

on Environmental Quality ("TCEQ") rules, regulations, statutes and procedures. To the extent such information and/or tests, and/or test data is required, DEVELOPER agrees to perform and provide data from such tests at his sole cost and expense. In the event DEVELOPER does not provide such information and data within 30 days of written request by Utility, the Utility can perform such tests and DEVELOPER hereby grants Utility such right to enter upon his premises to perform such tests and DEVELOPER acknowledges its agreement to be responsible for the cost of such testing and time charges of Utility personnel and/or contract management charges in performing these functions and shall pay Utility within 30 days of Utility's invoice date

2.

CONSTRUCTION OF THE SYSTEM

2.01. DEVELOPER is required to install water and sewer lines and appurtenances to all lots within the proposed subdivision as shown in Exhibit "C", attached and made a part hereto. Upon completion of the waterlines and sewer lines and acceptance by the Utility, Developer will provide a Utility Conveyance Agreement and invoices for the total cost of the waterlines and sewer lines. The Utility Conveyance Agreement will be similar to Exhibit "D", attached and made a part hereto.

3.

PROVISION OF FACILITIES BY UTILITY

3.01. Utility agrees to provide DEVELOPER with Seven (7) LUE's of water and Seven (7) LUE's of wastewater capacity. Utility agrees to expand its water and wastewater facilities, if necessary, in a reasonable and orderly manner to provide the LUE capacity reserved in this Agreement. Utility represents that, as of the date of this Agreement, Utility has existing capacity to meet the requirements of the DEVELOPER's reservation and Utility's obligation to provide the water and wastewater capacity set forth in this Agreement.

3.02. Pretreatment. Any sewage other than domestic sewage will require pretreatment. This requirement may be waived in writing by the Utility, with such waiver to be determined by the Utility at its sole discretion. DEVELOPER shall pay all costs and expenses for any pretreatment facilities and/or processes. DEVELOPER's pretreatment requirements shall be established by the terms and conditions of any water quality discharge or disposal permit issued to the Utility to regulate the Utility's treatment and discharge or disposal of wastewater generated on the Development, applicable rules and regulations of the TCEQ, the United States Environmental Protection Agency, all rules, regulations or policies adopted by other governing bodies with jurisdiction, and this Agreement.

4.

CONDITIONS PRECEDENT TO SERVICE

- 4.01.** Water and wastewater service will not be provided to the Land until:
- (a) the installation, inspection, and acceptance of the water distribution lines, the wastewater lines, the wastewater interceptors, and water approach mains, and until the Utility obtains title through a Bill of Sale free and clear of all liens, encumbrances and restrictions to the water distribution and wastewater collection facilities necessary, if any, to serve the Land as provided in Article 5 of this Agreement; and
 - (b) all tap fees to be paid by the individual lot owners in the Development and post-connection fees and charges pursuant to Utility's water tariffs as approved by the TCEQ, or any other governing body having jurisdiction, as applied to commercial customers, are paid; and
 - (c) DEVELOPER has engineered and Utility has accepted any pretreatment and facilities, pretreatment plan, and record-keeping plan for such pretreatment facilities; and
 - (d) the plans and specifications for the construction and facilities shall have been reviewed, commented upon, and accepted by the parties; and

4.02. Utility shall not connect or provide services to the Land under this Agreement unless DEVELOPER has provided Utility with the certificate applicable to the Land issued under Section 21.0115, pursuant to Section 212.012 of the Texas Local Government Code.

5.
EASEMENTS

5.01. DEVELOPER shall grant to Utility all necessary easements and other interests in and on the Land for the water distribution system, if any, and any easements and other interests in Land necessary to transport water from the existing system to the system designed upon this Land.

6.
ALLOCATION AND TRANSFER OF LUE'S

6.01. This Agreement extends and applies only to the provision of water and wastewater services to Land in LUE units as described on **Exhibit "A"** hereto. DEVELOPER warrants that the legal description in Paragraph 1.01 is accurate, and that it is the only owner of the Land. This Agreement or any part thereof may only be transferred, pursuant to the provisions of Paragraph 7.02 below, when the Land or any part of it is transferred by deed, duly recorded in the San Jacinto County Deed Records, to a new owner.

6.02. The LUE's reserved and committed in this Agreement do not run with the Land. DEVELOPER may transfer or assign this Agreement subject to Paragraph 7.01 of this Agreement and subject to prior written approval by Utility, which approval shall not be unreasonably withheld or delayed. DEVELOPER and the transferee will return this Agreement to Utility, and Utility will issue a replacement agreement to the transferee. The provisions of the replacement agreement will be substantially identical to this Agreement. After any transfer, Utility shall have no further liability to DEVELOPER unless the transfer is a partial transfer. No transfer will be made until all DEVELOPER's obligations to Utility are satisfied. No transfer will be made until DEVELOPER has reimbursed the Utility for all reasonable legal, engineering expenses, and other related fees and costs incurred by Utility in connection with the transfer, and DEVELOPER's transferee has affirmatively accepted all responsibilities under the Agreement and Utility has in its sole discretion qualified the transferee.

7.
CONSIDERATION AND ALLOCATION OF LUE'S

7.01. The charge for each LUE of water reserved in this Agreement is ONE THOUSAND FOUR HUNDRED EIGHTY-NINE AND NO/100 DOLLARS (\$1,489.00), the total charge for Seven (7) LUEs of water being TEN THOUSAND FOUR HUNDRED TWENTY-THREE AND NO/100 DOLLARS (\$10,423.00), which is a contribution in aid of construction in an amount sufficient to furnish the development with all facilities compliant with the TCEQ minimum design criteria for production, storage, treatment, or transmission facilities necessary for a water distribution system.

7.02. The charge for each LUE of wastewater reserved in this Agreement is FOUR HUNDRED SEVENTY-FOUR AND NO/100 DOLLARS (\$474.00), the total charge for Seven (7) LUEs of wastewater being THREE THOUSAND THREE HUNDRED EIGHTEEN AND NO/100 DOLLARS (\$3,318.00), which is a contribution in aid of construction in an amount sufficient to furnish the development with all facilities compliant with the TCEQ minimum design criteria for collection, treatment, or transmission facilities necessary for a wastewater collection system.

7.2 The total charge for Seven (7) LUEs of water and wastewater is THIRTEEN THOUSAND SEVEN HUNDRED FORTY-ONE DOLLARS and No Cents (\$13,741.00), and DEVELOPER agrees to pay the total charge to Utility as follows:

- (a) 1/3 of the total, or FOUR THOUSAND FIVE HUNDRED EIGHTY Dollars and THIRTY-THREE Cents (\$4,580.33) shall be due and payable upon the execution of this Agreement; pd. ck. #
5014
- (b) 1/3 of the total, or FOUR THOUSAND FIVE HUNDRED EIGHTY Dollars and THIRTY-THREE Cents (\$4,580.33) shall be due and payable by upon the earlier of (1) approval of all engineering and design plans by Utility, or (2) approval of a plat by San Jacinto County on the Land;
- (c) 1/3 of the total, or FOUR THOUSAND FIVE HUNDRED EIGHTY Dollars and THIRTY-FOUR Cents (\$4,580.34) shall be due and payable upon the first connection to Utility's system.

7.03. DEVELOPER additionally agrees to pay to Utility the Utility's cost, if any, of engineering, attorneys and consultant fees which are reasonable and necessary for Utility to assist DEVELOPER in design, planning and other aspects of assisting DEVELOPER in obtaining any necessary approvals for DEVELOPER's project from any City and/or other governmental and/or quasi-governmental entity or authority.

7.04. Utility's failure to obtain or require compliance with any provision(s) of this Agreement in no way shall be construed and/or be a waiver of that particular requirement(s), and in no way precludes the Utility from requiring such provision(s) at any time.

8. NOTICES

8.01. Any notice to be given hereunder by either party to the other party shall be in writing and may be effective by personal delivery in writing or by registered or certified mail, return receipt requested. Notice shall be effective upon (i) overnight courier, upon written verification of receipt, or (ii) certified or registered mail, return receipt requested. Notice to the parties shall be sufficient if made or addressed as follows:

"Utility"

MONARCH UTILITIES I L.P.
12535 Reed Road
Sugar Land, Texas 77478
Tel. 281-207-5800
Attn: Charles W. Profilet, Jr.

"DEVELOPER"

LIVINGSTON LAKESIDE RV LLC
c/o Steve and Carolann Benoit
112 Cypress Road
Livingston, Texas 77351
Tel. 832-978-8825

9. DEFAULT

9.01. In the event of default by a party with respect to this Agreement, the non-defaulting party shall give to the defaulting party written notice of such default specifying the failure or default relied upon. If the defaulting party fails to fully cure the default specified in such notice within thirty (30) days after

receipt of such notice or if such default cannot reasonably be cured within such thirty (30) day period and the defaulting party has failed to use reasonable efforts to attempt to cure such default, the party not in default shall have the right to:

- (a) terminate this Agreement in full without liability of any kind to the defaulting party;
or
- (b) pursue specific performance of this Agreement or any other method of recovery under the law or in equity.

The prevailing party shall be entitled to recover all expenses incurred by the party including, but not limited to, reasonable attorneys' fees if the court so awards the same.

9.02. The parties recognize that each of their undertakings in this Agreement is an obligation which, if not performed, could not adequately be compensated by money damages. The parties have therefore negotiated this Agreement without allowance for any potential damages either may suffer as a result of the failure of the other to perform its obligations hereunder. Accordingly, Utility and DEVELOPER agree that, in the event of any failure to perform any covenants, conditions, or obligations of this Agreement on the part of either party, the remedies of the parties are limited to those set forth above, i.e., the right to terminate this Agreement or to pursue specific performance.

9.03. In the event of default by DEVELOPER, no money paid by DEVELOPER under this Agreement is refundable for any reason. All sums paid will be retained by Utility as just compensation for processing, system planning, withholding water capacity to others, and for other costs and expenses experienced by Utility.

10. **TERM**

10.01. The term of this Agreement ("Term") shall commence on the Effective Date and shall remain in full force and effect for a period of Five (5) years.

11. **GENERAL**

11.01. This Agreement shall be governed by and be construed in accordance with the laws of the State of Texas, without regard to its conflict of law principles.

11.02. If any provision of this Agreement shall be held by a court of competent jurisdiction to be contrary to law or public policy or otherwise unenforceable, the remaining provisions shall remain in full force and effect, and the parties shall negotiate, in good faith, a substitute, valid, and enforceable provision which most nearly reflects the parties' stated intention as set forth in such affected provision.

11.03. It is understood and agreed that no brokers are involved in the negotiation and consummation of this Agreement, and each of the parties represents to the other that it has not incurred and will not incur any liability for brokerage fee or agent commissions in connection with this Agreement.

11.04. If, after five (5) years from the date of execution of this Agreement, DEVELOPER has not connected all of the Land to Utility's water systems, any water LUE's not used by that date shall no longer be committed to the Land and shall expire. No refunds will be made of any amounts paid by DEVELOPER.

11.05. This Agreement shall bind the parties to this Agreement, their affiliates, successors, and assigns. No other persons or entities may enforce this Agreement or claim any benefits under this Agreement.

11.06. If any party is rendered unable, wholly or in part, by Force Majeure to carry out any of its obligations under this Agreement other than an obligation to pay or provide money, then such obligations of that party, to the extent affected by such Force Majeure and to the extent that due diligence is being used to resume performance at the earliest practicable time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period, provided that immediate notice is given to each of the affected parties. Such cause, as far as possible, shall be remedied with all reasonable diligence.

11.07. This Agreement constitutes the entire agreement between the parties relating to the subject matter of this Agreement and supersedes all prior or contemporaneous agreements, representations, covenants or warranties, whether oral or in writing, respecting this Agreement's subject matter. This Agreement shall be subject to change or modification only with the mutual written consent of Utility and DEVELOPER.

11.08. DEVELOPER may not assign its rights, duties and obligations under this Agreement without the prior written consent of UTILITY. UTILITY may freely assign its rights, duties and obligations under this Agreement.

11.10 UTILITY and DEVELOPER, for themselves and their respective successors and assigns, agree to indemnify and hold harmless each other and their respective officers, directors, representatives and agents, from every actual loss, damage, injury, cost, expense, claim, judgment or liability of every kind or character, whether in contract, tort or otherwise, which arises from UTILITY and DEVELOPER's willful, intentional, reckless or negligent (whether active, passive or gross) acts or omissions related to or arising from this Agreement. This indemnity and hold harmless agreement will apply whether such acts or omissions are conducted by UTILITY, DEVELOPER or any of their respective subcontractors or agents.

11.11 UTILITY shall not be responsible or liable for any consequential, indirect, incidental, special, exemplary or punitive damages.

11.12. If any action at law or equity is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs, in addition to any other relief to which that party be me entitled.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the Effective Date.

“UTILITY”

MONARCH UTILITIES I L.P.

By: TEXAS WATER SERVICES GROUP, LLC,
its general partner

By: Charles W. Proffitt
Charles W. Proffitt, Jr., President

“DEVELOPER”

LIVINGSTON LAKESIDE RV LLC

By: Carolann Benoit
Carolann Benoit, 3-29-2017

Exhibit "A"
LUE Criteria

A. A living unit equivalent (LUE) is defined as the typical flow that would be produced by a single-family residence (SFR) located in a typical subdivision. For water this includes consumptive uses such as lawn watering and evaporative coolers. The number of LUE's for a project are constant; only the flows are different.

One (1) LUE produces: 2.2 GPM (Peak Hour) of water flow
 1.3 GPM (Peak Day) of water flow
 350 GPD (0.243 G.P.M.) average dry weather flow

B. Peak Flow Factor Formula

$$PF = \frac{18 + [0.0144 (F)]^{0.5}}{4 + [0.0144 (F)]^{0.5}} \qquad F = \text{AVERAGE FLOW (GPM)}$$

RESIDENTIAL

LUE CONVERSION

One (1) Single Family Residence Modular Home; Mobile Home	1 LUE
One (1) Duplex	2 LUE's
One (1) Triplex; Fourplex; Condo Unit P.U.D. unit (6+ Units/Acre to 24 Units/Acre)	0.7 LUE/Unit
One (1) Apartment Unit (24 + Units/Acre)	0.5 LUE/Unit
One (1) Hotel or Motel Room	0.5 LUE/Room

COMMERCIAL

LUE CONVERSION

Office	1 LUE/3000 Square Feet of Floor
Office Warehouse	1 LUE/4000 Square Feet of Floor
Retail; Shopping Center	1 LUE/1660 Square Feet of Floor
Restaurant; Cafeteria	1 LUE/200 Square Feet of Floor
Hospital	1 LUE/Bed
Rest Home	1 LUE/2 Beds
Church (Worship Services Only)	1 LUE/70 Seats
School (Includes Gym and Cafeteria)	1 LUE/13 Students

The LUE conversions to uses not described above will be determined by Monarch Utilities I, L.P.

Exhibit "B"

METES AND BOUNDS DESCRIPTION 2.55 ACRES (110,883 SQUARE FEET) TRACT 3

Being 2.55 acres (110,883 square feet) of land situated in the M. B. Menard Survey, Abstract No. 36, San Jacinto County, Texas, and being out of the residue of that certain 12.685 acre tract of land conveyed to Steve Cowart and Mary Cowart by instrument recorded under File Number 04-4651 of the Official Public Records of San Jacinto County; said 2.55 acres (110,883 square feet) of land being more particularly described by metes and bounds as follows (all bearings are referenced to the monumented northwest and southwest corners of said 12.685 acre tract):

COMMENCING at a 'A inch iron rod found for the southwest corner of Reserve C in Blue Water Cove, a subdivision recorded in Volume 43, Page 1017 of the Official Public Records of San Jacinto County and being the northwest corner of said residue of 12.685 acre tract and being in the east right-of-way line of State Highway 190, based on 180 feet in width

THENCE S22°23'00"W 233.14, with the west line of said residue of 12.685 acre tract and the east right-of-way line of said State Highway 190, to a 5/8 inch iron rod with cap set for the PLACE OF BEGINNING and the northwest corner of the herein described tract of land;

THENCE S54°30'09"E 509.02 feet, passing at 504.02 feet a 5/8 inch iron rod with cap set for reference, to a point in a wooden bulkhead for an angle point in the north line of this tract;

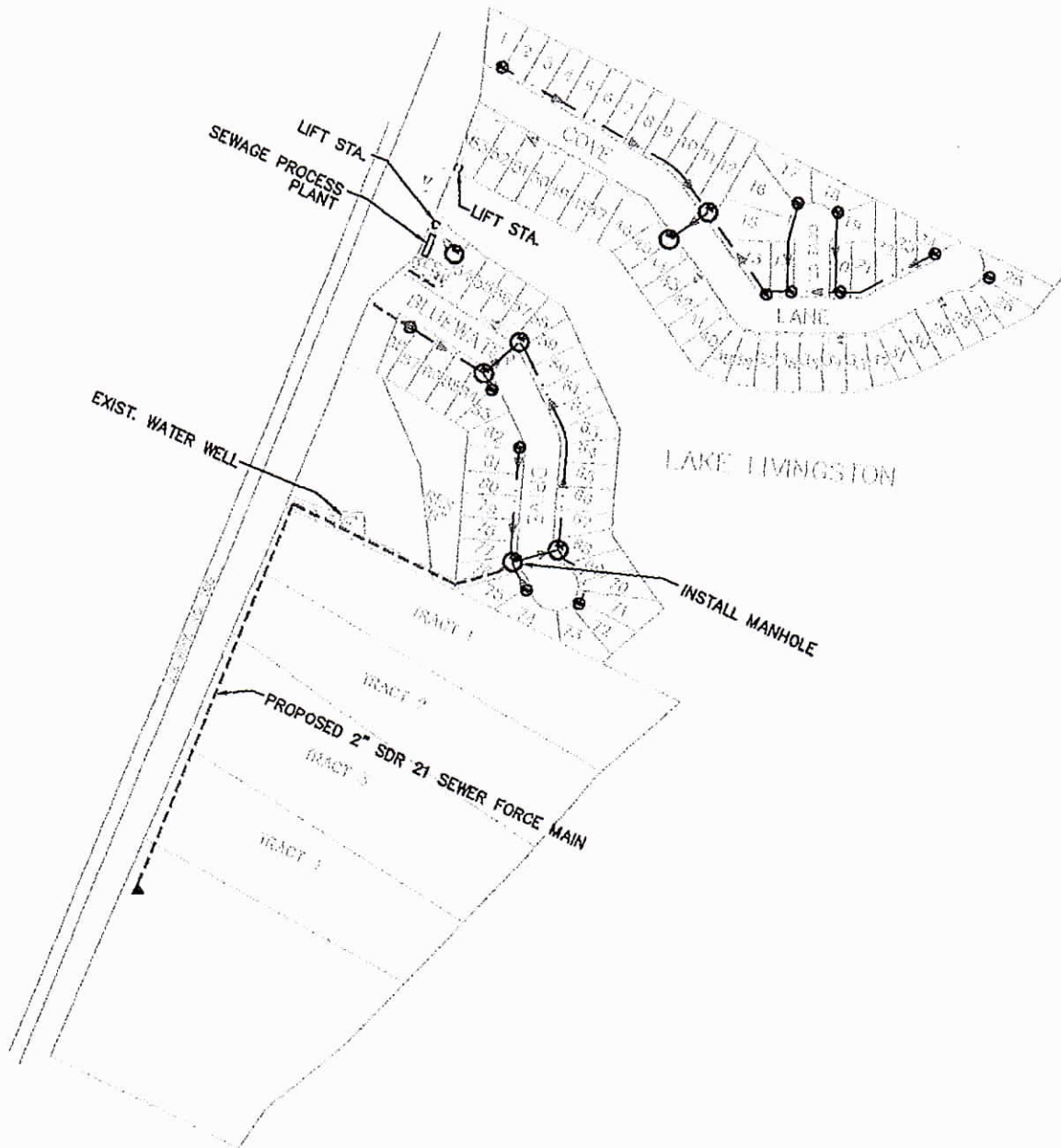
THENCE S56°11'21"E 121.25 feet to a point for the northeast corner of this tract and being in the east line of said residue of 12.685 acre tract, same being the fee taking line of Lake Livingston as recorded in Volume 107, Page 26 of the San Jacinto County Deed Records;

THENCE S40°25'00"W 38.37 feet to an angle point in the fee taking line of said Lake Livingston, same being an angle point in the east line of said residue of 12.685 acre tract and being an angle point in the east line of this tract;

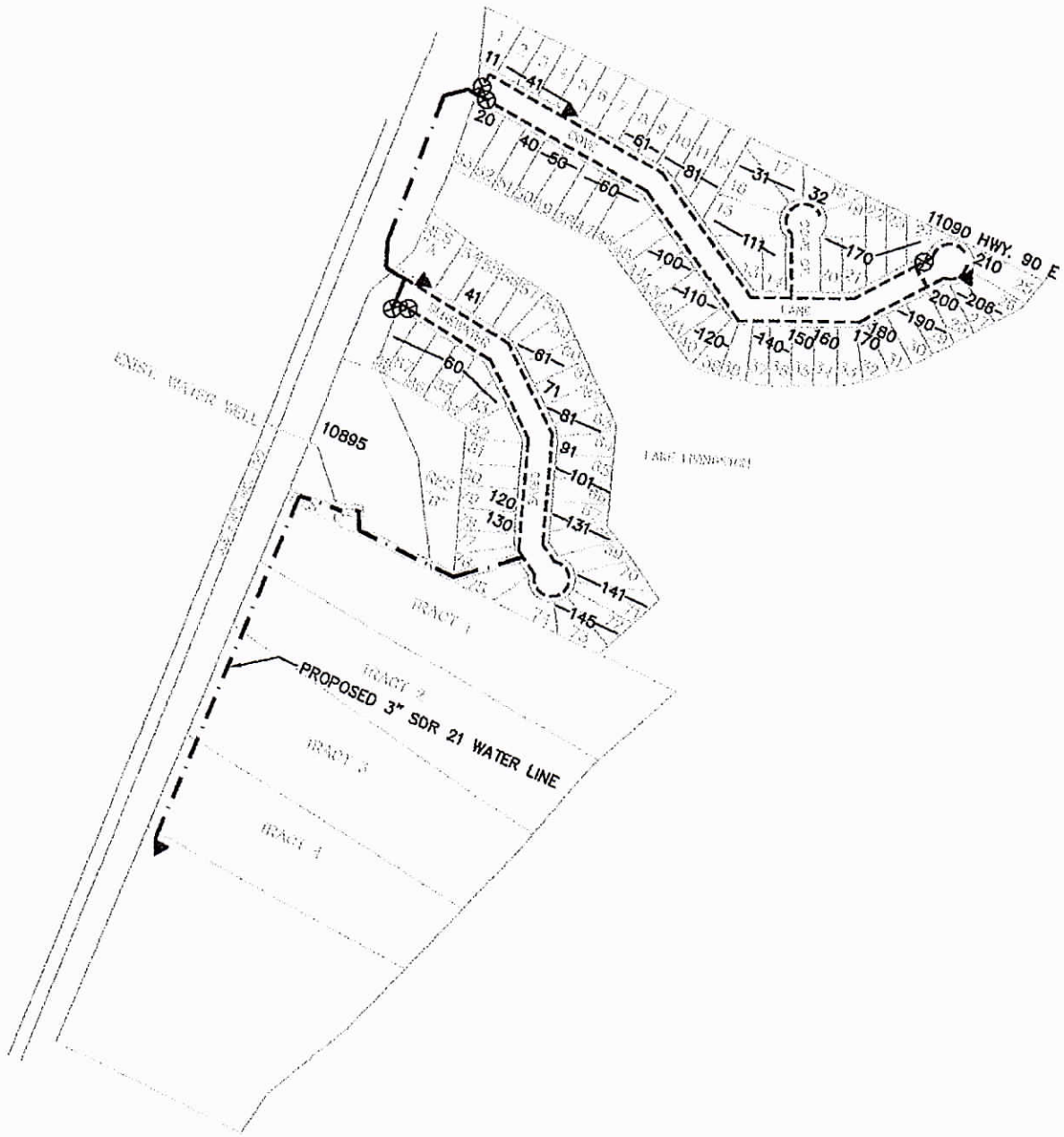
THENCE S43°20'00"W 135.95 feet, with the fee taking line of said Lake Livingston, same being the east line of said residue of 12.685 acre tract, to a point for the southeast corner of this tract;

THENCE N57°44'27"W 562.44 feet passing at 124.11 feet a wooden bulkhead and passing at 129.11 feet a 5/8 inch iron rod set for reference, to a 5/8 inch iron rod with cap set for the southwest corner of this tract and being in the west line of said residue of 12.685 acre tract, same being the east right-of-way line of said State Highway 190;

THENCE N22°23'00"E 206.50 feet to the PLACE OF BEGINNING and containing 2.55 acres (110,883 square feet) of land;



SEWER MAP



WATER MAP

Exhibit "D"

Utility Conveyance Agreement

Exhibit "D"

UTILITY CONVEYANCE AGREEMENT

**Between
Monarch Utilities I L.P.
and
Livingston Lakeside RV LLC**

This Agreement is made and entered into effective _____, 2017, by and between Monarch Utilities I L.P., acting by and through its general partner, Texas Water Services Group, L.L.C., a Texas limited liability company ("Monarch") and Livingston Lakeside RV LLC, individuals ("Owner").

WITNESSETH:

RECITALS

Owner has acquired ownership and constructed the following facilities:

Approximately _____ Feet (_____) of Two Inch (2") of waterline, valves, fittings, meter boxes and appurtenances and approximately _____ Hundred Feet (_____) of Two Inch (2") sewer line, cleanouts fittings and appurtenances within the easements as described in deed recorded in Clerk's File Number 201304499, of the Real Property Records of San Jacinto County, Texas; and

Owner wishes to convey and Monarch wishes to accept the waterline and sewer line so that Monarch can provide water and wastewater service to the Owner.

AGREEMENT

For and in consideration of the premises and of the mutual obligations, covenants, and benefits hereinafter set forth, Monarch and Owner contract and agree as follows:

1. **Conveyance.** Owner hereby conveys, transfers, and delivers to Monarch the waterlines and the sewer lines (collectively the waterlines and the sewer lines shall be referred to as the "Lines") free and clear of all liens, claims, encumbrances, options, charges, assessments, reservations, or restrictions. (The Lines being conveyed hereby is more completely described in the plans and specifications thereof, copies of which have been filed with Monarch and which are incorporated herein by reference.)
2. **Representations by Owner.** Owner represents to Monarch that:
 - a. Title. All the Facilities of Owner covered by this Agreement are hereby conveyed to Monarch, free and clear of all liens, claims, encumbrances, options, charges, assessments, reservations, and restrictions.

b. Rights of Way, Easements, etc. The land on which the Facilities are located has been platted as the Admirals Harbor subdivision, a subdivision as shown on the plat or map thereof recorded in Cabinet _____, Sheets _____, Official Map and Plat Records, San Jacinto County, Texas. Owner represents that said Plat provides utility/waterline/sewer line easements, rights of way, licenses, and/or permits which are adequate and sufficient to permit Monarch to operate that part of the Facilities which were constructed within the Admirals Harbor subdivision, and the specific waterline and sewer line easements, rights of way, licenses, and/or permits held by Owner in connection therewith are hereby transferred to Monarch, whether or not expressly described herein.

c. Approval by the Texas Commission on Environmental Quality ("TCEQ"). Owner warrants and represents that it has had all construction plans and specifications for the Facilities approved by the TCEQ and by Monarch. Owner also warrants and represents that the Facilities have been approved by the TCEQ, after construction, and that at the time of conveyance, the Facilities meet all requirements of the TCEQ.

d. Possession. Owner is in possession of the Facilities and no objection to the location or use of the Facilities or adverse claims of title to the lands, easements, rights of way, licenses, permits or leases on which the Facilities are situated is presently being asserted by a person or persons.

e. Legal Proceedings. There are no actions, suits, or proceedings pending or, to the knowledge of Owner, threatened or affecting the properties to be sold hereunder, and there are no pending condemnation proceedings of which the Owner is aware connected with the Facilities or other properties to be conveyed hereunder.

f. Authorization. This Agreement, the transactions contemplated herein, and the execution and delivery of this Agreement have been duly authorized by Owner.

g. No Violation of Other Contracts. This Agreement and the warranties, representations, and covenants contained herein, and the consummation of the transactions contemplated herein, will not violate or constitute a breach of any contract or other agreement to which the Owner is a party.

3. **Expenses.** Except as specifically set forth herein, each party shall pay its own expenses incident to carrying this Agreement into effect and consummating all transactions contemplated hereby.

4. **Further Assurances.** Owner agrees that from time to time and upon the request of Monarch, Owner will execute and deliver such other instruments of conveyance and transfer and take such other action as may be reasonably required to more effectively convey, transfer to, and vest in Monarch and to put Monarch in possession of all of the Facilities conveyed, transferred, and delivered hereunder, and, in the case of contracts and rights, if any, which cannot be transferred effectively without the consent of other parties,

to obtain such consents and take such other action as may be reasonably necessary to assure to Monarch the rights and benefits thereof.

5. **Representations Survive Conveyance.** The agreements and representations made by the parties to this Agreement shall survive the conveyance of the Facilities.

6. **Notice.** Any notice to be given hereunder by either party to the other party shall be in writing and may be affected by personal delivery in writing, by registered or certified mail, return receipt requested or by electronic communication. Notice shall be effective upon personal delivery or upon the expiration of three (3) days after it has been deposited in the United States mail, properly addressed, postage prepaid. Notice to the parties shall be sufficient if made or addressed as follows:

“Monarch”

MONARCH UTILITIES I L.P.
12535 Reed Road
Sugar Land, Texas 77478
Attention: John McClellan
E-mail: jmcclellan@swwc.com
Telephone: 214-283-5300

“Owner”

LIVINGSTON LAKESIDE RV LLC
c/o Steve and Carolann Benoit
112 Cypress Road
Livingston, Texas 77351
Tel. 832-978-8825

7. **Miscellaneous.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas without regard to its conflict of law principles and can be changed or terminated only by an agreement in writing signed by the parties hereto. This Agreement embodies the entire understanding between the parties and there are no prior or contemporaneous representations, warranties, or agreements between the parties.

WITNESS the execution of this Agreement in multiple counterparts, each of equal dignity, as of the _____ day of _____, 2017.

**MONARCH
MONARCH UTILITIES I L.P.
BY: Texas Water Services Group, LLC**

By: _____
Charles W. Profflet, Jr., President

**OWNER:
LIVINGSTON LAKESIDE RV LLC**

By: _____
Carolann Benoit

ACKNOWLEDGEMENTS

STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

This instrument was acknowledged before me on the _____ day of _____, 2017, by Charles W. Profflet, Jr., President of Texas Water Services Group, LLC, the general partner of Monarch Utilities I L.P., a Texas limited partnership, on behalf of said entity.

Notary Public – State of Texas

STATE OF TEXAS §
 §
COUNTY OF SAN JACINTO §

This instrument was acknowledged before me on the _____ day of _____, 2017, by Carolann Benoit, _____ of Livingston Lakeside RV LLC.

Notary Public – State of Texas

