

NON-STANDARD SERVICE CONTRACT

THE STATE OF TEXAS
COUNTY OF PALO PINTO

THIS CONTRACT is made and entered into by and between Barndo Partners, LLC, a domestic limited liability company, hereinafter referred to as "Developer", and Possum Kingdom Water Supply Corporation, hereinafter referred to as "PKWSC" or "Corporation".

WHEREAS, Developer is engaged in developing that certain 166.848 acres in Palo Pinto, County, Texas, more particularly known as the Water Ridge Estates subdivision, according to the plat thereof recorded at Vol. 2277, Page 765 of the Plat Records of Palo Pinto County, Texas, said land being hereinafter referred to as "the Property"; and,

WHEREAS, PKWSC owns and operates a water system which supplies potable water for human consumption and other domestic uses to customers within its service area; and,

WHEREAS, the Property is located within PKWSC's state-certificated service area which obligates PKWSC to provide it with retail public water utility service subject to the terms and conditions of PKWSC's lawful tariff and the regulations of the Texas Commission on Environmental Quality ("TCEQ"); and,

WHEREAS, Developer has requested PKWSC to provide such water service to the Property through an extension of PKWSC's water system, such extension being hereinafter referred to as "the Water System Extension"; NOW THEREFORE:

KNOW ALL MEN BY THESE PRESENTS:

THAT for and in consideration for the mutual promises hereinafter expressed, and other good and valuable consideration, the sufficiency of which is hereby acknowledged by the parties. Developer and PKWSC agree and contract as follows:

1. Engineering and Design of the Water System Extension.

- (a) The Water System Extension shall be engineered and designed by a Texas Licensed Professional Engineer at Developer's expense and in accordance with the applicable specifications of PKWSC and all governmental agencies having jurisdiction. All plans and specifications must be reviewed and approved by PKWSC's consulting engineer, at Developer's expense, prior to the issuance of any request for bids for the construction of the Water System Extension. After such approval of the plans and specifications by PKWSC's consulting engineer, the plans and specifications shall become part of this Agreement by reference and shall more particularly define "the Water System Extension".
- (b) The Water System Extension must be sized to provide continuous and adequate water service to the Property based on plans for the development of the Property provided to PKWSC by the Developer. PKWSC may require the Water System Extension to be oversized in anticipation of the needs of other customers of PKWSC, subject to the obligation to reimburse the Developer for any such oversizing as provided below. If the Water System Extension proves to be insufficient for the long-term retail public water utility service demands of the Property, PKWSC shall have the continuing option, and

Developer shall be under the continuing obligation, to construct such additional service capacities as may be needed to meet ~~TCEQ Chapter 290~~ applicable rules and regulations for public water systems plus meeting the local demands of the Property. PKWSC's right to seek additional capital contribution and/or physical retail water utility facilities from Developer shall commence on the date the original Water System Extension is placed into commercial operation and shall expire seven (7) calendar years thereafter. This right to collect additional capital contributions shall be separate and apart from the obligation to pay contribution in aid of construction ("CIAC") as set forth in Section 6 below.

2. Required Sites, Easements or Rights-of-Way.

- (a) Developer shall be responsible for dedicating or acquiring any easements across privately owned land or sites (including off-site) which are necessary for the construction or operation of the Water System Extension and for obtaining any Governmental approvals necessary to construct the Water System Extension in public right-of-way. Public rights-of-way may be used only when private rights-of-way are not available or are necessitated by public roadway crossings. If private easements are not otherwise available, PKWSC agrees to exercise its powers of eminent domain to acquire such easements subject to Developer paying all expenses incurred in such actions.
- (b) Any easements acquired by the Developer shall be in a form approved by PKWSC attorney (see Form of Easement, attached to this Contract and made a part hereof) and shall be assigned to PKWSC upon proper completion of the construction of the Water System Extension.
- (c) The validity of the legal instruments by which the Developer acquires any such easements and by which Developer assigns such easements to PKWSC must be approved by PKWSC's attorney.

3. Construction of the Water System Extension

- (a) Developer shall advertise for bids for the construction of the Water System Extension in accordance with such generally accepted bidding practices as maybe required by the United States Department of Agriculture, Rural Development and shall award the contract for the construction of the Water System Extension subject to the approval of PKWSC. PKWSC may reject any bid.
- (b) The Water System Extension shall be constructed in accordance with the approved plans and specifications. PKWSC shall have the right to inspect, at Developer's expense, all phases of the construction of the Water System Extension. Developer must give written notice to PKWSC of the date on which construction is scheduled to begin so that PKWSC may assign an inspector. PKWSC may charge reasonable inspection fees based on the actual costs of labor, travel and incidental expenses of the inspectors, plus 10% overhead.

4. Dedication of Water System Extension to PKWSC.

- (a) Upon proper completion of construction of the Water System Extension and final inspection and testing thereof by PKWSC, the water System Extension shall be dedicated to PKWSC by an appropriate legal instrument approved by PKWSC's Attorney. The Water System Extension shall thereafter ~~by~~ be owned and maintained by PKWSC subject to the warranties required of Applicant under Subsection (b). Any connection of individual customers to the Water System Extension shall be made by PKWSC.
- (b) Excepting only Developer's continuing obligation to guarantee adequate service capacities set forth in Section 1(b) above, upon dedication of the Water System Extension, Applicant shall warrant materials and performance of the Water System Extension constructed by Applicant for twelve (12) months following the date of dedication.

5. Cost of the Water System Extension.

- (a) Developer shall pay all costs associated with the Water System Extension as CIAC, including, without limitation, the cost of the following:
 - (1) engineering and design;
 - (2) easement or right-of-way acquisition, including, if necessary, condemnation costs;
 - (3) construction;
 - (4) inspection;
 - (5) attorneys' fees; ~~and~~
 - (6) Water Treatment Plant expansion; and
 - (7) Governmental or regulatory approvals required to lawfully provide service.
 - (8) Developer shall indemnify PKWSC and hold PKWSC harmless from all of the foregoing costs.
- (b) Provided, however, nothing herein shall be construed as obligating the Developer to maintain the Water System Extension subsequent to its dedication and acceptance for maintenance by PKWSC.
- (c) If PKWSC has required the Water System Extension to be oversized in anticipation of the needs of the other customers of PKWSC, PKWSC shall reimburse Developer for the additional costs of construction attributable to the oversizing, as determined by PKWSC's consulting engineer. As new PKWSC customers outside of the Property are connected to and served from the oversized facilities funded by Developer, PKWSC shall collect CIAC from each such customer equal to the cost of the surplus capacities that customer will use as determined by PKWSC's consulting engineer. This CIAC shall be paid to Developer within thirty (30) days of collection by PKWSC. This obligation to charge and this right to receive CIAC for the Developer-funded CIAC shall terminate at the earlier of:

- (1) Developer's recovery of all costs incurred for the oversized utility facilities; or,
- (2) five (5) calendar years of the placement of said facilities into commercial operation.

6. Contribution-in-aid-of-Construction.

- (a) The parties recognize the Developer's obligation to compensate PKWSC for service capacities that will be dedicated to serve the Property. The Developer and PKWSC have negotiated a mutually agreeable CIAC payment for the Developer to reimburse PKWSC for that portion of its existing service capacities being reserved for the Property plus increased capacity to be created by an upgrade(s) to the Water Treatment Plant ("WTP") to increase production in .5 MGD increments, a portion of which will be dedicated to the Developer's service area. The agreed CIAC amount is ~~\$369,500.00 per 100 lots~~ based on the calculations provided for in the CIAC calculation formula described in Attachment A to this Agreement. This CIAC payment scale will only cover the first 52 lots for which capacity the Developer will pay \$195,780.00 with the execution of this ~~agreement~~ Agreement. Future requests for service capacity will only be accepted in 100-lot increment or phases. The cost of future expansions to PKWSC's WTP and distribution system will be apportioned between the Developer and PKWSC in proportion to the amount of the new service capacities that will be dedicated to each, and at construction costs then current to be determined by PKWSC at the time of the new expansion.
- (b) Additional service requests for future 100-lot phases shall be made not less than twelve (12) months before the time the Developer wants to commence accepting delivery of the additional water. PKWSC shall complete any necessary improvements and provide service within twelve (12) months after receiving a timely request and payment of the applicable CIAC. If the Developer does not make a request for additional water at least twelve (12) months in advance, PKWSC shall make reasonable efforts to provide additional service capacity when requested but PKWSC makes ~~not a~~ no guarantee or covenant that such additional water will be available on the date requested.
- (c) No additional fees shall be paid except as stated in Sections 1(b), 7(a) and 7(b). As provided in PKWSC's lawful tariff, the owner of individual lots or tracts connected to or able to receive service from the Water System Extension within the Property with the installation of a properly sized meter will pay monthly service or reserve service fees effective on the closing date of the sale from the Developer to the buyer. These fees will be based on the rates in effect from the corporation's Tariff at the time of closing and may include the following fees: Membership, Administration, Meter Installation and Inspection of Meter Connection.
- (d) Water service to be used by the Developer will be subject to monthly service fees based on the rates in effect from the corporation's Tariff at the time that water service is available to the specified property. Developer shall not be

entitled to a membership in PKWSC for any connection serving property owned or being developed for resale to the public. Developer may obtain and hold memberships for service connections to be held permanently by Developer, i.e., to sales offices, common area irrigation meters, and Property maintenance buildings.

7. Service from the Water System Extension.

(a) After proper completion and dedication of the Water System Extension to PKWSC, PKWSC shall provide continuous and adequate water service to the Property for the initial 52 lots subject to all duly tariffed rules and regulations and bylaws of PKWSC. Any increase of service capacity beyond the 52 initial minimum shall be contingent upon the Developer paying CIAC for such additional service capacity.

(b) Service Capacity Reservation. PKWSC's agreement to provide long-term water service capacity to the Developer and the cost to be paid for such capacity of materially conditioned upon the Developer's projections of the service area's demands.

(1) It is agreed that if the Developer is not taking and paying for at least 25% of the water capacity contracted for herein at the end of the first five (5) years of this Agreement, ~~the parties shall renegotiate the terms of the Agreement or, at its option, the Developer shall surrender all unused reserved water service capacity so PKWSC may use it to serve other customers, wholesale or retail. The Developer shall not be reimbursed for any surrendered service capacity. Surrendering that capacity will only release the Developer from the continued payment of monthly reservation.~~

(2) It is agreed that if the Water System Extension has resulted in the creation of less than 13 Corporation memberships (25% of the water service meters for the 52 lots that are the subject of this Agreement) at the end of the first five (5) years of this Agreement, Developer shall surrender the unused water service meters and associated Corporation memberships. As an alternative to the surrender of unused reserved water service meters and associated Corporation memberships, the Developer may, at its option, renegotiate the terms of the Contract. The Developer shall not be reimbursed for any surrendered water service meters or associated Corporation memberships.

(c) The existing WTP and distribution lines of PKWSC do not support fire flow. "Fire hydrants" installed within PKWSC's water distribution system are provided at the convenience of PKWSC and do not imply any responsibility on the part of PKWSC to meet fire flow requirements of local, county, state, or federal governmental agencies. Such fire hydrants are support facilities only meant to be used as flush and control valves in the public drinking water system. State public health and safety regulations require public drinking water systems to be flushed on a routine basis and metallic flush valves (commonly referred to a "fire hydrant") are a preferred manner of complying with these regulations. PKWSC makes no representation that it is

offering fire protection or fire flows under any fire code or fire fighting standard. PKWSC has no obligation at law to provide water for fire related activities because this is not a public water PKWSC or potable domestic water service as defined by the Texas Water Code and/or the Texas Health and Safety Code. PKWSC, at its sole option, may permit local area fire departments to use water from its public drinking water system on an "AS IS, AS AVAILABLE" basis and will in no manner be liable for damages caused by its inability to supply sufficient water for the prevention or suppression of fire. Any fire department or other person using PKWSC's water system to take water for fire fighting purposes shall be liable to PKWSC for damage caused to PKWSC's plant and equipment during such use, especially for, but not limited to, damage to pumps caused by improperly opening and closing hydrants/valves under pressure or damage for driving heavy vehicles over water lines. PKWSC reserves the right to remove any fire hydrant (metallic flush valve), due to improper use or detriment to the system as determined by PKWSC, at any time without notice, refund, or compensation to the contributors. Any water taken from PKWSC's water system for any purpose, including fire fighting, without prior knowledge and consent of the Board of Directors and/or the General Manager shall be deemed to be theft and shall be prosecuted. Fire Departments may obtain advanced consent for emergency usage on an "AS IS, AS AVAILABLE-" basis.

It is understood that the Developer anticipates providing fire flow service within the development-. PKWSC does not accept liability for fire-related injuries or damages to persons or property caused or aggravated by the availability (or lack thereof) of water or water pressure (or lack thereof) during fire emergencies. PKWSC agree to contract with Developer to provide water service capacities to the Property in excess of the TCEQ's domestic water system regulations so that such water volumes and pressures may be used by the customer/applicant or local fire department (at their sole election and responsibility) for fire fighting purposes. Such additional water service capacities shall be provided only in response to and according to design criteria and/or plans prepared by the Developer's consulting engineer. Notwithstanding any understanding or intent of Developer for the use of such excess water service capacity, PKWSC does not profess, state, warrant, guarantee, or imply that such additional water service capacity is, or shall ever be, adequate or sufficient for fire fighting. PKWSC neither possesses nor claims to possess knowledge or expertise in fire fighting or the requirements of fire fighting. No statement or action of PKWSC shall ever be implied or meant to suggest that any facilities of PKWSC comply with any state or local fire code. On-site storage of water reserved for fire fighting shall preferably be accomplished through elevated storage; however, if permitted to achieve Developer's desired ISO rating, reserved water may be stored in ground storage tanks with an emergency ~~back-back~~ back-up generator(s) if such water can be injected into the public drinking supply without

contamination or significant degradation of drinking water quality during mixing.

- (d) It is understood and agreed by the parties that the obligation of PKWSC to provide water service in the manner contemplated by this Contract is subject to the issuance by the Texas Commission on Environmental Quality and all other governmental agencies having jurisdiction of all permits, certificates or approvals required to lawfully provide such service.
- (e) Unless the prior approval of PKWSC is obtained, the Developer shall not:
 - (1) construct or install additional water lines or facilities to service areas outside the Property;
 - (2) add any additional lands to the Property for which water service is to be provided pursuant to this Agreement; or
 - (3) Connect or serve any person or entity who, in turn, sells water service directly or indirectly to another person or entity.

8. Effect of Force Majeure.

In the event either party is rendered unable by force majeure to carry out any of its obligations under this Contract, in whole or in part, then the obligations of that party, to the extent affected by the force majeure shall be suspended during the continuance of the inability, provided however, that due diligence is exercised to resume performance at the earliest practical time. As soon as reasonably possible after the occurrence of the force majeure relied upon to suspend performance, the party whose contractual obligations are affected thereby shall give notice and full particulars of the force majeure to the other party.

The cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure" includes acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, orders of the government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and civil disturbances, explosions, breakage, or accidents to equipment, pipelines, or canals, partial or complete failure of water supply, and any other inability's of either party, whether similar to those enumerated or otherwise, that are not within the control of the party claiming the inability and that could not have been avoided by the exercise of due diligence and care. It is understood and agreed that the settlement or strikes and lockouts shall be entirely within the discretion of the party having the difficulty and that the requirement that any force majeure be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party if the settlement is unfavorable to it in the judgment of the party having the difficulty.

9. Notices.

Any notice to be given hereunder by either party to the other party shall be in

writing and may be affected by personal delivery or by sending said notices by registered or certified mail, return receipt requested, to the address set forth below. Notice shall be deemed given when deposited with the United States Postal Service with sufficient postage affixed. Any notice mailed to PKWSC shall be addressed:

Possum Kingdom Water Supply Corporation
1170 Willow Road
Graford, TX 76449

Any notice mailed to Applicant shall be addressed:

BARNDO PARTNERS
PO BOX 6959
ABILENE, TX 79608

Either party may change the address for notice to it by giving written notice of such change in accordance with the provisions of this paragraph

10. Breach of Contract and Remedies.

- (a) If either party breaches any term or condition of this Contract, the non-breaching party may, at its sole option, provide the breaching party with a notice of the breach within sixty (60) days of discovery of the breach by the non-breaching party. Upon notice of breach, the breaching party shall have sixty (60) days to cure the breach. If the breaching party does not cure the breach within the sixty (60) days, the non-breaching party, below, shall have all rights at law and in equity including the right to enforce specific performance of this Contract by the breaching party, the right to perform the obligation in question and to seek restitution for all damages incurred in connection therewith. It should be noted that PKWSC's willingness to enter into this contract is expressly and materially dependent upon Developer's timely and full payments of all sums due hereunder. Developer's failure to perform under this agreement shall expressly be grounds for PKWSC to exercise its statutory right to refuse water utility service to the Property as provided by Texas Water Code §13.2502. Such an election by PKWSC shall not deprive it of any other rights or remedies it may have at law or in equity.
- (b) In the event of termination of this Contract by a non-breaching party, such action shall not affect any previous conveyance unless PKWSC has the statutory right to refuse service to such conveyed property under Texas Water Code §13.2502.
- (c) The rights and remedies of the parties provided in this Contract shall not be exclusive and are in addition to any other rights and remedies provided by law and under this Contract.

11. Third Parties.

It is the express intention of the parties that the terms and conditions of this Contract may be enforced by either party but not by any third party or alleged third-party beneficiary.

12. Captions.

Captions are included solely for convenience of reference and if there is any conflict between captions and the text of the Contract, the text shall control.

13. Context.

Whenever the context requires, the gender of all words herein shall include the masculine, feminine, and neuter, and the number of all words shall include the singular and the plural.

14. Mediation.

Prior to the institution of legal action by either party related to any dispute arising under this Contract, said dispute shall be referred to non-binding mediation by an independent mediator mutually agreed upon by both parties. The cost of the mediator shall be shared equally by both parties.

15. Litigation Expenses.

Either party to this Contract who is the prevailing party in any legal proceeding against the other party, brought in relation to this Contract, shall be entitled to recover court costs and reasonable attorneys' fees from the non-prevailing party.

16. Intent.

The parties hereto covenant and agree that they shall execute and deliver such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the intent of this Contract.

17. Multiple Originals.

This Contract may be executed in multiple originals, any copy of which shall be considered to be an original.

18. Authority.

The signatories hereto represent and affirm that they are authorized to execute this Contract on behalf of the respective parties hereto.

19. Severability.

The provisions of this Agreement are severable, and if any word, phrase, clause, sentence, paragraph, section, or other part of this Agreement or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Agreement to other persons or circumstances shall not be affected thereby and this Agreement shall

be construed as if such invalid or unconstitutional portion had never been contained therein.

20. Entire Agreement.

This Agreement, including any exhibits attached hereto and made a part hereof, constitutes the entire agreement between the parties relative to the subject matter of this Agreement. All prior agreements, covenants, representations, or warranties, whether oral or in writing, between the parties are merged herein.

21. Amendment.

No amendment of this Agreement shall be effective unless and until it is duly approved by each party and reduced to a writing signed by the authorized representatives of PKWSC and the Developer, respectively, which amendment shall incorporate this Agreement in every particular not otherwise changed by the amendment.

22. Governing Law.

This Agreement shall be construed under and in accordance with the laws of the State of Texas and all obligations of the parties are expressly deemed performable in Palo Pinto County, Texas.

23. Venue.

Any civil action at law or in equity brought to enforce or interpret any provision of this Contract shall be brought in a state court of competent jurisdiction with venue in Palo Pinto County, Texas. Any administrative action shall be brought before the TCEQ and the courts of competent jurisdiction in Travis County, Texas.

24. Successors and Assigns.

This Agreement shall be binding on and shall inure to the benefit of the heirs, successors and assigns of the parties.

25. Assignability.

The rights and obligations of the Developer hereunder may not be assigned without the prior written consent of PKWSC.

26. Effective Date.

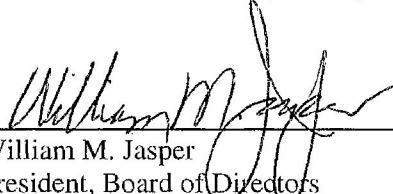
This Agreement shall be effective from and after the date of due execution by all parties.

IN WITNESS WHEREOF each of the parties has caused this Agreement to be executed by its duly authorized representative in multiple copies, each of equal dignity, on the date or dates indicated below.

Possum Kingdom Water Supply Corporation

Barndo Partners, LLC

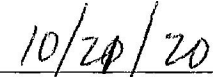
By: _____


William M. Jasper
President, Board of Directors

By: _____


Blake Howard
Partner

Date: _____


10/20/20

Date: _____


10-9-20

Attachment A

CIAC calculation formula

The 0.5 MGD WTP capacity increase will support 777 connections at a cost of approximately \$3,695.00 per meter (\$2,871,000.00 estimated total project cost).

Agreement CIAC

\$3,765.00 per meter (\$3,695.00 + \$30.00 administration fee + \$40.00 inspection fee).

\$195,780.00 total CIAC (\$3,765.00 per meter for each of the 52 Agreement lots).



September 21, 2020

Blake,

Please find the enclosed copies of our Non-Standard Service Contract (NSSC).

Please sign and date both copies in the places indicated and send them back to my office. I will have them signed by our Board President. At which point the contract will be considered executed and the 30 day clock will begin. I will then have one copy sent back to you for your file.

I will send the Corporations blank easement form and a copy of our blank application form back with your copy of the executed contract. I want to point out the importance of Article 6c of this NSSC. When you guys sell a lot, the new owner MUST set up a Membership with the Corporation on the date of closing. This is relatively new in our NSSCs but the previous developer found it most effective to have these forms available for the title companies. The title company will be responsible for providing the forms to the new buyer and collection of appropriate funds associated with Corporation Membership. At which point the title company will forward the funds and the forms to us effectively establishing the new buyer's membership. I set this up in our NSSCs to help the developers meet their obligations to the NSSC. You have 5 (five) years to establish 13 memberships with the corporation, and this wording in the contract helps you reach that goal.

Let me know if you have any questions.

A handwritten signature in black ink, appearing to read "Jeremiah C. Gore".

Jeremiah C. Gore
General Manager
Possum Kingdom Water Supply Corporation



RIGHT OF WAY EASEMENT (General Type Easement)

KNOW ALL MEN BY THESE PRESENTS, that Barndo Partners, LLC, (hereinafter called "Grantors"), in consideration of one dollar (\$1.00) and other good and valuable consideration paid by Possum Kingdom Water Supply Corporation, (hereinafter called "Grantee"), the receipt and sufficiency of which is hereby acknowledged, does hereby grant, bargain, sell, transfer, and convey to said Grantee, its successors, and assigns, a perpetual exclusive easement with the right to erect, construct, install, and lay and thereafter access and use, operate, inspect, repair, maintain, replace, upgrade, parallel and remove water distribution lines and appurtenances and any other facilities necessary to serve Grantors' property [including that property's water meter(s) if the easement is located at or near the property line] as well as the Grantee's current and future system-wide customers, under, over and across 2.06 acres of land, more particularly described as (911 Address) 17060 N. State Hwy 16, Graford, TX 76441 (Lot) _____, (Block/Area) _____, (Sub-Division/Tract) R. Clark Survey, or (Abstract) 135 in instrument recorded in Vol. 1186, Page 865, Deed Records, Palo Pinto Stephens County, Texas, together with the right of ingress and egress over Grantor's adjacent lands for the purpose for which the above mentioned rights are granted. The easement hereby granted shall not exceed twenty feet (20') in width, and Grantee is hereby authorized to designate the course of the easement herein conveyed except that when the pipeline(s) is installed, the easement herein granted shall be limited to a strip of land 20' in width the center line thereof being the pipeline as installed.

Grantee shall have such other rights and benefits necessary and/or convenient for the full enjoyment and use of the rights herein granted, including without limitation, (1) the reasonable right of ingress and egress over and across lands owned by Grantor which are contiguous to the easement for the purpose of accessing the easement in the most efficient and effective manner but not to use Grantor's contiguous property for other purposes; (2) the reasonable right from time to time to remove any and all paving, undergrowth and other obstructions that may injure Grantee's facilities and appurtenances or interfere with the construction, maintenance, inspection, operation, protection, repair, alteration, testing, replacement, upgrading, paralleling, relocation (as above limited), substitution or removal thereof; and (3) the right to abandon-in-place any and all water supply lines, service lines and associated appurtenances, such that Grantee shall have no obligation or liability to Grantor or their successors or assigns to move or remove any such abandoned lines or appurtenances.

In the event the easement hereby granted abuts on a public road and the county or state hereafter widens or relocates the public road so as to require the relocation of this water line as installed, Grantor further grants to Grantee an additional easement over and across the land described above for the purpose of laterally relocating said water line as may be necessary to clear the road improvements, which easement hereby granted shall be limited to a strip of land 20' in width the center line thereof being the pipeline as relocated.

Grantor shall have the right to construct and maintain a driveway across the easement so long as it crosses the easement at an approximate ninety-degree (90°) angle and does not cover the easement for a protracted or unreasonable distance. Grantor takes this action with the full knowledge and understanding that Grantee may, at some unknown date, without or without advance notice, have to excavate its water line for maintenance or repair. Thereafter, Grantee shall be charged only with a reasonable duty to restore the drive to a working condition without guarantee or warranty of aesthetic or pre-existing condition.

Grantor shall have the right to erect a fence(s) across the easement for the purpose of containing livestock and domesticated animals. However, if Grantor erects a fence(s), Grantor shall install a gate at each end of the easement (if the total easement exceeds 300 feet or if it crosses a watercourse). These gates may be locked but the locking combinations must be given to the Grantee and not changed without its prior knowledge. The Grantor's water meter shall be located in proximity to a gate for ease of reading if maintained behind the fence. One gate may be replaced by a stile capable of bearing a 300-pound person to be located at the site of the water meter. This requirement for gates and fence stiles may be waived in writing by Grantee on a landowner-by-landowner basis as the property passes in chain of title in recognition of Grantee's above-recited right of access

across Grantor's contiguous lands if the waiver does not place an undue burden on meter readers.

The consideration recited herein shall constitute payment in full for all damages sustained by Grantors by reason of the installation of the structures referred to herein and the Grantee will maintain such easement in a state of good repair and efficiency so that no unreasonable damages will result from its use to Grantors' premises. This agreement together with other provisions of this grant shall constitute a covenant running with the land for the benefit of the Grantee, its successors, and assigns. The Grantors covenant that they are the owners of the above described land and that said lands are free and clear of all encumbrances and liens except the following:

Grantor does hereby bind itself, its successors and assigns, to WARRANT AND FOREVER DEFEND, all and singular, the easement herein granted to Grantee, or Grantee's successors and assigns, against every person whomsoever claiming, or to claim, the same or any part thereof.

The easement conveyed herein was obtained or improved through Federal financial assistance. This easement is subject to the provisions of the Title VI of the Civil Rights Act of 1964 and the regulations issued pursuant thereto for so long as the easement continues to be used for the same or similar purpose for which financial assistance was extended or for so long as the Grantee owns it, whichever is longer.

IN WITNESS WHEREOF the said Grantors have executed this instrument this 4th day of June, 2020.

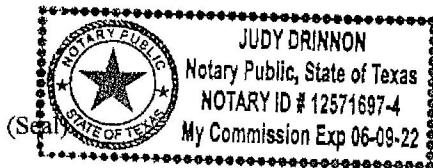
Blake Howard
Signature
Blake Howard
Printed Name

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF TAYLOR.

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Blake Howard known to me to be the person(s) whose name(s) is(are) subscribed to the foregoing instrument, and acknowledged to me that he (she) (they) executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS THE 4th day of June, 2020.



Judy Drinnon
Taylor County, Texas.
(Notary Public in and for)

Amendment 1

Non-Standard Contract Dated October 21, 2020

Barndo Partners, LLC

Water Ridge Estates

The original document contracted for fifty-two (52) meters. There are fifty-eight (58) lots that have been platted with the county. The following is a detail of the cost for the additional 6 meters for the sub-division.

Contribution-in-Aid-of Construction (CIAC):

- The original 52 meters are supported by the expansion of the Water Treatment Plant that is to be completed by January, 2022, at a cost of \$3,695 per meter.
- The next expansion of this facility will require additional land, building construction, electrical capacity, and a 2 1/2 mile water intake line.
- Estimated cost is \$10,400,145.00 and will support 777 meters.
- Cost per meters is \$13,385.00
- Cost for 6 additional meters is \$80,310.00
- Administration and Inspection is \$70.00 per meter for a total of \$420.00
- Engineering system update \$150.00 per meter is \$900.00.
- Total of \$81,630.00

Should the final cost of the expansion be less or more than estimated, the difference will be refunded or billed proportionally.

Additional Amendment to Original Contract

Paragraph 6. (a) Delete the following sentence. "Future requests for service capacity will only be accepted in 100-lot increment or phases."

Paragraph 6. (b) Delete "100-lot" from the first sentence. It will read "Additional service requests for future phases shall be.....".

Paragraph 7. (b) (1) and (2) to be replaced with the following to become the new 7. (b) Service Capacity Reservation.

- (1) PKWSC's agreement to provide long-term water service capacity to the Developer and the cost to be paid for such capacity is materially

conditioned upon the Developer's projection of the service area's demands.

- (2) It is agreed that if the Developer is not taking and paying for at least 25% (15 meters) of the water capacity contracted for herein at the end of the first five (5) years of this Agreement and 100% (58 meters) within seven (7) years, the parties shall renegotiate the terms of the Agreement or, at its option, the Developer shall surrender all unused reserved water service capacity so PKWSC may use it to serve other customers, wholesale or retail. PKWSC will notify the Developer at the end of the fifth (5th) and seventh (7th) year and the Developer must notify PKWSC within 60 days of intent to renegotiate or surrender the service capacity. Should the Developer not respond within the 60 days as required by the notice from PKWSC, the Developer shall surrender all unused reserved water service capacity to PKWSC.

Possum Kingdom Water Supply Corporation

By: 

William M. Jasper
President, Board of Directors

Date: 11/17/21

Barndo Partners, LLC

By: 

Blake Howard
Partner

Date: 12/21/21

NON-STANDARD SERVICE CONTRACT

THE STATE OF TEXAS
COUNTY OF PALO PINTO

THIS CONTRACT is made and entered into by and between Kramer AG Ventures, LLC hereinafter referred to as "Developer", and Possum Kingdom Water Supply Corporation, hereinafter referred to as "PKWSC" or "Corporation".

WHEREAS, Developer is engaged in developing that certain 9.555 acres in Stephens County, Texas, more particularly known as the Crystal Bay subdivision, according to the plat thereof recorded at Slide 119A of the Plat Records of Stephens County, Texas, said land being hereinafter referred to as "the Property"; and,

WHEREAS, PKWSC owns and operates a water system which supplies potable water for human consumption and other domestic uses to customers within its service area; and,

WHEREAS, the Property is located within PKWSC's state-certificated service area which obligates PKWSC to provide it with retail public water utility service subject to the terms and conditions of PKWSC's lawful tariff and the regulations of the Texas Commission on Environmental Quality ("TCEQ"); and, the Public Utility Commission (PUC).

WHEREAS, Developer has requested PKWSC to provide such water service to the Property through an extension of PKWSC's water system, such extension being hereinafter referred to as "the Water System Extension"; NOW THEREFORE:

KNOW ALL MEN BY THESE PRESENTS:

THAT for and in consideration for the mutual promises hereinafter expressed, and other good and valuable consideration, the sufficiency of which is hereby acknowledged by the parties, Developer and PKWSC agree and contract as follows:

1. Construction of the Water System Extension

- (a) Developer shall advertise for bids for the construction of the Water System Extension in accordance with such generally accepted bidding practices as maybe required by the United States Department of Agriculture, Rural Development and shall award the contract for the construction of the Water System Extension subject to the approval of PKWSC. PKWSC may reject any bid.
- (b) The Water System Extension shall be constructed in accordance with the approved plans and specifications. PKWSC shall have the right to inspect, at Developer's expense, all phases of the construction of the Water System Extension. Developer must give written notice to PKWSC of the date on which construction is scheduled to begin so that PKWSC may assign an inspector. PKWSC may charge reasonable inspection fees based on the actual costs of labor, travel and incidental expenses of the inspectors, plus 10% overhead.

2. Cost of the Water System Extension.

Developer shall pay all costs associated with the Water System Extension as Capital in Aid of Construction (CIAC), including, without limitation, the cost of the following:

- (a) Attorneys' fees at cost plus 10%
- (b) Water Treatment Plant expansion
- (c) Governmental or regulatory approvals required to lawfully provide service.
- (d) Developer shall indemnify PKWSC and hold PKWSC harmless from all of the foregoing costs.



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3. Contribution-in-aid-of-Construction.

- (a) The parties recognize the Developer's obligation to compensate PKWSC for service capacities that will be dedicated to serve the Property. The Developer and PKWSC have negotiated a mutually agreeable CIAC payment for the Developer to reimburse PKWSC for that portion of its existing service capacities being reserved for the Property plus increased capacity to be created by an upgrade(s) to the Water Treatment Plant ("WTP") to increase production in .5 MGD increments, a portion of which will be dedicated to the Developer's service area. The agreed CIAC amount is \$13,385.00 per lot/meter. This CIAC payment scale will only cover the first 6 (six) lots for which capacity the Developer will pay \$80,310.00 with the execution of this agreement. Future requests for service capacity will only be accepted in 100-lot increment or phases. The cost of future expansions to PKWSC's WTP and distribution system will be apportioned between the Developer and PKWSC in proportion to the amount of the new service capacities that will be dedicated to each, and at construction costs then current to be determined by PKWSC at the time of the new expansion.
- (b) Additional service requests for future 100-lot phases shall be made not less than twelve (12) months before the time the Developer wants to commence accepting delivery of the additional water. PKWSC shall complete any necessary improvements and provide service within twelve (12) months after receiving a timely request and payment of the applicable CIAC. If the Developer does not make a request for additional water at least twelve (12) months in advance, PKWSC shall make reasonable efforts to provide additional service capacity when requested but PKWSC makes nor guarantee or covenant that such additional water will be available on the date requested.
- (c) No additional fees shall be paid except as stated in Sections 1(a & b), 2, 3 and Addendum 1. As provided in PKWSC's lawful tariff, the owner of individual lots or tracts connected to or able to receive service from the Water System Extension within the Property with the installation of a properly sized meter will pay monthly service or reserve service fees effective on the closing date of the sale from the Developer to the buyer. These fees will be based on the rates in effect from the corporation's Tariff at the time of closing and will include the following fees: Membership, Administration, Meter Installation and Inspection of Meter Connection.
- (d) Water service to be used by the Developer will be subject to monthly service fees based on the rates in effect from the corporation's Tariff at the time that water service is available to the specified property. Developer shall not be entitled to a membership in PKWSC for any connection serving property owned or being developed for resale to the public. Developer may obtain and hold memberships for service connections to be held permanently by Developer, i.e., to sales offices, common area irrigation meters, and Property maintenance buildings.

4. Service from the Water System Extension.

- (a) After proper completion and dedication of the Water System Extension to PKWSC, PKWSC shall provide continuous and adequate water service to the Property for the initial 6 (six) lots subject to all duly tariffed rules and regulations and bylaws of PKWSC. Any increase of service capacity beyond the 6 (six) initial minimum shall be contingent upon the Developer paying CIAC for such additional service capacity.
- (b) Service Capacity Reservation. PKWSC's agreement to provide long-term water service capacity to the Developer and the cost to be paid for such capacity of materially conditioned upon the Developer's projections of the service area's demands. It is agreed that if the Developer is not taking and paying for at least 50% of the water capacity contracted for herein at the end of the first three (3) years of this Agreement, the parties

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shall renegotiate the terms of the Agreement or, at its option, the Developer shall surrender all unused reserved water service capacity so PKWSC may use it to serve other customers, wholesale or retail. The Developer shall not be reimbursed for any surrendered service capacity. Surrendering that capacity will only release the Developer from the continued payment of monthly reservation.

- (c) The existing WTP and distribution lines of PKWSC do not support fire flow. "Fire hydrants" installed within PKWSC's water distribution system are provided at the convenience of PKWSC and do not imply any responsibility on the part of PKWSC to meet fire flow requirements of local, county, state, or federal governmental agencies. Such fire hydrants are support facilities only meant to be used as flush and control valves in the public drinking water system. State public health and safety regulations require public drinking water systems to be flushed on a routine basis and metallic flush valves (commonly referred to as a "fire hydrant") are a preferred manner of complying with these regulations. PKWSC makes no representation that it is offering fire protection or fire flows under any fire code or fire fighting standard. PKWSC has no obligation at law to provide water for fire related activities because this is not a public water PKWSC or potable domestic water service as defined by the Texas Water Code and/or the Texas Health and Safety Code.

PKWSC, at its sole option, may permit local area fire departments to use water from its public drinking water system on an "AS IS, AS AVAILABLE" basis and will in no manner be liable for damages caused by its inability to supply sufficient water for the prevention or suppression of fire. Any fire department or other person using PKWSC's water system to take water for fire fighting purposes shall be liable to PKWSC for damage caused to PKWSC's plant and equipment during such use, especially for, but not limited to, damage to pumps caused by improperly opening and closing hydrants/valves under pressure or damage for driving heavy vehicles over water lines. PKWSC reserves the right to remove any fire hydrant (metallic flush valve), due to improper use or detriment to the system as determined by PKWSC, at any time without notice, refund, or compensation to the contributors. Any water taken from PKWSC's water system for any purpose, including fire fighting, without prior knowledge and consent of the Board of Directors and/or the General Manager shall be deemed to be theft and shall be prosecuted. Fire Departments may obtain advanced consent for emergency usage on an "AS IS, AS AVAILABLE" basis.

It is understood that the Developer anticipates providing fire flow service within the development. PKWSC does not accept liability for fire-related injuries or damages to persons or property caused or aggravated by the availability (or lack thereof) of water or water pressure (or lack thereof) during fire emergencies. PKWSC neither possesses nor claims to possess knowledge or expertise in fire fighting or the requirements of fire fighting. No statement or action of PKWSC shall ever be implied or meant to suggest that any facilities of PKWSC comply with any state or local fire code. On-site storage of water reserved for fire fighting shall preferably be accomplished through elevated storage; however, if permitted to achieve Developer's desired ISO rating, reserved water may be stored in ground storage tanks with an emergency back up generator(s) if such water can be injected into the public drinking supply without contamination or significant degradation of drinking water quality during mixing.

- (d) It is understood and agreed by the parties that the obligation of PKWSC to provide water service in the manner contemplated by this Contract is subject to the issuance by the

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Texas Commission on Environmental Quality and all other governmental agencies having jurisdiction of all permits, certificates or approvals required to lawfully provide such service.

- (e) Unless the prior approval of PKWSC is obtained, the Developer shall not:
- (1) construct or install additional water lines or facilities to service areas outside the Property;
 - (2) add any additional lands to the Property for which water service is to be provided pursuant to this Agreement; or
 - (3) Connect or serve any person or entity who, in turn, sells water service directly or indirectly to another person or entity.

5. Effect of Force Majeure.

In the event either party is rendered unable by force majeure to carry out any of its obligations under this Contract, in whole or in part, then the obligations of that party, to the extent affected by the force majeure shall be suspended during the continuance of the inability, provided however, that due diligence is exercised to resume performance at the earliest practical time. As soon as reasonably possible after the occurrence of the force majeure relied upon to suspend performance, the party whose contractual obligations are affected thereby shall give notice and full particulars of the force majeure to the other party.

The cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure" includes acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, orders of the government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and civil disturbances, explosions, breakage, or accidents to equipment, pipelines, or canals, partial or complete failure of water supply, and any other inability's of either party, whether similar to those enumerated or otherwise, that are not within the control of the party claiming the inability and that could not have been avoided by the exercise of due diligence and care. It is understood and agreed that the settlement or strikes and lockouts shall be entirely within the discretion of the party having the difficulty and that the requirement that any force majeure be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party if the settlement is unfavorable to it in the judgment of the party having the difficulty.

6. Notices.

Any notice to be given hereunder by either party to the other party shall be in writing and may be affected by personal delivery or by sending said notices by registered or certified mail, return receipt requested, to the address set forth below. Notice shall be deemed given when deposited with the United States Postal Service with sufficient postage affixed. Any notice mailed to PKWSC shall be addressed:

Possum Kingdom Water Supply Corporation
1170 Willow Road
Graford, TX 76449

Any notice mailed to Applicant shall be addressed:

Kramer AG Ventures, LLC
P.O. BOX 1136

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Graham, TX 76450

Either party may change the address for notice to it by giving written notice of such change in accordance with the provisions of this paragraph

7. Breach of Contract and Remedies.

- (a) If either party breaches any term or condition of this Contract, the non-breaching party may, at its sole option, provide the breaching party with a notice of the breach within sixty (60) days of discovery of the breach by the non-breaching party. Upon notice of breach, the breaching party shall have sixty (60) days to cure the breach. If the breaching party does not cure the breach within the sixty (60) days, the non-breaching party, below, shall have all rights at law and in equity including the right to enforce specific performance of this Contract by the breaching party, the right to perform the obligation in question and to seek restitution for all damages incurred in connection therewith. It should be noted that PKWSC's willingness to enter into this contract is expressly and materially dependent upon Developer's timely and full payments of all sums due hereunder. Developer's failure to perform under this agreement shall expressly be grounds for PKWSC to exercise its statutory right to refuse water utility service to the Property as provided by Texas Water Code §13.2502. Such an election by PKWSC shall not deprive it of any other rights or remedies it may have at law or in equity.
- (b) In the event of termination of this Contract by a non-breaching party, such action shall not affect any previous conveyance unless PKWSC has the statutory right to refuse service to such conveyed property under Texas Water Code §13.2502.
- (c) The rights and remedies of the parties provided in this Contract shall not be exclusive and are in addition to any other rights and remedies provided by law and under this Contract.

8. Third Parties.

It is the express intention of the parties that the terms and conditions of this Contract may be enforced by either party but not by any third party or alleged third-party beneficiary.

9. Captions.

Captions are included solely for convenience of reference and if there is any conflict between captions and the text of the Contract, the text shall control.

10. Context.

Whenever the context requires, the gender of all words herein shall include the masculine, feminine, and neuter, and the number of all words shall include the singular and the plural.

11. Mediation.

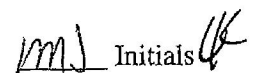
Prior to the institution of legal action by either party related to any dispute arising under this Contract, said dispute shall be referred to non-binding mediation by an independent mediator mutually agreed upon by both parties. The cost of the mediator shall be shared equally by both parties.

12. Litigation Expenses.

Either party to this Contract who is the prevailing party in any legal proceeding against the other party, brought in relation to this Contract, shall be entitled to recover court costs and reasonable attorneys' fees from the non-prevailing party.

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13. **Intent.**
The parties hereto covenant and agree that they shall execute and deliver such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the intent of this Contract.
14. **Multiple Originals.**
This Contract may be executed in multiple originals, any copy of which shall be considered to be an original.
15. **Authority.**
The signatories hereto represent and affirm that they are authorized to execute this Contract on behalf of the respective parties hereto.
16. **Severability.**
The provisions of this Agreement are severable, and if any word, phrase, clause, sentence, paragraph, section, or other part of this Agreement or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Agreement to other persons or circumstances shall not be affected thereby and this Agreement shall be construed as if such invalid or unconstitutional portion had never been contained therein.
17. **Entire Agreement.**
This Agreement, including any exhibits attached hereto and made a part hereof, constitutes the entire agreement between the parties relative to the subject matter of this Agreement. All prior agreements, covenants, representations, or warranties, whether oral or in writing, between the parties are merged herein.
18. **Amendment.**
No amendment of this Agreement shall be effective unless and until it is duly approved by each party and reduced to a writing signed by the authorized representatives of PKWSC and the Developer, respectively, which amendment shall incorporate this Agreement in every particular not otherwise changed by the amendment.
19. **Governing Law.**
This Agreement shall be construed under and in accordance with the laws of the State of Texas and all obligations of the parties are expressly deemed performable in Palo Pinto County, Texas.
20. **Venue.**
Any civil action at law or in equity brought to enforce or interpret any provision of this Contract shall be brought in a state court of competent jurisdiction with venue in Palo Pinto County, Texas. Any administrative action shall be brought before the TCEQ and the courts of competent jurisdiction in Travis County, Texas.
21. **Successors and Assigns.**
This Agreement shall be binding on and shall inure to the benefit of the heirs, successors and assigns of the parties.

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22. **Assignability.**

The rights and obligations of the Developer hereunder may not be assigned without the prior written consent of PKWSC.

23. **Effective Date.**

This Agreement shall be effective from and after the date of due execution by all parties.

IN WITNESS WHEREOF each of the parties has caused this Agreement to be executed by its duly authorized representative in multiple copies, each of equal dignity, on the date or dates indicated below.

Possum Kingdom Water Supply Corporation

By: William M. Jasper

Name: William M. Jasper

Title: President, Board of Directors

Date: May 19, 2021

Kramer AG Ventures, LLC

By: Layne Kramer

Name: Layne Kramer

Title: President

Date: May 19-2021

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Addendum 1 Detail of Fees

The development will consist of 15 lots. The Developer currently has 8 (eight) memberships which consists of 7 (seven) $5/8 \times 3/4$ inch meters and 1 (one) 1 inch meter which is the equivalent of 2 (two) $5/8 \times 3/4$ inch meters for a total of 9 (nine) meters and has requested 6 (six) additional meters that will be subject to Capital in Aid of Construction. All other fees are subject to the PKWSC Tariff at the time of contract approval and subject change with 30 day notice.

The following is a detail of the related costs for the existing 9 (nine) meter equivalents:

- *New Property Owner* - will pay a Transfer Fee of \$150.00 when the lot is purchased. This will transfer the membership and monthly billing from the Developer to the new owner.
- *Developer* - will pay an inspection fee of \$40.00 per meter when connected. This may be prior to the sale and monthly fee will continue to the Developer until sold.
- *Developer* - will pay for 1 (one) additional \$300.00 membership.
- *Developer* - will pay for 2 (two) additional $5/8 \times 3/4$ inch meters at \$250.00 each for a total of \$500.00 to replace the 1 inch meter.
- *Developer Total* - \$1,160.00


The following is a detail of the related cost for the 6 (six) new meters:

- *New Property Owner* - will be billed a \$300.00 membership fee and monthly charges will bill directly to the new owner at time of purchase.
- *Developer* - will pay the PKWSC engineering investigation fee for review and approval to add 6 additional meters to existing water infrastructure of \$900.00.
- *Developer* - will pay the Administrative Fee of \$180.00.
- *Developer* - will pay Capital in Aid of Construction of \$13,385.00 per meter for a total of \$80,310.00 to secure water capacity.
- *Developer* - will pay \$40.00 per meter for inspection after installation.
- *Developer* - will pay \$250.00 each for PKWSC to provide the meters to the Developer. This equals \$1,500.00.
- *Developer Total* - \$83,130.00

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Addendum 2
Detail of Existing Meters

<u>Meter Number</u>	<u>Account Number</u>	<u>New Owner</u>
1831382708-M	1572	
1831381406-M	2852	
1831435882-M	1394	
1831380987-M	1403	
1831380575-M	1402	
1831380771-M	1416	
1831382521-M	1452	
1" meter = 2 meter equivalents	0054	

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NON-STANDARD SERVICE CONTRACT

THE STATE OF TEXAS
COUNTY OF PALO PINTO

THIS CONTRACT is made and entered into by and between Peter and Linda Kuhlmann, Sole Proprietorship, hereinafter referred to as "Developer", and Possum Kingdom Water Supply Corporation, hereinafter referred to as "PKWSC" or "Corporation".

WHEREAS, Developer is engaged in developing that certain Lots 6A and 6B in Palo Pinto, County, Texas, more particularly known as the Fox Hollow Farms subdivision, according to the plat thereof recorded at Vol. 2140, Page 836 of the Plat Records of Palo Pinto County, Texas, said land being hereinafter referred to as "the Property"; and,

WHEREAS, PKWSC owns and operates a water system which supplies potable water for human consumption and other domestic uses to customers within its service area; and,

WHEREAS, the Property is located within PKWSC's state-certificated service area which obligates PKWSC to provide it with retail public water utility service subject to the terms and conditions of PKWSC's lawful tariff and the regulations of the Texas Commission on Environmental Quality ("TCEQ"); and, the Public Utility Commission (PUC).

WHEREAS, Developer has requested PKWSC to provide such water service to the Property through an extension of PKWSC's water system, such extension being hereinafter referred to as "the Water System Extension"; NOW THEREFORE:

KNOW ALL MEN BY THESE PRESENTS:

THAT for and in consideration for the mutual promises hereinafter expressed, and other good and valuable consideration, the sufficiency of which is hereby acknowledged by the parties, Developer and PKWSC agree and contract as follows:

1. Contribution-in-aid-of-Construction.

- (a) The parties recognize the Developer's obligation to compensate PKWSC for service capacities that will be dedicated to serve the Property. The Developer and PKWSC have negotiated a mutually agreeable CIAC payment for the Developer to reimburse PKWSC for that portion of its existing service capacities being reserved for the Property plus increased capacity to be created by an upgrade(s) to the Water Treatment Plant ("WTP") to increase production in .5 MGD increments, a portion of which will be dedicated to the Developer's service area. The agreed CIAC amount is \$13,385.00 per lot. This CIAC payment scale will only cover the first two (2) lots for which capacity the Developer will pay \$26,770.00 with the execution of this agreement. The cost of future expansions to PKWSC's WTP and distribution system will be apportioned between the Developer and PKWSC in proportion to the amount of the new service capacities that will be dedicated to each, and at construction costs then current to be determined by PKWSC at the time of the new expansion.
- (b) Additional service requests for future phases shall be made not less than twelve (12) months before the time the Developer wants to commence accepting delivery of the additional water. PKWSC shall complete any necessary improvements and provide service within twelve (12) months after receiving a timely request and payment of the applicable CIAC. If the Developer does not make a request for additional water at least twelve (12) months in advance, PKWSC shall make reasonable efforts to provide additional service capacity when requested but PKWSC makes no guarantee

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- or covenant that such additional water will be available on the date requested.
- (c) No additional fees shall be paid except as stated in Sections 1(a), and Addendum 1. As provided in PKWSC's lawful tariff, the owner of individual lots or tracts connected to or able to receive service from the Water System Extension within the Property with the installation of a properly sized meter will pay monthly service or reserve service fees effective on the closing date of the sale from the Developer to the buyer. These fees will be based on the rates in effect from the corporation's Tariff at the time of closing and will include the following fees: Membership, Administration, Meter Installation and Inspection of Meter Connection.
 - (d) Water service to be used by the Developer will be subject to monthly service fees based on the rates in effect from the corporation's Tariff at the time that water service is available to the specified property.

2. **Service from the Water System Extension.**

- (a) Service Capacity Reservation. PKWSC's agreement to provide long-term water service capacity to the Developer and the cost to be paid for such capacity of materially conditioned upon the Developer's projections of the service area's demands. It is agreed that if the Developer is not taking and paying for at least 50% of the water capacity contracted for herein at the end of the first three (3) years of this Agreement and 100% in five (5) years, the parties shall renegotiate the terms of the Agreement or, at its option, the Developer shall surrender all unused reserved water service capacity so PKWSC may use it to serve other customers, wholesale or retail. The Developer shall not be reimbursed for any surrendered service capacity. Surrendering that capacity will only release the Developer from the continued payment of monthly reservation.
- (b) The existing WTP and distribution lines of PKWSC do not support fire flow. "Fire hydrants" installed within PKWSC's water distribution system are provided at the convenience of PKWSC and do not imply any responsibility on the part of PKWSC to meet fire flow requirements of local, county, state, or federal governmental agencies. Such fire hydrants are support facilities only meant to be used as flush and control valves in the public drinking water system. State public health and safety regulations require public drinking water systems to be flushed on a routine basis and metallic flush valves (commonly referred to a "fire hydrant") are a preferred manner of complying with these regulations. PKWSC makes no representation that it is offering fire protection or fire flows under any fire code or fire fighting standard. PKWSC has no obligation at law to provide water for fire related activities because this is not a public water PKWSC or potable domestic water service as defined by the Texas Water Code and/or the Texas Health and Safety Code.

PKWSC, at its sole option, may permit local area fire departments to use water from its public drinking water system on an "AS IS, AS AVAILABLE" basis and will in no manner be liable for damages caused by its inability to supply sufficient water for the prevention or suppression of fire. Any fire department or other person using PKWSC's water system to take water for fire fighting purposes shall be liable to PKWSC for damage caused to PKWSC's plant and equipment during such use, especially for, but not limited to, damage to pumps caused by improperly opening and closing hydrants/valves under pressure or damage for driving heavy vehicles over water lines. PKWSC reserves the right to remove any fire hydrant (metallic flush valve), due to improper use or detriment to the system as determined by

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PKWSC, at any time without notice, refund, or compensation to the contributors. Any water taken from PKWSC's water system for any purpose, including fire fighting, without prior knowledge and consent of the Board of Directors and/or the General Manager shall be deemed to be theft and shall be prosecuted. Fire Departments may obtain advanced consent for emergency usage on an "AS IS, AS AVAILABLE" basis.

- (c) It is understood and agreed by the parties that the obligation of PKWSC to provide water service in the manner contemplated by this Contract is subject to the issuance by the Texas Commission on Environmental Quality and all other governmental agencies having jurisdiction of all permits, certificates or approvals required to lawfully provide such service.
- (d) Unless the prior approval of PKWSC is obtained, the Developer shall not:
 - (1) construct or install additional water lines or facilities to service areas outside the Property;
 - (2) add any additional lands to the Property for which water service is to be provided pursuant to this Agreement; or
 - (3) Connect or serve any person or entity who, in turn, sells water service directly or indirectly to another person or entity.

3. **Effect of Force Majeure.**

In the event either party is rendered unable by force majeure to carry out any of its obligations under this Contract, in whole or in part, then the obligations of that party, to the extent affected by the force majeure shall be suspended during the continuance of the inability, provided however, that due diligence is exercised to resume performance at the earliest practical time. As soon as reasonably possible after the occurrence of the force majeure relied upon to suspend performance, the party whose contractual obligations are affected thereby shall give notice and full particulars of the force majeure to the other party.

The cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure" includes acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, orders of the government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and civil disturbances, explosions, breakage, or accidents to equipment, pipelines, or canals, partial or complete failure of water supply, and any other inability's of either party, whether similar to those enumerated or otherwise, that are not within the control of the party claiming the inability and that could not have been avoided by the exercise of due diligence and care. It is understood and agreed that the settlement or strikes and lockouts shall be entirely within the discretion of the party having the difficulty and that the requirement that any force majeure be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party if the settlement is unfavorable to it in the judgment of the party having the difficulty.

4. **Notices.**

Any notice to be given hereunder by either party to the other party shall be in writing and may be affected by personal delivery or by sending said notices by registered or certified mail, return receipt requested, to the address set forth below. Notice shall be deemed given when deposited with the United States Postal Service with sufficient

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postage affixed. Any notice mailed to PKWSC shall be addressed:

Possum Kingdom Water Supply Corporation
1170 Willow Road
Graford, TX 76449

Any notice mailed to Applicant shall be addressed:

Peter Kuhlman
4423 Chapel Rd
Graham, TX 76450

Either party may change the address for notice to it by giving written notice of such change in accordance with the provisions of this paragraph

5. Breach of Contract and Remedies.

- (a) If either party breaches any term or condition of this Contract, the non-breaching party may, at its sole option, provide the breaching party with a notice of the breach within sixty (60) days of discovery of the breach by the non-breaching party. Upon notice of breach, the breaching party shall have sixty (60) days to cure the breach. If the breaching party does not cure the breach within the sixty (60) days, the non-breaching party, below, shall have all rights at law and in equity including the right to enforce specific performance of this Contract by the breaching party, the right to perform the obligation in question and to seek restitution for all damages incurred in connection therewith. It should be noted that PKWSC's willingness to enter into this contract is expressly and materially dependent upon Developer's timely and full payments of all sums due hereunder. Developer's failure to perform under this agreement shall expressly be grounds for PKWSC to exercise its statutory right to refuse water utility service to the Property as provided by Texas Water Code §13.2502. Such an election by PKWSC shall not deprive it of any other rights or remedies it may have at law or in equity.
- (b) In the event of termination of this Contract by a non-breaching party, such action shall not affect any previous conveyance unless PKWSC has the statutory right to refuse service to such conveyed property under Texas Water Code §13.2502.
- (c) The rights and remedies of the parties provided in this Contract shall not be exclusive and are in addition to any other rights and remedies provided by law and under this Contract.

6. Third Parties.

It is the express intention of the parties that the terms and conditions of this Contract may be enforced by either party but not by any third party or alleged third-party beneficiary.

7. Captions.

Captions are included solely for convenience of reference and if there is any conflict between captions and the text of the Contract, the text shall control.

8. Context.

Whenever the context requires, the gender of all words herein shall include the masculine, feminine, and neuter, and the number of all words shall include the singular

Initials AMJ/pw

and the plural.

9. Mediation.

Prior to the institution of legal action by either party related to any dispute arising under this Contract, said dispute shall be referred to non-binding mediation by an independent mediator mutually agreed upon by both parties. The cost of the mediator shall be shared equally by both parties.

10. Litigation Expenses.

Either party to this Contract who is the prevailing party in any legal proceeding against the other party, brought in relation to this Contract, shall be entitled to recover court costs and reasonable attorneys' fees from the non-prevailing party.

11. Intent.

The parties hereto covenant and agree that they shall execute and deliver such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the intent of this Contract.

12. Multiple Originals.

This Contract may be executed in multiple originals, any copy of which shall be considered to be an original.

13. Authority.

The signatories hereto represent and affirm that they are authorized to execute this Contract on behalf of the respective parties hereto.

14. Severability.

The provisions of this Agreement are severable, and if any word, phrase, clause, sentence, paragraph, section, or other part of this Agreement or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Agreement to other persons or circumstances shall not be affected thereby and this Agreement shall be construed as if such invalid or unconstitutional portion had never been contained therein.

15. Entire Agreement.

This Agreement, including any exhibits attached hereto and made a part hereof, constitutes the entire agreement between the parties relative to the subject matter of this Agreement. All prior agreements, covenants, representations, or warranties, whether oral or in writing, between the parties are merged herein.

16. Amendment.

No amendment of this Agreement shall be effective unless and until it is duly approved by each party and reduced to a writing signed by the authorized representatives of PKWSC and the Developer, respectively, which amendment shall incorporate this Agreement in every particular not otherwise changed by the amendment.

17. Governing Law.

Initials mmj

This Agreement shall be construed under and in accordance with the laws of the State of Texas and all obligations of the parties are expressly deemed performable in Palo Pinto County, Texas.

18. Venue.

Any civil action at law or in equity brought to enforce or interpret any provision of this Contract shall be brought in a state court of competent jurisdiction with venue in Palo Pinto County, Texas. Any administrative action shall be brought before the TCEQ and the courts of competent jurisdiction in Travis County, Texas.

19. Successors and Assigns.

This Agreement shall be binding on and shall inure to the benefit of the heirs, successors and assigns of the parties.

20. Assignability.

The rights and obligations of the Developer hereunder may not be assigned without the prior written consent of PKWSC.

21. Effective Date.

This Agreement shall be effective from and after the date of due execution by all parties.

IN WITNESS WHEREOF each of the parties has caused this Agreement to be executed by its duly authorized representative in multiple copies, each of equal dignity, on the date or dates indicated below.

Possum Kingdom Water Supply Corporation

By: [Signature]

Name: William M. Jasper
Title: President, Board of Directors

Date: June 16, 2021

DEVELOPER

By: [Signature]

Name: Peter Kuhlmann
Title: owner

Date: 6/18/21

Initials [Signature]

ADDENDUM 1
DETAIL OF COSTS

DEVELOPER

• Developer engineering investigation Lot 6A and 6B		\$ 300.00 (paid 6-21)
• Contribution in aid of Construction		\$26,770.00
• Easement or right -of-way acquisition, including, if necessary, condemnation costs; attorneys' fees at cost plus 10%, if necessary		
• Lot 6A		
- Membership in PKWSC for lot 6A	\$ 300.00	
- Meter Installation for lot 6A	\$ 800.00	
- Administrative fee	\$ 30.00	
- Inspection	\$ 40.00	
- Total Lot 6A	\$ 1,170.00	\$ 1,170.00
• Total		\$28,240.00

BUYER OF LOT 6b

• Membership in PKWSC for lot 6B	\$ 300.00
• Meter Installation for lot 6B	\$ 800.00
• Administrative fee	\$ 30.00
• Inspection	\$ 40.00
• Total Lot 6B	\$ 1,170.00

Fees are subject to change and are based on the tariff in place as of the effective date of the contract.

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NON-STANDARD SERVICE CONTRACT

THE STATE OF TEXAS
COUNTY OF PALO PINTO

THIS CONTRACT is made and entered into by and between P K Lakeview Point, LLC hereinafter referred to as "Developer", and Possum Kingdom Water Supply Corporation, hereinafter referred to as "PKWSC" or "Corporation".

WHEREAS, Developer is engaged in developing that certain 1.1 acres in Palo Pinto, County, Texas, more particularly known as the Juniper Ridge subdivision, according to the plat thereof recorded at Vol. , Page of the Plat Records of Palo Pinto County, Texas, said land being hereinafter referred to as "the Property"; and,

WHEREAS, PKWSC owns and operates a water system which supplies potable water for human consumption and other domestic uses to customers within its service area; and,

WHEREAS, the Property is located within PKWSC's state-certificated service area which obligates PKWSC to provide it with retail public water utility service subject to the terms and conditions of PKWSC's lawful tariff and the regulations of the Texas Commission on Environmental Quality ("TCEQ"); and, the Public Utility Commission (PUC).

WHEREAS, Developer has requested PKWSC to provide such water service to the Property through an extension of PKWSC's water system, such extension being hereinafter referred to as "the Water System Extension"; NOW THEREFORE:

KNOW ALL MEN BY THESE PRESENTS:

THAT for and in consideration for the mutual promises hereinafter expressed, and other good and valuable consideration, the sufficiency of which is hereby acknowledged by the parties, Developer and PKWSC agree and contract as follows:

1. Engineering and Design of the Water System Extension.

- (a) The Water System Extension shall be engineered and designed by a Texas Licensed Professional Engineer at Developer's expense and in accordance with the applicable specifications of PKWSC and all governmental agencies having jurisdiction. All plans and specifications must be reviewed and approved by PKWSC's consulting engineer, at Developer's expense, prior to the issuance of any request for bids for the construction of the Water System Extension. After such approval of the plans and specifications by PKWSC's consulting engineer, the plans and specifications shall become part of this Agreement by reference and shall more particularly define "the Water System Extension".
- (b) The Water System Extension must be sized to provide continuous and adequate water service to the Property based on plans for the development provided to PKWSC by the Developer. PKWSC may require the Water System Extension to be oversized in anticipation of the needs of other customers of PKWSC, subject to the obligation to reimburse the Developer for any such oversizing as provided below. If the Water System Extension proves to be insufficient for the long-term retail public water utility service demands of the Property, PKWSC shall have the continuing option, and Developer shall be under the continuing obligation, to construct such additional service capacities as may be needed to meet TCEQ Chapter 290 regulations plus meeting the local demands of the Property. PKWSC's right to seek additional capital contribution and/or physical retail water utility facilities from Developer shall commence on the date the original Water System Extension is placed into commercial operation and shall expire seven (7) calendar years

thereafter. This right to collect additional capital contributions shall be separate and apart from the obligation to pay Contribution in Aid of Construction ("CIAC") as set forth in Section 6 below.

2. Required Sites, Easements or Rights-of-Way.

- (a) Developer shall be responsible for dedicating or acquiring any easements across privately owned land or sites (including off-site) which are necessary for the construction or operation of the Water System Extension and for obtaining any Governmental approvals necessary to construct the Water System Extension in public right-of-way. Public rights-of-way may be used only when private rights-of-way are not available or are necessitated by public roadway crossings. If private easements are not otherwise available, PKWSC agrees to exercise its powers of eminent domain to acquire such easements subject to Developer paying all expenses incurred in such actions.
- (b) Any easements acquired by the Developer shall be in a form approved by PKWSC's attorney (see Form of Easement, attached to this Contract and made a part hereof) and shall be assigned to PKWSC upon proper completion of the construction of the Water System Extension.
- (c) The validity of the legal instruments by which the Developer acquires any such easements and by which Developer assigns such easements to PKWSC must be approved by PKWSC's attorney.

3. Construction of the Water System Extension

- (a) Developer shall advertise for bids for the construction of the Water System Extension in accordance with such generally accepted bidding practices as maybe required by the United States Department of Agriculture, Rural Development and shall award the contract for the construction of the Water System Extension subject to the approval of PKWSC. PKWSC may reject any bid.
- (b) The Water System Extension shall be constructed in accordance with the approved plans and specifications. PKWSC shall have the right to inspect, at Developer's expense, all phases of the construction of the Water System Extension. Developer must give written notice to PKWSC of the date on which construction is scheduled to begin so that PKWSC may assign an inspector. PKWSC may charge reasonable inspection fees based on the actual costs of labor, travel and incidental expenses of the inspectors, plus 10% overhead.

4. Dedication of Water System Extension to PKWSC.

- (a) Upon proper completion of construction of the Water System Extension and final inspection and testing thereof by PKWSC, the Water System Extension shall be dedicated to PKWSC by an appropriate legal instrument approved by PKWSC's Attorney. The Water System Extension shall thereafter be owned and maintained by PKWSC subject to the warranties required of Applicant under Subsection (b). Any connection of individual customers to the Water System Extension shall be made by PKWSC.
- (b) Excepting only Developer's continuing obligation to guarantee adequate service capacities set forth in Section 1(b) above, upon dedication of the Water System Extension, Applicant shall warrant materials and performance of the Water System Extension constructed by Applicant for twelve (12) months following the date of dedication.



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5. Cost of the Water System Extension.

- (a) Developer shall pay all costs associated with the Water System Extension as CIAC, including, without limitation, the cost of the following:
- (1) engineering and design at cost plus 10%;
 - (2) easement or right -of-way acquisition, including, if necessary, condemnation costs;
 - (3) construction;
 - (4) inspection at cost plus 10%;
 - (5) attorneys' fees at cost plus 10%; and
 - (6) Water Treatment Plant expansion
 - (7) Governmental or regulatory approvals required to lawfully provide service.
 - (8) Developer shall indemnify PKWSC and hold PKWSC harmless from all of the foregoing costs.
- (b) Provided, however, nothing herein shall be construed as obligating the Developer to maintain the Water System Extension subsequent to its dedication and acceptance for maintenance by PKWSC.
- (c) If PKWSC has required the Water System Extension to be oversized in anticipation of the needs of the other customers of PKWSC, PKWSC shall reimburse Developer for the additional costs of construction attributable to the oversizing, as determined by PKWSC's consulting engineer. As new PKWSC customers outside of the Property are connected to and served from the oversized facilities funded by Developer, PKWSC shall collect CIAC from each such customer equal to the cost of the surplus capacities that customer will use as determined by PKWSC's consulting engineer. This CIAC shall be paid to Developer within thirty (30) days of collection by PKWSC. This obligation to charge and this right to receive CIAC for the Developer-funded CIAC shall terminate at the earlier of:
- (1) Developer's recovery of all costs incurred for the oversized utility facilities; or,
 - (2) five (5) calendar years of the placement of said facilities into commercial operation.

6. Contribution-in-aid-of-Construction.

- (a) The parties recognize the Developer's obligation to compensate PKWSC for service capacities that will be dedicated to serve the Property. The Developer and PKWSC have negotiated a mutually agreeable CIAC payment for the Developer to reimburse PKWSC for that portion of its existing service capacities being reserved for the Property plus increased capacity to be created by an upgrade(s) to the Water Treatment Plant ("WTP") to increase production in .5 MGD increments, a portion of which will be dedicated to the Developer's service area. The agreed CIAC amount is \$13,385.00 per lot. This CIAC payment scale will only cover the twenty-one (21) lots for which capacity the Developer will pay \$281,085.00 with the execution of this agreement. The total to be reserved is thirty-one (31) meters; ten (10) meters will come from meters previously held by the seller of the property and twenty-one (21) through the payment of CIAC to PKWSC. The ten (10) meters will begin billing reserved service rates with the execution of this contract. The cost of future expansions to PKWSC's WTP and distribution system will be apportioned between the Developer and PKWSC in proportion to the amount of the new service capacities that will be dedicated to each, and at construction costs then current to be determined by PKWSC at the time of the new expansion.
- (b) Additional service requests for future phases shall be made not less than twelve (12) months before the time the Developer wants to commence accepting delivery of the




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additional water. PKWSC shall complete any necessary improvements and provide service within twelve (12) months after receiving a timely request and payment of the applicable CIAC. If the Developer does not make a request for additional water at least twelve (12) months in advance, PKWSC shall make reasonable efforts to provide additional service capacity when requested but PKWSC makes no guarantee or covenant that such additional water will be available on the date requested.

- (c) No additional fees shall be paid except as stated in Sections 1(b), 7(a) and 7(b). As provided in PKWSC's lawful tariff, the owner of individual lots or tracts connected to or able to receive service from the Water System Extension within the Property with the installation of a properly sized meter will pay monthly service or reserve service fees effective on the closing date of the sale from the Developer to the buyer. These fees will be based on the rates in effect from the corporation's Tariff at the time of closing and will include the following fees: Membership, Equity Buy-In, Administration, Meter Installation and Inspection of Meter Connection.
- (d) Water service to be used by the Developer will be subject to monthly service fees based on the rates in effect from the corporation's Tariff at the time that water service is available to the specified property. Developer shall not be entitled to a membership in PKWSC for any connection serving property owned or being developed for resale to the public. Developer may obtain and hold memberships for service connections to be held permanently by Developer, i.e., to sales offices, common area irrigation meters, and Property maintenance buildings.

7. Service from the Water System Extension.

- (a) After proper completion and dedication of the Water System Extension to PKWSC, PKWSC shall provide continuous and adequate water service to the Property for the initial thirty (31) lots subject to all duly tariffed rules and regulations and bylaws of PKWSC. Any increase of service capacity beyond the thirty (31) lots initial minimum shall be contingent upon the Developer paying CIAC for such additional service capacity.
- (b) Service Capacity Reservation. PKWSC's agreement to provide long-term water service capacity to the Developer and the cost to be paid for such capacity is materially conditioned upon the Developer's projections of the service area's demands. It is agreed that if the Developer is not taking and paying for at least 50% (10) of the water capacity contracted for herein at the end of the first four (4) years of this Agreement and 100% (21) within seven (7) years, the parties shall renegotiate the terms of the Agreement or, at its option, the Developer shall surrender all unused reserved water service capacity so PKWSC may use it to serve other customers, wholesale or retail. PKWSC will notify the Developer at the end of the seventh (7th) year and the Developer must notify PKWSC within 60 days of intent to renegotiate or surrender the service capacity. Should the Developer not respond within the 60 days as required by the notice from PKWSC, the Developer shall surrender all unused reserved water service capacity to PKWSC.
- (c) The Developer shall not be reimbursed for any surrendered service capacity. Surrendering that capacity will only release the Developer from the continued payment of monthly reservation.
- (d) The existing WTP and distribution lines of PKWSC do not support fire flow. "Fire hydrants" installed within PKWSC's water distribution system are provided at the convenience of PKWSC and do not imply any responsibility on the part of PKWSC to meet fire flow requirements of local, county, state, or federal governmental agencies. Such fire hydrants are support facilities only meant to be used as flush


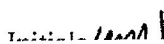
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and control valves in the public drinking water system. State public health and safety regulations require public drinking water systems to be flushed on a routine basis and metallic flush valves (commonly referred to a "fire hydrant") are a preferred manner of complying with these regulations. PKWSC makes no representation that it is offering fire protection or fire flows under any fire code or fire fighting standard. PKWSC has no obligation at law to provide water for fire related activities because this is not a public water PKWSC or potable domestic water service as defined by the Texas Water Code and/or the Texas Health and Safety Code.

PKWSC, at its sole option, may permit local area fire departments to use water from its public drinking water system on an "AS IS, AS AVAILABLE" basis and will in no manner be liable for damages caused by its inability to supply sufficient water for the prevention or suppression of fire. Any fire department or other person using PKWSC's water system to take water for fire fighting purposes shall be liable to PKWSC for damage caused to PKWSC's plant and equipment during such use, especially for, but not limited to, damage to pumps caused by improperly opening and closing hydrants/valves under pressure or damage for driving heavy vehicles over water lines. PKWSC reserves the right to remove any fire hydrant (metallic flush valve), due to improper use or detriment to the system as determined by PKWSC, at any time without notice, refund, or compensation to the contributors. Any water taken from PKWSC's water system for any purpose, including fire fighting, without prior knowledge and consent of the Board of Directors and/or the General Manager shall be deemed to be theft and shall be prosecuted. Fire Departments may obtain advanced consent for emergency usage on an "AS IS, AS AVAILABLE" basis.

It is understood that the Developer anticipates providing fire flow service within the development. PKWSC does not accept liability for fire-related injuries or damages to persons or property caused or aggravated by the availability (or lack thereof) of water or water pressure (or lack thereof) during fire emergencies. PKWSC neither possesses nor claims to possess knowledge or expertise in fire fighting or the requirements of fire fighting. No statement or action of PKWSC shall ever be implied or meant to suggest that any facilities of PKWSC comply with any state or local fire code. On-site storage of water reserved for fire fighting shall preferably be accomplished through elevated storage; however, if permitted to achieve Developer's desired ISO rating, reserved water may be stored in ground storage tanks with an emergency back up generator(s) if such water can be injected into the public drinking supply without contamination or significant degradation of drinking water quality during mixing.

- (e) It is understood and agreed by the parties that the obligation of PKWSC to provide water service in the manner contemplated by this Contract is subject to the issuance by the Texas Commission on Environmental Quality and all other governmental agencies having jurisdiction of all permits, certificates or approvals required to lawfully provide such service.
- (f) Unless the prior approval of PKWSC is obtained, the Developer shall not:
 - (1) construct or install additional water lines or facilities to service areas outside the Property;
 - (2) add any additional lands to the Property for which water service is to be

- provided pursuant to this Agreement; or
- (3) Connect or serve any person or entity who, in turn, sells water service directly or indirectly to another person or entity.

8. Effect of Force Majeure.

In the event either party is rendered unable by force majeure to carry out any of its obligations under this Contract, in whole or in part, then the obligations of that party, to the extent affected by the force majeure shall be suspended during the continuance of the inability, provided however, that due diligence is exercised to resume performance at the earliest practical time. As soon as reasonably possible after the occurrence of the force majeure relied upon to suspend performance, the party whose contractual obligations are affected thereby shall give notice and full particulars of the force majeure to the other party.

The cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure" includes acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, orders of the government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and civil disturbances, explosions, breakage, or accidents to equipment, pipelines, or canals, partial or complete failure of water supply, and any other inability's of either party, whether similar to those enumerated or otherwise, that are not within the control of the party claiming the inability and that could not have been avoided by the exercise of due diligence and care. It is understood and agreed that the settlement or strikes and lockouts shall be entirely within the discretion of the party having the difficulty and that the requirement that any force majeure be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party if the settlement is unfavorable to it in the judgment of the party having the difficulty.

9. Notices.

Any notice to be given hereunder by either party to the other party shall be in writing and may be affected by personal delivery or by sending said notices by registered or certified mail, return receipt requested, to the address set forth below. Notice shall be deemed given when deposited with the United States Postal Service with sufficient postage affixed. Any notice mailed to PKWSC shall be addressed:

Possum Kingdom Water Supply Corporation
1170 Willow Road
Graford, TX 76449

Any notice mailed to Applicant shall be addressed:

P K Lakeview Point, LLC
Alex Payne
212 South Elm Street
Denton, TX 76201


Initials *AMA*

Either party may change the address for notice to it by giving written notice of such change in accordance with the provisions of this paragraph

10. Breach of Contract and Remedies.

- (a) If either party breaches any term or condition of this Contract, the non-breaching party may, at its sole option, provide the breaching party with a notice of the breach within sixty (60) days of discovery of the breach by the non-breaching party. Upon notice of breach, the breaching party shall have sixty (60) days to cure the breach. If the breaching party does not cure the breach within the sixty (60) days, the non-breaching party, below, shall have all rights at law and in equity including the right to enforce specific performance of this Contract by the breaching party, the right to perform the obligation in question and to seek restitution for all damages incurred in connection therewith. It should be noted that PKWSC's willingness to enter into this contract is expressly and materially dependent upon Developer's timely and full payments of all sums due hereunder. Developer's failure to perform under this agreement shall expressly be grounds for PKWSC to exercise its statutory right to refuse water utility service to the Property as provided by Texas Water Code §13.2502. Such an election by PKWSC shall not deprive it of any other rights or remedies it may have at law or in equity.
- (b) In the event of termination of this Contract by a non-breaching party, such action shall not affect any previous conveyance unless PKWSC has the statutory right to refuse service to such conveyed property under Texas Water Code §13.2502.
- (c) The rights and remedies of the parties provided in this Contract shall not be exclusive and are in addition to any other rights and remedies provided by law and under this Contract.

11. Third Parties.

It is the express intention of the parties that the terms and conditions of this Contract may be enforced by either party but not by any third party or alleged third-party beneficiary.

12. Captions.

Captions are included solely for convenience of reference and if there is any conflict between captions and the text of the Contract, the text shall control.

13. Context.

Whenever the context requires, the gender of all words herein shall include the masculine, feminine, and neuter, and the number of all words shall include the singular and the plural.

14. Mediation.

Prior to the institution of legal action by either party related to any dispute arising under this Contract, said dispute shall be referred to non-binding mediation by an independent mediator mutually agreed upon by both parties. The cost of the mediator shall be shared equally by both parties.



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15. **Litigation Expenses.**

Either party to this Contract who is the prevailing party in any legal proceeding against the other party, brought in relation to this Contract, shall be entitled to recover court costs and reasonable attorneys' fees from the non-prevailing party.

16. **Intent.**

The parties hereto covenant and agree that they shall execute and deliver such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the intent of this Contract.

17. **Multiple Originals.**

This Contract may be executed in multiple originals, any copy of which shall be considered to be an original.

18. **Authority.**

The signatories hereto represent and affirm that they are authorized to execute this Contract on behalf of the respective parties hereto.

19. **Severability.**

The provisions of this Agreement are severable, and if any word, phrase, clause, sentence, paragraph, section, or other part of this Agreement or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Agreement to other persons or circumstances shall not be affected thereby and this Agreement shall be construed as if such invalid or unconstitutional portion had never been contained therein.

20. **Entire Agreement.**

This Agreement, including any exhibits attached hereto and made a part hereof, constitutes the entire agreement between the parties relative to the subject matter of this Agreement. All prior agreements, covenants, representations, or warranties, whether oral or in writing, between the parties are merged herein.

21. **Amendment.**



No amendment of this Agreement shall be effective unless and until it is duly approved by each party and reduced to a writing signed by the authorized representatives of PKWSC and the Developer, respectively, which amendment shall incorporate this Agreement in every particular not otherwise changed by the amendment.

22. **Governing Law.**

This Agreement shall be construed under and in accordance with the laws of the State of Texas and all obligations of the parties are expressly deemed performable in Palo Pinto County, Texas.

23. **Venue.**

Any civil action at law or in equity brought to enforce or interpret any provision of this Contract shall be brought in a state court of competent jurisdiction with venue in Palo Pinto County, Texas. Any administrative action shall be brought before the TCEQ and

 Initials 

the courts of competent jurisdiction in Travis County, Texas.

24. **Successors and Assigns.**

This Agreement shall be binding on and shall inure to the benefit of the heirs, successors and assigns of the parties.

25. **Assignability.**

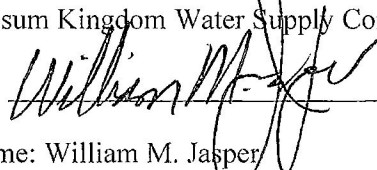
The rights and obligations of the Developer hereunder may not be assigned without the prior written consent of PKWSC.

26. **Effective Date.**

This Agreement shall be effective from and after the date of due execution by all parties.

IN WITNESS WHEREOF each of the parties has caused this Agreement to be executed by its duly authorized representative in multiple copies, each of equal dignity, on the date or dates indicated below.

Possum Kingdom Water Supply Corporation

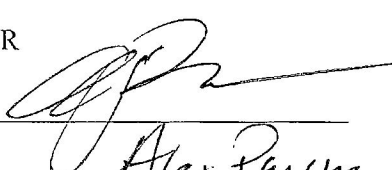
By:  _____

Name: William M. Jasper

Title: President, Board of Directors

Date: August 25, 2021

DEVELOPER

By:  _____

Name: Alex Payne

Title: Managing Member

Date: 8/30/21



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ADDENDUM 1

P K LAKEVIEW POINT, LLC

JUNIPER RIDGE

DETAIL OF FEES:

The following is a detail listing of fees to be paid by the buyer of the developer's property / lot. Upon the sale of the property the developer will notify PKWSC of name and address of buyer.

- Membership in PKWSC of \$300.00
- Equity Buy-In of \$1,731.00 as of June 1, 2021
- Meter Installation \$400.00
- Administration \$30.00
- Inspection of meter connection \$40.00

All fees listed are subject to the PKWSC Tariff and are subject to change with 30 days' notice. The amount billed will be the fee that is in effect at the time of closing and the meter will be installed at that time and billing will be initiated.

DEVELOPER WILL PAY INITIAL FEES AS FOLLOWS:

- \$281,085.00 Capital in aid of Construction (CIAC) which will reserve capacity for twenty-one (21) meters to be installed.
- \$4,650.00 for Engineering Investigation. THIS HAS BEEN PAID IN FULL.
- Ten (10) meters will bill reserved service of \$35.15 per month until each one is transferred to the end-user / property owner.

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**RIGHT OF WAY EASEMENT
(General Type Easement)**

KNOW ALL MEN BY THESE PRESENTS, that PK Lakeview Point, LLC (hereinafter called "Grantors"), in consideration of one dollar (\$1.00) and other good and valuable consideration paid by Possum Kingdom Water Supply Corporation, (hereinafter called "Grantee"), the receipt and sufficiency of which is hereby acknowledged, does hereby grant, bargain, sell, transfer, and convey to said Grantee, its successors, and assigns, a perpetual exclusive easement with the right to erect, construct, install, and lay and thereafter access and use, operate, inspect, repair, maintain, replace, upgrade, parallel and remove water distribution lines and appurtenances and any other facilities necessary to serve Grantors' property [including that property's water meter(s) if the easement is located at or near the property line] as well as the Grantee's current and future system-wide customers, under, over and across 11.06 acres of land, more particularly described as (911 Address) 3071 Park Rd 36, (Lot), (Block/Area) 1-27.3-231 (Sub-Division/Tract) Juniper Ridge or (Abstract) PK Lake 31-4th instrument recorded in Vol. , Page , Deed Records, Palo Pinto / Stephens County, Texas, together with the right of ingress and egress over Grantor's adjacent lands for the purpose for which the above mentioned rights are granted. The easement hereby granted shall not exceed twenty feet (20') in width, and Grantee is hereby authorized to designate the course of the easement herein conveyed except that when the pipeline(s) is installed, the easement herein granted shall be limited to a strip of land 20' in width the center line thereof being the pipeline as installed.

Grantee shall have such other rights and benefits necessary and/or convenient for the full enjoyment and use of the rights herein granted, including without limitation, (1) the reasonable right of ingress and egress over and across lands owned by Grantor which are contiguous to the easement for the purpose of accessing the easement in the most efficient and effective manner but not to use Grantor's contiguous property for other purposes; (2) the reasonable right from time to time to remove any and all paving, undergrowth and other obstructions that may injure Grantee's facilities and appurtenances or interfere with the construction, maintenance, inspection, operation, protection, repair, alteration, testing, replacement, upgrading, paralleling, relocation (as above limited), substitution or removal thereof; and (3) the right to abandon-in-place any and all water supply lines, service lines and associated appurtenances, such that Grantee shall have no obligation or liability to Grantor or their successors or assigns to move or remove any such abandoned lines or appurtenances.

In the event the easement hereby granted abuts on a public road and the county or state hereafter widens or relocates the public road so as to require the relocation of this water line as installed, Grantor further grants to Grantee an additional easement over and across the land described above for the purpose of laterally relocating said water line as may be necessary to clear the road improvements, which easement hereby granted shall be limited to a strip of land 20' in width the center line thereof being the pipeline as relocated.

Grantor shall have the right to construct and maintain a driveway across the easement so long as it crosses the easement at an approximate ninety-degree (90°) angle and does not cover the easement for a protracted or unreasonable distance. Grantor takes this action with the full knowledge and understanding that Grantee may, at some unknown date, without or without advance notice, have to excavate its water line for maintenance or repair. Thereafter, Grantee shall be charged only with a reasonable duty to restore the drive to a working condition without guarantee or warranty of aesthetic or pre-existing condition.

Grantor shall have the right to erect a fence(s) across the easement for the purpose of containing livestock and domesticated animals. However, if Grantor erects a fence(s), Grantor shall install a gate at each end of the easement (if the total easement exceeds 300 feet or if it crosses a watercourse). These gates may be locked but the locking combinations must be given to the Grantee and not changed without its prior knowledge. The Grantor's water meter shall be located in proximity to a gate for ease of reading if maintained behind the fence. One gate may be replaced by a stile capable of bearing a 300-pound person to be located at the site of the water meter. This requirement for gates and fence stiles may be waived in writing by Grantee on a landowner-by-landowner basis as the property passes in chain of title in recognition of Grantee's above-recited right of access across Grantor's contiguous lands if the waiver does not place an undue burden on meter readers.

The consideration recited herein shall constitute payment in full for all damages sustained by Grantors by reason of the installation of the structures referred to herein and the Grantee will maintain such easement in a state of good repair and efficiency so that no unreasonable damages will result from its use to Grantors' premises. This agreement together with other provisions of this grant shall constitute a covenant running with the land for the benefit of the Grantee, its successors, and assigns. The Grantors covenant that they are the owners of the above described land and that said lands are free and clear of all encumbrances and liens except the following:

Grantor does hereby bind itself, its successors and assigns, to WARRANT AND FOREVER DEFEND, all and singular, the easement herein granted to Grantee, or Grantee's successors and assigns, against every person whomsoever claiming, or to claim, the same or any part thereof.

The easement conveyed herein was obtained or improved through Federal financial assistance. This easement is subject to the provisions of the Title VI of the Civil Rights Act of 1964 and the regulations issued pursuant thereto for so long as the easement continues to be used for the same or similar purpose for which financial assistance was extended or for so long as the Grantee owns it, whichever is longer.

IN WITNESS WHEREOF the said Grantors have executed this instrument this 21 day of Aug, 20 21.

Signature

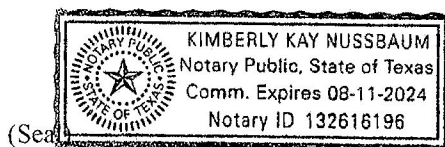
Printed Name

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF PARC PWTU

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Alex Payne known to me to be the person(s) whose name(s) is(are) subscribed to the foregoing instrument, and acknowledged to me that he (she) (they) executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS THE 21 day of August, 20 21.



Kimberly Kay Nussbaum
Notary Public County, Texas.
(Notary Public in and for)

Initials IMJ

NON-STANDARD SERVICE CONTRACT

THE STATE OF TEXAS
COUNTY OF PALO PINTO

THIS CONTRACT is made and entered into by and between Tommy Parkinson hereinafter referred to as "Developer", and Possum Kingdom Water Supply Corporation, hereinafter referred to as "PKWSC" or "Corporation".

WHEREAS, Developer is engaged in developing that certain 3.871 acres in Palo Pinto, County, Texas, more particularly known as the Parkinson subdivision, according to the plat thereof recorded at Vol. 235, Page 619 of the Plat Records of Palo Pinto County, Texas, said land being hereinafter referred to as "the Property"; and,

WHEREAS, PKWSC owns and operates a water system which supplies potable water for human consumption and other domestic uses to customers within its service area; and,

WHEREAS, the Property is located within PKWSC's state-certificated service area which obligates PKWSC to provide it with retail public water utility service subject to the terms and conditions of PKWSC's lawful tariff and the regulations of the Texas Commission on Environmental Quality ("TCEQ"); and, the Public Utility Commission (PUC).

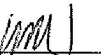
WHEREAS, Developer has requested PKWSC to provide such water service to the Property through an extension of PKWSC's water system, such extension being hereinafter referred to as "the Water System Extension"; NOW THEREFORE:

KNOW ALL MEN BY THESE PRESENTS:

THAT for and in consideration for the mutual promises hereinafter expressed, and other good and valuable consideration, the sufficiency of which is hereby acknowledged by the parties, Developer and PKWSC agree and contract as follows:

1. Contribution-in-aid-of-Construction.

- (a) The parties recognize the Developer's obligation to compensate PKWSC for service capacities that will be dedicated to serve the Property. The Developer and PKWSC have negotiated a mutually agreeable CIAC payment for the Developer to reimburse PKWSC for that portion of its existing service capacities being reserved for the Property plus increased capacity to be created by an upgrade(s) to the Water Treatment Plant ("WTP") to increase production in .5 MGD increments, a portion of which will be dedicated to the Developer's service area. The agreed CIAC amount is \$13,385.00 per lot. This CIAC payment scale will only cover the third (3rd) lot for which capacity the Developer will pay \$13,385.00 with the execution of this agreement.
- (b) It is understood that two meters have previously been installed on the property and PKWSC will impose the CIAC only on the third meter as entire plans for the property were not initially made known.
- (c) The cost of future expansions to PKWSC's WTP and distribution system will be apportioned between the Developer and PKWSC in proportion to the amount of the new service capacities that will be dedicated to each, and at construction costs then current to be determined by PKWSC at the

Initials 

PKWSC 000544

time of the new expansion.

- (d) Additional service requests for future phases shall be made not less than twelve (12) months before the time the Developer wants to commence accepting delivery of the additional water. PKWSC shall complete any necessary improvements and provide service within twelve (12) months after receiving a timely request and payment of the applicable CIAC. If the Developer does not make a request for additional water at least twelve (12) months in advance, PKWSC shall make reasonable efforts to provide additional service capacity when requested but PKWSC makes no guarantee or covenant that such additional water will be available on the date requested.
- (e) The additional fees to be paid in addition to Section 1(a) are detailed in PKWSC's lawful tariff. These fees will be based on the rates in effect from the corporation's Tariff and will include the following fees: Membership \$300.00, Administration \$30.00, Equity Buy-in \$1,731.00, Meter Installation \$800.00 and Inspection of Meter Connection \$40.00. These fees total \$2,901.00. These are the fees in effect as of September 1, 2021, and must be paid prior to meter installation.

2. Service from the Water System Extension.

- (a) Any increase of service capacity beyond the initial minimum shall be contingent upon the Developer paying CIAC for such additional service capacity.
- (b) Service Capacity Reservation. PKWSC's agreement to provide long-term water service capacity to the Developer and the cost to be paid for such capacity is materially conditioned upon the Developer's projections of the service area's demands. It is agreed that if the Developer is not taking and paying for at least 100% of the water capacity contracted for herein at the end of the first 12 months of this Agreement, the parties shall renegotiate the terms of the Agreement or, at its option, the Developer shall surrender all unused reserved water service capacity so PKWSC may use it to serve other customers, wholesale or retail. PKWSC will notify the Developer at the end of the first year and the Developer must notify PKWSC within 60 days of intent to renegotiate or surrender the service capacity. Should the Developer not respond within the 60 days as required by the notice from PKWSC, the Developer shall surrender all unused reserved water service capacity to PKWSC.
- (c) The Developer shall not be reimbursed for any surrendered service capacity. Surrendering that capacity will only release the Developer from the continued payment of monthly reservation.

3. Fire Flow

- (a) The existing WTP and distribution lines of PKWSC do not support fire flow. "Fire hydrants" installed within PKWSC's water distribution system are provided at the convenience of PKWSC and do not imply any responsibility on the part of PKWSC to meet fire flow requirements of

Initials MMJ

- local, county, state, or federal governmental agencies. Such fire hydrants are support facilities only meant to be used as flush and control valves in the public drinking water system. State public health and safety regulations require public drinking water systems to be flushed on a routine basis and metallic flush valves (commonly referred to a "fire hydrant") are a preferred manner of complying with these regulations. PKWSC makes no representation that it is offering fire protection or fire flows under any fire code or fire fighting standard. PKWSC has no obligation at law to provide water for fire related activities because this is not a public water PKWSC or potable domestic water service as defined by the Texas Water Code and/or the Texas Health and Safety Code.
- (b) PKWSC, at its sole option, may permit local area fire departments to use water from its public drinking water system on an "AS IS, AS AVAILABLE" basis and will in no manner be liable for damages caused by its inability to supply sufficient water for the prevention or suppression of fire. Any fire department or other person using PKWSC's water system to take water for fire fighting purposes shall be liable to PKWSC for damage caused to PKWSC's plant and equipment during such use, especially for, but not limited to, damage to pumps caused by improperly opening and closing hydrants/valves under pressure or damage for driving heavy vehicles over water lines. PKWSC reserves the right to remove any fire hydrant (metallic flush valve), due to improper use or detriment to the system as determined by PKWSC, at any time without notice, refund, or compensation to the contributors. Any water taken from PKWSC's water system for any purpose, including fire fighting, without prior knowledge and consent of the Board of Directors and/or the General Manager shall be deemed to be theft and shall be prosecuted. Fire Departments may obtain advanced consent for emergency usage on an "AS IS, AS AVAILABLE" basis.
- (c) It is understood that the Developer anticipates providing fire flow service within the development. PKWSC does not accept liability for fire-related injuries or damages to persons or property caused or aggravated by the availability (or lack thereof) of water or water pressure (or lack thereof) during fire emergencies. PKWSC neither possesses nor claims to possess knowledge or expertise in fire fighting or the requirements of fire fighting. No statement or action of PKWSC shall ever be implied or meant to suggest that any facilities of PKWSC comply with any state or local fire code. On-site storage of water reserved for fire fighting shall preferably be accomplished through elevated storage; however, if permitted to achieve Developer's desired ISO rating, reserved water may be stored in ground storage tanks with an emergency back up generator(s) if such water can be injected into the public drinking supply without contamination or significant degradation of drinking water quality during mixing.

Initials /mm/

4. Governmental Permits

- (a) It is understood and agreed by the parties that the obligation of PKWSC to provide water service in the manner contemplated by this Contract is subject to the issuance by the Texas Commission on Environmental Quality and all other governmental agencies having jurisdiction of all permits, certificates or approvals required to lawfully provide such service.
- (b) Unless the prior approval of PKWSC is obtained, the Developer shall not:
 - (1) construct or install additional water lines or facilities to service areas outside the Property;
 - (2) add any additional lands to the Property for which water service is to be provided pursuant to this Agreement; or
 - (3) Connect or serve any person or entity who, in turn, sells water service directly or indirectly to another person or entity.

5. Effect of Force Majeure.

- (a) In the event either party is rendered unable by force majeure to carry out any of its obligations under this Contract, in whole or in part, then the obligations of that party, to the extent affected by the force majeure shall be suspended during the continuance of the inability, provided however, that due diligence is exercised to resume performance at the earliest practical time. As soon as reasonably possible after the occurrence of the force majeure relied upon to suspend performance, the party whose contractual obligations are affected thereby shall give notice and full particulars of the force majeure to the other party.
- (b) The cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure" includes acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, orders of the government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and civil disturbances, explosions, breakage, or accidents to equipment, pipelines, or canals, partial or complete failure of water supply, and any other inability's of either party, whether similar to those enumerated or otherwise, that are not within the control of the party claiming the inability and that could not have been avoided by the exercise of due diligence and care. It is understood and agreed that the settlement or strikes and lockouts shall be entirely within the discretion of the party having the difficulty and that the requirement that any force majeure be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party if the settlement is unfavorable to it in the judgment of the party having the difficulty.

6. Notices.

Any notice to be given hereunder by either party to the other party shall be

Initials *MM*

in writing and may be affected by personal delivery or by sending said notices by registered or certified mail, return receipt requested, to the address set forth below. Notice shall be deemed given when deposited with the United States Postal Service with sufficient postage affixed. Any notice mailed to PKWSC shall be addressed:

Possum Kingdom Water Supply Corporation
1170 Willow Road
Graford, TX 76449

Any notice mailed to Applicant shall be addressed:

Tommy Parkinson
141 Rock Creek Loop
Graford, TX 76449

Either party may change the address for notice to it by giving written notice of such change in accordance with the provisions of this paragraph

7. Breach of Contract and Remedies.

- (a) If either party breaches any term or condition of this Contract, the non-breaching party may, at its sole option, provide the breaching party with a notice of the breach within sixty (60) days of discovery of the breach by the non-breaching party. Upon notice of breach, the breaching party shall have sixty (60) days to cure the breach. If the breaching party does not cure the breach within the sixty (60) days, the non-breaching party, below, shall have all rights at law and in equity including the right to enforce specific performance of this Contract by the breaching party, the right to perform the obligation in question and to seek restitution for all damages incurred in connection therewith. It should be noted that PKWSC's willingness to enter into this contract is expressly and materially dependent upon Developer's timely and full payments of all sums due hereunder. Developer's failure to perform under this agreement shall expressly be grounds for PKWSC to exercise its statutory right to refuse water utility service to the Property as provided by Texas Water Code §13.2502. Such an election by PKWSC shall not deprive it of any other rights or remedies it may have at law or in equity.
- (b) In the event of termination of this Contract by a non-breaching party, such action shall not affect any previous conveyance unless PKWSC has the statutory right to refuse service to such conveyed property under Texas Water Code §13.2502.
- (c) The rights and remedies of the parties provided in this Contract shall not be exclusive and are in addition to any other rights and remedies provided by law and under this Contract.

Initials *MM*

8. Third Parties.

It is the express intention of the parties that the terms and conditions of this Contract may be enforced by either party but not by any third party or alleged third-party beneficiary.

9. Captions.

Captions are included solely for convenience of reference and if there is any conflict between captions and the text of the Contract, the text shall control.

10. Context.

Whenever the context requires, the gender of all words herein shall include the masculine, feminine, and neuter, and the number of all words shall include the singular and the plural.

11. Mediation.

Prior to the institution of legal action by either party related to any dispute arising under this Contract, said dispute shall be referred to non-binding mediation by an independent mediator mutually agreed upon by both parties. The cost of the mediator shall be shared equally by both parties.

12. Litigation Expenses.

Either party to this Contract who is the prevailing party in any legal proceeding against the other party, brought in relation to this Contract, shall be entitled to recover court costs and reasonable attorneys' fees from the non-prevailing party.

13. Intent.

The parties hereto covenant and agree that they shall execute and deliver such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the intent of this Contract.

14. Multiple Originals.

This Contract may be executed in multiple originals, any copy of which shall be considered to be an original.

15. Authority.

The signatories hereto represent and affirm that they are authorized to execute this Contract on behalf of the respective parties hereto.

16. Severability.

The provisions of this Agreement are severable, and if any word, phrase, clause, sentence, paragraph, section, or other part of this Agreement or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Agreement to

Initials 

other persons or circumstances shall not be affected thereby and this Agreement shall be construed as if such invalid or unconstitutional portion had never been contained therein.

17. Entire Agreement.

This Agreement, including any exhibits attached hereto and made a part hereof, constitutes the entire agreement between the parties relative to the subject matter of this Agreement. All prior agreements, covenants, representations, or warranties, whether oral or in writing, between the parties are merged herein.

18. Amendment.

No amendment of this Agreement shall be effective unless and until it is duly approved by each party and reduced to a writing signed by the authorized representatives of PKWSC and the Developer, respectively, which amendment shall incorporate this Agreement in every particular not otherwise changed by the amendment.

19. Governing Law.

This Agreement shall be construed under and in accordance with the laws of the State of Texas and all obligations of the parties are expressly deemed performable in Palo Pinto County, Texas.

20. Venue.

Any civil action at law or in equity brought to enforce or interpret any provision of this Contract shall be brought in a state court of competent jurisdiction with venue in Palo Pinto County, Texas. Any administrative action shall be brought before the TCEQ and the courts of competent jurisdiction in Travis County, Texas.

21. Successors and Assigns.

This Agreement shall be binding on and shall inure to the benefit of the heirs, successors and assigns of the parties.

22. Assignability.

The rights and obligations of the Developer hereunder may not be assigned without the prior written consent of PKWSC.

23. Effective Date.

This Agreement shall be effective from and after the date of due execution by all parties.

Initials *MM*

IN WITNESS WHEREOF each of the parties has caused this Agreement to be executed by its duly authorized representative in multiple copies, each of equal dignity, on the date or dates indicated below.

Possum Kingdom Water Supply Corporation

By: William M. Jasper

Name: William M. Jasper

Title: President, Board of Directors

Date: 9/15/21

DEVELOPER

By: Tammy Parkinson

Name: Tammy Parkinson

Title: _____

Date: 11/18/21

Initials WJ

PKWSC 000551

THOMAS MARION PARKINSON III
141 ROCK CREEK LOOP
GRAFORD, TX 76449

1021
88-7170/3119

11/18/21
Date

Pay to the
order of

PKWSC

\$ 16,286.⁰⁰

Sixteen thousand two hundred eighty six & 00/100

Security features
included.
Details on back.



Graham Savings
1301 PARK RD 36
GRAFORD, TX 76449
940-779-2024

For

Water Meter

[Signature] MP

1:311971705:03030001157811 1021

Main Street Graham Savings and Loan, 558



May 29, 2020

Possum Kingdom Water Supply Corporation
1170 Willow Road
Graford, Texas 76449
Attn: Cathy Pearson

Re: Meter Request Evaluation

Dear Cathy:

We have performed a meter request evaluation for the new service meter request worksheets provided by PKWSC. Based on that analysis, the following meter(s) **are approved** for addition to the PKWSC system:

1. Patterson Constantin Partners I, LLC, Hummingbird & Park Road 36, 6 Residential Meters, Phase (I)

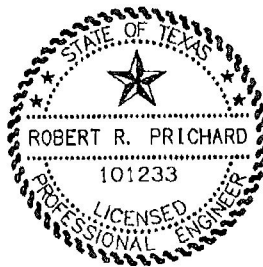
I appreciate the opportunity to be of service to the PKWSC. Please do not hesitate to call me at (325) 698-5560 if you have any questions.

Sincerely,

Enprotec / Hibbs & Todd, Inc.

BJ Prichard, P.E.

BJP/jd



Enclosure: Invoice

05/29/2020



c: Project File # 06-3651B P:\Projects\Possum Kingdom\Meter Requests\2020 Meter Requests\20200529_Meter Response Letter (Patterson LLC).docx

Environmental, Civil & Geotechnical Engineers

Abilene Office
402 Cedar
Abilene, Texas 79601
P.O. Box 3097
Abilene, Texas 79604
325.698.5560 | 325.690.3240 fax

Lubbock Office
6310 Genoa Avenue, Suite E
Lubbock, Texas 79424
806.794.1100 | 806.794.0778 fax
www.e-hl.com

Granbury Office
1310 Weatherford Highway, Suite 116
Granbury, Texas 76048
682.498.6000 | 682.498.6293 fax

PE Firm Registration No. 1151
PG Firm Registration No. 50103
RPLS Firm Registration No. 10011900

PKWSC 000553

TRACT 4B

NOTES:
1. BASIS OF BEARING IS THE MODIFIED SURFACE
TEXAS STATE PLANE COORDINATES, NAD-83
NORTH CENTRAL ZONE 4302, TO CORNER
TO GRID COORDINATES, MULTIPLY BY (0.999998)
2. SURVEYOR HAS MADE NO INVESTIGATION OR
INDEPENDENT SEARCH FOR EASEMENTS, ENCUMBRANCES,
OR ANY OTHER FACTS THAT AN ACCURATE AND CURRENT
TITLE SEARCH MAY DISCLOSE
3. 1000' CONTOUR LINE AND FENCE BUFFER LINE
PROVIDED BY ASSUM.
4. SEE ATTACHED PLAN.

Legal Description:

BEING a 3.435 acre tract in the J. D. Aiston Survey, Abstract 2, being part of a tract described in deed to Forum El Cestero, Inc., recorded in Volume 1263, Page 687, of Official Public Records, Palo Pinto County, Texas, and described by metes and bounds as follows:

Beginning at a found 3/8" iron rod [N:7012199.80, E:1988213.85] for a corner of said Forum El Cestero, Inc. tract, and the south corner of that certain tract described in deed to Picknick-McAdams Cemetery Association, Volume 1582, Page 80, Deed Records, Palo Pinto County, Texas, said point also being the intersection of the northeast line of McAdams Road and the northwest right of way line of Park Road 36, from which the Kinross River Authority GPS Control Monument No. 6 as recorded in, Volume 1697, Page 8, Official Public Records, Palo Pinto County, Texas, bears, N 19°50'29" W, 2725.71 feet;

THENCE S 17°50'35" W, with the northwest right of way line of said Park Road 36, a distance of 56.92 feet, to a 5/8" capped iron rod set marked "RPLS 5087";

THENCE S 18°18'04" W, continuing with said northwest right of way line, a distance of 378.61 feet, to a 5/8" capped iron rod set marked "RPLS 5087";

THENCE S 27°20'27" W, continuing with said northwest right of way line, a distance of 100.81 feet, to a 5/8" capped iron rod set marked "RPLS 5087";

THENCE S 41°34'43" W, continuing with said northwest right of way line, a distance of 100.71 feet, to a 5/8" capped iron rod set marked "RPLS 5087";

THENCE S 49°23'53" W, continuing with said northwest right of way line, a distance of 63.03 feet, to a 5/8" capped iron rod set marked "RPLS 5087";

THENCE S 58°05'18" W, continuing with said northwest right of way line, a distance of 84.18 feet, to a 5/8" capped iron rod set marked "RPLS 5087", for the intersection of said northwest right of way line and the east right of way line of Hummingbird Lane, for the south corner;

THENCE N 16°25'41" W, with the east right of way line of said Hummingbird Lane, a distance of 145.66 feet, to a 5/8" capped iron rod set marked "RPLS 5087";

THENCE N 04°49'29" E, continuing with said east right of way line, a distance of 276.06 feet, to a 5/8" capped iron rod set marked "RPLS 5087";

THENCE N 17°39'34" W, continuing with said east right of way line, a distance of 51.14 feet, to a 5/8" capped iron rod set marked "RPLS 5087", for the south corner of Lot 21A of the E. Constantin Jr., Subdivision of Lands on Passum Kingdom Lake, as described in Plat No. 1, Volume 2, Page 1, Slide 129, Plat Records, Palo Pinto County, Texas;

THENCE N 49°11'45" E, with the east line of said Lot 21A, a distance of 109.34 feet, to a 3/8" iron rod found for an angle point;

THENCE N 32°34'01" E, continuing with the east line of said Lot 21A, at a distance of 121.44, pass a 1/2" capped iron rod found, and continuing in all a total distance of 128.50 feet, to a 5/8" capped iron rod set marked "RPLS 5087" for the east corner of said Lot 21A, said point being on the 1000 foot contour;

THENCE with said 1000 foot contour, the following courses and distances..

S 40°07'00" E, a distance of 20.81 feet, to a point for a corner;

S 52°15'35" E, a distance of 5.77 feet, to a point for a corner;

S 26°22'13" E, a distance of 5.65 feet, to a point for a corner;

S 09°19'34" E, a distance of 25.65 feet, to a point for a corner;

S 20°49'52" W, a distance of 15.36 feet, to a point for a corner;

S 05°58'42" W, a distance of 22.22 feet, to a point for a corner;

S 77°44'32" W, a distance of 4.24 feet, to a point for a corner;

S 11°37'48" W, a distance of 21.57 feet, to a point for a corner;

S 26°12'28" W, a distance of 15.05 feet, to a point for a corner;

S 18°14'56" W, a distance of 15.28 feet, to a point for a corner;

S 68°24'04" W, a distance of 6.78 feet, to a point for a corner;

S 31°00'43" W, a distance of 20.47 feet, to a point for a corner;

(CONTINUED).



I, DAVID A. WHISLEY, REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THAT TO THE BEST OF MY KNOWLEDGE THIS PLAT IS TRUE AND CORRECT OF A SURVEY MADE ON THE GROUND.

David A. Whisley 10-26-11

DAVID A. WHISLEY
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS REGISTRATION NO. 5087

**SURVEY PLAT
BEING TRACT 4B
BEING PART OF THE LAND
DESCRIBED IN
VOLUME 1263, PAGE 687
PALO PINTO COUNTY, TEXAS**

FILED IN	INDEXED	CHECKED BY
Page 3 OF 4		DATE 10-18-2011

P:\Whisley Field Group\Comp Count\1263\Tract 4B\Tract 4B.dwg

ACREAGE 3.435

SQ FOOTAGE 140,822.491

LINK FIELD SERVICES INCORPORATED



P.O. BOX 1485
MINERAL WELLS, TX 76068
800-462-7189

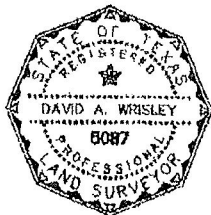
NOTES:
 1. BASIS OF BEARING IS THE MODIFIED SURFACE
 TEXAS STATE PLANE COORDINATE, NAD-83,
 NORTH CENTRAL ZONE, 4308, TO CORNER
 TO GRID COORDINATE, MULTIPLY BY (0.99982968).
 2. SURVEYOR HAS MADE NO INVESTIGATION OR
 INDEPENDENT SEARCH FOR EASEMENTS, ENCUMBRANCES,
 OR ANY OTHER FACTS THAT AN ACCURATE AND CURRENT
 TITLE SEARCH MAY DISCLOSE.
 3. 100' BUFFER LINE AND FENC BUFFER LINE
 PROVIDED BY AEDM.
 4. SEE ATTACHED PLAT.

TRACT 4B

(CONTINUED) TRACT 4B.

S 29°10'49" W, a distance of 5.71 feet, to a point for a corner;
 S 24°20'13" W, a distance of 7.98 feet, to a point for a corner;
 S 09°01'38" E, a distance of 3.12 feet, to a point for a corner;
 S 51°00'42" E, a distance of 3.95 feet, to a point for a corner;
 N 85°20'09" E, a distance of 3.54 feet, to a point for a corner;
 N 55°48'22" E, a distance of 4.07 feet, to a point for a corner;
 S 85°39'33" E, a distance of 27.57 feet, to a point for a corner;
 S 07°04'25" E, a distance of 21.02 feet, to a point for a corner;
 S 17°32'00" W, a distance of 38.24 feet, to a point for a corner;
 S 01°42'03" W, a distance of 1.28 feet, to a point for a corner;
 S 64°38'19" W, a distance of 11.49 feet, to a point for a corner;
 S 08°19'03" W, a distance of 8.82 feet, to a point for a corner;
 S 28°00'54" E, a distance of 4.16 feet, to a point for a corner;
 S 53°18'15" E, a distance of 8.70 feet, to a point for a corner;
 S 52°58'58" E, a distance of 14.23 feet, to a point for a corner;
 S 66°58'48" E, a distance of 2.66 feet, to a point for a corner;
 N 83°12'19" E, a distance of 11.25 feet, to a point for a corner;
 N 00°35'24" W, a distance of 19.00 feet, to a point for a corner;
 N 21°42'47" E, a distance of 71.54 feet, to a point for a corner;
 N 04°16'31" W, a distance of 12.92 feet, to a point for a corner;
 N 23°53'00" E, a distance of 32.06 feet, to a point for a corner;
 N 24°04'53" E, a distance of 14.08 feet, to a point for a corner;
 N 87°03'38" E, a distance of 4.48 feet, to a point for a corner;
 N 48°27'45" E, a distance of 16.73 feet, to a point for a corner;
 N 42°17'40" E, a distance of 14.75 feet, to a point for a corner;
 N 71°12'09" E, a distance of 13.07 feet, to a point for a corner;
 N 49°51'13" E, a distance of 8.35 feet, to a point for a corner;
 N 72°20'49" E, a distance of 10.72 feet, to a point for a corner;
 N 47°33'11" W, a distance of 36.27 feet, to a point for a corner;
 N 14°27'38" W, a distance of 29.18 feet, to a point for a corner;
 N 14°36'05" W, a distance of 45.20 feet, to a point for a corner;
 N 14°37'22" W, a distance of 15.30 feet, to a point for a corner;
 N 15°58'37" W, a distance of 9.39 feet, to a 5/8" capped iron rod set marked "RPLS 5087" for a corner;

THENCE N 61°39'48" E, a distance of 157.58 feet, to a 5/8" capped iron rod set marked "RPLS 5087" in the northeast line of said
 McAdams Road, and the southwest line of said Picknick-McAdams Cemetery Association tract;
 THENCE S 26°48'26" E, with the southwest line of said Picknick-McAdams Cemetery Association tract, and the northeast line of said
 McAdams Road, a distance of 88.11 feet, to the Point of Beginning for a total of 149,622.49 square feet or 3.435 acres more or less.



I, DAVID A. WRISLEY, REGISTERED PROFESSIONAL LAND SURVEYOR, DO HEREBY
 CERTIFY THAT TO THE BEST OF MY KNOWLEDGE THIS PLAT IS TRUE AND
 CORRECT OF A SURVEY MADE ON THE GROUND.

David A. Wrisley 10-26-11

DAVID A. WRISLEY
 REGISTERED PROFESSIONAL LAND SURVEYOR
 TEXAS REGISTRATION NO. 6087

**SURVEY PLAT
 BEING TRACT 4B
 BEING PART OF THE LAND
 DESCRIBED IN
 VOLUME 1863, PAGE 687
 PALEO PINTO COUNTY, TEXAS**

DATE: 10-26-11	BY: DAVID A. WRISLEY	CHECKED BY: [Signature]
Page 4 of 4		

LINK FIELD SERVICES INCORPORATED

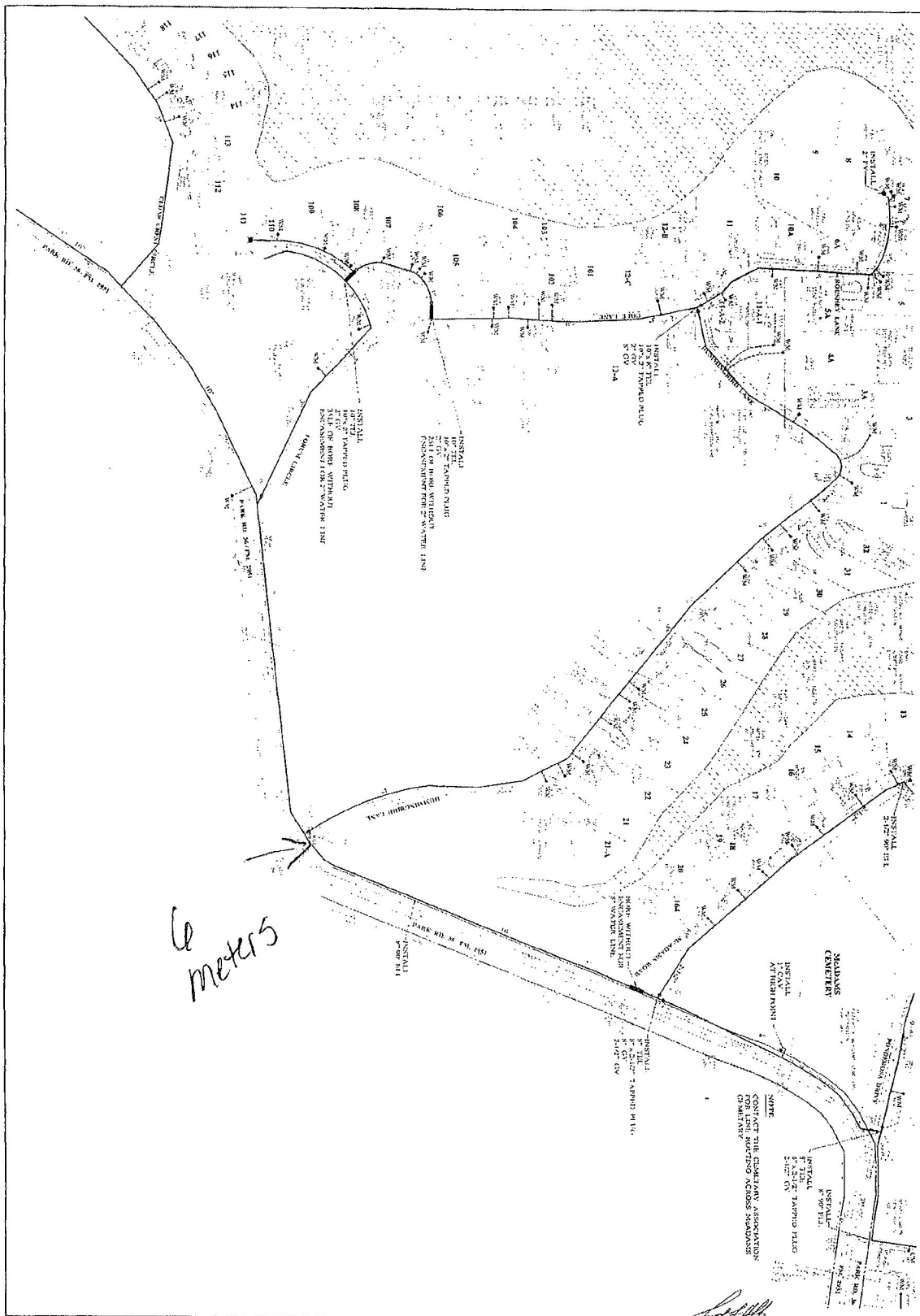


P.O. BOX 1485
 MINERAL WELLS, TX 76068
 800-462-7199

PLAT/Map/County/Group/Comp/Charles/Plat/Book/Tract/Rel/ing

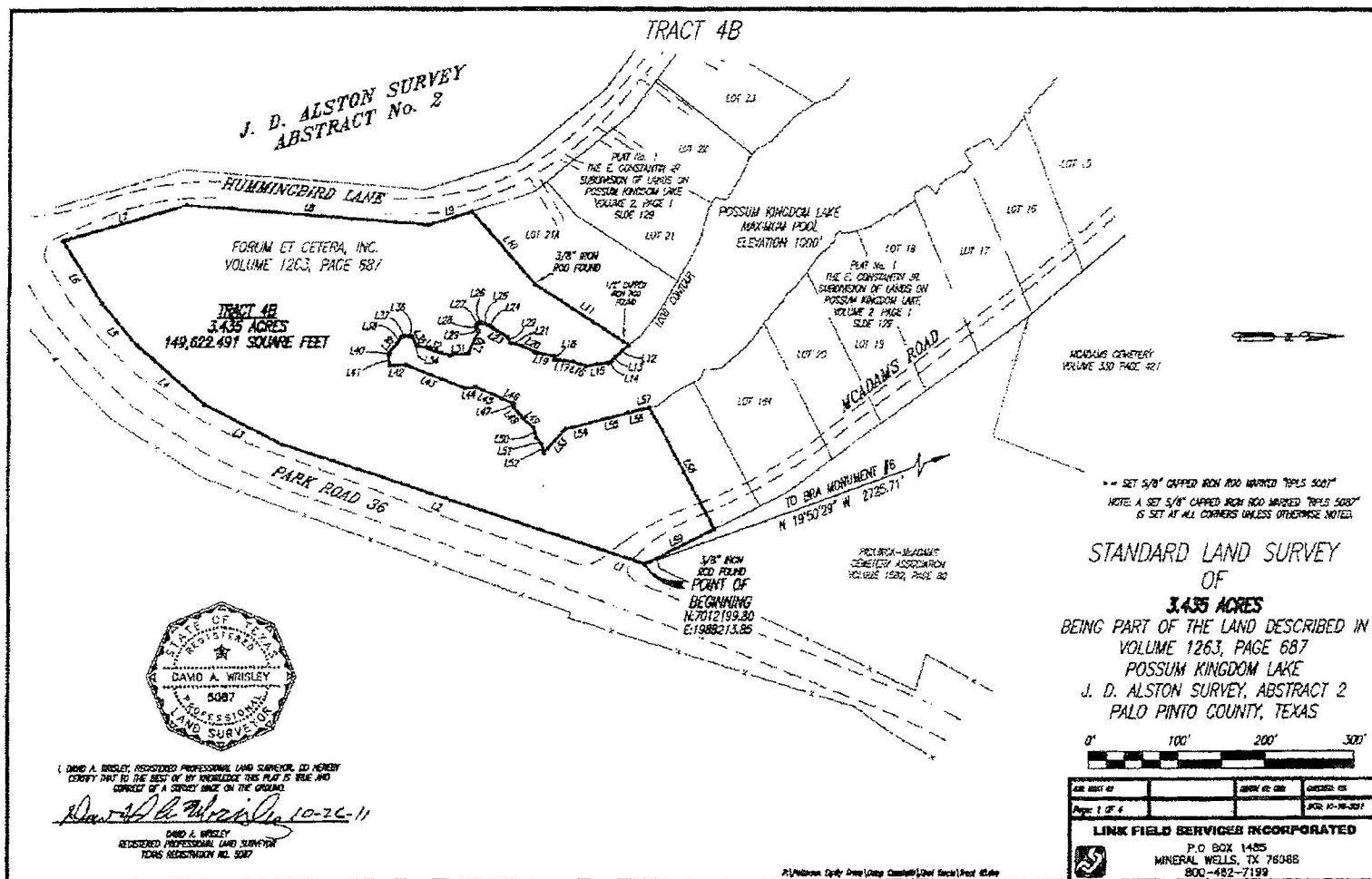
ACREAGE: 3.435

SQ FOOTAGE: 149,622.491

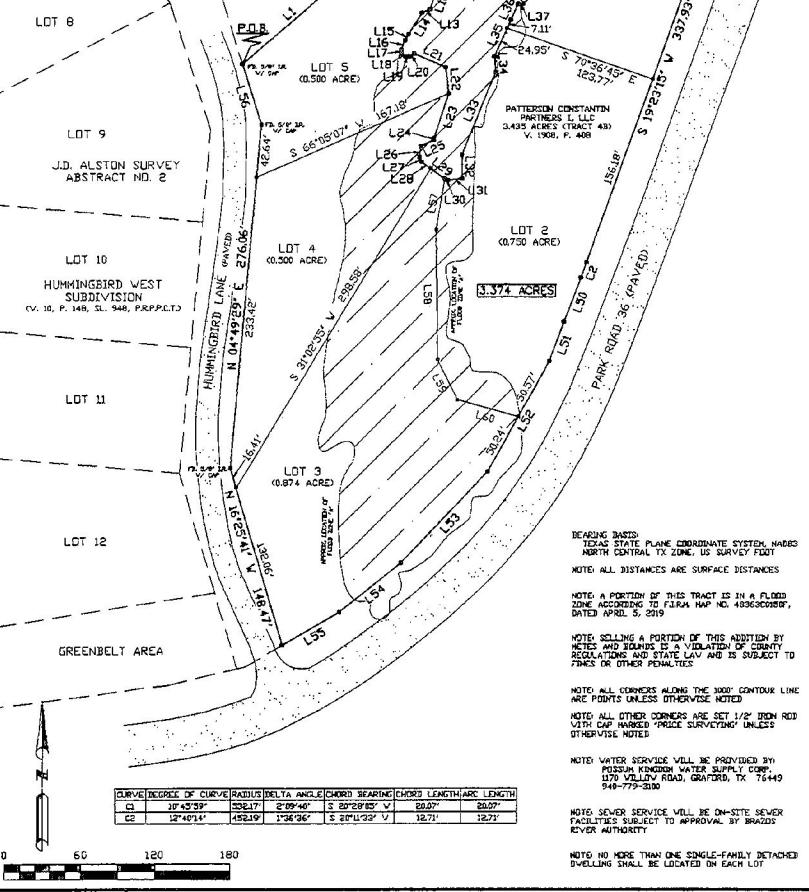


6 meters

<p>AS-BUILT PK WATER SUPPLY CORP. PHASE I WATER DISTRIBUTION SYSTEM</p>		<p>HIBBS & TODD, INC. ENVIRONMENTAL AND CIVIL ENGINEERING P.O. BOX 1000 MILWAUKEE, WIS. 53201</p>		<p>DATE: 10/1/98 BY: [Signature] CHECKED: [Signature] IN CHARGE: [Signature]</p>
---	--	--	--	--



LINE	BEARING	DIST.	LINE	BEARING	DIST.
L1	N 49°09'49" E	105.36	L34	N 04°16'31" E	12.56
L2	N 08°36'10" E	153.79	L35	N 03°39'00" E	26.27
L3	S 28°48'59" E	28.44	L36	N 04°14'33" E	14.08
L4	S 05°15'55" E	3.77	L37	N 03°28'39" E	4.48
L5	S 26°22'13" E	3.69	L38	N 46°27'45" E	16.79
L6	S 09°19'44" E	65.65	L39	N 42°17'49" E	14.79
L7	S 20°49'52" E	13.86	L40	N 71°12'08" E	13.07
L8	S 05°39'42" E	32.22	L41	N 49°59'19" E	6.86
L9	S 77°44'36" E	4.24	L42	N 72°28'49" E	18.76
L10	S 11°57'09" E	21.57	L43	N 47°03'01" E	26.27
L11	S 06°28'28" E	15.03	L44	N 14°27'08" E	29.45
L12	S 08°14'26" E	15.08	L45	N 14°35'05" E	45.60
L13	S 21°00'42" E	28.47	L46	N 14°37'22" E	15.36
L14	S 24°20'15" E	7.98	L47	N 13°23'27" E	9.39
L15	S 24°20'15" E	7.98	L48	S 26°48'25" E	89.77
L16	S 09°19'42" E	31.2	L49	S 01°36'33" E	21.89
L17	S 01°04'42" E	3.89	L50	S 02°39'31" E	37.76
L18	S 01°04'42" E	3.89	L51	S 19°44'23" E	33.94
L19	S 05°20'09" E	3.54	L52	S 20°39'07" E	100.81
L20	N 33°48'22" E	4.87	L53	S 43°27'23" E	100.71
L21	N 05°09'39" E	27.57	L54	S 30°36'22" E	43.09
L22	S 77°14'25" E	31.92	L55	S 20°17'24" E	26.86
L23	S 17°32'04" E	38.24	L56	N 17°09'54" E	5.14
L24	S 01°42'03" E	1.86	L57	S 09°24'47" E	41.11
L25	S 04°58'12" E	14.49	L58	S 09°50'07" E	15.62
L26	S 05°19'55" E	8.89	L59	S 02°35'25" E	31.96
L27	S 20°10'54" E	4.67	L60	S 74°28'24" E	56.99
L28	S 33°18'13" E	8.70			
L29	S 06°50'51" E	14.23			
L30	S 66°08'48" E	3.86			
L31	N 03°12'19" E	11.65			
L32	N 00°36'24" E	19.80			
L33	N 01°42'47" E	71.54			



OWNER'S CERTIFICATE

That I, PATTERSON CONSTANTIN IN PARTNERS I, LLC, the owner of the land shown hereon, of which there is no lien holder, do hereby adopt this plan for plotting the same according to the lines, lots, streets and easements shown, and designate said plan as PATTERSON CONSTANTIN PLACE, the tract being part of the J.D. ALSTON SURVEY, ABSTRACT NO. 2, Palo Pinto County, Texas. I, by the recording of this plat, do hereby grant to the property shown hereon, said lots to be hereafter known by the lot numbers as indicated hereon.

I do hereby certify that this subdivision is not within the Extrajurisdictional Jurisdiction of any Incorporated City or Town.

EXECUTED THIS THE _____ DAY OF _____ 2020

BY _____
JAROD COX, Vice President

STATE OF TEXAS

COUNTY OF _____

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared JAROD COX, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledge to me that he executed the same for the purposes and consideration therein expressed and in the capacity stated.

GIVEN under my hand and seal of office this _____ day of _____ 2020

Signature _____

STATE OF TEXAS

COUNTY OF PALO PINTO

I, _____, a 1-1 COORDINATOR IN AND FOR SAID COUNTY, DO HEREBY APPROVE THIS PLAT

THE STATE OF TEXAS

COUNTY OF PALO PINTO

APPROVED BY THE COMMISSIONER'S COURT OF PALO PINTO COUNTY, TEXAS,

ON THIS THE _____ DAY OF _____ 2020

COUNTY JUDGE

COMR. PRECINCT #1

COMR. PRECINCT #2

COMR. PRECINCT #3

COMR. PRECINCT #4

SURVEYOR'S CERTIFICATE

This is to certify that I, PHILIP E. COLVIN, JR., Registered Professional Land Surveyor of the State of Texas, have plotted the above land from an actual survey on the ground and that all lot corners, angle points, and points of curves are properly marked on the ground and that the plat correctly represents that survey made by me or under my direct supervision on MAY 28, 2020.

PHILIP E. COLVIN, JR., R.P.L.S. No. 5258
JN20554 CM6 grd. FN200598



LEGAL DESCRIPTION

Of a 3.374 acre tract of land out of the J.D. Alston Survey, Abstract No. 2, Palo Pinto County, Texas, being the same tract (Tract 4B) described in Volume 1598, Page 408 of the Official Public Records of Palo Pinto County, Texas, and being further described by notes and bounds as follows:

Beginning at a found 5/8" iron rod with cap in the east right of way line of Hummingbird Road (part) and at the southwest corner of a certain 0.441 acre tract described in Volume 2209, Page 681 of said Official Public Records for the northwest corner of this tract. Whence the Brass Tower Authority GPS Control Monument No. 6, recorded in Volume 1697, Page 8 of said Official Public Records, bears N. 10 deg. 42 min. 10 sec. W. 232.91 feet.

Thence N. 49 deg. 09 min. 49 sec. E. 109.32 feet to a found 3/8" iron rod for a corner of this and said 0.441 acre tract.

Thence N. 32 deg. 36 min. 10 sec. E. at 129.52 feet pass a found 5/8" iron rod with cap and in all 133.70 feet to a point at the 1000 foot contour line of Presum Kingdom Lake for the northwest corner of this tract.

Thence along the meanders of the 1000 foot contour line of said Presum Kingdom Lake the following courses and distances:

- S. 29 deg. 48 min. 23 sec. E. 22.40 feet
- S. 32 deg. 15 min. 55 sec. E. 5.77 feet
- S. 26 deg. 22 min. 13 sec. E. 5.65 feet
- S. 09 deg. 19 min. 34 sec. E. 25.63 feet
- S. 20 deg. 49 min. 52 sec. W. 15.26 feet
- S. 03 deg. 18 min. 42 sec. W. 22.32 feet
- S. 77 deg. 44 min. 32 sec. W. 4.24 feet
- S. 11 deg. 27 min. 48 sec. W. 21.27 feet
- S. 26 deg. 12 min. 38 sec. W. 15.03 feet
- S. 18 deg. 14 min. 56 sec. W. 15.28 feet
- S. 66 deg. 24 min. 04 sec. W. 6.78 feet
- S. 31 deg. 06 min. 45 sec. W. 20.47 feet
- S. 29 deg. 10 min. 49 sec. W. 5.71 feet
- S. 24 deg. 20 min. 13 sec. W. 7.98 feet
- S. 09 deg. 01 min. 22 sec. E. 3.12 feet
- S. 51 deg. 00 min. 42 sec. E. 3.95 feet
- N. 35 deg. 20 min. 09 sec. E. 3.54 feet
- N. 55 deg. 48 min. 22 sec. E. 4.07 feet
- S. 65 deg. 59 min. 33 sec. E. 27.37 feet
- S. 07 deg. 04 min. 25 sec. E. 31.03 feet
- S. 17 deg. 32 min. 00 sec. W. 38.24 feet
- S. 01 deg. 42 min. 03 sec. W. 1.26 feet
- S. 64 deg. 28 min. 15 sec. W. 11.49 feet
- S. 05 deg. 19 min. 03 sec. W. 8.82 feet
- S. 28 deg. 00 min. 54 sec. E. 4.16 feet
- S. 53 deg. 18 min. 15 sec. E. 1.70 feet
- S. 32 deg. 58 min. 56 sec. E. 14.33 feet
- S. 66 deg. 58 min. 48 sec. E. 2.66 feet
- N. 83 deg. 12 min. 19 sec. E. 11.23 feet
- N. 00 deg. 36 min. 24 sec. W. 15.00 feet
- N. 21 deg. 42 min. 47 sec. E. 71.54 feet
- N. 04 deg. 16 min. 31 sec. W. 12.92 feet
- N. 23 deg. 55 min. 00 sec. E. 35.06 feet
- N. 24 deg. 04 min. 53 sec. E. 34.08 feet
- N. 87 deg. 03 min. 38 sec. E. 4.48 feet
- N. 48 deg. 27 min. 45 sec. E. 16.73 feet
- N. 42 deg. 17 min. 40 sec. E. 16.73 feet
- N. 71 deg. 12 min. 08 sec. E. 13.07 feet
- N. 49 deg. 51 min. 13 sec. E. 8.35 feet
- N. 72 deg. 20 min. 49 sec. E. 10.72 feet
- N. 47 deg. 31 min. 11 sec. W. 36.27 feet
- N. 14 deg. 27 min. 28 sec. W. 29.18 feet
- N. 14 deg. 36 min. 05 sec. W. 45.20 feet
- N. 14 deg. 27 min. 22 sec. W. 15.20 feet
- N. 13 deg. 59 min. 37 sec. W. 9.39 feet to a found 1/2" iron rod with cap (PRICE SURVEYING) at the southwest corner of a certain 0.584 acre tract described in Volume 2236, Page 97 of said Official Public Records for a corner of this tract.

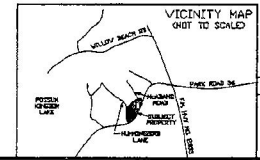
Thence N. 61 deg. 19 min. 42 sec. E. at 105.10 feet pass a found 60D nail and in all 157.59 feet to a found 1/2" iron rod with cap (PRICE SURVEYING) at the southeast corner of said 0.584 acre tract and in the southwest line of a certain tract described in a deed to Phiblow-McAdams Cemetery Association and recorded in Volume 1592, Page 80 of said Official Public Records for the most northerly northeast corner of this tract.

Thence S. 26 deg. 48 min. 26 sec. E. at 88.11 feet pass a found 1/8" iron rod and in all 89.77 feet to a set 1/2" iron rod with cap (PRICE SURVEYING) in the west right of way line of Park Road 36 (part) for the most easterly northeast corner of this tract.

- Thence along the west right of way line of said Park Road 36 the following courses and distances:
- S. 21 deg. 32 min. 55 sec. W. 21.89 feet to a set "MAO" nail
- Southerly along the arc of a 10 deg. 45 min. 59 sec. curve to the left with a radius of 532.17 feet, a central angle of 02 deg. 09 min. 46 sec., a chord of 5.20 deg. 28 min. 05 sec. W. 20.07 feet and an arc length of 20.07 feet to a set 1/2" iron rod with cap (PRICE SURVEYING)
- S. 19 deg. 23 min. 15 sec. W. 207.93 feet to a set 1/2" iron rod with cap (PRICE SURVEYING)
- Southerly along the arc of a 12 deg. 40 min. 14 sec. curve to the right with a radius of 452.19 feet, a central angle of 01 deg. 09 min. 36 sec., a chord of 6.20 deg. 11 min. 33 sec. W. 12.71 feet and an arc length of 12.71 feet to a set 1/2" iron rod with cap (PRICE SURVEYING)
- S. 20 deg. 59 min. 51 sec. W. 27.76 feet to a set 1/2" iron rod with cap (PRICE SURVEYING)
- S. 19 deg. 46 min. 55 sec. W. 23.94 feet to a set 1/2" iron rod with cap (PRICE SURVEYING)
- S. 29 deg. 23 min. 07 sec. W. 100.81 feet to a set 1/2" iron rod with cap (PRICE SURVEYING)
- S. 43 deg. 27 min. 23 sec. W. 100.71 feet to a set 1/2" iron rod with cap (PRICE SURVEYING)
- S. 30 deg. 36 min. 33 sec. W. 63.03 feet to a set 1/2" iron rod with cap (PRICE SURVEYING)
- S. 59 deg. 27 min. 58 sec. W. 52.88 feet to a set 1/2" iron rod with cap (PRICE SURVEYING) in the east right of way line of said Hummingbird Road for the most easterly corner of this tract

Thence along the east right of way line of said Hummingbird Road the following courses and distances:

- N. 16 deg. 25 min. 41 sec. W. 148.47 feet to a found 5/8" iron rod with cap
- N. 04 deg. 40 min. 29 sec. E. 276.06 feet to a found 5/8" iron rod with cap
- N. 17 deg. 39 min. 34 sec. W. 51.14 feet to the place of beginning



SURVEYOR
PHILIP E. COLVIN, JR.
PRICE SURVEYING
P.O. BOX 4820
213 SOUTH DAK AVENUE
MINERAL WELLS, TX 76067
940-325-4941

FINAL PLAT	
PATTERSON CONSTANTIN PLACE	
BEING A SUBDIVISION OF 3.374 ACRES OUT OF THE J.D. ALSTON SURVEY, ABSTRACT NO. 2, PALO PINTO COUNTY, TEXAS	
PLAT DATE: JULY 6, 2020	

1057

PATTERSON PK2 LAND PARTNERSHIP, LTD

2310 INTERSTATE 20 W, SUITE 100
ARLINGTON, TEXAS 76017
(817) 784-2065AFFILIATED BANK
ARLINGTON, TX 76013

88-7881/3119

ETD 2010-01-01
U.S. Treasury to Submitter

5/26/2020

PAY TO THE
ORDER OF

Possum Kingdom Water Supply Corp.

\$ 900.00

nine hundred

DOLLARS

MEMO

Water Meter Fee

AUTHORIZED SIGNATURE

⑈001057⑈ ⑆311978818⑆00000200110005⑈

PATTERSON PK2 LAND PARTNERSHIP, LTD

1057

PATTERSON PK2 LAND PARTNERSHIP, LTD

1057

**RESOLUTIONS OF THE SOLE MANAGER OF
PATTERSON CONSTANTIN PARTNERS I, LLC**

I, Michael H. Patterson, Manager of Patterson Constantin Partners I, LLC, a Texas limited liability company (the Company), do hereby certify as follows:

1. I am the sole Manager of the Company and the custodian of the Company's records.
2. Set forth below is a true and correct extract from the records of the Company showing resolutions duly adopted as of April 24, 2019, by unanimous written consent of the managers of the Company, which resolutions have not in any way been amended or modified and are in full force and effect:

RESOLVED, that the Manager of the Company hereby appoints each of the persons below to serve as an officer of the Company in the office set opposite his name for the ensuing year or until whichever of the following occurs first: his successor is elected and qualified; his resignation; his removal from office by the managers, or his death:

Michael H. Patterson	President/Secretary
Jarod Cox	Vice President

FURTHER RESOLVED, that the President and Secretary of the Company are hereby authorized to (a) sign, execute, certify to, verify, and acknowledge, deliver, accept, file and record any and all instruments and documents, and (b) take, or cause to be taken, any and all such action in the name and on behalf of the Company, as in any such officer's judgment, is necessary, desirable or appropriate in order to consummate the transactions contemplated by or otherwise to effect the purposes of the foregoing resolutions.

FURTHER RESOLVED, that the Vice President of the Company is hereby authorized to negotiate and execute on behalf of the Company such documents and agreements to effectuate acquisitions and dispositions of real property including, but not limited to, letters of intent, purchase and sale agreements, amendments to purchase and sale agreements, termination notices, conveyance documents such as warranty deeds, and similar documents (collectively, the *Approved Documents*). The *Approved Documents* specifically exclude loan documents.

FURTHER RESOLVED, that all actions heretofore taken by an officer of the Company, and all things done by his authority, and the transactions contemplated hereby, be and the same are hereby ratified and approved.

FURTHER RESOLVED, that the transactions contemplated by the foregoing resolutions are reasonably expected to benefit the Company, both directly and indirectly.

THAT undersigned sole manager of the Company certifies that the Company was duly organized, and is now validly existing under the laws of the State of Texas, and said resolutions were duly adopted in accordance with applicable law and the regulations of the Company.

Executed to be effective as of the 24th day of April, 2019.

MANAGER:



Michael H. Patterson



May 11, 2021

Mr. Mike Patterson
Patterson Constantin Partners, LLC
2310 W I20
Suite 100
Arlington, TX 76017

Dear Mr. Patterson;

Attached is a draft Non-Standard Contract to enable potable water to be delivered to your development on Hummingbird Lane / McAdams Road. The Texas Environmental Quality Commission declares any person that sub-divides property into more than two properties is considered a developer and, as such, is subject to the Non-Standard Contract for water service and must pay Capital in Aid of Construction (CIAC) to obtain or reserve water to the properties.

Possum Kingdom Water Supply Corporation (PKWSC) is a non-profit member owned organization. Developers pay CIAC to PKWSC to enable plant expansion to supply potable water to the development or to reserve water in the current available supply. The price is based on the cost of that portion of the available water to PKWSC or the cost to build additional capacity. The existing plant is at maximum capacity at this time and the cost for additional capacity is estimated at \$10,400,145.00 which will enable an additional 777 meters to be added to the system.

Your development is platted for 2 residential and 3 commercial lots. We are returning your payment of \$11,695 for 5 meters. Engineer fee is nonrefundable. It must be replaced with this contract, approved by the Board of Directors and be put in place within the next 90 days to insure potable water is available for the lots in your development. No meters will be installed until this transaction is completed.

If you wish to pay for the cost of meter installations and memberships the contract can be modified as it now states that the new lot owner will pay those fees. Those fees are: Membership \$300.00, Meter Installation \$800.00, Administrative \$30.00 and Final Inspection \$40.00 which totals \$1,170.00 per meter. This will be in addition to the CIAC. The service investigation fee will be a separate charge from the engineer after his review of the plat.

Please review the contract and add the required information on the draft copy and return to my office for an original contract to be created in 90 days. We will also need a copy of the final plat and engineering drawings for our engineers to review and potentially approve.

Sincerely,

A handwritten signature in black ink, appearing to read "Bob Neal", is written over the typed name.

Bob Neal
General Manager
Possum Kingdom Water Supply Corporation

Attachment: 12 page Non-Standard Contract

KELLY HART

J. JODY WALKER
jody.walker@kellyhart.com

TELEPHONE: (817) 878-9398
FAX: (817) 878-9802

September 14, 2021

Via Overnight Delivery:

Possum Kingdom Water Supply Corporation Board of Directors
1170 Willow Road
Possum Kingdom Lake
Grafard, TX 76449

Via Email:

Sue Cathey (sue@pkwsc.com)
Carol Stanford (carol@pkwsc.com)

Re: Provision of Water Service and Meters to Lots 1, 2, 3, 4, and 5 of Patterson Constantin Place, being part of the J.D. Alston Survey, Abstract, No. 2, Palo Pinto County, Texas (collectively, the “**Property**”) owned in part by Patterson Constantin Partners I, LLC (“**Owner**”)

Ladies and Gentlemen:

This firm represents Owner with regard to the issue set forth above and this letter responds to Bob Neal’s letter dated May 11, 2021 (“**PKWSC Letter**”) in which various factual matters have been omitted and prior Possum Kingdom Water Supply Corporation (“**PKWSC**”) approvals were not taken into consideration.

As background, on or about June 4, 2020, Owner sought and received approval and costs from PKWSC for 6 meters at the Property. At this point in time, the plat of the Property had not been finalized, but PKWSC was well aware of the intended division of the Property and had approved the installation of the 6 meters for a total cost of \$14,034.00. (*See attached correspondence with Cathy Pearson*). On August 31, 2020, Owner provided PKWSC the amended plat for the Property and PKWSC not only approved the plat, but also maintained the same price per meter. At no point was Owner considered a “developer” as alleged in the PKWSC Letter, nor was Owner ever asked to enter into a “Non-Standard Contract.” In multiple correspondence, Owner inquired as to what was needed to establish and set up these water connections, and at no time were there any additional discussions about a payment for a Capital in Aid of Construction (“**CIAC**”) or the requirement to enter into a “Non-Standard Contract.”

In reliance on these approvals, Owner remitted the balance of \$11,695.00 for 5 meters at the Property, and PKWSC accepted such payment as evidenced by PKWSC cashing Owner’s check on September 10, 2020. With this agreement between the parties in place, Owner

FORT WORTH OFFICE | 201 MAIN STREET, SUITE 2500 | FORT WORTH, TX 76102 | TELEPHONE: (817) 332-2500 | FAX: (817) 878-9280
AUSTIN OFFICE | 303 COLORADO, SUITE 2000 | AUSTIN, TX 78701 | TELEPHONE: (512) 495-6400 | FAX: (512) 495-6401
MIDLAND OFFICE | 508 W. WALL, SUITE 444 | MIDLAND, TX 79701 | TELEPHONE: (432) 683-4691 | FAX: (432) 683-6518
NEW ORLEANS OFFICE | 400 POYDRAS STREET, SUITE 1812 | NEW ORLEANS, LA 70130 | TELEPHONE: (504) 522-1812 | FAX: (504) 522-1813
Kelly Hart & Hallman, a Limited Liability Partnership | www.kellyhart.com

PKWSC 000562

proceeded to file the plat of the Property, as approved by the PKWSC, on or about December 10, 2020 and recorded in the real property records of Palo Pinto County on January 11, 2021. In furtherance of this approval by PKWSC, on January 15, 2021, PKWSC representatives were scheduling on site meetings to identify the location for each of the meters. (*See attached correspondence with Suzanne Flowers*). Subsequently, Owner began selling these lots with the understanding that PKWSC had already agreed and accepted the fees and assessments for the meters as set forth in PKWSC's tariff. Without this approval with PKWSC in place, Owner would not have proceeded to plat the Property.

Over 8 months after accepting payment and approving the plat of the Property with the installation of 5 meters, PKWSC proceeded to refund Owner a portion of its payment and then request new payments, funding of the CIAC, and execution of a Non-Standard Contract.

As illustrated by the facts above, these unexpected additional costs and requirements, as set forth in the PKWSC Letter, are unreasonable and have caused significant delays in the delivery of water to the Property as previously agreed to by the PKWSC. PKWSC has refused service to the Property without Owner violating any grounds to refuse or cease such service as such are set forth, and limited to, those under Tex. Water Code § 13.250(b). Consequently, Owner has, and will continue to accumulate, damages as a result of such delay.

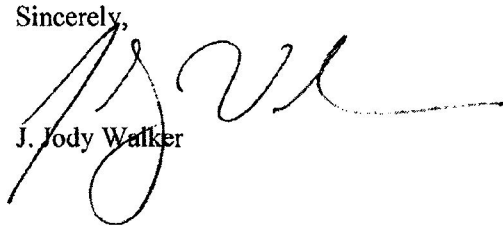
Even though PKWSC has not labeled or defined the Owner as a "developer" until receipt of the PKWSC Letter, there are still many issues with these new demands and increased costs. First, Owner has not received notice of such subdivision requirements as required by Tex. Water Code § 13.2502(a). Even after PKWSC knew about the multiple meters to be installed at the Property and platting the Property into 5 individual lots, Owner did not receive notice or any information to indicate that Owner was a "developer" or subject to any additional subdivision requirements.

Furthermore, the additional assessments or penalties that are sought under CIAC are based on unverified estimates without any guidance within PKWSC's tariff. While PKWSC "may enforce customer water conservation practices...by assessing reasonable penalties as provided in the corporation's tariff," there is no evidence of this basis within the PKWSC's tariff (See Tex. Water Code § 67.011). It is unclear where the CIAC fees are set forth, if at all, within PKWSC's tariff. It appears that there is a cost estimate of \$10,400,145.00 for additional PKWSC "capacity" enabling 777 lots, resulting in a \$13,385.00 per lot expense. However, such methodology is grossly simplistic and lacks the proper accounting and specificity that would apply to the Property and the development of the other 772 lots. Owner has not been provided supporting documentation that justifies the \$13,385.00 per lot funding of the CIAC, nor the plans and certainty that the \$10,400,145.00 expansion will occur. In addition, the only analogous fee as set forth under Section G (Rates and Service Fees) of PKWSC's tariff is the Section 5-1 Impact Fee. While this Impact Fee of \$5,900.00 only applies to the development of The Hills above PK Lake, it is noticeably different than the amount charged to Owner under the PKWSC Letter. While Owner does not suggest that it is a "developer," as the term is used in the PKWSC, Owner has not been provided any evidence why similarly situated developers would be required to pay \$7,485.00 per lot more in infrastructure costs.

In summary, Owner requests that the original payment for the 5 meters to the Property be reaccepted by PKWSC, as such was relied on by Owner when Owner proceeded to file the plat and provide water service to the Property. Jarod Cox, Vice president of Owner, looks forward meeting the PKWSC Board of Directors this Wednesday (9/15) to resolve this swiftly and amicably, and is committed to discussing the matter in good faith to resolve this issue and ensure prompt delivery of water services.

If you have any additional questions regarding this letter, please do not hesitate to contact me, and I would be glad to discuss any remaining issues.

Sincerely,


J. Jody Walker

Enclosures
JJW

cc (via email): Jarod Cox (jarod@ppdocs.com)

NON-STANDARD SERVICE CONTRACT

THE STATE OF TEXAS
COUNTY OF PALO PINTO

THIS CONTRACT is made and entered into by and between Patterson Constantin Partners, LLC hereinafter referred to as "Developer", and Possum Kingdom Water Supply Corporation, hereinafter referred to as "PKWSC" or "Corporation".

WHEREAS, Developer is engaged in developing that certain 3.374 acres in Palo Pinto, County, Texas, more particularly known as the Patterson Constantin Phase subdivision, according to the plat thereof recorded at Vol. 11, Page 43 of the Plat Records of Palo Pinto County, Texas, said land being hereinafter referred to as "the Property"; and,

WHEREAS, PKWSC owns and operates a water system which supplies potable water for human consumption and other domestic uses to customers within its service area; and,

WHEREAS, the Property is located within PKWSC's state-certificated service area which obligates PKWSC to provide it with retail public water utility service subject to the terms and conditions of PKWSC's lawful tariff and the regulations of the Texas Commission on Environmental Quality ("TCEQ"); and, the Public Utility Commission (PUC).

WHEREAS, Developer has requested PKWSC to provide such water service to the Property through an extension of PKWSC's water system, such extension being hereinafter referred to as "the Water System Extension"; NOW THEREFORE:

KNOW ALL MEN BY THESE PRESENTS:

THAT for and in consideration of the mutual promises hereinafter expressed, and other good and valuable consideration, the sufficiency of which is hereby acknowledged by the parties, Developer and PKWSC agree and contract as follows:

1. Contribution-in-aid-of-Construction.

- (a) The parties recognize the Developer's obligation to compensate PKWSC for service capacities that will be dedicated to serve the Property. The Developer and PKWSC have negotiated a mutually agreeable CIAC payment for the Developer to reimburse PKWSC for that portion of its existing service capacities being reserved for the Property plus increased capacity to be created by an upgrade(s) to the Water Treatment Plant ("WTP") to increase production in .5 MGD increments, a portion of which will be dedicated to the Developer's service area. The agreed CIAC amount is \$3,765.00 per lot. This CIAC payment scale will only cover the first five (5) lots for which capacity the Developer will pay \$18,825.00 with the execution of this agreement. Three lots are deemed commercial and should they require more than an 5/8 x 3/4 inch meter, additional funds will be required. The cost of future expansions to PKWSC's WTP and distribution system will be apportioned between the Developer and PKWSC in proportion to the amount of the new service capacities that will be dedicated to each, and at construction costs then current to be determined by PKWSC at the time of the new expansion.
- (b) Additional service requests for future phases shall be made not less than twelve (12) months before the time the Developer wants to commence accepting delivery of the additional water. PKWSC shall complete any necessary improvements and provide service within twelve (12) months after receiving a timely request and payment of the applicable CIAC. If the Developer does not make a request for additional water

Initials MC PK

- at least twelve (12) months in advance, PKWSC shall make reasonable efforts to provide additional service capacity when requested but PKWSC makes no guarantee or covenant that such additional water will be available on the date requested.
- (c) No additional fees shall be paid except as stated in Sections 1(a). As provided in PKWSC's lawful tariff, the owner of individual lots or tracts connected to or able to receive service from the Water System Extension within the Property with the installation of a properly sized meter will pay monthly service or reserve service fees effective on the closing date of the sale from the Developer to the buyer. These fees will be based on the rates in effect from the corporation's Tariff at the time of closing and will include the following fees: Membership, Equity Buy-In, Administration, Meter Installation and Inspection of Meter Connection.
 - (d) Water service to be used by the Developer will be subject to monthly service fees based on the rates in effect from the corporation's Tariff at the time that water service is available to the specified property. Developer shall not be entitled to a membership in PKWSC for any connection serving property owned or being developed for resale to the public. Developer may obtain and hold memberships for service connections to be held permanently by Developer, i.e., to sales offices, common area irrigation meters, and Property maintenance buildings.

2. Service from the Water System.

- (a) Service Capacity Reservation. PKWSC's agreement to provide long-term water service capacity to the Developer and the cost to be paid for such capacity is materially conditioned upon the Developer's projections of the service area's demands. It is agreed that if the Developer is not taking and paying for at least 60% of the water capacity contracted for herein at the end of the first four (4) years of this Agreement and 100% within seven (7) years, the parties shall renegotiate the terms of the Agreement or, at its option, the Developer shall surrender all unused reserved water service capacity so PKWSC may use it to serve other customers, wholesale or retail. PKWSC will notify the Developer at the end of the seventh (7th) year and the Developer must notify PKWSC within 60 days of intent to renegotiate or surrender the service capacity. Should the Developer not respond within the 60 days as required by the notice from PKWSC, the Developer shall surrender all unused reserved water service capacity to PKWSC.
- (b) The Developer shall not be reimbursed for any surrendered service capacity. Surrendering that capacity will only release the Developer from the continued payment of monthly reservation.
- (c) The existing WTP and distribution lines of PKWSC do not support fire flow. "Fire hydrants" installed within PKWSC's water distribution system are provided at the convenience of PKWSC and do not imply any responsibility on the part of PKWSC to meet fire flow requirements of local, county, state, or federal governmental agencies. Such fire hydrants are support facilities only meant to be used as flush and control valves in the public drinking water system. State public health and safety regulations require public drinking water systems to be flushed on a routine basis and metallic flush valves (commonly referred to a "fire hydrant") are a preferred manner of complying with these regulations. PKWSC makes no representation that it is offering fire protection or fire flows under any fire code or fire fighting standard. PKWSC has no obligation at law to provide water for fire related activities because this is not a public water PKWSC or potable domestic water service as defined by the Texas Water Code and/or the Texas Health and Safety Code.

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PKWSC, at its sole option, may permit local area fire departments to use water from its public drinking water system on an "AS IS, AS AVAILABLE" basis and will in no manner be liable for damages caused by its inability to supply sufficient water for the prevention or suppression of fire. Any fire department or other person using PKWSC's water system to take water for fire fighting purposes shall be liable to PKWSC for damage caused to PKWSC's plant and equipment during such use, especially for, but not limited to, damage to pumps caused by improperly opening and closing hydrants/valves under pressure or damage for driving heavy vehicles over water lines. PKWSC reserves the right to remove any fire hydrant (metallic flush valve), due to improper use or detriment to the system as determined by PKWSC, at any time without notice, refund, or compensation to the contributors. Any water taken from PKWSC's water system for any purpose, including fire fighting, without prior knowledge and consent of the Board of Directors and/or the General Manager shall be deemed to be theft and shall be prosecuted. Fire Departments may obtain advanced consent for emergency usage on an "AS IS, AS AVAILABLE" basis.

It is understood that the Developer anticipates providing fire flow service within the development. PKWSC does not accept liability for fire-related injuries or damages to persons or property caused or aggravated by the availability (or lack thereof) of water or water pressure (or lack thereof) during fire emergencies. PKWSC neither possesses nor claims to possess knowledge or expertise in fire fighting or the requirements of fire fighting. No statement or action of PKWSC shall ever be implied or meant to suggest that any facilities of PKWSC comply with any state or local fire code. On-site storage of water reserved for fire fighting shall preferably be accomplished through elevated storage; however, if permitted to achieve Developer's desired ISO rating, reserved water may be stored in ground storage tanks with an emergency back up generator(s) if such water can be injected into the public drinking supply without contamination or significant degradation of drinking water quality during mixing.

- (d) It is understood and agreed by the parties that the obligation of PKWSC to provide water service in the manner contemplated by this Contract is subject to the issuance by the Texas Commission on Environmental Quality and all other governmental agencies having jurisdiction of all permits, certificates or approvals required to lawfully provide such service.
- (e) Unless the prior approval of PKWSC is obtained, the Developer shall not:
 - (1) construct or install additional water lines or facilities to service areas outside the Property;
 - (2) add any additional lands to the Property for which water service is to be provided pursuant to this Agreement; or
 - (3) Connect or serve any person or entity who, in turn, sells water service directly or indirectly to another person or entity.

3. Effect of Force Majeure.

In the event either party is rendered unable by force majeure to carry out any of its obligations under this Contract, in whole or in part, then the obligations of that party, to the extent affected by the force majeure shall be suspended during the continuance of the inability, provided however, that due diligence is exercised to resume performance

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at the earliest practical time. As soon as reasonably possible after the occurrence of the force majeure relied upon to suspend performance, the party whose contractual obligations are affected thereby shall give notice and full particulars of the force majeure to the other party.

The cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure" includes acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, orders of the government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and civil disturbances, explosions, breakage, or accidents to equipment, pipelines, or canals, partial or complete failure of water supply, and any other inability's of either party, whether similar to those enumerated or otherwise, that are not within the control of the party claiming the inability and that could not have been avoided by the exercise of due diligence and care. It is understood and agreed that the settlement or strikes and lockouts shall be entirely within the discretion of the party having the difficulty and that the requirement that any force majeure be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party if the settlement is unfavorable to it in the judgment of the party having the difficulty.

4. Notices.

Any notice to be given hereunder by either party to the other party shall be in writing and may be affected by personal delivery or by sending said notices by registered or certified mail, return receipt requested, to the address set forth below. Notice shall be deemed given when deposited with the United States Postal Service with sufficient postage affixed. Any notice mailed to PKWSC shall be addressed:

Possum Kingdom Water Supply Corporation
1170 Willow Road
Graford, TX 76449


Any notice mailed to Applicant shall be addressed:

Parkson Constantin Putnam I, LLC
2310 W. I 20 #100
Arlington, TX 76017

Either party may change the address for notice to it by giving written notice of such change in accordance with the provisions of this paragraph

5. Breach of Contract and Remedies.

- (a) If either party breaches any term or condition of this Contract, the non-breaching party may, at its sole option, provide the breaching party with a notice of the breach within sixty (60) days of discovery of the breach by the non-breaching party. Upon notice of breach, the breaching party shall have sixty (60) days to cure the breach. If the breaching party does not cure the breach within the sixty (60) days, the non-breaching party, below, shall have all rights at law and in equity including the right to enforce specific performance of this Contract by the breaching party, the right to

Initials (mm) 

perform the obligation in question and to seek restitution for all damages incurred in connection therewith. It should be noted that PKWSC's willingness to enter into this contract is expressly and materially dependent upon Developer's timely and full payments of all sums due hereunder. Developer's failure to perform under this agreement shall expressly be grounds for PKWSC to exercise its statutory right to refuse water utility service to the Property as provided by Texas Water Code §13.2502. Such an election by PKWSC shall not deprive it of any other rights or remedies it may have at law or in equity.

- (b) In the event of termination of this Contract by a non-breaching party, such action shall not affect any previous conveyance unless PKWSC has the statutory right to refuse service to such conveyed property under Texas Water Code §13.2502.
- (c) The rights and remedies of the parties provided in this Contract shall not be exclusive and are in addition to any other rights and remedies provided by law and under this Contract.

6. Third Parties.

It is the express intention of the parties that the terms and conditions of this Contract may be enforced by either party but not by any third party or alleged third-party beneficiary.

7. Captions.

Captions are included solely for convenience of reference and if there is any conflict between captions and the text of the Contract, the text shall control.

8. Context.

Whenever the context requires, the gender of all words herein shall include the masculine, feminine, and neuter, and the number of all words shall include the singular and the plural.

9. Mediation.

Prior to the institution of legal action by either party related to any dispute arising under this Contract, said dispute shall be referred to non-binding mediation by an independent mediator mutually agreed upon by both parties. The cost of the mediator shall be shared equally by both parties.

10. Litigation Expenses.

Either party to this Contract who is the prevailing party in any legal proceeding against the other party, brought in relation to this Contract, shall be entitled to recover court costs and reasonable attorneys' fees from the non-prevailing party.

11. Intent.

The parties hereto covenant and agree that they shall execute and deliver such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the intent of this Contract.

12. Multiple Originals.

This Contract may be executed in multiple originals, any copy of which shall be considered to be an original.

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13. **Authority.**

The signatories hereto represent and affirm that they are authorized to execute this Contract on behalf of the respective parties hereto.

14. **Severability.**

The provisions of this Agreement are severable, and if any word, phrase, clause, sentence, paragraph, section, or other part of this Agreement or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Agreement to other persons or circumstances shall not be affected thereby and this Agreement shall be construed as if such invalid or unconstitutional portion had never been contained therein.

15. **Entire Agreement.**

This Agreement, including any exhibits attached hereto and made a part hereof, constitutes the entire agreement between the parties relative to the subject matter of this Agreement. All prior agreements, covenants, representations, or warranties, whether oral or in writing, between the parties are merged herein.

16. **Amendment.**

No amendment of this Agreement shall be effective unless and until it is duly approved by each party and reduced to a writing signed by the authorized representatives of PKWSC and the Developer, respectively, which amendment shall incorporate this Agreement in every particular not otherwise changed by the amendment.

17. **Governing Law.**

This Agreement shall be construed under and in accordance with the laws of the State of Texas and all obligations of the parties are expressly deemed performable in Palo Pinto County, Texas.

18. **Venue.**


Any civil action at law or in equity brought to enforce or interpret any provision of this Contract shall be brought in a state court of competent jurisdiction with venue in Palo Pinto County, Texas. Any administrative action shall be brought before the TCEQ and the courts of competent jurisdiction in Travis County, Texas.

19. **Successors and Assigns.**

This Agreement shall be binding on and shall inure to the benefit of the heirs, successors and assigns of the parties.

20. **Assignability.**

The rights and obligations of the Developer hereunder may not be assigned without the prior written consent of PKWSC.

Initials 

21. Effective Date.

This Agreement shall be effective from and after the date of due execution by all parties.

IN WITNESS WHEREOF each of the parties has caused this Agreement to be executed by its duly authorized representative in multiple copies, each of equal dignity, on the date or dates indicated below.

Possum Kingdom Water Supply Corporation

By: William M. Jasper

Name: William M. Jasper

Title: President, Board of Directors

Date: 9/15/21

DEVELOPER

By: Janet Cox

Name: Janet Cox

Title: VP

Date: 9/23/2021

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ADDENDUM 1

Patterson Constantin Partners, LLC

DETAIL OF FEES:

The following is a detail listing of fees to be paid by the buyer of the developer's property / lot. Upon the sale of the property the developer will notify PKWSC of name and address of buyer.

- Membership in PKWSC of \$300.00
- Equity Buy-In of \$1,731.00 as of June 1, 2021 (If purchased after September 1, 2021)
- Meter Installation \$800.00
- Administration \$40.00
- Inspection of meter connection \$40.00

All fees listed are subject to the PKWSC Tariff and are subject to change with 30 days' notice. The amount billed will be the fee that is in effect at the time of closing and the meter will be installed at that time and billing will be initiated.

DEVELOPER WILL PAY:

- \$18,825.00 Capital in aid of Construction (CIAC) which will reserve capacity for the five (5) meters to be installed.
- \$750.00 for Engineering Investigation. THIS HAS BEEN PAID IN FULL.

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RIGHT OF WAY EASEMENT (General Type Easement)

KNOW ALL MEN BY THESE PRESENTS, that Patterson Construction Partners I, LLC, (hereinafter called "Grantors"), in consideration of one dollar (\$1.00) and other good and valuable consideration paid by Possum Kingdom Water Supply Corporation, (hereinafter called "Grantee"), the receipt and sufficiency of which is hereby acknowledged, does hereby grant, bargain, sell, transfer, and convey to said Grantee, its successors, and assigns, a perpetual exclusive easement with the right to erect, construct, install, and lay and thereafter access and use, operate, inspect, repair, maintain, replace, upgrade, parallel and remove water distribution lines and appurtenances and any other facilities necessary to serve Grantors' property [including that property's water meter(s) if the easement is located at or near the property line] as well as the Grantee's current and future system-wide customers, under, over and across 3.374 acres of land, more particularly described as (911 Address) Patterson Constantin Place, (Lot), (Block/Area) _____, (Sub-Division/Tract) J.D. Alkins Survey, or (Abstract) 2 in instrument recorded in Vol. 11, Page 143, Deed Records, Palo Pinto / Stephens County, Texas, together with the right of ingress and egress over Grantor's adjacent lands for the purpose for which the above mentioned rights are granted. The easement hereby granted shall not exceed twenty feet (20') in width, and Grantee is hereby authorized to designate the course of the easement herein conveyed except that when the pipeline(s) is installed, the easement herein granted shall be limited to a strip of land 20' in width the center line thereof being the pipeline as installed.

Grantee shall have such other rights and benefits necessary and/or convenient for the full enjoyment and use of the rights herein granted, including without limitation, (1) the reasonable right of ingress and egress over and across lands owned by Grantor which are contiguous to the easement for the purpose of accessing the easement in the most efficient and effective manner but not to use Grantor's contiguous property for other purposes; (2) the reasonable right from time to time to remove any and all paving, undergrowth and other obstructions that may injure Grantee's facilities and appurtenances or interfere with the construction, maintenance, inspection, operation, protection, repair, alteration, testing, replacement, upgrading, paralleling, relocation (as above limited), substitution or removal thereof; and (3) the right to abandon-in-place any and all water supply lines, service lines and associated appurtenances, such that Grantee shall have no obligation or liability to Grantor or their successors or assigns to move or remove any such abandoned lines or appurtenances.

In the event the easement hereby granted abuts on a public road and the county or state hereafter widens or relocates the public road so as to require the relocation of this water line as installed, Grantor further grants to Grantee an additional easement over and across the land described above for the purpose of laterally relocating said water line as may be necessary to clear the road improvements, which easement hereby granted shall be limited to a strip of land 20' in width the center line thereof being the pipeline as relocated.

Grantor shall have the right to construct and maintain a driveway across the easement so long as it crosses the easement at an approximate ninety-degree (90°) angle and does not cover the easement for a protracted or unreasonable distance. Grantor takes this action with the full knowledge and understanding that Grantee may, at some unknown date, without or without advance notice, have to excavate its water line for maintenance or repair. Thereafter, Grantee shall be charged only with a reasonable duty to restore the drive to a working condition without guarantee or warranty of aesthetic or pre-existing condition.

Grantor shall have the right to erect a fence(s) across the easement for the purpose of containing livestock and domesticated animals. However, if Grantor erects a fence(s), Grantor shall install a gate at each end of the easement (if the total easement exceeds 300 feet or if it crosses a watercourse). These gates may be locked but the locking combinations must be given to the Grantee and not changed without its prior knowledge. The Grantor's water meter shall be located in proximity to a gate for ease of reading if maintained behind the fence. One gate may be replaced by a stile capable of bearing a 300-pound person to be located at the site of the water meter. This requirement for gates and fence stiles may be waived in writing by Grantee on a landowner-by-landowner basis as the property passes in chain of title in recognition of Grantee's above-recited right of access across Grantor's contiguous lands if the waiver does not place an undue burden on meter readers.

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The consideration recited herein shall constitute payment in full for all damages sustained by Grantors by reason of the installation of the structures referred to herein and the Grantee will maintain such easement in a state of good repair and efficiency so that no unreasonable damages will result from its use to Grantors' premises. This agreement together with other provisions of this grant shall constitute a covenant running with the land for the benefit of the Grantee, its successors, and assigns. The Grantors covenant that they are the owners of the above described land and that said lands are free and clear of all encumbrances and liens except the following:

Grantor does hereby bind itself, its successors and assigns, to WARRANT AND FOREVER DEFEND, all and singular, the easement herein granted to Grantee, or Grantee's successors and assigns, against every person whomsoever claiming, or to claim, the same or any part thereof.

The easement conveyed herein was obtained or improved through Federal financial assistance. This easement is subject to the provisions of the Title VI of the Civil Rights Act of 1964 and the regulations issued pursuant thereto for so long as the easement continues to be used for the same or similar purpose for which financial assistance was extended or for so long as the Grantee owns it, whichever is longer.

IN WITNESS WHEREOF the said Grantors have executed this instrument this 23rd day of Sep, 2021.

[Signature]
Signature
Janet Cox
Printed Name

ACKNOWLEDGEMENT

STATE OF TEXAS
COUNTY OF Tarrant.

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared Janet Cox VP of PCPT, LLC known to me to be the person(s) whose name(s) is(are) subscribed to the foregoing instrument, and acknowledged to me that he (she) (they) executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS THE 23 day of September 2021.

[Signature]
Tarrant County, Texas.
(Notary Public in and for)

(Seal)



Initials [Signature]

LAYOUT OF "HUMMINGBIRD WEST"

B.B.B. & C. RR. CO.
SURVEY
ABSTRACT NO. 104

J.D. ALSTON SURVEY
ABSTRACT NO. 2

E.R. HARRIS SURVEY
ABSTRACT NO. 234

CRYSTAL BLUFF GOAT
RANCHES, LLC
18.070 ACRES
V. 2131, P. 30

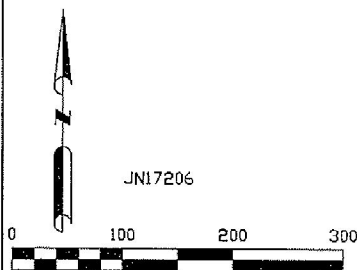
HUMMINGBIRD ROAD

6.65 ACRES

GREENBELT AREA

FORUM CIRCLE

PARK ROAD 36



EXHIBIT

TEL-7

Possum Kingdom Water Supply Corporation**Service Application and Agreement**940-779-3100 Fax 940-779-3137 TDD 800-735-2989
1170 Willow Road, Graford, Texas 76449

656

Please Print:

DATE

10-01-18

APPLICANT'S NAME

Jamie Mask

CO-APPLICANT'S NAME

Kathy Mask

APPLICANT'S BILLING ADDRESS

1528 Hummingbird Ln
Graford, TX 76449

APPLICANT'S SERVICE ADDRESS

Same

PHONE NUMBER - Home

817-713-6721

Work

682-213-0075

E-MAIL ADDRESS

Mask Jamie @ gmail.com

PROOF OF OWNERSHIP PROVIDED BY: (Check applicable box) Lease ☐ Sub-Lease ☐ Warranty Deed ☒TYPE OF SERVICE: (Check applicable box) Single Family Residence ☒ Business ☐ Apt. Building ☐

LEGAL DESCRIPTION OF PROPERTY (Include subdivision with lot and block number from lease or warranty deed)

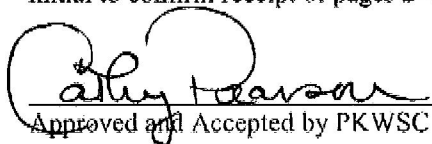

Hummingbird West, Lot 7

NOTE: FORM MUST BE COMPLETED BY APPLICANT ONLY.

By execution hereof, the Applicant agrees that non-compliance with the terms of this agreement, pages two through four, by said Applicant shall constitute denial or discontinuance of service until such time as the violation is corrected to the satisfaction of the Corporation.

Any misrepresentation of the facts by the Applicant on any of the four pages of this agreement shall result in discontinuance of service pursuant to the terms and conditions of the Corporation's tariff.

Initial to confirm receipt of pages 2-4 _____


Approved and Accepted by PKWSC
Applicant Signature

10-3-18

PKWSC Date Approved

EXHIBIT

TEL-8

MEMBERSHIP TRANSFER AUTHORIZATION

Transferor hereby surrenders Membership in the Possum Kingdom WSC by execution of the following document. Water service rights granted by Membership and other qualification hereby cease contingent upon further qualification of the Transferee in accordance with the policies of the Possum Kingdom WSC.

By execution hereof, the undersigned hereby acknowledges that the Membership Transfer complies with the terms of one of the following items (1) through (4), thereby qualifying for transfer of Membership in accordance with the laws of the State of Texas.

- (1) The Membership is transferred by will to a person related to the Transferor within the second degree by consanguinity; or
- (2) The Membership is transferred without compensation to a person related to the Transferor within the second degree by consanguinity; or
- (3) The Membership is transferred without compensation or by sale to the Corporation; or
- (4) The Membership is transferred as a part of the conveyance of real estate from which the Membership arose.

Transferee understands that qualification for Membership is not binding on the Corporation and does not qualify Member for continued water service unless the following terms and conditions are met:

- (1) This Membership Transfer Authorization Form is completed by the Transferor and Transferee;
- (2) The Transferee has completed the required Application Packet;
- (3) All indebtedness due the Corporation has been paid;
- (4) The Membership Certification has been surrendered, properly endorsed, by the record Transferor;
- (5) The Transferee demonstrates satisfactory evidence of ownership of the property designated to receive service and from which the Membership originally arose; and
- (6) Any other terms and conditions of the Corporation's Tariff are properly met.

Location of Meter 1528 Hummingbird Acct # 656 Final Read/ Date

Note: A fee of \$150.00 is charged to the Transferee on all transfers.

Signature of Transferor (Seller)

Mailing Address

City, State, Zip Code

Phone



Signature of Transferee (Buyer)

1528 Hummingbird LN

Mailing Address

Gratford TX 76449

City, State, Zip Code

682-213.0075

Phone

MEMBERSHIP TRANSFER AUTHORIZATION

Transferor hereby surrenders Membership in the Possum Kingdom WSC by execution of the following document. Water service rights granted by Membership and other qualification hereby cease contingent upon further qualification of the Transferee in accordance with the policies of the Possum Kingdom WSC.

By execution hereof, the undersigned hereby acknowledges that the Membership Transfer complies with the terms of one of the following items (1) through (4), thereby qualifying for transfer of Membership in accordance with the laws of the State of Texas.

- (1) The Membership is transferred by will to a person related to the Transferor within the second degree by consanguinity; or
- (2) The Membership is transferred without compensation to a person related to the Transferor within the second degree by consanguinity; or
- (3) The Membership is transferred without compensation or by sale to the Corporation; or
- (4) The Membership is transferred as a part of the conveyance of real estate from which the Membership arose.

Transferee understands that qualification for Membership is not binding on the Corporation and does not qualify Member for continued water service unless the following terms and conditions are met:

- (1) This Membership Transfer Authorization Form is completed by the Transferor and Transferee;
- (2) The Transferee has completed the required Application Packet;
- (3) All indebtedness due the Corporation has been paid;
- (4) The Membership Certification has been surrendered, properly endorsed, by the record Transferor;
- (5) The Transferee demonstrates satisfactory evidence of ownership of the property designated to receive service and from which the Membership originally arose; and
- (6) Any other terms and conditions of the Corporation's Tariff are properly met.

Location of Meter

1528 Hummingbird Lane

Acct #

656

Final Read/ Date

9/20/18

Note: A fee of \$150.00 is charged to the Transferee on all transfers.

CBGR, LLC

Signature of Transferor (Seller)

Gary R. - member

Mailing Address

6300 Ridgely Pl #920

City, State, Zip Code

Fort Worth TX 76116

Phone

Signature of Transferee (Buyer)

Mailing Address

City, State, Zip Code

Phone

Transfer Form

(Office use only)

Seller

Name

CBGR, LLC

Acct.#

656 #1930

Service Address:

Hummingbird West Lot 7

Phone: 817-994-4617 Closing Date: 9-21-18 Mailed Forms: 9-21-18

Special Notes:

gary@modcoins.com

Buyer

Name

Jamie Mask

Mailing Address:

Phone:

mailed

9-21-18

Special Notes:

jmask@p

emailed again on 10-2-18

Transfer Fee:

150.00

Acct Set up:

Membership Change:

Meter # Change:

Route Change

Auto Pay Changes

Group Billing Change

Paperwork Completed

Customer Detail

CBGR, LLC

Account Number

656

CBGR, LLC
 GARY RAY & CHRIS BEESON
 6300 RIDGLEA PLACE #920
 FORT WORTH TX
 76116 (817)994-4617
 Service Address: HUMMINGBIRD WEST LOT 7

Date Turned On 7/27/2017
 Date Turned Off 8/18/2017
 Meter Check Date
 Rate Code 1
 Pump/Well Number 1
 Last Reading 500
 Previous Reading 487
 Usage 130
 # of Units 1

Months On System 14
 Total Usage 4,870
 Average Usage 348
 Sequence Number 14841
 Meter Serial Number 1547035836
 Route Number 25
 Last Read Date 9/13/2018
 12 Month Average 406
 Last Year Average 130
 Previous Year Average 0
 Last 'Paid On Time' Date 10/9/2017
 Last Late Charge Date
 Number Of Late Months 0
 Next Due Date 10/17/2018
 Year To Date Charges \$341.97

Radio Mtr ID 1547035836

Meter Type 2

Membership Information

Membership Amount	\$300.00	Membership Date	8/31/2017
Deposit Amount 2	\$0.00	Deposit 2 Date	
0			

	Usage	Charges	Read Date	Reading
January	10	41.39	1/15/2018	155
February	1,270	45.60	2/13/2018	282
March	80	41.63	3/13/2018	290
April	160	41.89	4/16/2018	306
May	320	42.42	5/15/2018	338
June	170	41.92	6/13/2018	355
July	1,290	45.66	7/16/2018	484
August	30	41.46	8/13/2018	487
September	40	41.49	9/13/2017	4
October	1,200	45.36	10/16/2017	124
November	220	42.09	11/13/2017	146
December	80	41.63	12/13/2017	154

Certificate Number	0
Services	Current Balance
Water	\$41.58
Regulatory Fee	\$0.21
Previous Charges	(\$120.08)
Current Balance	-78.29

Last Payment 10/9/2017 \$591.13 Check Number 14392
 Age 1 \$0.00 Age 2 \$0.00 Age 3 \$0.00
 LOT 7

Cathy Pearson

From: "Cathy Pearson" <cathy@pkwsc.com>
Date: Friday, September 21, 2018 11:04 AM
To: <maskjamie@gmail.com>
Attach: Membership Transfer Authorization.pdf; Service Application and Agreement Master.pdf; ATT00052.htm
Subject: Paperwork for Hummingbird west lot 7

Please fill out, sign and return as soon as possible. Let me know if you have any questions.

Thank you,

Cathy Pearson
Billing Administrator
Possum Kingdom Water Supply
1170 Willow Road
Graford, TX 76449
940-779-3100
940-779-3137 (Fax)

9/21/2018

PKWSC 000581

Cathy Pearson

From: "Cathy Pearson" <cathy@pkwsc.com>
Date: Friday, September 21, 2018 1:24 PM
To: <gary@modcoins.com>
Attach: Membership Transfer Authorization.pdf; ATT00119.htm
Subject: Transfer form

Please fill out and sign on seller side

Thank you,

Cathy Pearson
Billing Administrator
Possum Kingdom Water Supply
1170 Willow Road
Graford, TX 76449
940-779-3100
940-779-3137 (Fax)

9/21/2018

Cathy Pearson

From: "Gary Ray" <gary@modcoins.com>
Date: Friday, September 21, 2018 1:38 PM
To: "Cathy Pearson" <cathy@pkwsc.com>
Cc: "Nacole Beeson" <nacolebeeson@gmail.com>
Attach: ATT00166.htm; image001.png; CBGR Membership Transfer Authorization.pdf
Subject: RE: Transfer form

Cathy- see attached. Thanks GR

Gary Ray
CBGR, LLC

6300 Ridglea Place, Suite 920,
Fort Worth, Texas 76116
(817) 546-1955 Office
gary@modcoins.com <mailto:gary@modcoins.com>

CONFIDENTIALITY NOTICE: This e-mail transmission, and any documents, files or previous e-mail messages attached to it may contain confidential information that is legally privileged. If you are not the intended recipient, or a person responsible for delivering it to the intended recipient, you are hereby notified that any disclosure, copying, distribution or use of any of the information contained in or attached to this transmission is STRICTLY PROHIBITED. If you have received this transmission in error, please immediately notify us by reply e-mail, by forwarding this to Gary@modcoins.com <mailto:gary@modcoins.com> or by telephone to (817) 546-1955, and destroy the original transmission and its attachments. Thank you.

From: Cathy Pearson [mailto:cathy@pkwsc.com]
Sent: Friday, September 21, 2018 1:25 PM
To: Gary Ray <gary@modcoins.com>
Subject: Transfer form

Please fill out and sign on seller side

Thank you,

Cathy Pearson
Billing Administrator
Possum Kingdom Water Supply
1170 Willow Road
Graford, TX 76449
940-779-3100
940-779-3137 (Fax)

9/21/2018

Possum Kingdom Water Supply Corporation

Service Application and Agreement

940-779-3100 Fax 940-779-3137 TDD 800-735-2989
1170 Willow Road, Graford, Texas 76449

#4380

Please Print:

DATE

12/15/20

APPLICANT'S NAME

Jack Duff Michel

CO-APPLICANT'S NAME

Sheila Michel

APPLICANT'S BILLING ADDRESS

APPLICANT'S SERVICE ADDRESS

PO Box 904

Kermit, TX 79745

1532 Hummingbird Lane

Graford, TX 76449

PHONE NUMBER - Home

432-208-0621

Work

432-586-6681

E-MAIL ADDRESS

duffmichel@yahoo.com

PROOF OF OWNERSHIP PROVIDED BY: (Check applicable box) Lease ☐ Sub-Lease ☐ Warranty Deed ☒TYPE OF SERVICE: (Check applicable box) Single Family Residence ☒ Business ☐ Apt. Building ☐

LEGAL DESCRIPTION OF PROPERTY (Include subdivision with lot and block number from lease or warranty deed)

Lot 5, Hummingbird West Subdivision

NOTE: FORM MUST BE COMPLETED BY APPLICANT ONLY.

By execution hereof, the Applicant agrees that non-compliance with the terms of this agreement, pages two through four, by said Applicant shall constitute denial or discontinuance of service until such time as the violation is corrected to the satisfaction of the Corporation.

Any misrepresentation of the facts by the Applicant on any of the four pages of this agreement shall result in discontinuance of service pursuant to the terms and conditions of the Corporation's tariff.

Initial to confirm receipt of pages 2-4 JDm

Applicant Signature

Patsy Pearson
Approved and Accepted by PKWSC

12-16-20
PKWSC Date Approved

TERMS AND CONTIDIONS

AGREEMENT made on approval date between Possum Kingdom Water Supply Corporation, a corporation organized under the laws of the State of Texas (hereinafter called the Corporation) and the Applicant and/or Co-Applicant.

Witnesseth:

The Corporation shall sell and deliver water and/or wastewater service to the Applicant and the Applicant shall purchase, receive, and/or reserve service from the Corporation in accordance with the by-laws and tariff of the Corporation as amended from time to time by the Board of Directors of the Corporation. Upon compliance with said policies, including payment of a Membership Fee, the Applicant qualifies for Membership as a new applicant or continued Membership as a transferee and thereby may hereinafter be called a Member.

The Member shall pay the Corporation for service hereunder as determined by the Corporation's tariff and upon the terms and conditions set forth therein, a copy of which has been provided as an information packet, for which Member acknowledges receipt hereof by execution of this agreement. A copy of this agreement shall be executed before service may be provided to the Applicant.

The Board of Directors shall have the authority to discontinue service and cancel the Membership of any Member not complying with any policy or not paying any utility fees or charges as required by the Corporation's published rates, fees, and conditions of service. At any time service is discontinued, terminated or suspended, the Corporation shall not re-establish service unless it has a current, signed copy of this agreement.

If this agreement is completed for the purpose of assigning utility service as a part of a rural domestic water and/or wastewater system loan project contemplated with the Rural Development, an Applicant shall pay an Indication of Interest Fee in lieu of a Membership Fee for the purposes of determining:

- a) The number of taps to be considered in the design and
- b) The number of potential ratepayers considered in determining the financial feasibility of constructing
 - 1) A new water system or
 - 2) Expanding the facilities of an existing water system.

The Applicant hereby agrees to obtain, utilize, and/or reserve service as soon as it is available. Applicant, upon qualification for service under the terms of the Corporation's policies, shall further qualify as a Member and the Indication of Interest Fee shall then be converted by the Corporation to a Membership Fee. Applicant further agrees to pay, upon becoming a Member, the monthly charges for such service as prescribed in the Corporation's tariff. Any breach of this agreement shall give cause for the Corporation to liquidate, as damages, the fees previously paid as an indication of interest. In addition to any Indication of Interest Fees forfeited, the Corporation may assess a lump sum of \$300.00 as liquidated damages to defray any losses incurred by the Corporation. If delivery of service to said location is deemed infeasible by the Corporation and the Indication of Interest Fee, less expenses, shall be refunded. The Membership in the Corporation and the Indication of Interest Fee, less expenses shall be refunded. The Applicant may re-apply for service at a later date under the terms and conditions of the Corporation's policies. For the purposes of this agreement, an Indication of Interest Fee shall be of an amount equal to the Corporation's Membership Fee.

All water shall be metered by meters to be furnished and installed by the Corporation. The meter and/or wastewater connection is for the sole use of the Member or customer and is to provide service to only one (1) dwelling or one (1) business. Extension of pipe(s) to transfer utility service from one property to another, to share, resell, or sub-meter water to any other persons, dwellings, businesses, or property, etc., is prohibited.

The Corporation shall have the right to locate a water service meter and the pipe necessary to connect the meter on the Member's property at a point to be chosen by the Corporation, and shall have access to its property and equipment located upon Member's premises at all reasonable and necessary times for any purpose connected with or in the furtherance of its business operations, and upon discontinuance of service the Corporation shall have the right to remove any of its equipment from the Member's property. The Member shall install, at their own expense, any customer service isolation valves, backflow prevention devices, clean-outs, and other equipment as may be specified by the Corporation. The Corporation shall also have access to the Member's property for the purpose of inspecting for possible cross-connections, potential contamination hazards, and illegal lead materials.

The Corporation is responsible for protecting the drinking water supply from contamination or pollution which could result from improper plumbing practices. This service agreement serves as notice to each customer of the plumbing restrictions which are in place to provide this protection. The Corporation shall enforce these restrictions to ensure the public health and welfare. The following undesirable practices are prohibited by state regulations and Corporation's Tariff:

The Member shall be responsible for compliance with all utility, local, and state codes, requirements, and regulations concerning on-site service and plumbing facilities.

- (1) *All connections shall be designed to ensure against back-flow or siphonage into the Corporation's water supply. In particular, livestock water troughs shall be plumbed above the top of the trough with air space between the discharge and the water level in the trough. (30 TAC 290.44)*
- (2) *All outside water faucets must have an anti-siphon device on hose bib connections.*
- (3) *Any irrigation system, pool, decorative fountain, or water to a dock installed on the potable water service is required to have a Reduced Pressure Zone Assembly (RPZA) installed. This must be installed by a licensed plumber or irrigation specialist between the system and the water meter. After installation it must be inspected by a certified Backflow Prevention Assembly Tester (BPAT) with the inspection report sent to PKWSC. Inspection is required annually thereafter with the report sent to PKWSC.*
- (4) *The use of pipe and pipe fittings that contain more than 0.25% lead or solders and flux that contains more than 0.2% lead is prohibited for any plumbing installation or repair of any residential or non-residential facility providing water for human consumption and connected to the Corporation's facilities. Customer service pipelines shall be installed by the applicant. (30 TAC 290.44)
(Revised 6-2019 Per TCEQ Guidelines)*
- (5) *Service shall be discontinued without further notice when installations of new facilities or repair of existing facilities are found to be in violation of this regulation until such time as the violation is corrected. (Revised 9-14)*

The Corporation shall maintain a copy of this agreement as long as the Member and/or premises are connected to the public water system. The Member shall allow their property to be inspected for possible cross-connections, potential contamination hazards, and illegal lead materials. These inspections shall be conducted by the Corporation or its designated agent prior to initiating service and periodically thereafter. The inspections shall be conducted during the Corporation's normal business hours.

The Corporation shall notify the Member in writing of any cross-connections or other undesirable practices which have been identified during the initial or subsequent inspection. The Member shall immediately correct any undesirable practice on their premises. The Member shall, at their expense, properly install, test, and maintain any backflow prevention device required by the Corporation. Copies of all testing and maintenance records shall be provided to the Corporation as required.

In the event the total water supply is insufficient to meet all of the Members, or in the event there is a shortage of water, the Corporation may initiate the Emergency Rationing Program as specified in the Corporation's Tariff. By execution of this agreement, the Applicant hereby shall comply with the terms of said program.

By execution hereof, the Applicant shall hold the Corporation harmless from any and all claims for damages caused by service interruptions due to waterline breaks by utility or like contractors, tampering by other Member/users of the Corporation, normal failures of the system, or other events beyond the Corporation's control.

The Member shall grant to the Corporation, now or in the future, any easements of right-of-way for the purpose of installing, maintaining, and operating such pipelines, meters, valves, and any other equipment which may be deemed necessary by the Corporation to extend or improve service for existing for future Members, on such forms as are required by the Corporation.

By execution hereof, the Applicant shall guarantee payment of all other rates, fees, and charges due on any account for which said Applicant owns a Membership Certificate. Said guarantee shall pledge any and all Membership Fees against any balance due the Corporation. Liquidation of said Membership Fees shall give rise to discontinuance of service under the terms and conditions of the Corporation's tariff.

The following information is requested by the Federal Government in order to monitor compliance with Federal laws prohibiting discrimination against applicants seeking to participate in this program. You are not required to furnish this information, but are encouraged to do so. This information will not be used in evaluating your application or to discriminate against you in any way. However, if you choose not to furnish it, we are required to note the race/national origin of individual applicants on the basis of visual observation or surname.

☒ White, Not of Hispanic Origin
 ☐ Black, Not of Hispanic Origin
 ☐ American Indian or Alaskan Native
 ☐ Hispanic
 ☐ Asian or Pacific Islander
 ☐ Other (Specify)
 ☒ Male
 ☐ Female

MEMBERSHIP TRANSFER AUTHORIZATION

Transferor hereby surrenders Membership in the Possum Kingdom WSC by execution of the following document. Water service rights granted by Membership and other qualification hereby cease contingent upon further qualification of the Transferee in accordance with the policies of the Possum Kingdom WSC.

By execution hereof, the undersigned hereby acknowledges that the Membership Transfer complies with the terms of one of the following items (1) through (4), thereby qualifying for transfer of Membership in accordance with the laws of the State of Texas.

- (1) The Membership is transferred by will to a person related to the Transferor within the second degree by consanguinity; or
- (2) The Membership is transferred without compensation to a person related to the Transferor within the second degree by consanguinity; or
- (3) The Membership is transferred without compensation or by sale to the Corporation; or
- (4) The Membership is transferred as a part of the conveyance of real estate from which the Membership arose.

Transferee understands that qualification for Membership is not binding on the Corporation and does not qualify Member for continued water service unless the following terms and conditions are met:

- (1) This Membership Transfer Authorization Form is completed by the Transferor and Transferee;
- (2) The Transferee has completed the required Application Packet;
- (3) All indebtedness due the Corporation has been paid;
- (4) The Membership Certification has been surrendered, properly endorsed, by the record Transferor;
- (5) The Transferee demonstrates satisfactory evidence of ownership of the property designated to receive service and from which the Membership originally arose; and
- (6) Any other terms and conditions of the Corporation's Tariff are properly met.

Location of Meter 1532 Hummingbird Lane Acct # 2017 Final Read/ Date


Note: A fee of \$150.00 is charged to the Transferee on all transfers.

Signature of Transferor (Seller)

Mailing Address

City, State, Zip Code

Phone



Signature of Transferee (Buyer)

PO Box 904

Mailing Address

Kermit TX 79745

City, State, Zip Code

432-208-0621

Phone

MEMBERSHIP TRANSFER AUTHORIZATION

Transferor hereby surrenders Membership in the Possum Kingdom WSC by execution of the following document. Water service rights granted by Membership and other qualification hereby cease contingent upon further qualification of the Transferee in accordance with the policies of the Possum Kingdom WSC.

By execution hereof, the undersigned hereby acknowledges that the Membership Transfer complies with the terms of one of the following items (1) through (4), thereby qualifying for transfer of Membership in accordance with the laws of the State of Texas.

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- (2) The Membership is transferred without compensation to a person related to the Transferor within the second degree by consanguinity; or
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Transferee understands that qualification for Membership is not binding on the Corporation and does not qualify Member for continued water service unless the following terms and conditions are met:

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- (2) The Transferee has completed the required Application Packet;
- (3) All indebtedness due the Corporation has been paid;
- (4) The Membership Certification has been surrendered, properly endorsed, by the record Transferor;
- (5) The Transferee demonstrates satisfactory evidence of ownership of the property designated to receive service and from which the Membership originally arose; and
- (6) Any other terms and conditions of the Corporation's Tariff are properly met.

Location of Meter 1532 Hummingbird Lane Grandforks Acct # 2017 Final Read/ Date 12/18/2020

Note: A fee of \$150.00 is charged to the Transferee on all transfers.

Amy Ray

Signature of Transferor (Seller)

Signature of Transferee (Buyer)

6300 Ridgle Place

Mailing Address

Mailing Address

Suite 920

City, State, Zip Code

City, State, Zip Code

Farmington TX 76116

Phone

Phone

GF # 20-119336

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.

GENERAL WARRANTY DEED

Effective Date: December 18, 2020

Grantor
(including mailing address): Crystal Bluff Goat Ranches, LLC, a Texas limited liability company
6300 Ridglea Place, Suite 920
Haltom City, Tarrant County, Texas 76117

Grantee
(including mailing address): Jack D. Michel
P.O. Box 924
Kermit, Winkler County, Texas 79745

Consideration: Cash and other good and valuable consideration to the undersigned paid by Grantee, the receipt and sufficiency of which are hereby acknowledged.

Property (including any improvements): SURFACE ONLY: Being all of Lot Five (5), Hummingbird West Subdivision, as shown on Plat recorded in Volume 10, Page 148, Plat Records of Palo Pinto County, Texas.

Reservations from Conveyance: This is a conveyance of the SURFACE ONLY. No minerals or interests in minerals are conveyed by this deed. Grantor retains for Grantor and Grantor's heirs, successors, and assigns forever, a reservation of all oil, gas, and minerals, if any is owned by Grantor, in and under and that may be produced from the Property.

Exceptions to Conveyance and Warranty: This conveyance is made and accepted subject to: (i) all presently recorded and validly existing restrictions, reservations, easements, covenants, conditions, oil and gas leases, mineral interests, water interests, and rights of way, other than conveyances of the surface fee estate, outstanding in persons other than Grantor; (ii) any applicable governmental or quasi-governmental regulations, restrictions, and rules including those of the Brazos River Authority; and (iii) taxes for 2020 which Grantee assumes and agrees to pay.

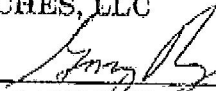
Grantor, for the Consideration and subject to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty, grants, sells, and conveys to Grantee the Property, together with all and singular the rights and appurtenances thereto in any way belonging, to have and hold it to Grantee and Grantee's heirs, successors, and assigns forever. Grantor binds Grantor and Grantor's heirs and successors to warrant and forever defend all and singular the Property to Grantee and Grantee's heirs, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty.

When the context requires, singular nouns and pronouns include the plural.

EXECUTED on the dates as stated in the acknowledgments, but **EFFECTIVE** for all purposes as of December 18, 2020.

GRANTOR:

**CRYSTAL BLUFF GOAT
RANCHES, LLC**

BY: 
GARY RAY, MANAGER

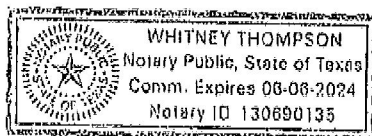
BY:  Member
CHRIS BEESON, MANAGER


STATE OF TEXAS §
 §
COUNTY OF Palo Pinto §

Before me, the undersigned notary public, on this day personally appeared GARY RAY, known to me/proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act of CRYSTAL BLUFF GOAT RANCHES, LLC, a Texas limited liability company, as a Manager, for the purposes and consideration therein expressed.

Given under my hand and seal of office this 18th day of December 2020.

NOTARY PUBLIC'S SEAL




Notary Public for
The State of Texas

STATE OF TEXAS

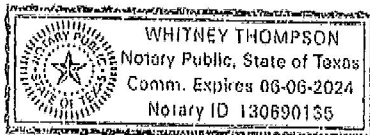
COUNTY OF Palo Pinto

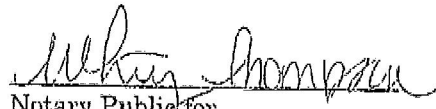
§
§
§

Before me, the undersigned notary public, on this day personally appeared CHRIS BEESON, known to me/proved to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act of CRYSTAL BLUFF GOAT RANCHES, LLC, a Texas limited liability company, as a Manager, for the purposes and consideration therein expressed.

Given under my hand and seal of office this 18th day of December 2020.

NOTARY PUBLIC'S SEAL




Notary Public for
The State of Texas

AFTER RECORDING RETURN TO:
EAGLE TITLE OF PALO PINTO
COUNTY, INC.
404 N. FM 2353
Graford, Texas 76449

PREPARED BY:
DAVISON RUGELEY, L.L.P.
900 8th Street, Suite 1102
Wichita Falls, Texas 76801

[https://dillrlaw.alacrapoint.com/sites/tepin.al/Shared Documents/Real Estate/PENDING/Crystal Bluff to Michel - Lot 6/OWD Dec. '20 Crystal Bluff to Michel.docx](https://dillrlaw.alacrapoint.com/sites/tepin.al/Shared%20Documents/Real%20Estate/PENDING/Crystal%20Bluff%20to%20Michel%20-%20Lot%206/OWD%20Dec.%2020%20Crystal%20Bluff%20to%20Michel.docx)

New Account Confirmation

Customer Information:

Customer Name: JACK DUFF MICHEL
Customer Address: P O BOX 904
KERMIT, TX 79745
Customer Phone: Mobile : 432 208-0621
Mobile 2 : 432 586-6681
Date of Birth: 1/1/1900
Driver License:
Social Security:

Location Information:

Location Address: 1532 HUMMINGBIRDRD
GRAFORD, TX 76449

Services Information:

Revenue Class: Residential
Utility Status: Waiting
Move In Date: 12/18/2020
Water: 1-REG -- 5/8x3/4
Regulatory Fee: REG -- Regulatory Fee -- .5%

Multi-Fixed Items Information:

None

Deposit Information:

Deposit Required: \$ 0.00

Additional Fee Information:

Water	TRANSP	\$150.00
Fee Total		\$150.00

Meter Serial Number Information:

1551512860
1551512860-M

POSSUM KINGDOM
WATER SUPPLY
CORPORATION

Service Order

Category : Final Read

Customer Information

Customer No. : 2017
Name : CRYSTAL BLUFF GOAT RANCH
Phone : 817 - 994-4617

Location Information

Location No. : 2017
Cycle : Monthly Cycle Bills
Route : 25
Address : 1532 HUMMINGBIRD RD
GRAFORD, Texas 76449
UNITED STATES

Service Order Information

Service Order No. : 000000011144
Assigned To :
Issue Date & Time : 12/15/2020 3:39:00PM
Assigned By : Cathy Pearson
Scheduled Date & Time : 12/18/2020 3:37:00PM
Requested By :

Comments :

NEED FINAL READ FOR TRANSFER PLEASE

Service Order Completion Information

Completion Date : 12-18-20 RD Completion Time :

Completion Comments :

Task Completion Information

Task No.: 1 Service : Water Service Order Code : 2 Description : Read Meter

Task Comments : NEED FINAL READ FOR TRANSFER PLEASE

Task Completion Comments :

Reading Sequence : 342 Previous Meter Reading : 1,293.00 Previous Meter Read Date : 11/16/2020
Meter No. : 1551512860-M Meter Reading : 1306 Transmitter : 1551512860
Meter Size : 5/8" x 3/4"

Meter No. : 1551512860 Meter Reading : Transmitter : 1551512860
Meter Size :

12/15/2020 3:38:44PM

Service Order

Page 1 of 1

PKWSC 000594

POSSUM KINGDOM WATER SUPPLY CORPORATION
Posting Totals - Detailed

From: 12/22/2020 Through: 12/22/2020

Limited to :

Location No.	Customer No.	Customer Name	Batch No.	Location Address	
Transaction Date	Invoice No.	Transaction Type	Receipt No.	Service / Description	Amount
Session:	4399				
Session Date:	12/22/2020				
2017	2017	CRYSTAL BLUFF GOAT RANCH		1532 HUMMINGBIRD RD	
12/22/2020	127728	Charge		Water Charge	\$5.49
				Regulatory Fee Charge	\$0.03
					<u>\$5.52</u>
				Session Total:	\$5.52

Transaction Code Summary

Tran Type	Code	Amount
Charge		
	1-REGR	\$5.49
	REG	\$0.03
		<u>\$5.52</u>
Grand Total by Code:		\$5.52

Transaction Type Summary

Tran Type	Service	Amount
Charge		
	Regulatory Fee	\$0.03
	Water	\$5.49
		<u>\$5.52</u>
Grand Total by Transaction Type:		\$5.52

Transfer Form

(Office use only)

Seller

Name Crystal Bluff Goat Ranch Acct.# 2017

Service Address: 1532 Hummingbird Rd

Phone: 817-994-4617 Closing Date: 12-18-20 Mailed Forms: 12-15-20 ^{Emailed}

Special Notes: Eagle

Buyer

Name Jack D Michel

Mailing Address: PO Box 904 Kermit, TX 79745

Phone: 432-208-0621 Mailed Forms: 12-15-20 ^{Emailed}

Special Notes: duffmichel@yahoo.com

Transfer Fee: 158⁰⁰ Acct Set up: _____ Membership Change: _____

Meter # Change: _____ Route Change: _____ Auto Pay Changes: _____

Group Billing Change: _____ Paperwork Completed: _____

12/15/2020

Mail - Cathy Pearson - Outlook

Transfer form for 1532 Hummingbird Rd

Cathy Pearson <cathy@pkwsc.com>

Tue 12/15/2020 3:42 PM

To: gary@modcoins.com <gary@modcoins.com>

 1 attachments (167 KB)

Membership Transfer Authorization.pdf;

Please fill out and sign on the seller side and return back to me .

Thanks You,

**Cathy Pearson
Billing Administrator
Possum Kingdom Water Supply
1170 Willow Road
Graford, TX 76449
940-779-3100
940-779-3137 fax**

12/15/2020

Mail - Cathy Pearson - Outlook

Paperwork for 1532 Hummingbird Rd

Cathy Pearson <cathy@pkwsc.com>

Tue 12/15/2020 3:46 PM

To: duffmichel@yahoo.com <duffmichel@yahoo.com>

📎 2 attachments (335 KB)

Service Application and Agreement Master Revised 6-2019.pdf; Membership Transfer Authorization.pdf;

Please fill out, sign & initial the Service Application and send back
Please fill out and sign on the buyers side of the Transfer form and send back to
me. I will put the \$150.00 Transfer fee on your 1st months bill. Let me know if you
have any questions please.

Thanks You,

Cathy Pearson
Billing Administrator
Possum Kingdom Water Supply
1170 Willow Road
Graford, TX 76449
940-779-3100
940-779-3137 fax