

WATER SERVICE AGREEMENT

THE STATE OF TEXAS
COUNTY OF ROCKWALL

THIS AGREEMENT is made and entered into by and between MC 550 Investors, L.P., hereinafter referred to as "Developer", and RCH Water Supply Corporation, hereinafter referred to as "WSC" on of July 24, 2018.

WHEREAS, the Developer is engaged in developing that certain 550.39 acres of land in City, more particularly described in Exhibit A attached hereto and incorporated herein (the "Property"), for a project called Sonoma Verde ("Sonoma"); Phase II (herein so called) of Sonoma will be comprised of 213 single family lots and entry and common areas; and Phase II is depicted on Exhibit A-2 attached hereto and incorporated herein;

WHEREAS, the Developer is developing future phases of Sonoma beyond Phase II described above which will be comprised of approximately 469 single family lots ("Future Phases");

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

WHEREAS, WSC owns and operates two 8" water lines and one 6" water line in the vicinity of the Property;

WHEREAS, Developer has requested WSC to provide water service to Phase II and the Future Phases in the amount of the water needed for the uses in Phase I as described above, through an extension of WSC's water system within the Property as depicted in Exhibit B attached hereto and incorporated herein, such extension being hereinafter referred to as "the Water System Extension";

WHEREAS, WSC has the water capacity to do provide service to Phase II and the Future Phases up to 682 living unit equivalents;

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 WSC agree as follows:

1. Engineering and Design of the Water System Extension.
 - a. The Water System Extension shall be the extension of the existing WSC facilities in Phase I of the Property and other facilities as described in Exhibit B.
 - b. The Water System Extension shall be engineered and designed by a Texas Registered Professional Engineer in accordance with the applicable specifications of the WSC and all governmental agencies having jurisdiction. All plans and specifications must be reviewed and approved by WSC's consulting engineer prior to the issuance of any request for bids for the construction of the Water System Extension, which approval will not be unreasonably withheld, delayed or conditioned. After such approval of the plans and specifications by the WSC's consulting engineer, the plans and specifications shall become part of this Agreement by reference and shall more particularly define "the Water System Extension".
 - c. The Water System Extension must be sized to provide continuous and adequate water service to the applicable Phase of the Property based on plans for the development of the applicable Phase provided to WSC by the Developer. WSC may require the Water System Extension to be oversized in anticipation of the needs of other customers of WSC, subject to the obligation to reimburse the Developer for any such oversizing as provided below.
 - d. Developer consents to the inclusion of the Property within WSC's CCN and will sign all documents requested by WSC or the TCEQ to amend WSC's CCN to include the Property.
 - e. Developer shall provide a site for an elevated storage tank to continue service for Phase II and the Future Phases. Developer shall provide in fee a one-acre site at the corner of Edwards Road and League Road.
 - f. Regardless of any other provision herein or any exhibit attached hereto, the provision of water service to non-single family, residential lots may be served but are subject to different agreement between the Parties hereto.

2. Required Easements.
 - a. The Water System Extension is within the Property, and Developer shall be responsible for granting any easements across the Property which are necessary for the construction of the Water System Extension.
 - b. Any easements acquired by the Developer shall be in a form approved by the WSC and shall be assigned to WSC 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 the Developer assigns such easements to the WSC must be approved by the WSC's attorney.
3. Cost of the Water System Extension
 - a. Developer shall pay all costs associated with the Water System Extension, including without limitation to the cost of the following:
 - 1) Engineering and design;
 - 2) Construction;
 - 3) Inspection;
 - 4) Reasonable attorney's fees;
 - 5) Easement or right of way acquisition, if any; and
 - 6) Governmental or regulatory approvals required to lawfully provide service.
 - b. **Developer shall indemnify WSC and hold WSC harmless from all of the foregoing costs (the "Extension Costs").**
 - c. Provided, however, nothing herein shall be construed as obligating the Developer to maintain the Water System Extension subsequent to its transfer and acceptance for maintenance by WSC.
 - d. If WSC has required the Water System Extension to be oversized in anticipation of the needs of the other customers of WSC, WSC shall reimburse Developer for the additional costs of construction attributable to the oversizing, as reasonably determined by WSC's consulting engineer, monthly as such costs are incurred, on the same schedule as the monthly draws are made on the financing for the base water lines.
4. Service From the Water System Extension.
 - a. Developer will make a payment toward the costs of the infrastructure costs of WSC to serve Phase II and the Future Phases in the amount of \$1,300,000.00, which will be payable to WSC as follows:
 - 1) Within 30 days after Developer begins the excavation work for Phase 2, Developer will pay to RCH \$400,000;
 - 2) Within 30 days after Developer and the builders close their first takedown for that Phase 2, Owner will pay to RCH \$500,000;
 - 3) Within 30 days after Owner begins the excavation work for the lots in any Future Phase of Sonoma Verde, Owner will pay to RCH \$400,000

After completion of the Water System Extension for the applicable Phase as provided herein, WSC shall provide continuous and adequate water service for the subject Phase which satisfies the standards required by the TCEQ, subject to all duly adopted rules and regulations of WSC. The only charges beyond the charge provided for in subsection (a) above shall be the standard rates, fees, and charges as reflected in WSC's approved tariff, which is attached as Exhibit C hereto; all of such fees and charges (other than the payment required from Developer in the immediately preceding subsection (a)), including without limitation the Membership Fee, Installation Fee and Equity Buy-in Fee (Impact Fee) shall be paid by the builder or other party acquiring a lot and requesting a meter for the lot; there will only be Reserved Service Charges on lots after a water meter is installed and is not active.

b. Unless the prior approval of WSC is obtained, the Developer shall not:

- 1) Connect additional water lines or facilities to the Water System Extension to service areas outside Phase II or the Future Phases, unless such area has been added as another Phase to this Agreement as provided herein;
- 2) Add any additional land to the Property for which water service is to be provided pursuant to this Agreement; or
- 3) Connect or serve any person or entity to the Water System Extension except for the lots in a Phase II or Future Phases.

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 Agreement, 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 part. 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, and any other inability 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 of 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 or communication including any required documents or instruments required or permitted hereunder shall be in writing and shall be deemed to be delivered, (i) whether actually received or not, three (3) days after it was deposited in the United States mail, postage fully prepaid, registered or certified mail, addressed to the intended recipient at the address below, (ii) when sent via facsimile with the sender retaining a confirmation thereof, (iii) when received via hand courier service, (iv) the day after sent, if sent by overnight delivery service such as Federal Express, Lone Star or Airborne, or (v) on the day sent by email to the applicable party. Any address for notice may be changed by written notice so given..

Any notice mailed to the WSC shall be addressed:

RCH Water Supply Corporation
PO Box 2034
Rockwall, TX 75087
Email: rbaley@airmail.net
Telephone: (972) 722-3203
Facsimile: (972) 722-0333

Any notice mailed to Developer shall be addressed:

MC 550 Investors, L.P.
2 Horizon Court
Heath, Texas 75032
Attn: Russell Phillips
Email: rphil404@aol.com
Telephone: (469) 446-7734
Facsimile: (972) 772-6801

With copy to:

MC 550 Investors, L.P.
2 Horizon Court
Heath, Texas 75032
Attn: Joey Howell
Email: joey@sterlingonc.us
Telephone: (972) 877-8376
Facsimile: (972) 772-6801

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

7. 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.

8. 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.

9. 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 the WSC and the Developer, respectively, which amendment shall incorporate this Agreement in every particular not otherwise changed by the amendment.

10. 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 Rockwall, County, Texas.

11. Venue.

Venue for any suit arising hereunder shall be in Rockwall, County, Texas.

12. Successors and Assigns.

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

13. Assignability.

Developer has the right to assign this Agreement, in whole or in part, to any person or entity (an "Assignee") that is or will become an owner of any portion of the Property or that is an entity that is controlled by or under common control with Developer. Each assignment shall be in writing executed by Developer and the Assignee and shall obligate the Assignee to be bound by this Agreement to the extent this Agreement applies or relates to the obligations and rights to the subject property being assigned. A copy of each assignment shall be provided to WSC after execution. From and after such assignment, WSC agrees to look solely to the Assignee for the performance

of all obligations assigned to the Assignee and agrees that Developer shall be released from subsequently performing the assigned obligations and from any liability that results from the Assignee's failure to perform the assigned obligations; provided, however, if a copy of the assignment is not delivered to WSC, Developer shall not be released until the WSC receives such assignment. No assignment by Developer shall release Developer from any liability that resulted from an act or omission by Developer that occurred prior to the effective date of the assignment unless WSC approves the release in writing.

14. Effective Date.

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

15. Mediation.

Prior to the institution of legal action by either party related to any dispute arising under this Agreement, said dispute shall be referred to mediation within 15 days after written notice from a party requesting same by an independent mediator mutually agreed upon by both parties. The cost of the mediator shall be shared equally by both parties.

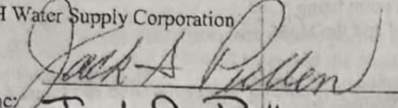
IN WITNESS WHEREOF each of the parties has caused this Agreement to be executed by its duly authorized representative in multiple copies, each of equal dignity.

RCH Water Supply Corporation

By:

Name:

Title:


Jack S. Pullen
President

MC 550 Investors, L.P.

By MC 550 GP, LLC, its general partner

By:

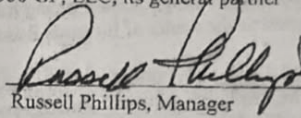

Russell Phillips, Manager

EXHIBIT A

PROPERTY DESCRIPTION

Tract I:

All that certain lot, tract or parcel of land situated in the KING LATHAM SURVEY, ABSTRACT NO. 133, located partially within the City of McLendon-Chisholm, Rockwall County, Texas, and being a part of the First tract called 516 acres as described in a Warranty deed from C.D. Edwards and Lillian Edwards to W.A. Edwards, dated January 7, 1937 and being recorded in Volume 33, Page 280 of the Deed Records of Rockwall County, Texas, and conveyed in a Special Warranty deed from Estate of Aroh Hampton Edwards to Isabell Edwards and Isabell Edwards Trust, dated July 20, 1983 and being recorded in Volume 406, Page 126 of the Real Property Records of Rockwall County, Texas, and being all of a 25.02 acres tract of land as described in a Warranty deed from Anna Jane Shook Webb to Anthony Piazza and Theresa A. Piazza, dated July 26, 1999 and being recorded in Volume 1679, Page 217 of the Real Property Records of Rockwall County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2" iron rod with yellow plastic cap stamped "R.S.C.I. RPLS 5034" set for corner in the center of Edwards Road and in the Northeast line of said Edwards tract, said point being S. 44 deg. 59 min. 36 sec. E., 310.00 feet from a 1/2" iron rod found at the North corner of said Edwards tract and the North corner of said Latham Survey;

THENCE S. 44 deg. 59 min. 36 sec. E. along Edwards Road, a distance of 5370.83 feet to a 1/2" iron rod found for corner at the intersection of the center of Edwards Road and the center of Wallace Road, at the East corner of said Edwards tract;

THENCE S. 45 deg. 00 min. 00 sec. W. (Controlling bearing line) along the center of Wallace Road, a distance of 4008.65 feet to a 1/2" iron rod with yellow plastic cap stamped "R.S.C.I. RPLS 5034" set for corner at a turn in said road, said point being the South corner of said Edwards tract and being in the Northeast line of a 15' road dedication by plat of FRONTIER MEADOWS, an Addition to McLendon-Chisholm, Rockwall County, Texas, according to the Plat thereof recorded in Cabinet B, Slide 94 of the Plat Records of Rockwall County, Texas;

THENCE N. 45 deg. 10 min. 28 sec. W. along said Addition and 15 foot dedication line, a distance of 2405.38 feet to a 1/2" iron rod found for corner;

THENCE N. 45 deg. 21 min. 31 sec. W. along said Addition and 15 foot dedication line and along the Northeast line of Lot 25, a distance of 653.30 feet to a 1/2" iron rod found for corner at the North corner of Lot 25 and being at the East corner of a 25 acres tract of land as described in a Deed to Anthony Piazza, as recorded in Volume 1679, Page 217 of the Real Property Records of Rockwall County, Texas;

THENCE S. 44 deg. 39 min. 13 sec. W. along the Southeast line of said Piazza tract and the Northwest line of Frontier Meadows Addition, a distance of 2603.50 feet to a 1/2" iron rod found for corner at the South corner of said 25.02 acres tract and being in the Northeast right-of-way line of State Highway 205;

THENCE N. 44 deg. 39 min. 57 sec. W. along said right-of-way line, a distance of 419.42 feet to a 1/2" iron rod found for corner at the West corner of said Piazza 25.02 acres tract and the South corner of Lot 1, BOMAR ADDITION, an Addition to the City of McLendon-Chisholm, Rockwall County, Texas, according to the Plat thereof recorded in Cabinet B, Slide 104 of the Plat Records of Rockwall County, Texas;

THENCE N. 44 deg. 40 min. 20 sec. E., along the Southeast line of said BOMAR ADDITION, a distance of 2599.53 feet to a 1/2" iron rod found for corner at the East corner of Lot 4, BOMAR ADDITION;

THENCE N. 45 deg. 13 min. 34 sec. W. a distance of 836.82 feet to a 3/8" iron rod found for corner at the East corner of Lot 4, MEADOWCREEK ADDITION, an Addition to the City of McLendon-Chisholm, Rockwall County, Texas, according to the Plat thereof recorded in Cabinet B, Slide 74 of the Plat Records of Rockwall County, Texas;

THENCE N. 45 deg. 08 min. 44 sec. W. along the Northeast line of said Addition, a distance of 1387.78 feet to a 1/2" iron rod with yellow plastic cap stamped "R.S.C.I. RPLS 5034" set for corner in the Southeast line of GREENHOLLOW RANCH, an Addition to the City of McLendon-Chisholm, Rockwall County, Texas, according to the Plat thereof recorded in Cabinet E, Slide 213 of the Plat Records of Rockwall County, Texas;

THENCE N. 45 deg. 09 min. 23 sec. E. along the Southeast line of said Addition, a distance of 2296.02 feet to a 1" iron pipe found for corner at the East corner of Lot 7 of said Addition;

THENCE N. 45 deg. 29 min. 10 sec. E. a distance of 1381.83 feet to a 1/2" iron rod with yellow plastic cap stamped "R.S.C.I. RPLS 5034" set for corner;

THENCE S. 44 deg. 59 min. 36 sec. E. a distance of 310.00 feet to a 1/2" iron rod with yellow plastic cap stamped "R.S.C.I. RPLS 5034" set for corner;

THENCE N. 45 deg. 29 min. 10 sec. E. a distance of 351.30 feet to the POINT OF BEGINNING and containing 547.89 acres of land.

Tract 2:

All that certain lot, tract or parcel of land situated in the KING LATHAM SURVEY, ABSTRACT NO. 133, Rockwall County, Texas, and being a part of the First tract called 515 acres as described in a Warranty deed from C.D. Edwards and Lillian Edwards to W.A. Edwards, dated January 7, 1937 and being recorded in Volume 33, Page 280 of the Deed Records of Rockwall County, Texas, and conveyed in a Special Warranty deed from Estate of Arch Hampton Edwards to Isabell Edwards and Isabell Edwards Trust, dated July 20, 1983 and being recorded in Volume 406, Page 126 of the Real Property Records of Rockwall County, Texas, and being more particularly described as follows:

BEGINNING at a 1/2" iron rod with yellow plastic cap stamped "R.S.C.I. RPLS 5034" found for corner at the North corner of said Edwards tract and the North corner of said Latham Survey, said point being in a turn in Edwards Road;

THENCE S. 44 deg. 59 min. 36 sec. E. along Edwards Road, a distance of 310.00 feet to a 1/2" iron rod found for corner in the center of Edwards Road;

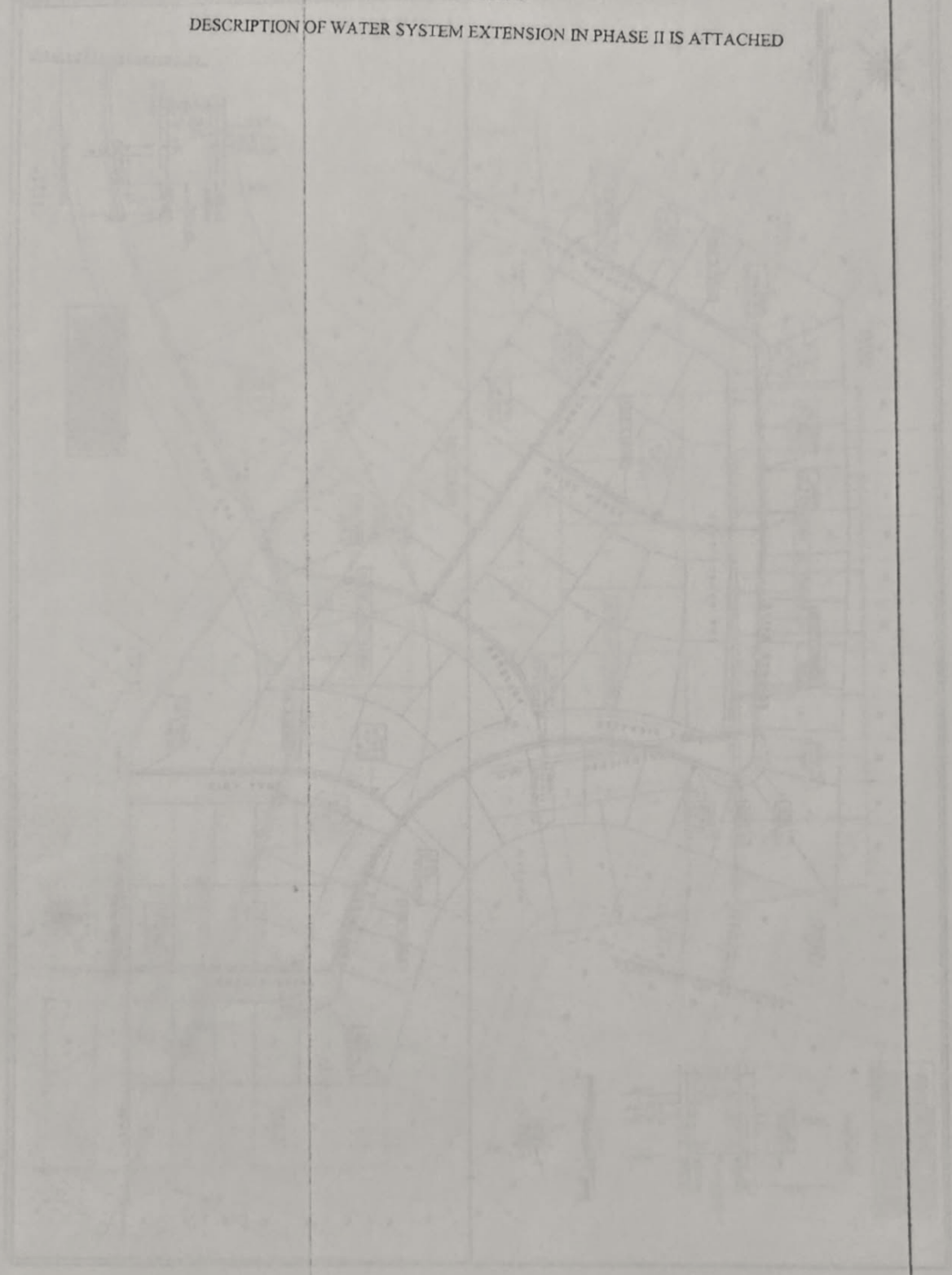
THENCE S. 45 deg. 29 min. 10 sec. W., at 30.00 feet pass a 1/2" iron rod with yellow plastic cap stamped "R.S.C.I. RPLS 5034" found for witness and continuing for a total distance of 351.30 feet to a 1/2" iron rod with yellow plastic cap stamped "R.S.C.I. RPLS 5034" found for corner;

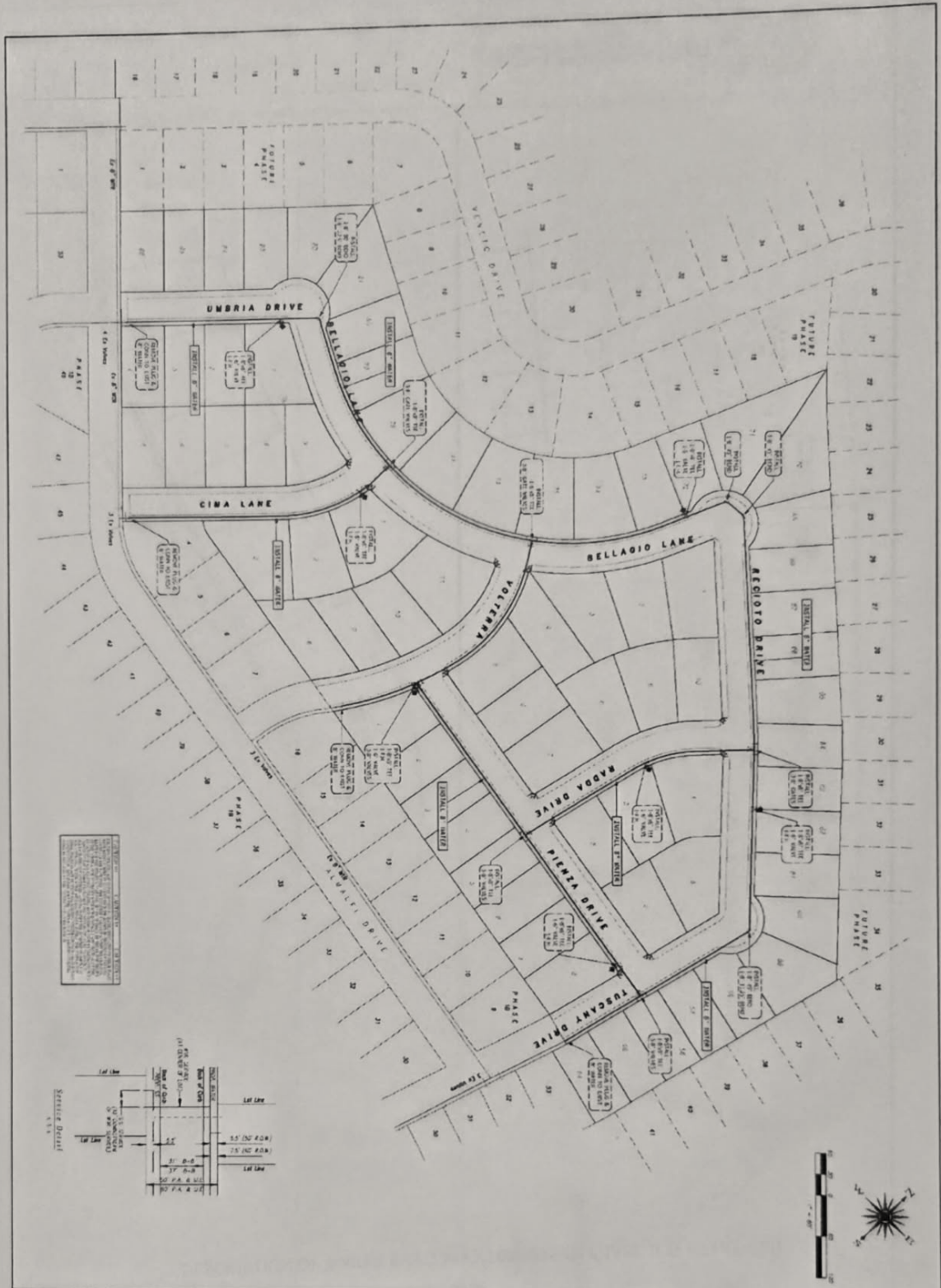
THENCE N. 44 deg. 59 min. 36 sec. W. a distance of 310.00 feet to a 1/2" iron rod with yellow plastic cap stamped "R.S.C.I. RPLS 5034" found for corner in the northwest boundary line of said 515 acres tract;

THENCE N. 45 deg. 29 min. 10 sec. E. along the northwest line of said tract, a distance of 351.30 feet to the POINT OF BEGINNING and containing 2.50 acres of land.

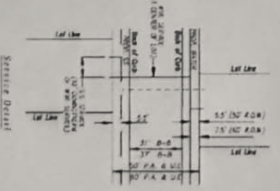
EXHIBIT B

DESCRIPTION OF WATER SYSTEM EXTENSION IN PHASE II IS ATTACHED





NOTES:
 1. ALL DIMENSIONS ARE IN FEET AND DECIMALS THEREOF.
 2. ALL CORNERS ARE TO BE MARKED WITH IRON PIPES.
 3. ALL EASEMENTS ARE TO BE SHOWN BY DASHED LINES.
 4. ALL UTILITIES ARE TO BE SHOWN BY DOTTED LINES.
 5. ALL DISTANCES ARE TO BE MEASURED ALONG THE CENTERLINE OF THE ROAD OR DRIVE.
 6. ALL DISTANCES ARE TO BE MEASURED ALONG THE CENTERLINE OF THE ROAD OR DRIVE.
 7. ALL DISTANCES ARE TO BE MEASURED ALONG THE CENTERLINE OF THE ROAD OR DRIVE.
 8. ALL DISTANCES ARE TO BE MEASURED ALONG THE CENTERLINE OF THE ROAD OR DRIVE.
 9. ALL DISTANCES ARE TO BE MEASURED ALONG THE CENTERLINE OF THE ROAD OR DRIVE.
 10. ALL DISTANCES ARE TO BE MEASURED ALONG THE CENTERLINE OF THE ROAD OR DRIVE.

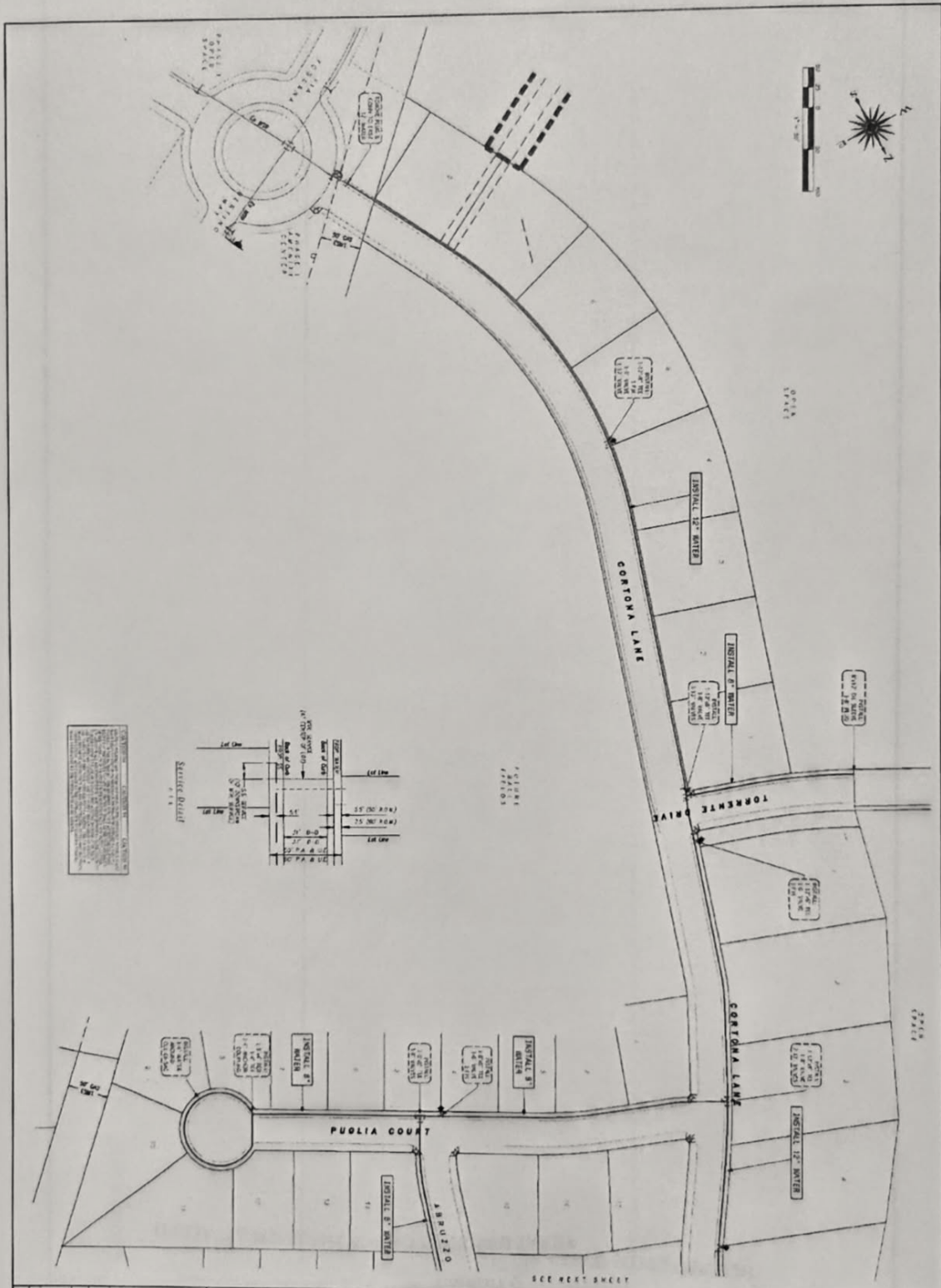


Scale	1" = 40'
Sheet No.	64 of 150
Project Name	TRACT B LOTS 1-150
Client	FC CUNY CORPORATION
Drawn By	[Signature]
Checked By	[Signature]
Approved By	[Signature]
Date	10/15/03

FC. CUNY CORPORATION
 57 Thurston Court • Ste. 300 • Heath, Texas 75042
 Phone: 800-452-7500
 Fax: 409-402-0300
 Texas Registered Engineering Firm F-1141

Sonoma Verde
 Phase Two

Owner:
MC 550 Land Holdings, L.P.
 42 Horizon Court • Heath, Texas • 75042
 Phone: 972-772-9400



DATE	1/14/08
BY	MC 550
PROJECT	TRACT C
CLIENT	MC 550 HOLDINGS, L.P.
SCALE	AS SHOWN

F.C. CUNY CORPORATION
 12 Riverfront Center • Suite 300 • Houston, Texas 77002
 Phone: 409-452-1500
 Fax: 409-452-4700
 Texas Registered Engineering Firm F-1449

Sonoma Verde
 Phase Two

Owner:
MC 550 Land Holdings, L.P.
 #2 Horizon Court • Houston, Texas • 77032
 Phone: 972-772-0400

NO.	DATE	DESCRIPTION



SEE PREVIOUS SHEET



PROJECT	TRACT C
CLIENT	MC 550 Land Holdings, L.P.
DATE	12/14/24
SCALE	AS SHOWN
BY	[Signature]
CHECKED	[Signature]
DATE	

F.C. CUNY CORPORATION
 42 Horizon Court • Suite 250 • Heath, Texas 75032
 Phone: 409-452-7700
 Fax: 409-452-9700
 Texas Registered Engineering Firm # 1428

Sonoma Verde Phase Two

Owner:
MC 550 Land Holdings, L.P.
 42 Horizon Court • Heath, Texas • 75032
 Phone: 972-772-0400

NO.	REVISION

