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DOCKET NO. 52792

**PETITION OF PETRUS INVESTMENT, § BEFORE THE PUBLIC UTILITY
LP TO AMEND AQUA TEXAS, INC.’S §
CERTIFICATE OF CONVENIENCE AND § COMMISSION OF TEXAS
NECESSITY IN DENTON COUNTY BY §
STREAMLINED EXPEDITED RELEASE §**

**AQUA TEXAS, INC.’S RESPONSE TO PETITION OF PETRUS INVESTMENT, LP
FOR STREAMLINED EXPEDITED RELEASE**

Aqua Texas, Inc. (Aqua) files this Response to the Petition of Petrus Investment, LP (Applicant or Petitioner) to Amend Aqua Texas, Inc.’s Certificate of Convenience and Necessity in Denton County by Expedited Release (the Petition).¹ In support, Aqua shows as follows.

I. PROCEDURAL BACKGROUND

On November 5, 2021, Applicant filed the Petition seeking streamlined expedited release (SER) for 749.34 acres of property in Denton County (Property) from Aqua certificate of convenience and necessity (CCN) No. 13201. The presiding Commission Administrative Law Judge (ALJ) deemed the Petition administratively complete on February 9, 2022, and set a deadline of March 1, 2022 for Aqua to file its response to same.² Therefore, this pleading is timely filed.

The Commission should deny the Petition because the SER requested cannot lawfully be granted under Texas Water Code (TWC) § 13.2541 and 16 Texas Administrative Code (TAC) § 24.245. The Property is receiving service from Aqua and not eligible for SER. Alternatively, if the Commission releases the Property despite this fact, Aqua is entitled to just and adequate compensation.

¹ For purposes of this proceeding, the Petition is considered the Application as defined in the Commission’s Procedural Rules under 16 TAC § 22.2(6).

² Order No. 3 Finding Petition Administratively Complete and Notice Sufficient, and Establishing Procedural Schedule (Feb. 9, 2022).

A. The Property Receives Service from Aqua

The Property receives water service from Aqua under according to the term “service” as the TWC defines it, and the Property cannot be released from Aqua’s CCNs under TWC § 13.2541.³ The Water Code broadly defines “service” as:

any act performed, anything furnished or supplied, and any facilities or lines committed or used by a retail public utility in the performance of its duties . . . to its patrons, employees, other retail public utilities, and the public, as well as the interchange of facilities between two or more retail public utilities.⁴

The embedded term “facilities” is defined as:

[a]ll the plant and equipment of a retail public utility, including all tangible and intangible real and personal property without limitation, and any and all means and instrumentalities in any manner owned, operated, leased, licensed, used, controlled, furnished, or supplied for, by, or in connection with the business of any retail public utility.⁵

Actually delivering water to a property is plainly “service,” but a property can also receive water or sewer service under the statute without a utility delivering “actual water” onto a property.⁶ In the *Crystal Clear* Austin Third Court of Appeals decision, the court held that facilities or lines “used” or “committed” to providing such service might cause a property to “receive service” under the statutory and regulatory definition.⁷

Here, the Petition claims, “None of the Property receives service from any water or sewer provider.”⁸ The Petition supports that statement with an affidavit from Michele M. Ringnald, an officer of a Texas limited liability company she attests is related to the Petitioner.⁹ Yet, as shown

³ TWC § 13.2541(b) (allowing streamlined expedited release of a tract of land that “is not receiving water or sewer service.”); *see also* 16 TAC § 24.245(h)(1)(B).

⁴ TWC § 13.002(21); *see also* 16 TAC § 24.3(33) (same definition).

⁵ TWC § 13.002(9); *see also* 16 TAC § 24.3(15) (same definition).

⁶ *See Tex. Gen. Land Office v. Crystal Clear Water Supply Corp.*, 449 S.W.3d 130, 140 (Tex. App.—Austin 2014, pet. denied).

⁷ *Id.*

⁸ Petition at 2 (Nov. 5, 2021).

⁹ Petition at Exhibit “A”, Affidavit of Michele M. Ringnald (Oct. 28, 2021).

by the attached affidavit of Darryl Waldock, North Texas Area Manager, Aqua submits that it has water service facilities proximate to and within the Property, and has performed various acts and supplied funds in furtherance of service to the Property and Aqua's CCN No. 13201 area that includes the Property.¹⁰ Mr. Waldock's affidavit includes a map showing the location of its facilities located within and near the Property.¹¹

Here, these facilities and the acts of planning, creating, and maintaining them—are all plainly “committed” or “used” by Aqua in the performance of its duties to supply water service to the targeted CCN area and Property. The Property receives water service from Aqua through its commitments to, and its existing facilities and capacity within and proximate to the Property. Mr. Waldock's affidavit also describes different ways Aqua has served the Property through its various service acts and funds supplied.¹² Under these facts, the Commission should deny the Petitioner's request to release the Property from Aqua's CCN No. 13201 because that would violate TWC § 13.2541.

B. Aqua Must Be Compensated If the Property Is Removed from Aqua's CCN Area.

Aqua is entitled to a determination of just and adequate compensation if its CCN areas are reduced.¹³ 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 compensation for personal property is to be based on several factors, including the following:

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;

¹⁰ **Exhibit A** - Affidavit of Darryl Waldock.

¹¹ *Id.*

¹² *Id.*

¹³ TWC §§13.254(g) and 13.2541(f)-(h).

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.¹⁴

If the Property is removed from Aqua's CCN No. 13201, Aqua would be entitled to compensation under several of these factors.¹⁵ Aqua would also be compelled to spend time and resources to make the filing required by TWC § 13.257(r)-(s) and be entitled to receive compensation for that too. If required, the monetary amount shall be determined by an appraiser—either one agreed upon by the retail public utilities involved, or one hired by each retail public utility, and a third appointed by the Commission.¹⁶

CONCLUSION AND PRAYER

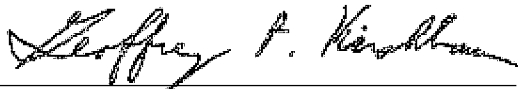
Aqua respectfully requests the Commission deny the Petition because it cannot lawfully be granted under TWC § 13.2541. Alternatively, if the Commission approves the Petition, Aqua seeks just and adequate compensation for the decertification of portions of its water CCN No. 13201. Aqua also seeks all and further relief to which it may be justly entitled at law or in equity.

¹⁴ TWC §§13.254(g) and 13.2541(h).

¹⁵ See **Exhibit A**.

¹⁶ TEX. WATER CODE §13.2541(g), (i).

Respectfully submitted,

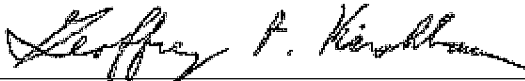
By: 

Geoffrey P. Kirshbaum
State Bar No. 24029665
TERRILL & WALDROP
810 West 10th Street
Austin, Texas 78701
(512) 474-9100
(512) 474-9888 (fax)
gkirshbaum@terrillwaldrop.com

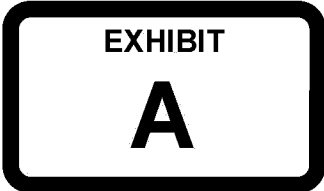
ATTORNEY FOR AQUA TEXAS, INC.

CERTIFICATE OF SERVICE

I certify that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on March 1, 2022 in accordance with the Order Suspending Rules filed in Project No. 50664.



Geoffrey P. Kirshbaum



DOCKET NO. 52792

PETITION OF PETRUS INVESTMENT, § BEFORE THE PUBLIC UTILITY
LP TO AMEND AQUA TEXAS, INC.’S §
CERTIFICATE OF CONVENIENCE AND § COMMISSION OF TEXAS
NECESSITY IN DENTON COUNTY BY §
STREAMLINED EXPEDITED RELEASE §

AFFIDAVIT OF DARRYL WALDOCK

THE STATE OF TEXAS ‘
COUNTY OF TARRANT ‘

BEFORE ME, the undersigned official on this day personally appeared Darryl Waldock, who is personally known to me and first being duly sworn according to law, upon his oath deposed and said:

My name is Darryl Waldock. I am over the age of 18 years and reside in Tarrant County, Texas. I am of sound mind and fully competent to make this affidavit. I have personal knowledge of the facts stated herein, and they are true and correct.

I am the North Texas Area Manager for Aqua Texas, Inc. dba Aqua Texas (“Aqua”), Intervenor in the above styled and numbered case, and I am authorized to make this affidavit on behalf of Aqua.

I created the attached map, Attachment 1, based on my familiarity with Aqua’s facilities in the vicinity of the property tract (the “Property”) for which Petrus Investment, LP (“Petitioner”) seeks a streamlined expedited release (“SER”) decertification from Aqua water certificate of convenience and necessity (“CCN”) No. 13201 in PUC Docket No. 52792. Attachment 1 shows the Property and the proximate location of Aqua’s facilities both in and near the Property, as well as Aqua’s facilities providing water utility service in the areas surrounding the Property.

Attachment 2 includes a utility easement document that shows utility easement locations within the Property. I have determined that approximately 3,260 feet of a water line is located in the vicinity of the Property northern border. Another 4,830 feet of water line is located along the western edge of the Property, though it appears to be on the opposite side of Sam Reynolds Road from the Property. A survey of the water lines, with limited excavation, would be needed to more precisely pinpoint the location of those lines. Those lines are part of Aqua's Trail Creek Water System (PWS ID No. 0610203) ("Trail Creek"). Trail Creek is currently serving 438 of 933 maximum available water utility service connections. Thus, Trail Creek has capacity to accommodate 345 connections within the Property.

Aqua has provided water service to the Property in several ways: (1) performing acts and supplying funds to permit, plan, design, construct, own, and operate its Trail Creek Water System which is just north and northwest of the Property; (2) performing acts and supplying funds necessary to obtain, transfer, and maintain the water CCN No. 13201 service area covering the Property under prevailing regulations; (3) performing acts and supplying funds necessary to obtain, transfer, renew, and maintain permits for the Trail Creek Water System so that they may be used to serve the Property and CCN No. 13201 area that includes the Property; and (4) maintaining a regional office in Fort Worth, Texas with personnel specifically dedicated to operations within Aqua's geographic North Texas Region water CCN No. 13201 service areas, including the Property and CCN No. 13201 area that includes the Property. I will also note that CCNs and groundwater permits have value that purchasers of utilities will pay for when acquiring a utility because of the rights to serve the public that they accord and because the time and expense to acquire the CCNs and permits has already been spent.

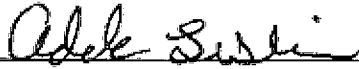
In sum, Aqua has performed numerous acts, supplied funds, and committed facilities to the

Property and proximate areas within CCN No. 13201. Aqua is incurring legal expenses and is likely to incur other professional expenses as a result of the decertification and Petition. If the decertification is approved, Aqua will be compelled to spend time and resources to make the filing required by TWC § 13.257(r)-(s). Aqua is actively supplying water to nearby properties and the Property receives service from Aqua through the acts, supplied funds, and facilities I have described. Aqua stands ready to perform additional acts of service and commit additional facilities to the Property as necessary.

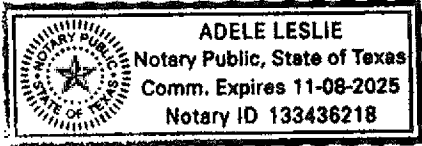


Darryl Waldock
North Texas Area Manager
Aqua Texas, Inc.

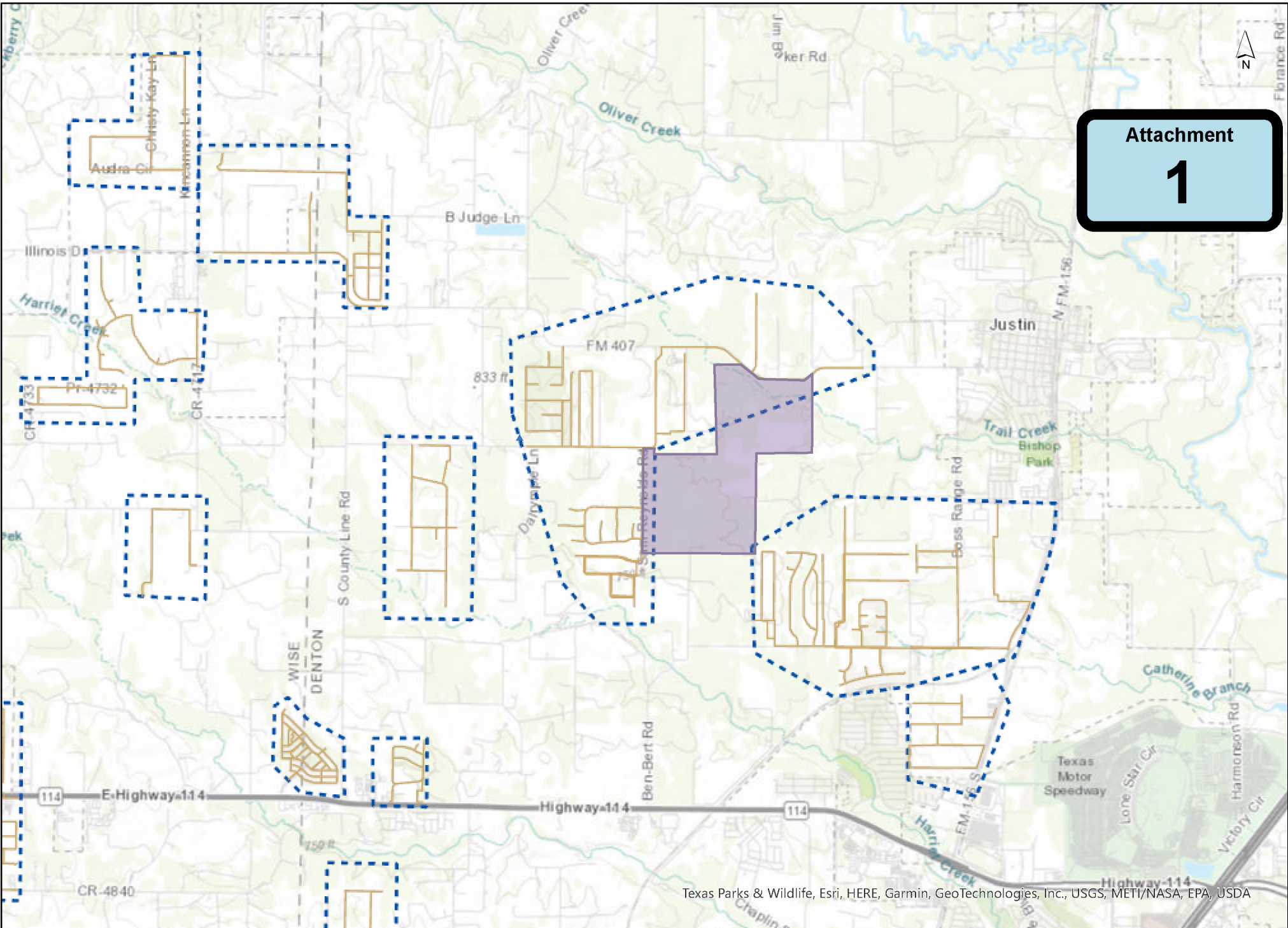
SUBSCRIBED AND SWORN TO BEFORE ME on this the 28 day of February, 2022, to which witness my hand and official seal.



Notary Public in and for
The State of Texas

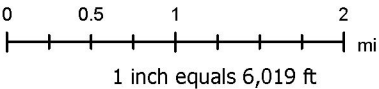


Attachment
1



Texas Parks & Wildlife, Esri, HERE, Garmin, GeoTechnologies, Inc., USGS, METI/NASA, EPA, USDA

Printed: Feb 25, 2022



These maps should be used as a reference to the general location of water/waste water system information as interpreted from documents submitted to the Engineering department. Refer to specific engineering plans for more detailed information.

Report corrections to AquaGIS mailbox
aquagis@aquamexica.com



70 2004 00011912

Instrument Number: 2004-11912

As

Easement

Recorded On: January 29, 2004

Parties: PETRUS INVESTMENT

To

Billable Pages: 19

Number of Pages: 19

Comment:

**** Examined and Charged as Follows: ****

Easement	50.00
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: 2004-11912
Receipt Number: 84021
Recorded Date/Time: January 29, 2004 12:08P

Record and Return To:

REPUBLIC TITLE OF TEXAS
2626 HOWELL ST 10TH FLOOR
DALLAS TX 75204-4054

User / Station: E McCorkle - Cash Station 2



THE 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.

C Mitchell

County Clerk
Denton County, Texas

UTILITY EASEMENT

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

That, Petrus Investment, L.P., a Texas limited partnership, hereinafter referred to as Grantor, whether one or more for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, to Grantor in hand paid by Petrus Investment, L.P., a Texas limited partnership, hereinafter referred to as Grantee, the receipt and sufficiency of which is hereby acknowledged and confessed and for which no lien, or encumbrance express or implied, is retained, have this day GRANTED and CONVEYED and by these presents do GRANT and CONVEY unto Grantee a free and unobstructed right-of-way and easement to lay, construct, inspect, maintain, repair, alter, operate, replace, relocate, change the size of, all within the easement herein described, abandon in place and remove at will, in whole or in part, all material, appurtenances and facilities used for public utilities, including, but not limited to water, sewer, electrical, fiber optic, and telephone lines associated within single-family, retail and commercial usage, and all related equipment and facilities, both above and below ground, upon and across the real property in Denton County, Texas more particularly described in Exhibit A attached hereto and made a part hereof for all purposes (hereinafter referred to as the "Easement Area").

Grantor is the owner of certain real property located in Denton County, Texas, and described on Exhibit "B" attached hereto and made a part hereof (the "Grantor Property"); and

Grantee is the owner of certain real property located adjacent to the Grantor Property and described on Exhibit "C" attached hereto and made a part hereof (the "Grantee Property"); and

The Grantee shall have all rights and benefits necessary or convenient for the full enjoyment or use of the rights herein granted, including, but without limiting the same to, the free right of ingress to and egress over and across said property to and from said right-of-way and easement, and the right from time to time to cut all trees, undergrowth and other obstructions that may injure, endanger or interfere with the use of said site.

TO HAVE AND TO HOLD unto said Grantee, its successors and assigns, so long as the rights and easements herein granted, or any one of them, shall be used by, or useful to, Grantee for the purposes herein granted, with ingress to, and egress from, the Easement Area for the purposes of operating and maintaining public utilities, including, but not limited to, constructing, inspecting, repairing, maintaining, replacing and removing the same. Grantor shall not interfere with the exercise of Grantee's rights by constructing or permitting to be constructed any permanent vertical structure upon the easement herein conveyed and Grantor further agrees not to change the grade, remove dirt from the surface of the easement or impound water over the easement without prior approval of Grantee.

The Easement is made and accepted subject to the following conditions:

1. The consideration first above recited as being paid to Grantor by Grantee is in full satisfaction of every right hereby granted. All covenants and agreements herein contained shall extend to and be binding upon the respective heirs, legal representatives, successors and assigns of the parties hereto and is further assignable in whole or in part. The undersigned hereby bind themselves, their heirs, executors, administrators, successors and assigns to warrant and forever defend all and singular said premises unto the Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.
2. It is hereby understood that the party securing this grant on behalf of Grantee is without authority to make any covenant or agreement not herein expressed.
3. Grantee shall not make any improvements within the Easement Area so long as Aperion Communities, LLLP ("Aperion") is the owner of the Grantee Property.
4. This easement will automatically terminate and be of no further force and effect once Grantor has dedicated the right of way and/or easement for, and the County of Denton and/or the City of Fort Worth, has accepted, a collector street that provides access from Highway 114 to the southern boundary of Grantee's property as generally depicted on Exhibit "D" attached hereto and utilities sized with sufficient capacity so when installed will serve the benefited property in accordance with a master utility plan.
5. If Aperion is not the owner of the Grantee Property, and Grantee makes any improvements within the Easement Area, this Easement will become permanent and all termination rights under this Agreement will be extinguished.
6. Except as provided for and stated in the terms of this easement, Grantee and Grantor may not amend or terminate this Easement unless such amendment or termination is expressly acknowledged and approved by Petrus Investment, L.P., which acknowledgement and approval shall not be unreasonably withheld.
7. The Easement Area may be relocated by an amendment of this Easement as provided in Paragraph 6 above.

8. The Easement will automatically terminate upon the filing of a satisfaction and release, executed by Petrus Investment, L.P., of that certain Deed of Trust dated January 26, 2004 between Aperion Communities, LLLP and Petrus Investment, L.P., which is recorded in the records of Denton County, Texas.

EXECUTED as of January 26, 2004.

**THIS STAMP IS FOR SCANNING
PURPOSES ONLY.**

GRANTOR:

PETRUS INVESTMENT, L.P.,
a Texas limited partnership

By: PMC Management, L.P.,
a Texas limited partnership,
its general partner

By: Hillwood Development Company, LLC,
a Texas limited liability company,
its general partner

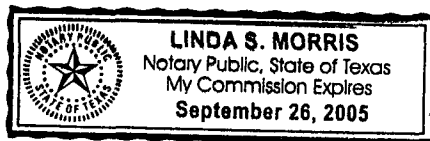
By: *Michele L. Medlin*
Name: **MICHELE L. MEDLIN**
Title: **ASSISTANT SECRETARY**

STATE OF TEXAS §

§

COUNTY OF *Dallas*

This instrument was acknowledged before me on *January 28*, 2004, by *Michele Medlin, Asst Secretary* of Hillwood Development Company, LLC, a Texas limited liability company, on behalf of said limited liability company, in its capacity as general partner of PMC Management, L.P., a Texas limited partnership, on behalf of said limited partnership, in its capacity as general partner of Petrus Investment, L.P., a Texas limited partnership, on behalf of said limited partnership.



Linda S. Morris
Notary Public, State of Texas

GRANTEE:

PETRUS INVESTMENT, L.P.,
a Texas limited partnership

By: PMC Management, L.P.,
a Texas limited partnership,
its general partner

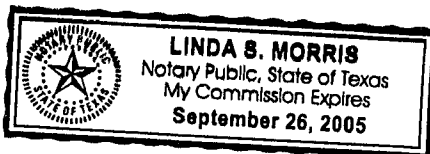
By: Hillwood Development Company, LLC,
a Texas limited liability company,
its general partner

By: *Michele L. Medlin*
Name: MICHELE L. MEDLIN
Title: ASSISTANT SECRETARY

STATE OF TEXAS §

COUNTY OF *Dallas* §

This instrument was acknowledged before me on *January 28*, 2004, by *Michele Medlin, Asst. Secretary* of Hillwood Development Company, LLC, a Texas limited liability company, on behalf of said limited liability company, in its capacity as general partner of PMC Management, L.P., a Texas limited partnership, on behalf of said limited partnership, in its capacity as general partner of Petrus Investment, L.P., a Texas limited partnership, on behalf of said limited partnership.



Linda S. Morris
Notary Public, State of Texas

AFTER RECORDING RETURN TO:

Petrus Investment, L.P.
c/o Hillwood Development Company, LLC
5430 LBJ Freeway, Suite 800
Dallas, Texas 75240

**THIS STAMP IS FOR SCANNING
PURPOSES ONLY.**

EXHIBIT "A"
PROPERTY DESCRIPTION

BEING a 4.911 acre tract of land in the G. Cardinas Survey, Abstract No. 214, situated in Denton County, Texas and being a portion of that tract conveyed to HILLWOOD/114 & 156, Ltd. by deed recorded in Volume 2470, Page 708 of the Real Property Records of Denton County, Texas (RPRDCT) and being more particularly described as follows:

COMMENCING at a 1/2" iron pin found, said iron pin also being on the north right-of-way line of State Highway No. 114, said iron pin also being on the west line of a tract conveyed to Alliance 161 Investments by deed recorded in Volume 2778, Page 958 RPRDCT; THENCE N 84E28'54" W along the north right-of-way line of State Highway No. 114, a distance of 620.13 feet to the POINT of BEGINNING of the herein described tract;

THENCE N 00E12'37" W, a distance of 50.00 feet to a point;

THENCE N 89E47'23" E, a distance of 265.42 feet to a point;

THENCE N 44E24'05" E, a distance of 1154.10 feet to a point;

THENCE S 45E16'51" E, a distance of 25.00 feet to a point;

THENCE N 44E24'05" E, a distance of 2182.95 feet to a point;

THENCE N 00E07'32" W, a distance of 609.65 feet to a point;

THENCE N 89E52'28" E, a distance of 50.00 feet to a point, said point also being on the east line of said HILLWOOD/114 & 156, Ltd. tract;

THENCE S 00E07'32" E along the east line of said HILLWOOD/114 & 156, Ltd. tract, a distance of 630.12 feet to a 1/2" iron pin found, said iron pin also being on the northwesterly line of a tract conveyed to Atchison, Topeka & Santa Fe Railway Company by deed recorded under County Clerk=s File No. 93-20408 RPRDCT;

THENCE S 44E24'05" W along the said northwesterly line of said Atchison, Topeka & Santa Fe Railway Company tract, a distance of 2253.70 feet to a 1/2" iron pin found;

THENCE N 45E16'51" W along the said northwesterly line of said Atchison, Topeka & Santa Fe Railway Company tract, a distance of 25.00 feet to a 1/2" iron pin found;

THENCE S 44E24'05" W along the said northwesterly line of said Atchison, Topeka & Santa Fe Railway Company tract, a distance of 1124.73 feet to a TxDOT monument found, said monument being on the said north right-of-way line of State Highway No. 114;

THENCE S 89E47'23" W along the said north right-of-way line of State Highway No. 114, a distance of 286.33 feet to the Point of Beginning and containing 213,925 square feet or 4.911 acres of land, more or less.

Exhibit "B"

PROPERTY DESCRIPTION

BEING a 180.00 acre tract of land in the G. Cardinas Survey, Abstract No. 214, situated in Denton County, Texas and being a portion of that tract conveyed to HILLWOOD/114 & 156, Ltd. by deed recorded in Volume 2470, Page 708 of the Real Property Records of Denton County, Texas (RPRDCT) and being more particularly described as follows:

BEGINNING at a 1/2" iron pin found, said iron pin also being on the north right-of-way line of State Highway No. 114, said iron pin also being on the west line of a tract conveyed to Alliance 161 Investments by deed recorded in Volume 2778, Page 958 RPRDCT;

THENCE N 00E27'11" W along the west line of said HILLWOOD/114 & 156, Ltd. tract and the east line of said Alliance 161 Investments tract, a distance of 3698.41 feet to a 1/2" iron pin found, said iron pin being the southwest corner of a tract conveyed to Betty Marie McIntyre, et al, by deed recorded in Volume 2906, Page 363 RPRDCT;

THENCE N 00E22'54" W continuing along the west line of said HILLWOOD/114 & 156, Ltd. tract and along the east line of said Betty Marie McIntyre, et al, tract, a distance of 1392.69 feet to a point, said point being in a south line of a tract conveyed to Nancy Talley Reynolds, et al, by deed recorded in Volume 2301, Page 223 RPRDCT;

THENCE N 89E29'50" E along the said south line of said Talley tract, a distance of 659.98 feet to a 1" bolt found;

THENCE S 00E16'26" E along the west line of said Talley tract, a distance of 2648.88 feet to a 1/2" iron pin found;

THENCE N 89E49'13" E along a south line of said Talley tract, a distance of 996.95 feet to a 1/2" iron pin found;

THENCE N 00E13'08" W along the east line of said Talley tract, a distance of 632.31 feet to a point;

THENCE N 89E52'28" E departing the east line of said Talley tract, a distance of 1655.17 feet to a point, said point also being on the east line of said HILLWOOD/114 & 156, Ltd. tract;

THENCE S 00E07'32" E along the east line of said HILLWOOD/114 & 156, Ltd. tract, a distance of 630.12 feet to a 1/2" iron pin found, said iron pin also being on the northwesterly line of a tract conveyed to Atchison, Topeka & Santa Fe Railway Company by deed recorded under County Clerk=s File No. 93-20408 RPRDCT;

THENCE S 44E24'05" W along the said northwesterly line of said Atchison, Topeka & Santa Fe Railway Company tract, a distance of 2253.70 feet to a 1/2" iron pin found;

THENCE N 45E16'51" W along the said northwesterly line of said Atchison, Topeka & Santa Fe Railway Company tract, a distance of 25.00 feet to a 1/2" iron pin found;

THENCE S 44E24'05" W along the said northwesterly line of said Atchison, Topeka & Santa Fe Railway Company tract, a distance of 1124.73 feet to a TxDOT monument found, said monument being on the said north right-of-way line of State Highway No. 114;

THENCE S 89E47'23" W along the said north right-of-way line of State Highway No. 114, a distance of 286.33 feet to a 1/2" iron pin found;

THENCE S 84E28'54" W along the said north right-of-way line of State Highway No. 114, a distance of 620.13 feet to the Point of Beginning and containing 7,840,798 square feet or 180.000 acres of land, more or less.

Exhibit "C"
Legal Description

TRACT 1:

BEING a tract of land situated in the Guadalupe Cardinas Survey, Abstract No. 214, Denton County, Texas, and being a portion of Tract 3 and a portion of Tract 4 as conveyed to Petrus Investment, L.P., by deed recorded in Volume 4246, Page 00562, Deed Records of Denton County, and being more particularly described as follows:

BEGINNING at a capped iron rod found for corner, said iron rod being the Southwest corner of herein described tract and the Southwest corner of aforementioned Tract 3, said iron rod also being the Southeast corner of a tract conveyed to LK Investments by deed recorded in County Clerk File No. 98-118163, and being in the northerly right-of-way line of State Highway No. 114;

THENCE N 00 degrees 27 minutes 11 seconds W, leaving the northerly right-of-way line of said State Highway and along the East line of said LK Investment tract, a distance of 3698.11 feet to a 1/2" iron rod found for corner at the Northeast corner of said LK Investment tract and the Southeast corner of a tract of land conveyed to Eaton Et Al, by deed recorded in Volume 2906, Page 363, Deed Records of Denton County, Texas;

THENCE N 00 degrees 22 minutes 13 seconds W, along the East line of said Eaton tract, a distance of 1392.69 feet to a 1/2" iron rod found for corner at the most northerly Southeast corner of said Eaton tract and the most northerly Southwest corner of a tract of land conveyed to Tally, Et Al, by deed recorded in Volume 2301, Page 223, Deed Records of Denton County, Texas;

THENCE N 89 degrees 31 minutes 15 seconds E, along a South line of said Tally tract, a distance of 659.98 feet to a 1" by 1" bolt found for corner at the Southwest inner ell corner of said Tally tract;

THENCE S 00 degrees 16 minutes 04 seconds E, along a West line of said Tally tract, a distance of 2648.93 feet to a 1/2" iron rod found for corner at the most southerly Southwest corner of said Tally tract;

THENCE N 89 degrees 46 minutes 12 seconds E, along a South line of said Tally tract, a distance of 997.06 feet to a 3/8" iron rod found for corner at the most southerly Southeast corner of said Tally tract;

THENCE N 00 degrees 12 minutes 57 seconds W, along an East line of said Tally tract, a distance of 4149.62 feet to a P.K. nail found for corner in the center of Sam Reynolds Road;

THENCE N 89 degrees 55 minutes 00 seconds E, along center of said Sam Reynolds Road, a distance of 4307.49 feet to a 1/2" iron rod found for corner in the center of said Sam Reynolds Road;

THENCE S 00 degrees 14 minutes 47 seconds E, leaving the center of said Sam Reynolds Road and along the West line of Payton Place, Phase 1, as recorded by plat in Cabinet M, Page 266, and Payton Place, Phase 2, as recorded by plat in Cabinet P, Page 50, Plat Records of Denton County, Texas, a distance of 1482.99 feet to a 1/2" iron rod found for corner at the Southwest corner of said Payton Place, Phase 2 and the Northeast corner of a tract of land conveyed to Ferbro Investments by deed recorded in County Clerk File No. 97-003605;

THENCE S 89 degrees 42 minutes 54 seconds W, along the North line of said Ferbro tract, a distance of 2649.24 feet to a 5/8" iron rod set for corner at the Northwest corner of said Ferbro tract;

THENCE S 00 degrees 06 minutes 48 seconds E, along the West line of said Ferbro tract, a distance of 2657.92 feet to a 5/8" iron rod set for corner in the northwesterly line of a tract of land conveyed to The Atchison, Topeka & Santa Fe Railway Company by deed recorded in County Clerk File No. 93-20408;

THENCE S 44 degrees 26 minutes 43 seconds W, leaving the West line of said Ferbro tract and along said northwesterly line, a distance of 2253.70 feet to a 5/8" iron rod set for corner;

THENCE N 45 degrees 33 minutes 17 seconds W, along said northwesterly line, a distance of 25.00 feet to a 5/8" iron rod set for corner;

THENCE S 44 degrees 26 minutes 43 seconds W, continuing along said northwesterly line, a distance of 1122.22 feet to a Texas Department of Transportation brass monument found for corner in the northerly right-of-way line of aforementioned State Highway No. 114;

THENCE S 89 degrees 47 minutes 15 seconds W, along said North right-of-way line, a distance of 286.35 feet to a Texas Department of Transportation brass monument found for corner;

THENCE S 84 degrees 30 minutes 20 seconds W, continuing along said North right-of-way line, a distance of 620.05 feet to the POINT OF BEGINNING and containing 17,617,114 square feet or 404.4333 acres of land.

TRACT 2:

BEING a tract of land situated in the Guadalupe Cardinas Survey, Abstract No. 214, Denton County, Texas, and being a portion of Tract 3 and a portion of Tract 4 as conveyed to Petrus Investment, L.P., by deed recorded in Volume 4246, Page 00562, Deed Records of Denton County, and being more particularly described as follows:

BEGINNING at a Texas Department of Transportation aluminum monument found for corner in the North right-of-way line of State Highway No. 114, said monument being N 00 degrees 06 minutes 48 seconds W, 130.37 feet from the Southwest corner of a tract of land conveyed to Ferbro Investment by deed recorded in County Clerk File No. 97-003605;

THENCE S 89 degrees 46 minutes 25 seconds W, along the North right-of-way line of said State Highway, a distance of 1072.86 feet to a Texas Department of Transportation brass monument found for corner;

THENCE N 86 degrees 29 minutes 15 seconds W, continuing along said North right-of-way line, a distance of 900.22 feet to a Texas Department of Transportation brass monument found for corner, said monument being the Southeast corner of a tract of land conveyed to The Atchison, Topeka & Santa Fe Railway Company by deed recorded in County Clerk File No. 93-20408;

THENCE N 44 degrees 26 minutes 43 seconds E, leaving said North right-of-way line and along the Southeast line of said Railway tract, a distance of 2809.53 feet to a 5/8" iron rod set for corner in the West line of aforementioned Ferbro Investment tract;

THENCE S 00 degrees 06 minutes 48 seconds E, leaving the Southeast line of said Railway tract and along the West line of said Ferbro tract, a distance of 2056.70 feet to the POINT OF BEGINNING and containing 2,058,650 square feet or 47.2601 acres of land.

TRACT 3:

BEING a tract of land situated in the William C. Brookfield Survey, Abstract No. 34, the W.A. Ferris Survey, Abstract No. 419, the W.D. Reed Survey, Abstract No. 1123 and the James Chesier Survey, Abstract No. 225, Denton County, Texas and being the same tract of land conveyed to Petrus Investment, L.P., recorded in Volume 4246, Page 00562, of the Deed Records of Denton County, Texas, and being more particularly described as follows:

BEIGINNING at a 1/2" iron rod found at the most southerly southeast corner of the said Petrus Investment, L.P. tract, said iron rod being in or near the centerline of Sam Reynolds Road and in the north line of a tract of land described in deed to Petrus Investments Tract 4, recorded in Volume 4246, Page 562 of the Deed Records of Denton County, Texas;

THENCE S 89 degrees 55 minutes 00 seconds W, along or near the centerline of Sam Reynolds Road and the north line of said Petrus Investments Tract 4, a distance of 898.16 feet to a PK nail found for corner said PK also being the northeast corner of a tract of land described in deed to Tally, et al recorded in Volume 2301, Page 223 of the Deed Records of Denton County, Texas;

THENCE N 89 degrees 55 minutes 26 seconds W, along said Sam Reynolds Road and the north line of said Tally tract, a distance of 1859.71 feet to a PK nail set for corner;

THENCE N 00 degrees 12 minutes 26 seconds W, departing said Tally tract and continuing along or near the centerline of Sam Reynolds Road, a distance of 2781.90 feet to a railroad spike found for corner;

THENCE S 89 degrees 52 minutes 39 seconds W, continuing along or near the centerline of Sam Reynolds Road, a distance of 1909.14 feet to a 5/8" iron rod set for corner;

THENCE N 00 degrees 09 minutes 37 seconds W, a distance of 1437.21 feet to a 1/2" iron rod found at the southwest corner of that tract of land conveyed to J.M. High, recorded in Volume 501, Page 248 of the Deed Records of Denton County, Texas, from which a 5/8" iron rod bears N 74 degrees 44 minutes 09 seconds E, at a distance of 21.03 feet;

THENCE N 76 degrees 15 minutes 05 seconds E, departing said Sam Reynolds Road, along or near a fence, a distance of 381.87 feet to a 1/2" iron rod found at the southeast corner of said High tract;

THENCE N 00 degrees 17 minutes 59 seconds W, along or near a fence, a distance or 307.73 feet to a 1/2" iron rod found for the northeast corner of said High tract;

THENCE S 89 degrees 55 minutes 13 seconds W, along or near a fence, 370.50 feet to a 60d nail found in or near the centerline of said Sam Reynolds Road, also being the northwest corner of said High tract from which a 1/2" iron rod bears N 89 degrees 45 minutes 19 seconds E, at a distance of 17.06 feet;

THENCE N 00 degrees 12 minutes 17 seconds W, along or near the centerline of Sam Reynolds Road, a distance of 3495.61 feet to a PK nail set in or near the centerline intersection of Sam Reynolds Road and Bill Cook Road;

THENCE S 89 degrees 55 minutes 31 seconds E, along or near the centerline of Bill Cook Road, a distance of 509.27 feet a 1/2" iron rod found in the west line of a tract of land conveyed to Archie M. Eddleman, recorded in Volume 2322, Page 824, of the Deed Records of Denton County, Texas.

THENCE S 00 degrees 18 minutes 01 second E, along the west line of said Eddleman tract, a distance of 226.36 feet to a 1/2" iron rod found for corner;

THENCE N 89 degrees 04 minutes 47 seconds E, along the south line of said Eddleman tract, a distance of 870.26 feet to a 5/8" iron rod found at the southeast corner of said Eddleman tract, also being the southwest corner of a tract of land conveyed to William E. Watts, recorded in Volume 634, Page 405 of the Deed Records of Denton County, Texas;

THENCE 88 degrees 48 minutes 24 seconds E, along the south line of said Watts tract and the south line of a tract of land conveyed to Glen W. Theis recorded in Volume 1038, Page 887, of the Deed Records of Denton County, Texas, a distance of 1598.69 feet to a 5/8" iron rod found for the southeast corner of said Theis tract;

THENCE N 00 degrees 25 minutes 37 seconds W, along the east line of said Theis tract and east line of that tract of land conveyed to Sammy Ray Harper and wife, Jody Lynn Harper recorded in Volume 1726, Page 31 of the Deed Records of Denton County, Texas, a distance of 907.20 feet to a 1/2" iron rod found for corner;

THENCE N 00 degrees 43 minutes 08 seconds W, along the east line of that tract of land conveyed to Community Bank, recorded in Volume 2943, Page 808 of the Deed Records of Denton County, Texas and that tract of land conveyed to Knabe Investments, Inc., recorded in Volume 2400, Page 652, of the Deed Records of Denton County, Texas, in all a distance of 2696.06 feet to a 1/2" iron rod found in the south line of a tract of land conveyed to W.H. Pennington, recorded in Volume 767, Page 794 of the Deed Records of Denton County, Texas;

THENCE N 88 degrees 59 minutes 36 seconds E, along the south line of said Pennington tract and the south line of a tract of land conveyed to Bill Pennington recorded in Volume 572, Page 131 of the Deed Records of Denton County, Texas, a distance of 1146.80 feet to a capped iron rod found in the south right-of-way of State Highway F.M. No. 407 (90' R.O.W.);

THENCE along the south right-of-way of said Highway F.M. No. 407 the following:

S 50 degrees 10 minutes 52 seconds E, a distance of 681.84 feet to a 1/2" iron rod found and the beginning of a curve to the left having a radius of 618.69 feet;

Along said curve to the left through a central angle of 39 degrees 45 minutes 00 seconds and an arc length of 429.23 feet (chord bears S 70 degrees 03 minutes 22 seconds E, a distance of 420.67 feet) to a 5/8" iron rod set;

S 89 degrees 55 minutes 32 seconds E, a distance of 1464.07 feet to a 5/8" iron rod set and the beginning of a curve to the left having a radius of 618.69 feet;

Along said curve to the left through a central angle of 45 degrees 20 minutes 01 seconds and an arc distance of 489.52 (chord bears N 67 degrees 24 minutes 28 seconds E, a distance of 476.85 feet) to a 5/8" iron rod set;

N 44 degrees 44 minutes 28 seconds E, a distance of 86.74 feet to a 1/2" iron rod found for the northwest of a tract of land conveyed to Trail Creek Acres recorded in Volume 1912, Page 979 of the Deed Records of Denton County, Texas;

THENCE S 00 degrees 35 minutes 12 seconds E, departing said State Highway No. 407 and along or near a fence also being the west line of said Trail Creek Acres tract, a distance of 3214.24 feet to a capped iron rod found for the southwest corner of said Lee tract and in the north line of a tract of land conveyed to Patricia Ann Range Malloy recorded in Volume 769, Page 965 of the Deed Records of Denton County, Texas;

THENCE S 88 degrees 57 minutes 28 seconds W, along the north line of said Malloy tract, a distance of 2342.31 feet to a 5/8" iron rod set for the northwest corner of said Malloy tract;

THENCE S 00 degrees 12 minutes 50 seconds E, along the west line of said Malloy tract, a distance of 3748.08 feet to a 5/8" iron rod set for the southwest corner of said Malloy tract and also being the northwest corner of a tract of land known as Riggs Place, as recorded by Plat in Cabinet E, Page 359, Plat Records of Denton County, Texas;

THENCE along the west line of said Riggs Place the following:

S 00 degrees 05 minutes 54 seconds E, a distance of 34.49 feet to a 1/2" iron rod found for corner;

S 00 degrees 11 minutes 51 seconds E, a distance of 313.91 feet to a 1/2" iron rod found for corner;

S 00 degrees 08 minutes 14 seconds E, a distance of 189.17 feet to a 1/2" iron rod found for corner;

S 00 degrees 11 minutes 48 seconds W, a distance of 186.14 feet to a 60d nail found for corner;

S 01 degree 06 minutes 47 seconds E, a distance of 186.19 feet to a 1/2" iron rod found for corner;

S 00 degrees 19 minutes 20 seconds E, a distance of 186.39 feet to a 1/2" iron rod found for corner;

S 00 degrees 12 minutes 27 seconds E, a distance of 185.40 feet to a 1/2" iron rod found for corner;

S 00 degrees 18 minutes 40 seconds E, a distance of 186.87 feet to a 1/2" iron rod found for corner;

S 00 degrees 04 minutes 18 seconds W, a distance of 186.00 feet to a 1/2" iron rod found for corner;

S 00 degrees 27 minutes 50 seconds E, a distance of 186.43 feet to a 1/2" iron rod found for corner;

S 00 degrees 11 minutes 05 seconds E, a distance of 371.53 feet to a 1/2" iron rod found for corner;

S 00 degrees 17 minutes 33 seconds E, a distance of 558.45 feet to a 1/2" iron rod found for corner;

S 00 degrees 17 minutes 56 seconds E, a distance of 186.49 feet to a 1/2" iron rod found for corner;

S 00 degrees 18 minutes 15 seconds E along the wet line of said Riggs Place, and the west line of a tract of land conveyed to James H. Riggs, Jr., et ux as recorded in Volume 2953, Page 543 of Deed Records of Denton County, Texas a distance of 1253.83 feet to the POINT OF BEGINNING and containing 44,582,288 square feet or 1023.4685 acres of land.

LESS AND EXCEPT:

BEING a 180.00 acre tract of land in the G. Cardinas Survey, Abstract No. 214, situated in Denton County, Texas and being a portion of that tract conveyed to HILLWOOD/114 & 156,

Ltd. by deed recorded in Volume 2470, Page 708 of the Real Property Records of Denton County, Texas (RPRDCT) and being more particularly described as follows:

BEGINNING at a 1/2" iron pin found, said iron pin also being on the north right-of-way line of State Highway No. 114, said iron pin also being on the west line of a tract conveyed to Alliance 161 Investments by deed recorded in Volume 2778, Page 958 RPRDCT;

THENCE N 00E27'11" W along the west line of said HILLWOOD/114 & 156, Ltd. tract and the east line of said Alliance 161 Investments tract, a distance of 3698.41 feet to a 1/2" iron pin found, said iron pin being the southwest corner of a tract conveyed to Betty Marie McIntyre, et al, by deed recorded in Volume 2906, Page 363 RPRDCT;

THENCE N 00E22'54" W continuing along the west line of said HILLWOOD/114 & 156, Ltd. tract and along the east line of said Betty Marie McIntyre, et al, tract, a distance of 1392.69 feet to a point, said point being in a south line of a tract conveyed to Nancy Talley Reynolds, et al, by deed recorded in Volume 2301, Page 223 RPRDCT;

THENCE N 89E29'50" E along the said south line of said Talley tract, a distance of 659.98 feet to a 1" bolt found;

THENCE S 00E16'26" E along the west line of said Talley tract, a distance of 2648.88 feet to a 1/2" iron pin found;

THENCE N 89E49'13" E along a south line of said Talley tract, a distance of 996.95 feet to a 1/2" iron pin found;

THENCE N 00E13'08" W along the east line of said Talley tract, a distance of 632.31 feet to a point;

THENCE N 89E52'28" E departing the east line of said Talley tract, a distance of 1655.17 feet to a point, said point also being on the east line of said HILLWOOD/114 & 156, Ltd. tract;

THENCE S 00E07'32" E along the east line of said HILLWOOD/114 & 156, Ltd. tract, a distance of 630.12 feet to a 1/2" iron pin found, said iron pin also being on the northwesterly line of a tract conveyed to Atchison, Topeka & Santa Fe Railway Company by deed recorded under County Clerk=s File No. 93-20408 RPRDCT;

THENCE S 44E24'05" W along the said northwesterly line of said Atchison, Topeka & Santa Fe Railway Company tract, a distance of 2253.70 feet to a 1/2" iron pin found;

THENCE N 45E16'51" W along the said northwesterly line of said Atchison, Topeka & Santa Fe Railway Company tract, a distance of 25.00 feet to a 1/2" iron pin found;

THENCE S 44E24'05" W along the said northwesterly line of said Atchison, Topeka & Santa Fe Railway Company tract, a distance of 1124.73 feet to a TxDOT monument found, said monument being on the said north right-of-way line of State Highway No. 114;

THENCE S 89E47'23" W along the said north right-of-way line of State Highway No. 114, a distance of 286.33 feet to a 1/2" iron pin found;

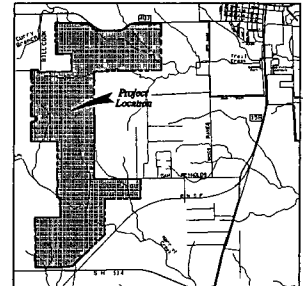
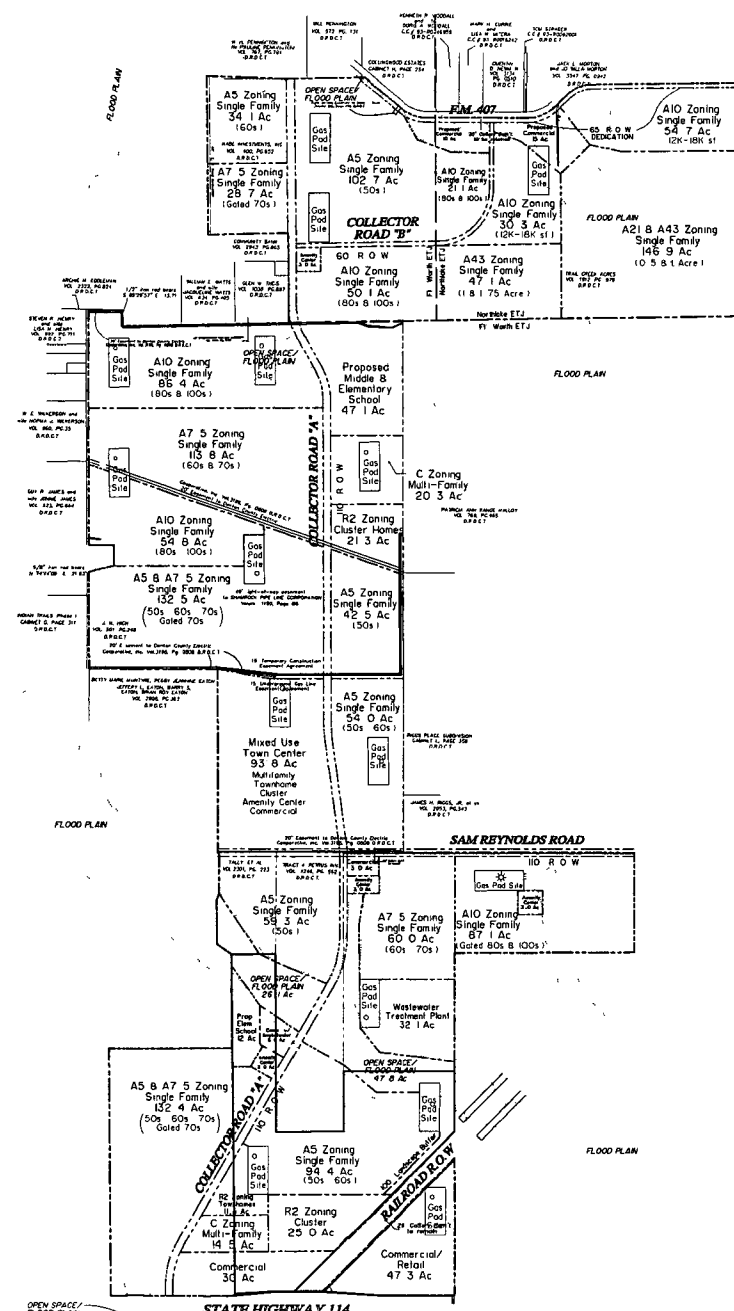
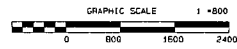
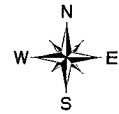
THENCE S 84E28'54" W along the said north right-of-way line of State Highway No. 114, a distance of 620.13 feet to the Point of Beginning and containing 7,840,798 square feet or 180.000 acres of land, more or less.

Exhibit "D"

**THIS STAMP IS FOR SCANNING
PURPOSES ONLY.**

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PURPOSES ONLY.**

**THIS STAMP IS FOR SCANNING
PURPOSES ONLY.**



Vicinity Map
NTS

Legend

[Symbol]	COMMERCIAL - III 1 Acres
[Symbol]	A5 - 30 x110 8 60 x115 - 319 3 Acres
[Symbol]	A7.5 - 60 x125 8 70 x125 - 329 8 Acres
[Symbol]	A10 - 90 x167 8 100 x200 - 329 8 Acres
[Symbol]	A21 & A43 - ESTATE LOTS - 194 0 Acres
[Symbol]	R2 - TOWNHOUSE/CLUSTER HOME - 57 8 Acres
[Symbol]	MIDDLE 8 ELEMENTARY SCHOOL - 47 1 Acres
[Symbol]	ELEMENTARY SCHOOL - 2 Acres
[Symbol]	MULTIFAMILY - 34 8 Acres
[Symbol]	TOWN CENTER - 93 8 Acres
[Symbol]	OPEN SPACE/GAS PADS/R D W - 242 2 Acres

*Northlake Zoning Shown as Fort Worth Equivalent for Concept Planning Purposes

DEVELOPER

NEVADA CAPITAL PARTNERS, INC.
 7720 East Redfield Rd #8
 Scottsdale, AZ 85260
 (480) 991-2288

ENGINEER/SURVEYOR

GOODWIN & MARSHALL
 CIVIL ENGINEERS - PLANNERS - SURVEYORS
 8001 Bridge Street, Suite 100 Fort Worth Texas 76112
 Metro (817) 429-4375

CONCEPT PLAN
 FOR
JUSTIN RANCH SOUTH
 BEING
 1977 11 Acres
 SITUATED IN THE
 GUADALUPE CARDINAS SURVEY,
 ABSTRACT NO. 1439
 DENTON COUNTY, TEXAS
 CITY OF FORT WORTH ETJ & NORTHLAKE ETJ
 JANUARY 2004

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