

WATER CCN TRANSFER AGREEMENT

This **Water CCN TRANSFER AGREEMENT** is entered into this _____ day of _____, 2023 (this "Agreement"), by and among **GREEN VALLEY SPECIAL UTILITY DISTRICT**, a special utility district created pursuant to chapter 65 of the Texas Water Code ("GVSUD"), **CITY OF SCHERTZ, TEXAS** a municipality ("Schertz"), and **TEXAS MULTIFAMILY CAPITAL, LLC.**, a Texas limited liability company (the "Developer," and, together with GVSUD and Schertz, the "Parties"), in connection with the boundary lines of the water Certificates of Convenience and Necessity ("CCNs") held by GVSUD and Schertz for the provision of retail public service pursuant to the Texas Water Code ("TWC").

RECITALS:

WHEREAS, GVSUD provides retail water service under water CCN No. 10646, issued by the Public Utility Commission of Texas ("PUC") to certain areas in and about Comal County and Guadalupe County, as generally depicted in **Exhibit A**;

WHEREAS, Schertz provides retail water service under water CCN No. 10645, issued by the PUC, for the provision of retail water to certain areas in and about Bexar County, Comal County, and Guadalupe County, as generally depicted in **Exhibit B**;

WHEREAS, the boundaries of the GVSUD water CCN and the Schertz water CCN are adjacent to one another in various areas;

WHEREAS, Developer has requested that GVSUD transfer approximately 22.16 acres of its water CCN located within Comal County along the border with Comal County, located near the intersection of FM 482 and Hubertus Rd. depicted in **Exhibit C** (the "Property") to Schertz, so that Schertz might provide retail water services to the Property;

WHEREAS, the Property is being developed by Developer and is identified as PIDs#401272, 401273, 75237, 75375 and 75246, Comal County Appraisal District records, and depicted in **Exhibit D, and** is currently undeveloped; and

WHEREAS, GVSUD and Schertz are amenable to altering the boundaries of their respective water CCNs by transferring the portion of the Property contained within the boundaries of the GVSUD CCN to Schertz so that the Property is removed from the GVSUD water CCN and added to the Schertz water CCN.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

AGREEMENT:

Water CCN

1. The Parties hereby incorporate by this reference the recitals set forth above in this Agreement.
2. In accordance with Section 13.248 of the Texas Water Code, but at all times subject to the approval of the PUC and the United States Department of Agricultural (the "USDA"), GVSUD and Schertz hereby agree to the modification of the respective boundaries of GVSUD's water CCN No. 10646 to transfer the Property from GVSUD's CCN No. 10646 to Schertz's CCN No. 10645.
3. In accordance with Section 13.248 of the Texas Water Code, but at all times subject to the approval of the PUC and the USDA, Schertz hereby agrees to the expansion and modification of the boundaries of its CCN No. 10645 to include the Property and assume all statutory and regulatory obligations with regard to the provision of retail public water service to the Property, such area to be transferred from GVSUD's CCN No. 10646 to the area to be encompassed within Schertz's CCN No. 10645.
4. GVSUD shall be responsible for preparing and filing the application to obtain the PUC's approval of the CCN transfer of the Property between Schertz and GVSUD, subject to Developer's obligation to reimburse GVSUD for all reasonable costs associated with the processing of such PUC application. The Developer shall also be responsible for hiring a third party-vendor to prepare hard copy maps with supporting electronic metadata for the Property that satisfies the Texas Water Code and PUC rules. The Parties hereto agree to cooperate and coordinate in seeking PUC approvals contemplated under this Agreement.
5. GVSUD shall be responsible for obtaining consent from the USDA for the CCN transfer of the Property between GVSUD and Schertz.
6. The Developer agrees to pay all the expenses of GVSUD in connection with this transfer, including, but not limited to, the following as may be applicable:
 - a. PUC administrative fees, if any;
 - b. fees associated with preparing hard copy maps and electronic maps with supporting electronic metadata for the Property filed in connection with the PUC application; and
 - c. all reasonable legal and consulting costs associated with preparation and processing of the PUC CCN transfer agreement application and verifying the accuracy of the mapping and supporting metadata.

7. Schertz and GVSUD agree that no compensation shall be due and owing between Schertz and GVSUD in conjunction with such transfer as no real or personal property of either party is being affected by such transfer.
8. Schertz shall not commence providing retail water services for compensation to the Developer or any retail customer on the Property until the PUC has authorized the CCN transfer of the Property between Schertz and GVSUD.
9. Schertz shall not approve any documents indicating that Schertz is the retail water services provider prior to the PUC authorizing the CCN transfer of the Property between Schertz and GVSUD. Contingent upon USDA's approval for the CCN transfer of the Property between GVSUD and Schertz and upon PUC's approval of the CCN transfer of the Property between Schertz and GVSUD, Developer hereby agrees to pay GVSUD within thirty (30) days after the latter of 1) approval by the USDA or 2) PUC's issuance of a final order or other non-appealable finding, transferring the Property into the City of Schertz's water CCN No. 10645, Forty Four Thousand Three Hundred Twenty and 00/100 (\$44,320.00).
10. Schertz agrees that, upon approval of the revision to its CCN boundaries by the PUC to remove the Property presently within the boundaries of GVSUD's CCN No. 10646, GVSUD shall have no further obligation to provide retail water service to the Property, and that, upon PUC inclusion of the Property within the boundaries of Schertz's CCN No. 10645, Schertz shall be solely responsible for the provision of retail water service to any owner or occupant of, or customers on, the Property under such terms and condition as are allowed under its CCN and any applicable governmental statutes and regulations.

General Provisions

1. **GOVERNING LAW.** THIS AGREEMENT SHALL BE GOVERNED, CONSTRUED, AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS. ALL ACTS REQUIRED OR PERMITTED TO BE PERFORMED HEREUNDER ARE PERFORMABLE IN COMAL COUNTY, TEXAS, AND IT IS AGREED THAT ANY CIVIL ACTION BROUGHT TO ENFORCE OR CONSTRUE THE TERMS OR PROVISIONS HEREOF OR TO ENJOIN OR REQUIRE THE PERFORMANCE OF ANY ACT IN CONNECTION HEREWITH, SHALL BE BROUGHT IN A COURT OF COMPETENT JURISDICTION SITTING IN COMAL COUNTY, TEXAS. IT IS AGREED THAT ANY ADMINISTRATIVE LAW ACTION BROUGHT TO ENFORCE OR CONSTRUE THE TERMS OR PROVISIONS HEREOF OR TO ENJOIN OR REQUIRE THE PERFORMANCE OF ANY ACT IN CONNECTION HEREWITH,

SHALL BE BROUGHT AT THE PUC OR ITS SUCCESSOR AGENCY.

2. Severability. In the event one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
3. Unintended Omission. If any punctuation, word, clause; sentence, or provision necessary to give meaning, validity or effect to any other word, clause, sentence, or provision appearing in this Agreement shall be omitted here from, then it is hereby declared that such omission was unintentional and that the omitted punctuation, word, clause, sentence, or provision shall be supplied by inference.
4. Amendment. This Agreement shall not be amended or terminate except by an instrument signed by all parties to this Agreement.
5. Entire Agreement. This Agreement reflects the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings of the parties in connection herewith.
6. Multiple Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which together shall be construed as one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

GREEN VALLEY SPECIAL UTILITY DISTRICT,
a special utility district created pursuant to
chapter 65 of the Texas Water Code

By: _____
David P. Allen

CITY OF SCHERTZ, a Texas municipality

By: _____
Name: _____
Title: _____

TEXAS MULTIFAMILY CAPITAL
a Texas limited liability company

By: _____
Title: _____

Exhibit A

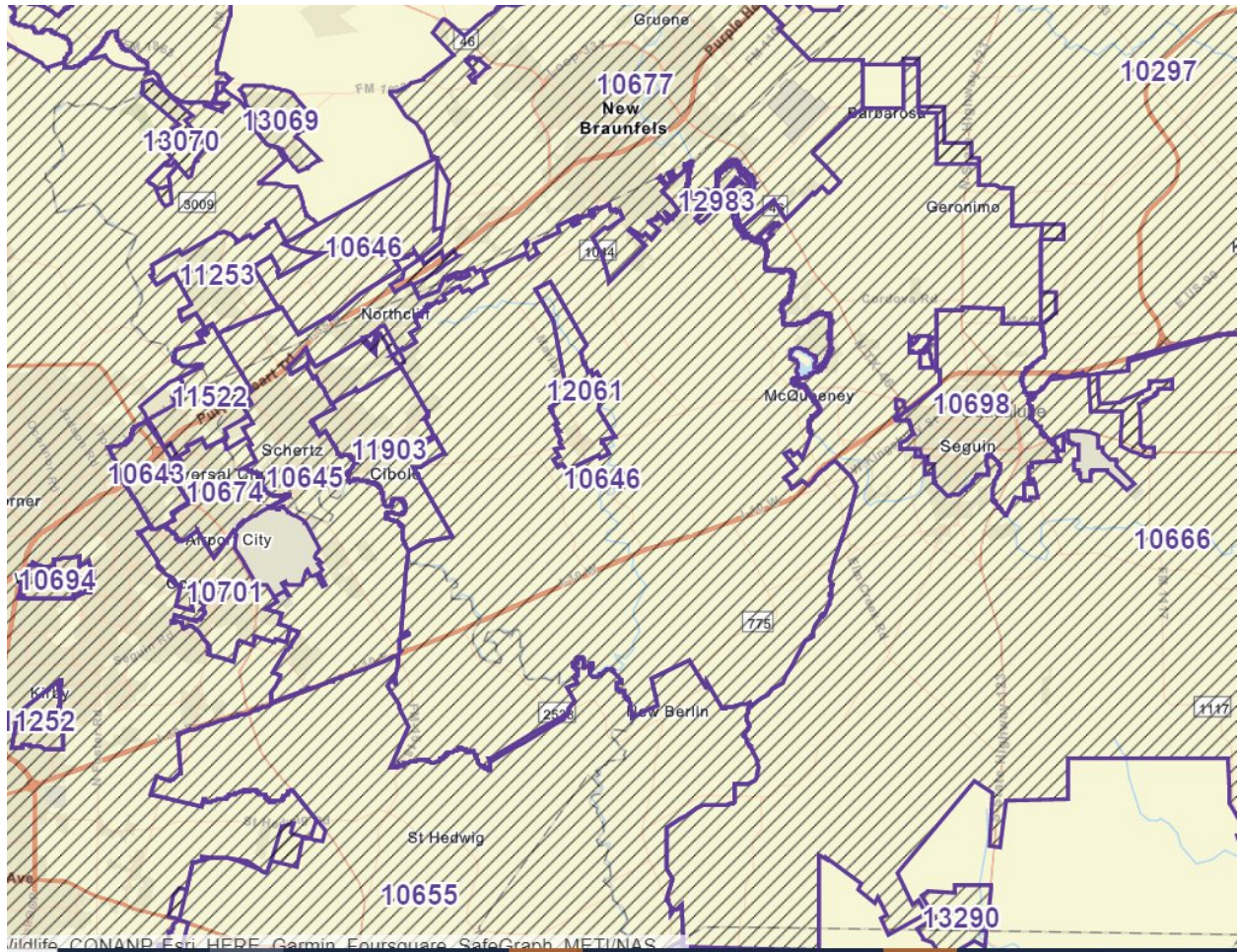


Exhibit B

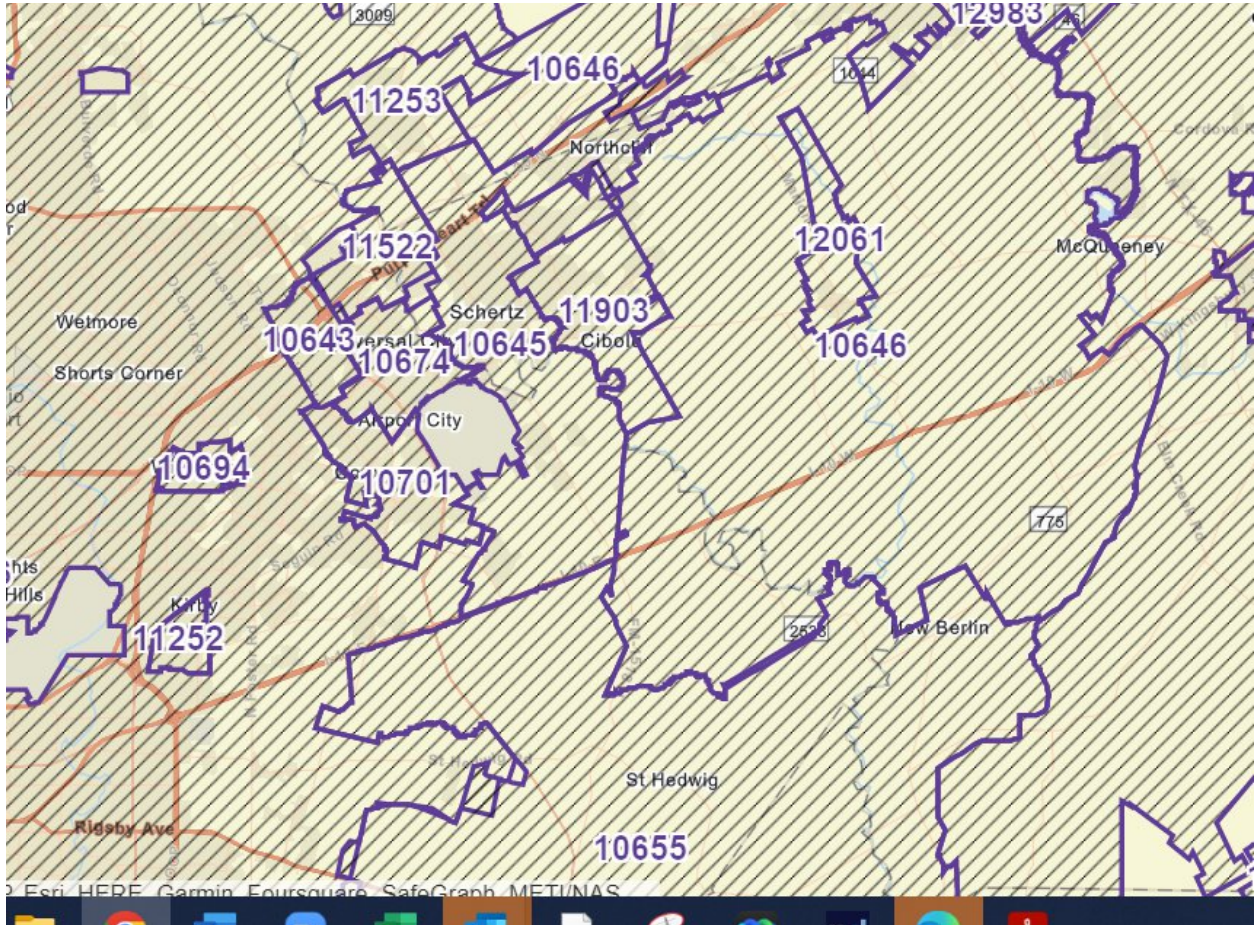
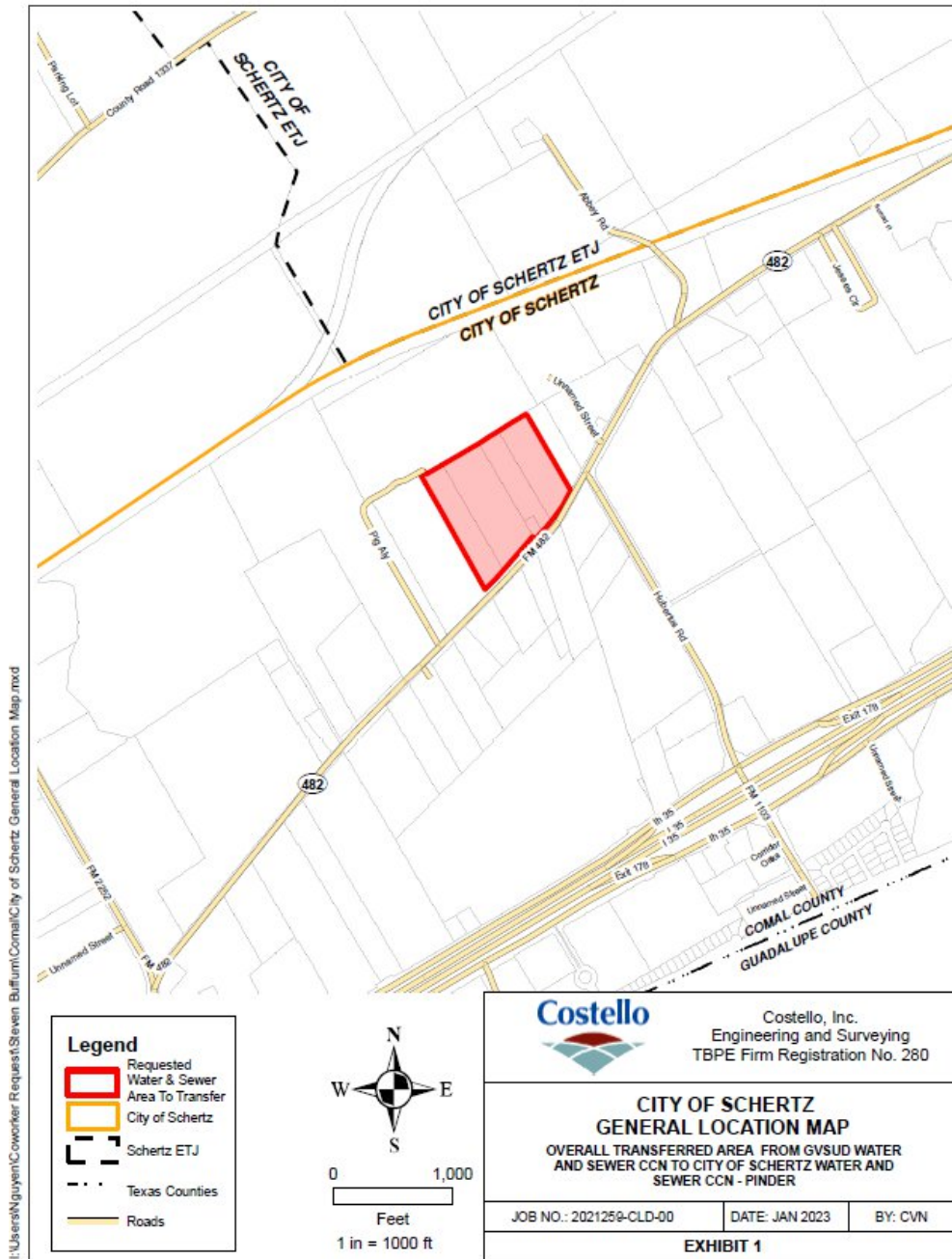


Exhibit C



I:\Users\Nguyen\Coworker Request\Steven Buffum\Comal\City of Schertz General Location Map.mxd

Legend

- Requested Water & Sewer Area To Transfer
- City of Schertz
- Schertz ETJ
- Texas Counties
- Roads

N
W —+— E
S

0 1,000

Feet

1 in = 1000 ft

Costello, Inc. Engineering and Surveying TBPE Firm Registration No. 280		
CITY OF SCHERTZ GENERAL LOCATION MAP OVERALL TRANSFERRED AREA FROM GVSUD WATER AND SEWER CCN TO CITY OF SCHERTZ WATER AND SEWER CCN - PINDER		
JOB NO.: 2021259-CLD-00	DATE: JAN 2023	BY: CVN
EXHIBIT 1		

Exhibit D

