be appealed.

(a-5) Redesignated as subsec. (b) of V.T.C.A., Water Code § 13.2541 and amended by Acts 2019, 86th Leg., ch. 688 (S.B. 2272), § 4.

(a-6) Redesignated as subsecs. (c) to (f) of V.T.C.A., Water Code § 13.2541 and amended by Acts 2019, 86th Leg., ch. 688 (S.B. 2272), § 4.

(a-7) The utility shall include with the statement of intent provided to each landowner or ratepayer a notice of:

- (1) a proceeding under this section related to certification or decertification;
- (2) the reason or reasons for the proposed rate change; and
- (3) any bill payment assistance program available to low-income ratepayers.

(a-8) If a certificate holder has never made service available through planning, design, construction of facilities, or contractual obligations to serve the area a petitioner seeks to have released under Subsection (a-1), the utility commission is not required to find that the proposed alternative provider is capable of providing better service than the certificate holder, but only that the proposed alternative provider is capable of providing the requested service.

(a-9) Subsection (a-8) does not apply to a county that borders the United Mexican States and the Gulf of Mexico or a county adjacent to a county that borders the United Mexican States and the Gulf of Mexico.

(a-10) Subsection (a-8) does not apply to a county:

- (1) with a population of more than 30,000 and less than 35,000 that borders the Red River; or
- (2) with a population of more than 100,000 and less than 200,000 that borders a county described by Subdivision (1).

(a-11) Subsection (a-8) does not apply to a county:

- (1) with a population of 130,000 or more that is adjacent to a county with a population of 1.5 million or more that is within 200 miles of an international border; or
- (2) with a population of more than 40,000 and less than 50,000 that contains a portion of the San Antonio River.

(b) Upon written request from the certificate holder, the utility commission may cancel the certificate of a utility or water supply corporation authorized by rule to operate without a certificate of public convenience and necessity under Section 13.242(c) .

(c) If the certificate of any retail public utility is revoked or amended, the utility commission may require one or more retail public utilities with their consent to provide service in the area in question. The order of the utility commission shall not be effective to transfer property.

(d) A retail public utility may not in any way render retail water or sewer service directly or indirectly to the public in an area that has been decertified under this section unless just and adequate compensation required under Subsection (g) has been paid to the decertified retail public utility .

(e) The determination of the monetary amount of compensation, if any, shall be determined at the time another retail public utility seeks to provide service in the previously decertified area and before service is actually provided. The utility commission shall ensure that the monetary amount of compensation is determined not later than the 90th calendar day after the date on which a retail public utility notifies the utility commission of its intent to provide service to the decertified area.

(f) The monetary amount shall be determined by a qualified individual or firm serving as independent appraiser agreed upon by the decertified retail public utility and the retail public utility seeking to serve the area. The determination of compensation by the independent appraiser shall be binding on the utility commission. The costs of the independent appraiser shall be borne by the retail public utility seeking to serve the area.

(g) For the purpose of implementing this section, the value of real property owned and utilized by the retail public utility for its facilities shall be determined according to the standards set forth in Chapter 21, Property Code, governing actions in eminent domain and the value of personal property shall be determined according to the factors in this subsection. The factors ensuring that the compensation to a retail public utility is just and adequate shall include: the amount of the retail public utility's debt allocable for service to the area in question; the value of the service facilities of the retail public utility located within the area in question; the amount of any expenditures for planning, design, or construction of service facilities that are allocable to service to the area in question; the amount of the retail public utility's contractual obligations allocable to the area in question; any demonstrated impairment of service or increase of cost to consumers of the retail public utility remaining after the decertification; the impact on future revenues lost from existing customers; necessary and reasonable legal expenses and professional fees; and other relevant factors. The utility commission shall adopt rules governing the evaluation of these factors.

(g-1) If the retail public utilities cannot agree on an independent appraiser within 10 calendar days after the date on which the retail public utility notifies the utility commission of its intent to provide service to the decertified area, each retail public utility shall engage its own appraiser at its own expense, and each appraisal shall be submitted to the utility commission within 60 calendar days. After receiving the appraisals, the utility commission shall appoint a third appraiser who shall make a determination of the compensation within 30 days. The determination may not be less than the lower appraisal or more than the higher appraisal. Each retail public utility shall pay half the cost of the third appraisal.

(h) A certificate holder that has land removed from its certificated service area in accordance with this section may not be required, after the land is removed, to provide service to the removed land for any reason, including the violation of law or utility commission or commission rules by a water or sewer system of another person.

Texas Water Code § 13.2541. Streamlined Expedited Release Initiated by Landowner

- (a) Sections 13.254(a-7) , (c) , (d) , and (h) apply to a proceeding under this section.
- (b) As an alternative to decertification or expedited release under Section 13.254 , the owner of a tract of land that is at least 25 acres and that is not receiving water or sewer service may petition for expedited release of the area from a certificate of public convenience and necessity in the manner provided by this section and is entitled to that release if the landowner's property is located in a county with a population of at least one million, a county adjacent to a county with a population of at least one million, or a county with a population of more than 200,000 and less than 220,000 that does not contain a public or private university that had a total enrollment in the most recent fall semester of 40,000 or more, and not in a county that has a population of more than 45,500 and less than 47,500.
- (c) The utility commission shall grant the petition not later than the 60th day after the date the landowner files the petition.
- (d) The utility commission may not deny the petition based on the fact that the certificate holder is a borrower under a federal loan program.
- (e) The certificate holder may not initiate an application to borrow money under a federal loan program after the date the petition is filed until the utility commission issues a decision on the petition.
- (f) The utility commission may require an award of compensation by the petitioner to the certificate holder in the manner provided by this section.
- (g) The monetary amount of compensation, if any, shall be determined by a qualified individual or firm serving as independent appraiser agreed upon by the certificate holder and the petitioner. The determination of compensation by the independent appraiser shall be binding on the utility commission. The costs of the independent appraiser shall be borne by the petitioner.
- (h) Section 13.254(g) applies to a determination of the monetary amount of compensation under this section.
- (i) If the petitioner and the certificate holder cannot agree on an independent appraiser within 10 calendar days after the date on which the utility commission approves the petition, the petitioner and the certificate holder shall each engage its own appraiser at its own expense, and each appraisal shall be submitted to the utility commission within 70 calendar days after the date on which the utility commission approves the petition. After receiving the appraisals, the utility commission shall appoint a third appraiser who shall make a determination of the compensation within 100 days after the date on which the utility commission approves the petition. The determination may not be less than the lower appraisal or more than the higher appraisal. The petitioner and the certificate holder shall each pay half the cost of the third appraisal.
- (j) The utility commission shall ensure that:

- (1) the monetary amount of compensation is determined not later than the 60th day after the date the utility commission receives the final appraisal; and
- (2) the landowner pays the compensation to the certificate holder not later than the 90th calendar day after the date the monetary amount of compensation is determined.

COPY

PUC DOCKET NO. 50405

PETITION BY THE SANCTUARY
TEXAS, LLC,
FOR EXPEDITED RELEASE FROM
WATER CCN NO. 13201 HELD BY
BY AQUA TEXAS IN
DENTON COUNTY

§
§
§
§
§
§

BEFORE THE

PUBLIC UTILITY COMMISSION

OF TEXAS

RECEIVED
2020 JAN -2 PM 4:26
FILED
PUBLIC UTILITY COMMISSION
FILE NO. 50405

**PETITION BY THE SANCTUARY TEXAS, LLC FOR EXPEDITED RELEASE
PURSUANT TO TEXAS WATER CODE SECTION 13.254(A-5)**

TO THE PUBLIC UTILITY COMMISSION OF TEXAS:

COMES NOW, (“Petitioner”) The Sanctuary Texas, LLC and files this Petition with the Public Utility Commission of Texas (the “PUC”) for expedited release from Aqua Texas’s (“Aqua”) water certificate of convenience and necessity (“CCN”) No. 13201; pursuant to (i) Texas Water Code Section 13.254(a-5); and (ii) Rule 24.113(l) of the Commission’s Rules found at 16 Tex. Admin. Code Section 24.113; and in support thereof would respectfully show as follows:

I. APPLICABLE REGULATIONS

Section 13.254(a-5) of the Texas Water Code provides that the owner of a tract of land that is at least 25 acres and that is not receiving water or sewer service may petition for expedited release of the area from a CCN.¹ For land that is located within a county with a population of at least one million, or a county adjacent to a county with a population of at least one million, the owner of the qualifying tract “is entitled to that release.”² The rule adopted by the PUC pursuant to Section 13.254(a-5) provides the same, and it recognizes that Denton County is a county in

¹ Tex. Water Code Ann. § 13.254(a-5) (West 2008 and Supp. 2016) (TWC).

² *Id*

which owners of at least 25 acres are entitled to expedited release.³ Under Section 13.254(a-6), the PUC “shall grant a petition received under Subsection (a-5) not later than the 60th day after the date the landowner files the petition.”

II. REQUEST FOR EXPEDITED RELEASE

Petitioner owns approximately 70.146 acres of contiguous property in Denton County (the “Property”). The Property is within the boundaries of water CCN No. 13201, held by Aqua. The Property does not receive service from any water or sewer service provider. An Affidavit in support of this Petition is attached hereto as Exhibit “A.” A map showing the location of the Property is attached hereto as Exhibit “B.” A deed showing ownership of the Property is attached hereto as Exhibit “C.”

III. CONCLUSION AND PRAYER

Texas Water Code Section 13.254(a-5) entitles Petitioner to expedited release of the Property described herein. The Property is greater than 25 acres, is not receiving water or sewer service, and are entirely within Denton County. Under Section 13.254(a-6), the PUC should grant this Petition no later than the 60th day after the date of filing. Petitioner respectfully requests that the PUC grant this Petition and issue an order under the authority of Section 13.254(a-5) releasing all portions of the Property that are within the boundaries of water CCN No. 13201.

³ 16 Tex. Admin. Code § 24.113(I)

Respectfully submitted,

COATS | ROSE

By:



Natalie B. Scott

State Bar No. 24027970

nscott@coatsrose.com

Terrace 2

2700 Via Fortuna, Suite 350

Austin, Texas 78746

(512) 469-7987 Telephone

(512) 469-9408 Telecopier

**ATTORNEY FOR PETITIONER
THE SANCTUARY TEXAS, LLC**

CERTIFICATE OF SERVICE

I hereby certify that on this 2nd day of ~~December~~ ^{January} 2020, 2019, a true and correct copy of the Petition by The Sanctuary Texas, LLC for Expedited Release Pursuant to Texas Water Code Section 13.254(a-5) was sent, via certified mail, return receipt requested to the following recipient at the address indicated.

Aqua Texas, Inc.
1106 Clayton Lane
Austin, Texas 78723-3489

Via Certified Mail, RRR

CSC-Lawyers Incorporating Service Company
211 E. 7th Street, Suite 620
Austin, Texas 78701-3218

Via Certified Mail, RRR



Natalie B. Scott

EXHIBIT "A"

Affidavit of Marlon McMakin

PUC DOCKET NO. _____

PETITION BY THE SANCTUARY	§	BEFORE THE
TEXAS, LLC,	§	
FOR EXPEDITED RELEASE FROM	§	
WATER CCN NO. 13201 HELD BY	§	PUBLIC UTILITY COMMISSION
BY AQUA TEXAS IN	§	
DENTON COUNTY	§	OF TEXAS

**AFFIDAVIT OF MARLON MCMAKIN IN SUPPORT OF PETITION FOR EXPEDITED
RELEASE FROM WATER CCN NO. 13201 HELD BY AQUA TEXAS, PURSUANT TO
TEXAS WATER CODE SECTION 13.254(A-5)**

STATE OF TEXAS §

COUNTY OF DENTON §

BEFORE ME, the undersigned notary, personally appeared Marlon McMakin, the affiant, a person who is known to me. After administering an oath, the affiant testified that.

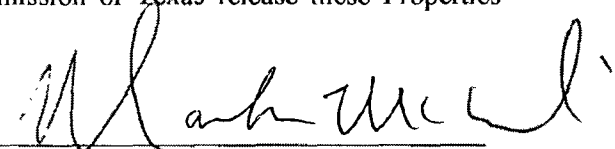
1. "My name is Marlon McMakin. I am over the age of eighteen years, of sound mind, and am capable of making this affidavit. The facts stated in this affidavit are within my personal knowledge and are true and correct.

2. I am the Managing Member of The Sanctuary Texas, LLC, the Petitioner in the above-captioned matter. Petitioner owns approximately 70.146 acres of land, which appears to be located within the boundaries of water CCN No. 13201 issued to Aqua Texas. This property is located in Denton County, Texas. Exhibit "B" attached to this Petition is a true and correct copy of a map identifying the property, its location, and the area of the CCN.

3. Petitioner's property is not receiving water or sewer service from Aqua Texas or any other water or sewer service provider. The property has not requested water or sewer service from Aqua Texas or paid any fees or charges to initiate or maintain water or sewer service, and there are no billing records or other documents indicating an existing account for the Properties.

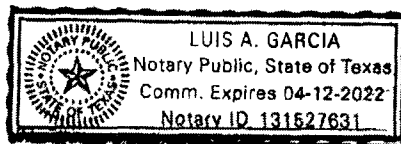
4. I request that the Public Utility Commission of Texas release these Properties from water CCN No. 13201."

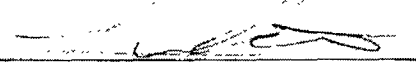
FURTHER AFFIANT SAYETH NOT.



Marlon McMakin

SWORN TO AND SUBSCRIBED TO BEFORE ME by Marlon McMakin on 18th
December, 2019.





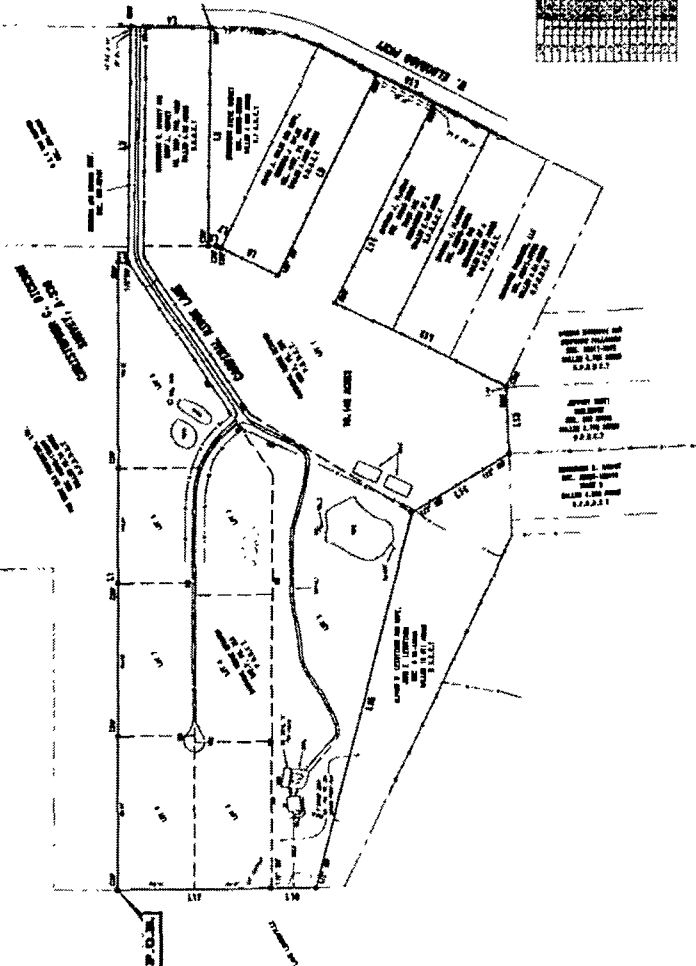
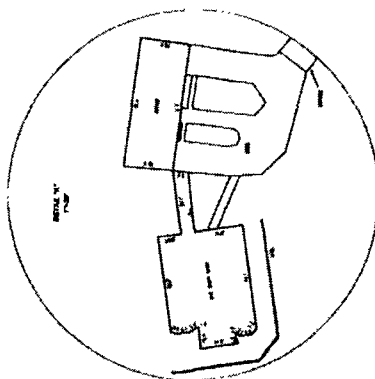
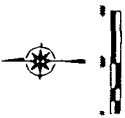
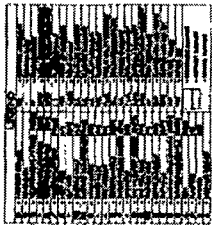
Notary Public, State of Texas

EXHIBIT “B”

Map



The National Council on Indian Trade Regulation (NCITR) is a non-profit organization that advocates for the interests of Native Americans in the United States. It was established in 1973 and is currently based in Washington, D.C. The NCITR's primary focus is on the regulation of Indian trade, which includes the sale of Indian artifacts, land, and other resources. The organization has been instrumental in the development of the Indian Trade Regulation Act of 1975, which established the NCITR as the primary regulatory body for Indian trade in the United States. The NCITR has also been involved in numerous other initiatives, including the establishment of the Indian Trade Commission and the Indian Trade Council. The organization's work is ongoing, and it continues to be a leading voice for Native Americans in the United States.

[illegible]

QUESTIONS: 1. HAVE THE TWO SUBJECTS BEEN MADE AWARE OF THE ACCURACY OF THE GIVING SUMMARY OF THE PROGRAMS AND THE AID AND INCREASED IN THE LOCAL COMPREHENSION OF THE PROGRAMS? 2. HAVE THE TWO SUBJECTS BEEN MADE AWARE OF THE IMPORTANCE OF THE PROGRAMS AND THE AID AND INCREASED IN THE LOCAL COMPREHENSION OF THE PROGRAMS? 3. HAVE THE TWO SUBJECTS BEEN MADE AWARE OF THE IMPORTANCE OF THE PROGRAMS AND THE AID AND INCREASED IN THE LOCAL COMPREHENSION OF THE PROGRAMS?

[illegible]

EXHIBIT “C”

Ownership of The Sanctuary Texas, LLC

AFTER RECORDING RETURN TO:

**Independent Bank
7777 Henneman Way
McKinney, Texas 75070
Loan No. 8036951**

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

**DEED OF TRUST
(WITH SECURITY AGREEMENT)**

**STATE OF TEXAS §
 § **KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF DENTON §**

THAT, as of the 27th day of August, 2019, **The Sanctuary Texas LLC, a Texas limited liability company** (hereinafter, whether one or more, called "Grantor"), whose mailing address is 220 Lake Trail Court, Double Oak, Texas 75077, in consideration of the debt and trust hereinafter mentioned, does hereby **GRANT, BARGAIN, SELL, TRANSFER, ASSIGN, and CONVEY** unto **Daniel W. Brooks**, Trustee. (hereinafter called "Trustee"), of Collin County, Texas, for the benefit of the hereinafter described Holder, the following described property:

1. Real Property. The real estate situated in Denton County, Texas, which is more particularly described in Exhibit "A" attached hereto and made a part hereof by reference for all purposes, together with all buildings, structures, and other improvements (such buildings, structures, and other improvements being hereinafter sometimes called the "Improvements") now or hereafter situated thereon (such real estate, and Improvements being hereinafter sometimes called the "Land").

2. Fixtures and Personal Property. The following personal property of Grantor, wherever located, and now owned, or hereafter acquired or arising, including Proceeds and Supporting Obligations, which are now, or at any time hereafter are, a part of the Land; or

situated in, on, or about the Land and utilized in connection therewith; or delivered to the Land or acquired for use in connection with the Land; or delivered to the Land or acquired for use or incorporation in the construction of any improvements on the Land; or for the purchase of any Goods to be used in connection with the construction of any improvements on the Land; plans and specifications for improvements to be placed on the Land; all permits, licenses, franchises, certificates, and other rights and privileges obtained in connection with the Land; all As-Extracted Collateral and other substances which may be extracted from the Land, including without limitation, oil and gas, all Hydrocarbon Property (as defined in this Deed of Trust) including all General Intangibles, Accounts, and all other rights to payment arising from Hydrocarbon Property extraction or oil and gas leases, including all minerals, oil, and gas upon or after extraction and all rights to payment arising therefrom, including but not limited to, royalties, rentals, and other rights to payment from sale of extracted and nonextracted minerals, oil and gas; and all renewals, replacements, and substitutions thereof and additions thereto (all property described or referred to in this paragraph is sometimes called "Accessories"). Any capitalized term not otherwise defined herein shall have the meaning accorded thereto in the Uniform Commercial Code, as now enacted and hereinafter amended in the State of Texas (the "Code").

3. Other Property. All rights, titles, interests and estates now owned or hereafter acquired by Grantor in and to the oil gas and other minerals in and under the Land and the oil and gas leases and/or oil, gas and other mineral leases relating to the Land or the lands spaced, pooled or unitized therewith and including all wellbore interests and other interests and estates and the lands and premises covered or affected thereby (collectively called the "Hydrocarbon Property"). All other interest of every kind and character which Grantor now has or at any time hereafter acquires in and to the property described or referred to in paragraphs 1 and 2 preceding, including but not limited to proceeds from the condemnation or threatened condemnation of the Land and the proceeds of any and all insurance covering the Land, and all property which is used in connection with the operation of the Land and Accessories.

All properties, rights, and interests described or referred to in paragraphs 1, 2, and 3 preceding are sometimes referred to collectively as the "Property".

4. Leasehold Estates. In the event the estate of the Grantor in and to any of the Property is a leasehold estate, this conveyance shall include, and the lien, security interest, and assignment created hereby shall encumber and extend to all other further or additional title, estates, interest, or rights which may exist now or at any time be acquired by Grantor in or to the Property demised under the lease creating such leasehold estate and including Grantor's rights, if any, to the Property demised under such lease and, if fee simple title to any of such Property shall ever become vested in the Grantor such fee simple interest shall be encumbered

by this Deed of Trust in the same manner as if Grantor had fee simple title to said Property as of the date of execution hereof.

TO HAVE AND TO HOLD the above-described Property, together with all improvements thereon and all the rights, hereditaments, and appurtenances in anywise appertaining or belonging thereto, unto Trustee, and his successors or substitutes in this trust, and his and their assigns, against the claim or claims of all persons claiming or to claim the same or any part thereof.

Grantor, for Grantor and Grantor's successors, hereby agrees to warrant and forever defend, all and singular, the Property unto Trustee, and his successors or substitutes in this trust, and his and their assigns, in trust and for the uses and purposes hereinafter set forth, forever.

Grantor hereby grants to Holder and its successors and assigns, a security interest in the Property, and each and every part thereof, and in all proceeds from the sale, lease, or other disposition thereof and in all sums, proceeds, funds, and reserves described or referred to in Section 4.7, 4.8, and 4.9 hereof; provided that the grant of a security interest in proceeds shall not be deemed to authorize any action otherwise prohibited herein.

ARTICLE I. The Obligation

Section 1.1 Holder and Obligation. This Deed of Trust [as used herein, the expression "this Deed of Trust" shall mean this Deed of Trust (with Security Agreement)] and all rights, title, interest, liens, security interest, powers, and privileges created hereto or arising by virtue hereof, are given to secure payment and performance of the following indebtedness, obligations, and liabilities: (a) the indebtedness(es) evidenced by that certain promissory note of even date herewith (the "Note") executed by Grantor, payable to the order of **Independent Bank** ("Holder"), the beneficiary hereunder, whose mailing address for payments is **7777 Henneman Way, McKinney, Texas 75070** in the principal amount of **Three Million One Hundred Eighty Five Thousand and No/100 Dollars (\$3,185,000.00)** bearing interest as therein specified, containing an attorney's fee clause, interest and principal being payable as therein specified, and finally maturing two (2) years from the date of the Note; (b) all indebtedness, obligations, and liabilities arising pursuant to the provisions of this Deed of Trust, the Note, any guaranty or such other documents evidencing, securing or pertaining to the indebtedness(es) referred to in subsection (a) of this Section 1.1, as shall from time to time be executed and delivered to Holder by Grantor, any guarantor or any other party (collectively, the "Loan Documents"); (c) all other and any additional debts, obligations, and liabilities of Grantor related to the Note and loan documents evidencing or governing the Note; and (d) any

and all renewals, modifications, rearrangements, amendments, or extensions of all or any part of the indebtedness, obligations, and liabilities described or referred to in Subsections 1.1(a), 1.1(b), and 1.1(c) preceding. The word "Obligation", as used herein, shall mean all of the indebtedness, obligations, and liabilities described or referred to in Subsections 1.1(a), 1.1(b), and 1.1(c) preceding and as described and referred to in this subsection 1.1(d). The word "Holder", as used herein, shall mean the Holder named in Subsection 1.1(a) above and all subsequent holders of the Obligation at the time in question.

ARTICLE II.
Certain Representations;
Warranties, and Covenants of Grantor

Section 2.1 Warranties and Representations. Grantor represents, warrants, and undertakes that (a) Grantor has full right and authority to execute and deliver this Deed of Trust; and (b) unless specifically provided herein to the contrary, Grantor has in its own right good and indefeasible title in fee simple to the Property free from any encumbrance superior to the indebtedness hereby secured.

Section 2.2 Covenants. Grantor and Grantor's successors and permitted assigns hereunder, covenants, agrees, and undertakes to: (a) pay, or cause to be paid, before delinquent, all taxes and assessments of every kind or character in respect to the Property, or any part thereof, and from time to time, upon request of Holder, to furnish to Holder evidence satisfactory to Holder of the timely payment of such taxes and assessments and governmental charges; (b) purchase policies of insurance with respect to the Property with such insurers, in such amounts and covering such risks as shall be satisfactory to Holder, including, but not limited to, (1) owner's and contractors' policies of comprehensive general public liability insurance; (2) hazard insurance against all risks of loss, including collapse, in an amount not less than the full replacement cost of all Improvements, including the cost of debris removal, with annual agreed amount endorsement and sufficient at all times to prevent Grantor from becoming a co-insurer, such insurance prior to completion of any Improvements, as applicable, to be in builder's risk form on a non-reporting basis and including coverage for all materials and equipment, wherever located, intended to be installed in or utilized in the construction of the Improvements; (3) if the Property is in a "Flood Hazard Area", a flood insurance policy, or binder therefor, in an amount equal to the principal amount of the Note or the maximum amount available under the Flood Disaster Protection Act of 1973, and regulations issued pursuant thereto, as amended from time to time, whichever is less, in form complying with the "insurance purchase requirements" of that act; (4) such policies of mortgagee's title insurance insuring the validity and priority of this Deed of Trust and any future renewals or extensions of this Deed of Trust, including any such mortgagee's title insurance which the Holder may require during the term of the Obligation to supplement or replace any mortgagee's title policy

earlier provided to Holder insuring the validity and priority of the Deed of Trust; and (5) such other insurance, if any, as Holder may require from time to time, or which is required by the Loan Documents; (c) cause all insurance carried in accordance with Section 2.2(b) to be payable to Holder as a mortgagee, to deliver the original policies of insurance carried by each Lessee (as that term is hereinafter defined) for the benefit of Grantor, and to cause all such policies to be payable to Holder as its interest may appear; (d) pay, or cause to be paid, all premiums for such insurance at least ten (10) days before such premiums become due, furnish to Holder satisfactory proof of the timeliness of such payments and deliver all renewal policies to Holder at least ten (10) days before the expiration date of each expiring policy; (e) comply with all federal, state, or municipal laws, rules, ordinances, and regulations applicable to the Property and its ownership, use and operation, including but not limited to maintenance of the Property in compliance with the Americans with Disabilities Act of 1990, and comply with all, and not violate any, easements, restrictions, agreements, covenants, and conditions with respect to or affecting the Property or any part thereof; (f) at all times maintain, preserve, and keep the Property in good repair and condition and presenting a first-class appearance, and from time to time make all necessary and proper repairs, replacements, and renewals, and not commit or permit any waste on or of the Property, and not do anything to the Property that may impair its value; (g) promptly pay all bills for labor and materials incurred in connection with the Property and never permit to be created or to exist in respect to the Property or any part thereof any lien or security interest even though inferior to the liens and security interest hereof for any such bill, and in any event never permit to be created or exist in respect to the Property or any part thereof any other or additional lien or security interest on a parity with or superior to any of the liens or security interest hereof; (h) at any time, and from time to time, upon request of Holder, forthwith, execute and deliver to Holder any and all additional instruments and further assurances, and do all other acts and things, as may be reasonably necessary or proper, in Holder's opinion, to effect the intent of these presents, more fully evidence and perfect the rights, titles, liens, and security interests herein created or intended to be created and to protect the rights, remedies, powers, and privileges of Holder hereunder; (i) from time to time, upon request of Holder, promptly furnish to Holder financial statements and reports and appraisals relating to the Grantor and the Property as required in the Loan Documents; (j) continuously maintain Grantor's existence and its right to do business in Texas; (k) pay and perform all of the Obligation in accordance with the terms thereof or of this Deed of Trust; (l) at any time any law shall be enacted imposing or authorizing the imposition of any tax upon this Deed of Trust, or upon any rights, titles, liens, or security interests created hereby, or upon the Obligation, or any part thereof, immediately pay all such taxes; provided that, in the alternative, Grantor may, in the event of the enactment of such a law, and must, if it is unlawful for Grantor to pay such taxes, prepay the Obligation in full within sixty (60) days after demand therefor by Holder; (m) at any time and from time to time, furnish promptly upon request of Holder a written statement or affidavit, in such form as shall be satisfactory to Holder, stating the unpaid balance of the Obligation and that there are no offsets or defenses

against full payment of the Obligation and the terms hereof, or, if there are any such offsets or defenses, specifying them; (n) punctually and properly perform all of Grantor's covenants, duties, and liabilities under any Loan Document; (o) allow Holder from time to time to inspect the Property and all records relating thereto or to the Obligation, and to make and take away copies of such records; (p) not cause or permit the Accessories, or any part thereof, to be removed from the county and state where the Land is located, except items of the Accessories which have become obsolete or worn beyond practical use and which have been replaced by adequate substitutes having a value equal to or greater than the replaced items when new; (q) not, without the prior written consent of Holder, sell, trade, transfer, assign, or exchange or otherwise dispose of (or suffer or permit any of the same to occur with respect to) (1) any capital stock of Grantor if Grantor is a corporation or (2) any partnership interest either general or limited if Grantor is a partnership, except by devise, descent, or operation of law upon the death of a shareholder, partner, or joint venturer, as the case may be; and (r) pay, or cause to be paid, any and all attorneys' fees, filing fees and expenses incurred by Holder for the preparation and recordation of any and all legal instruments which the Holder may require at the time of the creation of this Obligation (including this Deed of Trust and/or any and all other instruments which Lender may require in connection herewith) or which Holder may require during the term of the Obligation.

ARTICLE III.

Respecting Defaults and Remedies of Holder

Section 3.1 Holder's Remedies Upon Default. Upon an event of default under any of the Loan Documents, Holder may, at its option, do any one or more of the following:

(a) If Grantor has failed to keep or perform any covenant whatsoever contained in this Deed of Trust, Holder may, but shall not be obligated to any person to do so, perform or attempt to perform said covenant, and any payment made or expense incurred in the performance or attempted performance of any such covenant shall be a part of the Obligation, and Grantor promises, upon demand, to pay to Holder, at the place where the Note is payable, or at such other place as Holder may direct by written notice, all sums so advanced or paid by Holder, with interest from the date when paid or incurred by Holder at the rate provided in the Note. No such payment by Holder shall constitute a waiver of any default. In addition to the liens and security interest hereof, Holder shall be subrogated to all rights, titles, liens, and security interest securing the payment of any debt, claim, tax, or assessment for the payment of which Holder may make an advance, or which Holder may pay.

(b) Unless otherwise modified herein, Holder may, without notice, demand, or presentment, which are hereby waived by Grantor, declare the entire unpaid balance

of the Obligation immediately due and payable, and upon such declaration, the entire unpaid balance of the Obligation shall be immediately due and payable. Grantor hereby knowingly and voluntarily waives all notices allowed by law, including without limitation, demand, presentment, notice of dishonor, protest, notice of intent to accelerate maturity and notice of acceleration.

(c) Holder may request Trustee to proceed with foreclosure, and in such event Trustee is hereby authorized and empowered, and it shall be his special duty, upon such request of Holder, to sell the Property, or any part thereof, to the highest bidder or bidders for cash, at the courthouse door of the county in the State of Texas wherein such Land or any part thereof then subject to the lien hereof is situated; provided that if such Land is situated in more than one county such sale of the Property, or part thereof, may be made in any county in the State of Texas wherein any part of the Land then subject to the lien hereof is situated. Any such sale shall be made at a public auction, between the hours of ten o'clock a.m. and four o'clock p.m. on the first Tuesday in any month, after a written or printed notice has been posted at the courthouse door in the county, or if more than one, then in each of the counties, wherein the Land subject to the lien hereof is situated, which notice shall designate the county where the Property, or any part thereof, will be sold, and which notice shall be posted at least twenty-one (21) days prior to the date of the sale. If then required by applicable law of the State of Texas, notice of the proposed sale shall be given also by filing, at least twenty-one (21) days before the date of the sale, a copy of such notice in the office of the county clerk of the county, or if more than one, then of each of the counties, wherein the Land to be sold is situated, which notice shall designate the county in which the sale is to be made.

At least twenty-one (21) days preceding the date of sale, Holder shall serve written notice of the proposed sale by certified mail on each debtor obligated to pay the Obligation according to the records of the Holder. Service of such notice shall be completed upon deposit of the notice, enclosed in a postpaid wrapper, properly addressed to such debtor at the most recent address as shown by the records of the Holder, in a post office or official depository under the care and custody of the United States Postal Service. The affidavit of any person having knowledge of the facts to the effect that such service was completed shall be prima facie evidence of the fact of service. After such sale, Trustee shall make good and sufficient deeds and assignments to the purchaser or purchasers thereunder in the name of Grantor, conveying the Property, or any part thereof, so sold to the purchaser or purchasers with general warranty of title by Grantor. Sale of a part of the Property shall not exhaust the power of sale, but sales may be made from time to time until the Obligation is paid and performed in full. It shall not be necessary to have present or to exhibit at any such

sale any of the Accessories. In addition to the rights and powers of sale granted under the preceding provisions of this Subsection 3.1(c), if default is made in the payment of any installment of the Obligation, Holder may, at its option, at once or at any time thereafter while any matured installment remains unpaid, without declaring the entire Obligation to be due and payable, orally or in writing direct Trustee to enforce this trust and to sell the Property subject to such unmatured indebtedness and the liens and security interest securing its payment, in the same manner, all as provided in the preceding provisions of this Subsection 3.1(c). After such sale, Trustee shall make due conveyance to the purchaser or purchasers. Sales made without maturing the Obligation may be made hereunder whenever there is an Event of Default in the payment of any installment of the Obligation, without exhausting the power of sale granted hereby, and without affecting in any way the power of sale granted under this Subsection 3.1(c), the unmatured balance of the Obligation (except as to any proceeds of any sale which Holder may apply as prepayment of the Obligation) or the liens and security interests securing payment of the Obligation. It is intended by each of the foregoing provisions of this Subsection 3.1(c) that Trustee may, after any request or direction by Holder, sell, not only the Land but also the Accessories and other interests constituting a part of the Property, or any part thereof, along with the Land, or any part thereof, as a unit and as a part of a single sale, or may sell any part of the Property separately from the remainder of the Property. It is agreed that, in any deed or deeds given by Trustee, any and all statements of fact or other recitals therein made as to the identity of Holder, or as to the occurrence or existence of any default, or as to the acceleration of the maturity of the Obligation, or as to the request to sell, notice of sale, time, place, terms, and manner of sale, and receipt, distribution, and application of the money realized therefrom, or as to the due and proper appointment of a substitute trustee, and, without being limited by the foregoing, as to any other act or thing having been duly done by Holder or by Trustee, shall be taken by all courts of law and equity as prima facie evidence that the said statements or recitals state facts and are without further question to be so accepted, and Grantor does hereby ratify and confirm any and all acts that Trustee may lawfully do in the premises by virtue hereof. In the event of the resignation or death of Trustee, or his removal from his county of residence stated on the first page hereof, or his failure, refusal, or inability, for any reason, to make any such sale or to perform any of the trusts herein declared, or, at the option of Holder, with or without cause, then Holder may appoint, in writing, but without the necessity of recordation, notice or any other formality, a substitute trustee, who shall thereupon succeed to all the estates, titles, rights, powers, and trusts herein granted to and vested in Trustee. If Holder is a corporation or an association, such appointment may be made on behalf of such Holder by any person who is then the president, or a vice-president, or the cashier or secretary, or any other authorized officer or agent of Holder. In the event of the resignation or death of any such substitute trustee, or his

failure, refusal, or inability to make any such sale or perform such trusts, or, at the option of Holder, without cause, successive substitute trustees may thereafter, from time to time, be appointed in the same manner. Wherever herein the word "Trustee" is used, the same shall mean the person who is the duly appointed trustee or substitute trustee hereunder at the time in question.

(d) Holder may, or Trustee may upon written request of Holder, proceed by suit or suits, at law or in equity, to enforce the payment and performance of the Obligation in accordance with the terms hereof and of the Note or other instruments evidencing it, to foreclose the liens, security interest and this Deed of Trust as against all or any part of the Property, and to have all or any part of the Property sold under the judgment or decree of a court of competent jurisdiction.

(e) Holder, as a matter of right and without regard to the sufficiency of the security, and without any showing of insolvency, fraud, or mismanagement on the part of Grantor, and without the necessity of filing any judicial or other proceeding other than the proceeding for appointment of a receiver, shall be entitled to the appointment of a receiver or receivers of the Property, or any part thereof, and of the income, rents, issues, and profits thereof.

(f) Holder may enter upon the Land, take possession of the Property and remove the Accessories, or any part thereof, with or without judicial process, and, in connection therewith, without any responsibility or liability on the part of Holder, take possession of any property located on or in the Land which is not a part of the Property and hold or store such property at Grantor's expense.

(g) Holder may require Grantor to assemble the Accessories, or any part thereof, and make them available to Holder at a place to be designated by Holder.

(h) After notification, if any, hereafter provided in this Subsection 3.1(h), Holder may sell, lease, or otherwise dispose of, at the office of Holder, or on the Land, or elsewhere, as chosen by Holder, all or any part of the Accessories, in their then condition, or following any commercially reasonable preparation or processing, and each Sale (as used in this Subsection, the term "Sale" means any such sale, lease, or other disposition made pursuant to this Subsection 3.1(h)) may be as a unit or in parcels, by public or private proceedings, and by way of one or more contracts, and at any Sale, it shall not be necessary to exhibit the Accessories, or part thereof, being sold. The Sale of any part of the Accessories shall not exhaust Holder's power of Sale, but Sales may be made from time to time until the Obligation is paid and performed in full. Reasonable notification of the time and place of any public Sale pursuant to this

Subsection 3.1(h), or reasonable notification of the time after which any private Sale is to be made pursuant to this Subsection 3.1(h), shall be sent to Grantor and to any other person entitled under the Code to notice; provided that if the Accessories or part thereof being sold are perishable, or threaten to decline rapidly in value, or are of a type customarily sold on a recognized market, Holder may sell, lease, or otherwise dispose of the Accessories, or part thereof, without notification, advertisement, or other notice of any kind. It is agreed that any notice sent or given not less than ten (10) calendar days prior to the taking of the action to which the notice relates is reasonable notification and notice for the purposes of this Subsection 3.1(h).

(i) Holder may surrender the insurance policies maintained pursuant to Subsection 2.2(b) hereof, or any part thereof, and receive and apply the unearned premiums as a credit on the Obligation, and in connection therewith, Grantor hereby appoints Holder as the agent and attorney-in-fact for Grantor to collect such premiums.

(j) Holder may retain the Accessories in satisfaction of the Obligation whenever the circumstances are such that Holder is entitled to do so under the Code.

(k) Holder may buy the Property, or any part thereof, at any public or judicial sale.

(l) Holder may buy the Accessories, or any part thereof, at any private sale if the Accessories, or part thereof, being sold are a type customarily sold in a recognized market or are a type which is the subject of widely distributed standard price quotations.

(m) Holder shall have and may exercise any and all other rights and remedies which Holder may have at law or in equity, or by virtue of any of the Loan Documents, or otherwise.

(n) Holder may apply the reserves, if any, required by Section 4.9 hereof, toward payment of the Obligation.

Section 3.2 Holder as Purchaser. If Holder is the purchaser of the Property, or any part thereof, at any sale thereof, whether such sale be under the power of sale hereinabove vested in Trustee, or upon any other foreclosure of the liens and security interest hereof, or otherwise, Holder shall, upon any such purchase, acquire good title to the Property so purchased, free of the liens and security interest of these presents.

Section 3.3 Other Rights of Holder. Should any part of the Property come into the possession of Holder, whether before or after default, Holder may use or operate the Property for the purpose of preserving it or its value, pursuant to the order of a court of appropriate jurisdiction, or in accordance with any other rights held by Holder in respect to the Property. Grantor covenants to promptly reimburse and pay to Holder, at the place where the Note is payable, the amount of all reasonable expenses (including the cost of any insurance, taxes, or other charges), incurred by Holder in connection with its custody, preservation, use, or operation of the Property, together with interest thereon from the date incurred by Holder at the rate provided in the Note, and all such expenses, costs, taxes, interest, and other charges shall be a part of the Obligation. It is agreed, however, that the risk of loss or damage to the Property is on Grantor, and Holder shall have no liability whatsoever for decline in value of the Property, or for failure to obtain or maintain insurance, or for failure to determine whether insurance in force is adequate as to amount or as to the risks insured.

Section 3.4 Possession After Foreclosure. In case the liens or security interest hereof shall be foreclosed by Trustee's sale or by judicial action, the purchaser at any such sale shall receive, as an incident to his ownership, immediate possession of the property purchased, and if Grantor or Grantor's successors shall hold possession of said Property, or any part thereof, subsequent to foreclosure, Grantor and Grantor's successors shall be considered as tenants at sufferance of the purchaser at foreclosure sale, and anyone occupying the Property after demand is made for possession thereof, shall be guilty of forcible detainer and shall be subject to eviction and removal, forcible or otherwise, with or without process of law, and all damages by reason thereof are hereby expressly waived.

Section 3.5 Application of Sales Proceeds Upon Foreclosure. The proceeds from any sale, lease, or other disposition made pursuant to this Article III, or the proceeds from surrendering any insurance policies pursuant to Subsection 3.1(i) hereof, or the reserves required by Section 4.9 hereof, or sums received pursuant to Section 4.7 hereof, or proceeds from insurance which Holder elects to apply to the Obligation pursuant to Section 4.8 hereof, shall be applied by Trustee, or by Holder, as the case may be, as follows: First, to the payment of all expenses of advertising, preserving, selling, and conveying the Property, or part thereof, including reasonable attorney's fees, and including a reasonable commission to Trustee not to exceed five percent (5%) of the proceeds of the sale; second, to interest on the Obligation; third, to principal on the matured portion of the Obligation; fourth, to prepayment of the unmatured portion, if any, of the Obligation applied to installments of principal in inverse order of maturity; and fifth, the balance, if any, remaining after the full and final payment and performance of the Obligation, to the person or persons legally entitled thereto.

Section 3.6 Abandonment of Sale. In the event a foreclosure hereunder should be commenced by Trustee in accordance with Subsection 3.1(c) hereof, Holder may at any time

before the sale, direct Trustee to abandon the sale, and may then institute suit for the collection of the Note, and for the foreclosure of the liens and security interest hereof. If Holder should institute a suit for the collection of the Note, and for a foreclosure of the liens and security interest hereof, it may at any time before the entry of a final judgment in said suit dismiss the same, and require Trustee to sell the Property, or any part thereof, in accordance with the provisions of this Deed of Trust.

ARTICLE IV. Miscellaneous

Section 4.1 Release. If the Obligation is paid in full in accordance with the terms of this Deed of Trust and the Note and other instruments evidencing or securing such Obligation, and if Grantor shall well and truly perform all of Grantor's covenants contained herein and in the other Loan Documents, then this conveyance shall become null and void and be released at Grantor's request and expense.

Section 4.2 Rights Cumulative. All rights, remedies, powers, and privileges and all liens, titles, and security interests herein expressly conferred are cumulative, and shall not be deemed to deprive Holder or Trustee of any other legal or equitable rights, remedies, powers, privileges, liens, titles, or security interests by or through judicial proceedings or otherwise appropriate to enforce the conditions, covenants, and terms of this Deed of Trust, the Note, and other Loan Documents.

Section 4.3 Waiver. Any and all covenants in this Deed of Trust may from time to time, by instrument in writing signed by Holder and delivered to Grantor, be waived to such extent and in such manner as Holder may desire, but no such waiver shall ever affect or impair Holder's rights, remedies, powers, privileges, liens, titles, and security interest hereunder, except to the extent so specifically stated in such written agreement. Neither the exercise of, nor the failure to exercise any option or remedy under the terms of this Deed of Trust shall be considered as a waiver of the right to exercise same, or any other option or remedy given herein.

Section 4.4 Maximum Rate of Interest. Grantor and Holder intend to comply with the applicable law governing the Maximum Rate (hereafter defined). All agreements between Grantor and Holder, whether now existing or hereafter arising and whether written or oral, are expressly limited so that in no event whatsoever, whether by reason of acceleration of the maturity of the Obligation or otherwise, shall the interest contracted for, charged, or received by Holder hereunder or otherwise exceed the Maximum Rate. If, in any contingency whatsoever, Holder shall receive anything of value deemed interest under applicable law which would cause the interest contracted for, charged, or received by the Holder to exceed the

Maximum Rate, the excessive interest shall be applied to the reduction of the unpaid principal balance of the Obligation and not to the payment of interest, or if such excessive interest exceeds the unpaid principal balance of the Obligation, such excess shall be refunded to Grantor, and the provisions herein and any demand on Grantor shall immediately be deemed reformed, and the amounts thereafter collectible hereunder shall be reduced, without the necessity of the execution of any new documents, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder. All interest paid or agreed to be paid to the Holder, to the extent permitted by applicable law, shall be amortized, prorated, allocated, and spread throughout the full term of such indebtedness until payment in full (including the period of any renewal or extension hereof) so that the rate or amount of interest on account of such indebtedness does not exceed the Maximum Rate.

The term "Maximum Rate," as used herein, shall mean the maximum nonusurious interest rate, if any, that at any time, or from time to time, may under applicable law be contracted for, taken, reserved, charged or received on the Obligation, or any portion thereof, under the laws which are presently in effect of the United States and the State of Texas applicable to such holder and such indebtedness or, to the extent allowed by law under such applicable laws of the United States of America and the State of Texas which may hereafter be in effect, which allow a higher maximum non-usurious interest rate than applicable laws now allow; provided, that in determining the Maximum Rate, due regard shall be given, to the extent required by applicable law, to any and all relevant payments, fees, charges, deposits, balances, agreements and calculations which may constitute or be deemed to constitute interest, or be deducted from principal to calculate the interest rate or otherwise affect interest rate determinations, so that in no event shall the Holder contract for, charge, receive, take, collect, reserve or apply, on the Obligation, or any portion thereof, any amount in excess of the maximum non-usurious rate of interest permitted by applicable law. To the extent that Texas law determines the Maximum Rate, the Maximum Rate shall be determined by utilizing the "indicated rate ceiling" from time to time in effect pursuant to the Texas Finance Code (V.T.C.A. Finance Code Section 303.001 et seq.) (the "Texas Finance Code") or such successor statute, as then in effect, governing usury. The Maximum Rate shall not be limited to the applicable rate ceiling in the Texas Finance Code or such successor statute if Federal laws or other state laws now or hereafter in effect and applicable to Obligation, or any portion thereof (and the interest contracted for, charged and collected hereunder) shall permit a higher rate of interest.

Section 4.5 Effect of Transfer on Grantor's Liability. If the ownership of the Property or any part thereof becomes vested in a person other than Grantor or in the event of a change in ownership of any Grantor other than an individual, Holder may, without notice to Grantor or Grantor's successors, deal with such successor or successors in interest with reference to this Deed of Trust and the Obligation, either by way of forbearance on the part of

Holder, or extension of time of payment of the Obligation, or release of all or any part of the Property or any other property securing payment of the Obligation, or otherwise, without in any way modifying or affecting Holder's rights and liens hereunder or the liability of Grantor or any other party liable for payment of the Obligation, in whole or in part.

Section 4.6 Waiver of Right to Marshal. Grantor hereby waives all rights of marshaling in event of any foreclosure of the liens and security interests hereby created.

Section 4.7 Condemnation Proceeds. Holder shall be entitled to receive any and all sums which may be awarded or become payable to Grantor for the condemnation of the Property, or any part thereof, for public or quasi public use, or by virtue of private sale in lieu thereof, and any sums which may be awarded or become payable to Grantor for damages caused by public works or construction on or near the Property. All such sums are hereby assigned to Holder, and Grantor shall, upon request of Holder, make, execute, acknowledge, and deliver any and all additional assignments and documents as may be necessary from time to time to enable Holder to collect and receipt for any such sums. Holder shall not be, under any circumstances, liable or responsible for failure to collect or exercise diligence in the collection of any of such sums. Any sums received by Holder in the event of condemnation shall be applied to installments on the Obligation in inverse order of maturity.

Section 4.8 Insurance Proceeds. The proceeds of any and all insurance upon the Property shall be collected by Holder, and Holder shall have the option, in Holder's sole discretion, to apply any proceeds so collected either to the restoration of the Property or to the liquidation of the Obligation.

Section 4.9 Reserve for Taxes and Insurance Premiums. In the event of default under the Loan Documents and upon the request of Holder, Grantor shall create a fund or reserve for the payment of all insurance premiums, taxes, and assessments against or affecting the Property by paying to Holder, on the first day of each calendar month prior to the maturity of the Note, a sum equal to the premiums that will next become due and payable on the hazard insurance policies covering the Property, or any part thereof, plus taxes and assessments next due on the Property, or any part thereof, as estimated by Holder, less all sums paid previously to Holder therefor, divided by the number of months to elapse before one month prior to the date when such premiums, taxes, and assessments will become due, such sums to be held by Holder, without interest, unless interest is required by applicable law, for the purposes of paying such premiums, taxes, and assessments. Any excess reserve shall, at the discretion of Holder, be credited by Holder on subsequent reserve payments or subsequent payments to be made on the Note by the maker thereof, and all deficiency shall be paid by Grantor to Holder on or before the date when such premiums, taxes, and assessments shall become delinquent. In the event there exists a deficiency in such fund or reserve at any time when taxes,

assessments, or insurance premiums are due and payable, Holder may, but shall not be obligated to, advance the amount of such deficiency on behalf of the Grantor, and such amounts so advanced shall become a part of the Obligation, shall be immediately due and payable and shall bear interest at the rate provided in the Note from the date of such advance through and including the date of repayment. Transfer of legal title to the Property shall automatically transfer the interest of Grantor in all sums deposited with Holder under the provisions hereof or otherwise. In the event that Holder does not request that such a fund be established, Grantor hereby agrees that it will promptly pay all premiums, taxes, and assessments when due, and will furnish to Holder proof of payment within 45 days of the due date by submitting canceled checks along with the statement concerning such taxes, premiums, or assessments.

Section 4.10 TEXAS FINANCE CODE §307.052 COLLATERAL PROTECTION INSURANCE NOTICE. GRANTOR IS REQUIRED TO: (A) KEEP THE PROPERTY INSURED AGAINST DAMAGE IN THE AMOUNT HOLDER SPECIFIED; (B) PURCHASE THE INSURANCE FROM AN INSURER THAT IS AUTHORIZED TO DO BUSINESS IN THE STATE OF TEXAS OR AN ELIGIBLE SURPLUS LINES INSURED; AND (C) NAME HOLDER AS THE PERSON TO BE PAID UNDER THE POLICY IN THE EVENT OF A LOSS. GRANTOR MUST, IF REQUIRED BY HOLDER, DELIVER TO HOLDER A COPY OF THE POLICY AND PROOF OF THE PAYMENT OF PREMIUMS. IF GRANTOR FAILS TO MEET ANY REQUIREMENT LISTED ABOVE, HOLDER MAY OBTAIN COLLATERAL PROTECTION INSURANCE ON BEHALF OF GRANTOR AT GRANTOR'S EXPENSE.

Section 4.11 Right to Accelerate Upon Transfer. If Grantor shall sell, convey, assign, or transfer all or any part of the Property, or any interest therein, or any beneficial interest in the Grantor, Holder may at Holder's option, declare the Obligation to be immediately due and payable, which option may be exercised at any time following such sale, conveyance, assignment, or transfer. Holder may in its sole discretion and at Grantor's request decide not to exercise said option in which event Holder's forbearance may be predicated on such terms and conditions as Holder may in its sole discretion require, including but not limited to Holder's approval of the transferee's credit worthiness and management ability, and the execution and delivery to Holder by transferee, prior to the sale, transfer, assignment, or conveyance of a written assumption agreement containing such terms as Holder may require, including but not limited to, a payment of a part of the principal amount of the Obligation, the payment of an assumption fee, a modification of the term of the Obligation, and such other terms as Holder may require. Should the Property be sold, traded, transferred, assigned, exchanged, or otherwise disposed of without the prior written consent of Holder and payment of any portion of the Obligation is thereafter accepted by the Holder such acceptance

shall not be deemed a waiver of the requirement of Holder's consent in writing thereto or with respect to any other sale, trade, transfer, assignment, exchange, or other disposition.

Section 4.12 Prohibition Against Subordinate Financing. If Grantor without the prior written consent of Holder, executes or delivers any pledge, security agreement, mortgage, or deed of trust covering all or any portion of the Property (hereafter called "Subordinate Mortgage") Holder may, at Holder's option, which option may be exercised at any time following such pledge, security agreement, mortgage, or deed of trust, declare the Obligation to be immediately due and payable. In the event of consent by Holder to the foregoing or in the event the foregoing prohibition is determined by a court of competent jurisdiction to be unenforceable under the provisions of any applicable law, Grantor will not execute or deliver any Subordinate Mortgage unless there shall have been delivered to Holder not less than ten (10) days prior to the date thereof a copy thereof which shall contain express covenants to the effect: (a) that the Subordinate Mortgage is in all respects unconditionally subject and subordinate to the lien, security interest, and assignment evidenced by this Deed of Trust and each term and provision hereof; (b) that if any action or proceeding shall be instituted to foreclose the Subordinate Mortgage (regardless of whether the same is a judicial proceeding or pursuant to a power of sale contained therein), no tenant of any portion of the Property will be named as a party defendant, or will any action be taken with respect to the Property which would terminate any occupancy or tenancy of the Property without the prior written consent of Holder; (c) that the rents and profits, if collected through a receiver or by the Holder of the Subordinate Mortgage, shall be applied first to the Obligations, including principal and interest due and owing on or to become due and owing on the Note and the other indebtedness secured hereby and then to the payment of maintenance, operating charges, taxes, assessments, and disbursements incurred in connection with the ownership, operation, and maintenance of the Property; and (d) that if any action or proceeding shall be brought to foreclose the Subordinate Mortgage, (regardless of whether the same is a judicial proceeding or pursuant to a power of sale contained therein), written notice of the commencement thereof will be given to Holder contemporaneously with the commencement of such action or proceeding.

Section 4.13 Subrogation. It is understood and agreed that the proceeds of the Note, to the extent the same are utilized to renew or extend any indebtedness or take up any outstanding liens against the Property, or any portion thereof, have been advanced by Holder at Grantor's request and upon Grantor's representation that such amounts are due and payable. Holder shall be subrogated to any and all rights, remedies, powers, privileges, liens, titles, and security interests owned or claimed by any owner or holder of said outstanding indebtedness or lien, however remote, regardless of whether said indebtedness or lien is acquired by assignment or is released by the holder thereof upon payment.

Section 4.14 Covenant to Perform. Grantor and each and every subsequent owner of the Property, or any part thereof, covenants and agrees that Grantor will perform or cause to be performed, each and every condition, term, provision, and covenant of this Deed of Trust, except that Grantor shall have no duty to pay the indebtedness evidenced by the Note except in accordance with the terms of the Note and all renewals and extensions thereof, and this Deed of Trust or in accordance with the terms of the transfer to Grantor.

Section 4.15 Notice. Except as otherwise provided herein, wherever this Deed of Trust requires notice to Grantor, notice shall be in writing and shall be deemed effective if either (1) hand delivered, (2) sent by certified mail, return receipt requested, postage prepaid, or (3) sent by overnight courier. All notices sent by U.S. mail and addressed as shown on the first page of this Deed of Trust shall be deemed received on the earlier of (i) the third day (excluding Sundays and legal holidays when the U.S. mail is not delivered) immediately following date of deposit in the U.S. mail or (ii) the date of actual receipt. All notices which are hand delivered or sent by overnight courier shall be deemed received on the day of delivery to the address shown on the first page of this Deed of Trust.

Section 4.16 Enforceability. If the rights and liens created by this Deed of Trust shall be held by a court of competent jurisdiction to be invalid or unenforceable as to any part of the Obligation, the unsecured portion of the Obligation shall be completely paid prior to the payment of the remaining and secured portion of the Obligation, and all payments made on the Obligation shall be considered to have been paid on and applied first to the complete payment of the unsecured portion of the Obligation.

Section 4.17 Successors and Assigns. This Deed of Trust is binding upon Grantor and Grantor's successors, and shall inure to the benefit of Holder, and its successors and assigns, and the provisions hereof shall be covenants running with the Land. The duties, covenants, conditions, obligations, and warranties of Grantor in this Deed of Trust shall be joint and several obligations of Grantor and Grantor's successors.

Section 4.18 Counterparts. This Deed of Trust may be executed in a number of identical counterparts, each of which, for all purposes, shall be deemed an original. If any Grantor is a corporation, this instrument is executed, sealed, and attested by Grantor's officers hereunto duly authorized.

Section 4.19 Financing Statement. This Deed of Trust is intended to be a financing statement filed as a fixture filing with respect to the Accessories and the goods described at the beginning of this Deed of Trust which are or are to become fixtures relating to the Land. The address of Grantor (Debtor) is set forth on the first page hereof and the address of Holder (Secured Party) is set forth in Section 1.1 hereof. This Deed of Trust is to be filed for record

in the real property records of the county clerk of the county or counties where the Land is located. Grantor is the record owner of the Land. A carbon, photographic, or other reproduction of this Deed of Trust or of a financing statement pursuant hereto is sufficient as a financing statement.

Section 4.20 Partial Invalidity. If the lien of this Deed of Trust is invalid or unenforceable as to any part of the debt, or if the lien is invalid or unenforceable as to any part of the Property, the unsecured or partially secured portion of the debt shall be completely paid prior to the payment of the remaining and secured or partially secured portion of the debt, and all payments made on the debt, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion of the debt which is not secured or fully secured by the lien of this Deed of Trust.

Section 4.21 Appraisal. Holder may from time to time obtain, or require Grantor to obtain for Holder, an appraisal performed by a licensed or certified appraiser acceptable to Holder of any real property securing any extension of credit by Holder to Grantor. Grantor shall insure that such appraiser has free and full access to the subject real property for the purpose of making an appraisal. Grantor consents to such access by appraiser. If Grantor is not in possession of the real property at the time of the appraisal, Grantor shall obtain any consent and cooperation of any person in possession of the real property at the time of the appraisal. Unless prohibited by applicable law, Grantor shall pay to Holder, on demand, any fees incurred by Holder in obtaining any appraisal required under a regulation or policy of any applicable governmental authority or required under Holder's loan policy. Grantor's obligation under this paragraph shall be secured by Holder's lien upon the subject real property unless the real property is the homestead of the Grantor.

Section 4.22 Attorneys' Fees. If this Deed of Trust or any document related to it is given by Holder to an attorney for enforcement, or if suit is brought for collection or enforcement, or if this Deed of Trust or any document related to it is collected or enforced through probate, bankruptcy or other judicial proceeding (or Holder takes action to protect its interests through probate, bankruptcy or other judicial proceedings), Grantor shall pay Holder reasonable attorneys' fees, court costs and expenses in addition to other amounts due hereunder.

Section 4.23 Severability. Except as expressly provided to the contrary herein, each section, part, term, or provision of this Deed of Trust shall be considered severable, and if for any reason any article, section, part, term, or provision herein is determined to be invalid and contrary to or in conflict with any existing or future law or regulation by a court or governmental agency having valid jurisdiction, such determination shall not impair the

operation of or have any other effect on other sections, parts, terms, or provisions of this Deed of Trust as may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties hereto, and said invalid sections, parts, terms, or provisions shall not be deemed to be a part of this Deed of Trust.

Section 4.24 No Agency, Partnership or Joint Venture. Nothing contained herein nor any acts of the parties hereto shall be deemed or construed by the Holder or by any other party as creating the relationship between them of (i) principal and agent, (ii) a partnership, or (iii) a joint venture.

Section 4.25 Cross-Default Provision. It is expressly understood and agreed that, should Grantor default or commit an event of default under or pursuant to any agreement which is secured by a lien or liens on any portion of the Property, the Obligation hereby secured, at the option of the Holder, shall become due and payable.

Section 4.26 Purchase Money. The Obligation hereby secured is given in part payment of the purchase price of the Property herein described and is primarily secured by a Vendor's Lien retained in Deed of even date herewith conveying said Property to the Grantor herein, and this Deed of Trust is given as additional security for the payment of said indebtedness. Said Vendor's Lien is hereby renewed, extended and carried forward in full force and effect to secure the payment of the Obligation hereby secured.

Signature page follows.

EXECUTED as of the date first above written.

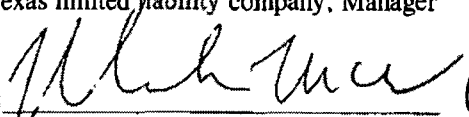
GRANTOR:

The Sanctuary Texas LLC,
a Texas limited liability company

By: The Acquis Companies LLC,
a Texas limited liability company, Manager

By: 
Brian J. Banner, Managing Member

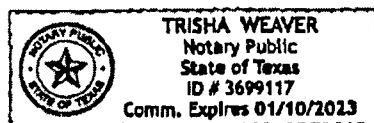
By: JRH Equity, LLC,
a Texas limited liability company, Manager

By: 
Marlon McMakin, Managing Member

STATE OF TEXAS §
 §
COUNTY OF Dallas §

BEFORE ME, the undersigned, a Notary Public in and for the said County and State, on this day personally appeared **Brian J. Banner, Managing Member of The Acquis Companies LLC, a Texas limited liability company, Manager of The Sanctuary Texas LLC, a Texas limited liability company**, known to me to be the person whose name is subscribed hereto, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 1st day of August, 2019.




NOTARY PUBLIC, State of Texas

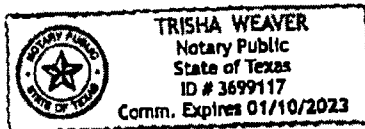
DEED OF TRUST

Page 20

STATE OF TEXAS §
 §
COUNTY OF Dallas §

BEFORE ME, the undersigned, a Notary Public in and for the said County and State, on this day personally appeared **Marlon McMakin, Managing Member of JRH Equity, LLC, a Texas limited liability company, Manager of The Sanctuary Texas LLC, a Texas limited liability company**, known to me to be the person whose name is subscribed hereto, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 1st day of August, 2019.



Trisha Weaver
NOTARY PUBLIC, State of Texas

EXHIBIT A
PROPERTY DESCRIPTION

FIELD NOTES TO ALL THAT CERTAIN TRACT OR PARCEL OF LAND SITUATED IN THE CHRISTOPHER C. DICKSON SURVEY, ABSTRACT NO. 339, DENTON COUNTY, TEXAS, BEING ALL OF LOTS 1-9, CARDINAL RIDGE ESTATES, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN CABINET P, PAGE 256, PLAT RECORDS, DENTON COUNTY, TEXAS AND BEING ALL OF THAT CERTAIN CALLED 4.83 ACRE TRACT OF LAND DESCRIBED IN DEED TO BRODERICK S. HARVEY AND MARY L. HARVEY, RECORDED IN VOLUME 5051, PAGE 4250, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS;

BEGINNING AT A CAPPED IRON ROD FOUND FOR THE SOUTHWEST CORNER OF THAT CERTAIN CALLED 70.14 ACRE TRACT OF LAND DESCRIBED IN DEED TO TAYLOR MORRISON OF TEXAS, INC. RECORDED IN DOCUMENT NO. 2018-60177 REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS AND THE NORTHWEST CORNER OF SAID CARDINAL RIDGE ESTATES, SAME BEING THE NORTHWEST CORNER OF LOT 6;

THENCE NORTH 89 DEGREES 35 MINUTES 36 SECONDS EAST, WITH THE SOUTH LINE OF SAID CALLED 70.14 ACRE TRACT OF LAND AND THE NORTH LINE OF SAID CARDINAL RIDGE ESTATES, PASSING AT 593.96 FEET A CAPPED IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID LOT 6 AND THE NORTHWEST CORNER OF LOT 7, PASSING AT 1187.56 A CAPPED IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID LOT 7 AND THE NORTHWEST CORNER OF LOT 8, PASSING AT 1631.83 A CAPPED IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID LOT 8 AND THE NORTHWEST CORNER OF LOT 9, CONTINUING FOR A TOTAL DISTANCE OF 2430.18 FEET TO A CAPPED IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID LOT 9;

THENCE SOUTH 00 DEGREES 27 MINUTES 11 SECONDS EAST, WITH THE EAST LINE OF SAID LOT 9, A DISTANCE OF 36.98 FEET TO A 1/2-INCH IRON ROD FOUND IN THE NORTH LINE OF AN INGRESS AND EGRESS EASEMENT, RECORDED IN DOCUMENT NO. 93-92181, DEED RECORDS, DENTON COUNTY, TEXAS, KNOWN AS CARDINAL RIDGE LANE, FOR THE SOUTHEAST CORNER OF SAID LOT 9;

THENCE SOUTH 89 DEGREES 47 MINUTES 56 SECONDS EAST, WITH THE NORTH LINE OF SAID INGRESS AND EGRESS EASEMENT AND THE NORTH LINE OF SAID CARDINAL RIDGE ESTATES, PASSING THE SOUTHEAST CORNER OF SAID CALLED 70.14 ACRE TRACT OF LAND, SAME BEING THE SOUTHWEST CORNER OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO D. & C. VAN NGUYEN, RECORDED IN DOCUMENT NO. 93-30424, DEED RECORDS, DENTON COUNTY, TEXAS, CONTINUING WITH THE SOUTH LINE OF SAID NGUYEN TRACT FOR A DISTANCE OF 906.95 FEET TO A CAPPED IRON ROD FOUND IN THE WEST RIGHT-OF-WAY LINE OF W. ELDORADO PARKWAY FOR THE NORTHEAST CORNER OF SAID INGRESS AND EGRESS EASEMENT AND THE SOUTHEAST CORNER OF SAID NGUYEN TRACT;

THENCE SOUTH 00 DEGREES 24 MINUTES 19 SECONDS WEST, WITH SAID RIGHT-OF-WAY, PASSING THE SOUTHEAST CORNER OF SAID INGRESS AND EGRESS EASEMENT, SAME BEING THE NORTHEAST CORNER OF THAT CERTAIN CALLED 4.83 ACRE TRACT OF LAND DESCRIBED IN DEED TO BRODERICK S. HARVEY AND MARY L. HARVEY, RECORDED IN VOLUME 5051, PAGE 4250, DEED RECORDS, DENTON COUNTY, TEXAS, CONTINUING FOR A DISTANCE OF 309.57 FEET TO A CAPPED IRON ROD FOUND FOR THE SOUTHEAST CORNER OF SAID CALLED 4.83 ACRE TRACT OF LAND AND THE NORTHEAST CORNER OF THAT

CERTAIN CALLED 4.660 ACRE TRACT OF LAND DESCRIBED IN DEED TO BRODERICK STEVE HARVEY, RECORDED IN DOCUMENT NO. 2006-25333, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS;

THENCE NORTH 89 DEGREES 45 MINUTES 03 SECONDS WEST, WITH THE NORTH LINE OF SAID CALLED 4.660 ACRE TRACT OF LAND AND THE SOUTH LINE OF SAID CALLED 4.83 ACRE TRACT OF LAND, A DISTANCE OF 840.31 FEET TO A CAPPED IRON ROD FOUND IN AN EASTERLY LINE OF LOT 1 OF SAID CARDINAL RIDGE ESTATES FOR THE NORTHWEST CORNER OF SAID CALLED 4.660 ACRE TRACT OF LAND AND THE SOUTHWEST CORNER OF SAID CALLED 4.83 ACRE TRACT OF LAND;

THENCE SOUTH 00 DEGREES 59 MINUTES 57 SECONDS WEST, WITH SAID EASTERLY LINE AND THE WEST LINE OF SAID CALLED 4.660 ACRE TRACT OF LAND, A DISTANCE OF 33.54 FEET TO A CAPPED IRON ROD FOUND FOR CORNER;

THENCE SOUTH 23 DEGREES 33 MINUTES 04 SECONDS WEST, CONTINUING WITH SAID EASTERLY LINE AND SAID WEST LINE, A DISTANCE OF 17.96 FEET TO A CAPPED IRON ROD FOUND FOR THE SOUTHWEST CORNER OF SAID CALLED 4.660 ACRE TRACT OF LAND AND THE NORTHWEST CORNER OF THAT CERTAIN CALLED 4.8956 ACRE TRACT OF LAND DESCRIBED IN DEED TO CRAIG J. BYLER AND WIFE, REBECCA J. BYLER, RECORDED IN VOLUME 4497, PAGE 3818, DEED RECORDS, DENTON COUNTY, TEXAS;

THENCE SOUTH 25 DEGREES 41 MINUTES 29 SECONDS WEST, CONTINUING WITH SAID EASTERLY LINE AND THE WEST LINE OF SAID CALLED 4.8956 ACRE TRACT OF LAND, A DISTANCE OF 245.82 FEET TO A 1/2-INCH IRON ROD FOUND FOR THE SOUTHWEST CORNER OF SAID CALLED 4.8956 ACRE TRACT OF LAND IN A NORTHERLY LINE OF SAID LOT 1;

THENCE SOUTH 64 DEGREES 16 MINUTES 49 SECONDS EAST, WITH SAID NORTHERLY LINE AND THE SOUTH LINE OF SAID CALLED 4.8956 ACRE TRACT OF LAND, A DISTANCE OF 862.58 FEET TO A CAPPED IRON ROD FOUND IN THE WEST RIGHT-OF-WAY LINE OF SAID ELDORADO PARKWAY FOR THE MOST EASTERLY NORTHEAST CORNER OF SAID LOT 1 AND THE SOUTHWEST CORNER OF SAID CALLED 4.8956 ACRE TRACT OF LAND;

THENCE SOUTH 26 DEGREES 02 MINUTES 36 SECONDS WEST, WITH SAID RIGHT-OF-WAY AND THE MOST EASTERLY LINE OF SAID LOT 1, A DISTANCE OF 245.68 FEET TO A CAPPED IRON ROD FOUND FOR THE MOST EASTERLY SOUTHEAST CORNER OF SAID LOT 1 AND THE NORTHEAST CORNER OF THE REMAINDER OF THAT CERTAIN CALLED 5.143 ACRE TRACT OF LAND DESCRIBED IN DEED AS TRACT ONE TO CYNTHIA J. PLAGMAN, RECORDED IN DOCUMENT NO. 2010-39828, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS;

THENCE NORTH 64 DEGREES 17 MINUTES 48 SECONDS WEST, WITH THE NORTH LINE OF SAID TRACT ONE AND A SOUTHERLY LINE OF SAID LOT 1, A DISTANCE OF 860.82 FEET TO A CAPPED IRON ROD FOUND ON AN EASTERLY LINE OF SAID LOT 1 FOR THE NORTHWEST CORNER OF SAID TRACT ONE;

THENCE SOUTH 25 DEGREES 42 MINUTES 29 SECONDS WEST, WITH SAID EASTERLY LINE AND THE WEST LINE OF SAID TRACT ONE, PASSING THE SOUTHWEST CORNER OF SAID TRACT ONE, SAME BEING THE NORTHWEST CORNER OF THE REMAINDER OF THAT CERTAIN CALLED 5.169 ACRE TRACT OF LAND DESCRIBED AS TRACT TWO IN DEED TO CYNTHIA J. PLAGMAN, RECORDED IN DOCUMENT NO. 2010-39828, REAL PROPERTY

RECORDS, DENTON COUNTY, TEXAS, CONTINUING WITH THE WEST LINE OF SAID TRACT TWO AND PASSING THE SOUTHWEST CORNER THEREOF, SAME BEING THE NORTHWEST CORNER OF THAT CERTAIN CALLED 4.84 ACRE TRACT OF LAND DESCRIBED IN DEED TO GUARANTEE PARTNERS, LLC, RECORDED IN DOCUMENT NO. 2011-27769, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS, CONTINUING THE WITH WEST LINE OF SAID CALLED 4.84 ACRE TRACT OF LAND FOR A TOTAL DISTANCE OF 737.20 FEET TO A CAPPED IRON ROD SET IN THE SOUTH LINE OF CARDINAL RIDGE ESTATES FOR THE SOUTHWEST CORNER OF SAID CALLED 4.84 ACRE TRACT OF LAND, THE MOST NORTHERLY NORTHWEST CORNER OF THAT CERTAIN CALLED 4.780 ACRE TRACT OF LAND DESCRIBED IN DEED TO HASSAN KHOSRAVI AND MOHTARAM FALLAHIAN, RECORDED IN DOCUMENT NO. 2011-5576, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS AND THE MOST SOUTHERLY SOUTHEAST CORNER OF SAID LOT 1;

THENCE SOUTH 87 DEGREES 20 MINUTES 37 SECONDS WEST, WITH THE SOUTHERLY LINE OF SAID LOT 1 AND SAID CARDINAL RIDGE ESTATES AND THE NORTH LINE OF SAID CALLED 4.780 ACRE TRACT OF LAND, PASSING A CAPPED IRON ROD FOUND FOR THE NORTHWEST CORNER OF SAID CALLED 4.780 ACRE TRACT OF LAND AND THE NORTHEAST CORNER OF THAT CERTAIN CALLED 5.176 ACRE TRACT OF LAND DESCRIBED IN DEED TO JEFFREY SCOTT EGGLESTON, RECORDED IN DOCUMENT NO. 96-61925, DEED RECORDS, DENTON COUNTY, TEXAS AT 5.42 FEET, CONTINUING WITH THE NORTH LINE OF SAID CALLED 5.176 ACRE TRACT OF LAND FOR A TOTAL DISTANCE OF 260.96 FEET TO A 1/2-INCH IRON ROD FOUND FOR THE MOST SOUTHERLY CORNER OF SAID LOT 1, THE NORTHWEST CORNER OF SAID CALLED 5.176 ACRE TRACT OF LAND, THE NORTHEAST CORNER OF THAT CERTAIN CALLED 4.885 ACRE TRACT OF LAND DESCRIBED AS TRACT 3 IN DEED TO BRODERICK S. HARVEY, RECORDED IN DOCUMENT NO. 2008-123813, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS AND THE MOST EASTERLY CORNER OF THAT CERTAIN CALLED 10.011 ACRE TRACT OF LAND DESCRIBED IN DEED TO ALFRED W. LEISTIKOW AND WIFE, JOAN E. LEISTIKOW, RECORDED IN DOCUMENT NO. 94-42633, DEED RECORDS, DENTON COUNTY, TEXAS;

THENCE NORTH 31 DEGREES 16 MINUTES 47 SECONDS WEST, WITH THE SOUTHERLY LINE OF SAID LOT 1 AND SAID CARDINAL RIDGE ESTATES AND THE NORTH LINE OF SAID CALLED 10.011 ACRE TRACT OF LAND, A DISTANCE OF 441.82 FEET TO A 1/2-INCH IRON ROD FOUND FOR THE MOST WESTERLY CORNER OF SAID LOT 1, THE SOUTHEAST CORNER OF LOT 2 AND THE NORTHEAST CORNER OF SAID CALLED 10.011 ACRE TRACT OF LAND;

THENCE NORTH 76 DEGREES 14 MINUTES 50 SECONDS WEST, WITH THE SOUTH LINE OF SAID LOT 2 AND SAID CARDINAL RIDGE ESTATES AND THE NORTH LINE OF SAID CALLED 10.011 ACRE TRACT OF LAND, A DISTANCE OF 1496.73 FEET TO A 1/2-INCH IRON ROD FOUND IN THE WEST LINE OF SAID CARDINAL RIDGE ESTATES FOR THE SOUTHWEST CORNER OF SAID LOT 2 AND THE NORTHWEST CORNER OF SAID CALLED 10.011 ACRE TRACT OF LAND;

THENCE NORTH 00 DEGREES 41 MINUTES 37 SECONDS WEST, WITH THE WEST LINE OF SAID LOT 2 AND THE WEST LINE OF SAID CARDINAL RIDGE ESTATES, A DISTANCE OF 171.07 FEET TO A 1/2-INCH IRON ROD FOUND FOR THE NORTHWEST CORNER OF SAID LOT 2 AND THE SOUTHWEST CORNER OF LOT 5;

THENCE NORTH 00 DEGREES 48 MINUTES 27 SECONDS WEST, WITH THE WEST LINE OF LOT 5 AND THE WEST LINE OF SAID CARDINAL RIDGE ESTATES, PASSING AT 297.01 FEET A CAPPED IRON ROD FOUND FOR THE NORTHWEST CORNER OF SAID LOT 5 AND THE

SOUTHWEST CORNER OF SAID LOT 6, CONTINUING FOR A TOTAL DISTANCE OF 593.97 FEET
TO THE POINT OF BEGINNING AND CONTAINING 70.146 ACRES OF LAND, MORE OR LESS.

Denton County
Juli Luke
County Clerk

Instrument Number: 106444

ERecordings-RP

ASSIGNMENT

Recorded On: August 27, 2019 03:56 PM

Number of Pages: 14

" Examined and Charged as Follows: "

Total Recording: \$78.00

***** THIS PAGE IS PART OF THE INSTRUMENT *****

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY
because of color or race is invalid and unenforceable under federal law

File Information:

Document Number: 106444
Receipt Number: 20190827000672
Recorded Date/Time: August 27, 2019 03:56 PM
User: Darcey B
Station: Station 21

Record and Return To:

Simplifile



STATE OF TEXAS
COUNTY OF DENTON

I hereby certify that this Instrument was FILED in the File Number sequence on the date/time
printed hereon, and was duly RECORDED in the Official Records of Denton County, Texas.

Juli Luke
County Clerk
Denton County, TX

PUC DOCKET NO. **151738**

RECEIVED
2021 JAN 20 PM 1:38
PUBLIC UTILITY COMMISSION
FILING CLERK

PETITION BY THE SANCTUARY
TEXAS, LLC,
FOR EXPEDITED RELEASE FROM
WATER CCN NO. 13201 HELD BY
BY AQUA TEXAS IN
DENTON COUNTY

§
§
§
§
§
§

PUBLIC UTILITY COMMISSION
OF TEXAS

**PETITION BY THE SANCTUARY TEXAS, LLC FOR EXPEDITED RELEASE
PURSUANT TO TEXAS WATER CODE SECTION 13.2541**

TO THE PUBLIC UTILITY COMMISSION OF TEXAS:

The Sanctuary Texas, LLC (“Petitioner”) files its Petition with the Public Utility Commission of Texas (the “PUC”) for expedited release from Aqua Texas’s (“Aqua”) water certificate of convenience and necessity (“CCN”) No. 13201; pursuant to (i) Texas Water Code Section 13.2541, and (ii) 16 Texas Administrative Code Section 24.245; and in support thereof would respectfully show as follows:

I. APPLICABLE REGULATIONS

Section 13.2541 of the Texas Water Code provides that the owner of a tract of land that is at least 25 acres and that is not receiving water or sewer service may petition for expedited release of the area from a CCN.¹ For land that is located within a county with a population of at least one million, or a county adjacent to a county with a population of at least one million, the owner of the qualifying tract “is entitled to that release.”² The rule adopted by the PUC pursuant to Section 13.2541 provides the same, and it recognizes that Denton County is a county in which

¹ TEXAS WATER CODE §13.2541

² *Id.*

owners of at least 25 acres are entitled to expedited release.³ Under Section 13.2541(c), the PUC “shall grant a petition not later than the 60th day after the date the landowner files the petition.”

II. REQUEST FOR EXPEDITED RELEASE

Petitioner owns approximately 70.149 acres of contiguous property in Denton County. Petitioner seeks decertification of approximately 69.133 of the property which is within the boundaries of water CCN No. 13201, held by Aqua (the “Property”). The Property is not receiving water service from Aqua. An Affidavit in support of this Petition is attached hereto as Exhibit “A.” A general location map, a detailed map of the tract, and a metes and bounds survey are attached as Exhibits “B-1, B-2 and B-3.” A deed referencing Petitioner as title holder, describing the land, is attached as Exhibit “C.”

III. CONCLUSION AND PRAYER

Texas Water Code Section 13.2541 entitles Petitioner to expedited release of the Property described herein. The Property is greater than 25 acres, is not receiving water or sewer service, and are entirely within Denton County. Under Section 13.2541, the PUC should grant this Petition no later than the 60th day after the date of filing. Petitioner respectfully requests that the PUC grant this Petition and issue an order under the authority of Section 13.2541 releasing all portions of the Property that are within the boundaries of water CCN No. 13201.

³ 16 Tex. Admin. Code § 24.245

Respectfully submitted,

COATS | ROSE

By:



Natalie B. Scott
State Bar No. 24027970
nscott@coatsrose.com
Terrace 2
2700 Via Fortuna, Suite 350
Austin, Texas 78746
(512) 469-7987 Telephone
(512) 469-9408 Telecopier

**ATTORNEY FOR PETITIONER
THE SANCTUARY TEXAS, LLC**

CERTIFICATE OF SERVICE

I hereby certify that on this 20th day of January, 2021, a true and correct copy of the Petition by The Sanctuary Texas, LLC for Expedited Release Pursuant to Texas Water Code Section 13.254(a-5) was sent, via certified mail, return receipt requested to the following recipient at the address indicated.

Aqua Texas, Inc.
1106 Clayton Lane
Austin, Texas 78723-3489

Via Certified Mail, RRR

CSC-Lawyers Incorporating Service Company
211 E. 7th Street, Suite 620
Austin, Texas 78701-3218

Via Certified Mail, RRR



Natalie B. Scott

EXHIBIT “A”

Affidavit of Marlon McMakin

PUC DOCKET NO. _____

PETITION BY THE SANCTUARY	§	BEFORE THE
TEXAS, LLC,	§	
FOR EXPEDITED RELEASE FROM	§	
WATER CCN NO. 13201 HELD BY	§	PUBLIC UTILITY COMMISSION
BY AQUA TEXAS IN	§	
DENTON COUNTY	§	OF TEXAS

**AFFIDAVIT OF MARLON MCMAKIN IN SUPPORT OF PETITION FOR EXPEDITED
RELEASE FROM WATER CCN NO. 13201 HELD BY AQUA TEXAS, PURSUANT TO
TEXAS WATER CODE SECTION 13.2541**

STATE OF TEXAS §

COUNTY OF DENTON §

BEFORE ME, the undersigned notary, personally appeared Marlon McMakin, the affiant, a person who is known to me. After administering an oath, the affiant testified that:

1. "My name is Marlon McMakin. I am over the age of eighteen years, of sound mind, and am capable of making this affidavit. The facts stated in this affidavit are within my personal knowledge and are true and correct.

2. I am the Managing Member of The Sanctuary Texas, LLC, the Petitioner in the above-captioned matter. Petitioner owns approximately 70.149 acres of land in Denton County, Texas. Petitioner seeks to decertify approximately 69.113 acres of this land (the "Property") that is located within the boundaries of water CCN No. 13201 issued to Aqua Texas. Exhibits "B-1, B-2 and B-3" attached to this Petition are true and correct copies of a general location map, a detailed map of the tract, and a metes and bounds survey. Petitioner is owner of this land as evidenced by the deed, attached as Exhibit "C".

3. Aqua Texas ("Aqua") does not provide service to the Property.

4. I have met with Aqua Texas ("Aqua") General Manager, Mr. Darryl G. Waldcock, regarding Aqua's obligation and ability to provide water to the property described in this matter on more than one occasion.

5. In our meetings, I informed Aqua that The Sanctuary LLC intends to develop approximately 265 single-family residence lots on the property.

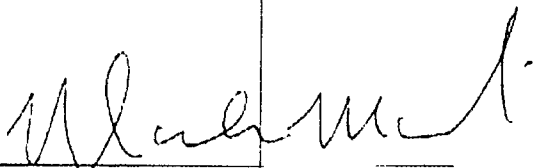
6. Aqua informed me that they do not have the current capacity to serve The Sanctuary LLC's planned development.

7 The attachments to the Petition are kept by The Sanctuary in the regular course of business.

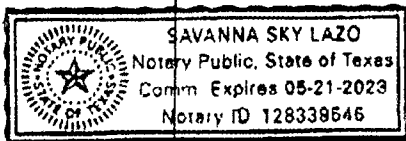
8. It is the regular practice of said business for an employee or representative with knowledge of the act, event, incident, order, transaction, invoice, condition, photo, video recording, audio recording, opinion, or diagnosis, to make the record, or to transmit information thereof to be included in such record.

9 I request that the Public Utility Commission of Texas release the described 69 128 acres from water CCN No 13201 "

FURTHER AFFIANT SAYETH NOT


Marlon McMakin

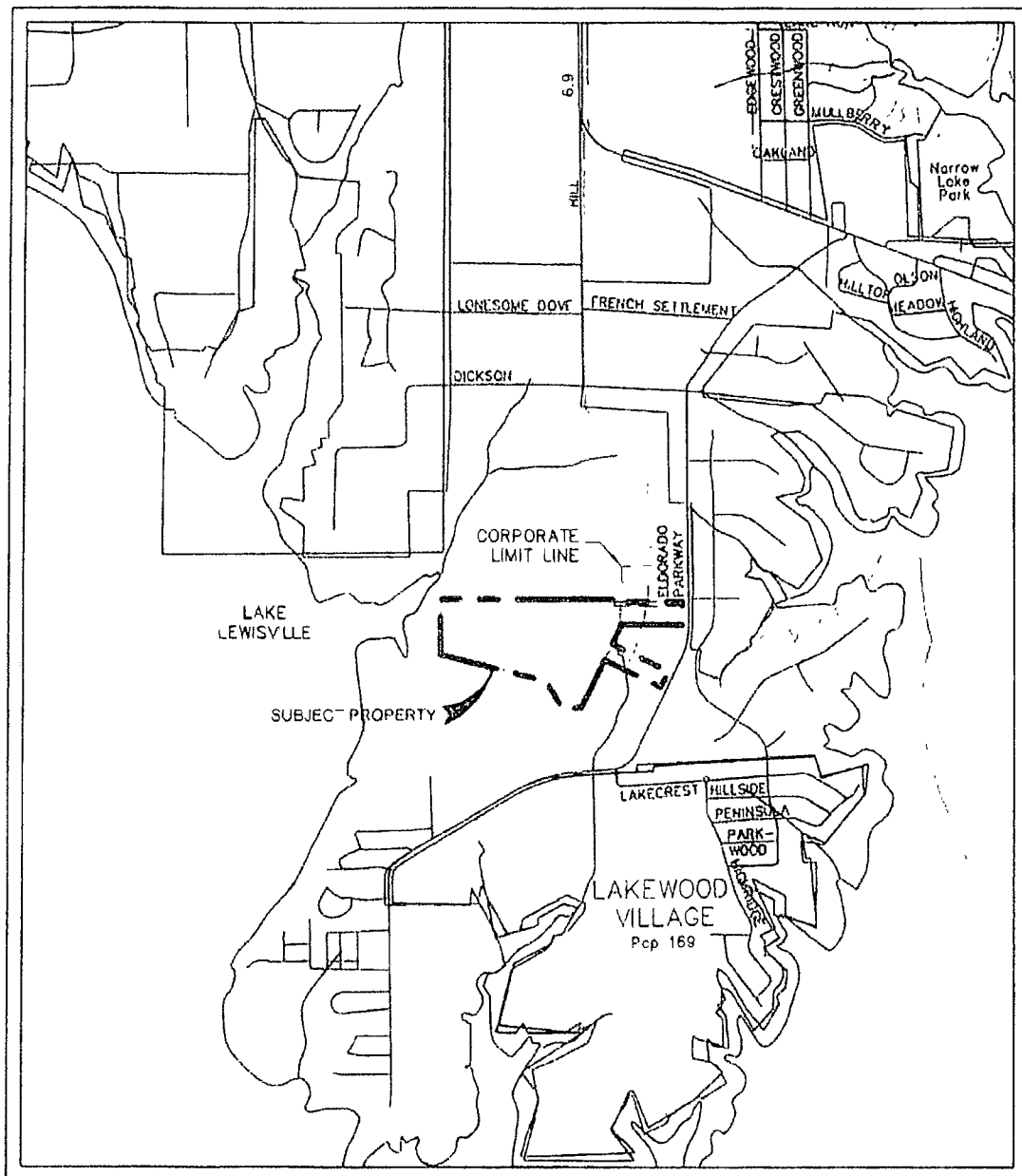
SWORN TO AND SUBSCRIBED TO BEFORE ME by Marlon McMakin on 15th January, 2021.




Notary Public, State of Texas

EXHIBIT “B-1”

General Location Map



VICINITY MAP

SCALE: 1" = 2,000'

The Sanctuary at Sunset Cove

Town of Lakewood Village, Texas
February 2020

Kimley»Horn

13455 Noel Road
Two Galleria Office Tower, Suite 700
Dallas, TX 75240
State of Texas Registration No F-928



EXHIBIT “B-2”

Detailed Map

E OF SAID CALL TO 14
 ASSING AT 521.96 FEET A
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 IND FOR THE NORTHWEST
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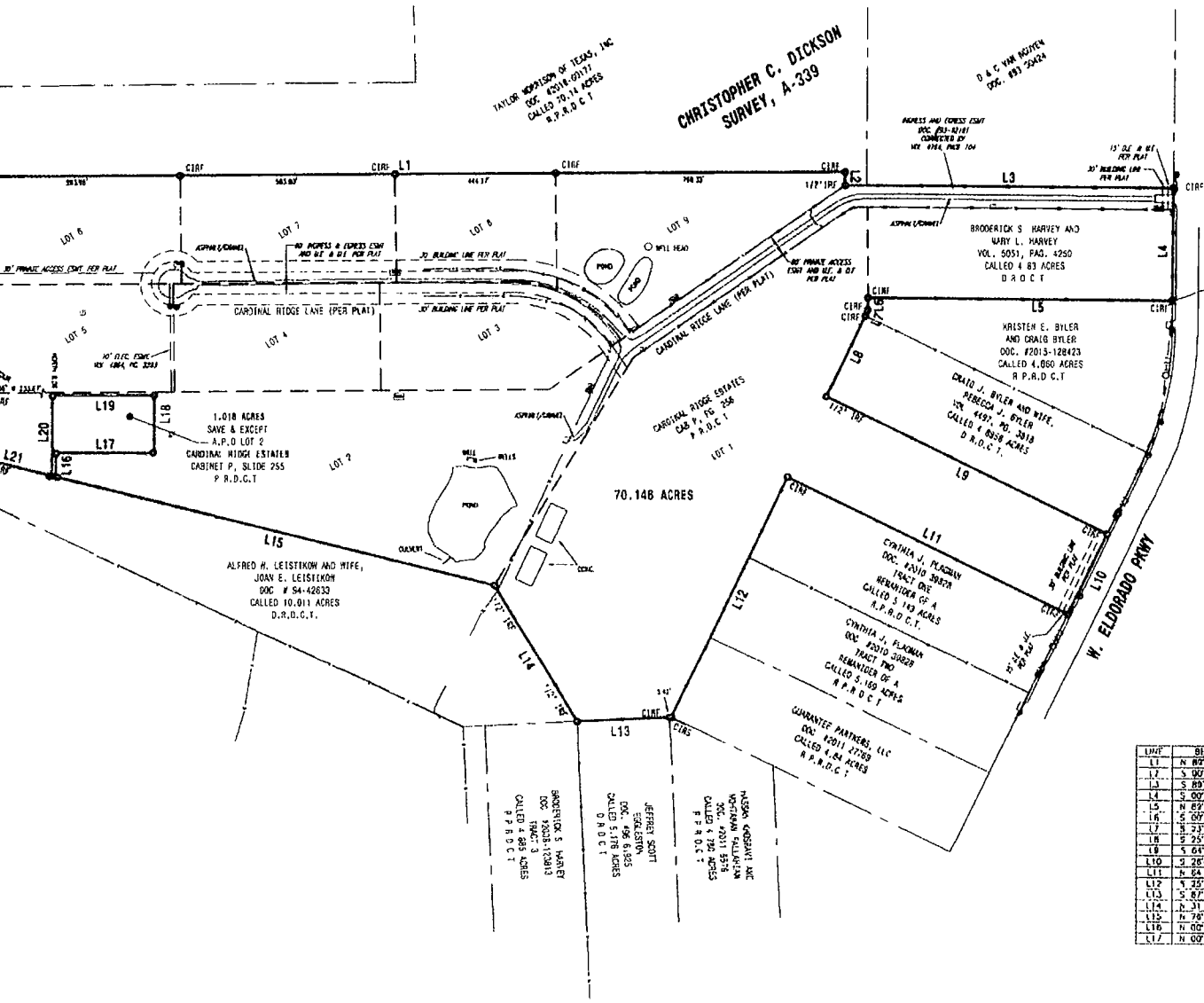
LY LINE OF SAID LOT 1 AND
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C OF SAID LOT 2 AND THE
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 8 CONTINUING FOR A
 6 113 ACRES OF LAND,



LINE	BEARING	DISTANCE
L1	N 89°35'36" E	2430.18'
L2	S 00°27'11" E	36.96'
L3	S 89°47'56" E	906.95'
L4	S 00°24'19" W	309.57'
L5	N 89°45'03" W	840.31'
L6	S 00°59'57" W	33.54'
L7	S 23°33'04" W	17.96'
L8	S 26°41'29" W	245.82'
L9	S 84°16'49" E	862.58'
L10	S 26°02'36" W	245.68'
L11	N 64°17'48" W	860.82'
L12	S 25°42'29" W	737.20'
L13	S 87°20'37" W	280.96'
L14	N 31°16'47" W	441.82'
L15	N 76°14'50" W	1248.00'
L16	NORTH	65.75'
L17	EAST	270.77'
L18	NORTH	158.01'
L19	WEST	280.77'
L20	SOUTH	221.32'

Course	Bearing	Distance
L1	N 89°35'36" E	2430.18'
L2	S 00°27'11" E	36.96'
L3	S 89°47'56" E	906.95'
L4	S 00°24'19" W	309.57'
L5	N 89°45'03" W	840.31'
L6	S 00°59'57" W	33.54'
L7	S 23°33'04" W	17.96'
L8	S 26°41'29" W	245.82'
L9	S 84°16'49" E	862.58'
L10	S 26°02'36" W	245.68'
L11	N 64°17'48" W	860.82'
L12	S 25°42'29" W	737.20'
L13	S 87°20'37" W	280.96'
L14	N 31°16'47" W	441.82'
L15	N 76°14'50" W	1248.00'
L16	NORTH	65.75'
L17	EAST	270.77'
L18	NORTH	158.01'
L19	WEST	280.77'
L20	SOUTH	221.32'



EXHIBIT “B-3”

Survey

69.113 ACRES
CHRISTOPHER C. DICKSON SURVEY, A-339
DENTON COUNTY, TEXAS

FIELD NOTES TO ALL THAT CERTAIN TRACT OR PARCEL OF LAND SITUATED IN THE CHRISTOPHER C. DICKSON SURVEY, ABSTRACT NO. 339, DENTON COUNTY, TEXAS, BEING A PART OF LOT 2 AND ALL OF LOT 1, AND LOTS 3-9, CARDINAL RIDGE ESTATES, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN CABINET P. PAGE 256, PLAT RECORDS, DENTON COUNTY, TEXAS AND BEING A PART OF THAT CERTAIN CALLED 4.83 ACRE TRACT OF LAND DESCRIBED IN DEED TO BRODERICK S. HARVEY AND MARY L. HARVEY, RECORDED IN VOLUME 5051, PAGE 4250, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS:

BEGINNING AT A CAPPED IRON ROD FOUND FOR THE SOUTHWEST CORNER OF THAT CERTAIN CALLED 70.14 ACRE TRACT OF LAND DESCRIBED IN DEED TO TAYLOR MORRISON OF TEXAS, INC. RECORDED IN DOCUMENT NO. 2018-60177 REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS AND THE NORTHWEST CORNER OF SAID CARDINAL RIDGE ESTATES, SAME BEING THE NORTHWEST CORNER OF LOT 6;

THENCE NORTH 89 DEGREES 35 MINUTES 36 SECONDS EAST, WITH THE SOUTH LINE OF SAID CALLED 70.14 ACRE TRACT OF LAND AND THE NORTH LINE OF SAID CARDINAL RIDGE ESTATES, PASSING AT 593.96 FEET A CAPPED IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID LOT 6 AND THE NORTHWEST CORNER OF LOT 7. PASSING AT 1187.56 A CAPPED IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID LOT 7 AND THE NORTHWEST CORNER OF LOT 8, PASSING AT 1631.83 A CAPPED IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID LOT 8 AND THE NORTHWEST CORNER OF LOT 9, CONTINUING FOR A TOTAL DISTANCE OF 2430.18 FEET TO A CAPPED IRON ROD FOUND FOR THE NORTHEAST CORNER OF SAID LOT 9;

THENCE SOUTH 00 DEGREES 27 MINUTES 11 SECONDS EAST, WITH THE EAST LINE OF SAID LOT 9, A DISTANCE OF 36.98 FEET TO A 1/2-INCH IRON ROD FOUND IN THE NORTH LINE OF AN INGRESS AND EGRESS EASEMENT, RECORDED IN DOCUMENT NO. 93-92181, DEED RECORDS, DENTON COUNTY, TEXAS, KNOWN AS CARDINAL RIDGE LANE, FOR THE SOUTHEAST CORNER OF SAID LOT 9;

THENCE SOUTH 89 DEGREES 47 MINUTES 56 SECONDS EAST, WITH THE NORTH LINE OF SAID INGRESS AND EGRESS EASEMENT AND THE NORTH LINE OF SAID CARDINAL RIDGE ESTATES, PASSING THE SOUTHEAST CORNER OF SAID CALLED 70.14 ACRE TRACT OF LAND, SAME BEING THE SOUTHWEST CORNER OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO D. & C. VAN NGUYEN. RECORDED IN DOCUMENT NO. 93-30424, DEED RECORDS, DENTON COUNTY, TEXAS, CONTINUING WITH THE SOUTH LINE OF SAID NGUYEN TRACT FOR A DISTANCE OF 906.95 FEET TO A CAPPED IRON ROD FOUND IN THE WEST RIGHT-OF-WAY LINE OF W. ELDORADO PARKWAY FOR THE NORTHEAST CORNER OF

SAID INGRESS AND EGRESS EASEMENT AND THE SOUTHEAST CORNER OF SAID NGUYEN TRACT;

THENCE SOUTH 00 DEGREES 24 MINUTES 19 SECONDS WEST, WITH SAID RIGHT-OF-WAY, PASSING THE SOUTHEAST CORNER OF SAID INGRESS AND EGRESS EASEMENT, SAME BEING THE NORTHEAST CORNER OF THAT CERTAIN CALLED 4.83 ACRE TRACT OF LAND DESCRIBED IN DEED TO BRODERICK S. HARVEY AND MARY L. HARVEY, RECORDED IN VOLUME 5051, PAGE 4250, DEED RECORDS, DENTON COUNTY, TEXAS. CONTINUING FOR A DISTANCE OF 309.57 FEET TO A CAPPED IRON ROD FOUND FOR THE SOUTHEAST CORNER OF SAID CALLED 4.83 ACRE TRACT OF LAND AND THE NORTHEAST CORNER OF THAT CERTAIN CALLED 4.660 ACRE TRACT OF LAND DESCRIBED IN DEED TO KRISTEN E. BYLER AND CRAIG BYLER, RECORDED IN DOCUMENT NO 2015-128423, REAL PROPERTY RECORDS. DENTON COUNTY, TEXAS;

THENCE NORTH 89 DEGREES 45 MINUTES 03 SECONDS WEST, WITH THE NORTH LINE OF SAID CALLED 4.660 ACRE TRACT OF LAND AND THE SOUTH LINE OF SAID CALLED 4.83 ACRE TRACT OF LAND, A DISTANCE OF 840.31 FEET TO A CAPPED IRON ROD FOUND IN AN EASTERLY LINE OF LOT 1 OF SAID CARDINAL RIDGE ESTATES FOR THE NORTHWEST CORNER OF SAID CALLED 4.660 ACRE TRACT OF LAND AND THE SOUTHWEST CORNER OF SAID CALLED 4.83 ACRE TRACT OF LAND;

THENCE SOUTH 00 DEGREES 59 MINUTES 57 SECONDS WEST, WITH SAID EASTERLY LINE AND THE WEST LINE OF SAID CALLED 4.660 ACRE TRACT OF LAND, A DISTANCE OF 33.54 FEET TO A CAPPED IRON ROD FOUND FOR CORNER;

THENCE SOUTH 23 DEGREES 33 MINUTES 04 SECONDS WEST, CONTINUING WITH SAID EASTERLY LINE AND SAID WEST LINE, A DISTANCE OF 17.96 FEET TO A CAPPED IRON ROD FOUND FOR THE SOUTHWEST CORNER OF SAID CALLED 4.660 ACRE TRACT OF LAND AND THE NORTHWEST CORNER OF THAT CERTAIN CALLED 4.8956 ACRE TRACT OF LAND DESCRIBED IN DEED TO CRAIG J. BYLER AND WIFE, REBECCA J. BYLER, RECORDED IN VOLUME 4497, PAGE 3818, DEED RECORDS, DENTON COUNTY, TEXAS;

THENCE SOUTH 25 DEGREES 41 MINUTES 29 SECONDS WEST, CONTINUING WITH SAID EASTERLY LINE AND THE WEST LINE OF SAID CALLED 4.8956 ACRE TRACT OF LAND, A DISTANCE OF 245.82 FEET TO A 1/2-INCH IRON ROD FOUND FOR THE SOUTHWEST CORNER OF SAID CALLED 4.8956 ACRE TRACT OF LAND IN A NORTHERLY LINE OF SAID LOT 1;

THENCE SOUTH 64 DEGREES 16 MINUTES 49 SECONDS EAST, WITH SAID NORTHERLY LINE AND THE SOUTH LINE OF SAID CALLED 4.8956 ACRE TRACT OF LAND, A DISTANCE OF 862.58 FEET TO A CAPPED IRON ROD FOUND IN THE WEST RIGHT-OF-WAY LINE OF SAID ELDORADO PARKWAY FOR THE MOST EASTERLY NORTHEAST CORNER OF SAID LOT 1 AND THE SOUTHWEST CORNER OF SAID CALLED 4.8956 ACRE TRACT OF LAND;

THENCE SOUTH 26 DEGREES 02 MINUTES 36 SECONDS WEST, WITH SAID RIGHT-OF-WAY AND THE MOST EASTERLY LINE OF SAID LOT 1, A DISTANCE OF 245.68 FEET TO A CAPPED IRON ROD FOUND FOR THE MOST EASTERLY SOUTHEAST CORNER OF SAID LOT 1 AND THE NORTHEAST CORNER OF THE REMAINDER OF THAT CERTAIN CALLED 5.143 ACRE TRACT OF LAND DESCRIBED IN DEED AS TRACT ONE TO CYNTHIA J. PLAGMAN, RECORDED IN DOCUMENT NO. 2010-39828, REAL PROPERTY RECORDS. DENTON COUNTY, TEXAS;

THENCE NORTH 64 DEGREES 17 MINUTES 48 SECONDS WEST, WITH THE NORTH LINE OF SAID TRACT ONE AND A SOUTHERLY LINE OF SAID LOT 1, A DISTANCE OF 860.82 FEET TO A CAPPED IRON ROD FOUND ON AN EASTERLY LINE OF SAID LOT 1 FOR THE NORTHWEST CORNER OF SAID TRACT ONE;

THENCE SOUTH 25 DEGREES 42 MINUTES 29 SECONDS WEST, WITH SAID EASTERLY LINE AND THE WEST LINE OF SAID TRACT ONE, PASSING THE SOUTHWEST CORNER OF SAID TRACT ONE, SAME BEING THE NORTHWEST CORNER OF THE REMAINDER OF THAT CERTAIN CALLED 5.169 ACRE TRACT OF LAND DESCRIBED AS TRACT TWO IN DEED TO CYNTHIA J. PLAGMAN, RECORDED IN DOCUMENT NO. 2010-39828, REAL PROPERTY RECORDS. DENTON COUNTY, TEXAS, CONTINUING WITH THE WEST LINE OF SAID TRACT TWO AND PASSING THE SOUTHWEST CORNER THEREOF, SAME BEING THE NORTHWEST CORNER OF THAT CERTAIN CALLED 4.84 ACRE TRACT OF LAND DESCRIBED IN DEED TO GUARANTEE PARTNERS, LLC, RECORDED IN DOCUMENT NO 2011-27769, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS, CONTINUING THE WITH WEST LINE OF SAID CALLED 4.84 ACRE TRACT OF LAND FOR A TOTAL DISTANCE OF 737.20 FEET TO A CAPPED IRON ROD SET IN THE SOUTH LINE OF CARDINAL RIDGE ESTATES FOR THE SOUTHWEST CORNER OF SAID CALLED 4.84 ACRE TRACT OF LAND, THE MOST NORTHERLY NORTHWEST CORNER OF THAT CERTAIN CALLED 4.780 ACRE TRACT OF LAND DESCRIBED IN DEED TO HASSAN KHOSRAVI AND MOHTARAM FALLAHIAN, RECORDED IN DOCUMENT NO. 2011-5576, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS AND THE MOST SOUTHERLY SOUTHEAST CORNER OF SAID LOT 1;

THENCE SOUTH 87 DEGREES 20 MINUTES 37 SECONDS WEST, WITH THE SOUTHERLY LINE OF SAID LOT 1 AND SAID CARDINAL RIDGE ESTATES AND THE NORTH LINE OF SAID CALLED 4.780 ACRE TRACT OF LAND, PASSING A CAPPED IRON ROD FOUND FOR THE NORTHWEST CORNER OF SAID CALLED 4.780 ACRE TRACT OF LAND AND THE NORTHEAST CORNER OF THAT CERTAIN CALLED 5.176 ACRE TRACT OF LAND DESCRIBED IN DEED TO JEFFREY SCOTT EGGLESTON, RECORDED IN DOCUMENT NO. 96-61925, DEED RECORDS, DENTON COUNTY, TEXAS AT 5.42 FEET, CONTINUING WITH THE NORTH LINE OF SAID CALLED 5.176 ACRE TRACT OF LAND FOR A TOTAL DISTANCE OF 260.96 FEET TO A 1/2-INCH

IRON ROD FOUND FOR THE MOST SOUTHERLY CORNER OF SAID LOT 1, THE NORTHWEST CORNER OF SAID CALLED 5.176 ACRE TRACT OF LAND, THE NORTHEAST CORNER OF THAT CERTAIN CALLED 4.885 ACRE TRACT OF LAND DESCRIBED AS TRACT 3 IN DEED TO BRODERICK S. HARVEY, RECORDED IN DOCUMENT NO. 2008-123813, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS AND THE MOST EASTERLY CORNER OF THAT CERTAIN CALLED 10.011 ACRE TRACT OF LAND DESCRIBED IN DEED TO ALFRED W. LEISTIKOW AND WIFE, JOAN E. LEISTIKOW, RECORDED IN DOCUMENT NO. 94-42633, DEED RECORDS, DENTON COUNTY, TEXAS;

THENCE NORTH 31 DEGREES 16 MINUTES 47 SECONDS WEST, WITH THE SOUTHERLY LINE OF SAID LOT 1 AND SAID CARDINAL RIDGE ESTATES AND THE NORTH LINE OF SAID CALLED 10.011 ACRE TRACT OF LAND, A DISTANCE OF 441.82 FEET TO A 1/2-INCH IRON ROD FOUND FOR THE MOST WESTERLY CORNER OF SAID LOT 1, THE SOUTHEAST CORNER OF LOT 2 AND THE NORTHEAST CORNER OF SAID CALLED 10.011 ACRE TRACT OF LAND;

THENCE NORTH 76 DEGREES 14 MINUTES 50 SECONDS WEST, WITH THE SOUTH LINE OF SAID LOT 2 AND THE NORTH LINE OF SAID CALLED 10.011 ACRE TRACT OF LAND, A DISTANCE OF 1248.00 FEET TO A POINT FOR CORNER;

THENCE SEVERING SAID LOT 2 THE FOLLOWING 5 CALLS;

- 1) NORTH A DISTANCE OF 65.75 FEET;
- 2) EAST A DISTANCE OF 270.77 FEET;
- 3) NORTH A DISTANCE OF 158.01 FEET;
- 4) WEST A DISTANCE OF 280.77 FEET;
- 5) SOUTH A DISTANCE OF 221.32 FEET;

THENCE NORTH 76 DEGREES 14 MINUTES 50 SECONDS WEST, WITH THE SOUTH LINE OF SAID LOT 2 AND THE NORTH LINE OF SAID CALLED 10.011 ACRE TRACT OF LAND, A DISTANCE OF 238.43 FEET TO A 1/2 INCH IRON ROD SET IRON ROD FOUND FOR CORNER AT THE SOUTHWEST CORNER OF SAID LOT 2;

THENCE NORCH 00 DEGRESS 41 MINUTES 37 SECONDS WEST, WITH THE WEST LINE OF SAID LOT 25 AND THE WEST LINE OF SAID CARDINAL RIDGE ESTATES, A DISTANCE OF 171.07 FEET TO A 1/2-INCH IRON ROD FOUND FOR THE NORTHWEST CORNER OF SAID LOT 2 AND THE SOUTHWEST CORNER OF LOT 5;

THENCE NORTH 00 DEGREES 48 MINUTES 27 SECONDS WEST, WITH THE WEST LINE OF LOT 5 AND THE WEST LINE OF SAID CARDINAL RIDGE ESTATES, PASSING AT 297.01 FEET A CAPPED IRON ROD FOUND FOR THE NORTHWEST CORNER OF SAID LOT 5 AND THE SOUTHWEST CORNER OF SAID LOT 6, CONTINUING FOR A

TOTAL DISTANCE OF 593.97 FEET TO THE POINT OF BEGINNING AND CONTAINING 69.113 ACRES OF LAND, MORE OR LESS

SAVE & EXCEPT THE FOLLOWING 1.018 ACRES

FIELD NOTES TO ALL THAT CERTAIN TRACT OR PARCEL OF LAND SITUATED IN THE CHRISTOPHER C. DICKSON SURVEY, ABSTRACT # 339, DENTON COUNTY TEXAS AND BEING A PART OF LOT 2 OF, CARDINAL RIDGE ESTATES, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN CABINET P. PAGE 255, PLAT RECORDS, DENTON COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE TRACT BEING DESCRIBED HEREIN AT A 1/2 INCH IRON ROD SET FOR CORNER FROM WHICH THE NORTHWEST CORNER OF SAID LOT 2 BEARS NORTH 8.08 FEET AND SOUTH 89 DEGREES 35 MINUTES 36 SECONDS WEST WITH THE NORTH LINE OF SAID LOT 2 A DISTANCE OF 233.67 FEET;

THENCE EAST A DISTANCE OF 280.77 FEET TO A CAPPED IRON ROD SET FOR CORNER;

THENCE SOUTH A DISTANCE OF 158.01 FEET TO A CAPPED IRON ROD SET FOR CORNER;

THENCE WEST A DISTANCE OF 280.77 FEET TO A CAPPED IRON ROD SET FOR CORNER;

THENCE NORTH A DISTANCE OF 158.01 FEET TO THE POINT OF BEGINNING AND ENCLOSING 1.018 ACRES OF LAND MORE OR LESS.

EXHIBIT “C”

Deed

Denton County
Juli Luke
County Clerk

Instrument Number: 106441

ERecordings-RP

WARRANTY DEED

Recorded On: August 27, 2019 03:56 PM

Number of Pages: 6

" Examined and Charged as Follows: "

Total Recording: \$46.00

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

GF# 1002-271991-RTT

SPECIAL WARRANTY DEED

Broderick Steve Harvey, Trustee of The Broderick Steve Harvey Revocable Trust under Trust Agreement dated October 7, 1997

(hereinafter called "Grantor," whether one or more, masculine, feminine or neuter) for and in consideration of the sum of TEN and no/100 DOLLARS and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, paid by

The Sanctuary Texas LLC, a Texas limited liability company

(hereinafter called "Grantee," whether one or more, masculine, feminine or neuter), of one certain note of even date herewith in the principal sum of **THREE MILLION ONE HUNDRED EIGHTY FIVE THOUSAND and NO/100 DOLLARS (\$ 3,185,000.00)**, payable to the order of **Independent Bank** (hereinafter called "Payee," whether one or more, masculine, feminine or neuter) as therein provided, it having advanced said sum at the special instance and request of Grantee as part of the purchase price for the property conveyed hereby, and Payee shall be and the same hereby is subrogated to all of the rights, titles, liens and equities of said Grantor securing the payment of said note as fully as if it were Grantor herein, and in addition to the first and superior vendor's lien retained herein, said note is additionally secured by a deed of trust of even date herewith to **Daniel W. Brooks**, Trustee(s), upon the property conveyed hereby, and by these presents does Grant, Sell and Convey, unto the said Grantee, all that certain property described as follows:

BEING ALL OF LOTS 1, 3, 4, 5, 6, 7, 8 and 9, CARDINAL RIDGE ESTATES, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN CABINET P, PAGE 256, PLAT RECORDS, DENTON COUNTY, TEXAS.

together with all improvements thereon, if any, and all rights, privileges, tenements, hereditaments, rights of way, easements, appendages and appurtenances, in anyway appertaining thereto, and all right, title and interest of Grantor in and to any streets, ways, alleys, strips or gores of land adjoining the above-described property or any part thereof (hereinafter, the "Property").

This deed is executed and delivered subject to all easements, reservations, conditions, covenants and restrictive covenants as the same appear of record in the office of the County Clerk of the county in which the Property is located, and property taxes for the current year and subsequent years, the payment of which Grantee assumes.

TO HAVE AND TO HOLD the above described Property, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said Grantee, his, her or its successors, heirs and assigns, as the case may be, forever; and Grantor does hereby bind Grantor and Grantor's successors, heirs, executors and administrators, as the case may be, to Warrant and Forever Defend all and singular the said Property unto the said Grantee and Grantee's successors, heirs and assigns, as the case may be, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof, by, through, or under Grantor, but not otherwise.

Executed effective as of the 21 day of August, 2019.



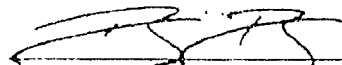
Broderick Steve Harvey, Trustee of The
Broderick Steve Harvey Revocable Trust
under Trust Agreement dated October 7, 1997

ACKNOWLEDGMENT

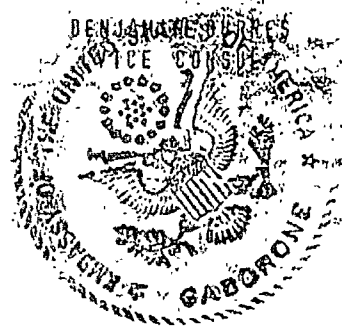
STATE OF _____ §
COUNTY OF _____ §

Before me, the undersigned authority, on this day personally appeared Broderick Steve Harvey, Trustee of The Broderick Steve Harvey Revocable Trust under Trust Agreement dated October 7, 1997, [check one] ☐ known to me or ☒ proved to me through US DL (description of identity card) to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that said person executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 21 day of August, 2019.

 U.S. CONSUL
Notary Public, State of Texas
Printed name: **BENJAMIN BURNES**
Commission expires: **OCTOBER, 2020**

Page 2 of 5



AFTER RECORDING RETURN TO:

The Sanctuary Texas LLC
11700 Preston Road, Suite 660, #253
Dallas, TX 75230

EXHIBIT B
Permitted Encumbrances

1. Restrictive covenants contained in Judgment on Declaration of Taking and Order Fixing Date of Possession recorded in Volume 436, Page 20 and Volume 3114, Page 433, Real Property Records, Denton County, Texas, and in Cabinet P, Slide 255, Plat Records, Denton County, Texas.
2. Easement as awarded to United States of America in Condemnation Proceedings in the United States District Court for the Eastern District of Texas, under Cause No. 1319, filed 03/18/1958, recorded in Volume 436, Page 20, Real Property Records, Denton County, Texas, and as shown on the survey prepared by J.E. Thompson, RPLS No. 4857, of All American Surveying, Job No. 190209, dated 07/24/2019 (the "Survey").
3. Title to all coal, lignite, oil, gas and other minerals in, under and that may be produced from the land, together with all rights, privileges, and immunities relating thereto, all of such interest, to the extent not previously reserved or conveyed, being reserved or conveyed in instrument filed 12/06/1991, recorded in Volume 3114, Page 433, Real Property Records Denton County, Texas. Company makes no representation as to the present ownership of any said interest.
4. Easement granted by Mrs. Mildred Tipton to Texas Power & Light Company, filed 06/25/1952, recorded in Volume 378, Page 64, Real Property Records, Denton County, Texas.
5. Easement granted by Ling Electric, Inc. Profit Sharing Trust to Southwestern Bell Telephone Company, filed 07/12/1972, recorded in Volume 650, Page 434, Real Property Records, Denton County, Texas.
6. Easement granted by Dak Investments to Premier Designs, Inc., filed 12/21/1993, recorded in cc# 93-R0092191, Real Property Records, Denton County, Texas. As corrected by instrument filed 08/28/1998, recorded in Volume 4164, Page 104, Real Property Records, Denton County, Texas, and as shown on the Survey. (Affects Lot 2)
7. Easement granted by The Broderick Steve Harvey Revocable Trust to Denton County Electric Cooperative, Inc., filed 06/22/2001, recorded in Volume 4864, Page 2283, Real Property Records, Denton County, Texas, and as shown on the Survey.
8. Affidavit to the Public executed by Steve Harvey for On-Site Waste Water System, filed 05/12/1999, recorded in Volume 4337, Page 140, Real Property Records, Denton County, Texas.
9. The following easements and/or building lines, as shown on plat recorded in Cabinet P, Slide 256, Plat Records, Denton County, Texas, and as shown on the Survey:
 - 30' building line (Affects all lots)
 - 30' ingress, egress, utility and drainage easement (Affects Lots 3, 8 and 9)
 - Variable width ingress, egress, utility and drainage easement (Affects Lots 4, 5, 6 and 7)
 - 30' private access easement (Affects Lot 6)
 - 15' drainage and utility easement (Affects Lot 1)
 - Flowage easement. (Affects Lot 5)

10. Rights, if any, of third parties with respect to the following matters, as shown on the Survey:

- i) Wire fence onto the adjoining tract to the South;
- ii) Transformer pads, and any lines associated therewith;
- iii) Telephone risers, and any lines associated therewith; and
- iv) Propane tank, and any lines associated therewith.

Denton County
Juli Luke
County Clerk

Instrument Number: 106442

ERecordings-RP

WARRANTY DEED

Recorded On: August 27, 2019 03:56 PM

Number of Pages: 7

" Examined and Charged as Follows: "

Total Recording: \$50.00

***** THIS PAGE IS PART OF THE INSTRUMENT *****

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY
because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number: 106442
Receipt Number: 20190827000672
Recorded Date/Time: August 27, 2019 03:56 PM
User: Darcey B
Station: Station 21

Record and Return To:

Simplifile



STATE OF TEXAS
COUNTY OF DENTON

I hereby certify that this Instrument was FILED in the File Number sequence on the date/time
printed hereon, and was duly RECORDED in the Official Records of Denton County, Texas.

Juli Luke
County Clerk
Denton County, TX

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

GF# 1002-271991-RTT

SPECIAL WARRANTY DEED

Broderick Harvey a/k/a Broderick S. Harvey

(hereinafter called "Grantor," whether one or more, masculine, feminine or neuter) for and in consideration of the sum of TEN and no/100 DOLLARS and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, paid by

The Sanctuary Texas LLC, a Texas limited liability company

(hereinafter called "Grantee," whether one or more, masculine, feminine or neuter), of one certain note of even date herewith in the principal sum of **THREE MILLION ONE HUNDRED EIGHTY FIVE THOUSAND and NO/100 DOLLARS (\$ 3,185,000.00)**, payable to the order of **Independent Bank** (hereinafter called "Payee," whether one or more, masculine, feminine or neuter) as therein provided, it having advanced said sum at the special instance and request of Grantee as part of the purchase price for the property conveyed hereby, and Payee shall be and the same hereby is subrogated to all of the rights, titles, liens and equities of said Grantor securing the payment of said note as fully as if it were Grantor herein, and in addition to the first and superior vendor's lien retained herein, said note is additionally secured by a deed of trust of even date herewith to **Daniel W. Brooks**, Trustee(s), upon the property conveyed hereby, and by these presents does Grant, Sell and Convey, unto the said Grantee, all that certain property described as follows:

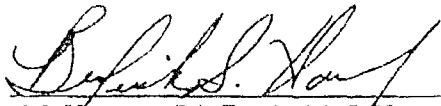
FIELD NOTES TO ALL THAT CERTAIN TRACT OR PARCEL OF LAND SITUATED IN THE CHRISTOPHER C. DICKSON SURVEY, ABSTRACT NO. 339, DENTON COUNTY, TEXAS, BEING ALL OF LOT 2, CARDINAL RIDGE ESTATES, ACCORDING TO THE MAP OR PLAT THEREOF RECORDED IN CABINET P, PAGE 256, PLAT RECORDS, DENTON COUNTY, TEXAS AND BEING ALL OF THAT CERTAIN CALLED 4.83 ACRE TRACT OF LAND DESCRIBED IN DEED TO BRODERICK S. HARVEY AND MARY L. HARVEY, RECORDED IN VOLUME 5051, PAGE 4250, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS; AND BEING MORE PARTICULARLY DESCRIBED ON EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF FOR ALL PURPOSES.

together with all improvements thereon, if any, and all rights, privileges, tenements, hereditaments, rights of way, easements, appendages and appurtenances, in anyway appertaining thereto, and all right, title and interest of Grantor in and to any streets, ways, alleys, strips or gores of land adjoining the above-described property or any part thereof (hereinafter, the "Property").

This deed is executed and delivered subject to all easements, reservations, conditions, covenants and restrictive covenants as the same appear of record in the office of the County Clerk of the county in which the Property is located, and property taxes for the current year and subsequent years, the payment of which Grantee assumes.

TO HAVE AND TO HOLD the above described Property, together with all and singular the rights and appurtenances thereto in anywise belonging unto the said Grantee, his, her or its successors, heirs and assigns, as the case may be, forever; and Grantor does hereby bind Grantor and Grantor's successors, heirs, executors and administrators, as the case may be, to Warrant and Forever Defend all and singular the said Property unto the said Grantee and Grantee's successors, heirs and assigns, as the case may be, against every person whomsoever lawfully claiming, or to claim the same, or any part thereof, by, through, or under Grantor, but not otherwise.

Executed effective as of the 21 day of August, 2019.


Broderick Harvey a/k/a Broderick S. Harvey

ACKNOWLEDGMENT

STATE OF TX §
COUNTY OF DA §

Before me, the undersigned authority, on this day personally appeared **Broderick Harvey a/k/a Broderick S. Harvey**, [check one] ☐ known to me or ☒ proved to me through USDL (description of identity card) to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that said person executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 21 day of August, 2019.


Notary Public, State of

Page 2 of 6



AFTER RECORDING RETURN TO
The Sanctuary Texas LLC
11700 Preston Road, Suite 660, #253
Dallas, Texas 75230

EXHIBIT A
Property Description

TRACT 1:

ALL THAT CERTAIN TRACT OF LAND SITUATED IN THE CHRISTOPHER C. DICKSON SURVEY, ABSTRACT #339, DENTON COUNTY, TEXAS AND BEING PART OF A CALLED 5.1846 ACRE TRACT DESCRIBED IN THE DEED TO DINH CHI TRUONG AND BAO NGOE LUU RECORDED UNDER CLERK'S FILE NUMBER 93-R0027940, REAL PROPERTY RECORDS, DENTON COUNTY, TEXAS; THE SUBJECT TRACT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING FOR THE NORTHWEST CORNER OF THE TRACT BEING DESCRIBED HEREIN AT A CAPPED IRON ROD FOUND AT THE NORTHWEST CORNER OF SAID 5.1846 ACRE TRACT;

THENCE SOUTH 89° 01' 50" EAST ALONG AND NEAR A FENCE WITH THE NORTH LINE THEREOF A DISTANCE OF 843.89' TO A 5/8" IRON ROD FOUND IN THE WEST LINE OF GARZA LANE FOR THE NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE SOUTH 01° 08' 08" WEST WITH THE WEST LINE OF SAID ROAD A DISTANCE OF 249.86' TO A CAPPED IRON ROD FOUND IN THE SOUTH LINE OF SAID 5.1846 ACRE TRACT FOR THE SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE NORTH 89° 01' 00" WEST ALONG AND NEAR A FENCE WITH THE SOUTH LINE OF SAID 5.1846 ACRE TRACT A DISTANCE OF 840.29' TO A CAPPED IRON ROD FOUND FOR THE SOUTHWEST CORNER OF SAID 5.1846 ACRE TRACT;

THENCE NORTH 00° 18' 30" EAST WITH THE WEST LINE THEREOF A DISTANCE OF 249.67' TO THE PLACE OF BEGINNING AND ENCLOSING 4.83 ACRES OF LAND MORE OR LESS.

TRACT 2:

BEING LOT 2, OF CARDINAL RIDGE ESTATES, AN ADDITION TO DENTON COUNTY, TEXAS, ACCORDING TO THE PLAT THEREOF RECORDED IN CABINET P, PAGE 255, PLAT RECORDS OF DENTON COUNTY, TEXAS.

EXHIBIT B
Permitted Encumbrances

1. Restrictive covenants contained in Judgment on Declaration of Taking and Order Fixing Date of Possession recorded in Volume 436, Page 20 and Volume 3114, Page 433, Real Property Records, Denton County, Texas, and in Cabinet P, Slide 255, Plat Records, Denton County, Texas.
2. Easement as awarded to United States of America in Condemnation Proceedings in the United States District Court for the Eastern District of Texas, under Cause No. 1319, filed 03/18/1958, recorded in Volume 436, Page 20, Real Property Records, Denton County, Texas, and as shown on the survey prepared by J.E. Thompson, RPLS No. 4857, of All American Surveying, Job No. 190209, dated 07/24/2019 (the "Survey").
3. Title to all coal, lignite, oil, gas and other minerals in, under and that may be produced from the land, together with all rights, privileges, and immunities relating thereto, all of such interest, to the extent not previously reserved or conveyed, being reserved or conveyed in instrument filed 12/06/1991, recorded in Volume 3114, Page 433, Real Property Records Denton County, Texas. Company makes no representation as to the present ownership of any said interest.
4. Easement granted by Mrs. Mildred Tipton to Texas Power & Light Company, filed 06/25/1952, recorded in Volume 378, Page 64, Real Property Records, Denton County, Texas.
5. Easement granted by Ling Electric, Inc. Profit Sharing Trust to Southwestern Bell Telephone Company, filed 07/12/1972, recorded in Volume 650, Page 434, Real Property Records, Denton County, Texas.
6. Easement granted by Dak Investments to Premier Designs, Inc., filed 12/21/1993, recorded in cc# 93-R0092191, Real Property Records, Denton County, Texas. As corrected by instrument filed 08/28/1998, recorded in Volume 4164, Page 104, Real Property Records, Denton County, Texas, and as shown on the Survey. (Affects Lot 2)
7. Easement granted by The Broderick Steve Harvey Revocable Trust to Denton County Electric Cooperative, Inc., filed 06/22/2001, recorded in Volume 4864, Page 2283, Real Property Records, Denton County, Texas, and as shown on the Survey.
8. Affidavit to the Public executed by Steve Harvey for On-Site Waste Water System, filed 05/12/1999, recorded in Volume 4337, Page 140, Real Property Records, Denton County, Texas.
9. The following easements and/or building lines, as shown on plat recorded in Cabinet P, Slide 256, Plat Records, Denton County, Texas, and as shown on the Survey:
 - 30' building line (Affects all lots)
 - 15' drainage and utility easement (Affects Lot 2)
 - 60' private access, utility and drainage easement (Affects Lot 2)
 - Flowage easement. (Affects Lot 2)

10. Rights, if any, of third parties with respect to the following matters, as shown on the Survey:

- i) Wire fence onto the adjoining tract to the South;
- ii) Transformer pads, and any lines associated therewith;
- iii) Telephone risers, and any lines associated therewith; and
- iv) Propane tank, and any lines associated therewith.

EXHIBIT “D”

Preliminary Plat Approval

NO 4 BARS ON 18" SPACERS BOTH WAYS
GEO- TEXTILE LINER

CONCRETE PAVEMENT
6" THICK TYPE A, GRADE 1
CRUSHED ROCK BASE

NO 4 BARS ON 18" SPACERS BOTH WAYS
GEO- TEXTILE LINER

CONCRETE PAVEMENT
6" THICK TYPE A, GRADE 1
CRUSHED ROCK BASE

TYPICAL STREET SECTION 31' B-B

NTS

TYPICAL STREET SECTION 37' B-B

NTS

W W C SANITARY SEWER EASEMENT
D E DRAINAGE EASEMENT
W E UTILITY EASEMENT
F E FRANCHISE UTILITY EASEMENT
N O W RIGHT OF WAY

LAYOUT

537' CONTOUR

TAYLOR MORRISON OF TEXAS INC
DOC #2018-80177
RPRDCT

DAC VAN NGUYEN
DOC #63 30424
RPRDCT

80 FT INGRESS/EGRESS
CASEMENT #1003 62181
TO BE AMENDED

KRISTEN E BYLER
DOC #2015 128423
RPRDCT

EL DORADO WEST
PROPERTY, LLC
DOC #2017-40049
TRACT ONE
RPRDCT

EL DORADO WEST
PROPERTY, LLC
DOC #2017-40049
TRACT TWO
RPRDCT

MICHAEL & KARA
KOLLSCHMIDT
DOC #2018-42768
RPRDCT

TODD & MONICA ROHWER
DOC #2016-50789
RPRDCT

TOWN OF

DENSITY = 4.1 UNITS PER ACRE

THE
TOWN OF L
17.82 OPEN S

TOWN OF

COWLEY

Deed to The Sanctuary Texas, LLC, as recorded in

ge Estate's a distance of 2430.16 feet to a point

rdinal Ridge Estates a distance of 36.98 feet to a

rdinal Ridge Estates a distance of 419.72 feet

Ridge Estates and crossing said Lot 2 and said

stance of 12.85 feet to a point for corner on the

act, a distance of 300.00 feet to the southwest
ge Estate's.

e Estate's a distance of 33.54 feet to a point for

rdinal Ridge Estates a distance of 17.98 feet to

rdinal Ridge Estates a distance of 245.82 feet to

rdinal Ridge Estates a distance of 312.35 feet to

Ridge Estates, and crossing said Cardinal Ridge
of said Cardinal Ridge Estates

10

hereinafter property as THE SANCTUARY AT SUNSET COVE an addition to Denton County, Texas and do hereby dedicate in fee simple to Denton County to exclusive use forever, the streets and public use areas shown hereon, and do hereby dedicate the easements shown on the plat for the purposes indicated to the County's exclusive use forever, and said dedications being free and clear of all liens and encumbrances except as shown herein or subordinated to the plat. No buildings, fences, lines, shrubs or other improvements shall be constructed or placed upon, over or across the easements of said plat. At the discretion of the County and subject to its written approval, Utility easements may also be used for the mutual use and accommodation of all public utilities desiring to use the same unless the easement limits the use to a particular utility or utilities. Said use by public utilities being subordinate to the County's use thereof. Any public utility given the right by the County to use said easements shall have the right to remove and keep removed all or part of any building, fence, lines, shrubs or other improvements or growth which in any way endanger or interfere with the construction, maintenance, or efficiency of its respective system on any of these easements, and any public utility shall at all times have the right of ingress and egress to and from and upon said easements for the purpose of constructing, reconstructing, inspecting, patrolling, maintaining and adding to or removing all or part of its respective system without the necessity at any time procuring the permission of anyone. I do hereby bind myself, my successors and assigns to forever warrant and defend all and singular above described streets, alleys, easements on rights unto the County against every person whomsoever lawfully claiming or to claim the same or any part thereof by and through Owner but not otherwise. This property is located within the extraterritorial jurisdiction of Lakewood Village. This plat approved subject to all platting ordinances, rules, regulations and resolutions of the Lakewood Village, Texas.

Witness, my hand this the _____ day of _____, 20

THE SANCTUARY TEXAS, LLC a Texas limited partnership

BY: The Acquia Companies, LLC
a Texas limited liability company
its general partner

By: Brian J. Bainer, Managing Member

BY: JRM Equity, LLC
a Texas limited liability company
its general partner

By: Marion McMeekin, Managing Member

STATE OF TEXAS §

COUNTY OF DENTON §

Before me, the undersigned authority, a Notary Public in and for The State of Texas, on this day personally appeared _____, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and consideration therein expressed and in the capacity therein stated.

Given under my hand and seal this _____ day of _____, 20

Notary Public, State of Texas

STATE OF TEXAS §

COUNTY OF DENTON §

Before me, the undersigned authority, a Notary Public in and for The State of Texas, on this day personally appeared _____, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purpose and consideration therein expressed and in the capacity therein stated.

Given under my hand and seal this _____ day of _____, 20

Notary Public, State of Texas

the southeasterly line of said Lot 1 and the

nd the northwesterly right-of-way line of said V
and containing 0.471 of an acre (20,551 square

Sylviane Gunawan
Registered Professional Land Surveyor No. 6461
Krisday Horn and Associates, Inc.
6160 Warren Parkway, Suite 210
Frisco, Texas 75034
Phone 972-335-3550
Fax 972-335-3779

STATE OF TEXAS §

COUNTY OF COLLIN §

BEFORE ME, the undersigned, a Notary Public in and for The State of Texas, on this day personally appeared Sylviane Gunawan, known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and considerations therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the _____ day of _____, 20

Notary Public, State of Texas

PRELIMINARY
THIS DOCUMENT SHALL
NOT BE RECORDED FOR
ANY PURPOSE AND
SHALL NOT BE USED OR
VIEWED OR RELIED
UPON AS A FINAL
SURVEY DOCUMENT

LINE TABLE		
LINE	LENGTH	BEARING
L1	25.00	S89°2'27.33"W
L2	313.69	N0°07'32.67"W
L3	286.31	N69°51'08.28"W
L4	255.64	N69°51'08.28"W
L5	147.43	S50°18'45.57"W
L6	312.19	S89°52'27.33"W
L7	49.28	N57°15'55.01"W
L8	8.20	N20°08'51.72"E
L9	348.34	N0°07'32.67"W
L10	1602.80	N89°52'27.33"E
L11	28.63	S0°07'32.62"E

LINE TABLE		
LINE	LENGTH	BEARING
L12	234.66	S3
L13	182.03	S8
L14	113.11	N2
L15	428.04	N
L16	84.75	N
L17	190.54	N
L18	23.12	N2
L19	49.26	S1
L20	83.95	S1
L21	35.57	S8
L22	100.00	N2

CURVE TABLE

CURVE	RADIUS	LENGTH	CHORD BEARING	CHORD	DELTA	TANGENT
C1	300.00'	106.15'	N10°00'40"E	105.60'	20'16"24"	53.64'
C2	300.00'	51.45'	N4°47'14"E	51.39'	9°49'33"	25.79'
C3	300.00'	313.30'	S80°13'49"W	299.25'	59°50'06"	172.63'
C4	300.00'	218.50'	N52°26'10"W	213.71'	41°43'52"	114.35'
C5	300.00'	188.87'	N18°09'40"W	185.76'	36°04'15"	97.68'
C6	300.00'	337.05'	S57°41'17"W	319.60'	64°22'20"	168.82'
C7	500.00'	345.24'	S70°05'36"W	338.42'	39°33'42"	179.82'
C8	300.00'	172.06'	N73°41'44"W	169.71'	32°51'38"	88.47'
C9	300.00'	299.18'	S61°18'16"W	286.94'	57°08'22"	163.36'
C10	300.00'	126.58'	S1°58'46"W	125.65'	24°10'32"	64.25'
C11	300.00'	408.64'	S24°58'19"E	377.77'	78°02'41"	243.13'
C12	300.00'	107.00'	N36°12'24"E	106.43'	20°26'07"	54.07'
C13	300.00'	78.37'	N18°30'18"E	78.15'	14°58'04"	39.41'
C14	300.00'	122.79'	N22°44'49"E	121.94'	23°27'05"	62.27'
C15	300.00'	54.18'	N29°17'54"E	54.11'	10°20'55"	27.17'

CURVE TABLE

CURVE	RADIUS	LENGTH	CHORD BEARING	CHORD	DELTA	TANGENT
C16	800.00'	90.17'	N28°25'46"E	90.08'	8°36'36"	45.17'
C17	400.00'	46.63'	N53°55'31"W	46.61'	6°40'47"	23.34'
C18	400.00'	137.57'	N60°26'18"W	136.90'	19°42'21"	69.47'
C19	400.00'	77.82'	N64°43'03"W	77.70'	11°08'50"	39.03'
C20	800.00'	47.46'	N61°24'35"W	47.44'	4°31'55"	23.74'
C21	400.00'	229.41'	S16°18'16"W	226.28'	32°51'38"	117.96'
C22	600.00'	329.39'	N17°00'27"E	325.27'	31°27'17"	168.98'
C24	50.00'	235.62'	S44°52'27"W	70.71'	270°00'00"	50.00'
C25	50.00'	105.95'	S34°59'20"E	87.21'	121°24'38"	89.12'
C26	275.00'	70.46'	N7°12'51"E	70.27'	14°40'47"	35.42'
C27	325.00'	88.16'	N7°38'44"E	87.89'	15°32'33"	44.35'
C28	275.00'	47.16'	N4°47'14"E	47.10'	9°49'33"	23.64'
C29	325.00'	55.74'	N4°47'14"E	55.67'	9°49'33"	27.94'
C30	275.00'	15.05'	S71°25'12"E	15.05'	3°08'08"	7.53'
C31	325.00'	258.29'	N87°22'47"E	251.55'	45°32'10"	136.40'

CURVE TABLE

CURVE	RADIUS	LENGTH	CHORD BEARING	CHORD	DELTA	TANGENT
C47	325.00'	76.45'	N32°43'39"E	76.27'	13°28'37"	38.40'
C48	275.00'	112.56'	S22°44'49"W	111.78'	23°27'05"	57.08'
C49	325.00'	58.70'	N29°17'54"E	58.62'	10°20'55"	29.43'
C50	325.00'	84.90'	N18°30'18"E	84.66'	14°58'04"	42.69'
C51	575.00'	86.41'	S28°25'46"W	86.33'	8°36'38"	43.29'
C52	370.00'	43.14'	N53°55'31"W	43.11'	6°40'47"	21.59'
C53	430.00'	50.13'	N53°55'31"W	50.10'	6°40'47"	25.09'
C54	425.00'	195.23'	N14°52'10"E	193.52'	26°19'10"	99.37'
C55	50.00'	124.14'	N44°50'31"W	94.62'	142°15'05"	148.25'
C56	50.00'	100.39'	S58°48'07"W	84.36'	115°02'38"	78.55'
C57	575.00'	315.61'	N17°00'16"E	311.66'	31°26'54"	161.89'

CURVE TABLE

CURVE	RADIUS	LENGTH	CHORD BEARING	CHORD	DELTA	TANGENT
C62	370.00'	68.95'	N64°28'56"W	68.85'	10°40'36"	34.57'
C63	570.00'	45.08'	S61°24'35"E	45.07'	4°31'55"	22.55'
C64	630.00'	49.83'	S61°24'35"E	49.82'	4°31'55"	24.93'
C65	523.07'	295.52'	N73°45'01"E	291.60'	32°22'14"	151.82'
C66	275.00'	161.83'	N16°59'05"W	159.51'	13°43'05"	83.34'
C67	325.00'	185.93'	N73°44'13"W	183.40'	32°46'38"	95.58'
C68	375.00'	208.70'	S16°47'29"W	206.01'	31°53'12"	107.13'
C69	625.00'	93.93'	S28°25'46"W	93.84'	8°36'38"	47.05'
C70	275.00'	49.67'	S29°17'54"W	49.60'	10°20'55"	24.90'
C71	325.00'	133.02'	S22°44'49"W	132.10'	23°27'05"	67.46'
C72	275.00'	71.84'	S18°30'18"W	71.64'	14°58'04"	36.13'

TOWN OF L

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TOWN OF L
1782 OPEN

TOWN OF

OWNER

TERRILL & WALDROP

Attorneys and Counselors
810 West 10th Street
Austin, TX 78701-2005

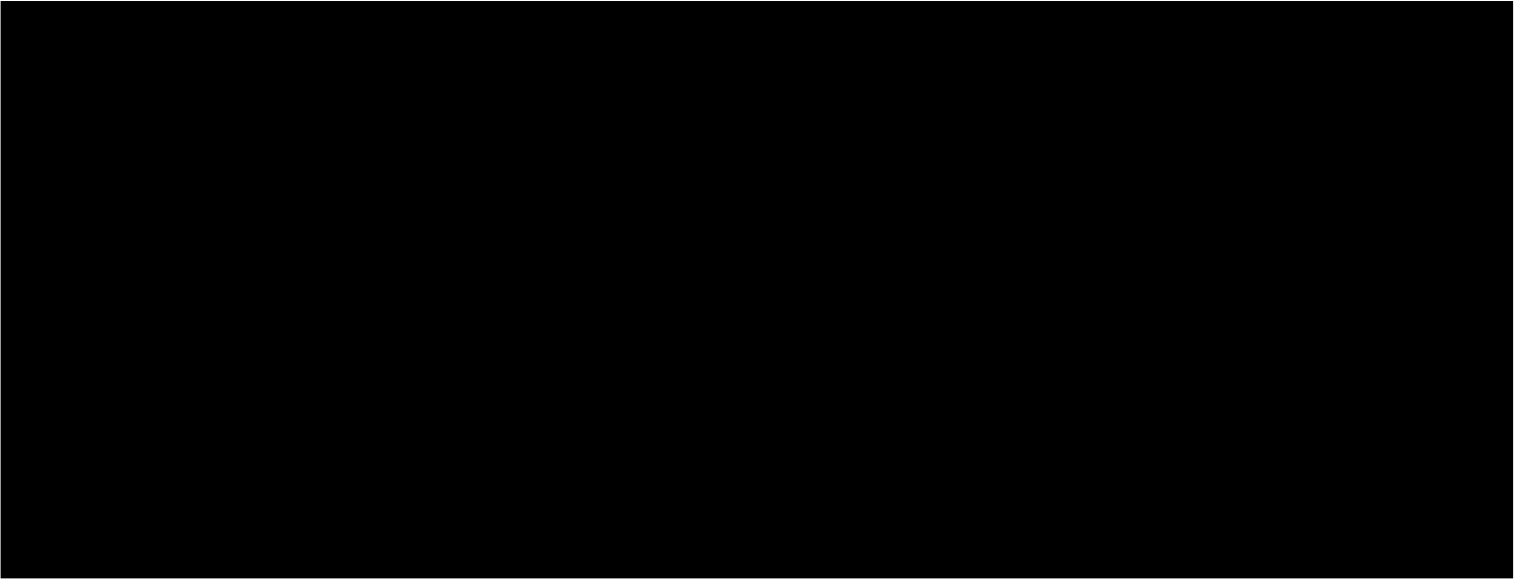
February 26, 2020

Mr. Bob Laughman
Aqua Texas, Inc.
1106 Clayton Lane
Suite 400W
Austin, Texas 78723

Matter No. 9671
Invoice No. 17574

Re: *Expedited Release*

Invoice for Legal Services and Expenses



We appreciate the opportunity to be of service. If you have any questions regarding this invoice, please do not hesitate to call our office at (512) 474-9100.

Our Tax ID number is 26-1572540.

Re: Expedited Release***Invoice for Legal Services and Expenses*****PROFESSIONAL SERVICES**

<u>Date</u>	<u>Name</u>	<u>Description</u>	<u>Hours</u>
1/6/2020	GK	Review Petition by the Sanctuary Texas, LLC for streamlined expedited release; communications with client regarding same; analysis of legal and factual issues regarding same.	0.25
1/7/2020	BF	Receive documents, scan to file and distribute; maintain case files.	0.50
	GK	Communications with client regarding Petition by the Sanctuary Texas, LLC for streamlined expedited release; analysis of legal and factual issues regarding same.	1.00
1/8/2020	GK	Communications with client regarding Petition by the Sanctuary Texas, LLC for streamlined expedited release; review Public Utility Commission Order No. 1 regarding same; analysis of legal and factual issues regarding same.	0.50
1/9/2020	DDD	Review documents, draft intervention.	1.00
1/10/2020	GK	Communications with client regarding Petition by the Sanctuary Texas, LLC for streamlined expedited release and PUC Order No. 1 regarding same; analysis of legal and factual issues regarding same.	0.25
1/17/2020	BF	Maintain case files.	0.25
	GK	Communications with client regarding streamlined expedited release petition filed by The Sanctuary Texas, LLC; analysis of legal and factual issues regarding same.	0.25
1/22/2020	GK	Communications with client regarding petition; analysis of legal and factual issues regarding same.	0.25
1/24/2020	BF	Receive documents, scan to file and distribute.	0.25

<u>Date</u>	<u>Name</u>	<u>Description</u>	<u>Hours</u>		<u>Amount</u>
1/27/2020	BF	Work on Aqua Texas' Motion to Intervene, Initial Comments, and Request for Response Deadline.	0.50		
	GK	Work regarding Motion to Intervene and initial comments; communications with client regarding same; analysis of legal and factual issues regarding same.	5.25		
1/28/2020	BF	Receive documents, scan to file and distribute.	0.25		
1/29/2020	BF	Receive documents, scan to file and distribute.	0.25		
1/31/2020	BF	Finalize, file and serve Aqua Texas' Motion to Intervene, Initial Comments, and Request for Response Deadline.	0.75		
	GK	Draft, revise and file Motion to Intervene, Initial Comments, and Request for Response Deadline; communications with Lakewood Town Administrator Linda Asbell regarding same and petition filed with town to create MUD; communications with client regarding same; analysis of legal and factual issues regarding same.	0.50		
For professional services rendered:			12.00		\$2,535.00
Total Amount Due:					\$2,535.00

Attorneys and Counselors
810 West 10th Street
Austin, TX 78701-2005

Matter No. 9671
Invoice No. 17574

	Fees/ Costs			Prev. Bal/ New Chgs/ Pm/Cr/Ref/ New Bal

	\$2,535.00			\$0.00
	\$0.00			\$2,535.00
				\$0.00
				\$2,535.00
GRAND TOTAL	\$2,620.00			\$3,159.15
	\$0.00			\$2,620.00
				(\$2,446.65)
				\$3,332.50

Our Tax ID number is 26-1572540.

TERRILL & WALDROP

Attorneys and Counselors
810 West 10th Street
Austin, TX 78701-2005

March 18, 2020

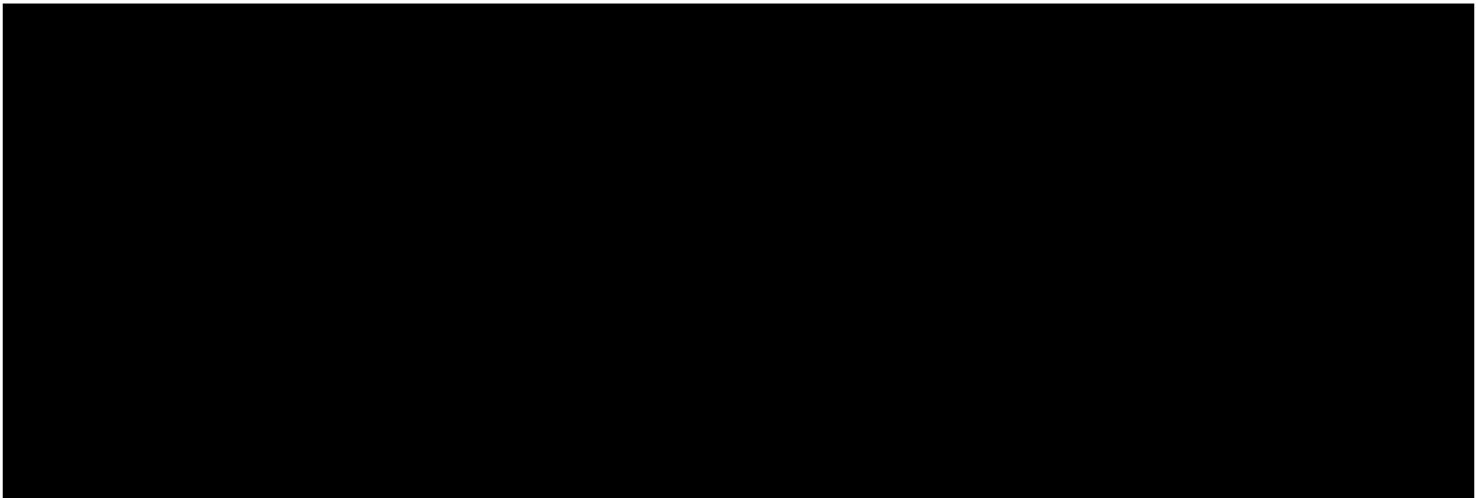
Mr. Bob Laughman
Aqua Texas, Inc.
1106 Clayton Lane
Suite 400W
Austin, Texas 78723

Matter No. 9671.7
Invoice No. 17637

Re: *Expedited Release* - 

Invoice for Legal Services and Expenses

PROFESSIONAL SERVICES



We appreciate the opportunity to be of service. If you have any questions regarding this invoice, please do not hesitate to call our office at (512) 474-9100.

Our Tax ID number is 26-1572540.

Re: Expedited Release - The Sanctuary Texas, LLC

Invoice for Legal Services and Expenses

PROFESSIONAL SERVICES

<u>Date</u>	<u>Name</u>	<u>Description</u>	<u>Hours</u>
2/3/2020	BF	Receive documents, scan to file and distribute.	0.25
	GK	Review Public Utility Commission Staff's recommendation on administrative completeness and proposed notice in the matter of the Streamlined Expedited Release Petition filed against Aqua by The Sanctuary Texas, LLC; communications with client and Town of Lakewood Town Administrator Linda Asbell regarding same and regarding petition filed with Town to create MUD; analysis of legal and factual issues regarding same.	0.75
2/4/2020	GK	Communications with client and Linda Asbell regarding water Certificate of Convenience and Necessity Streamlined Expedited Release Petition, sewer Certificate of Convenience and Necessity Streamlined Expedited Release Petition filed against Town, and petition filed with Town to create MUD; analysis of legal and factual issues regarding same.	1.00
2/5/2020	GK	Analysis of legal and factual issues related to water Certificate of Convenience and Necessity Streamlined Expedited Release Petition, sewer Certificate of Convenience and Necessity Streamlined Expedited Release Petition filed against Town, and petition filed with Town to create MUD.	0.25
2/7/2020	BF	Receive documents, scan to file and distribute.	0.25
2/10/2020	GK	Review Order No. 2 Finding Petition Incomplete and Establishing Opportunity to Cure and Petitioner's Amended Petition filed in matter of water Certificate of Convenience and Necessity Streamlined Expedited Release Petition; communications with counsel for Petitioner, Natalie Scott, regarding prior communications with Butch Callegari, attorney for Aqua, with offer concerning development project in subject tract; communications with client and	1.50

<u>Date</u>	<u>Name</u>	<u>Description</u>	<u>Hours</u>
		Butch Callegari regarding same; analysis of legal and factual issues regarding same.	
2/11/2020	GK	Communications with Natalie Scott regarding prior communications with Butch Callegari with offer concerning development project in subject tract for water Certificate of Convenience and Necessity Streamlined Expedited Release Petition; communications with client and Butch Callegari regarding same; analysis of legal and factual issues regarding same.	1.25
2/12/2020	GK	Communications with client and Linda Asbell regarding water Certificate of Convenience and Necessity Streamlined Expedited Release Petition filed against Aqua and sewer Certificate of Convenience and Necessity Streamlined Expedited Release Petition petition filed by same Petitioner against Town; analysis of legal and factual issues regarding same.	1.00
2/13/2020	GK	Work on Aqua's Reply to The Sanctuary Texas, LLC's Response in the matter of the water Certificate of Convenience and Necessity Streamlined Expedited Release Petition; communications with client regarding same; analysis of legal and factual issues regarding same.	1.75
2/18/2020	BF	Finalize, file and serve Aqua Texas' Reply to the Sanctuary's Response to Aqua Texas' Motion to Intervene; receive documents, scan to file and distribute.	0.75
	GK	Draft, revise, and file Aqua's Reply to The Sanctuary Texas, LLC's Response in the matter of the water Certificate of Convenience and Necessity Streamlined Expedited Release Petition; communications with client and Butch Callegari regarding same; analysis of legal and factual issues regarding same.	0.75
2/21/2020	BF	Receive documents, scan to file and distribute.	0.25
	GK	Communications with Natalie Scott regarding water Certificate of Convenience and Necessity Streamlined Expedited Release Petition and planned development for area; communications with client regarding same; analysis of legal and factual issues regarding same.	0.25

<u>Date</u>	<u>Name</u>	<u>Description</u>	<u>Hours</u>	<u>Amount</u>
2/24/2020	GK	Communications with Natalie Scott and client regarding settlement concepts for matter of the water Certificate of Convenience and Necessity Streamlined Expedited Release Petition and potential development agreement for same; analysis of legal and factual issues regarding same.	1.00	
For professional services rendered:			11.00	\$2,510.00
Previous balance				\$2,535.00
Total Amount Due:				\$5,045.00

TERRILL & WALDROP

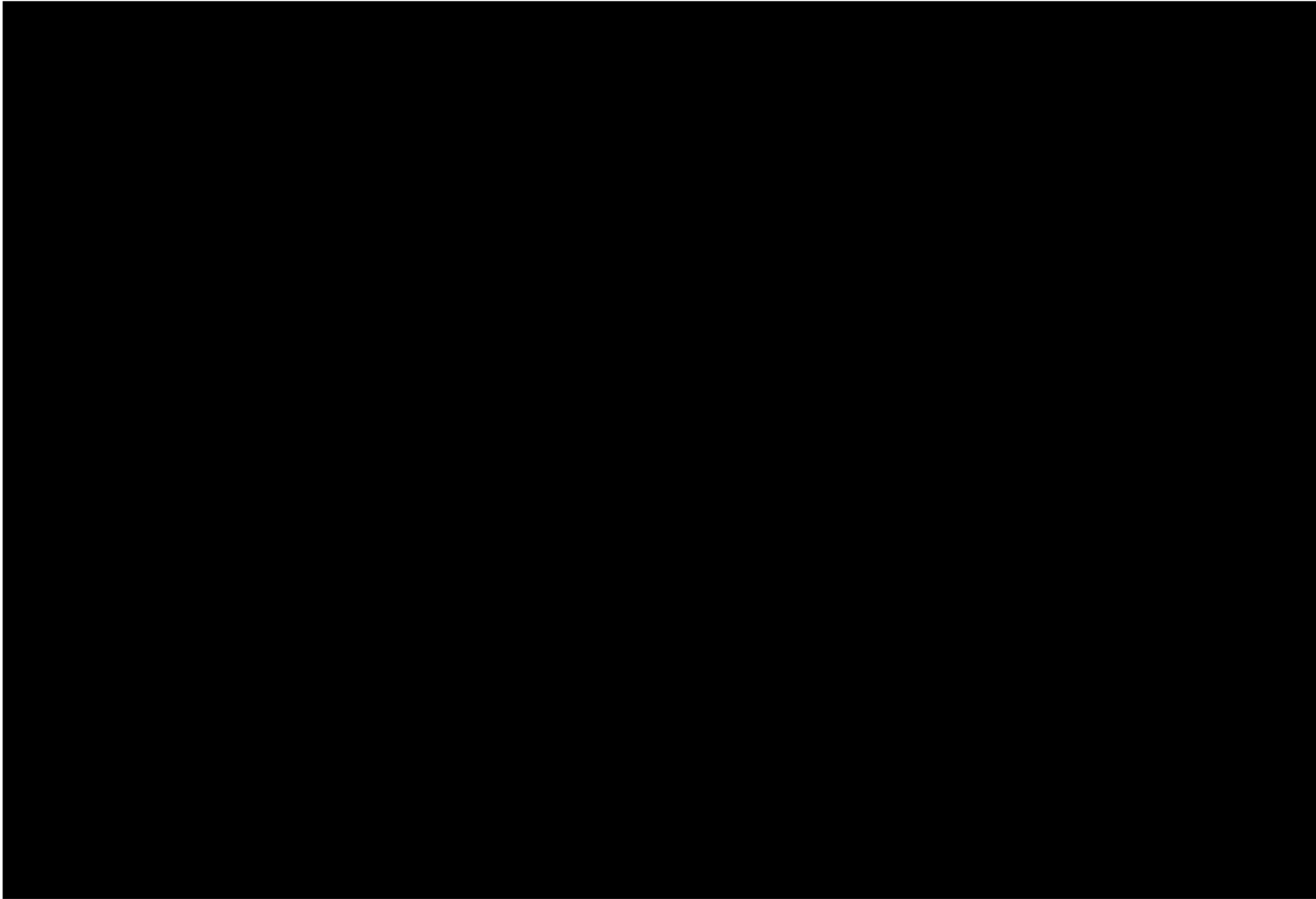
Attorneys and Counselors
810 West 10th Street
Austin, TX 78701-2005

March 18, 2020

Mr. Bob Laughman
Aqua Texas, Inc.
1106 Clayton Lane
Suite 400W
Austin, Texas 78723

Matter No. 9671.7
Invoice No. 17637

Project Billing Summary



We appreciate the opportunity to be of service. If you have any questions regarding this invoice, please do not hesitate to call our office at (512) 474-9100.

Our Tax ID number is 26-1572540.

Fees/
Costs

Prev. Bal/
New Chgs/
Pm/Cr/Ref/
New Bal

Re: Expedited Release - The Sanctuary Texas, LLC

Invoice for Legal Services and Expenses

	\$2,510.00	\$2,535.00
	\$0.00	\$2,510.00
		\$0.00
		\$5,045.00
GRAND TOTAL	\$4,605.00	\$6,371.00
	\$0.00	\$4,605.00
		\$0.00
		<u>\$10,976.00</u>

TERRILL & WALDROP

Attorneys and Counselors
810 West 10th Street
Austin, TX 78701-2005

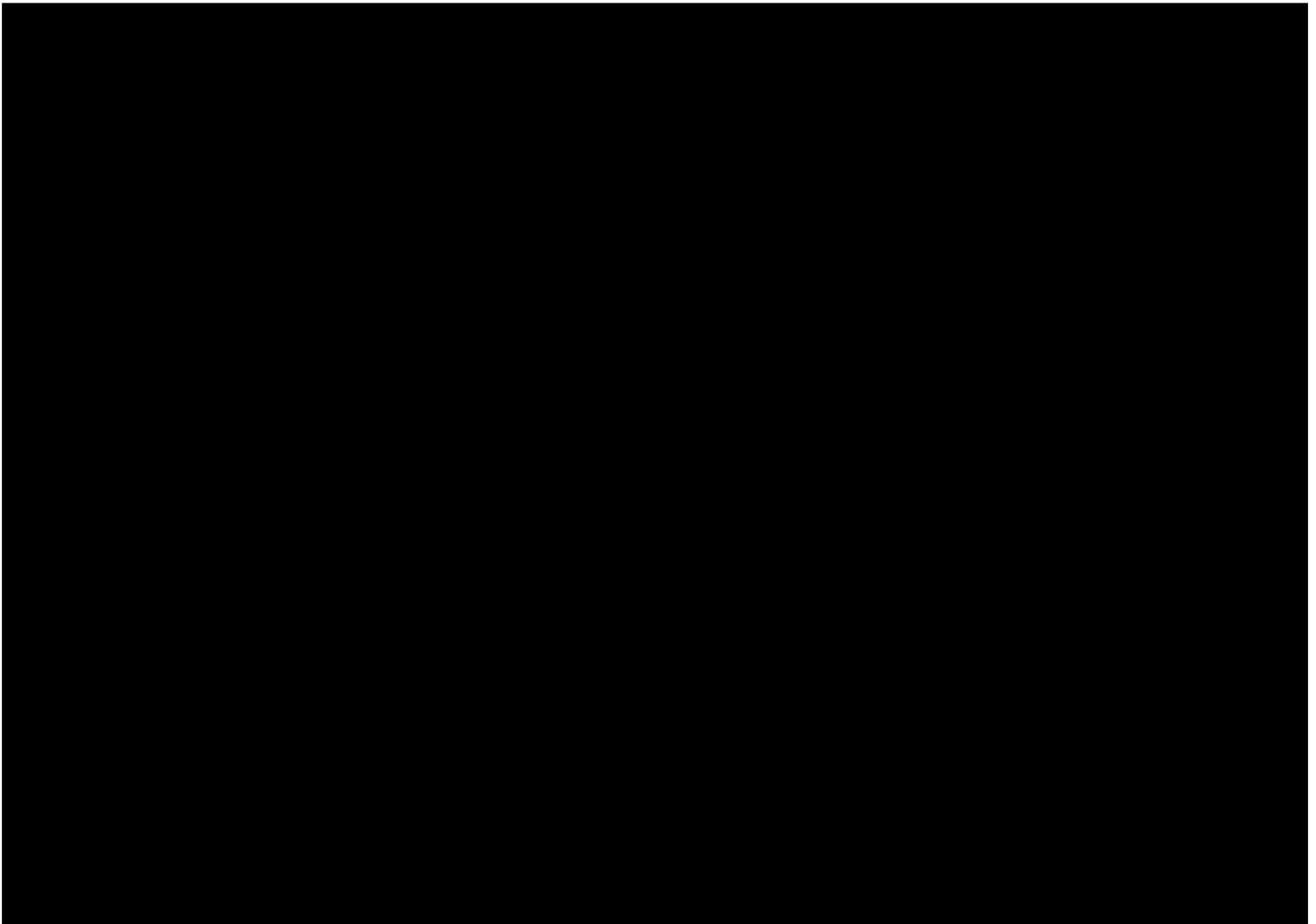
April 16, 2020

Mr. Bob Laughman
Aqua Texas, Inc.
1106 Clayton Lane
Suite 400W
Austin, Texas 78723

Matter No. 9671
Invoice No. 17689

Re: *Expedited Release*

Invoice for Legal Services and Expenses



We appreciate the opportunity to be of service. If you have any questions regarding this invoice, please do not hesitate to call our office at (512) 474-9100.

Our Tax ID number is 26-1572540.

Re: Expedited Release - The Sanctuary Texas, LLC***Invoice for Legal Services and Expenses*****PROFESSIONAL SERVICES**

<u>Date</u>	<u>Name</u>	<u>Description</u>	<u>Hours</u>
3/2/2020	GK	Communications with client regarding settlement concepts and potential development agreement.	0.25
3/19/2020	BF	Receive documents, scan to file and distribute.	0.25
	GK	Review Commission Staff's Supplemental Recommendation on Administrative Completeness and Proposed Procedural Schedule; communications with client regarding same; analysis of legal and factual issues regarding same.	1.75
3/24/2020	GK	Communications with client regarding Streamlined Expedited Release Petition and potential development agreement for same; communications with opposing counsel regarding same; analysis of legal and factual issues regarding same.	0.75

	<u>Amount</u>
For professional services rendered:	3.00 \$710.00
Previous balance	\$5,045.00
Total Amount Due:	\$5,755.00

TERRILL & WALDROP

Attorneys and Counselors
810 West 10th Street
Austin, TX 78701-2005

April 16, 2020

Mr. Bob Laughman
Aqua Texas, Inc.
1106 Clayton Lane
Suite 400W
Austin, Texas 78723

Matter No. 9671
Invoice No. 17689

Project Billing Summary

Fees/

Prev. Bal/
New Chgs/
Pm/Cr/Ref/

We appreciate the opportunity to be of service. If you have any questions regarding this invoice, please do not hesitate to call our office at (512) 474-9100.

Our Tax ID number is 26-1572540.