This Preliminary Limited Offering Memorandum and the information contained herein are subject to completion or amendment without notice. These securities may not be sold nor may offers to buy be accepted prior to the time the Limited Offering Memorandum is delivered in final form. Under no circumstances shall this Preliminary Limited Offering Memorandum constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

NEW ISSUE **NOT RATED**

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED AUGUST 6, 2025

PROSPECTIVE PURCHASERS ARE ADVISED THAT THE SERIES 2025 BONDS BEING OFFERED PURSUANT TO THIS LIMITED OFFERING MEMORANDUM ARE BEING OFFERED ONLY TO "ACCREDITED INVESTORS" (AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT")) AND ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A PROMULGATED UNDER THE 1933 ACT. THIS LIMITED OFFERING MEMORANDUM IS BEING FURNISHED SOLELY FOR CONSIDERATION BY QUALIFIED INSTITUTIONAL BUYERS WITH SUBSTANTIAL FINANCIAL RESOURCES AND THE EXPERIENCE AND FINANCIAL EXPERTISE TO UNDERSTAND AND EVALUATE THE HIGH DEGREE OF RISK INHERENT IN THIS INVESTMENT, INCLUDING THE RISK OF NON-PAYMENT OF PRINCIPAL AND INTEREST. THE SERIES 2025 BONDS HAVE NOT BEEN REGISTERED UNDER THE 1933 ACT IN RELIANCE UPON THE EXEMPTION PROVIDED BY SECTION 3(A)(2) THEREIN. NO ACTION HAS BEEN TAKEN TO QUALIFY THE SERIES 2025 BONDS FOR SALE UNDER THE SECURITIES LAWS OF ANY STATE. SEE "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS" HEREIN.

In the opinion of Jackson Walker LLP, Bond Counsel to the Issuer, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Series 2025A Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except that no opinion is expressed as to such exclusion of interest on any Series 2025A Bond for any period during which the Series 2025A Bonds are held by a person who, within the meaning of Section 147(a) of the Code, is a "substantial user" of the facilities financed with the proceeds of the Series 2025A Bonds or a "related person," and (ii) interest on the Series 2025A Bonds is treated as a preference item in calculating the alternative minimum tax under the Code, and interest on the Series 2025A Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. See "TAX MATTERS – Series 2025A Bonds."

In the opinion of Bond Counsel, interest and original issue discount (as described herein) on the Series 2025B Bonds is not excludable from gross income for federal income tax purposes. See "TAX MATTERS – Series 2025B Bonds."

$25,000,000•
MISSION ECONOMIC DEVELOPMENT CORPORATION
UTILITY REVENUE BONDS
(PERMIAN BASIN WATER RESOURCES PROJECT),
SERIES 2025A

$2,000,000•
MISSION ECONOMIC DEVELOPMENT CORPORATION
UTILITY REVENUE BONDS
(PERMIAN BASIN WATER RESOURCES PROJECT),
TAXABLE SERIES 2025B

Dated: Date of Initial Delivery **Due: August 15, as shown on page i**

The Mission Economic Development Corporation (the "Issuer") is issuing its $25,000,000• Utility Revenue Bonds (Permian Basin Water Resources Project), Series 2025A (the "Series 2025A Bonds") and $2,000,000• Utility Revenue Bonds (Permian Basin Water Resources Project), Taxable Series 2025B (the "Series 2025B Bonds" and, together with the Series 2025A Bonds, the "Series 2025 Bonds"). The Series 2025 Bonds will be issued in fully registered form, without coupons, in authorized denominations of $25,000 of principal amount and any integral multiple of $1,000 in excess thereof. The Series 2025 Bonds will bear interest at the rates set forth on page i hereof, and such interest will be calculated on the basis of a 360-day year of twelve 30-day months and will be payable on each February 15 and August 15, commencing February 15, 2026, until maturity or earlier redemption. The Series 2025 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). No physical delivery of the Series 2025 Bonds will be made to the beneficial owners thereof. For so long as the book-entry only system is maintained, the principal of and interest on the Series 2025 Bonds will be paid from the sources described herein by UMB Bank, N.A., Austin, Texas, in each of its capacities, including, but not limited to, as "Master Trustee", "Bond Trustee", "Paying Agent" and "Registrar", to Cede & Co. as the registered owner thereof. See "BOOK-ENTRY-ONLY SYSTEM" herein.

The Series 2025 Bonds are being issued pursuant to a Trust Indenture and Security Agreement dated as of September 1, 2025 (the "Bond Indenture") between the Issuer and the Bond Trustee. The proceeds of the Series 2025 Bonds will be loaned by the Issuer to Permian Basin Water Resources, LLC, a Delaware limited liability company (the "Company"), pursuant to the terms of a Loan Agreement dated as of September 1, 2025 (the "Loan Agreement"). The Series 2025 Bonds are issued for the purpose of: (i) financing the costs of acquiring, constructing, improving, equipping, and renovating certain water utilities, (ii) funding a debt service reserve fund and (iii) paying the costs of issuing the Series 2025 Bonds. See "THE SERIES 2025 BONDS."

The Series 2025 Bonds are secured by promissory notes issued pursuant to a Master Trust Indenture and Security Agreement, dated as of September 1, 2025 and Supplemental Master Trust Indenture No. 1 dated as of September 1, 2025 (together, the "Master Indenture"), each by and between the Company and UMB Bank, N.A., Austin, Texas, as master trustee (the "Master Trustee"). The Series 2025 Bonds are limited obligations of the Issuer and are payable solely from (a) the Master Indenture, consisting of the Revenues, and (b) the Bond Indenture, consisting of all money or other property held under the Bond Indenture including (i) the Debt Service Reserve Fund and (ii) the Debt Service Fund (collectively, the "Collateral"). See "SECURITY AND SOURCE OF PAYMENT — Security and Pledge Agreements" herein.

THE SERIES 2025 BONDS INVOLVE A SIGNIFICANT DEGREE OF RISK AND ARE NOT SUITABLE FOR ALL INVESTORS. THE UNDERWRITER IS LIMITING THIS OFFERING TO ACCREDITED INVESTORS AND QUALIFIED INSTITUTIONAL BUYERS. PROSPECTIVE PURCHASERS SHOULD CAREFULLY EVALUATE THE RISKS AND MERITS OF AN INVESTMENT IN THE SERIES 2025 BONDS, SHOULD CONSULT WITH THEIR LEGAL AND FINANCIAL ADVISORS BEFORE CONSIDERING A PURCHASE OF THE SERIES 2025 BONDS, AND SHOULD BE WILLING TO BEAR THE RISKS OF LOSS OF THEIR INVESTMENT IN THE SERIES 2025 BONDS. THE SERIES 2025 BONDS ARE NOT CREDIT ENHANCED OR RATED AND NO APPLICATION HAS BEEN MADE FOR A RATING ON THE SERIES 2025 BONDS. SEE "RISK FACTORS" AND "SUITABILITY FOR INVESTMENT."

THE SERIES 2025 BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE COLLATERAL PLEDGED FOR THEIR PAYMENT IN ACCORDANCE WITH THE BOND INDENTURE AND THE MASTER INDENTURE AND, EXCEPT FROM SUCH SOURCE, NONE OF THE ISSUER, THE STATE OF TEXAS (THE "STATE"), THE CITY OF MISSION, TEXAS (THE "CITY"), OR ANY POLITICAL SUBDIVISION THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE SERIES 2025 BONDS SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST THEREON OR ANY COSTS INCIDENTAL THERETO. THE SERIES 2025 BONDS DO NOT, DIRECTLY, INDIRECTLY OR CONTINGENTLY, OBLIGATE, IN ANY MANNER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE SERIES 2025 BONDS, INCLUDING THE CITY AND MIDLAND COUNTY, TEXAS (THE "COUNTY"), TO LEVY ANY TAX OR TO MAKE ANY APPROPRIATION FOR PAYMENT OF THE SERIES 2025 BONDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE SERIES 2025 BONDS INCLUDING THE COUNTY, NOR THE FAITH AND CREDIT OF THE ISSUER, SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE SERIES 2025 BONDS OR ANY COSTS INCIDENTAL THERETO. THE ISSUER HAS NO TAXING POWER.

The Series 2025 Bonds are subject to optional and mandatory redemption at the times, in the amounts, and at the redemption prices more fully described herein under the subcaption "THE SERIES 2025 BONDS — Redemption Provisions."

The issuance of the Series 2025 Bonds and the Transaction Documents described herein are subject to the approval of the Issuer.

The Series 2025 Bonds will be sold when, as and if issued and received by FMS Bonds, Inc. (the "Underwriter") subject to the approval of validity by Jackson Walker LLP, Houston, Texas, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Issuer by Bracewell LLP, Houston, Texas. Certain legal matters will be passed upon for the Company by Burch & Cracchiolo, P.A. Phoenix, Arizona. Certain legal matters will be passed upon for the Underwriter by McCall, Parkhurst & Horton L.L.P., Dallas, Texas. It is expected that the Series 2025 Bonds will be available for delivery through the facilities of DTC on or about September 10, 2025.*

fms bonds, Inc.
Municipal Bond Specialists

CUSIP PREFIX: _____
MATURITY SCHEDULES AND 9 DIGIT CUSIP
See Schedule on Page i

• Preliminary, subject to change.

THE PURCHASE AND OWNERSHIP OF THE SERIES 2025 BONDS ARE SUBJECT TO SPECIAL RISK FACTORS AND ALL PROSPECTIVE PURCHASERS ARE URGED TO EXAMINE CAREFULLY THIS ENTIRE LIMITED OFFERING MEMORANDUM WITH RESPECT TO THE INVESTMENT SECURITY OF THE SERIES 2025 BONDS, PARTICULARLY THE SECTION CAPTIONED "RISK FACTORS." THE SERIES 2025 BONDS SHOULD BE CONSIDERED SPECULATIVE INVESTMENTS.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES, YIELDS, AND CUSIP NUMBERS

$25,000,000*
MISSION ECONOMIC DEVELOPMENT CORPORATION UTILITY REVENUE BONDS
(PERMIAN BASIN WATER RESOURCES PROJECT), SERIES 2025A

$_____ _____% Term Bonds, Due August 15, 20__, Priced to Yield _____%; CUSIP ___ [(a) (b)]

$2,000,000*
MISSION ECONOMIC DEVELOPMENT CORPORATION UTILITY REVENUE BONDS
(PERMIAN BASIN WATER RESOURCES PROJECT), TAXABLE SERIES 2025B

$_____ _____% Term Bonds, Due August 15, 20__, Priced to Yield _____%; CUSIP ___ [(a) (b)]

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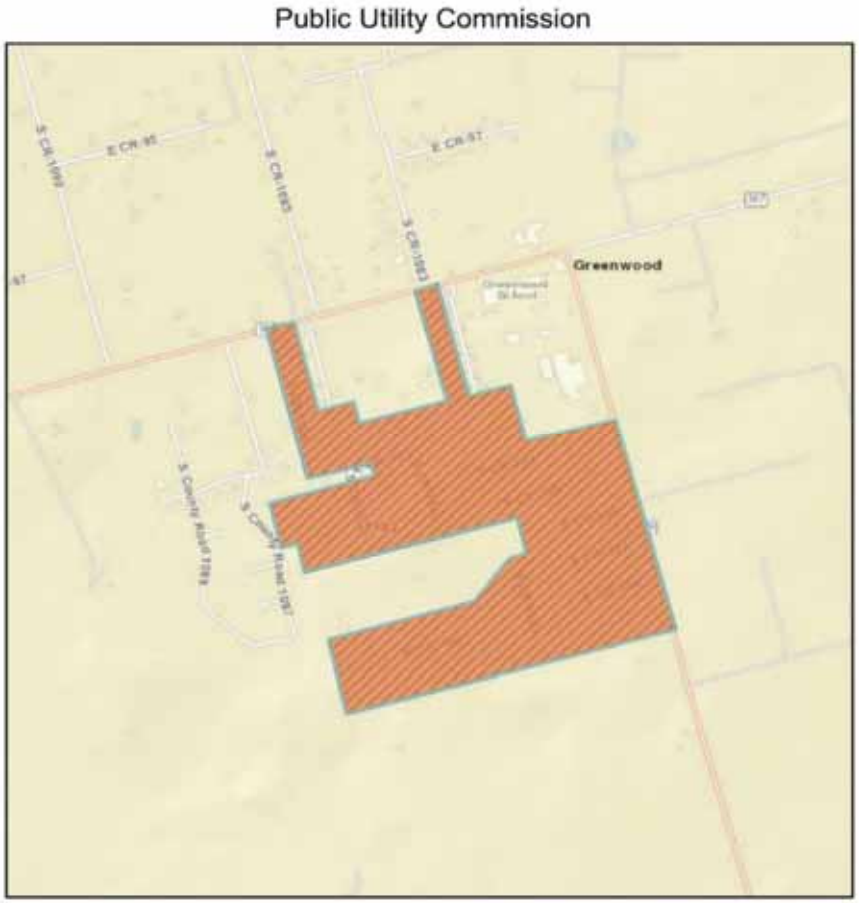
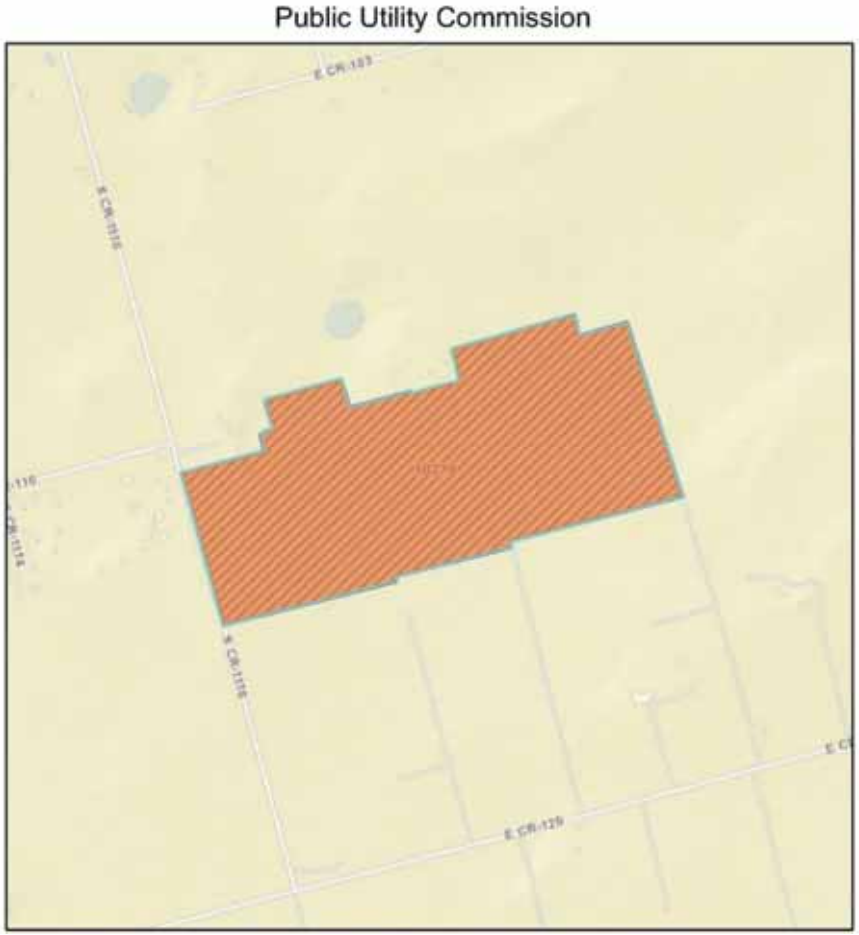
(b) The Series 2025 Bonds are subject to redemption, in whole or in part, prior to stated maturity, at the option of the Issuer, at a Redemption Price equal to the principal amount of Bonds to be called for redemption plus accrued and unpaid interest to but excluding the date of redemption. The Series 2025 Bonds are also subject to mandatory redemption. See "THE SERIES 2025 BONDS — Redemption Provisions."

* Preliminary, subject to change.

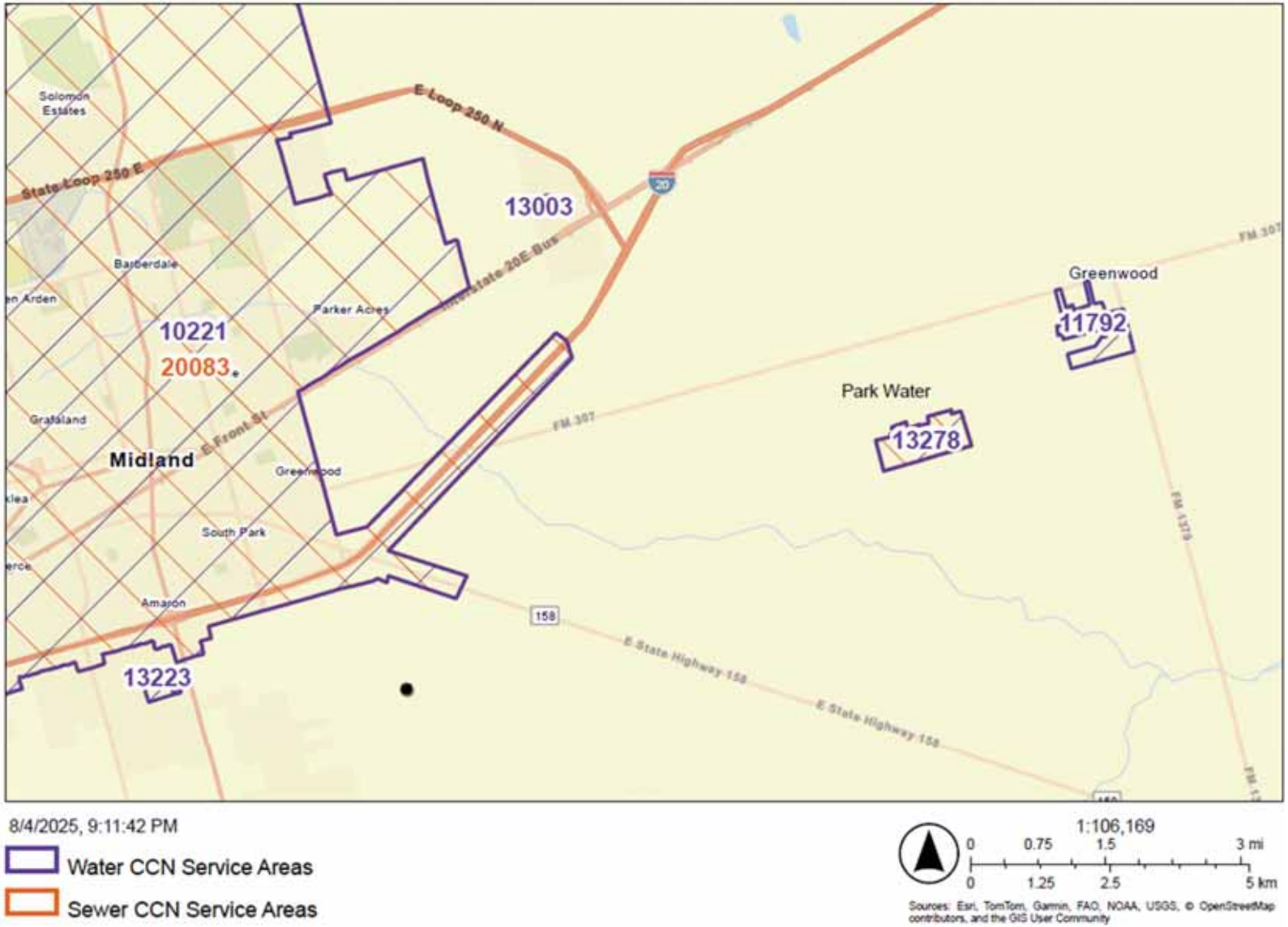
Greenwood Water Corporation Utility Service Area (CCN) Map



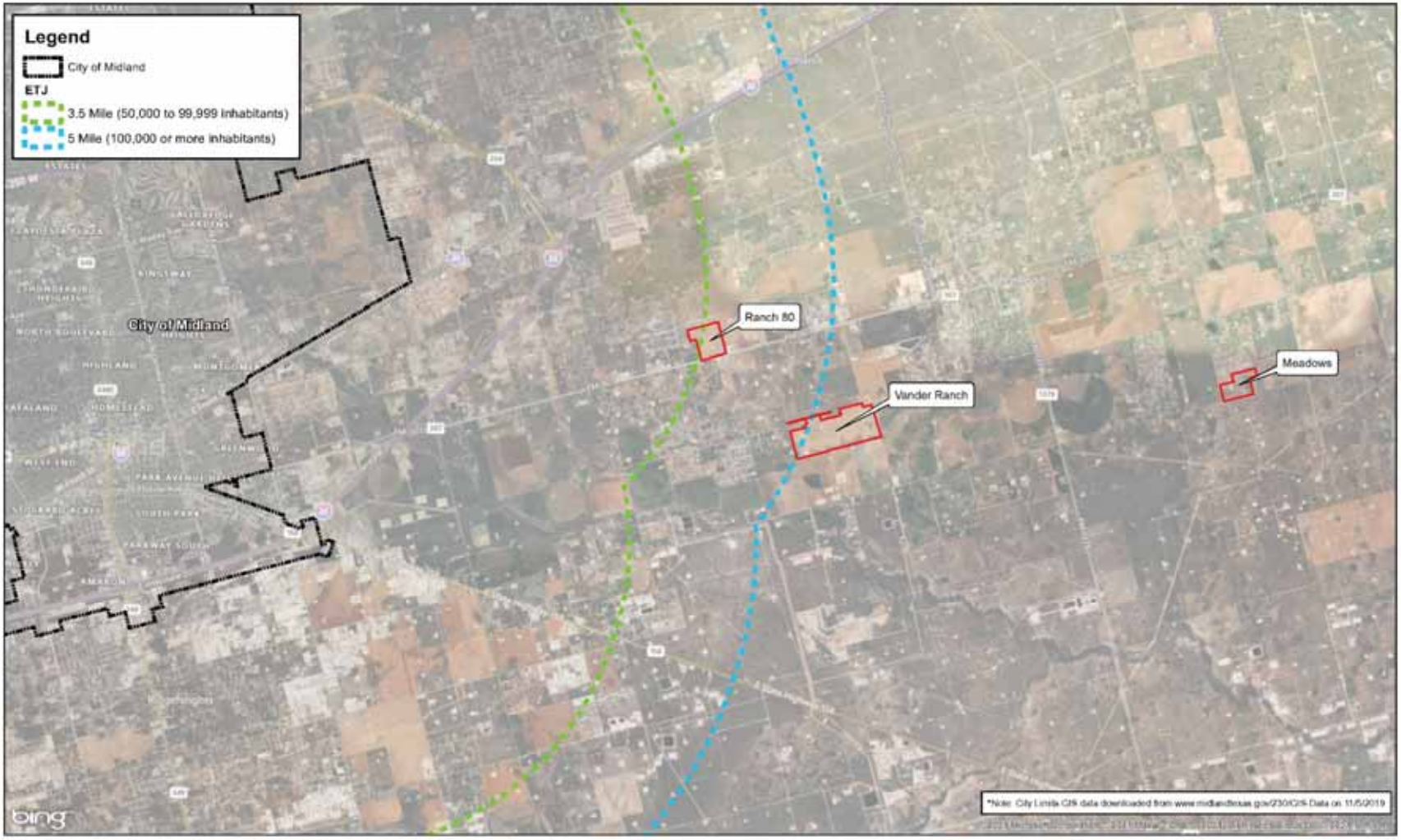
Park Water Company Utility Service Area (CCN) Map



Park Water & Greenwood Water Company CC&Ns



REGIONAL LOCATION MAP OF THE DEVELOPMENTS



USE OF INFORMATION IN PRELIMINARY LIMITED OFFERING MEMORANDUM

THE INITIAL PURCHASERS ARE ADVISED THAT THE SERIES 2025 BONDS BEING OFFERED PURSUANT TO THE LIMITED OFFERING MEMORANDUM ARE BEING OFFERED AND SOLD ONLY TO "ACCREDITED INVESTORS" (AS DEFINED IN RULE 501 OF REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933 (THE "1933 ACT")) AND "QUALIFIED INSTITUTIONAL BUYERS" AS DEFINED IN RULE 144A PROMULGATED UNDER THE 1933 ACT. SEE "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS" HEREIN. EACH PROSPECTIVE PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT IN THE SERIES 2025 BONDS, MUST BE ABLE TO BEAR THE ECONOMIC AND FINANCIAL RISK OF SUCH INVESTMENT IN THE SERIES 2025 BONDS, AND MUST BE ABLE TO AFFORD A COMPLETE LOSS OF SUCH INVESTMENT. CERTAIN RISKS ASSOCIATED WITH THE PURCHASE OF THE SERIES 2025 BONDS ARE SET FORTH UNDER "RISK FACTORS" HEREIN. EACH PURCHASER, BY ACCEPTING THE SERIES 2025 BONDS, AGREES THAT IT WILL BE DEEMED TO HAVE MADE THE ACKNOWLEDGMENTS AND REPRESENTATIONS DESCRIBED UNDER THE HEADING "LIMITATIONS APPLICABLE TO INITIAL PURCHASERS."

EACH PROSPECTIVE PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT IN THE SERIES 2025 BONDS, MUST BE ABLE TO BEAR THE ECONOMIC AND FINANCIAL RISK (INCLUDING THE RISK OF NONPAYMENT OF PRINCIPAL AND INTEREST) OF SUCH INVESTMENT IN THE SERIES 2025 BONDS, AND MUST BE ABLE TO AFFORD A COMPLETE LOSS OF SUCH INVESTMENT. CERTAIN RISKS ASSOCIATED WITH THE PURCHASE OF THE SERIES 2025 BONDS ARE SET FORTH UNDER "RISK FACTORS" HEREIN.

FOR PURPOSES OF COMPLIANCE WITH RULE 15C2-12 OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, AS AMENDED AND IN EFFECT ON THE DATE OF THIS LIMITED OFFERING MEMORANDUM, THIS DOCUMENT CONSTITUTES A PRELIMINARY OFFICIAL STATEMENT OF THE COMPANY WITH RESPECT TO THE SERIES 2025 BONDS THAT HAS BEEN DEEMED FINAL BY THE COMPANY AS OF ITS DATE EXCEPT FOR THE OMISSION OF NO MORE THAN THE INFORMATION PERMITTED BY RULE 15C2-12.

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION, OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE ISSUER OR THE UNDERWRITER

CERTAIN INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE COMPANY AND OTHER SOURCES WHICH ARE BELIEVED TO BE RELIABLE BUT IT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS, AND IT IS NOT TO BE CONSTRUED AS A REPRESENTATION BY THE ISSUER, THE TRUSTEE OR THE UNDERWRITER.

THE ISSUER MAKES NO REPRESENTATION AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION IN THIS LIMITED OFFERING MEMORANDUM AND TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

THE TRUSTEE MAKES NO REPRESENTATION AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION IN THIS LIMITED OFFERING MEMORANDUM AND TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

THIS LIMITED OFFERING MEMORANDUM IS NOT TO BE USED IN CONNECTION WITH AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION.

ANY INFORMATION AND EXPRESSIONS OF OPINION HEREIN CONTAINED ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THE LIMITED OFFERING MEMORANDUM NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER, THE COMPANY OR OTHER MATTERS DESCRIBED HEREIN SINCE THE DATE HEREOF. SEE "CONTINUING DISCLOSURE OF INFORMATION" FOR A DESCRIPTION OF THE UNDERTAKING OF THE COMPANY TO PROVIDE CERTAIN INFORMATION ON A CONTINUING BASIS.

THE SERIES 2025 BONDS ARE EXEMPT FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE SERIES 2025 BONDS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTION IN WHICH THE SERIES 2025 BONDS HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

NEITHER THE ISSUER NOR THE UNDERWRITER MAKE ANY REPRESENTATION AS TO THE ACCURACY, COMPLETENESS, OR ADEQUACY OF THE INFORMATION SUPPLIED BY THE DEPOSITORY TRUST COMPANY FOR USE IN THIS LIMITED OFFERING MEMORANDUM.

UMB BANK, N.A. HAS NOT PARTICIPATED IN THE PREPARATION OF THIS LIMITED OFFERING MEMORANDUM, HAS NOT REVIEWED, PROVIDED OR UNDERTAKEN TO DETERMINE THE ACCURACY OF ANY OF THE INFORMATION CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND ASSUMES NO RESPONSIBILITY FOR ITS CONTENTS.

THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS LIMITED OFFERING MEMORANDUM: THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITY TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION AND IT IS NOT TO BE CONSTRUED AS A REPRESENTATION OF THE UNDERWRITER.

THE AGREEMENTS OF THE ISSUER, THE COMPANY, AND OTHERS RELATED TO THE SERIES 2025 BONDS ARE CONTAINED SOLELY IN THE CONTRACTS DESCRIBED HEREIN. NEITHER THIS LIMITED OFFERING MEMORANDUM NOR ANY OTHER STATEMENT MADE IN CONNECTION WITH THE OFFER OR SALE OF THE SERIES 2025 BONDS IS TO BE CONSTRUED AS CONSTITUTING AN AGREEMENT WITH THE PURCHASER OF THE SERIES 2025 BONDS. INVESTORS SHOULD READ THE ENTIRE LIMITED OFFERING MEMORANDUM, INCLUDING ALL APPENDICES ATTACHED HERETO, TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

CERTAIN STATEMENTS INCLUDED OR INCORPORATED BY REFERENCE IN THIS LIMITED OFFERING MEMORANDUM CONSTITUTE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995, SECTION 21E OF THE UNITED STATES SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, AND SECTION 27A OF THE 1933 ACT. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE TERMINOLOGY USED SUCH AS "PLAN," "EXPECT," "ESTIMATE," "PROJECT," "ANTICIPATE," "BUDGET" OR OTHER SIMILAR WORDS. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVES KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE COMPANY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ANY OF ITS EXPECTATIONS, EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR, OTHER THAN AS DESCRIBED UNDER "CONTINUING DISCLOSURE OF INFORMATION" HEREIN. SEE "OTHER INFORMATION—FORWARD-LOOKING STATEMENTS".

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience and the information or links contained therein.

INVESTMENT IN THE SERIES 2025 BONDS IS SUBJECT TO SPECIAL RISK FACTORS. See "RISK FACTORS" herein. THE SERIES 2025 BONDS SHOULD BE CONSIDERED SPECULATIVE INVESTMENTS.

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TABLE OF CONTENTS

INTRODUCTION 1
The Issuer 1
The Company 2
The Series 2025 Bonds 3
Risk Factors 4
THE ISSUER 4
General 4
Other Obligations 4
Limited Involvement of the Issuer 4
LIMITATIONS APPLICABLE TO INITIAL PURCHASERS 5
THE SERIES 2025 BONDS 6
Purpose 6
General Description 6
Redemption Provisions 6
Exchange and Transfer 8
Events of Default 8
Application of Money Collected 10
Acceleration of Maturity; Recission and Annulment 10
SOURCES AND USES OF FUNDS* 12
BOOK-ENTRY-ONLY SYSTEM 12
SECURITY AND SOURCE OF PAYMENT 14
Debt Service Fund 14
Debt Service Reserve Fund 15
Rebate Fund 15
Project Fund 16
Debt Service Coverage Ratio Requirement 17
Additional Debt 18
Security and Pledge Agreements 19
THE COMPANY, THE UTILITY SYSTEM AND CERTAIN REGULATORY REQUIREMENTS RELATING THERETO 19
Background 19
Company Officers 20
Trevor Hill, P.Eng. – Chairman 20
Jason Bethke, PE – Chief Executive Officer 21
Cindy Bowers, CPA – Chief Financial Officer 21
Graham Symmonds – Chief Technical Officer 22
The Utility System 22
CCNs 22
The Greenwood Water Corporation System 23
The Park Water System 25
Regulation of the Utility System 32
Reclaimed Water 33
Brine Disposal 34
The Utility System and the Development 34
Engineering Report 35
THE DEVELOPMENT 35
Background 35
King 261 (Vander Ranch) 35
Meadows 78 (The Meadows) 36
Ranch 80 (Pecan Grove) 36
Build to Rent 36
Vander Ranch and Greenwood ISD 36
BTR Development Overview and Status 37
THE DEVELOPER AND RELATED ENTITIES 38
Corporate Structure 38
Biographies 38
FINANCIAL INFORMATION RELATED TO THE REGULATED UTILITIES 39
Historical and Projected Connections, Revenues and Expenses Related to the Regulated Utilities 39
Management Discussion and Analysis of Results of Operation 41
Projected Revenues and Expenses 41
Costs of Planned Infrastructure Improvements 41
RISK FACTORS 43
Limited Obligations 43
Revenues and Financial Condition of the Company 43
Projected Increase in Demand for Company's Water and Wastewater Services; Cyclical Nature of Real Estate Development; Concentration of Ownership and Subsequent Transfers; Failure or Inability to Complete Proposed Development 44
Sources of Water, Treatment of Wastewater and Use of Reclaimed Water 44
Regulation of Company's Rates and Operation by PUCT/Other Regulation and Changes in Law 44
Compliance with Environmental and Other Regulations 45
Risks Related to Operations of the Utility System 45
Management and Ownership 45
Oil and Gas Critical 45
Utility Matters 46
Mineral Rights 47
MCUD Contract Risks 47
Limited Market for the Series 2025 Bonds 48
No Rating on the Series 2025 Bonds 48
Security Interest Securing the Obligations is of Limited Value 48
Risks from Weather Events 48
Hazardous Substance 49
Bondholders' Remedies and Bankruptcy 49

TABLE OF CONTENTS
(continued)

Bankruptcy Limitation to Bondholders' Rights 49
Damage to System; Cybersecurity 50
Tariffs, Trade Policy and Global Economic Uncertainty 50
LITIGATION 50
The Issuer 50
The Company 50
The Regulated Utilities 51
TAX MATTERS 51
Series 2025A Bonds 51
Series 2025B Bonds 53
SUITABILITY FOR INVESTMENT 56
ENFORCEABILITY OF REMEDIES 56
CONTINUING DISCLOSURE OF INFORMATION 56
UNDERWRITING 56
OTHER INFORMATION 57
No Rating 57
Registration and Qualification of Bonds for Sale 57
Legal Opinions 57
Financial Advisor 58
Sources of Certain Information 58
Forward-Looking Statements 58
SCHEDULE I: DEBT SERVICE SCHEDULE I-1
APPENDIX A FORM OF MASTER TRUST INDENTURE A-1
APPENDIX B FORM OF FIRST SUPPLEMENTAL TRUST INDENTURE B-1
APPENDIX C FORM OF INVESTOR LETTER C-1
APPENDIX D FORM OF TRUST INDENTURE AND SECURITY AGREEMENT D-1
APPENDIX E FORM OF SECURITY AND PLEDGE AGREEMENT E-1
APPENDIX F FORM OF CONTINUING DISCLOSURE AGREEMENT F-1
APPENDIX G ENGINEERING REPORT G-1
APPENDIX H MIDLAND COUNTY, TEXAS DEMOGRAPHIC INFORMATION H-1
APPENDIX I FORM OF OPINION OF BOND COUNSEL I-1
APPENDIX J CONSOLIDATED FINANCIAL STATEMENTS J-1

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PRELIMINARY LIMITED OFFERING MEMORANDUM

**$27,000,000*

MISSION ECONOMIC DEVELOPMENT CORPORATION
UTILITY REVENUE BONDS
(PERMIAN BASIN WATER RESOURCES PROJECT), SERIES 2025A AND TAXABLE SERIES 2025B

INTRODUCTION

This Limited Offering Memorandum, including the cover page, the schedules and appendices hereto, is furnished in connection with the issuance and sale by the Mission Economic Development Corporation (the "Issuer") of $25,000,000* aggregate principal amount of its Utility Revenue Bonds (Permian Basin Water Resources Project), Series 2025A (the "Series 2025A Bonds") and its $2,000,000* Utility Revenue Bonds (Permian Basin Water Resources Project) Taxable Series 2025B (the "Series 2025B Bonds" and, together with the Series 2025A Bonds, the "Series 2025 Bonds"). Unless otherwise defined herein, terms used in this Limited Offering Memorandum have the meaning set forth in the Trust Indenture and Security Agreement dated as of September 1, 2025 (the "Bond Indenture") between the Issuer and UMB Bank, N.A., Austin, Texas, as trustee (the "Bond Trustee") and the Master Trust Indenture and Security Agreement, dated as of September 1, 2025 and Supplemental Master Trust Indenture No. 1 dated as of September 1, 2025 (the "First Supplemental Indenture" together, with the Master Trust Indenture and Security Agreement dated as of September 1, 2025, the "Master Indenture"), each by and between the Company and UMB Bank, N.A., Austin, Texas as trustee (the "Master Trustee").

INVESTMENT IN THE SERIES 2025 BONDS POSES CERTAIN ECONOMIC RISKS. SEE "RISK FACTORS." THE SERIES 2025 BONDS ARE NOT RATED BY ANY NATIONALLY RECOGNIZED MUNICIPAL SECURITIES RATING SERVICE. NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE ISSUER, THE COMPANY OR THE UNDERWRITER TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS LIMITED OFFERING MEMORANDUM, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELID UPON AS HAVING BEEN AUTHORIZED BY EITHER OF THE FOREGOING. SEE "SUITABILITY FOR INVESTMENT" AND "RISK FACTORS."

There follows in this Limited Offering Memorandum descriptions of the Series 2025 Bonds, the Bond Indenture, the Master Indenture, the Security and Pledge Agreements (as defined herein) and certain other information about the Issuer, the Company (as defined herein), the Regulated Utilities (as defined herein), the Land Owners (as defined herein), the Land Developer (as defined herein), and the Project (as defined herein). All capitalized terms used herein which are not defined in the text of this Limited Offering Memorandum shall have the meanings set forth in the Form of Master Trust Indenture (see APPENDIX A of this Limited Offering Memorandum), the Form of First Supplemental Trust Indenture (see APPENDIX B of this Limited Officering Memorandum), the Form of Trust Indenture and Security Agreement (see APPENDIX D of this Limited Officering Memorandum) or the Form of Security and Pledge Agreements (see APPENDIX E of this Limited Officering Memorandum), as applicable, except as otherwise indicated herein. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the Underwriter, FMSbonds, Inc., 5 Cowboys Way, Suite 300-25, Frisco, Texas 75034, Phone: (214) 302-2246.

The Issuer

The Issuer is a non-profit industrial development corporation created and existing under the Development Corporation Act, Chapter 501, Texas Local Government Code, as amended, and Texas Local Government Code, Chapter 505, as amended (together, the "Act"). The Issuer is empowered pursuant to the Act to issue bonds on behalf of the City of Mission, Texas (the "City") for one or more purposes authorized under the Act, including for the purpose of financing expenditures found by the Board of Directors of the Issuer to be required or suitable for infrastructure

* Preliminary, subject to change.

necessary to promote or develop new or expanded business enterprises, including water utilities and related improvements. See "THE ISSUER."

The Issuer has not furnished, reviewed, investigated or verified the information contained in this Limited Offering Memorandum and makes no representation with respect thereto.

The Company

Permian Basin Water Resources, LLC, a Delaware limited liability company (the "Company"), is a holding company formed as the parent company to regulated utility companies providing utility services, including water, wastewater and reclaimed water, in certain unincorporated areas of Midland County, Texas (the "Utility Service Area"). See "THE COMPANY, THE UTILITY SYSTEM AND CERTAIN REGULATORY REQUIREMENTS RELATING THERETO — Greenwood Water Corporation System Map" and " — Park Water Company System Map." Midland County, Texas is located in the Permian Basin region which extends from West Texas to Eastern New Mexico. The Permian Basin is one of the United States' most important mineral reservoirs, providing expansive exploration, drilling and extraction activities to meet national and international demand for hydrocarbon reserves. Recognizing the importance of the region, the Company has resolved to expand its current operating areas to meet increasing demand for water, wastewater and reclaimed water service generated by the growing Permian Basin economy. This expansion is designed to ensure sustainable and reliable water resources and Utility Services to constituents in the Utility Service Area and to address existing water quality and quantity problems in the Permian Basin region.

The Company is the sole owner of three subsidiaries: (i) Greenwood Water Corporation, a Texas corporation, (certified as a water utility), (ii) Park Water Company, a Texas corporation, (certified as a water and sewer utility), and (iii) Park Sewer Company, a Texas corporation.

Greenwood Water Corporation is a Texas Retail Public Utility (PUCT Substantive Rule §24.3(31)) in good standing with an approved certificate of convenience and necessity ("CCN") currently providing potable water services to approximately 304 water connections (the "Greenwood Water Corporation System"). Greenwood Water Corporation is classified as a Class D utility under PUCT Substantive Rule §24.3(8).

Park Water Company is a Texas Retail Public Utility (PUCT Substantive Rule §24.3(31)) in good standing with an approved CCN currently providing potable water, sewer and reclaimed water service to approximately 561 commercial and residential water connections and 400 commercial and residential wastewater connections (the "Park Water System"). Park Water Company is classified as a Class D utility under PUCT Substantive Rule §24.3(8). Of the 561 water connections, Park Water Company provides potable water service to approximately 223 connections outside the CCN area under an agreement with the Midland County Utility District ("MCUD") — see "RISK FACTORS — MCUD Contract Risks". Of the 400 wastewater connections, Park Water Company provides wastewater services to 65 connections outside the CCN. Park Water Company owns and operates the infrastructure required to serve these customers and provides service in accordance with the retail rates approved by the PUCT for its current CCN area. The agreement between Park Water Company and MCUD acknowledges that the customers served by Park Water Company within MCUD will be charged these rates and also requires that these customers petition their property into the Park Water Company CCN when requested by Park Water Company. To date, all customers within MCUD have petitioned their property into the Park Water Company CCN.

Park Sewer Company is a Texas corporation and is the permittee of the wastewater discharge permit (TPDES WQ0015661001) with the State under which Park Water Company is providing sewer service. It is anticipated that the Company will either move the permit to Park Water Company, or merge Park Sewer Company with Park Water Company in the future. Park Water Company and Greenwood Water Corporation are the "PUCT Regulated Utilities." Park Sewer Company is a "TCEQ Regulated Entity." Together, Park Water Company, Park Sewer Company and Greenwood Water Corporation are the "Regulated Utilities".

The Company's current infrastructure has the capacity to serve approximately 1,000 homes from a water abstraction perspective and 607 homes from a wastewater extraction perspective. An additional 60,000 gallon per day ("GPD") tertiary wastewater treatment system is currently under engineering design which will bring the total treatment capacity to 145,000 GPD, sufficient to serve approximately 1,035 homes (at the anticipated flow of 140

gallons per home per day of wastewater). The Company's wastewater treatment capacity is designed to easily add 60,000 GPD incremental treatment modules to the TPDES-permitted capacity of 360,000 GPD, or approximately 2,500 homes.

See "THE COMPANY, THE UTILITY SYSTEM AND CERTAIN REGULATORY REQUIREMENTS RELATING THERETO."

The Series 2025 Bonds

The Series 2025 Bonds are being issued pursuant to the Bond Indenture and the provisions of the Act. The proceeds of the Series 2025 Bonds will be loaned by the Issuer to the Company pursuant to the terms of a Loan Agreement dated as of September 1, 2025 (the "Loan Agreement"). Reference is made to the Bond Indenture for a full statement of the Issuer for, and the terms and provisions of, the Series 2025 Bonds.

The Series 2025 Bonds are expected to finance a portion of the costs of certain water facilities (the "Utility Infrastructure") installed by the Company and the Regulated Utilities for the benefit of the Company. The Series 2025 Bonds will be issued to provide funds (i) to finance or refinance the cost of the acquisition, construction, improvement, renovation and equipping of the Utility Infrastructure, (ii) to fund a reserve fund for payment of principal and interest on the Series 2025 Bonds and (iii) to pay the costs of issuing the Series 2025 Bonds (collectively, the "Project"). Payment of the Series 2025 Bonds is secured by a pledge of and a lien upon (a) the Master Indenture, consisting of the Revenues, and (b) the Bond Indenture, consisting of all money or other property held under the Bond Indenture including (i) the Debt Service Reserve Fund and (ii) the Debt Service Fund (collectively, the "Collateral"), to the extent and upon the conditions described herein and in the Master Indenture and the Bond Indenture. The obligations of the Company to repay the Series 2025 Bonds are secured by the issuance of promissory notes (the "Series 2025 Notes") pursuant to the Master Indenture on a parity basis with all other Notes issued under the Master Indenture from time to time in accordance with the provisions thereof. See "SECURITY AND SOURCE OF PAYMENT," "APPENDIX A — FORM OF MASTER TRUST INDENTURE," "APPENDIX B – FORM OF FIRST SUPPLEMENTAL TRUST INDENTURE" and "APPENDIX D – FORM OF TRUST INDENTURE AND SECURITY AGREEMENT." **THE SERIES 2025 BONDS SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OF THE ISSUER, THE STATE OF TEXAS, THE COUNTY, THE CITY OF MISSION, TEXAS, OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE OF TEXAS, WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION WHATSOEVER. THE SERIES 2025 BONDS ARE SPECIAL LIMITED AND SPECIAL OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE AS PROVIDED IN THE BOND INDENTURE AND THE MASTER INDENTURE. THE ISSUER HAS NO TAXING POWER.**

THE SERIES 2025 BONDS WILL NOT CONSTITUTE A DEBT OF THE STATE, THE CITY OF MISSION, TEXAS OR ANY OTHER POLITICAL CORPORATION, SUBDIVISION OR AGENCY OF THE STATE OR A PLEDGE OF THE FAITH AND CREDIT OF ANY OF THEM. NO RECOURSE SHALL BE HAD FOR ANY CLAIM BASED ON THE LOAN AGREEMENT, THE MASTER INDENTURE OR THE SERIES 2025 BONDS AGAINST ANY MEMBER, OFFICER OR EMPLOYEE, PAST, PRESENT OR FUTURE, OF THE ISSUER, OR OF ANY SUCCESSOR BODY THERETO, EITHER DIRECTLY OR THROUGH THE ISSUER, OR ANY SUCH SUCCESSOR BODY, UNDER ANY CONSTITUTIONAL PROVISION, STATUTE OR RULE OF LAW OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE. NEITHER THE STATE, THE CITY OF MISSION, TEXAS NOR ANY OTHER POLITICAL CORPORATION, SUBDIVISION OR AGENCY OF THE STATE IS OBLIGATED TO PAY THE PRINCIPAL OR PURCHASE PRICE OF, PREMIUM, IF ANY, OR THE INTEREST ON THE SERIES 2025 BONDS AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, THE CITY OF MISSION, TEXAS OR ANY OTHER POLITICAL CORPORATION, SUBDIVISION OR AGENCY OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR PURCHASE PRICE OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2025 BONDS. THE SERIES 2025 BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE PLEDGED UNDER THE BOND INDENTURE, INCLUDING THE SOURCES DESCRIBED HEREIN AND IN THE MASTER INDENTURE AND THE HOLDERS THEREOF SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT FROM MONEYS DERIVED BY TAXATION OR ANY OTHER REVENUES OF THE ISSUER.

Risk Factors

The Series 2025 Bonds are not rated by any rating agency. Investment in the Series 2025 Bonds involves a significant degree of risk and is speculative in nature and may not be appropriate for some investors. See "RISK FACTORS" for a discussion of special risk factors that should be considered in addition to the other matters described in this Limited Offering Memorandum in evaluating the investment quality of the Series 2025 Bonds.

THE ISSUER

General

The Issuer is a non-profit industrial development corporation created and existing under the Development Corporation Act, Chapter 501, Texas Local Government Code, as amended, and Texas Local Government Code, Chapter 505, as amended (together, the "Act"). The Issuer is empowered pursuant to the Act to issue bonds on behalf of the City of Mission, Texas (the "City") for one or more purposes authorized under the Act, including for the purpose of financing expenditures found by the Board of Directors of the Issuer to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, including water utilities and related improvements. The Issuer is further authorized pursuant to the Act to issue the Series 2025 Bonds and to loan the proceeds thereof to the Company for the purpose of financing the Project.

The Issuer is governed by a seven-member Board of Directors consisting of individuals appointed by the city council of the City of Mission, Texas. The directors serve without compensation.

THE SERIES 2025 BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE PLEDGED UNDER THE BOND INDENTURE, AND THE HOLDERS THEREOF SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT FROM MONEYS DERIVED BY TAXATION OR ANY OTHER REVENUES OF THE ISSUER.

Other Obligations

The Issuer has issued in the past, and expects to issue in the future, bonds and obligations other than the Series 2025 Bonds, which other bonds and obligations are and will be secured by instruments separate and apart from the Loan Agreement and the Bond Indenture relating to the Series 2025 Bonds. The holders of such obligations of the Issuer will have no claim on the security pledged to the Series 2025 Bonds, and the owners of the Series 2025 Bonds will have no claim on the security pledged to any of such other obligations issued by the Issuer.

Limited Involvement of the Issuer

The Issuer has not participated in the preparation of or reviewed any feasibility study or other financial analysis of or relating to the Company, the Project or the plan of financing, and has not undertaken to review the financial condition or financial statements of the Company and disclaims all responsibility for any of the foregoing.

The Issuer, in the case of the Series 2025 Bonds, is merely a conduit for payment in that the Series 2025 Bonds do not constitute a general debt, liability or obligation of the Issuer, but are instead special limited obligations secured by and payable solely from the Trust Estate pledged under the Bond Indenture, including payments of the Company under the Loan Agreement. The Series 2025 Bonds are not being offered on the basis of the financial strength of the Issuer.

The Issuer has not participated in the preparation of this Limited Offering Memorandum and makes no representation or warranty as to the accuracy or sufficiency of the information contained in this Limited Offering Memorandum except, with respect to the Issuer, the information specifically pertaining to the Issuer in this Section "THE ISSUER" and in the Section "LITIGATION – The Issuer" herein.

LIMITATIONS APPLICABLE TO INITIAL PURCHASERS

Each purchaser of the Series 2025 Bonds (each, an "Investor") is advised that the Series 2025 Bonds being offered pursuant to this Limited Offering Memorandum are being offered and sold only to "Accredited Investors" (as defined in Rule 501 of Regulation D promulgated under the Securities Act of 1933 (the "1933 Act")) and Qualified Institutional Buyers ("Qualified Institutional Buyers") within the meaning of Rule 144A under the 1933 Act. Each Investor in the Series 2025 Bonds will be deemed to have acknowledged and represented to the Issuer, and will be required to sign an Investor Letter substantially in the form attached hereto as APPENDIX C, representing as follows:

1. Investor has received and read a copy of (i) the Master Indenture; (ii) the Bond Indenture, (iii) the Loan Agreement, (iv) the Security and Pledge Agreements, (v) the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, and (vi) such other documents, agreements, certificates and instruments referenced therein or pertaining thereto or to the Series 2025 Bonds to which Investor is a party or deems necessary and appropriate in its evaluation of the Series 2025 Bonds.

2. Investor has sufficient knowledge and experience in financial and investment matters to be able to evaluate the risks and merits of an investment in the Series 2025 Bonds.

3. Investor is acquiring the Series 2025 Bonds for its own account for investment purposes and not with a view to, or for resale thereof. However, in the event that the Investor finds it necessary or desirable to resell the Series 2025 Bonds, the Investor will not sell the Series 2025 Bonds to any party other than in accordance with applicable law, including, without limitation, federal or state securities laws.

4. Investor understands that it may be required to bear the risks of this investment in the Series 2025 Bonds for an indefinite time, since any sale prior to maturity may not be possible.

5. The Series 2025 Bonds are a financially suitable investment for Investor consistent with Investor's investment needs and objectives.

6. Investor is either: (a) a "Qualified Institutional Buyer" as defined in Rule 144A under the 1933 Act; Investor understands that the Series 2025 Bonds are not registered under the 1933 Act and that such registration is not legally required as of the date hereof; and further understands that the Series 2025 Bonds (i) are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (ii) will not be listed in any stock or other securities exchange, (iii) will not carry a rating from any rating service, and (iv) will be delivered in a form which may not be readily marketable; or (b) an "Accredited Investor" under Rule 501 of Regulation D promulgated under the 1933 Act, and, therefore, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the Series 2025 Bonds.

7. Investor acknowledges that the Series 2025 Bonds are not transferable except to a Qualified Institutional Buyer or Accredited Investor and Investor agrees to abide by such transfer restriction; and further that Investor shall be solely and exclusively responsible for verifying that its transferee is a Qualified Institutional Buyer or Accredited Investor.

8. Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, to which a reasonable investor would attach significance in making investment decisions, and Investor has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Series 2025 Bonds and the security therefor so that, as a reasonable investor, and based on the information so supplied and accessed, the Investor has been able to make its decision to purchase the Series 2025 Bonds. Investor acknowledges that it has not relied upon the Issuer for any information in connection with the Investor's purchase of the Series 2025 Bonds.

9. Investor acknowledges that the Series 2025 Bonds are special limited obligations of the Issuer payable solely from revenues from the Collateral and the Issuer shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of the Issuer for all or any portion of the principal of and interest on the Series 2025 Bonds.

10. Investor has made its own inquiry and analysis with respect to the Series 2025 Bonds and the security therefor (including, without limitation, any guarantors, obligors or lessees of the Project, to the extent Investor deemed it necessary or appropriate), and other material factors affecting the security and payment of the Series 2025 Bonds. Investor is aware that the Project and the revenues to be received from the Collateral involve certain economic variables and risks that could adversely affect the security for the Series 2025 Bonds.

All Initial Purchasers of the Series 2025 Bonds will be required to execute an Investor Letter substantially in the form attached hereto as APPENDIX C. Capitalized terms used in this section but not defined herein shall have the meanings given to them in the Master Indenture.

THE SERIES 2025 BONDS

Purpose

The Series 2025 Bonds will be issued, to provide funds to (i) finance the acquisition, improvement, construction, renovation and equipping of the Utility Infrastructure, (ii) fund a reserve fund for payment of principal and interest on the Series 2025 Bonds, and (iii) pay costs of issuance of the Series 2025 Bonds. Payment of the Series 2025 Bonds is secured by a pledge of and a lien upon (a) the Master Indenture, consisting of the Revenues, and (b) the Bond Indenture, consisting of all money or other property held under the Bond Indenture including (i) the Debt Service Reserve Fund and (ii) the Debt Service Fund (collectively, the "Collateral"), to the extent and upon the conditions described herein and in the Bond Indenture and the Master Indenture. See "SECURITY AND SOURCE OF PAYMENT," and "APPENDIX A — FORM OF MASTER TRUST INDENTURE" and "APPENDIX B – FORM OF FIRST SUPPLEMENTAL TRUST INDENTURE."

General Description

The Series 2025 Bonds will mature on the dates and in the amounts set forth on page i of this Limited Offering Memorandum. Interest on the Series 2025 Bonds will accrue from their date of initial delivery to the Underwriter and will be computed on the basis of a 360-day year of twelve 30-day months. Interest on the Series 2025 Bonds will be payable on each February 15 and August 15, commencing February 15, 2026 (each an "Interest Payment Date") to the Registered Owner of such Bond as shown on the Bond Register as of the Record Date. The "Record Date" means the close of business for the Trustee on the last day of the calendar month immediately preceding any Interest Payment Date regardless of whether such day is a Business Day. UMB Bank, N.A., Austin, Texas, is the initial Bond Trustee and paying agent/registrar (the "Paying Agent/Registrar") for the Series 2025 Bonds. For a complete debt service schedule for the Series 2025 Bonds, see "SCHEDULE I: DEBT SERVICE SCHEDULE."

The Series 2025 Bonds will be issued in fully registered form, without coupons, in authorized denominations of $25,000 of principal and any integral multiple of $1,000 in excess thereof ("Authorized Denominations"). Upon initial issuance, the ownership of the Series 2025 Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), and purchases of beneficial interests in the Series 2025 Bonds will be made in book-entry only form. See "BOOK-ENTRY ONLY SYSTEM" and "SUITABILITY FOR INVESTMENT."

Redemption Provisions

Optional Redemption. The Series 2025 Bonds maturing on and after August 15, 20___ are subject to optional redemption, in whole or in part, prior to scheduled maturity on August 15, 20___, and any date thereafter, at the option of the Company, at a price of par plus interest accrued thereon to the redemption date, upon written notice of the

exercise of the option to redeem Series 2025 Bonds delivered to the Trustee by the Company at least thirty (30) days prior to the date fixed for redemption but not more than sixty (60) days prior to the date fixed for redemption.

Mandatory Redemption. The Series 2025A Bonds maturing [_____] are subject to mandatory redemption in part prior to maturity, at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption, without premium, on August 15 in each of the years, and in the principal amounts, respectively, as set forth in the following schedule:

[$_____] Series 2025A Bonds Maturing August 15, [____]

Mandatory Redemption Date (August 15)	Principal Amount to be Mandatorily Redeemed

* Final Maturity

The Series 2025B Bonds maturing [_____] are subject to mandatory redemption in part prior to maturity, at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption, without premium, on August 15 in each of the years, and in the principal amounts, respectively, as set forth in the following schedule:

[$_____] Series 2025B Bonds Maturing August 15, [____]

Mandatory Redemption Date (August 15)	Principal Amount to be Mandatorily Redeemed

* Final Maturity

The principal amount of the Series 2025 Bonds required to be redeemed pursuant to the operation of such mandatory redemptions shall be reduced by the principal amount of any Series 2025 Bonds of the same series and maturity date which, at least sixty (60) days prior to the mandatory sinking fund redemption date (a) shall have been purchased and delivered to the Trustee for cancellation, (b) shall have been purchased and canceled by the Trustee with funds furnished for such purpose, in each case at a purchase price not exceeding the principal amount of such Series 2025 Bonds plus accrued interest to the date of purchase thereof or (c) shall have been redeemed pursuant to the optional redemption provision described above. See "SECURITY AND SOURCE OF PAYMENT".

Extraordinary Redemption. The Series 2025 Bonds are subject to extraordinary redemption, at the option of the Issuer upon a Company Request, at a redemption price of par plus interest accrued thereon to the redemption date, without premium, on any date, in the event the Project is damaged, destroyed or condemned or threatened to be condemned, (i) in whole, if, in accordance with the terms of the Loan Agreement, the Project is not reconstructed, repaired or replaced upon the change or destruction thereof, from insurance or condemnation proceeds transferred from the Project Fund to the Debt Service Fund which, together with an amount required to be paid by the Company pursuant to the Loan Agreement, will be sufficient to pay the Series 2025 Bonds in full, or (ii) in part, after reconstruction, repair or replacement of the Project in accordance with the terms of the Loan Agreement, from excess insurance or condemnation proceeds transferred from the Project Fund to the Debt Service Fund for such purpose.

The principal amount of the Series 2025 Bonds required to be redeemed pursuant to the operation of such mandatory redemptions shall be reduced by the principal amount of any Bonds of the same series and maturity date

which, at least sixty (60) days prior to the mandatory sinking fund redemption date (a) shall have been purchased and delivered to the Trustee for cancellation, (b) shall have been purchased and canceled by the Trustee with funds furnished for such purpose, in each case at a purchase price not exceeding the principal amount of such Bonds plus accrued interest to the date of purchase thereof or (c) shall have been redeemed pursuant to the optional redemption provision described above.

Notice of Redemption. Notice of redemption shall be mailed by first-class mail by the Master Trustee, not less than fifteen (15) days prior to the Redemption Date, but not more than thirty (30) days prior to the Redemption Date, to (i) the respective Holders of the Series 2025 Bonds designated for redemption at their addresses appearing on the registration books of the Master Trustee and (ii) DTC. Notice of redemption to DTC shall be given by electronic mail, overnight courier delivery or facsimile transmission. Each notice of redemption shall state the (i) date of such notice, (ii) Redemption Date, (iii) redemption price, if any, (iv) CUSIP number(s), and (v) if a redemption in part, the amount to be redeemed, together with interest accrued thereon to the Redemption Date, and that from and after such Redemption Date interest thereon shall cease to accrue, and shall require that such Series 2025 Bonds be then surrendered at the address of the Master Trustee specified in the redemption notice or herein. Failure to receive such notice shall not invalidate any of the proceedings taken in connection with such redemption.

In the event of an optional redemption of Series 2025 Bonds, the Master Trustee shall mail a notice of redemption upon receipt of a written request of the Issuer, received by the Master Trustee at least sixty (60) days prior to the Redemption Date; *provided* that, the redemption of Series 2025 Bonds may be expressly conditioned upon the receipt of funds by the Master Trustee on or prior to the Redemption Date. The failure to provide such funds shall result in a rescission of such written request of optional redemption and shall not constitute a default by the Issuer, and the Series 2025 Bonds that were to be redeemed shall remain subject to future redemption in accordance with the terms hereof.

If notice of redemption has been duly given as aforesaid and money for the payment of the redemption price of the Series 2025 Bonds called for redemption is held by the Master Trustee, then on the Redemption Date designated in such notice Series 2025 Bonds so called for redemption shall become due and payable, and from and after the date so designated interest on such Series 2025 Bonds shall cease to accrue, and the Holders of such Series 2025 Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

If less than all Outstanding Series 2025 Bonds are to be redeemed at any one time, such redemption shall be processed through DTC and shall be treated by DTC, in accordance with its rules and procedures, as a "Pro Rata Pass-Through Distribution of Principal", and the Master Trustee shall promptly notify the Issuer in writing of the numbers of the Series 2025 Bonds so selected for redemption. For purposes of such selection, Series 2025 Bonds shall be deemed to be composed of $1,000 multiples of the principal.

In the event Series 2025 Bonds are optionally redeemed, the Issuer shall receive a credit, in an amount equal to the principal amount of the Series 2025 Bonds optionally redeemed, against future mandatory redemption amounts, commencing with the mandatory redemption amount immediately following the optional redemption date.

Exchange and Transfer

While the Series 2025 Bonds remain in book-entry only form, transfer of ownership by Beneficial Owners may be made as described under "BOOK-ENTRY-ONLY SYSTEM".

Events of Default

Under the Bond Indenture, an "Event of Default" means: any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) default in the payment of (i) the principal of (and premium, if any, on) any Series 2025 Bond at its Maturity or (ii) an installment of interest on any Series 2025 Bond at the Stated Maturity for such installment; or

(b) default in the performance, or breach, of any covenant or agreement on the part of the Issuer contained in the Bond Indenture (other than a covenant or agreement whose performance or observance is elsewhere in the Bond Indenture specifically dealt with) and continuance of such default or breach for a period of thirty (30) days after there has been given, by registered or certified mail, to the Issuer and the Company by the Bond Trustee, or to the Issuer, the Company and the Bond Trustee by the Bondholders of at least 25% in principal amount of Series 2025 Bonds then Outstanding, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" under the Bond Indenture; provided that if such default can be cured by the Issuer but cannot be cured within the 30-day curative period described above, it shall not constitute an Event of Default if corrective action is instituted by the Issuer within such 30-day period and diligently pursued until the default is corrected, provided, however, if such default or breach shall last longer than ninety (90) days, it will constitute an Event of Default under the Bond Indenture; or

(c) a decree or order by a court having jurisdiction in the premises will have been entered adjudging the Company bankrupt or insolvent, or approving as properly filed a petition seeking reorganization or arrangement of the Company under the federal Bankruptcy Code or any other similar applicable federal or state law, and such decree or order will have continued undischarged and unstayed for a period of ninety (90) days; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver or trustee or assignee in bankruptcy or insolvency of the Company or of the Company's property, or for the winding up or liquidation of the Company's affairs, will have been entered, and such decree or order will have remained in force undischarged and unstayed for a period of ninety (90) days; or

(d) the Company will institute proceedings to be adjudicated voluntarily bankrupt, or will consent to the institution of a bankruptcy proceeding against it, or will file a petition or answer or consent seeking reorganization or arrangement under the federal Bankruptcy Code or any other similar applicable federal or state law, or will consent to the filing of any such petition, or will consent to the appointment of a receiver or trustee or assignee in bankruptcy or insolvency of it or of its property, or will make assignment for the benefit of creditors, or will admit in writing its inability to pay its debts generally as they become due, or corporate action shall be taken by the Company in furtherance of any of the aforesaid purposes; or

(e) the maturity of any Master Note issued under the Master Indenture will be accelerated unless such acceleration has been rescinded and annulled pursuant to the Master Indenture; or

(f) an event of default occurs under any agreement pursuant to which any bonds, loans, certificates, installment or lease payments or similar obligations of the Company that are payable or secured on a parity or subordinate basis to the Series 2025 Bonds has been incurred or issued and that permits the holder of such obligation or trustee to accelerate the obligation or otherwise exercise rights or remedies that affect the Trust Estate or materially impairs the ability of the Company to timely pay principal and interest on the Series 2025 Bonds; or

(g) an "Event of Default" has occurred under any of the Bond Documents as the term "Event of Default" is therein defined.

If any portion of a Loan Payment shall not be paid at the time therein specified, the Bond Trustee shall reasonably promptly give telephonic or facsimile notice to the Master Trustee and any Person that may execute an Officer's Certificate on behalf of the Company of such failure.

Application of Money Collected

Any money collected by the Bond Trustee pursuant to the provisions of the Bond Indenture and any other sums then held by the Bond Trustee as part of the Trust Estate will be applied in the following order, at the date or dates fixed by the Bond Trustee and, in case of the distribution of such money on account of principal (or premium, if any) or interest, upon presentation of the Series 2025 Bonds and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

1) First: To the payment of (a) all amounts due the Bond Trustee under the Bond Indenture, including any legal counsel fees, other fees, costs or expenses and (b) any legal counsel fees, other fees, costs and expenses of the Issuer and the Issuer Indemnified Parties (as defined in the Bond Indenture) and any other payments due them in respect of the Issuer's Unassigned Rights (as defined in the Bond Indenture) (including without limitation, indemnification payments); provided, that payment of amounts due to the Issuer or any Issuer Indemnified Parties under this second clause shall not absolve the Company from liability therefor except to the extent of the amounts received from the Bond Trustee under this second clause;

2) Second: To the payment of the amounts then due and unpaid upon the Series 2025 Bonds, for interest, in respect of which or for the benefit of which such money has been collected; ratably without preference or priority of any kind, according to the amounts due and payable on such Series 2025 Bonds for interest;

3) Third: To the payment of the amounts then due and unpaid upon the Series 2025 Bonds, for principal (and premium, if any), in respect of which or for the benefit of which such money has been collected; ratably without preference or priority of any kind, according to the amounts due and payable on such Series 2025 Bonds for principal (and premium, if any); and

4) Fourth: To the Debt Service Fund, any remaining amounts of money so collected.

If the Master Trustee has accelerated the Series 2025 Notes, the portion of the master trust estate allocable to the Series 2025 Bonds under the Master Indenture will be applied to purchase Defeasance Obligations for deposit with the Master Trustee to defease all or a portion of the Series 2025 Bonds in inverse order of maturity through the earlier of their Maturity or first Optional Redemption date as set forth in the forms of Bond attached to the Bond Indenture.

Acceleration of Maturity; Recission and Annulment

If an Event of Default under the Bond Indenture has occurred and is continuing (other than an Event of Default specified in Section 8.1(c) therein), then the Bond Trustee may (and will at the direction of Holders of 25% or more of the aggregate Outstanding Bond Amount) declare the principal of, accrued and unpaid interest on, and other amounts payable under, all the Series 2025 Bonds to be immediately due and payable. If an Event of Default described above in paragraph (d) under "Events of Default" occurs, such an acceleration will occur automatically and without any further action.

At any time after such a declaration of acceleration of maturity of the Series 2025 Bonds has been made and before a judgment or decree for payment of the Series 2025 Bonds has been obtained by the Bond Trustee as provided in the Bond Indenture, the Majority Holders, by written notice to the Issuer and the Bond Trustee, may rescind and annul such declaration and its consequences. No such rescission will affect any subsequent default or Event of Default or impair any right consequent thereon (including without limitation, any right to accelerate the maturity of the Series 2025 Bonds).

Holders of 25% or more of the aggregate Outstanding Bond Amount will have the right to direct the Bond Trustee in the conduct of any proceedings for any remedy available to the Bond Trustee; provided that, (i) such direction will not conflict with any rule of law, the Bond Indenture or any other Transaction Document; (ii) the Bond Trustee may take any other action not inconsistent with such direction; and (iii) the Bond Trustee has been provided with an indemnity and security acceptable to it (and the Bond Trustee need not take any action that it determines might

involve it in liability unless the Bond Trustee has received indemnity and security acceptable to it against any such liability).

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SOURCES AND USES OF FUNDS*

The table that follows summarizes the expected sources and uses of proceeds of the Series 2025 Bonds:

Sources of Funds:	Series 2025 Bonds
Principal Amount	$[__]
Total Sources	**[__]**
Uses of Funds:	
Deposit to Debt Service Reserve Fund	[__]
Deposit to Project Fund	[__]
Costs of Issuance Account	[__]
Total Uses:	**$[__]**

* *Preliminary, subject to change*.

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Series 2025 Bonds are to be transferred and how the principal of, premium, if any, and interest on the Series 2025 Bonds are to be paid to and credited by DTC while the Series 2025 Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Limited Offering Memorandum. The Company believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The Company cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Series 2025 Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Series 2025 Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Limited Offering Memorandum. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Series 2025 Bonds. The Series 2025 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate for each maturity will be issued for the Series 2025 Bonds, in the aggregate principal amount of each maturity, and will be deposited with DTC. The Trustee shall follow any procedure required by DTC for the purchase of bonds purchased by Qualified Institutional Buyers or Accredited Investors.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust &

Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information contained in such website is not incorporated by reference herein.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2025 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2025 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2025 Bonds, except in the event that use of the book-entry system for the Series 2025 Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2025 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2025 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2025 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an omnibus proxy (the "Omnibus Proxy") to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2025 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal and interest payments on the Series 2025 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Master Trustee, on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Master Trustee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Master Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Use of Certain Terms in Other Sections of this Limited Offering Memorandum. In reading this Limited Offering Memorandum it should be understood that while the Series 2025 Bonds are in the Book-Entry-Only System, references in other sections of this Limited Offering Memorandum to registered owners should be read to include the person for which the Participant acquires an interest in the Series 2025 Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry- Only System, and (ii) except as described above, notices that are to be given to registered owners under the Bond Indenture will be given only to DTC.

Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Issuer or the Underwriter.

Effect of Termination of Book-Entry-Only System. In the event that the Book-Entry-Only System is discontinued by DTC or the use of the Book-Entry-Only System is discontinued by the Issuer, printed certificates will be issued to the holders and the Series 2025 Bonds will be subject to transfer, exchange and registration provisions as set forth in the Master Indenture and summarized under "THE SERIES 2025 BONDS – Transfer, Exchange and Registration" above.

In the event the Book-Entry-Only System should be discontinued, the principal of and interest on the Series 2025 Bonds will be payable to the registered owner at maturity or prior redemption pursuant to the provisions of the Master Indenture.

SECURITY AND SOURCE OF PAYMENT

The Series 2025 Bonds are issued pursuant to the terms of the Bond Indenture. Pursuant to the provisions of the Bond Indenture, the Issuer has granted to the Bond Trustee, not in its individual capacity but solely in its capacity as Bond Trustee for the benefit and security of the Holders of the Series 2025 Bonds, a security interest in all of the Issuer's right, title, and interest, whether now owned or hereafter acquired, in, to, and under all money or other property held under the Bond Indenture including (i) the Debt Service Reserve Fund and (ii) the Debt Service Fund, and pursuant to the provisions of the Master Indenture, the Company has granted to the Master Trustee, not in its individual capacity but solely in its capacity as Master Trustee for the benefit and security of the Holders of the Series 2025 Notes, a security interest in all of the Issuer's right, title, and interest, whether now owned or hereafter acquired, in, to, and under the Revenues (the "Collateral"). The obligations of the Company to repay the Series 2025 Bonds are secured by the issuance of the Notes pursuant to the Master Indenture on a parity basis with all other Notes issued under the Master Indenture.

The Regulated Utilities have granted to the Company, and the Company grants to the Master Trustee a lien on and security interest in all right, title, and interest of the respective Regulated Utility, in and to the Revenues, as described in the Security and Pledge Agreements.

THE SERIES 2025 BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE COLLATERAL. THE SERIES 2025 BONDS ARE NOT OBLIGATIONS OF THE STATE OF TEXAS, THE CITY OF MISSION, TEXAS, OR ANY POLITICAL SUBDIVISION THEREOF, OR ANY ENTITY OTHER THAN THE ISSUER. THE ISSUER IS NOT OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON OF THE SERIES 2025 BONDS FROM ANY MONEYS OF THE ISSUER OTHER THAN THE THOSE GENERATED BY THE COLLATERAL. THE ISSUER HAS NO TAXING POWER.

Debt Service Fund

Pursuant to the Bond Indenture, the Issuer shall create and establish with the Bond Trustee the special fund of the Issuer designated as its "Mission Economic Development Corporation Utility Revenue Bonds (Permian Basin Water Resources Project) Series 2025 Debt Service Fund" (herein referred to as the "Debt Service Fund"). The money deposited to the Debt Service Fund, together with all investments thereof and investment income therefrom, shall be held in trust and applied solely as provided in the Bond Indenture.

The Bond Trustee shall deposit to the credit of the corresponding account of the Debt Service Fund immediately upon receipt (1) amounts due and payable by the Company pursuant to the Loan Agreement and the terms of the Notes; (2) any other amounts required by the Bond Indenture; and (3) any other amounts delivered to the Bond Trustee specifically for deposit thereto.

On each Interest Payment Date, the Bond Trustee shall withdraw money first from the applicable account of the Debt Service Fund in an amount sufficient to pay the Bondholders principal and interest on each series of Series 2025 Bonds.

On each Redemption Date, the Bond Trustee shall withdraw money in any amount sufficient to pay accrued interest on any Series 2025 Bonds subject to mandatory redemption.

Debt Service Reserve Fund

Pursuant to the Bond Indenture, the Issuer shall create and establish with the Bond Trustee the special fund of the Issuer designated as its "Mission Economic Development Corporation Utility Revenue Bonds (Permian Basin Water Resources Project) Series 2025 Debt Service Reserve Fund" (herein referred to as the "Debt Service Reserve Fund"). Pursuant to the Bond Indenture, all amounts held by the Bond Trustee in the Debt Service Reserve Fund shall be pledged to the payment of the principal of and interest on the Series 2025 Bonds as provided therein, and the amounts in the Debt Service Reserve Fund, except as otherwise set forth in the Bond Indenture, shall not be used for any other purpose while any of the Series 2025 Bonds remain Outstanding, except to pay extraordinary fees and expenses of the Bond Trustee. Pursuant to the Bond Indenture, this pledge shall constitute a pledge of and charge and lien upon the Debt Service Reserve Fund and all other moneys on deposit in the funds and accounts established thereunder for the payment of the principal of and interest on the Series 2025 Bonds in accordance with the terms thereof.

All moneys on deposit in the Debt Service Reserve Fund shall be applied and disbursed on a Payment Date, a mandatory redemption date, or the Maturity Date, as the case may be, to pay the principal of and interest on the Series 2025 Bonds as of such date to the extent insufficient funds are on deposit in the Debt Service Fund to make such payment; provided that, upon the occurrence and continuance of an Event of Default, amounts in the Debt Service Reserve Fund may be retained in the Debt Service Reserve Fund or disbursed as directed by the Majority Holders to satisfy obligations under the Bond Indenture. Upon the payment in full of the Series 2025 Bonds, all obligations owed by the Issuer to the Bond Trustee, and the discharge of the Bond Indenture, any amounts remaining in the Debt Service Reserve Fund shall be disbursed to the Company free and clear of the lien of the Bond Indenture.

"Debt Service Reserve Fund Requirement" means the least of: (i) Maximum Annual Debt Service on the Series 2025 Bonds as of the Closing Date, (ii) 125% of average Annual Debt Service on the Series 2025 Bonds as of the Closing Date, or (iii) 10% of the lesser of the principal amount of the Outstanding Series 2025 Bonds or the original issue price of the Series 2025 Bonds. As of the Closing Date, the Debt Service Reserve Fund Requirement is $_____, which is an amount equal to the [Maximum Annual Debt Service on the Series 2025 Bonds].

In the event amounts held by the Trustee in the Debt Service Reserve Fund fall below the Debt Service Reserve Fund Requirement, the Company, following 30 days written notice, shall begin making payments, in monthly installments equal to 1/6th of the difference between the actual amount on hand in the Debt Service Reserve Fund and the Debt Service Reserve Fund Requirement until such time as the amount held in the Debt Service Reserve Fund equals the Debt Service Reserve Fund Requirement.

Rebate Fund

Pursuant to the Bond Indenture, the Trustee shall create and establish a separate account for the Series 2025 Bonds designated the "Mission Economic Development Corporation Utility Revenue Bonds (Permian Basin Water Resources Project) Series 2025 Rebate Fund" ("Rebate Fund"). Absent a favorable opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest on the Series 2025A Bonds will not be adversely affected, the Issuer shall cause to be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Bond Indenture, the Tax Certificate and Agreement (as defined in the Bond

Indenture). All amounts on deposit in the Rebate Fund for the Series 2025 Bonds shall be governed by the Bond Indenture and the Tax Certificate and Agreement, unless and to the extent that the Issuer delivers to the Trustee a favorable opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest on the Series 2025A Bonds will not be adversely affected if such requirements are not satisfied.

Within 55 days of the end of each year, the Issuer shall calculate or cause to be calculated the amount of rebatable arbitrage, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Treasury Regulations taking into account any applicable exceptions with respect to the computation of the rebatable arbitrage, described, if applicable, in the Tax Certificate and Agreement (*e.g.*, the temporary investments exceptions of Section 148(f)(4)(B) and (C) of the Code or Section 1.148-7(d) of the Treasury Regulations), for this purpose treating the last day of the applicable year as a computation date, within the meaning of Section 1.148-1(b) of the Treasury Regulations (the "Rebatable Arbitrage"). The Issuer shall obtain expert advice as to the amount of the Rebatable Arbitrage to comply with the Bond Indenture.

Within 55 days of the end of each year, upon the written request of the Issuer, an amount shall be deposited to the Rebate Fund by the Trustee from any Revenues legally available for such purpose (as specified by the Issuer in the aforesaid written request), if and to the extent required so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with applicable provisions of the Bond Indenture. In the event that immediately following the transfer required by the previous sentence, the amount then on deposit to the credit of the Rebate Fund exceeds the amount required to be on deposit therein, upon written request of the Issuer, the Trustee shall withdraw the excess from the Rebate Fund and then credit the excess to the Revenue Fund.

The Trustee shall pay, as directed by request of the Issuer, to the United States Treasury, out of amounts in the Rebate Fund: (1) not later than 60 days after the end of (x) the fifth anniversary of closing date of the Series 2025 Bonds, and (y) each applicable fifth anniversary thereafter, an amount that, together with all previous rebate payments, is equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such year; and (2) not later than 60 days after the payment of all the Series 2025 Bonds, an amount equal to 100% of the Rebatable Arbitrage calculated as of the date of such payment and any income attributable to the Rebatable Arbitrage determined to be due and payable, computed in accordance with Section 1.148-3 of the Treasury Regulations. In the event that, prior to the time of any payment required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the Issuer shall calculate or cause to be calculated the amount of such deficiency and deposit an amount received from any legally available source equal to such deficiency prior to the time such payment is due. Each payment required to be made pursuant to the Bond Indenture shall be made to the Internal Revenue Service Center on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, or shall be made in such other manner as provided under the Code.

Any funds remaining in the Rebate Fund after redemption and payment in full of the Series 2025 Bonds and the payments described above being made may be withdrawn by the Issuer and utilized in any manner by the Issuer.

Notwithstanding anything in the foregoing to the contrary, the obligation to comply with the requirements of the foregoing shall survive the defeasance or payment in full of the Series 2025 Bonds.

The Issuer shall retain records of all determinations made under the Bond Indenture until three (3) years after the complete retirement of the Series 2025 Bonds.

Project Fund

Pursuant to the Bond Indenture, the Issuer shall create and establish with the Bond Trustee the special fund of the Issuer designated its "Mission Economic Development Corporation Utility Revenue Bonds (Permian Basin Water Resources Project) Series 2025 Project Fund" (the "Project Fund"). The money deposited in the Project Fund, including all money therein and all investments thereof, shall be held in trust and applied solely as provided in the Bond Indenture. The Project Fund shall contain a Reimbursement Account, a Project Account, an Insurance Proceeds Account and a Costs of Issuance Account. The Bond Trustee shall have the authority to create subaccounts within the Project Account of the Project Fund as is necessary and convenient for the administration of such account. The Bond Trustee shall, at the written direction of the Company, transfer funds between subaccounts in the Project Account as needed to fund all or any portion of the Project.

The Bond Trustee shall deposit to the credit of the Project Fund or any account or subaccount therein all amounts paid to the Bond Trustee by the Issuer or the Company specifically for deposit to the credit of the Project Fund and the proceeds of the Series 2025 Bonds to the extent specified by the Company Order.

The Bond Trustee shall disburse amounts in the Reimbursement Account of the Project Fund on the Closing Date following receipt of and in accordance with a Requisition Certificate. The Bond Trustee may rely fully on any Requisition Certificate, and shall not be required to make any investigation in connection therewith.

The Bond Trustee shall disburse amounts in the Costs of Issuance Account on or after the Closing Date upon receipt of a Requisition Certificate.

Any moneys remaining in the Costs of Issuance Account ninety (90) days after the Closing Date and not needed to pay unpaid Costs of Issuance shall be deposited in the Project Account of the Project Fund. Upon final disbursement and/or transfer, the Bond Trustee shall close the Costs of Issuance Account.

In furtherance and not in limitation of the "Project Fund" Section of the Bond Indenture, all payments made from the Reimbursement Account, the Project Account or the Costs of Issuance Account pursuant to a written requisition from the Company in the form attached to the Bond Indenture shall be presumed to be made properly and the Bond Trustee shall not be required to see the application of any payments made from the Reimbursement Account, the Project Account or the Costs of Issuance Account or to inquire into the purposes for which withdrawals are being made from such Accounts.

On the earlier of the end of the fifth Bond Year or receipt of the Officer's Certificate required by the Loan Agreement, the Bond Trustee shall transfer any amount then on deposit in the Project Fund to the Debt Service Fund unless the Bond Trustee has received from the Company a Requisition Certificate for all or any portion of such amounts for payment of incurred but unpaid Project Costs. To the extent the amounts are transferred to the Debt Service Fund, such amounts may be used, as specified in a Company Order, to (i) pay principal or interest on the Series 2025 Bonds or (ii) redeem Series 2025 Bonds in Authorized Denominations, to the maximum degree permissible, and at the earliest dates at which the Series 2025 Bonds may be redeemed under the Bond Indenture; provided, however, if the Series 2025 Bonds may not be redeemed, the Series 2025 Bonds may be defeased, as specified in a Company Order.

Debt Service Coverage Ratio Requirement

(a) Upon sixty days (60) following a Reporting Period as defined in the Continuing Disclosure Agreement related to the Series 2025 Bonds, the Company shall deliver to the Dissemination Agent a certificate signed by an Authorized Representative of the Company stating that Net Revenues for the trailing twelve months immediately preceding such Reporting Period are at least 1.10x Maximum Annual Debt Service on all outstanding Series 2025 Bonds payable from the Revenues of the Company.

(b) In the event that Net Revenues for the trailing twelve months immediately preceding such Reporting Period fall below 1.10x Maximum Annual Debt Service, the Company agrees to immediately begin making monthly payments to the Trustee from Revenues as further described in Section 4.1(a)(ii) of the Loan Agreement.

(c) If after 30 days following a report by the Company stating that Net Revenues for the trailing twelve months immediately preceding such Reporting Period have fallen below 1.10x Maximum Annual Debt Service and the Company has not made the required monthly payments to the Trustee, the Trustee shall begin making monthly withdrawals from the Debt Service Reserve Fund in amounts described in 4.1(a)(ii) of the Loan Agreement.

(d) Following the earlier of (i) two consecutive Reporting Periods stating that Net Revenues for the trailing twelve months immediately preceding such Reporting Period equal at least 1.10x Maximum Annual Debt Service or (ii) a Reporting Period stating that Net Revenues for the trailing twelve months immediately preceding such Reporting Period, are at least 1.20x Maximum Annual Debt Service, and (iii) the Company has provided sufficient payments to the Trustee such that the Debt Service Reserve Fund balance is no less than the Debt Service Reserve

Fund Requirement, the Company may again begin making payments to the Trustee as described in Section 4.1(a)(i) of the Loan Agreement.

Additional Debt

Pursuant to the Master Indenture, upon satisfaction of the applicable requirements thereof, the Company reserves the right to issue and incur one or more series of parity Debt (as defined in the Master Indenture) secured by and payable from the Revenues of the Company that may be delivered pursuant to the Master Indenture if the following conditions are met:

(1) Such Debt shall be secured on parity with respect to the Trust Estate; provided that the terms of any Supplemental Master Indenture may expressly relinquish any right to any of the collateral provided in the Trust Estate (in which case it shall only be entitled to its pro rata share of the collateral which has not been relinquished), and shall be payable by the Company solely from the Revenues and other amounts paid out of moneys attributable to the proceeds derived from the sale of the additional parity Debt or to income from the temporary investment thereof; and

(2) Sufficient funds must be evidenced as follows: (A) by delivery of an officer's certificate stating that, for either the Company's most recently completed fiscal year or for any consecutive twelve months out of the most recent eighteen months immediately preceding the issuance of the additional Debt, the Net Revenues equal at least 1.10x the Maximum Annual Debt Service (as defined in the Master Indenture) on all parity Debt then Outstanding; and (B) by delivery of an officer's certificate stating that, based on the audited results of the operations for the most recently completed fiscal year, the Net Revenues equal at least 1.20x Maximum Annual Debt Service (as defined in the Master Indenture) on all parity Debt then Outstanding as well as the additional Debt.

(3) Debt Service Reserve Fund Requirements.

(A) A debt service reserve fund shall be required for each issuance of parity Debt payable from the Revenues of the Company.

(B) The Debt Service Reserve Fund Requirement for each issuance of parity Debt shall be sized in accordance with the then current requirements of the Internal Revenue Code of 1986, as amended, and all regulations of the United States Department of the Treasury issued thereunder and under Section 103 of the Internal Revenue Code of 1954, as amended, to the extent such requirements are, at the time, applicable and in effect. For the avoidance of doubt, such requirements currently require the least of the (i) Maximum Annual Debt Service on such additional Debt, (ii) 125% of average Annual Debt Service Requirements (as defined in the Master Indenture) on such additional Debt, or (iii) 10% of the lesser of the principal amount of the outstanding additional Debt or the original issue price of the additional Debt.

(C) Any amounts on deposit in a debt service reserve fund may be replaced with a Surety Bond (as defined in the Master Indenture) at the direction of the Company. The Master Trustee shall release such replaced funds from the lien of this Master Indenture and disburse them in accordance with the applicable Related Obligation Indenture (as defined in the Master Indenture).

(D) Notwithstanding Sections (3)(A), (B) and (C) above, a debt service reserve fund shall not be required for an issuance of parity Debt payable from the Revenues of the Company if such parity Debt receives an investment grade rating from Fitch, S&P or Moody's (each as defined in the Master Indenture), other than as required to achieve such rating.

If additional Debt is being issued for the purpose of refunding any Outstanding Debt, the reports required to be delivered under the above sub-section (2) shall not be required so long as both the total and Maximum Annual Debt Service on all Outstanding Debt after issuance of the additional Debt will not exceed both the total and the Maximum Annual Debt Service on all Outstanding Debt prior to the issuance of such additional Debt, as set forth in an Officer's Certificate.

In the event such additional Debt is being issued or incurred for the purpose of completing any Related Project (as defined in the Master Indenture) for which additional Debt is issued or incurred, such series of completion Debt may be issued in amounts not to exceed 10% of the principal amount of the Debt last issued for such Related Project upon delivery of an Officer's Certificate that such additional Debt is required to fund the costs of completion and such completion Debt shall not be required to comply with sub-section (2) above; provided that, such additional Debt must comply with any applicable requirements imposed by the Related Obligation Indenture and Related Loan Documents.

The Company reserves the right to incur Debt that is not secured by a lien on the Revenues and such Debt shall not be subject to the requirements described above; provided, that bondholders of a majority in aggregate principal amount of the Series 2025 Bonds outstanding have approved such incurrence of debt by written notice to the Company and the Master Trustee. Such Debt may be secured by a lien on all or any portion of assets financed therewith.

Security and Pledge Agreements

Payment of the Series 2025 Bonds is secured, in part, by a pledge of and a lien upon the Collateral, pursuant to the Master Indenture, consisting of the Revenues. The Company has entered into three separate Security and Pledge Agreements, each dated as of September 1, 2025 (the "Security and Pledge Agreements"), by and among the Company, the Master Trustee, as the secured party thereunder, and the following regulated utility providers: (i) Greenwood Water Corporation, (ii) Park Water Company, and (ii) Park Sewer Company ("Park Sewer Company" and, together with Greenwood Water Corporation and Park Water Company, the "Regulated Utilities"). Pursuant to each of the Security and Pledge Agreements, the applicable Regulated Utility grants to the Company, and the Company grants to the Master Trustee a lien on and security interest in all right, title, and interest of the respective Regulated Utility, whether now owned or existing or hereafter created, acquired, or arising, in and to the Revenues as described in the Security and Pledge Agreements. Complete information regarding the Security and Pledge Agreements is attached hereto as APPENDIX E and should be read in its entirety. See "APPENDIX E – FORM OF SECURITY AND PLEDGE AGREEMENT."

THE COMPANY, THE UTILITY SYSTEM AND CERTAIN REGULATORY REQUIREMENTS RELATING THERETO

Background

Permian Basin Water Resources, LLC, a Delaware limited liability company (the "Company"), is a holding company formed as the parent company for regulated utility companies providing utility services, including water, wastewater and reclaimed water, in the Utility Service Area. The Utility Service Area is located approximately eight miles east of the City of Midland, Texas ("Midland"). Midland is located in the Permian Basin region which extends from West Texas to Eastern New Mexico. The Permian Basin is one of the United States' greatest and most important mineral reservoirs, providing expansive exploration, drilling and extraction activities to meet national and international demand for hydrocarbon reserves. Recognizing the importance of the region, the Company has resolved to expand its current operating areas to meet increasing demand for water, wastewater and reclaimed water service generated by the growing Permian Basin economy. This activity is designed to ensure sustainable and reliable water resources and utility services to constituents in the Company's Utility Service Area and to address head on existing water quality and quantity problems in the region.

The Company is comprised of three entities: (i) Greenwood Water Corporation, a Texas corporation, (ii) Park Water Company, a Texas corporation, and (iii) Park Sewer Company, a Texas corporation.

Greenwood Water Corporation is a Texas "Retail Public Utility" (PUCT Substantive Rule §24.3(31)) in good standing with an approved CCN currently providing potable water services to approximately 304 water connections. Greenwood Water Corporation is classified as a Class D utility under PUCT Substantive Rule §24.3(8).

Park Water Company is a Texas Retail Public Utility (PUCT Substantive Rule §24.3(31)) in good standing with an approved CCN currently providing potable water, sewer and reclaimed water service to approximately 561 residential and commercial connections and 400 commercial and residential wastewater connections. Park Water

Company is classified as a Class D utility under PUCT Substantive Rule §24.3(8). Of the 561 water connections, Park Water Company is providing potable water service to approximately 223 connections outside the CCN under an agreement with the MCUD. Of the 400 wastewater connections, Park Water Company is providing wastewater services to 65 connections outside the CCN.

Park Sewer Company is the permittee of the wastewater discharge permit (TPDES WQ0015661001) under which Park Water Company is providing sewer service. It is anticipated that the Company will either move the permit to Park Water Company, or merge Park Sewer Company with Park Water Company in the future.

Park Water Company, Park Sewer Company and Greenwood Water Corporation represent the "Utility System."

The Company's current water infrastructure has the capacity to serve the approximately the following amounts of homes for the following services:

Service	Approximate Number of Homes
Water Treatment	1,017
Water Storage	1,250
Booster Pumps	974
Pressure Tanks	1,070

Additional capacity may be realized through augmenting these individual systems.

The Company's wastewater infrastructure currently has the capacity to serve approximately 607 homes. An additional 60,000 GPD tertiary wastewater treatment system is currently under engineering design which will bring the total treatment capacity to 145,000 GPD, sufficient to serve approximately 1,035 homes (at the anticipated flow of 140 GPD per home of wastewater). The Company's wastewater treatment capacity is designed to easily add 60,000 GPD incremental treatment modules to the TPDES-permitted capacity of 360,000 GPD, or approximately 2,500 homes.

Company Officers

Trevor Hill, P.Eng. – Chairman

Trevor Hill is a serial water entrepreneur, with 30 years' experience in building and leading water companies in water scarce regions of North America. With four successful startups, he has significant experience in both public and private markets having raised $75M through an IPO and over $500M for private ventures.

Trevor is one of the founders at Permian Basin Water Resources, with the role/responsibility as Chairman, together with the associated entities for the Midland, TX development project.

Mr. Hill created the investor-owned utilities Algonquin Water Resources of America (now Liberty Utilities) and Global Water Resources Inc. (GWRS) and led these ventures from inception to exit. GWRS still trades on the NASDAQ.

Mr. Hill developed the concept of Total Water Management ("Total Water Management: Resource Conservation in the Face of Population Growth And Water Scarcity"), led the adoption of the philosophy of the "right water for the right use" and demonstrated the importance of integrated water/sewer/recycled water utility in water resources management. He is at the forefront of technology and financed-enabled services to drive efficiency into utility operations, co-authoring the definitive guide on how utilities can exploit the value of data in their operations ("The Smart Grid for Water: How Data will Save our Water and Your Utility").

Trevor is currently a Professional Investor, investing in and sitting on the Boards of Directors for multiple companies in the water and technology sectors. Mr. Hill holds a bachelor's degree in mechanical engineering from Canada's Royal Military College and completed post graduate studies at the Royal Naval Engineering College in Marine Systems Engineering.

Jason Bethke, PE – Chief Executive Officer

Since 2021, Mr. Bethke serves as the Chief Executive Officer and owner in several Midland, Texas utility and land development entities including Permian Basin Water Resources, LLC, Park Water Company, Greenwood Water Corporation, Paleo Land Company, LLC, King 261, LLC, Ranch 80, LLC, Meadows 78, LLC, North 280, LLC, Greenwood Town Center, LLC and Greenwood Country Mesquite Properties, LLC.

Mr. Bethke is a seasoned executive with 25 years in the construction, large-scale operations and sales. He holds a bachelor's degree in Civil Engineering from the University of Illinois at Urbana, along with master's degrees in Environmental Engineering and Business Administration from Arizona State University.

As a licensed Professional Engineer in Arizona, Mr. Bethke worked on numerous large-scale engineering and construction projects, including wastewater facilities up to 27 million GPD, over 100,000 linear feet of pipelines and several storage and booster station projects. While Vice President of Engineering and Construction with Global Water Resources, Inc. he managed their 150 projects, $60 million annual capital plan.

Working with a leading technology provider, Mr. Bethke assisted over twenty utilities with their conversion to advanced metering infrastructure and then consolidating their billing and customer services operation onto a single platform with over 200,000 customers.

Mr. Bethke was the VP of Sales for Banyan Water and continues to serve on their board. Banyan Water, a smart irrigation company dedicated to helping large multi-family asset managers use less water provides him with an excellent and unique perspective into the multi-family market. He additionally serves on the board of the West Travis County Public Utility Agency which provides water and wastewater services to the communities directly west of Austin, Texas.

Cindy Bowers, CPA – Chief Financial Officer

Since 2019, Ms. Bowers serves as the Chief Financial Officer and owner in several Midland, Texas utility and land development entities including Permian Basin Water Resources, LLC, Park Water Company, Greenwood Water Corporation, Paleo Land Company, LLC, King 261, LLC, Ranch 80, LLC, Meadows 78, LLC, North 280, LLC, Greenwood Town Center, LLC and Greenwood Country Mesquite Properties, LLC.

Ms. Bowers served as a Director on the Board of Global Water Resources, Inc. from 2013 to May 2019. Global Water Resources, Inc. trades on the NASDAQ under the symbol "GWRS" and is a water resource management company headquartered in Phoenix, Arizona. Global Water Resources, Inc. provides water, wastewater, and reclaimed water utility services to residential and commercial customers and is unique in that they manage the entire water cycle, conserving water by using the right water for the right use. They distribute reclaimed water throughout their communities in a separate system of pipes for a variety of outdoor uses. Ms. Bowers served as the Chief Financial Officer from January 2004 to accepting the Board role in 2013.

Ms. Bowers joined Global Water in 2004 upon their first utility acquisition of water and wastewater utilities located in Maricopa, AZ. From 2002 until 2004, Ms. Bowers was an owner and served as the Chief Financial Officer and General Manager of these utilities. Prior to 2002, Ms. Bowers worked with one of the largest private landowners in the state of Arizona working with land entitlement, design, wet/dry utilities and homebuilder relationships.

Ms. Bowers is a Certified Public Accountant with over 30 years of accounting and management experience with public companies including Holiday Inns Worldwide, Promus Hotel Corporation/Hilton Hotels Corporation and Mid-America Apartment Communities, Inc. Ms. Bowers graduated from Delta State University in Mississippi with a degree in Accounting.

Graham Symmonds – Chief Technical Officer

Since 2019, Mr. Symmonds serves as the Chief Technical Officer and owner in several Midland, Texas utility and land development entities including Permian Basin Water Resources, LLC, Park Water Company, Greenwood Water Corporation, Paleo Land Company, LLC, King 261, LLC, Ranch 80, LLC, and Meadows 78, LLC.

Mr. Symmonds has more than 30 years' experience in the water and wastewater field. He is a recognized authority on utility operations, an expert in analyzing and using data, and a prolific author (including co-authoring of "The Smart Grid for Water: How Data will Save our Water and Your Utility").

Most recently Mr. Symmonds was the Chief Knowledge Officer for FATHOM, where he impressed utility operations requirements into the FATHOM products and derived knowledge for utilities from data. Prior to this he was the Chief Technology Officer and Senior Vice President for Regulatory Affairs and Compliance for Global Water's regulated utilities. At Global Water, Mr. Symmonds developed codes of practice for utility operations, source control tariffs, backflow prevention programs, land-use guidelines and innovative rate structures to incentivize conservation.

Prior to joining Global Water, Mr. Symmonds was utility manager for Algonquin Water Resources of America, responsible for all business, technical and regulatory operations. In 1995, Mr. Symmonds joined Hill, Murray & Associates as Director of Operations. In 1986, Mr. Symmonds was as an officer in the Royal Canadian Navy and spent nine years employed in a variety of operational and support roles. Mr. Symmonds graduated from the University of Toronto in 1985 with a BASc degree in Mechanical Engineering and completed post-graduate work at the Royal Naval Engineering College in Plymouth, England.

The Utility System

The Company provides water, sewer and reclaimed water service pursuant to the jurisdictions of the PUCT and TCEQ. The relationship between the entities and their regulated counterparts is shown in the following table:

Corporate Entity	PCUT Entity	PUCT CCN	TCEQ Entity	TCEQ Customer Number	TCEQ Regulated Entity	TCEQ Regulated Entity Number	Permit
Permian Basin Water Resources							
Greenwood Water Corporation	Greenwood Water Corporation	11792	Greenwood Water Corporation	CN 600664528	Greenwood Water System	RN 101439040	PWS TX1650078
Park Water Company	Park Water Company (Water) Park Water Company (Sewer)	13278	Park Water Company See: Park Sewer Company	CN 605471689	Vander / Chaney / Hopkins Water System Meadow Water System	RN 110256732 (Water) RN 110239118 (Sewer)	PWS TX1650167 PWS TX1650166
Park Sewer Company	See: Park Water Company (Sewer)	21115	Park Sewer Company	CN 605480086		RN 110288503	TPDES WQ0015661001

Source: the Company

CCNs

Regulated water and sewer utilities are those investor-owned utilities that are rate regulated by public utilities commissions. In Texas, the PUCT is the rate regulating entity. Under PUCT rules, regulated utilities exist as Public Retail Utilities (PUCT Substantive Rule §24.3(31)) providing water, sewer and reclaimed water services within generally monopolistic service areas (Certificates of Convenience and Necessity, or CCNs). A CCN grants the exclusive right to provide retail water or sewer utility service to an identified geographic area. Chapter 13 of the Texas Water Code requires a CCN holder to provide continuous and adequate service to the area within its CCN boundary.

By granting the CCNs for Greenwood Water Corporation and Park Water Company, Texas regulators have made a formal determination that those entities possess the financial, managerial, and technical capability to provide continuous and adequate service to the requested area as required by Texas Water Code § 13.241(a) and title 16 of the Texas Administrative Code (TAC) 16 TAC § 24.227. Greenwood Water Corporation and Park Water Company are in good standing with the PUCT.

The CCN defines the service boundaries for regulated service providers. In order to serve outside the CCN, those properties must be petitioned into the CCN under a proceeding at the PUCT (PUCT Substantive Rule §24.227). A regulated utility may serve up to one-quarter mile outside their existing CCN (PUCT Substantive Rule §24.229(a)(1)(A)(i)) provided that notice is provided to PUCT within 30 days (PUCT Substantive Rule §24.229(a)(2)).

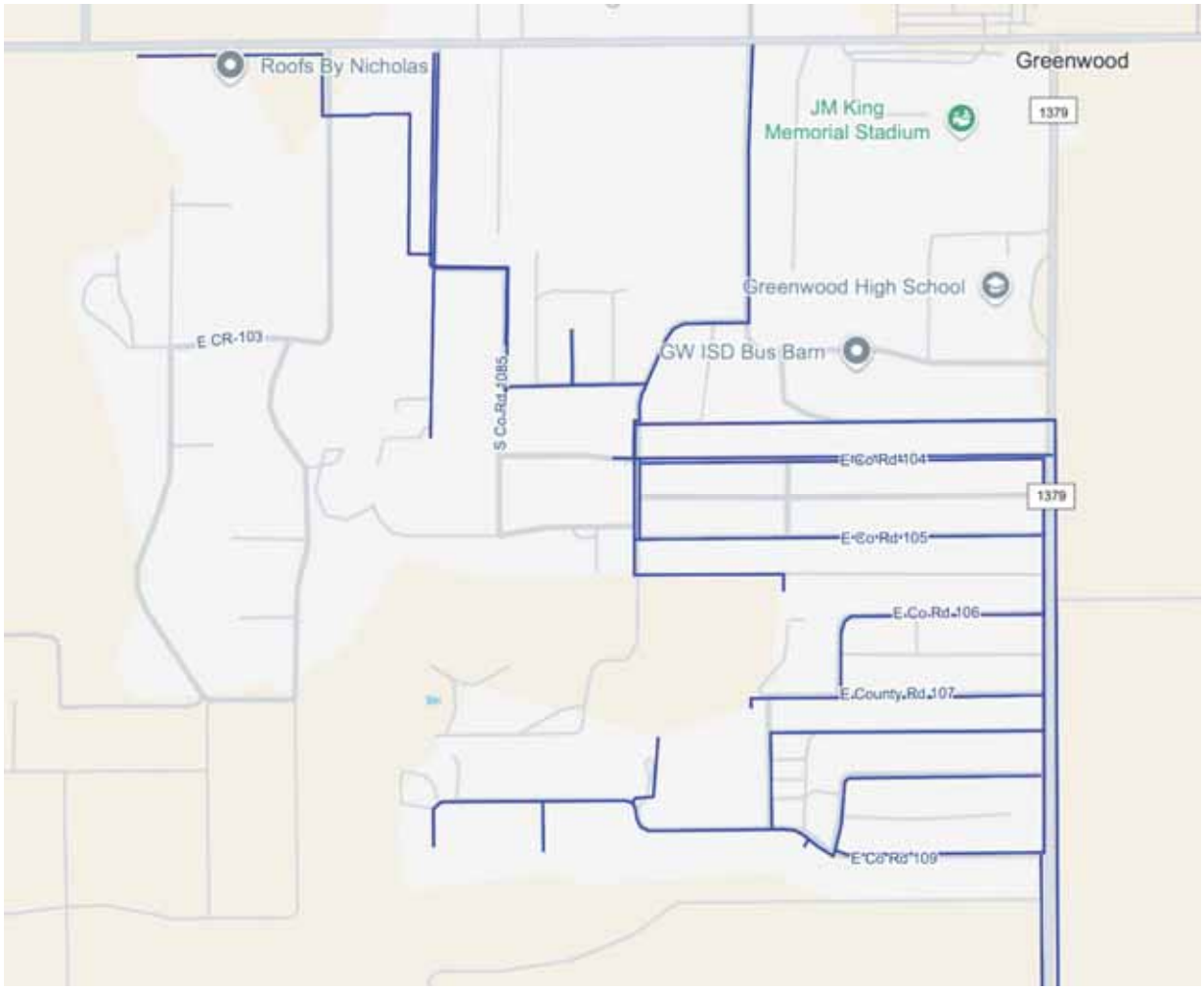
The Company anticipates that Park Water Company will file CCN extension requests for Pecan Grove (as defined herein) and the Meadows (as defined herein) in Q3 2025. In addition, Park Water Company will file with the PUCT to include those MCUD properties that are being served north and west of the current CCN, including Saddleback Estates. These properties are being served today under an agreement with MCUD to provide service for homeowners who feel their on-site water systems are inadequate for continuous service.

A CCN is not required for the construction or upgrading of distribution facilities within the retail public utility's certificated service area, or for the purchase or condemnation of real property for use as facility sites or rights-of-way (PUCT Substantive Rule §24.229(b)). While not required, prior construction or upgrading of distribution facilities, does not entitle a retail public utility to be granted a CCN or CCN amendment without a showing that the proposed CCN or CCN amendment is necessary for the service, accommodation, convenience, or safety of the public.

The Greenwood Water Corporation System

Greenwood Water Corporation has been in existence since 1982 and was previously granted CCN number 11792 from Texas regulatory authorities. The Company acquired Greenwood Water Corporation and its existing CCN in 2015. The Greenwood Water Corporation System currently provides potable water service to approximately 304 water connections. Greenwood Water Corporation does not provide wastewater services. The Company expects that the majority of future CCN extensions and additions will be under Park Water Company. The Company will seek, likely in 2026 in conjunction with Park Water's rate review process at the PUCT, to combine the CCNs of Greenwood Water Corporation and Park Water Company, thereby harmonizing rates and terms of service.

Greenwood Water Corporation System Map



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Greenwood Water Corporation System
Historic Meter Counts

Water Customers

	Residential	Commercial	Total	Increase from Previous Year
2020	304	0	304	0
2021	304	0	304	0
2022	303	0	303	-1
2023	303	0	303	0
2024	303	0	303	0
At 6/30/2025	304	0	304	1

Source: the Company.

Rate Structure. Effective February 23, 2025, Greenwood Water received a Notice of Approval from the PUCT for an annual rate adjustment of 5% in accordance with Texas Water Code Sec. 13.1872. For Class D utilities

this permits the annual adjustment of rates (not to exceed 5%) without a PUCT hearing/proceeding. PUCT has approved the following rates for Greenwood Water.

Greenwood Water Corporation
Monthly Water Base Rates (includes 0 gallons)

Meter Size	Rate
5/8“ or 3/4”	$ 88.22
1”	$ 220.55
1½”	$ 441.12
2”	$ 705.77
3”	$ 1,323.34
4”	$ 2,205.54

Source: the Company.

Greenwood Water Corporation
Gallonage Rates

Block Gallonage	Rate (per 1,000 gallons)
0 to 20,000	$ 3.61
20,001 to 25,000	$ 3.94
25,001 to 30,000	$ 4.26
30,001 to 35,000	$ 4.60
35,001 and over	$ 5.26

Source: the Company.

The Park Water System

Park Water Company’s authority to provide water service was established by CCN number 13278 and sewer service by CCN number 21115, both granted by the PUCT on March 10, 2020. Park Water Company currently provides potable water service to approximately 561 commercial and residential water connections and 400 wastewater connections. Of the 561 water connections, Park Water Company is providing potable water service to approximately 223 connections outside the CCN, and of the 400 wastewater connections, 65 are outside the CCN, both pursuant to an agreement with the MCUD. See “RISK FACTORS — MCUD Contract Risks.”

The MCUD is a special law district created under Section 59, Article XVI, Texas Constitution and confirmed by voters of the district in May of 2013 to bring water to communities within the rural county areas. Under the Texas Water Code section 49.057, the MCUD is charged with the responsibility for the management of all the affairs of the district and shall employ or contract with all persons, firms, partnerships, corporations, or other entities, public or private, deemed necessary by the board for the conduct of the affairs of the district.

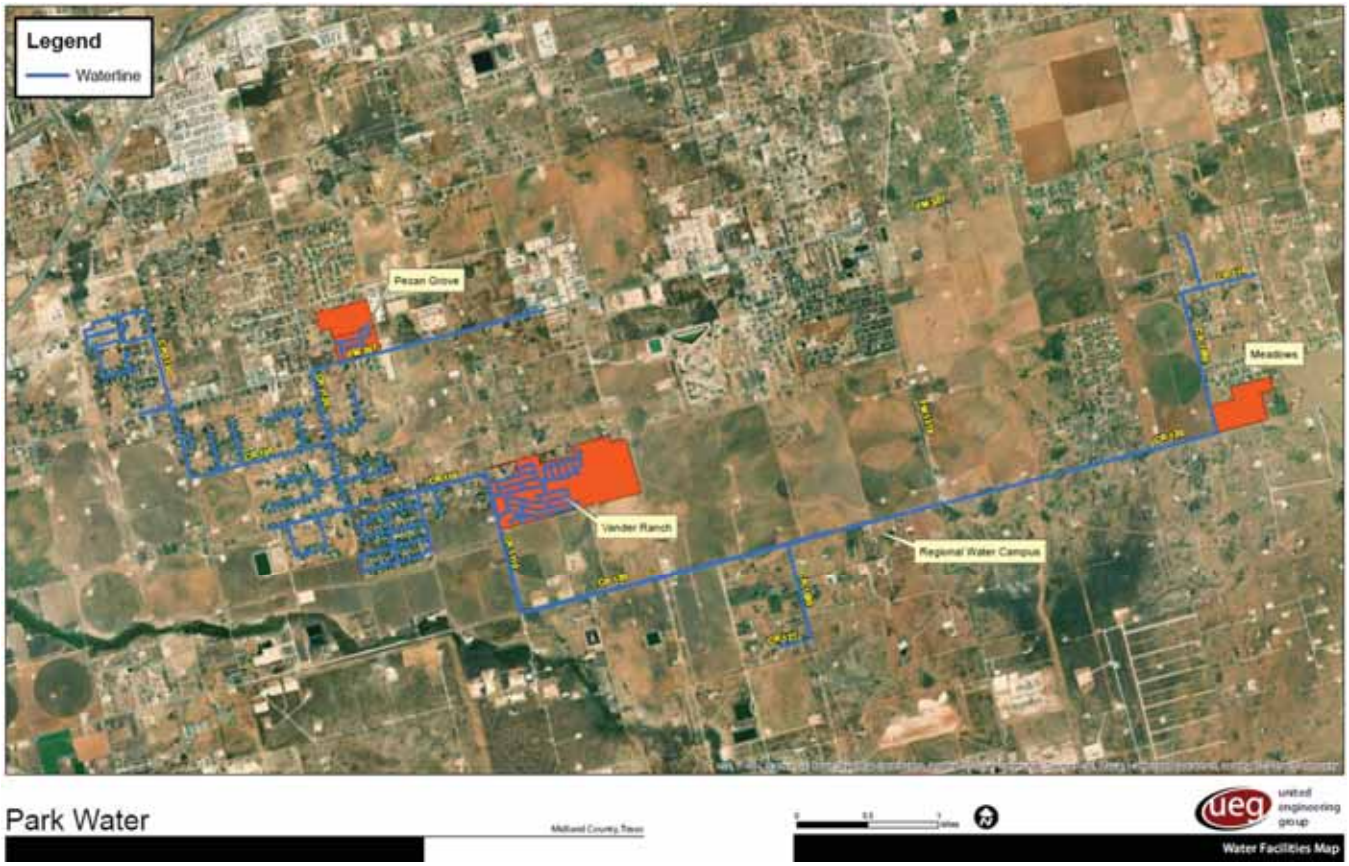
The Texas Water Code provides districts with broad authority to complete the mission for which they were created:

> Sec. 49.211. POWERS. (a) A district shall have the functions, powers, authority, rights, and duties that will permit accomplishment of the purposes for which it was created or the purposes authorized by the constitution, this code, or any other law.
>
> (b) A district is authorized to purchase, construct, acquire, own, operate, maintain, repair, improve, or extend inside and outside its boundaries any and all land, works, improvements, facilities, plants, equipment, and appliances necessary to accomplish the purposes of its creation or the purposes authorized by this code or any other law.

In addition, Sec. 49.215(d) of the Texas Water Code allows that "a district shall not be required to hold a certificate of convenience and necessity as a precondition for providing retail water or sewer service to any customer or service area." Under Public Utility Commission of Texas substantive rule 16 Texas Administrative Code Sec. 24.225(c), "except as otherwise provided by this subchapter, a retail public utility may not provide retail water or sewer utility service within the boundaries of a district that provides that same type of retail water or sewer utility service without the district's consent, unless the retail public utility has a CCN to provide retail water or sewer utility service to that area." Park Water Company anticipates that the PUCT will formally expand Park Water's CCN area later this year. Park Water Company already serves connections within the MCUD. But if the PUCT formally expands the CCN area, then Park Water Company will serve these MCUD connections without having to rely on MCUD's consent. To date, the MCUD does not serve wholesale or retail water to any customers within Midland County and has not issued bonds or other obligations with respect thereto.

At full buildout, it is expected that the Park Water System will include approximately 3,000 water connections and 2,500 sewer connections.

Park Water System Map



Park Water Company
Historic Meter Counts

Water Customers

	Total	Increase from Previous Year
2020	16	16
2021	80	64
2022	235	155
2023	271	36
2024	425	154
At June 30, 2025	561	136

Source: the Company.

Park Water Company
Historic Meter Counts

Sewer Customers

	Total	Increase from Previous Year
2020	15	15
2021	54	39
2022	171	117
2023	179	8
2024	293	114
At June 30, 2025	400	107

Source: the Company.

Rate Structure. Rates for Park Water Company were established by the PUCT and the latest tariff was approved on March 10, 2020. Rates are shown in the following tables. Under the PUCT order that established the Park Water CCN, Park Water Company is required to submit documentation for a rate review 18 months after the first customer is served. The Company completed the rate review application in Q3 2022. The PUCT has since requested the rate review be treated as a rate case. PUCT has recommended further increases to rates pursuant to this periodic administrative proceeding. Any rate increase would be subject to a final review that is anticipated to occur before the end of 2025. Park Water shall adopt any rate increase confirmed by PUCT.

Pursuant to PUCT's Notice of Approval dated as of March 10, 2020, PUCT has approved the following rates for Park Water Company.

Park Water Company
Monthly Water Base Rates (includes 0 gallons)

Meter Size	Rate
5/8" or 3/4"	$ 112.82
1"	$ 282.05
1½"	$ 564.10
2"	$ 902.56
3"	$1,692.30
4"	$2,820.50

Source: the Company.

Park Water Company
Gallonage Water Rates

Block Gallonage	Rate (per 1,000 gallons)
All Usage	$7.94

Source: the Company.

Park Water Company
Monthly Sewer Base Rates (includes 0 gallons)

Meter Size	Rate
5/8" or 3/4"	$ 134.66
1"	$ 336.65
1½"	$ 673.30
2"	$ 1,077.28
3"	$2,019.90
4"	$2,693.20

Source: the Company.

Park Water Company
Gallonage Sewer Rates

Block Gallonage	Rate (per 1,000 gallons, Winter Average)
All Usage	$13.26

Source: the Company.

Park Water Company sewer rates are based on a "winter average" water consumption. The Winter Average is determined from water use for the period December to February. In the absence of data supporting the calculation of the Winter Average for residential customers, sewer charges are based on 5,000 gallons per month until a winter average can be established, in accordance with the Park Water Company tariff. For non-residential users, the actual water consumption is used in this case.

Park Water Company does not have a tariff for reclaimed water nor is one required by the PUCT or TCEQ. The Company may market this water outside the regulated entity.

Park Sewer System Map

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For the water systems, TCEQ minimum design criteria (Chapter 290 – Public Drinking Water Subchapter D: Rules and Regulations for Public Water Systems §§290.38 – 290.47) are employed to determine when infrastructure additions are required. These include:

Component	Criteria
Production Wells	§290.45(b)(1)(D)(i) two or more wells having a total capacity of 0.6 gallons per minute ("GPM") per connection.
Raw Water Storage	N/A
Reverse Osmosis Treatment Units	§290.45(a)(6) The capacity of the treatment facilities shall not be less than the required raw water or groundwater production rate or the anticipated maximum daily demand of the system.
Potable Water Storage	§290.45(b)(1)(D)(ii) a total storage capacity of 200 gallons per connection.
Booster Pump	§290.45(b)(D)(iii) two or more pumps that have a total capacity of 2.0 gpm per connection or that have a total capacity of at least 1,000 gpm and the ability to meet peak hourly demands with the largest pump out of service, whichever is less.
Hydropneumatic Tank	§290.45(b)(D)(iv) an elevated storage capacity of 100 gallons per connection or a pressure tank capacity of 20 gallons per connection. If pressure tanks are used, a maximum capacity of 30,000 gallons is sufficient for up to 2,500 connections.

Source: the Company.

For the wastewater system, the TPDES permit is phased to allow for incremental additions of treatment capacity to 360,000 GPD. Under the TPDES permit, Park Sewer Company is required to meet the following:

> Whenever flow measurements for any domestic sewage treatment facility reach 75% of the permitted daily average or annual average flow for three consecutive months, the permittee must initiate engineering and financial planning for expansion and/or upgrading of the domestic wastewater treatment and/or collection facilities. Whenever the flow reaches 90% of the permitted daily average or annual average flow for three consecutive months, the permittee shall obtain necessary authorization from the Commission to commence construction of the necessary additional treatment and/or collection facilities.

Based on the expected 140 gallons per unit per day sewer flow, the Company expects that additional treatment capacity will be required as detailed below:

Summary of Existing Water Infrastructure

The existing water system infrastructure and available capacities are detailed below.

GWC/PWC Existing Water Infrastructure & Capacities

Component	ID	Capacity	Current Unit Capacity (Connections)	Criteria
Production Wells	Well A	35 GPM	900 units	§290.45(b)(1)(D)(i) two or more wells having a total capacity of 0.6 gpm per connection. Supplemental Wells to Offset Summer Drought are currently in design.
	Well B	100 GPM		
	Well 1A	150 GPM		
	Well 1	15 GPM		
	Well 3	10 GPM		
	Well 4	5 GPM		
	Well 5	15 GPM		
	Well 6	30 GPM		
	Well C	40 GPM		

Component	ID	Capacity	Current Unit Capacity (Connections)	Criteria
	Chaney SW	180 GPM		
	TOTAL **Chaney Well NW**	**540 GPM** **190 GPM – in 2025 Total Capacity 710 GPM**		
Raw Water Storage		250,000 Gallons	N/A	
Reverse Osmosis Treatment Units	A	100GPM + 33 GPM Blend	1142 units	§290.45(a)(6) The capacity of the treatment facilities shall not be less than the required raw water or groundwater production rate or the anticipated maximum daily demand of the system.
	B	100 GPM +33 GPM Blend		
	C	100 GPM + 33 GPM Blend		
	TOTAL	**400 GPM**		
Potable Water Storage		250,000 gallons	1,250 units	§290.45(b)(1)(D)(ii) a total storage capacity of 200 gallons per connection.
Booster Pump		750 GPM	974 units Based on Peak Hour Demand – Additional Pump Planned to reach 1000 gpm per regulation	§290.45(b)(D)(iii) two or more pumps that have a total capacity of 2.0 gpm per connection or that have a total capacity of at least 1,000 gpm and the ability to meet peak hourly demands with the largest pump out of service, whichever is less.
Hydropneumatic Tank		21,600 Gallons	1070 units	§290.45(b)(D)(iv) an elevated storage capacity of 100 gallons per connection or a pressure tank capacity of 20 gallons per connection. If pressure tanks are used, a maximum capacity of 30,000 gallons is sufficient for up to 2,500 connections.

Source: the Company

Regulation of the Utility System

With the exception of amending Park Water Company's CCN (which requires PUCT approval, which has been applied for and is currently in process; see "THE COMPANY, THE UTILITY SYSTEM AND CERTAIN REGULATORY REQUIREMENTS RELATING THERETO — The Park Water System" above) to serve the 223 water connections in MCUD's territory (which are being served pursuant to an agreement between the two parties) and 65 wastewater connections, the Company has obtained all necessary regulatory approvals for its current and immediate future operations. This includes an approved CCN for Vander Ranch (currently planned for approximately 1,200 homes) and a wastewater surface water discharge permit for 360,000 GPD (sufficient capacity for approximately 2,500 homes). The Company will be required to obtain approvals for future infrastructure additions as well as any additions to the Greenwood Water Corporation and Park Water Company CCN service areas. The Company intends to provide all future new service in the Park Water Company CCN and ultimately to combine the Greenwood Water Corporation and Park Water Company CCNs.

PUCT. The PUCT regulates the state's electric, telecommunication, and water and sewer utilities, implements respective legislation, and offers customer assistance in resolving consumer complaints. Most importantly from a utility perspective is the regulation of service territories (CCNs), rates and capital structure at the utility level, and service requirements (detailing billing, collections, disconnects and a host of other operational tasks associated with the running of a utility in Texas).

Rates for utility services are approved by the PUCT and are generally derived to produce a revenue requirement that provides regulated return on prudently invested, used and useful capital (or rate base) plus coverage of operating expenses (based on a test year as determined by the utility) plus an allowance for depreciation. The overall goal is for PUCT to provide stable, financially solvent utilities that are capable of meeting the immediate and future infrastructure needs of customers.

Once established, rates remain in effect until an application is made for alteration by the utility. In that sense, rate stability is very high. In the case of an under-earning utility – one that is not achieving the revenue required – a utility may apply to the PUCT for a rate adjustment. Applications for rates adjustments can be made generally at a maximum interval of 12 months (PUCT Substantive Rule §24.29).

TCEQ. The Texas Commission on Environmental Quality ("TCEQ") protects the state's public health and natural resources consistent with sustainable economic development with the explicit goal of clean air, clean water, and the safe management of waste. For Greenwood Water Corporation, Park Water Company and Park Sewer Company, TCEQ approves designs for water and wastewater infrastructure (Chapter 290 - Public Drinking Water Subchapter D: Rules and Regulations for Public Water Systems §§290.38 - 290.47; Chapter 217 - Design Criteria for Domestic Wastewater Systems §§217.1 – 217.333). TCEQ administers the federal Safe Drinking Water Act and the Clean Water Act (including discharges of wastewater to Waters of the United States) under delegated authority from the US Environmental Protection Agency (USEPA). These requirements are detailed in Title 30 of the Texas Administrative Code.

For water systems, TCEQ determines whether a system meets the criteria of a Public Water System ("PWS") in accordance with the federal Safe Drinking Water Act. A PWS can be a Community Water System, a Non-Community Water System or a Non-Transient Non-Community Water System.

Greenwood Water Corporation and Park Water Company have each been designated Community Water Systems (as defined by State and federal regulations 30 TAC §290.38(71) and 40 CFR §142.2) as follows:

- Greenwood Water Corporation:
    - PWS TX1650078 Greenwood Water System
- Park Water Company:
    - PWS TX1650167 Park Water System

TPDES. Park Sewer Company was issued a Texas Pollutant Discharge Elimination System (TPDES) permit on June 18, 2020 for the construction and operation of a membrane bioreactor tertiary treatment system (TPDES Permit No. WQ0015661001). This permit is currently being renewed and is out for public comment. The original permit provided for the phased deployment of treatment units commencing with a 10,000 GPD system and included the deployment of the currently installed 85,000 GPD treatment capacity. The original permit included phasing up to 360,000 gallons per day. The new permit adjusts these phases to better align with construction plans but the ultimate capacity remains unchanged at 360,000 GPD.

The site designated for the water reclamation facility has been identified, and site planning is currently underway. This site meets the set-back requirements as detailed in 30 TAC §309.13(e)(1) which establishes that "wastewater treatment plant units as defined in 30 TAC §309.11 may not be located closer than 150 feet to the nearest property line."

TWDB. Texas Water Development Board ("TWDB") provides water planning, data collection and dissemination, financial assistance, and technical assistance services to the citizens of Texas. For the Company, TWDB requires reporting on water abstraction, use, and water loss.

Reclaimed Water

The Company uses "Type 1 Reclaimed Water" for non-potable uses in the Vander Ranch development. This has the immediate effect of reducing the amount of groundwater required to support the development. This concept is known as Total Water Management ("TWM"). TWM is a water resources management strategy that identifies the highest and best use for non-potable water resources (including reclaimed water, degraded water sources or water not suitable for treatment to potable standards) to supplant potable water use, thereby permanently reducing the demand for "new" water. Under TWM, non-potable uses are supplied with Type 1 Reclaimed Water or untreated raw water. The result is a significant reduction in total water used in a community. Common area irrigation can consume large amounts of water in the summer and due to the required reverse osmosis treatment, employing potable water for this consumes at least 1.3 times the volume of ground water.

In the parlance of the industry, the Company is applying a strategy known as "Basic Recycling" whereby irrigation of common areas is accomplished with non-potable water. As shown below, using this strategy reduces the "new" water requirements to 71% of that required when potable water is supplied for all uses.

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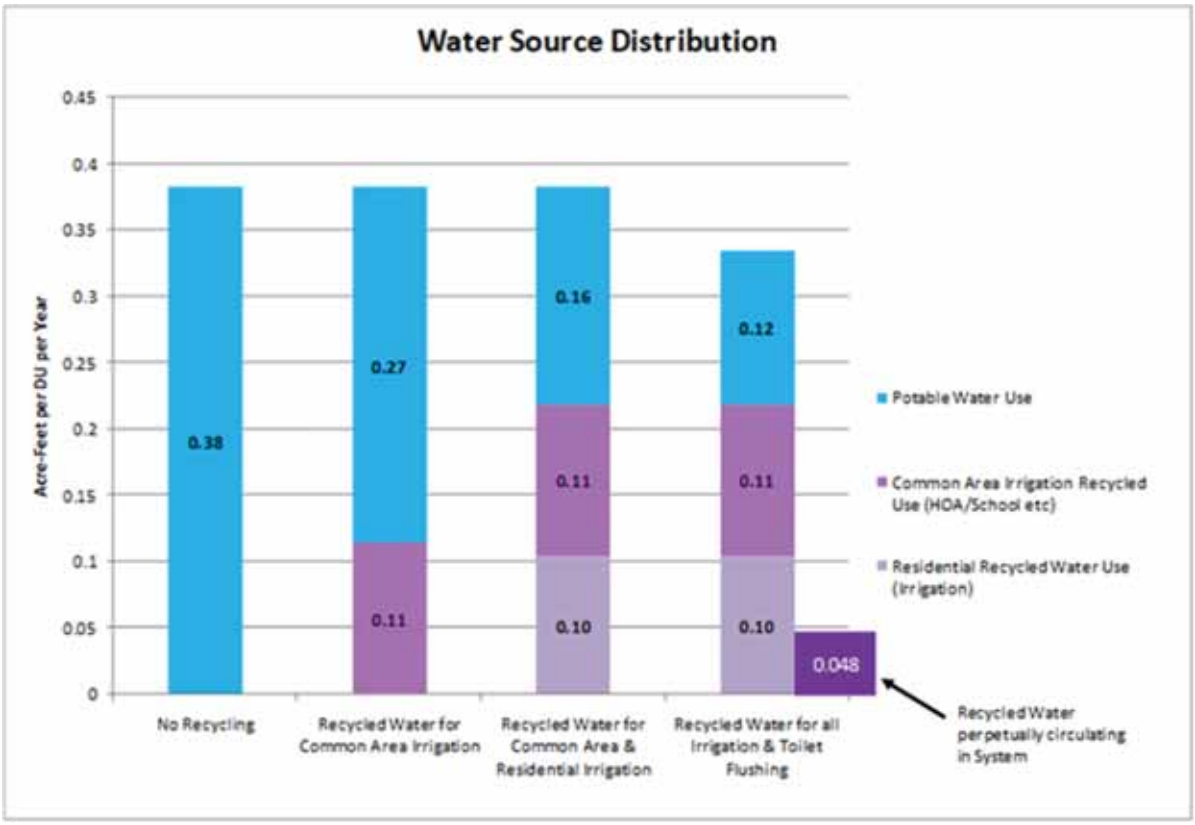

Source: the Company

Brine Disposal

Concentrate or brine production is a function of the reverse osmosis treatment systems. Recovery rates for the reverse osmosis treatment systems are in the order of 70 percent, meaning the production of 100 GPM of permeate generates approximately 42 GPM of concentrate. The current Company reverse osmosis permeate production capacity of 300 GPM generates 126 GPM of concentrate.

Currently, the Company disposes of concentrate via sales to non-potable water users, including the fracking industry, and dust control via its industrial reuse permit. Additional contracts have been signed to dispose of this water with contracted saltwater disposal wells and by building a utility saltwater disposal well. These projects are ongoing per TCEQ requests.

The Utility System and the Development

The Utility System, the Development and such other capital improvements will be constructed and operated in accordance with Texas Administrative Code Chapter 290 - Public Drinking Water Subchapter D: Rules and Regulations for Public Water Systems §§290.38 - 290.47; Chapter 217 - Design Criteria for Domestic Wastewater Systems §§217.1 – 217.333); the federal Safe Drinking Water regulations (40 CFR §141-143) and the Clean Water regulations (40 CFR §122 et al) under delegated authority from the US Environmental Protection Agency (USEPA).

Regulated contaminants and associated maximum contaminant levels (MCLs) may change over time, requiring the Company to alter or build additional treatment facilities. The Company and the Regulated Utilities are also subject to regulation as an employer, property owner and business operator in the State requirements of these permits (as well as such regulations) could result in delays, additional costs, fines and other adverse consequences up to and including inability to proceed with development.

Prior to the Company's acquisition of Greenwood Water Corporation, historical violations existed related to arsenic, lead and copper monitoring and residual disinfectant monitoring reporting. Since the acquisition, the Company has made significant upgrades to the Regional Water Campus to augment treatment capacity and automation of blend control. Historic violations with respect to the Lead and Copper Rule and residual disinfectant reporting were administrative in nature. All violations for the companies have been resolved to the satisfaction of TCEQ.

Engineering Report

United Engineering Group, LLC ("UEG") has prepared a Bond Engineering Report dated as of July 14, 2025 (the "Engineering Report"). UEG relied on its extensive experience in civil engineering, land development, design and permitting; discussions, representations and projections provided by the Company; on-site inspections and evaluations and work performed by UEG for the Company. The Engineering Report does not constitute an engineering approval of any plans, infrastructure or projections provided by the Company but does consider those plans in the context of the regulatory requirements for water, wastewater and reclaimed water services in Texas. The full Engineering Report is attached hereto as APPENDIX G.

THE ENGINEERING REPORT SHOULD BE READ IN ITS ENTIRETY. THE FORWARD-LOOKING STATEMENTS SET FORTH IN THE ENGINEERING REPORT MAY NOT BE REALIZED. ACTUAL RESULTS MAY VARY FROM FORWARD-LOOKING INFORMATION, AND VARIATION MAY BE MATERIAL. SEE "OTHER INFORMATION— FORWARD-LOOKING STATEMENTS" HEREIN.

THE DEVELOPMENT

Background

In addition to installing water infrastructure to serve approximately 900 homes outside the CCN, an affiliate of the Company, Paleo Land Company, LLC, a Texas limited liability company (the "Developer"), plans to develop for sale 2,100 finished lots and a commercial complex in the Utility Service Area. The Utility Service Area is in the area known as Greenwood, an unincorporated community in Midland County. The Utility Service Area presents a desirable opportunity for housing growth due to the potential for low-cost housing, the well-known and high performing Greenwood Independent School District, an emerging preference for non-urban living, and continued population growth in Midland County.

The Developer purchases final platted lots from affiliated land owners, which affiliates are further described below under King 261 (Vander Ranch), Meadows 78 (The Meadows), and Ranch 80 (Pecan Grove), to develop and sell to builders as finished lots. The Developer, through a general contractor, performs site grading, installs roads, sidewalks, water and wastewater utility services and common recreational amenities and areas. The Developer also coordinates the installation of natural gas, electricity and fiber to each lot. To develop finished lots for sale to builders the Developer relies on the Regulated Utilities to provide water and sewer services to each platted lot and reclaimed water service for common area irrigation. As such, the connection absorption rate depends on the Developer's ability to sell lots to builders, and the Regulated Utilities must expand services to meet the needs of the Developer's lots in the CCN area.

King 261 (Vander Ranch)

King 261, LLC, a Texas limited liability company and an affiliate of the Company and the Developer, acquired 261.045 acres of property, now known as the Vander Ranch development ("Vander Ranch"), on May 11, 2015. Vander Ranch currently includes approved final plats for 492 lots. Of these 492 lots, 165 lots were sold to various builders and the rest have been sold to build to rent organizations. It is anticipated that Vander Ranch will include 1,217 homes comprised of 492 single-family homes and 725 townhome or multifamily residences.

Meadows 78 (The Meadows)

Meadows 78, LLC, a Texas limited liability company and an affiliate of the Company and the Developer, acquired 63.35 acres of property, now known as The Meadows development ("The Meadows"), in September and October of 2014. The Meadows is currently planned for 300 detached, single-family lots on 57.22 acres.

Ranch 80 (Pecan Grove)

Ranch 80, LLC, a Texas limited liability company and an affiliate of the Company and the Developer, acquired 76.55 acres of property, now known as the Pecan Grove development ("Pecan Grove"). 125 lots have been final platted of which 67 were sold to a regional builder and 33 to a build to rent organization. The site will ultimately accommodate 572 homes comprised of 222 single-family homes and 350 townhome or multifamily residences.

Build to Rent

The Developer is building a master planned community in Greenwood, Texas, a rapidly growing community approximately eight miles east of Midland, Texas in the heart of the Permian Basin. The Permian Basin is one of the most productive areas for oil production in the U.S., trending toward 6 million bbl/day of production. The oil industry is a key driver of population growth in the Greenwood / Midland region, and recent growth in the energy industry has led to a significant mismatch between housing demand and home availability.

The unincorporated area of Greenwood is located outside the jurisdictional boundaries of the City of Midland and is noted for its pastoral rolling countryside and the highest rated school district within Midland County – Greenwood ISD. Historical development was low density as the county requires one-acre and greater lots when water is supplied by individual private wells and wastewater is provided by septic tanks. As such only about 1,200 single-family residences were constructed in an area defined by 25 square miles through 2019.

In 2019, the Company formed the first private water and wastewater utilities through the state and local regulators, and in 2020 built the first phases of these regional utilities to serve certain existing customers and the Developer's new developments in the area. Municipal water and wastewater services bring density, allowing the Developer to plan and build densities of four to five lots per acre for the first time in the region. This increased density has provided regional developers the opportunity to expand from single-family homes to higher-density residential and commercial development, both of which have commenced rapidly over the last few years.

Private rate-regulated utilities in the U.S. operate without competition and the PUCT grants a perpetual service area right. The Company is an affiliate of the Developer, which is driving the Build to Rent ("BTR") developments in the area.

The Developer is planning approximately 2,000 homes, and 200,000 square feet of commercial areas to serve these new communities. In late 2020, the Developer sold the first 45 finished lots to regional and national homebuilders and continued with the sale of 51 more lots in 2021 and 128 lots in three active subdivisions in 2022. In late 2022 the Developer adopted a BTR model to align with higher interest rates and inflationary pressures on builders which have put pressure on the build-for-sale home business in the U.S.

In 2023 the Developer tested the market with the first seven homes built specifically as BTR. The Developer built these homes for a construction price of approximately $100/sqft and achieved full lease-up for approximately $1.75-1.80/sqft/month which escalated in 2024 to $1.90/SqFt/month and to $1.95/sqft/month by 2025.

Vander Ranch and Greenwood ISD

The Developer expects demand for single-family rentals to outstrip supply, especially in the Vander Ranch development located directly adjacent to a new, in construction, Greenwood ISD school. In 2024, residents of Greenwood voted overwhelmingly in favor (71.9%) of bond financing for two new Greenwood ISD campuses and improvements to existing Greenwood ISD facilities. In June 2024, Greenwood ISD issued $254 million in unlimited tax school building bonds. As of May 2025, vertical construction is ongoing with the first set of walls erected on the new Greenwood Elementary and Intermediate campuses.

Photographs of the Greenwood ISD Elementary and Intermediate Campus Construction

Greenwood ISD Historical District Enrollment

FYE 8/31	Enrollment
2020	2,972
2021	2,845
2022	3,089
2023	3,140
2024	3,257

Source: Greenwood ISD

Greenwood ISD Campus Prior to New Campus Construction

Campus	# of Schools	Capacity*	# of Portable Units
Elementary	1	855	3
Middle School	1	700	2
Intermediate	1	810	9
High School	1	890	4
Total	**4**	**2,445**	**18**

* School capacity as a whole.
Source: Greenwood ISD

BTR Development Overview and Status

The Company is fully committed to the success of the Project and as of July 27, 2025, has invested over $25 million in the Development and Utility System, with approximately $16.6 million in the Utility System alone.

In mid-2023 the Developer partnered with Bethel to accelerate BTR development and bring approximately 1,300 BTR homes to market over the ensuing six-year period.

In February 2024 the Developer concluded a refinance of land associated with the Development and financing of the first BTR phase. The Developer closed on $57 million to complete 212 BTR lots and fund the construction of 212 BTR homes over the next 18 months. This financing also included amenities for the region, including the largest community pool in Midland County. This BTR financing represents the first of 5 BTR financings planned with the Developer's joint venture partner Bethel Construction, a large BTR construction company that has completed more than 2,000 residential units to date in other jurisdictions. In total the Developer, in partnership with Bethel, will build at approximately 1,300 BTR homes over the next five years.

In May of 2025, the Developer closed the second BTR financing for 149 single family dwellings. Construction for this phase of the Development began in July 2025 and is expected to be completed by Q4 2025. The Company does not anticipate revenue from this phase of development to be realized until 2026 at which time the Developer expects to have the related BTR units near full occupancy.

In September of 2025 the Developer will begin the third phase of BTR construction with an approximately 350-unit multifamily townhome project. The Developer anticipates this phase of the Development to be completed in 2026 and will immediately begin development of BTR #4, which is expected to be a similar multifamily project followed by BTR #5, an anticipated 250-unit apartment complex.

The following table shows the summary of existing and planned future BTR development of each phase of BTR growth.

Summary of Existing and Planned Future BTR Development

Project Description	Actual / Planned Connections	Actual / Expected Construction Start Date	Actual / Expected Construction Completion	Units Fully Connected to the System	Units Expected to be Occupied by December 31, 2025	Units Expected to be Occupied by July 31, 2026
BTR #1 – Single-Family	212	April 2024	Dec 2025	206	212	212
BTR #2 – Single-Family	149	July 2025	March 2026	0	50	149
BTR #3 – Multifamily	350	Sept 2025	Dec 2026	0	0	0
BTR #4 – Multifamily	350	Jan 2027	June 2028	0	0	0
BTR #5 – Multifamily	250	TBD	TBD	0	0	0

Source: The Developer.

THE DEVELOPER AND RELATED ENTITIES

Corporate Structure

The Developer, Paleo Land Company, LLC, is a manager-managed Texas limited liability company. Through the company's structure, Trevor Hill is currently the Majority in Interest Member, as well as the Manager, and in such roles has the ability to direct and manage the business and affairs of the Developer.

Biographies

Trevor Hill, P.Eng. – Chairman

For a complete biography of Trevor Hill, see "THE COMPANY, THE UTILITY SYSTEM AND CERTAIN REGULATORY REQUIREMENTS RELATING THERETO — Company Officers."

Jason Bethke, PE – Chief Executive Officer

For a complete biography of Jason Bethke, see "THE COMPANY, THE UTILITY SYSTEM AND CERTAIN REGULATORY REQUIREMENTS RELATING THERETO — Company Officers."

Cindy Bowers, CPA – Chief Financial Officer

For a complete biography of Cindy Bowers, see "THE COMPANY, THE UTILITY SYSTEM AND CERTAIN REGULATORY REQUIREMENTS RELATING THERETO — Company Officers."

Graham Symmonds – Chief Technical Officer

For a complete biography of Graham Symmonds, see "THE COMPANY, THE UTILITY SYSTEM AND CERTAIN REGULATORY REQUIREMENTS RELATING THERETO — Company Officers."

FINANCIAL INFORMATION RELATED TO THE REGULATED UTILITIES

Historical and Projected Connections, Revenues and Expenses Related to the Regulated Utilities

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Historic and Projected System Revenues and Debt Service Coverage [1]

								Development Project Estimated Buildout [2]				
CONNECTIONS	Unaudited YE 2020	Unaudited YE 2021	Unaudited YE 2022	Unaudited YE 2023	Audited YE 2024	Unaudited YTD 6/30/2025	Unaudited Trailing 12 Months Ending 6/30/2025	BTR #1 Project Completed Projected YE 2025	BTR #2 Project Completed Projected YE 2026	BTR #3 Project Completed Projected YE 2027	BTR #4 Project Completed Projected YE 2028	BTR #5 Project Completed Projected YE 2029
Greenwood Water	305	305	303	303	303	304	304	304	304	304	304	304
Park Water	16	80	235	271	425	561	561	567	716	1,066	1,416	1,666
Park Wastewater	15	54	171	179	293	400	400	406	555	905	1,255	1,505
Total Customers	**336**	**439**	**709**	**753**	**1,021**	**1,265**	**1,265**	**1,277**	**1,575**	**2,275**	**2,975**	**3,475**
REVENUES [3]												
Water Revenues	$ 540,022	$ 677,656	$ 982,680	$ 1,065,891	$ 1,383,508	$ 849,660	$ 1,602,635	$ 1,898,220	$ 2,211,120	$ 2,946,120	$ 3,681,120	$ 4,206,120
Wastewater Revenues	35,871	169,354	352,917	421,269	628,063	490,531	832,802	1,118,550	1,477,938	2,322,138	3,166,338	3,769,338
Other Revenues	7,957	9,170	12,445	18,951	41,319	20,796	49,661	-	-	-	-	-
Total System Revenues	**$ 583,850**	**$ 856,180**	**$ 1,348,042**	**$ 1,506,111**	**$ 2,052,890**	**$ 1,360,987**	**$ 2,485,098**	**$ 3,016,770**	**$ 3,689,058**	**$ 5,268,258**	**$ 6,847,458**	**$ 7,975,458**
EXPENSES												
Maintenance and Operating Expenses [4]	**$ 395,489**	**$ 529,179**	**$ 670,142**	**$ 702,669**	**$ 925,921**	**$ 520,353**	**$ 1,004,957**	**$ 1,206,708**	**$ 1,475,623**	**$ 2,107,303**	**$ 2,738,983**	**$ 3,190,183**
NET REVENUES												
Net Revenues [5]	**$ 188,361**	**$ 327,001**	**$ 677,900**	**$ 803,442**	**$ 1,126,969**	**$ 840,634**	**$ 1,480,141**	**$ 1,810,062**	**$ 2,213,435**	**$ 3,160,955**	**$ 4,108,475**	**$ 4,785,275**
SERIES 2025 BOND DEBT SERVICE												
Interest Expense	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,598,229	$ 1,717,500	$ 1,700,140	$ 1,681,463
Bond Principal Expense	-	-	-	-	-	-	-	-	-	224,000	241,000	260,000
Trustee & Issuer Expenses	-	-	-	-	-	-	-	-	16,000	16,000	16,000	16,000
Total Series 2025 Debt Service	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 1,614,229**	**$ 1,957,500**	**$ 1,957,140**	**$ 1,957,463**
Series 2025 Maximum Annual Debt Service	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,958,000**	**1,958,000**	**1,958,000**	**1,958,000**

PROJECTED DEBT SERVICE COVERAGE				
Gross Revenue Coverage [6]	**2.29 x**	**2.69 x**	**3.50 x**	**4.07 x**
Gross Revenue Coverage - MADS [6]	**1.88 x**	**2.69 x**	**3.50 x**	**4.07 x**
Net Revenue Coverage [7]	**1.37 x**	**1.61 x**	**2.10 x**	**2.44 x**
Net Revenue Coverage - MADS [7]	**1.13 x**	**1.61 x**	**2.10 x**	**2.44 x**

Notes:

Preliminary, subject to change.

1. Values provided by the Company. Year end 2024 values per the audited consolidated financial statements.
2. Development and financial projections per the Company and the Developer. BTR Projects #1 through #5 are provided for informational purposes only. The BTR projects do not represent all current or future connections of the Utility. Information related to the Developer and the BTR projects is further described under "THE DEVELOPMENT" and "THE DEVELOPER AND RELATED ENTITIES".
3. Includes revenues related to connections outside the Company CCNs and within the boundaries of the Midland County Utility District. Per the Master Trust Indenture, the Bonds are secured by a pledge of Gross Revenues of the System after deducting revenues received both outside the Utility Companies CCN and inside the boundaries of the Midland County Utility District - See "RISK FACTORS - MCUD Contract Risks".
4. Base on the definition of Maintenance and Operating Expenses per the Master Trust Indenture and Security Agreement.
5. Net of maintenance and operating expenses.
6. The Bonds are secured by a pledge of Gross Revenues of the System excluding revenues located outside the boundaries of the Utility Companies CCN and within the boundaries of the Midland County Utility District. Values shown include annual trustee and issuer expenses.
7. Per the Master Trust Indenture, the Debt Service Coverage Ratio Requirement for any Reporting Period shall be Net Revenues for the trailing twelve months immediately preceding such Reporting Period equal to at least 1.10x Maximum Annual Debt Service on all outstanding Bonds payable from Revenues of the System. For purposes of calculating the Debt Service Coverage Ratio, revenues realized from outside the Utility Companies CCS and inside the boundaries of the Midland County Utility District are included - See "RISK FACTORS - MCUD Contract Risks".

Management Discussion and Analysis of Results of Operation

The following discussion and analysis should be read in conjunction with the Consolidated Financial Statements included in APPENDIX J herein.

Overview. The Regulated Utilities' revenue, income, and cash flows are earned primarily through the delivery of drinking water to and treatment of wastewater from homes and businesses. Rates charged to customers are determined by the PUCT. These rates are intended to allow recovery of operating costs and a reasonable rate of return on invested capital. Factors influencing the Regulated Utilities' financial performance include those conditions that impact the sales of water and sewer service, including number of connections, weather, costs (capital and operations and maintenance) of meeting increased water quality standards, and capital expenditures required to expand and upgrade the water, wastewater and reclaimed water systems.

Revenues. Total operating revenues for the Regulated Utilities increased from $583,850 in 2020 to $2,052,890 in 2024, an increase of $1,469,040 or 252%. The majority of this increase was primarily due to the addition of 681 new customers within the Utility Service Area.

Expenses. Operations, maintenance, general and administrative expenses for the Regulated Utilities increased from $395,489 in 2020 to $925,921 in 2024, an increase of $530,432 or 134%. The majority of this increase was due to increased costs necessary to service the addition of 681 new customers to this Utility Service Area.

Net Operating Revenues. Net Operating Revenues for the Regulated Utilities increased from $188,361 in 2020 to $1,126,969 in 2024, an increase of $938,608 or 498%. The majority of this increase was due to the addition of 681 new customers less the increased costs necessary to service them.

Projected Revenues and Expenses

Projected revenue and expenses are derived from a bottom-up calculation. Historic averages for consumption have been used and projected forward using proforma land development expectations and new connections joining the system from the existing community. Revenue is calculated using existing Park Water Company rates for each year. Operating costs do not scale linearly with volume as utilities rapidly move into conditions of increasing economies of scale. These economies, well understood by the industry and the management team, have been used to project operating costs. In addition, historic costs per unit or costs per unit volume have been used where appropriate. Growth rates were established through the examination of historic demographic trends, coupled with development expectations in the Utility Service Area and signed contracts with homebuilders in the region.

As the utility gains scale, it is expected that marginal costs continuously decrease, positively impacting margins.

PROJECTED UTILITY INFRASTRUCTURE CAPITAL EXPENDITURES

In order to support continued growth in the region, the Company has projected future investment in system infrastructure. To fund the projected capital expenditures, the Company plans to use proceeds from the Series 2025 Bonds in addition to other sources of capital available including equity and future bond financing, as available. The projected future infrastructure investment by the Company is provided in the table below.

Costs of Planned Infrastructure Improvements

Through December 31, 2024, Park Water Company and Greenwood Water Corporation have invested $22,651,054 in Utility Plant and Infrastructure as shown in Note 3 Utility Plant of the Consolidated Financial Statements shown in APPENDIX J herein. This investment has been financed with equity and debt from the Company and represents an increase of $15,408,382 or 215% since 2020.

As development in the Utility Service Areas continues, Park Water Company will expand water production, treatment, storage, transmission and distribution and sewer collections, conveyance, treatment and reclaimed water transmission to accommodate the needs of customers.

Projected Future Utility Infrastructure Capital Expenditures

Infrastructure Description	FY 2025	FY 2026	FY 2027	Total
Water Resource Projects	$600,000	$750,000	$0	$1,350,000
Water Treatment and Storage Projects	$2,925,000	$650,000	$1,000,000	$4,575,000
Distribution and Transmission Projects	$2,600,000	$1,286,000	$0	$3,886,000
Water Technology Projects	$0	$364,000	$0	$364,000
Total	**$6,125,000**	**$3,050,000**	**$1,000,000**	**$10,175,000**

A detailed summary of more specifically identified system improvements is provided below.

Meadow Raw Water Supply Project
To increase source capacity, the Meadow Raw Water Project will deliver approximately 300 gallons per minute (gpm) of raw water into the system. Project components include:

- Construction of two new water production wells,
- Installation of a 10,500 linear feet of 250 psi raw water pipeline, and
- An in-line booster station to maintain delivery pressure,

This phase establishes long-term supply resiliency and supports future development.
Location: Wells - Within future development of Meadows 78, LLC at 13119 E County Road 120
Location: Transmission Main – From Meadows 78, LLC at 13119 E County Road 120 to existing well field at 1 mile east of County Road 1379 then to Regional Water Campus 10510 E County Road 120

Concentrate Disposal Project
As reverse osmosis (RO) treatment expands, proper concentrate disposal becomes essential. The Concentrate Disposal Project includes:

- 8,000 linear feet of 250 psi pipeline,
- A dedicated concentrate booster pump station, and
- Yard piping and engineering/permitting.

This infrastructure enables compliant disposal of RO waste streams and ensures scalability for future treatment capacity.
Location: Transmission Main – From Regional Water Campus 10510 E County Road 120 west along County Road 120 and north to Southwest corner of Vander Ranch development at 2409 S County Road 1110

Booster Pump Station and Treatment Expansion
To address aging infrastructure and meet current system demands, the plan includes:

- Replacement of the existing distribution pump station,
- Electrical system upgrades,
- Yard piping improvements, and
- Engineering and permitting.

In tandem, a new 150 gpm RO skid with a Clean-in-Place (CIP) system will be installed in the existing building. This will be the final RO installation at the current treatment facility before the transition to the new building.

- RO Unit and CIP Skid, and
- Engineering and Permitting.

These combined investments improve system pressure, support enhanced water quality, and resolve outstanding TCEQ compliance concerns related to the booster station.
Location: Regional Water Campus 10510 E County Road 120

New Building Construction
To support ongoing expansion, a new treatment building will be designed and partially constructed:

- Construction, and design and engineering.

This facility will ultimately house the upgraded concentrate booster and distribution pump stations, consolidating operations and supporting long-term infrastructure needs.
Location: Regional Water Campus 10510 E County Road 120

Chaney Wells & Raw Water Pipeline to Regional Water Campus
To support ongoing expansion, a new treatment building will be designed and partially constructed:

- 21,000 linear feet of 250 psi pipeline,
- Construction of two new water production wells, and
- Design Engineering.

This facility will ultimately house the upgraded concentrate booster and distribution pump stations, consolidating operations and supporting long-term infrastructure needs.
Location: Chaney Ranch Wells – Chaney Ranch County Road 110
Location: Transmission Main - From Chaney Ranch County Road 110 south along County Road 1110, then east along County Road 120 to Regional Water Campus 10510 E County Road 120

Monitoring & Control Technology
To support ongoing expansion, a new treatment building will be designed and partially constructed:

- IT, SCADA & Control Systems, and
- Design Engineering.

This facility will ultimately house the upgraded concentrate booster and distribution pump stations, consolidating operations and supporting long-term infrastructure needs.
Location: Regional Water Campus 10510 E County Road 120

RISK FACTORS

Limited Obligations

THE SERIES 2025 BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE PLEDGED UNDER THE BOND INDENTURE, AND ARE NOT GENERAL OBLIGATIONS OF THE ISSUER, THE STATE OF TEXAS, THE COUNTY OR THE CITY OF MISSION, TEXAS, AND DO NOT GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR GENERAL TAXING POWERS OF THE COUNTY, THE CITY OF MISSION, TEXAS OR THE STATE OF TEXAS. THE ISSUER HAS NO TAXING POWER.

The ability of the Company to provide sufficient funds for the payment of debt service on the Series 2025 Bonds as due is subject to various factors. These factors include, among others, (a) the ability of the Company and the Regulated Utilities to timely complete construction of the Utility Infrastructure, (b) the ability of the Developer and the Land Owners to timely complete construction of the Developments and (c) general economic conditions which may impact the general ability to market and sell the lots within the Developments, it being understood that poor economic conditions within the State of Texas may slow the assumed pace of sales of such lots.

Revenues and Financial Condition of the Company

The obligations of the Company under the Loan Agreement are payable, in part, from revenues of the Regulated Utilities derived from the provision of the water, wastewater and reclaimed water services and from certain moneys held by the Master Trustee under the Master Indenture. As indicated in the Engineering Report, the Company expects revenues to increase primarily from growth in the number of customers in the CCN areas. There can be no assurance that the actual construction, development and operation of the Project or such capital improvements or growth of the number of customers in the CCN area will result in adequate increases in revenues and cash flows sufficient to pay debt service on the Series 2025 Bonds or that revenues might not even decrease for other reasons. If rate increases are necessary, such increases would have to be approved by the PUCT. See "THE COMPANY, THE UTILITY SYSTEM AND CERTAIN REGULATORY REQUIREMENTS RELATING THERETO – Engineering Report" herein.

Projected Increase in Demand for Company's Water and Wastewater Services; Cyclical Nature of Real Estate Development; Concentration of Ownership and Subsequent Transfers; Failure or Inability to Complete Proposed Development

Growth in the number of customers of the Regulated Utilities depends almost entirely on the success of developers in developing residential and commercial development within the CCN area. See "THE COMPANY, THE UTILITY SYSTEM AND CERTAIN REGULATORY REQUIREMENTS RELATING THERETO — CCNs." Real estate development can be a cyclical industry in the short-term; however, from a macro perspective, home sales have been increasing. Notwithstanding, the sale of, for instance, single family residences is affected by a number of factors such as national and regional economic factors including interest rates and general levels of economic output, levels of activity in the local real estate market, competition from other land developers and other projects in the area and other states, federal programs to assist home purchasers, costs and availability of labor and materials, government regulations affecting land development and homebuilding, availability of financing for development and for home purchasers, changes in the income tax treatment of real property ownership, unexpected increases in development costs and other similar factors as well as availability of, among other things, other utilities, adequate transportation and school facilities and the development of environmental problems with such land. Land development within the CCN area could also be affected by changes in governmental policies, including, but not limited to, governmental policies to restrict or control development including, for example, failure by local municipalities to approve plats. Any approvals beyond the Company's existing CCN or amendments to an existing CCN in the future must come from the PUCT. A deepened or prolonged slowdown of the development process and the related absorption rate within the various developments in the CCN area because of any or all of the foregoing could materially and adversely affect growth of the customer base of the Regulated Utilities.

The continuing development and successful completion of building projects currently in progress and the successful commencement and completion of future developments in the CCN area is contingent upon construction or acquisition of major public improvements such as arterial streets, water distribution facilities, sewage collection and transmission facilities, drainage facilities, telephone and electrical facilities, recreational facilities and street lighting, as well as local in-tract improvements, including site grading. If the Developer is unable to complete these additional improvements, their ability to sell land would be affected adversely.

Sources of Water, Treatment of Wastewater and Use of Reclaimed Water

The Company has conducted investigations with respect to the availability of adequate supplies of ground water and believes that such water exists in adequate quantities. Likewise, the Company believes that existing and planned facilities will provide adequate amounts of wastewater treatment capacity. See "THE COMPANY, THE UTILITY SYSTEM AND CERTAIN REGULATORY REQUIREMENTS RELATING THERETO – Engineering Report". Insufficient quantities of either could materially and adversely affect the ability to provide for expected customer growth necessary to produce revenues to pay debt service on the Series 2025 Bonds. The Company continuously looks for new sources of water to augment its reserves in the service areas.

Greenwood Water Corporation provides water services and Park Water Company provides water, wastewater and reclaimed water services in their respective CCN areas. As development proceeds, the quantity of reclaimed water produced increases, and each connection produces wastewater which, through the Park Water wastewater treatment and reclamation infrastructure, is transformed into reclaimed water. The Company has established numerous methods and protocols in accordance with TCEQ regulations for the use and re-use of reclaimed water for irrigation and conservation as a means of reducing the volume of groundwater abstracted for use in the region.

Regulation of Company's Rates and Operation by PUCT/Other Regulation and Changes in Law

The Developments may be subject to future federal, state and local regulations. Approval may be required from various agencies from time to time in connection with the layout and design of the Developments, the nature and extent of Utility System, land use, zoning and other matters. Failure to meet any such regulations or obtain any such approvals in a timely manner could delay or adversely affect the Development and property values.

The Regulated Utilities are regulated as Public Retail Utilities by the PUCT. The rates they charge for services are established by the PUCT in accordance with Texas law, which grants considerable discretion to the PUCT.

If the current rates charged are not sufficient to cover the costs of capital and operating costs, the Company, through the Regulated Utilities must obtain increases in rates to generate sufficient revenues to cover the debt service on the Series 2025 Bonds.

There is a potential for Midland County to become regulated under a Groundwater Conservation District ("GCD"). In February 2017, TCEQ issued a recommendation on a GCD south of the Utility Service Area. TCEQ's Final Report recommended that the Texas Water Commission "issue an order to add all of the PGMA Priority Groundwater Management Area territories in the Upton and Midland counties to the Glasscock GCD pursuant to 30 TAC, Chapters §§ 293 and 294. The alternative would be to add all of the PGMA territories in the Upton and Midland counties to the Santa Rita UWCD." Recently, however, TCEQ evaluated groundwater availability and use data for Upton and Midland counties and determined that "since the PGMA's original designation in 1990, groundwater use in the area has shifted significantly from mostly irrigation to mostly oil and gas exploration activity, and this share of oil and gas activity increases each year. A GCD is not authorized to regulate groundwater used for oil and gas activities under the Texas Water Code, Chapter 36. Given this situation, establishing a GCD may not be an effective approach for managing groundwater resources in the Reagan, Upton, and Midland County PGMA."

Compliance with Environmental and Other Regulations

The construction and operation of the Utility System and the Development and other needed capital improvements described under the headings "THE COMPANY, THE UTILITY SYSTEM AND CERTAIN REGULATORY REQUIREMENTS RELATED THERETO" and "THE DEVELOPMENT" are subject to regulation under federal, state and local environmental laws.

Moreover, under various federal and Texas environmental laws, regulations and ordinances, a current or previous owner or operator of real property may be liable for the cost of removal or remediation of hazardous or toxic substances on, under or in such real property. Such laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. Should hazardous or toxic substances be located in or about the real property of the Company or the Regulated Utilities or should the Company or the Regulated Utilities fail to properly remediate such real property, the Company's ability to repay its obligations as they become due may be adversely affected.

Risks Related to Operations of the Utility System

The Utility System must be operated by persons licensed by the State to do so. The Company has contracted the operations of the Utility Systems to PCS who employ TCEQ-licensed water and wastewater operators and maintains the ability to operate, maintain and supervise the utility operations. The Company believes it will continue to have no difficulty obtaining appropriate permits and adequate labor, materials, supplies and parts required for such operation and maintenance, although no assurances can be given in this regard.

Management and Ownership

The management and ownership of the Regulated Utilities, Developer and the Development could change in the future. There are no assurances that officers will not resign or be replaced. In such circumstances, new officers in management positions may not have comparable experience in development projects.

Oil and Gas Critical

Adverse developments in economic conditions, particularly in the oil and gas industry, could adversely impact Texas real estate through both supply and demand channels, because higher oil prices contribute to an overall expansion of the state's economy. Texas may be particularly at risk from any global slowdown in the oil and gas industry, given the prevalence of international trade in Texas and the risk of contraction in the oil and gas industry and spillover effects into other industries. Should oil prices remain depressed over a long period of time or other adverse developments in economic conditions were to occur, particularly in the oil and gas industry, these businesses could be adversely impacted.

In recent years, the Midland region has diversified into a community that is the beneficiary of oil exploration activities when available but also provides significant service jobs and emerging green energy, including solar and wind opportunities. The service industry is now significant in serving the large number of wells and jockey pumps throughout the area which require operations, maintenance, service and support creating opportunity for the increasing number of companies that are typically located along an industrial corridor. In addition, the community is shifting from pure exploration/extraction to mineral resources management. This has provided stability to the region and the community reflects that with large oil exploration companies establishing bases/headquarters in Midland, including Schlumberger, Exxon, Pioneer, and Halliburton. In addition, the region is represented by all major service and support groups as well as national chain restaurants and shopping.

Utility Matters

Water Quality. As the body of knowledge grows, the effect of various contaminants on the health of the public is continuously refined, producing a requirement for higher quality water. The costs associated with meeting the requirements of the water quality may become excessive and require significant changes to rates to pay for treatment. As rates lag capital investment at the utility level, investments in treatment technology may not be recoverable for several years. New regulated contaminants are reviewed by the USEPA at a minimum of 5-year intervals in which a Contaminant Candidate List (CCL) is generated and reviewed.

On January 15, 2025, the EPA announced its preliminary regulatory determination for nine contaminants on the Fifth Contaminant Candidate List (CCL 5). The EPA has made preliminary determinations to not regulate the following nine contaminants: 2-aminotoluene, cylindrospermopsin, ethoprop, microcystins, molybdenum, permethrin, profenofos, tebuconazole and tribufos. The EPA will request public comment on these preliminary determinations. EPA had previously announced the final determinations to regulate two contaminants, perfluorooctanesulfonic acid (PFOS) and perfluorooctanoic acid (PFOA), in drinking water and to not regulate six contaminants (i.e., 1,1-dichloroethane, acetochlor, methyl bromide (bromomethane), metolachlor, nitrobenzene, and RDX) (CCL 4). The current federal EPA administration has delayed the implementation of the PFOA and PFOS regulations. The EPA also announced its intent to rescind the regulations and reconsider the regulatory determinations for PFHxS, PFNA, HFPO-DA (commonly known as GenX), and the Hazard Index mixture of these three plus PFBS. As a result, there is significant flux related to the regulation of those contaminants.

In addition, the state of Texas enforces certain contaminants on the National Secondary Drinking Water Standards list. These are included in 30 TAC §290.105 and include:

Contaminant	**Level** (mg/l except where otherwise stated)
Aluminum	0.05 to 0.2
Chloride	300
Color	15 color units
Copper	1.0
Corrosivity	Non-corrosive
Fluoride	2.0
Foaming agents	0.5
Hydrogen sulfide	0.05
Iron	0.3
Manganese	0.05
Odor	3 Threshold Odor Number
pH	>7.0
Silver	0.1
Sulfate	300
Total Dissolved Solids	1,000
Zinc	5.0

Compounding this risk is the fact that surface and groundwater sources can vary in quality as the water is removed for purveyance. For example, as water is removed from a coastal aquifer, saltwater intrusion into the aquifer can occur, rapidly reducing the overall quality to the point where a source-treatment-process is required.

To address these risks, the Company implements sound source protection processes (watershed protections, well-head protection, elimination of point-source and non-point-source contaminant discharges, etc.) to mitigate the potential for contamination.

Availability of Water. Once a water supply is established by a Public Retail Utility, the reliance on the perpetuity of the resource is paramount. Ownership of water resources is a landowner right and there are few restrictions on water abstraction outside Groundwater Management Areas. The Company maintains a hydrogeologic model to determine aquifer parameters such as depth to water level, transmissivity and recovery to assist in understanding the dynamic nature of groundwater in the area. In addition, the Company seeks to augment its raw-potable and raw-non-potable wells whenever possible and to have those wells located within the paleo-channel which is the best water producing area of the aquifer.

In addition, as Park Water Company is an integrated water and sewer provider, it has the ability to supplant potable water use with Type 1 Reclaimed Water to reduce overall "new" water requirements.

Finally, in extreme cases, Direct-to-Potable reuse, that is, the advanced treatment and purification of wastewater for potable consumption is permittable under TCEQ rules. This strategy was deployed in Big Spring, TX in 2014. The Colorado River Municipal Water District in Big Spring treats 2.0 MGD of wastewater effluent with microfiltration, reverse osmosis (RO), and ultraviolet disinfection (UV). That water is then added to a raw water pipeline that also sources water from an area lake. This mix (20 percent recycled water, 80 percent raw water) is then distributed to five drinking water facilities in the region (serving a total of 250,000 people) where it is treated again using conventional drinking water treatment techniques.

Public Health Risks. As utilities treating potable water for human consumption and wastewater for reuse, the Regulated Utilities assume some risk for the protection of public health. Most instances of health problems from water sources can be attributed to a series of breakdowns of equipment and management processes. The Company provides redundancy in critical systems and operates process control monitoring as well as compliance monitoring to ensure that all water – potable, reclaimed – meets the standards of operating permits and the rules and regulations governing them. Additional risk mitigation strategies include strict conformance to reporting and warning protocols, anticipation of issues, capital planning to eliminate potentially unsafe systems etc.

Mineral Rights

Landowners, under Texas law, own both surface and subsurface rights. Often times, particularly in agricultural settings or the Permian Basin, subsurface or mineral rights are sequestered for exploitation with the landowner's agreement. This allows that the subsurface products – oil/gas – may be withdrawn by companies specializing in that activity and the landowner may receive a royalty for allowing that extraction. In the case of the properties under consideration in the Project, all or materially all of the mineral rights associated with the Project land were bifurcated from the surface rights many years ago. The rights of the sub-surface mineral rights owners are significant and generally allow the holders to use the surface as they need to for the extraction of the sub-surface mineral reserves, subject to the State's environmental and natural resources regulations.

MCUD Contract Risks

There are risks associated with the Company's agreements with the MCUD. The MCUD's relationship with the County has allowed for the placement of main water and wastewater transmission lines in county roads and has provided a means to secure future water supplies for the region. The County or MCUD could change their respective views of the future development of the region. In addition, Park Water Company is providing potable water service to approximately 223 connections outside the CCN under an agreement with the MCUD. Park Water Company is operating under authority pursuant to Public Utility Commission of Texas substantive rule 16 Texas Administrative Code Sec. 24.225(c) to provide interim service to landowners in the MCUD's jurisdictional boundary. Park Water

Company owns and operates the infrastructure required to serve these customers and provides service in accordance with the retail rates approved by the PUCT for its current CCN area.

On July 2, 2025 the Company received a cease-and-desist letter from MCUD alleging that the Company and its affiliates are expanding the provision of water and wastewater services outside their authorized CCN service areas and within MCUD's district boundaries in an unauthorized manner. The Company has asserted that its activities are consistent with prior agreements with MCUD and state law. There can be no assurance that such dispute will be resolved in a timely manner.

Limited Market for the Series 2025 Bonds

The Underwriter is not obligated to make a market in or repurchase any of the Series 2025 Bonds, and no representation is made by the Underwriter, that a market for the Series 2025 Bonds will develop and be maintained in the future. If a market does develop, no assurance can be given regarding future price maintenance of the Series 2025 Bonds.

No Rating on the Series 2025 Bonds

The Company has not applied for or received a rating on the Series 2025 Bonds. The absence of a rating could affect the future marketability of the Series 2025 Bonds. There is no assurance that a secondary market for the Series 2025 Bonds will develop or that holders who desire to sell their Bonds prior to the stated maturity will be able to do so.

Security Interest Securing the Obligations is of Limited Value

The security interests in revenues, income, receipts, cash, and other collateral granted by the Company to the Master Trustee pursuant to the Master Indenture may be affected by various matters, including (i) federal bankruptcy laws that would, among other things, preclude enforceability of the security interest as to revenues arising subsequent to the commencement of bankruptcy proceedings and limit such enforceability as to revenues arising prior to such commencement to the extent a security interest therein would constitute a voidable preference or fraudulent conveyance, (ii) rights of third parties in cash, securities and instruments arising in favor of the United States of America or any agency thereof, (iii) present or future prohibitions against assignment in any federal statutes or regulations, (iv) constructive trusts, equitable liens or other rights impressed or conferred by any state or federal court in the exercise of its equitable jurisdiction and rights of donors of property, (v) claims that might obtain priority if continuation statements or financing statement amendments are not filed in accordance with applicable laws, and (vi) statutory liens. Accordingly, such security interest is expected to provide only limited value in the event of default.

If an event of default does occur under the Master Indenture, it is uncertain that the Master Trustee or the Bond Trustee could successfully obtain an adequate remedy at law or in equity on behalf of the owners of the Series 2025 Bonds. In addition, obligations other than the Series 2025 Notes may be issued from time to time in the future pursuant to the Master Indenture. If and when issued, such obligations may be on a parity basis with the Series 2025 Notes with respect to the benefits of the Master Indenture.

Risks from Weather Events

All of the State is subject to extreme weather events that can cause loss of life and damage to property through strong winds, flooding, heavy rains, extreme heat, wildfires, and freezes. It is impossible to predict whether similar events will occur in the future and the impact they may have on the Project or the Development. Groundwater resources are impacted by rain, short and long-term droughts, and overall water abstraction and recharge. Annual rainfall varies significantly. It is impossible to predict whether similar events will occur in the future and the impact they may have on the Project or the Development.

Hazardous Substance

While governmental taxes, assessments and charges are a common claim against the value of a parcel, other less common claims may be relevant. One of the most serious in terms of the potential reduction in the value that may be realized to the assessment is a claim with regard to a hazardous substance. In general, the owners and operators of a parcel may be required by law to remedy conditions relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or "Superfund Act," is the most well-known and widely applicable of these laws. It is likely that, should any of the parcels of land located in the Development be affected by a hazardous substance, the marketability and value of parcels would be reduced by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The Company has not independently verified, and is not aware, that the owner (or operator) of any of the parcels within the Development has such a current liability with respect to such parcel; however, it is possible that such liabilities do currently exist and that the Company is not aware of them.

Further, it is possible that liabilities may arise in the future with respect to any of the land within the Development resulting from the existence, currently, of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it.

Bondholders' Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Series 2025 Bonds or the occurrence of any other Event of Default under the Bond Indenture, and upon the written request of at least 25% of the owners (by value) of the Series 2025 Bonds, the Bond Trustee shall proceed to protect and enforce its rights and the rights of the owners of the Series 2025 Bonds under the Bond Indenture by such suits, actions or special proceedings in equity or at law, or by proceedings in the office of any board or officer having jurisdiction, either for mandamus or the specific performance of any covenant or agreement contained therein or in aid or execution of any power granted or for the enforcement of any proper legal or equitable remedy, as the Bond Trustee shall deem most effectual to protect and enforce such rights. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the Company's obligations under the Series 2025 Bonds or the Bond Indenture and such obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. Remedies in the event of a default by the Company in one or more of its obligations under the Series 2025 Bonds, or the Bond Indenture are limited. Although the Bond Indenture provides that the Bond Trustee may attempt to obtain a writ of mandamus requiring performance of such obligations, such remedy may prove a legal impossibility, time-consuming, costly and difficult to enforce.

The enforceability of the rights and remedies of the owners of the Series 2025 Bonds may be limited by laws relating to bankruptcy, reorganization, or other similar laws of general application affecting the rights of creditors of entities such as the Company.

Bankruptcy Limitation to Bondholders' Rights

As is true with many entities that borrow funds, there is a risk that the Company may file for bankruptcy and seek the protection of the Federal Bankruptcy Code. In such an event, the Company would receive the benefit of the automatic stay, and creditors—including the holders of the Series 2025 Bonds—would be prohibited from pursuing their remedies against the Company or its assets without the permission of the Bankruptcy Court. The Company would have the right to reorganize and adjust its debts with the approval of the Bankruptcy Court. While the relevant law on this point is not entirely clear, it may also be possible for the Company to be forced into involuntary bankruptcy by one or more creditors. A bankruptcy filing by or against the Company could adversely affect the payment of principal and interest on the Series 2025 Bonds.

Damage to System; Cybersecurity

Damage to the facilities of the Regulated Utilities' resulting from vandalism, sabotage, or terrorist activities may inadvertently impact the operations and finances. The Regulated Utilities carry insurance and maintain physical security in the form of fencing (in accordance with TCEQ requirements) and electronic security on their facilities. There can be no assurance that the security, emergency preparedness, and response plans will be adequate to prevent such damage, or that the costs of maintaining such security measures will not be greater than currently anticipated. The Company contracts with third-party service providers in order to process customer information, including payment information such as credit and debit card numbers, bank account numbers, names and addresses and other personal information. The Company's technology systems and those of its third-party service providers are subject to penetration, hacking and other unauthorized use or breach. There can be no guarantee that the security measures in place will prevent such unauthorized access. Damage and claims arising from such incidents may not be covered by or may exceed the amount of any insurance available and may subject the Company to regulatory investigation, fines or other actions that could negatively impact the Company's ability to generate sufficient revenues to pay debt service on the Series 2025 Bonds.

Tariffs, Trade Policy and Global Economic Uncertainty

The acquisition, improvement, construction, renovation and equipping of the Regulated Utilities' water and wastewater facilities is subject to risks arising from tariffs, changes in trade policy, and global economic uncertainty. Over the past several months, governments—including the United States—have imposed, threatened, or adjusted tariffs on a range of construction materials, equipment, and components, including steel, piping, and machinery commonly used in water and sewer projects. If additional tariffs are imposed or existing tariffs are increased, the cost of procuring these materials and equipment could rise significantly. Such cost increases may not be fully anticipated or recoverable, which could adversely affect the overall budget and financial projections for the Project.

In addition, global economic uncertainty, including supply chain disruptions, labor shortages, and volatility in commodity prices, may impact the availability and timely delivery of critical materials and services. These factors could result in delays, increased costs, or both. Furthermore, changes in international trade agreements or the imposition of new trade restrictions could further exacerbate these risks.

If the Company is unable to mitigate the impact of tariffs, supply chain disruptions, or other global economic factors, there may be material adverse effects on its ability to complete the Project on schedule and within budget. This, in turn, could impair the Company's ability to generate sufficient revenues to service the Series 2025 Bonds and meet its other financial obligations.

LITIGATION

The Issuer

To the Issuer's knowledge, as of the date of this Limited Offering Memorandum, there is no action, suit or proceeding at law or in equity pending or threatened against the Issuer to restrain or enjoin the issuance or delivery of the Series 2025 Bonds or questioning or affecting the validity of the Series 2025 Bonds or the proceedings or authority under which the Series 2025 Bonds are to be issued or which in any manner questions the right of the Issuer to enter into the Bond Indenture or the Loan Agreement, or to secure the Series 2025 Bonds in the manner provided therein.

The Company

At the time of delivery and payment for the Series 2025 Bonds, the Company will certify that, to its knowledge, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or overtly threatened against the Company, nor any affiliates or principals thereof.

The Regulated Utilities

At the time of delivery and payment for the Series 2025 Bonds, each of the Regulated Utilities will certify that, to its knowledge, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or overtly threatened against such Regulated Utility, nor any affiliates or principals thereof.

TAX MATTERS

Series 2025A Bonds

In the opinion of Jackson Walker LLP, Bond Counsel to the Issuer, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Series 2025A Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except that no opinion is expressed as to such exclusion of interest on any Series 2025A Bond for any period during which the Series 2025A Bonds are held by a person who, within the meaning of Section 147(a) of the Code, is a "substantial user" of the facilities financed with the proceeds of the Series 2025A Bonds or a "related person," and (ii) interest on the Series 2025A Bonds is treated as a preference item in calculating the alternative minimum tax under the Code, and interest on the Series 2025A Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Issuer and the Company, in connection with the Series 2025A Bonds, and Bond Counsel has assumed compliance by the Issuer and the Company with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Series 2025A Bonds from gross income under Section 103 of the Code.

Bond Counsel expresses no opinion as to any other federal, state or local tax consequences arising with respect to the Series 2025A Bonds, or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, any fact or circumstance that may thereafter come to its attention, any change in law or interpretation thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Series 2025A Bonds.

Certain Ongoing Federal Tax Requirements and Covenants. The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Series 2025A Bonds in order that interest on the Series 2025A Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Series 2025A Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Series 2025A Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The Issuer and the Company have covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Series 2025A Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences. The following is a brief discussion of certain collateral federal income tax matters with respect to the Series 2025A Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2025A Bonds.

Prospective owners of the Series 2025A Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including

S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Series 2025A Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount. "Original issue discount" (in this section, "OID") is the excess of the sum of all amounts payable at the stated maturity of a Series 2025A Bond (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10 percent of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Series 2025A Bonds. In general, the issue price for each maturity of Bonds is expected to be the initial public offering price set forth on the cover page of the offering statement. Bond Counsel further is of the opinion that, for any Series 2025A Bonds having OID (a "Discount 2025A Bond"), OID that has accrued and is properly allocable to the owners of the Discount 2025A Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Series 2025A Bonds.

In general, under Section 1288 of the Code, OID on a Discount 2025A Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount 2025A Bond. An owner's adjusted basis in a Discount 2025A Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Series 2025A Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount 2025A Bond even though there will not be a corresponding cash payment.

Owners of Discount 2025A Bonds should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount 2025A Bonds.

Bond Premium. In general, if an owner acquires a bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that bond (a "Premium 2025A Bond"). In general, under Section 171 of the Code, an owner of a Premium 2025A Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium 2025A Bond determined based on constant yield principles (in certain cases involving a Premium 2025A Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium 2025A Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium 2025A Bond may realize a taxable gain upon disposition of the Premium 2025A Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium 2025A Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium 2025A Bonds.

Information Reporting and Backup Withholding. Information reporting requirements apply to interest paid on tax-exempt obligations, including the Series 2025A Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment,

calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Series 2025A Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2025A Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous. Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Series 2025A Bonds under federal or state law or otherwise prevent beneficial owners of the Series 2025A Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Series 2025A Bonds.

Prospective purchasers of the Series 2025A Bonds should consult their own tax advisors regarding the foregoing matters.

Series 2025B Bonds

In the opinion of Bond Counsel, interest and OID (as defined below) on the Series 2025B Bonds is not excludable from gross income for United States federal income tax purposes.

The following discussion is a summary of the principal United States federal income tax consequences of the acquisition, ownership and disposition of Series 2025B Bonds by original purchasers of the Series 2025B Bonds who are U.S. Holders (as defined below). This summary is based on the Code, Treasury regulations, revenue rulings and court decisions, all as now in effect and all subject to change at any time, possibly with retroactive effect. This summary assumes that the Series 2025B Bonds will be held as "capital assets" under the Code, and it does not discuss all of the United States federal income tax consequences that may be relevant to a holder in light of its particular circumstances or to holders subject to special rules, such as insurance companies, financial institutions, tax-exempt organizations, dealers in securities or foreign currencies, persons holding the Series 2025B Bonds as a position in a "hedge" or "straddle" for United States federal income tax purposes, holders whose functional currency (as defined in Section 985 of the Code) is not the United States dollar, holders who acquire Series 2025B Bonds in the secondary market, or individuals, estates and trusts subject to the tax on unearned income imposed by Section 1411 of the Code. Each prospective purchaser of the Series 2025B Bonds should consult with its own tax advisor concerning the United States federal income tax and other tax consequences to it of the acquisition, ownership and disposition of the Series 2025B Bonds as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

As used herein, the term "U.S. Holder" means a beneficial owner of a Series 2025B Bond that is for United States federal income tax purposes (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

U.S. Holders—Interest Income. Interest and OID (as defined below) on the Series 2025B Bonds are not excludable from gross income for United States federal income tax purposes.

Original Issue Discount. For United States federal income tax purposes, a Series 2025B Bond will be treated as issued with original issue discount (in this section, "OID") if the excess of a Series 2025B Bond's "stated redemption price at maturity" over its "issue price" equals or exceeds a statutorily determined *de minimis* amount. The "issue price" of each Series 2025B Bond in a particular issue equals the first price at which a substantial amount of such issue is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the

capacity of underwriters, placement agents or wholesalers). The "stated redemption price at maturity" of a Series 2025B Bond is the sum of all payments provided by such Series 2025B Bond other than "qualified stated interest" payments. The term "qualified stated interest" generally means stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate. In general, if the excess of a Series 2025B Bond's stated redemption price at maturity over its issue price is less than one-fourth of one percent (0.25%) of the Series 2025B Bond's stated redemption price at maturity multiplied by the number of complete years to its maturity (the "de minimis amount"), then such excess, if any, constitutes de minimis OID, and the Series 2025B Bond is not treated as being issued with OID and all payments of stated interest (including stated interest that would otherwise be characterized as OID) is treated as qualified stated interest, as described below.

Payments of qualified stated interest on a Series 2025B Bond are taxable to a U.S. Holder as ordinary interest income at the time such payments are accrued or are received in accordance with the U.S. Holder's regular method of tax accounting. A U.S. Holder of a Series 2025B Bond having a maturity of more than one year from its date of issue generally must include OID in income as ordinary interest as it accrues on a constant-yield method in advance of receipt of the cash payments attributable to such income, regardless of such U.S. Holder's regular method of tax accounting. The amount of OID included in income by the U.S. Holder of a Series 2025B Bond is the sum of the daily portions of OID with respect to such Series 2025B Bond for each day during the taxable year (or portion of the taxable year) on which such U.S. Holder held such Series 2025B Bond. The daily portion of OID on any Series 2025B Bond is determined by allocating to each day in any "accrual period" a ratable portion of the OID allocable to the accrual period. All accrual periods with respect to a Series 2025B Bond may be of any length and the accrual periods may vary in length over the term of the Series 2025B Bond, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the first or final day of an accrual period. The amount of OID allocable to an accrual period is generally equal to the difference between (i) the product of the Series 2025B Bond's "adjusted issue price" at the beginning of such accrual period and such Series 2025B Bond's yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period) and (ii) the amount of any qualified stated interest payments allocable to such accrual period. The "adjusted issue price" of a Series 2025B Bond at the beginning of any accrual period is the issue price of the Series 2025B Bond plus the amount of accrued OID includable in income for all prior accrual periods minus the amount of any prior payments on the Series 2025B Bond other than qualified stated interest payments. The amount of OID allocable to an initial short accrual period may be computed using any reasonable method if all other accrual periods other than a final short accrual period are of equal length. The amount of OID allocable to the final accrual period is the difference between (i) the amount payable at the maturity of the Series 2025B Bond (other than a payment of qualified stated interest) and (ii) the Series 2025B Bond's adjusted issue price as of the beginning of the final accrual period. Under the OID rules, U.S. Holders generally will have to include in income increasingly greater amounts of OID in successive accrual periods.

A U.S. Holder may elect to include in gross income all interest that accrues on a Series 2025B Bond using the constant-yield method described above under the heading "Original Issue Discount," with the modifications described below. For purposes of this election, interest includes, among other things, stated interest, OID and de minimis OID, as adjusted by any amortizable bond premium described below in this section under the heading "Bond Premium". In applying the constant-yield method to a Series 2025B Bond with respect to which this election has been made, the issue price of the Series 2025B Bond will equal its cost to the electing U.S. Holder, the issue date of the Series 2025B Bond will be the date of its acquisition by the electing U.S. Holder, and no payments on the Series 2025B Bond will be treated as payments of qualified stated interest. The election will generally apply only to the Series 2025B Bond with respect to which it is made and may not be revoked without the consent of the Internal Revenue Service. If this election is made with respect to a Series 2025B Bond with amortizable bond premium, then the electing U.S. Holder will be deemed to have elected to apply amortizable bond premium against interest with respect to all debt instruments with amortizable bond premium (other than debt instruments the interest on which is excludable from gross income) held by the electing U.S. Holder as of the beginning of the taxable year in which the Series 2025B Bond with respect to which the election is made is acquired or thereafter acquired. The deemed election with respect to amortizable bond premium may not be revoked without the consent of the Internal Revenue Service.

U.S. Holders of any Series 2025B Bonds issued with OID should consult their own tax advisors with respect to the treatment of OID for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, and disposition of Series 2025B Bonds.

Bond Premium. In general, if a U.S. Holder acquires a Series 2025B Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Series 2025B Bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that Series 2025B Bond (a "Premium 2025B Bond"). In general, if a U.S. Holder of a Premium 2025B Bond elects to amortize the premium as "amortizable bond premium" over the remaining term of the Premium 2025B Bond, determined based on constant yield principles (in certain cases involving a Premium 2025B Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the highest yield on such bond), the amortizable premium is treated as an offset to interest income; the U.S. Holder will make a corresponding adjustment to such holder's basis in the Premium 2025B Bond. Any such election applies to all debt instruments of the U.S. Holder (other than tax-exempt bonds) held at the beginning of the first taxable year to which the election applies and to all such debt instruments thereafter acquired, and is irrevocable without the Internal Revenue Service's consent. A U.S. Holder of a Premium 2025B Bond that so elects to amortize bond premium does so by offsetting the qualified stated interest allocable to each interest accrual period under the U.S. Holder's regular method of federal tax accounting against the bond premium allocable to that period. If the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is treated as a bond premium deduction under Section 171(a)(1) of the Code, subject to certain limitations. If a Premium 2025B Bond is optionally callable before maturity at a price in excess of its stated redemption price at maturity, special rules may apply with respect to the amortization of bond premium. Under certain circumstances, the U.S. Holder of a Premium 2025B Bond may realize a taxable gain upon disposition of the Premium 2025B Bond even though it is sold or redeemed for an amount less than or equal to the U.S. Holder's original acquisition cost.

U.S. Holders of any Premium 2025B Bonds should consult their own tax advisors with respect to the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, and disposition of Premium 2025B Bonds.

U.S. Holders—Disposition of Series 2025B Bonds. Except as discussed above, upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of a Series 2025B Bond, a U.S. Holder generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such U.S. Holder's adjusted tax basis in the Series 2025B Bond. A U.S. Holder's adjusted tax basis in a Series 2025B Bond generally will equal such U.S. Holder's initial investment in the Series 2025B Bond, increased by any OID included in the U.S. Holder's income with respect to the Series 2025B Bond and decreased by the amount of any payments, other than qualified stated interest payments, received and bond premium amortized with respect to such Series 2025B Bond. Such gain or loss generally will be long-term capital gain or loss if the Series 2025B Bond was held for more than one year.

U.S. Holders—Defeasance. U.S. Holders of the Series 2025B Bonds should be aware that, for federal income tax purposes, the deposit of moneys or securities in escrow in such amount and manner as to cause the Series 2025B Bonds to be deemed to be no longer outstanding under the Series 2025B Indenture (a "defeasance"), could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, for federal income tax purposes, the character and timing of receipt of payments on the Series 2025B Bonds subsequent to any such defeasance could also be affected. U.S. Holders of the Series 2025B Bonds are advised to consult with their own tax advisors regarding the consequences of a defeasance for federal income tax purposes, and for state and local tax purposes.

U.S. Holders—Backup Withholding and Information Reporting. In general, information reporting requirements will apply to non-corporate U.S. Holders with respect to payments of principal, payments of interest, and the accrual of OID on a Series 2025B Bond and the proceeds of the sale of a Series 2025B Bond before maturity within the United States. Backup withholding will apply to such payments and to payments of OID unless the U.S. Holder (i) is a corporation or other exempt recipient and, when required, demonstrates that fact, or (ii) provides a correct taxpayer identification number, certifies under penalties of perjury, when required, that such U.S. Holder is not subject to backup withholding and has not been notified by the Internal Revenue Service that it has failed to report all interest and dividends required to be shown on its United States federal income tax returns.

Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner's United States federal income tax provided the required information is furnished to the Internal Revenue Service.

Miscellaneous. Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, could affect the market price or marketability of the Series 2025B Bonds.

Prospective purchasers of the Series 2025B Bonds should consult their own tax advisors regarding the foregoing matters.

SUITABILITY FOR INVESTMENT

Investment in the Series 2025 Bonds poses certain economic risks. See "RISK FACTORS." The Series 2025 Bonds are not rated by any nationally recognized municipal securities rating service. No dealer, broker, salesman or other person has been authorized by the Issuer, the Company, or the Underwriter to give any information or make any representations, other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. Additional information may be made available to each prospective investor, upon request, as such prospective investor deems necessary in order to make an informed decision with respect to the purchase of the Series 2025 Bonds.

ENFORCEABILITY OF REMEDIES

The remedies available to the owners of the Series 2025 Bonds upon an event of default under the Master Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay. See "RISK FACTORS — Remedies and Bankruptcy." Under existing constitutional and statutory law and judicial decisions, including the federal bankruptcy code, the remedies specified by the Master Indenture and the Series 2025 Bonds may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2025 Bonds will be qualified, as to the enforceability of the remedies provided in the various legal instruments, by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors and enacted before or after such delivery.

CONTINUING DISCLOSURE OF INFORMATION

Pursuant to Ru1e 15c2-12, promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 ("Rule 15c2-12"), the Company will undertake to provide continuing disclosure regarding financial and operating information relating to the Regulated Utilities, and to the beneficial owners of the Series 2025 Bonds.

The Company, as dissemination agent, has executed a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") for the benefit of the Holders of the Series 2025 Bonds (including owners of beneficial interests in the Series 2025 Bonds), to provide, by certain dates prescribed in the Continuing Disclosure Agreement, certain information as described in the Continuing Disclosure Agreement, and, to the extent received pursuant to the Security and Pledge Agreements, the Regulated Utilities Information (collectively, the "Reports"). See "APPENDIX F — Form of Continuing Disclosure Agreement." Pursuant to the Continuing Disclosure Agreement, a dissemination agent or successor dissemination agent may, from time to time, be appointed or engaged by the Company to assist it in carrying out its obligations under this Disclosure Agreement, and such dissemination agent may be discharged with or without appointing a successor dissemination agent. Under certain circumstances, the failure of a Regulated Utility, the Company or a dissemination agent under the Continuing Disclosure Agreement to comply with their obligations under the Continuing Disclosure Agreement constitutes an event of default thereunder. Such a default will not constitute an event of default under the Bond Indenture or the Master Indenture, but such event of default under the Continuing Disclosure Agreement would allow the dissemination agent (at the request of beneficial owners of at least 25% aggregate principal amount of outstanding Series 2025 Bonds) to bring an action for mandamus or specific performance.

UNDERWRITING

FMSbonds, Inc. (the "Underwriter") has agreed to purchase the Series 2025A Bonds from the Issuer at a purchase price of $_____ (the par amount of the Series 2025A Bonds, less an underwriting discount of $_____) and no accrued interest.

The Underwriter has agreed to purchase the Series 2025B Bonds from the Issuer at a purchase price of $_____ (the par amount of the Series 2025B Bonds, less an underwriting discount of $_____) and no accrued interest.

The Underwriter's obligations are subject to certain conditions precedent and if obligated to purchase any of the Series 2025 Bonds the Underwriter will be obligated to purchase all of the Series 2025 Bonds. Subject to certain restrictions contained in the bond purchase agreement, the Series 2025 Bonds may be offered and sold by the Underwriter at prices lower than the initial offering prices stated on the inside cover page hereof, and such initial offering prices may be changed from time to time by the Underwriter.

OTHER INFORMATION

No Rating

No application for a rating on the Series 2025 Bonds has been made to any rating agency, nor is there any reason to believe that the Company would have been successful in obtaining an investment grade rating for the Series 2025 Bonds had application been made.

Registration and Qualification of Bonds for Sale

The sale of the Series 2025 Bonds has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Series 2025 Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Series 2025 Bonds been qualified under the securities acts of any jurisdiction. Neither the Company nor the Issuer assumes any responsibility for qualification of the Series 2025 Bonds under the securities laws of any jurisdiction in which the Series 2025 Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Series 2025 Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

Legal Opinions

The validity of the Series 2025 Bonds and certain other legal matters are subject to the approving opinion of Jackson Walker LLP, Bond Counsel to the Issuer. A complete copy of the proposed form of Bond Counsel opinion is contained on APPENDIX I hereto.

In its capacity as Bond Counsel, it has reviewed the information contained in this Limited Offering Memorandum under the captions "INTRODUCTION – The Series 2025 Bonds," "THE SERIES 2025 BONDS", "THE ISSUER," "SECURITY AND SOURCE OF PAYMENT," "TAX MATTERS," "OTHER INFORMATION – Registration and Qualification of Bonds for Sale," and "OTHER INFORMATION – Legal Opinions" (first two paragraphs only), and in APPENDIX A, APPENDIX B, APPENDIX C, APPENDIX D, APPENDIX E, APPENDIX F and APPENDIX I hereto to determine that the information contained under such captions is an accurate summary of the information purported to be shown. In connection with the transactions described in this Limited Offering Memorandum, Bond Counsel represents only the Issuer. The various legal opinions to be delivered concurrently with the delivery of the Series 2025 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the partners to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Certain legal matters relating to the Issuer will be passed upon for the Issuer by Bracewell LLP, as Issuer's Counsel, and by Jackson Walker LLP, as Bond Counsel and Disclosure Counsel.

Certain legal matters will be passed on for the Company by Burch & Cracchiolo, P.A. ("Company Counsel"). Company Counsel has reviewed certain portions, of this Limited Offering Memorandum pertaining to the Company, particularly under the captions "INTRODUCTION – The Company," "THE COMPANY, THE UTILITY SYSTEM AND CERTAIN REGULATORY REQUIREMENTS RELATED THERETO - Background," " – The Utility System," " – CCNs," " – The Greenwood Water Corporation System," " – The Park Water System," "— Regulation of Utility System," " – Midland County Utility District," " – The Utility System and the Development," "THE DEVELOPER AND RELATED ENTITIES – Corporate Structure," " – Litigation," "RISK FACTORS – Management and Ownership (2nd paragraph)," "LITIGATION – The Company," " – The Regulated Utilities," " – The Developer," "CONTINUING DISCLOSURE OF INFORMATION," and "OTHER INFORMATION – Legal Opinions (this paragraph only) and in APPENDIX F. Company Counsel has been engaged in connection with the issuance and sale of the Series 2025 Bonds to advise with response to legal matters and not to determine or verify facts. Many of the determinations involved in the preparation of this Limited Offering Memorandum were factual. In the course of participation in preparation of this Limited Offering Memorandum, Company Counsel has not verified and assumes no responsibility for the accuracy, completeness or fairness of any other portions of this Limited Offering Memorandum or any other information in this Limited Offering Memorandum or in any other reports, financial information or offering or disclosure documents that may be prepared or made available to prospective purchasers of the Series 2025 Bonds or to others, including, without limitation, any information relating to the Series 2025 Bonds or the Issuer and information in charts and tables herein denoted with the source as the Company.

Financial Advisor

In its role as Financial Advisor to the Company, Government Capital Securities Corporation has relied on the Company for certain information concerning the Company and the Series 2025 Bonds. The fee of the Financial Advisor for services with respect to the Series 2025 Bonds is contingent upon the issuance and sale of the Series 2025 Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information in this Limited Offering Memorandum.

The Financial Advisor to the Company has provided the following sentence for inclusion in this Limited Offering Memorandum. The Financial Advisor has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibilities to the Company and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction but the Financial Advisor does not guarantee the accuracy or completeness of such information.

Sources of Certain Information

The financial data and other information contained in this Limited Offering Memorandum has been obtained primarily from records of the Company provided by the Company and other sources. All of these sources are believed to be reliable, but no guarantee is made by the Company as to the accuracy or completeness of the information derived from sources other than the Company. Furthermore, there is no guarantee that any of the assumptions or estimates contained herein will be realized. The summaries of the agreements, reports, statutes, resolutions, engineering, and other related information set forth in this Limited Offering Memorandum are included herein subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents for further information.

Forward-Looking Statements

The statements contained in this Limited Offering Memorandum and in any other information provided by the Company that are not purely historical are forward-looking statements, including statements regarding the Company's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Limited Offering Memorandum are based on information available to the Company on the date hereof, and the Company does not assume any obligations to update any such forward-looking statements. It is important to note that the actual results could differ materially from those in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners, and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Company. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Limited Offering Memorandum will prove to be accurate.

The Company has approved the form and content of this Limited Offering Memorandum, and any addenda, supplement or amendment thereto, and authorized its further use by the Underwriter in marketing the Series 2025 Bonds.

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SCHEDULE I: DEBT SERVICE SCHEDULE

Debt Service Schedule for Series 2025 Bonds

Preliminary and Subject to Change

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APPENDIX A

FORM OF MASTER TRUST INDENTURE

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MASTER TRUST INDENTURE AND SECURITY AGREEMENT

between

PERMIAN BASIN WATER RESOURCES, LLC,
as Company

and

UMB BANK, N.A.,
as Master Trustee

Dated as of

September 1, 2025

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS AND OTHER
PROVISIONS OF GENERAL APPLICATION

Section 1.01. Construction of Terms; Definitions 3
Section 1.02. Form of Documents Delivered to Master Trustee 12
Section 1.03. Acts of Note Holders 13
Section 1.04. Notices, etc. 15
Section 1.05. Notices to Note Holders; Waiver 15
Section 1.06. Successors and Assigns 16
Section 1.07. Severability Clause 16
Section 1.08. Benefits of Master Indenture 16
Section 1.09. Governing Law 16
Section 1.10. Effect of Headings and Table of Contents 16

ARTICLE II

ISSUANCE AND FORM OF NOTES

Section 2.01. Series, Amount and Denomination of Notes 16
Section 2.02. Conditions to Issuance of Notes 17
Section 2.03. Execution, Authentication and Delivery 18
Section 2.04. Form and Terms of Notes 18
Section 2.05. Registration, Transfer and Exchange 19
Section 2.06. Mutilated, Destroyed, Lost and Stolen Notes 20
Section 2.07. Method of Payment of Notes 20
Section 2.08. Persons Deemed Owners 21
Section 2.09. Cancellation 21
Section 2.10. Security for Notes 22
Section 2.11. Mortgage, Pledge and Assignment; Further Assurances 22
Section 2.12. Additional Debt 24
Section 2.13. Insurance 25

ARTICLE III

REDEMPTION OR PREPAYMENT OF NOTES

Section 3.01. Redemption or Prepayment 27
Section 3.02. Election to Redeem or Prepay; Notice to Master Trustee 27
Section 3.03. Deposit of Redemption or Prepayment Price 27
Section 3.04. Notes Payable on Redemption or Prepayment Date 27
Section 3.05. Notes Redeemed or Prepaid in Part 27

ARTICLE IV

COVENANTS OF THE COMPANY

Section 4.01. Payment of Debt Service 28

Section 4.02. Money for Note Payments to be Held in Trust; Appointment of Paying Agents . 28
Section 4.03. Notice of Non-Compliance 29
Section 4.04. Corporate Existence 29
Section 4.05. Revenue Fund 30
Section 4.06. Debt Service Coverage Ratio Requirement 31
Section 4.07. Financial Reports; No Default Certificates; Notice of Default 32
Section 4.08. Negative Pledge 32

ARTICLE V

CONSOLIDATION, MERGER, CONVEYANCE AND TRANSFER

Section 5.01. Consolidation, Merger, Conveyance, or Transfer Only on Certain Terms 32
Section 5.02. Successor Substituted 33

ARTICLE VI

REMEDIES OF THE MASTER TRUSTEE AND
NOTE HOLDERS IN EVENT OF DEFAULT

Section 6.01. Events of Default 33
Section 6.02. Acceleration of Maturity in Certain Cases; Rescission and Annulment 34
Section 6.03. Collection of Indebtedness and Suits for Enforcement by Master Trustee 35
Section 6.04. Master Trustee May File Proofs of Claim 36
Section 6.05. Master Trustee May Enforce Claims Without Possession of Notes 37
Section 6.06. Application of Money Collected 37
Section 6.07. Limitation on Suits 37
Section 6.08. Unconditional Right of Note Holders to Receive Principal, Premium and Interest 38
Section 6.09. Restoration of Rights and Remedies 38
Section 6.10. Rights and Remedies Cumulative 38
Section 6.11. Delay or Omission Not Waiver 38
Section 6.12. Control by Note Holders 39
Section 6.13. Waiver of Past Defaults 39
Section 6.14. Undertaking for Costs 39
Section 6.15. Waiver of Stay or Extension Laws 40
Section 6.16. No Recourse Against Others 40
Section 6.17. Termination of Default 40

ARTICLE VII

CONCERNING THE MASTER TRUSTEE

Section 7.01. Duties and Liabilities of Master Trustee 40
Section 7.02. Notice of Defaults 41
Section 7.03. Certain Rights of Master Trustee 42
Section 7.04. Not Responsible for Recitals or Issuance of Notes 44
Section 7.05. Master Trustee May Own Notes 45
Section 7.06. Moneys to Be Held in Trust 45
Section 7.07. Compensation and Expenses of Master Trustee 45
Section 7.08. Corporate Master Trustee Required; Eligibility 46
Section 7.09. Resignation and Removal; Appointment of Successor 47

Section 7.10. Acceptance of Appointment by Successor 48
Section 7.11. Merger or Consolidation 48
Section 7.12. Reserved 49
Section 7.13. Subordination Authority 49

ARTICLE VIII

SUPPLEMENTS

Section 8.01. Supplemental Master Indentures Without Consent of Note Holders 49
Section 8.02. Supplemental Master Indentures with Consent of Note Holders 50
Section 8.03. Execution of Supplemental Master Indentures 51
Section 8.04. Effect of Supplemental Master Indentures 51
Section 8.05. Notes May Bear Notation of Changes 52

ARTICLE IX

SATISFACTION AND DISCHARGE OF MASTER INDENTURE

Section 9.01. Satisfaction and Discharge of Master Indenture 52
Section 9.02. Notes Deemed Paid 52
Section 9.03. Application of Trust Money 53
Section 9.04. Execution in Counterparts 53

MASTER TRUST INDENTURE AND SECURITY AGREEMENT

THIS MASTER TRUST INDENTURE AND SECURITY AGREEMENT (this "***Master Indenture***"), dated as of September 1, 2025, is between **PERMIAN BASIN WATER RESOURCES, LLC**, a Delaware limited liability company (the "***Company***"), and **UMB BANK, N.A.**, not in its individual capacity but solely as the Master Trustee (the "***Master Trustee***").

W I T N E S S E T H:

WHEREAS, the Company is authorized by applicable law and deems it necessary and desirable to enter into this Master Indenture for the purpose of providing for the incurrence of Debt and the issuance of Notes hereunder to evidence and secure such Debt.

WHEREAS, all acts and things necessary to constitute these presents a valid indenture and agreement according to its terms have been done and performed and the execution of this Master Indenture has in all respects been duly authorized, and the Company, in the exercise of the legal right and power vested in it, has executed this Master Indenture and may incur Debt and make, execute, issue and deliver Notes hereunder.

NOW, THEREFORE, THIS MASTER INDENTURE WITNESSETH:

GRANTING CLAUSES

In order to declare the terms and conditions upon which Notes are to be authenticated, issued and delivered, and to secure the payment of Notes and the performance and observance of all of the covenants and conditions herein or therein contained, and in consideration of the premises, of the purchase and acceptance of Notes by the holders thereof and of the sum of One Dollar to them duly paid by the Master Trustee at the execution of these presents, the receipt and sufficiency of which is hereby acknowledged, the Company has executed and delivered this Master Indenture and by these presents does hereby convey, grant, assign, transfer, pledge, set over, confirm and grant a security interest in and to the Master Trustee, its successor or successors and its or their assigns forever, all and singular the property, real and personal, hereinafter described (said property being herein sometimes referred to as the "***Trust Estate***") to wit:

(a) all Revenues except and excluding all such items, whether now owned or hereafter acquired by the Company, which by their terms or by reason of applicable law would become void or voidable if granted, assigned, or pledged hereunder by the Company, or which cannot be granted, pledged, or assigned hereunder without the consent of other parties whose consent is not secured, or without subjecting the Master Trustee to a liability not otherwise contemplated by the provisions hereof, or which otherwise may not be, or are not, hereby lawfully and effectively granted, pledged, and assigned by the Company, provided that the Company may subject to the lien hereof any such excepted property, whereupon the same shall cease to be excepted property;

(b) all moneys and securities, if any, at any time held by the Master Trustee in the Revenue Fund or any other fund or account established under the terms of this Master Indenture, or held by other banks or fiduciary institutions which are collaterally assigned

to the Master Trustee as security for the Notes and all securities, financial assets (as defined in Section 8.102(a)(9) of the UCC) and securities entitlements (within the meaning of Section 8.102(a)(17) of the UCC) and, with respect to book-entry securities, in the applicable Federal Book-Entry Regulations, carried in or credited to such fund or account;

(c) all accounts established by or under this Master Indenture, bank accounts holding any portion of the Revenues, general intangibles, contract rights and related rights of the Company (each as defined in the UCC), whether now owned or hereafter acquired or arising and wherever located;

(d) any and all other property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, conveyed, pledged, assigned or transferred as additional security hereunder by the Company or by anyone on its behalf to the Master Trustee, subject to the terms thereof, including without limitation, funds of the Company held by the Master Trustee as security for the Notes;

(e) all rights under the Security Agreement; and

(f) proceeds of the foregoing, including cash proceeds and cash equivalents, products, accessions and replacements.

In addition to the foregoing, the "***Trust Estate***" includes all goods, documents, instruments, tangible and electronic chattel paper, letter of credit rights, investment property, accounts, deposit accounts, money and other items of personal property, including proceeds (as each such term is defined in the UCC) which constitute any of the property described in the foregoing Granting Clauses.

TO HAVE AND TO HOLD IN TRUST, upon the terms herein set forth, subject to Section 2.10 hereof, for the equal and proportionate benefit, security, and protection of all Note Holders issued under and secured by this Master Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Notes over any other; provided, however, that if the Company shall pay, or cause to be paid, the principal of the Notes or the obligations secured thereby and the redemption or prepayment premium, if any, and the interest and any other amounts due or to become due thereon in full at the times and in the manner mentioned in the Notes according to the true intent and meaning thereof, and the Company shall keep, perform and observe all the covenants and conditions pursuant to the terms of this Master Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Master Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payment this Master Indenture and the rights hereby granted and the restrictions hereby incurred shall cease, determine and be void; otherwise this Master Indenture shall be and remain in full force and effect. Notwithstanding anything in this Master Indenture to the contrary, when all of the Notes are no longer Outstanding, the Master Trustee may execute a release of the lien of this Master Indenture on the Deed of Trust and any property of the Company encumbered thereby.

NOW, THEREFORE, in consideration of the premises, the Company covenants and agrees with the Master Trustee, for the equal and proportionate benefit of the respective Note Holders from time to time, as follows:

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.01. Construction of Terms; Definitions.

(a) For all purposes of this Master Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(1) The term "***Master Indenture***" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

(2) All references in this instrument to designated "***Articles***," "***Sections***" and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed. The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Master Indenture as a whole and not to any particular Article, Section or other subdivision.

(3) The terms defined in this Article have the meanings assigned to them in this Article throughout this Master Indenture and include the plural as well as the singular. Reference to any Person means that Person and its successors and assigns.

(4) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles.

(5) The terms used in this Master Indenture and not defined herein have the meanings assigned to them in the Related Obligation Documents.

(b) The following terms have the meanings assigned to them below whenever they are used in this Master Indenture:

"***Accountant***" means a Person engaged in the practice of accounting who is a certified public accountant or accounting firm and who (except as otherwise expressly provided herein) may be employed by or affiliated with the Company.

"***Affiliate***" means, with respect to any Person, a relative, partner, shareholder, director, officer, or employee of such Person, or any Parent or subsidiary of such Person, or any Person controlling, controlled by or under common control with such Person.

"***Annual Debt Service Requirements***" of any specified Person means, for any Fiscal Year, the principal of (and premium, if any) and interest and other debt service charges (which include for purposes hereof, any fees or premiums for any letter of credit, surety bond, policy of insurance, bond purchase agreement, or any similar credit or liquidity support secured in connection therewith) on all Debt of such Person coming due at Maturity or Stated Maturity, and, for such purposes, any one or more of the following rules shall apply:

(a) Committed Take Out - if such Person has received a binding commitment, within normal commercial practice, from any bank, savings and loan association, insurance company, or similar institution to refund or purchase any of its Debt at its Stated Maturity (or, if due on demand, or payable in respect of any required purchase of such Debt by such Person, at any date on which demand may be made), then the portion of the Debt committed to be refunded or purchased shall be excluded from such calculation and the principal of (and premium, if any) and interest on the Debt incurred for such refunding or purchase that would be due in the Fiscal Year for which the calculation is being made, if incurred at the Maturity or purchase date of the Debt to be refunded or purchased, shall be added;

(b) Pro Forma Refunding - in the case of Balloon Debt, if the Company shall deliver to the Master Trustee a certificate of a nationally recognized firm of investment bankers or financial consultants dated within ninety (90) days prior to the date of delivery of such certificate to the Master Trustee stating that financing at a stated interest rate, then for the purpose of calculating what future Annual Debt Service Requirements will be, any installment of principal of (and premium, if any) and interest and other debt service charges on such Balloon Debt that could so be refunded shall be excluded from such calculation and the principal plus interest of the refunding debt shall be evenly allocated over the life of the refunding debt with equal principal payments plus interest deemed due each year but solely for the purpose of spreading the principal requirements for calculation of coverage;

(c) Prefunded Payments - principal of (and premium, if any) and interest and other debt service charges on Debt, or portions thereof, shall not be included in the computation of the Annual Debt Service Requirements for any Fiscal Year for which such principal, premium, interest, or other debt service charges are payable from funds irrevocably deposited or set aside in trust for the payment thereof at the time of such calculations (including without limitation capitalized interest and accrued interest so deposited or set aside in trust or escrowed with the Master Trustee, any Related Obligation Trustee or another Independent Person);

(d) Variable Rate Debt - as to any Debt that bears interest at a variable interest rate which cannot be ascertained at the time of calculation, an interest rate equal to the weighted average rate of interest borne by such Debt (or other indebtedness of comparable credit quality, maturity and purchase terms in the event that such Debt was not outstanding) during the preceding Fiscal Year (or any period of comparable length ending within 180 days) prior to the date of calculation shall be presumed to apply for all future dates and the principal shall be evenly allocated over the life of the Debt issue with an equal amount of principal deemed due each year but solely for the purpose of spreading the principal requirements for calculation of coverage;

(e) Contingent Obligations - in the case of any guarantees or other Debt described in clause (iii) of the definition of Debt, the principal of (and premium, if any) and interest and other debt service charges on such Debt for any Fiscal Year shall be deemed to be 10% of the principal of (and premium, if any) and interest and other debt service charges on the indebtedness guaranteed due in such Fiscal Year; provided, however, that if the Person that guarantees or is otherwise obligated in respect of such Debt is actually required to make any payment in respect of such Debt, the total amount payable

by such Person in respect of such guarantee or other obligation in such Fiscal Year shall be included in any computation of the Annual Debt Service Requirements of such Person for such year and the amount payable by such Person in respect of such guarantee or other obligation in any future Fiscal Year shall be included in any computation of the estimated Annual Debt Service Requirements for such Fiscal Year; and

(f) Financial Products - in the event there shall have been issued or entered into in respect of all or a portion of any Debt a Financial Products Agreement with respect to Debt, interest on such Debt shall be included in the calculation of Annual Debt Service Requirements by including for such period an amount equal to the amount payable on such Debt in such period at the rate or rates stated in such Debt plus any payments payable by such Person in respect of such Financial Products Agreement minus any payments receivable by such Person in respect of such Financial Products Agreement, as calculated by the financial advisor to the Company.

"***Authorized Denominations***" means the amounts, if any, set forth therefor in the Supplemental Master Indenture authorizing any series of Notes.

"***Authorized Representative***" means the President, the Vice-President, the Secretary/Treasurer, Chief Finance/Operations Officer or the Chief Executive Officer of the Company, or any other person duly appointed by the Governing Body of the Company to act on behalf of the Company, each as evidenced by a written certificate furnished to the Master Trustee and signed on behalf of the Company by an authorized officer of the Company. The Master Trustee may conclusively rely on such written certificate until it is given written notice to the contrary.

"***Balloon Debt***" means Debt where the principal of (and premium, if any) and interest and other debt service charges on such Debt due (or payable in respect of any required purchase of such Debt by such Person on demand) in any Fiscal Year either are equal to or exceed 25% of the total principal of (any premium, if any) and interest and other debt service charges on such Debt or exceed by more than 50% the greatest amount of principal of (and premium, if any) and interest and other debt service charges on such Debt due in any preceding or succeeding Fiscal Year.

"***Board Resolution***" means a copy of a resolution certified by the Person responsible for maintaining the records of the Governing Body to have been duly adopted by the Governing Body and to be in full force and effect on the date of such certification and delivered to the Master Trustee.

"***Business Day***" means any day which is not a Saturday, Sunday, legal holiday, or a day on which banking institutions in the City of New York, New York or in the cities where the Corporate Trust Office of the Master Trustee or its payment office is located or is authorized by law or executive order to close.

"***Company***" means, Permian Basin Water Resources, LLC, a Delaware limited liability company, its permitted successors and assigns, and any resulting, surviving or transferee Person permitted hereunder.

"***Consent***," "***Order***," and "***Request***" means a written consent, order or request signed in the name of the Company and delivered to the Master Trustee by an Authorized Representative, or any other Person designated by the Company to execute any such instrument on behalf of the Company as evidenced by an Officer's Certificate.

"***Corporate Trust Office***" means the address or addresses of the Master Trustee designated from time to time in accordance with Section 1.04.

"***Debt***" means all:

(i) indebtedness incurred or assumed by the Company for borrowed money for the acquisition, construction or improvement of property other than goods that are acquired in the ordinary course of business of the Company;

(ii) lease obligations of the Company that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet;

(iii) all indebtedness (other than indebtedness otherwise treated as Debt hereunder) for borrowed money for the acquisition, construction or improvement of property or capitalized lease obligations guaranteed, directly or indirectly, in any manner by the Company, or in effect guaranteed, directly or indirectly by the Company through an agreement, contingent or otherwise, to purchase any such indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to purchase property or services primarily for the purpose of enabling the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise; and

(iv) all indebtedness secured by any mortgage, lien, charge, encumbrance, pledge or other security interest upon property owned by the Company whether or not the Company has assumed or become liable for the payment thereof.

For the purpose of computing "***Debt***", there shall be excluded any particular Debt if upon or prior to the Maturity thereof, there shall have been deposited with the proper depository in trust the necessary funds (or evidences of such Debt or investments that will provide sufficient funds, if permitted by the instrument creating such Debt) for the payment, redemption or satisfaction of such Debt; and thereafter such funds, evidences of Debt and investments so deposited shall not be included in any computation of the assets of the Company, and the income from any such deposits shall not be included in the calculation of Gross Revenues.

"***Debt Service***" means, as of any particular date of computation, the aggregate of the amounts to be paid or set aside by the Company as of such date or in such period for the payment of the principal of, premium, if any, and interest (to the extent not capitalized) on Debt.

"***Debt Service Coverage Ratio***" means, for any particular date of computation, the ratio of Net Revenues to Maximum Annual Debt Service.

"***Deed of Trust***" means any Deed of Trust and Security Agreement for the benefit of the Master Trustee entered into in connection with the issuance of any Note requiring such security, as such Deed of Trust may be amended, supplemented or restated, and/or any security instrument executed in substitution therefor or in addition thereto, as such substitute or additional security instrument may be amended, supplemented or restated from time to time.

"***Default Rate***" means 15% per annum.

"***Event of Default***" is defined in Section 6.01 of this Master Indenture.

"***Financial Products Agreement***" means any type of financial management instrument or contract, which shall include, but not be limited to, (i) any contract known as or referred to or which performs the function of an interest rate swap agreement, currency swap agreement, forward payment conversion agreement or futures contract; (ii) any contract providing for payments based on levels of, or changes or differences in, interest rates, currency exchange rates, or stock or other indices; (iii) any contract to exchange cash flows or payments or a series of payments; (iv) any type of contract called, or designed to perform the function of, interest rate floors or caps, options, puts or calls, to hedge or minimize any type of financial risk, including, without limitation, payment, currency, rate or other financial risk forward supply agreements; and (v) any other type of contract or arrangement that the Company of the Company determines is to be used, or is intended to be used, to manage or reduce the cost of debt (including but not limited to a bond insurance policy), to convert any element of debt from one form to another, to maximize or increase investment return, to minimize investment return risk or to protect against any type of financial risk or uncertainty.

"***Fiscal Year***" means any twelve-month period ending December 31 or such other twelve-month period selected by the Company as the fiscal year for the Company.

"***Fitch***" means Fitch Ratings, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns.

"***Governing Body***" of any specified Person means the board of directors or board of trustees of such Person or any duly authorized committee of that board, or if there is no board of directors, then the person or body which pursuant to law or the organizational documents of such Person is vested with powers similar to those vested in a board of trustees or a board of directors.

"***Government Obligations***" means (1) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by the United States, (2) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Company approves the refunding, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; and (3) noncallable obligations of a State or an agency or a county, municipality, or other political subdivision of a State that have been refunded and that, on the date the Company approves the

refunding, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA its equivalent.

"***Gross Revenues***" means, with respect to the System, all income, receipts, revenues and fees of every nature derived or received from the operation and ownership of the System, including earnings and income derived from the investment or deposit of moneys in any special funds or accounts created and established by the Utility Companies for the payment and security of obligations payable solely from and secured only by a lien on and pledge of the Revenues of the System or maintained by the Utility Companies in connection with the System.

"***Independent***," when used with respect to any specified Person, means such a Person who (i) is in fact independent, (ii) does not have any direct financial interest or any material indirect financial interest in the Company, and (iii) is not connected with the Company as an officer, employee, promoter, trustee, partner, director or person performing similar functions. Whenever it is provided that any Independent Person's opinion or certificate shall be furnished to the Master Trustee, such Person shall be appointed by Order and such opinion or certificate shall state that the signer has read this definition and that the signer is Independent within the meaning hereof.

"***Interest Payment Date***" means the Stated Maturity of an installment of interest on any Note.

"Maintenance and Operations Expenses" means, with respect to the System, all current expenses of operating and maintaining the System, including all salaries, labor, materials, repairs and extensions necessary to render efficient service; provided, however, that only such repairs and extensions, as in the judgment of the Pledgor, reasonably and fairly exercised, are necessary to maintain the operations and render adequate service to the and the inhabitants thereof, or such as might be necessary to meet some physical accident or condition which would otherwise impair obligations payable solely from and secured only by a lien on and pledge of the Revenues of the System, shall be deducted in determining "***Net Revenues***." Depreciation shall never be considered a Maintenance and Operating Expense. Maintenance and Operating Expenses shall include payments under contracts for the purchase of water supply or other materials, goods or services for the System and the provisions of such contracts

"***Master Indenture***" means this Master Trust Indenture and Security Agreement, as amended and supplemented from time to time in accordance with its terms.

"***Master Trustee***" means UMB Bank, N.A., solely in its capacity as Master Trustee hereunder serving as trustee pursuant to this Master Indenture, and its successors and assigns.

"***Maturity***," when used with respect to any Debt (or any Note), means the date on which the principal of such Debt (or Note) becomes due and payable as therein or herein provided, whether at the Stated Maturity thereof or by declaration of acceleration, call for redemption or otherwise.

"***Maximum Annual Debt Service***" means, as of any date of calculation, the highest Annual Debt Service Requirements with respect to all Outstanding Debt for any current or succeeding Fiscal Year.

"***Moody's***" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns.

"***Net Revenues***" means, with respect to the System, the Gross Revenues of the System after deducting the System's Maintenance and Operations Expenses.

"***Note***" or ***"Notes"*** means any obligation of the Company issued pursuant to Section 2.01 of this Master Indenture and executed, authenticated, and delivered pursuant to Section 2.03 hereof.

"***Note Holder***" means a Person in whose name a Note is registered in the Note Register; or in the case of additional Debt in the process of issuance, the underwriter or bank who has executed the related purchase contract.

"***Note Register***" and "***Note Registrar***" have the respective meanings specified in Section 2.05 hereof.

"***Officer's Certificate***" means a certificate of the Company signed by an Authorized Representative or any other Person designated by any of such Persons to execute an Officer's Certificate as evidenced by a certificate of the Company executed by an Authorized Representative and delivered to the Master Trustee.

"***Opinion of Counsel***" means a written opinion of counsel selected by the Company, who may (except as otherwise expressly provided) be counsel to any party to any transaction involving the issuance of Notes pursuant to Section 2.01 hereof.

"***Outstanding***," when used with respect to the Notes means, as of the date of determination, all Notes theretofore authenticated and delivered under this Master Indenture, except:

(i) Notes theretofore cancelled by the Master Trustee or the Paying Agent;

(ii) Notes for whose payment or redemption money (or Government Obligations to the extent permitted by Section 9.02 of this Master Indenture) in the necessary amount has been theretofore deposited with the Master Trustee or any Paying Agent for such Notes in trust for such Note Holders pursuant to this Master Indenture or any Supplemental Master Indenture authorizing such Notes; provided, that if such Notes are to be redeemed, written notice of such redemption has been duly given pursuant to this Master Indenture or irrevocable provision therefor satisfactory to the Master Trustee has been made; and

(iii) Notes upon transfer of or in exchange for or in lieu of which other Notes have been authenticated and delivered pursuant to this Master Indenture or any Supplemental Master Indenture authorizing such Notes; provided, however, that in determining whether the Note Holders of the requisite principal amount of Outstanding Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Notes owned by the Company shall be

disregarded and deemed not to be Outstanding, except that, in determining whether the Master Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Notes which the Master Trustee actually knows to be so owned shall be so disregarded. Notes so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Master Trustee the pledgee's right so to act with respect to such Notes and that the pledgee is not the Company or any other obligor upon the Notes or any other Person obligated thereon. If there is any conflict between the aforementioned provisions of this subsection (iii) and Section 1.03 of this Master Indenture, Section 1.03 shall control.

"***Paying Agent***" means the Master Trustee or any other Person authorized by the Company to pay the principal of (and premium, if any) or interest on any series of Notes.

"***Person***" means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"***Place of Payment***" for any series of Notes means a city or any political subdivision thereof designated as such in the Notes of such series.

"***Principal Payment Date***" means the Stated Maturity of any installment of principal on any Note.

"***Qualified Provider***" means any financial institution or insurance company which is a party to a Financial Products Agreement if the unsecured long-term debt obligations of such financial institution or insurance company (or of the parent or a subsidiary of such financial institution or insurance company if such parent or subsidiary guarantees the performance of such financial institution or insurance company under such Financial Products Agreement), or obligations secured or supported by a letter of credit, contract, guarantee, agreement, insurance policy or surety bond issued by such financial institution or insurance company (or such guarantor parent or subsidiary), are rated in one of the two highest rating categories of a Rating Service at the time of the execution and delivery of the Financial Products Agreement.

"***Rating Service***" means each nationally recognized securities rating service which at the time has a credit rating assigned to any series of Notes or Related Obligations (or any other indebtedness secured by Notes) at the request of the Company.

"***Record Date***" means the regular record date specified for each series of Notes.

"***Related Deed of Trust***" means any Deed of Trust or other mortgage instrument delivered to the Master Trustee in connection with Related Obligations or any Debt.

"***Related Issuer***" means any issuer of a series of Related Obligations.

"***Related Loan Documents***" means any loan agreement, credit agreement or other document pursuant to which a Related Issuer or other entity loans the proceeds of a series of Related Obligations to the Company.

"***Related Obligation Documents***" means the Related Obligations, the Related Obligation Indenture, the Related Loan Documents, and the Related Deed of Trust.

"***Related Obligation Indenture***" means any supplemental indenture, bond resolution or similar instrument pursuant to which any series of Related Obligations is issued.

"***Related Obligation Trustee***" means any trustee under any Related Obligation Indenture and any successor trustee thereunder.

"***Related Obligations***" means bonds, loan agreements, promissory notes or other obligations with respect to which any Note is issued.

"***Related Obligations Outstanding***" means all Related Obligations which have been duly authenticated and delivered by a Related Obligation Trustee under a Related Obligation Indenture that remain Outstanding thereunder and under the laws of the State.

"***Related Project***" means any project financed or refinanced by Debt issued under this Master Indenture and for which Debt remains outstanding.

"***Reporting Period***" means the six-month period ending on July 31 or January 31 of each year or as specifically designated within the Continuing Disclosure Agreement relating to the applicable Related Obligations.

"***Responsible Officer***," when used with respect to the Master Trustee, means the officer in the Corporate Trust Office of the Master Trustee having direct responsibility for administration of this Master Indenture.

"***Revenue Fund***" has the meaning specified in Section 4.05 hereof.

"***Revenues***" means, with respect to the System, the Gross Revenues of the System after deducting all income, receipts, revenues and fees of every nature derived or received from the operation and ownership of any portion of the System that is located both (i) outside the boundaries of the Certificates of Convenience and Necessity of the Utility Companies, and (ii) within the boundaries of the Midland County Utility District.

"***Security Agreement***" means, collectively, (i) the Security and Pledge Agreement, dated as of September 1, 2025, by and among the Company, Greenwood Water Corporation, and the Master Trustee, (ii) Security and Pledge Agreement, dated as of September 1, 2025, by and among the Company, Park Water Company, and the Master Trustee, and (iii) Security and Pledge Agreement, dated as of September 1, 2025, by and among the Company, Park Sewer Company, and the Master Trustee.

"***Short-term Debt***" means indebtedness that is subordinate to any Debt under this Master Indenture and have a stated maturity of no more than one year; Short-Term Debt shall be utilized for working capital or the acquisition, construction, renovation or equipping of water and wastewater facilities. Short-Term Debt shall not be considered "***Debt***" under this Master Indenture.

"***S&P***" means S&P Global Ratings, its successors and assigns.

"***State***" means the State of Texas.

"***Stated Maturity***," when used with respect to any Debt or any Note or any installment of interest thereon, means the date specified in such Debt or Note as the fixed date on which the principal of such Debt or Note or such installment of interest is due and payable.

"***Subsidiary***" of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing (other than securities or interest having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person.

"***Supplemental Master Indenture***" means an indenture amending or supplementing this Master Indenture entered into pursuant to Article VIII hereof.

"***Surety Bond***" means and includes a surety bond, other credit agreement, a letter of credit or other agreement or instrument, including any related reimbursement or financial guaranty agreement, whereby the issuer is obligated to provide funds up to and including the maximum amount and under the conditions specified in such agreement or instrument; provided that the issuer of any Surety Bond shall be rated at least, AA-, Aa3, or AA- at the time of issuance of such Surety Bond by Fitch, S&P, or Moody's respectively.

"***System***" means, collectively, the Utility Companies' waterworks and sewer system and each component of said System as such components are acquired or constructed, together with all future extensions, improvements, enlargements, and additions thereto, and all replacements thereof.

"***Trust Estate***" means the property described as the Trust Estate in the Granting Clauses of this Master Indenture or any Supplemental Master Indenture that is subject to the lien and security interest of this Master Indenture.

"***UCC***" means the Uniform Commercial Code as in effect in the State.

"***Utility Companies***" means Greenwood Water Corporation, Park Water Company, and Park Sewer Company.

Section 1.02. Form of Documents Delivered to Master Trustee. Every certificate and every Opinion of Counsel with respect to compliance with a condition or covenant provided for in this Master Indenture shall be written and include a statement that the person making such certification or opinion has read such covenant or condition and the definitions relating thereto, has made or caused to be made such examination or investigation as is necessary to enable him to express an informed opinion as to whether such covenant or condition has been complied with, and a statement whether such condition or covenant has been complied with. In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to

other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of any officer of a Person may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which such Person's certificate or opinion is based are erroneous. Any such certificate or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of a specified Person stating that the information with respect to such factual matters is in the possession of such Person, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Master Indenture, they may, but need not, be consolidated and form one instrument.

Section 1.03. Acts of Note Holders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Master Indenture to be given or taken by Note Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Note Holders in person or by an agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Master Trustee or Paying Agent, and, where it is hereby expressly required, to the Company. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "***Act***" of the Note Holders signing such instrument or instruments. Proof of execution of any such instrument, or of a writing appointing any such agent, shall be sufficient for any purpose of this Master Indenture and (subject to Section 7.01) conclusive in favor of the Master Trustee and the Company, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or a member of a partnership, on behalf of such corporation or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the person executing the same, may also be proved in any other manner which the Master Trustee deems sufficient.

(c) The ownership of Notes shall be proved by the Note Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other action by any Note Holder shall bind every Note Holder of any Note issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be

done by the Master Trustee or the Company in reliance thereon, whether or not notation of such action is made upon such Note.

(e) The ownership of Related Obligations may be proved by the registration books for such Related Obligations maintained pursuant to the Related Obligation Indenture.

(f) In determining whether the Note Holders of the requisite aggregate principal amount of Notes have concurred in any demand, direction, request, notice, consent, waiver or other action under this Master Indenture, or for any other purpose of this Master Indenture, Notes or Related Obligations that are owned by the Company shall be disregarded and deemed not to be Outstanding or outstanding under the Related Obligation Indenture, as the case may be, for the purpose of any such determination, provided that for the purposes of determining whether the Master Trustee shall be protected in relying on any such direction, consent or waiver, only such Notes or Related Obligations which the Master Trustee has actual notice or knowledge are so owned shall be so disregarded and deemed not to be Outstanding Notes or Related Obligations. Outstanding Notes or Related Obligations so owned that have been pledged in good faith may be regarded as Outstanding or outstanding under the Related Obligation Indenture, as the case may be, for purposes of this Section, if the pledgee shall establish to the satisfaction of the Master Trustee the pledgee's right to vote such Notes or Related Obligations. In case of a dispute as to such right, any decision by the Master Trustee taken upon the advice of counsel shall be full protection to the Master Trustee. In the event that a Note secures the obligation of a Person under an agreement or instrument that provides for the making of advances to or on behalf of such Person, such Note shall only be counted to be Outstanding in a principal amount equal to the amount so advanced or otherwise due and owing under the terms of such agreement (and only if such amount remains outstanding or unpaid) to or on behalf of such Person. In the event that a Note secures a Financial Products Agreement, such Note shall only be deemed to be Outstanding in a principal amount equal to any amount with which the Company is in default with respect to the payment thereof. In no event, however, shall the amount owed to a Note Holder be counted twice because there are the same amounts due and owing under two Notes relating to the same obligations (e.g., the principal amount reimbursable to the provider of a liquidity facility as the holder of bonds purchased by such liquidity provider as well as the principal amount of such purchased bonds by such liquidity provider as holder of the purchased bonds).

(g) At any time prior to (but not after) the time the Master Trustee takes action in reliance upon evidence, as provided in this Section 1.03, of the taking of any action by the Note Holders of the percentage in aggregate principal amount of Notes specified herein in connection with such action, any Note Holder of such Note or Related Obligation that is shown by such evidence to be included in Notes the Note Holders of which have consented to such action may, by filing written notice with the Master Trustee and upon proof of holding as provided in this Section 1.03, revoke such action so far as it concerns such Note or Related Obligation. Except upon such revocation or such action taken by the Note Holder of a Note or Related Obligation in any direction, demand, request, waiver, consent, vote or other action of the Note Holder of such Note or Related Obligation which by any provision hereof is required or permitted to be given shall be conclusive and binding upon such Note Holder and upon all future Note Holders and owners of such Note or Related Obligation, and of any Note or Related Obligation issued in lieu thereof, whether or not any notation in regard thereto is made upon such Note or Related

Obligation. Any action taken by the Note Holders of the percentage in aggregate principal amount of Notes specified herein in connection with such action shall be conclusively binding upon the Company, the Master Trustee and the Note Holders of all of such Notes or Related Obligations.

Section 1.04. Notices, etc., to Master Trustee and Company. Any request, demand, authorization, direction, notice, consent, waiver or Act of Note Holders or other document provided or permitted by this Master Indenture to be made upon, given or furnished to, or filed with:

(1) the Master Trustee by any Note Holder or by any specified Person shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with and actually received by a Responsible Officer of the Master Trustee at 6034 West Courtyard Drive, Suite 225, Austin, Texas 78730 , Attention: Saúl Ramirez, or at any other address subsequently furnished in writing to the Company and the Note Holders by the Master Trustee;

(2) the Company by any Note Holder or by any Person shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to the Company at Permian Basin Water Resources, LLC, at 2409 S. County Road 1110, Midland, Texas 79706, Attention: Trevor Hill, or at any other address subsequently furnished in writing to the Master Trustee by the Company.

The Master Trustee agrees to accept and act upon instructions or directions pursuant to this Master Indenture sent in writing or by electronic means, provided, however, that such instructions or directions shall be signed by an authorized representative. If the Issuer elects to give the instructions by electronic means, the Master Trustee may deem such instructions controlling. The Master Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Master Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Issuer agrees to assume all risks arising out of the use of such electronic notice to submit instructions and directions to the Master Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 1.05. Notices to Note Holders; Waiver. Where this Master Indenture provides for notice to Note Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Note Holder affected by such event, at such Note Holder's address as it appears on the Note Register, not later than the latest date, and not earlier than the earliest date, prescribed for the first giving of such notice. In any case where notice to Note Holders is given by mail, neither the failure to mail such notice, nor any default in any notice so mailed to any particular Note Holder shall affect the sufficiency of such notice with respect to other Note Holders. Where this Master Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Note Holders shall be filed with the Master Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 1.06. Successors and Assigns. All covenants and agreements in this Master Indenture by the Company and the Master Trustee shall bind their respective successors and assigns, whether so expressed or not.

Section 1.07. Severability Clause. If any provision of this Master Indenture shall be held or deemed to be, or shall in fact be, inoperative or unenforceable as applied to any particular case in any jurisdiction or jurisdictions, or in all jurisdictions or in all cases because of the conflicting of any provision with any constitution or statute or rule of public policy or for any other reasons, such circumstance shall not have the effect of rendering the provision or provisions in question inoperative or unenforceable in any other jurisdiction or in any other case or circumstance or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to the extent that such other provisions are not themselves actually in conflict with such constitution, statute or rule of public policy.

Section 1.08. Benefits of Master Indenture. Nothing in this Master Indenture or in the Notes, express or implied, shall give to any Person, other than the parties hereto, and their successors hereunder and the Note Holders, any benefit or any legal or equitable right, remedy or claim under this Master Indenture.

Section 1.09. Governing Law. This Master Indenture shall be governed in all respects, including validity, interpretation and effect by, and shall be enforceable in accordance with, the law of the State.

Section 1.10. Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

ARTICLE II

ISSUANCE AND FORM OF NOTES

Section 2.01. Series, Amount and Denomination of Notes.

(a) At any time and from time to time after the execution and delivery of this Master Indenture, Notes shall be issued under this Master Indenture in series issued pursuant to a Supplemental Master Indenture. Each series shall be designated to differentiate the Notes of such series from the Notes of any other series. Notes shall be issued as fully registered notes with the Notes of each series to be lettered and numbered R-l upwards (with such prefix as may be designated in the Supplemental Master Indenture authorizing any series). The aggregate principal amount of Notes of each series that may be created under this Master Indenture is not limited, except by the additional Debt limitations provided in this Master Indenture. A series of Notes may consist of a single Note or more than one Note.

(b) Notes may be issued hereunder to evidence (i) any type of Debt, including without limitation any Debt (such as commercial paper, bonds, loan agreements, promissory notes, or similar debt instruments), (ii) any obligation to make payments pursuant to a Financial Products Agreement, or (iii) debt consisting of an obligation to reimburse payments made under a letter of credit, surety bond, bond insurance policy, standby bond purchase agreement or similar credit

or liquidity support obtained to secure payment of other Debt. The Supplemental Master Indenture pursuant to which any Notes are issued may provide for such supplements or amendments to the provisions hereof, including without limitation Article II hereof, as are necessary to permit the issuance of such Notes hereunder. Any Note evidencing obligations under a Financial Products Agreement shall be equally and ratably secured hereunder with all other Notes issued hereunder, except as otherwise expressly provided herein; provided, however, that (i) to be secured hereunder, the Master Trustee must receive, at the time of execution and delivery of such Financial Products Agreement, an Officer's Certificate stating that such Financial Products Agreement was entered into by the Company with a Qualified Provider, as provided hereunder, and is entitled to the benefits of this Master Indenture and (ii) such Note, with respect to such Financial Products Agreement, shall be deemed to be Outstanding hereunder solely for the purpose of receiving payment hereunder and the Qualified Provider shall not be entitled to exercise any rights of a Note Holder hereunder unless amounts payable by the Company are due and unpaid.

Section 2.02. Conditions to Issuance of Notes. Any Note or series of Notes shall be authenticated by the Master Trustee and delivered to the proposed Note Holder thereof only upon its receipt of the following:

(a) An Officer's Certificate stating (1) that no Event of Default under this Master Indenture has occurred or will result from the issuance of such Note or series of Notes; (2) that the Company has authorized or approved the issuance of such Note or series of Notes; and (3) that the Supplemental Master Indenture relating thereto authorizes such Debt and that such Supplemental Master Indenture complies with the provisions of Article VIII hereof;

(b) An executed counterpart of a Supplemental Master Indenture providing for the issuance of such Note or series of Notes; such Supplemental Master Indenture shall set forth the purpose for which the Debt evidenced thereby is being incurred, the principal amount, maturity date or dates, interest rate or rates and the other pertinent terms of the Note or series of Notes and the name of the Company; and

(c) An Opinion of Counsel to the effect that (1) the conditions to issuance of any particular Note or series of Notes set forth in this Section 2.02 and in Section 2.12 (except, with respect to Section 2.12, in connection with the Series 2025 Notes) of this Master Indenture have been satisfied, (2) upon the execution of such Note or series of Notes by the Company and the authentication thereof by the Master Trustee, such Note or series of Notes will be the valid and binding obligations of the Company enforceable in accordance with its (their) terms, subject to the customary bankruptcy, insolvency and equitable principles exceptions and such other exceptions as may be acceptable to the initial payee thereof, (3) registration of such Note or series of Notes under the Securities Act of 1933, as amended, is not required, or, if such registration is required, that the Company has complied with all applicable provisions of said Act, and (4) qualification of this Master Indenture and any Supplemental Master Indenture providing for the issuance of such Note or series of Notes under the Trust Indenture Act of 1939, is not required, or if such qualification is required, that the Company has complied with all applicable provisions of such Act.

(d) The title insurance policy, or endorsement thereof, if required by Section 2.12.

(e) If in connection with the issuance of additional Debt, any other certificate, report or other item required under Section 2.12.

Section 2.03. Execution, Authentication and Delivery.

(a) Notes shall be executed by the Company through the president of its Company or its president or any officer authorized by the Company and may be attested to by the secretary or an assistant secretary of the Company, as appropriate or necessary as determined by the Company, and Notes may have the corporate seal impressed or reproduced thereon. The signature of any officer on the Notes may be manual or facsimile.

(b) Notes bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Notes or did not hold such offices at the date of such Notes.

(c) At any time, and from time to time, after the execution and delivery of this Master Indenture, the Company may deliver executed Notes to the Master Trustee together with the Supplemental Master Indenture creating such series; and upon the receipt of the Supplemental Master Indenture, and evidence of satisfaction of the other requirements contained herein, the Master Trustee shall authenticate and deliver such Notes as provided in this Master Indenture and the relevant Supplemental Master Indenture.

(d) No Note shall be entitled to any benefit under this Master Indenture or be valid or obligatory for any purpose, unless there appears on or attached to such Note a certificate of authentication substantially in the form set forth below executed by the Master Trustee by its manual signature, and such certificate upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly authenticated and delivered hereunder. The form of certificate of authentication shall be as follows:

CERTIFICATE OF AUTHENTICATION

This is one of the Notes referred to in the Master Indenture.

Date of Authentication:

_____

UMB BANK, N.A., as Master Trustee, or its agent

By:_____
Authorized Signatory

Section 2.04. Form and Terms of Notes. The Notes of each series of Notes shall contain such terms, and be in substantially the form set forth in the Supplemental Master Indenture creating

such series, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Master Indenture and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any regulatory body, or as may, consistently herewith, be determined by the officers executing such Notes, as evidenced by their signing of the Notes. The Notes of any series or the relevant Supplemental Master Indenture may contain additional (or different) representations, warranties, covenants, defaults and remedies and other provisions which do not contradict the terms of this Master Indenture, to the extent provided in the related Supplemental Master Indenture, and such additional terms shall supplement and be in addition to the terms of this Master Indenture. Unless the Notes of a series have been registered under the Securities Act of 1933, each Note of such series shall be endorsed with a legend which shall read substantially as follows: "This Note has not been registered under the Securities Act of 1933."

Section 2.05. Registration, Transfer and Exchange.

(a) The Company shall cause to be kept at the Corporate Trust Office of the Master Trustee in Austin, Texas, a register (sometimes herein referred to as the "***Note Register***") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Notes and of transfers of Notes. The Master Trustee is hereby appointed Note Registrar (the "***Note Registrar***") for the purpose of registering Notes and transfers of Notes as herein provided. The Master Trustee may delegate any of its duties hereunder pursuant to the terms of a Supplemental Master Indenture. In such case, the Note Register may consist of one or more records of ownership of the various series of Notes and any part of such register may be maintained by the agent of the Master Trustee relating to such series.

(b) Upon surrender for transfer of any Note at the office or agency of the Company in a Place of Payment, the Company shall execute, and the Master Trustee or its designated agent shall authenticate and deliver, in the name of the designated transferee, one or more new Notes of any Authorized Denominations, of a like aggregate principal amount, series, Stated Maturity and interest rate.

(c) At the option of the Note Holder, Notes may be exchanged for Notes of any Authorized Denomination, of a like aggregate principal amount, series, Stated Maturity and interest rate, upon the surrender of the Notes to be exchanged at such office or agency. Whenever any Notes are so surrendered for exchange, the Master Trustee or its designated agent shall authenticate and deliver the Notes which the Note Holder making the exchange is entitled to receive.

(d) All Notes issued upon any transfer or exchange of Notes shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Master Indenture as the Notes surrendered upon such transfer or exchange.

(e) Every Note presented or surrendered for transfer or exchange shall (if so required by the Company or the Master Trustee) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company and the Master Trustee or its designated agent duly executed by the Note Holder thereof or his attorney duly authorized in writing.

(f) No charge shall be made for any transfer or exchange of Notes, and any transfer or exchange of Notes shall be made without expense or without charge to Note Holders.

Section 2.06. Mutilated, Destroyed, Lost and Stolen Notes.

(a) If (i) any mutilated Note is surrendered to the Master Trustee or the Paying Agent, and the Master Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, and (ii) there is delivered to the Master Trustee such security or indemnity as may be required by the Master Trustee to save each of the Master Trustee and the Company harmless, then, in the absence of notice to the Company or the Master Trustee that such Note has been acquired by a bona fide purchaser, the Company shall execute and, upon its request, the Master Trustee shall authenticate and deliver in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Note, a new Note of like tenor, series, interest rate and principal amount, bearing a number not contemporaneously outstanding.

(b) In case any such mutilated, destroyed, lost or stolen Note has become or is about to become due and payable, the Company may, in its discretion, instead of issuing a new Note, pay such Note.

(c) Upon the issuance of any new Note under this Section, the Master Trustee or its designated agent under any Supplemental Master Indenture may require the payment by the Company of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Master Trustee) connected therewith.

(d) Every new Note issued pursuant to this Section in lieu of any destroyed, lost or stolen Note shall constitute an original additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Note shall be at any time enforceable by anyone, and shall be entitled to all the benefits and security of this Master Indenture equally and proportionately with any and all other Notes duly issued hereunder.

(e) The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes.

Section 2.07. Method of Payment of Notes.

(a) The principal of, premium, if any, and interest on the Notes shall be payable in any currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts, and such principal, premium, if any, and interest shall be payable at the designated payment office of the Master Trustee, or at the office of any alternate Paying Agent or agents named in any such Notes. Unless contrary provision is made in the Supplemental Master Indenture pursuant to which such Note is issued or the election referred to in the next sentence is made, payment of the interest on the Notes and payment of any redemption or prepayment price on any Note pursuant to Section 3.03 hereof shall be made to the Person appearing on the Note Register as the Note Holder thereof and shall be paid by check or draft mailed to the Note Holder at his address as it appears on such registration books or at such other address as is furnished to the Master Trustee in writing by the

Note Holder; provided, however, that any Supplemental Master Indenture creating any Note may provide that interest on such Note may be paid, upon the request of the Note Holder, by wire transfer. Anything to the contrary in this Master Indenture notwithstanding, if an Event of Default has not occurred and is not continuing hereunder and the Company so elects or is required, payments on a Note shall be made directly by the Company, by check or draft hand delivered to the Note Holder thereof or its designee or shall be made by the Company by wire transfer to the Note Holder, in either case delivered on or prior to the date on which such payment is due. The Company shall give notice (on which the Master Trustee may conclusively rely) of any such payment to the Master Trustee concurrently with the making thereof, specifying the amount paid and identifying the Note or Notes with respect to which such payment was made by series designation, number and the Note Holder. Except with respect to Notes directly paid, the Company agrees to deposit with the Master Trustee on or prior to each due date, as specified in the Related Obligation Documents, a sum sufficient to pay the principal of, premium, if any, and interest on any of the Notes due on or before such date. Such moneys shall be held in trust exclusively for the Note Holder for which such payment is intended to be made. Any such moneys shall, upon direction of the Company set forth in an Officer's Certificate, be invested as set forth therein; provided, however, in the absence of such written direction such moneys shall be invested in Goldman Sachs Financial Square Government Fund (CUSIP 38141W273) as standing instructions, provided that if such fund is no longer available such moneys shall be held uninvested. The foregoing notwithstanding, amounts deposited with the Master Trustee to provide for the payment of Notes pledged to the payment of Related Obligations shall be invested in accordance with the provisions of the Related Obligation Indenture and Related Loan Document. The Master Trustee shall not be liable or responsible for any loss (including specifically depreciation of value) resulting from any such investments or the sale of any such investments, and shall not be responsible for determining whether any such investment is permitted hereunder or in accordance with any such Related Obligation Indenture or Related Loan Document.

(b) Subject to the foregoing provisions of this Section 2.07, each Note delivered under this Master Indenture upon transfer of or in exchange for or in lieu of any other Note shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Notes.

Section 2.08. Persons Deemed Owners. The Company, the Master Trustee and any agent thereof shall treat the Person in whose name any Note is registered as the owner of such Note for the purpose of receiving payment of principal of (and premium, if any) and interest on such Note and for all other purposes whatsoever whether or not such payment is past due, and neither the Company, the Master Trustee, nor any agent of the Company or the Master Trustee shall be affected by notice to the contrary.

Section 2.09. Cancellation. All Notes surrendered for payment, redemption, transfer or exchange shall, if delivered to any Person other than the Master Trustee, be delivered to the Master Trustee and, if not already cancelled or required to be otherwise delivered by the terms of the Supplemental Master Indenture authorizing the series of Notes of which such Note is a part, shall be promptly cancelled by the Master Trustee. The Company may at any time deliver to the Master Trustee for cancellation any Notes previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever, and all Notes so delivered shall be promptly cancelled by the Master Trustee. No Notes shall be authenticated in lieu of or in

exchange for any Notes cancelled as provided in this Section, except as expressly permitted by this Master Indenture. All cancelled Notes held by the Master Trustee shall be disposed of according to the retention policies of the Master Trustee.

Section 2.10. Security for Notes.

(a) All Notes issued and Outstanding under this Master Indenture are equally and ratably secured by the pledge and assignment of a security interest in the Trust Estate pursuant to the Granting Clauses of this Master Indenture. Any one or more series of Notes or obligations issued hereunder may be secured by additional and separate security (including without limitation letters or lines of credit, property or security interests in debt service reserve funds or debt service, purchase, construction or similar funds or guarantees of payment by third parties). Such security need not extend to any other Debt (including any other Notes or series of Notes) unless so specified and may contain provisions not inconsistent with this Master Indenture which provide for separate realization upon such security. Except as otherwise expressly provided herein or in any Supplemental Master Indenture pursuant to which such Note or obligation is issued, all Notes issued hereunder shall be equally and ratably secured by any lien created pursuant to or constituting a part of the Trust Estate under this Master Indenture.

(b) To the extent that any Debt which is permitted to be issued pursuant to this Master Indenture is not issued directly in the form of a Note, a Note may be issued hereunder and pledged as security for the payment of such Debt in lieu of directly issuing such Debt as a Note hereunder.

Section 2.11. Mortgage, Pledge and Assignment; Further Assurances.

(a) Subject only to the provisions of this Master Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein and in order to secure the payment of the Notes and the performance of the duties and obligations of the Company under the Notes and this Master Indenture, the Company has pledged and assigned unto the Master Trustee and its successors and assigns forever, and granted a security interest thereunto in, among other things, all of the Trust Estate and any other amounts (including proceeds of the sale of Related Obligations) held in the Revenue Fund to secure the payment of the principal of and interest on the Notes in accordance with their terms and the provisions of this Master Indenture and the Deed of Trust.

Upon the occurrence and continuance of an Event of Default, the Master Trustee shall be entitled to, subject to its rights to be indemnified pursuant to Article VII, at the written direction of the Note Holders of not less than 25% in principal amount of the Notes Outstanding, collect and receive Revenues. The Master Trustee also shall be entitled to (i) enforce the terms, covenants and conditions of, and preserve and protect the priority of its interest in and under this Master Indenture and any Deed of Trust and (ii) monitor compliance with all covenants, agreements and conditions of the Company contained in this Master Indenture with respect to the Revenues; provided that, without limiting the generality of any of the provisions of this Master Indenture or the Deed of Trust, the Master Trustee need not foreclose any Deed of Trust (or accept a deed in lieu of foreclosure or otherwise exercise remedies with respect to the Mortgaged Property, as such term is defined in such Deed of Trust) if the effect of any such foreclosure (or

acceptance of a deed in lieu of foreclosure, or other exercise of remedies with respect to the Trust Estate) would be to cause the Master Trustee to: (i) incur financial liability for any then-existing environmental contamination at or from the Mortgaged Property or (ii) risk its own funds for the remediation of any such existing environmental contamination.

(b) The Company shall, at its own expense, take all necessary action to maintain and preserve the security interest in the property granted by this Master Indenture and any Deed of Trust so long as any Notes are Outstanding. In addition, the Company shall, immediately after the execution and delivery of this Master Indenture and thereafter from time to time, cause any such Deed of Trust and any financing statements in respect thereof to be filed, registered and recorded in such manner and in such places as may be required by law in order to fully perfect and protect such security interest and from time to time will perform or cause to be performed any other act as provided by law and will execute or cause to be executed and filed as provided herein any and all continuation statements as required for such perfection and protection. Copies of all filings and recordings hereunder shall be promptly filed with the Master Trustee. Except to the extent it is exempt therefrom, the Company shall pay or cause to be paid all filing, registration and recording fees and all expenses incident to the preparation, execution and acknowledgment of such instruments of perfection, and all federal or state fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of the Deed of Trust and such instruments of perfection. The Master Trustee shall not be responsible for the sufficiency of or the recording of this Master Indenture, any supplemental indenture, any mortgage, Deed of Trust, other security or other instruments of further assurance.

The Master Trustee shall, if necessary, file such continuation statements of the originally filed financing statements filed in the same jurisdictions as the originally filed financing statement(s), for financing statements listing the Master Trustee as a secured party, copies of which have been provided to the Master Trustee, as may be required to maintain the perfection and priority of the security interests granted hereby and by the Bond Documents. Notwithstanding anything to the contrary contained herein, the Master Trustee shall not be responsible for any initial, amendment, or other filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection of any such security interests, or the accuracy or sufficiency of any description of collateral in such initial filings or for filing any modifications or amendments to the initial filings. The Master Trustee shall be fully protected in relying on information with respect to such initial filings delivered to it by or on behalf of the Company.

(c) The Company has not heretofore made a pledge of, granted a lien on or security interest in, or made an assignment or sale of the collateral granted hereunder that ranks on a parity with or prior to the lien granted hereunder that will remain outstanding on the closing date for any Related Obligations. The Company has not described the collateral described hereunder in a UCC financing statement that will remain effective on the closing date for any Related Obligations except as expressly permitted by the Related Obligation Documents. The security interest granted hereunder is and shall be prior to any judicial lien hereafter imposed on such collateral to enforce a judgment against the Company on a simple contract.

Section 2.12. Additional Debt.

(a) Upon satisfaction of the applicable requirements of Section 2.02, the Company reserves the right to issue and incur one or more series of parity Debt payable from the Revenues of the Company that may be delivered pursuant to this Master Indenture if the following conditions are met:

(1) Parity Pledge. Such Debt shall be secured on parity with respect to the Trust Estate; provided that the terms of any Supplemental Master Indenture may expressly relinquish any right to any of the collateral provided in the Trust Estate (in which case it shall only be entitled to its pro rata share of the collateral which has not been relinquished), and shall be payable by the Company solely from the Revenues and other amounts paid out of moneys attributable to the proceeds derived from the sale of the additional parity Debt or to income from the temporary investment thereof;

(2) Additional Debt Coverage. Sufficient funds must be evidenced as follows:

(A) Historical Coverage on Outstanding Debt. Delivery of an Officer's Certificate stating that, for either the Company's most recently completed Fiscal Year or for any consecutive twelve (12) months out of the most recent eighteen (18) months immediately preceding the issuance of the additional Debt, the Net Revenues equal at least 1.10 times the Maximum Annual Debt Service on all parity Debt then Outstanding; and

(B) Projected Coverage for Additional Debt. Delivery of an Officer's Certificate stating that, for either the Company's most recently completed Fiscal Year or for any consecutive twelve (12) months out of the most recent eighteen (18) months immediately preceding the issuance of the additional Debt, the Gross Revenues equal at least 1.20 times Maximum Annual Debt Service on all parity Debt then Outstanding as well as the additional Debt; and

(3) Debt Service Reserve Fund Requirements.

(A) A debt service reserve fund shall be required for each issuance of parity Debt payable from the Revenues of the Company.

(B) The Debt Service Reserve Fund Requirement for each issuance of parity Debt shall be sized in accordance with the then current requirements of the Internal Revenue Code of 1986, as amended, and all regulations of the United States Department of the Treasury issued thereunder and under Section 103 of the Internal Revenue Code of 1954, as amended, to the extent such requirements are, at the time, applicable and in effect. For the avoidance of doubt, such requirements currently require the least of the (i) Maximum Annual Debt Service on such additional Debt, (ii) 125% of average Annual Debt Service Requirements on such additional Debt, or (iii) 10% of the lesser of the principal amount of the outstanding additional Debt or the original issue price of the additional Debt.

(C) Any amounts on deposit in a debt service reserve fund may be replaced with a Surety Bond at the direction of the Company. The Master Trustee shall release such replaced funds from the lien of this Master Indenture and disburse them in accordance with the applicable Related Obligation Indenture.

(D) Notwithstanding Sections 2.12(a)(2)(A), (B) and (C) above, a debt service reserve fund shall not be required for an issuance of parity Debt payable from the Revenues of the Company if such parity Debt receives an investment grade rating from Fitch, S&P or Moody's, other than as required to achieve such rating.

(4) Title Insurance. So long as any Debt is secured by the lien of a Deed of Trust upon any real property of the Company, the Company shall obtain and provide to the Master Trustee a new title insurance policy or an endorsement of the title insurance policy, if permitted by the laws of the State, issued in connection with the Debt increasing the coverage thereunder by an amount equal to the aggregate principal amount of the additional Debt which is secured by the Deed of Trust.

(b) Refunding. If additional Debt is being issued for the purpose of refunding any Outstanding Debt, the reports required to be delivered under Section 2.12(a)(2) or Section 2.12(a)(2)(B) shall not be required so long as both the total and Maximum Annual Debt Service on all Outstanding Debt after issuance of the additional Debt will not exceed both the total and the Maximum Annual Debt Service on all Outstanding Debt prior to the issuance of such additional Debt, as set forth in an Officer's Certificate.

(c) Completion Debt. In the event such additional Debt is being issued or incurred for the purpose of completing any Related Project for which additional Debt is issued or incurred, such series of completion Debt may be issued in amounts not to exceed 10% of the principal amount of the Debt last issued for such Related Project upon delivery of an Officer's Certificate that such additional Debt is required to fund the costs of completion and such completion Debt shall not be required to comply with Section 2.12(a)(2) herein; provided that, such additional Debt must comply with any applicable requirements imposed by the Related Obligation Indenture and Related Loan Documents.

(d) Short-Term Debt. The Company reserves the right to issue and incur Short-Term Debt.

(e) Non-Revenue Debt. The Company reserves the right to incur Debt that is not secured by a lien on the Revenues and such Debt shall not be subject to this Section 2.12. Such Debt may be secured by a lien on all or any portion of assets financed therewith.

(f) Exemption. The Series 2025 Notes shall not be subject to the provisions of this Section 2.12.

Section 2.13. Insurance.

(a) The Company shall at all times keep and maintain its properties and facilities insured against such risks and in such amounts, with such deductible provisions, as are customary in connection with the operation of facilities of the type and size comparable to such facilities

and consistent with the requirements of State law. The Company shall carry and maintain, or cause to be carried and maintained, and pay or cause to be paid timely the premiums for, at least the following insurance with respect to such facilities and the Company:

(1) insurance coverage for buildings and contents, including steam boilers, fired pressure vessels and certain other machinery for fire, lightning, windstorm and hail, explosion, aircraft and vehicles, sprinkler leakage, elevator, and all other risks of direct physical loss, at all times in an amount not less than the replacement cost of the facilities;

(2) during the course of any construction, reconstruction, remodeling or repair of the facilities, builders' all risk extended coverage insurance (non-reporting completed value with special cause of loss form) in amounts based upon the completed replacement value of the facilities and insurance coverage for lost gross revenues due to damage or destruction of the facilities prior to construction in an amount sufficient to provide temporary or interim facilities and equipment during the period of replacement or repair of the damaged or destroyed facility, and endorsed to provide that occupancy by any Person shall not void such coverage;

(3) general liability;

(4) comprehensive professional liability insurance; and

(5) worker's compensation insurance as required by the laws of the State.

If it is ever determined that a facility is located in a flood plain (as defined by federal regulations), the Company shall carry and maintain, or cause to be carried and maintained, and pay or cause to be paid timely the premiums for flood insurance for such facility. Such flood insurance shall constitute the type of such insurance that is available at the time and as is customary in connection with the operation of facilities of the type and size comparable to such facility.

(b) Insurers and Policies. Each insurance policy required by subparagraph (a) above (i) shall be issued or written by such insurer (or insurers), or by an insurance fund established by the United States or State or an agency or instrumentality thereof unless such insurance is not otherwise available on commercially reasonable terms from an insurer rated at least "A" by S&P or "Excellent (A or A-)" by Fitch/Moody's, (ii) shall be in such form and with such provisions (including, without limitation and where applicable, loss payable clauses payable to the Master Trustee, waiver of subrogation clauses, provisions relieving the insurer of liability to the extent of minor claims and the designation of the named insurers) as are generally considered standard provisions for the type of insurance involved, (iii) shall prohibit cancellation or substantial modification by the insurer without at least thirty (30) days' prior written notice to the Master Trustee and the Company and (iv) shall name the Master Trustee as additional insured. The Company shall deliver to the Master Trustee, no later than the date on which it is required to obtain an insurance policy pursuant to Section 2.13(a), proof of each such insurance policy.

ARTICLE III

REDEMPTION OR PREPAYMENT OF NOTES

Section 3.01. Redemption or Prepayment. Notes of each series shall be subject to optional and mandatory redemption or prepayment (subject to Section 6.02) in whole or in part and may be redeemed prior to Stated Maturity only as provided in the Supplemental Master Indenture creating such series. Unless otherwise provided by the Supplemental Master Indenture creating a series of Notes, the provisions of Section 3.02 through Section 3.05 of this Master Indenture shall also apply to the redemption of Notes.

Section 3.02. Election to Redeem or Prepay; Notice to Master Trustee. The Company shall notify the Master Trustee in writing of the election by the Company to redeem or prepay all or any portion of the Notes of any series, together with the redemption or prepayment date and the principal amount of Notes of each Stated Maturity and series to be redeemed or prepaid, at least forty-five (45) days prior to the redemption or prepayment date fixed by the Company, unless a shorter notice shall be satisfactory to the Master Trustee.

Section 3.03. Deposit of Redemption or Prepayment Price. Prior to any redemption or prepayment date, the Company shall deposit with the Master Trustee or its designated agent an amount of money sufficient to pay the redemption or prepayment price of all the Notes which are to be redeemed or prepaid on such date.

Section 3.04. Notes Payable on Redemption or Prepayment Date.

(a) Notice of redemption or prepayment having been given as aforesaid, and the monies for redemption or prepayment having been deposited as described in Section 3.03, the Notes to be redeemed or prepaid shall become due and payable on the redemption or prepayment date at the redemption or prepayment price therein specified, and from and after such date such Notes shall cease to bear interest. Upon surrender of any such Note for redemption or prepayment in accordance with said notice, such Note shall be paid by the Company at the redemption or prepayment price. Installments of interest whose Stated Maturity is on or prior to the redemption date shall be payable to the registered Note Holders on the relevant Record Dates according to their terms.

(b) If any Note called for redemption shall not be so paid upon surrender thereof for redemption, the principal (and premium, if any) shall, until paid, bear interest from the redemption or prepayment date at the rate borne by the Note.

Section 3.05. Notes Redeemed or Prepaid in Part. Any Note which is to be redeemed or prepaid only in part shall be surrendered at a Place of Payment (with, if the Company or the Master Trustee so requires, due endorsement by, or a written instrument of transfer satisfactory in form to, the Company and the Master Trustee, and duly executed by the Note Holder thereof or by his attorney who has been duly authorized in writing) and the Company shall execute and the Master Trustee shall authenticate and deliver without service charge a new Note or Notes of the same series, interest rate and maturity, and of any Authorized Denomination, to the Note Holder as requested by such Note Holder in aggregate principal amount equal to and in exchange for the unredeemed or unpaid portion of the principal of the Note so surrendered.

ARTICLE IV

COVENANTS OF THE COMPANY

Section 4.01. Payment of Debt Service. The Company unconditionally and irrevocably covenants that it will promptly pay the principal of, premium, if any, and interest and any other amount due on every Note issued under this Master Indenture at any time at the place, on the dates and in the manner provided in said Notes according to the true intent and meaning thereof. Notwithstanding any schedule of payments upon the Notes set forth in the Notes, the Company unconditionally and irrevocably covenants and agrees to make payments upon each Note and be liable therefor at the times and in the amounts (including principal, interest and premium, if any) equal to the amounts to be paid as interest, principal at maturity or by mandatory sinking fund redemption, or premium, or purchase price, if any, upon any Notes or Related Obligations from time to time Outstanding.

Section 4.02. Money for Note Payments to be Held in Trust; Appointment of Paying Agents.

(a) The Company may appoint a Paying Agent for each series of the Notes.

(b) Each such Paying Agent appointed by the Company shall be (i) a corporation organized and doing business under the laws of the United States of America or of any state, (ii) authorized under such laws to exercise corporate trust powers, (iii) have a combined capital and surplus of at least $50,000,000, and (iv) be subject to supervision or examination by federal or state authority.

(c) Subject to Section 2.07 hereof, the Company will, on or prior to each due date of the principal of (and premium, if any) or interest or any other amounts on any Notes, deposit with the Master Trustee which shall thereupon deposit such with the Paying Agent, a sum sufficient to pay the principal (and premium, if any) or interest or purchase price so becoming due and any other amounts due in accordance with the terms of the Notes and this Master Indenture, such sum to be held in trust for the benefit of the Note Holders, and the Company will promptly notify the Master Trustee of its action or failure so to act unless such Paying Agent is the Master Trustee.

(d) The Company will cause each Paying Agent other than the Master Trustee to execute and deliver to the Master Trustee an instrument in which such Paying Agent shall agree with the Master Trustee, subject to the provisions of this subsection, that such Paying Agent will

(1) hold all sums held by it for the payment of principal of (and premium, if any) or interest or any other amounts on the Notes in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;

(2) give the Master Trustee notice of any default by the Company or any other obligor upon the Notes in the making of any such payment of principal (and premium, if any) or interest or any other amounts; and

(3) upon request by the Master Trustee, pay to the Master Trustee all sums so held in trust by such Paying Agent forthwith at any time during the continuance of such default.

(e) For the purpose of obtaining the satisfaction and discharge of this Master Indenture or for any other purpose, the Company may at any time by Order direct any Paying Agent to pay to the Master Trustee all sums held in trust by such Paying Agent, such sums to be held by the Master Trustee upon the same trusts as those upon which such sums were held by such Paying Agent. Upon such payment by any Paying Agent to the Master Trustee, such Paying Agent shall be released from all further liability with respect to such money.

(f) Subject to applicable escheat laws of the State, any money deposited in trust with the Master Trustee or any Paying Agent for the payment of the principal of (and premium, if any) or interest on any Notes and remaining unclaimed for the later of (i) the first anniversary of the Stated Maturity of the Notes or the installment of interest for the payment of which such money is held or (ii) two years after such principal (and premium, if any) or interest has become due and payable shall to the extent permitted by law be paid to the Company on its Request (which Request shall include the Company's representation that it is entitled to such funds under applicable escheatment laws and its agreement to comply with such laws) and the Note Holder shall thereafter, to the extent of any legal right or claim, be deemed to be an unsecured general creditor, and shall look only to the Company for payment thereof, and all liability of the Master Trustee or such Paying Agent with respect to such trust money, and all liability of the Company, shall thereupon cease; provided, however, that the Master Trustee or such Paying Agent, before being required to make any such repayment, shall, at the written direction of the Company, publish notice in an Authorized Newspaper at the expense of the Company that such money remains unclaimed and that, after a date specified therein, which shall not be less than thirty (30) days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Company; provided further, notwithstanding the foregoing, the Master Trustee shall be entitled to deliver any such funds to any escheatment authority in accordance with the Master Trustee's customary procedures. The Master Trustee shall hold any such funds in trust uninvested (without liability for interest accrued after the date of deposit or other compensation) for the benefit of Note Holders entitled thereto.

Section 4.03. Notice of Non-Compliance. Promptly upon the discovery of any default, the Company will deliver to the Master Trustee a written statement describing each default and status thereof which has not been cured or waived under any Note. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default.

Section 4.04. Corporate Existence. Subject to Section 5.01 and Section 5.02, the Company will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights (charter and statutory), and franchises; provided, however, that the Company shall not be required to preserve any right or franchise if the Company shall determine that the preservation thereof is no longer desirable in the conduct of its business and that the loss thereof is not disadvantageous in any material respect to the Note Holders.

Section 4.05. Revenue Fund.

(a) There is hereby authorized to be created by the Company and established with the Master Trustee the special fund of the Company designated the "Permian Basin Water Resources, LLC Revenue Fund" (herein referred to as the "***Revenue Fund***"). The Revenue Fund shall contain a principal account (the "***Principal Account***") and an interest account (the "***Interest Account***") and such other accounts as the Master Trustee finds necessary or desirable, provided, the Master Trustee shall have no duty to establish and maintain the Revenue Fund prior to the occurrence and continuance of an Event of Default. The money deposited to the Revenue Fund, together with all investments thereof and investment income therefrom, shall be held in trust and applied solely as provided in this Section and in Section 6.06.

(b) If, and only if, an Event of Default under this Master Indenture under clause (a) of Section 6.01 shall occur, the Company shall deposit, within five (5) business days from the date of receipt, with the Master Trustee, for credit to the Revenue Fund all of its Revenues, (except to the extent otherwise provided by or inconsistent with any permitted instrument creating any mortgage, lien, charge, encumbrance, pledge or other security interest granted, created, assumed, incurred or existing), as well as any insurance and condemnation proceeds, beginning on the first day of such Event of Default thereof and on each day thereafter, until no default under this Master Indenture then exists.

(c) On the next Business Day immediately following the receipt of any payments to the Master Trustee for deposit into the Revenue Fund, the Master Trustee shall withdraw and pay or deposit from the amounts on deposit in the Revenue Fund the following amounts in the order indicated:

(1) to the Master Trustee any fees or expenses which are then due and payable;

(2) equally and ratably to the Note Holder of each Note on which there has been a default pursuant to Section 6.01(a), an amount not to exceed all defaulted principal of (or premium, if any), interest and obligations on such Note;

(3) a transfer to the Interest Account of an amount necessary to accumulate in equal monthly installments the interest on the Notes due and payable on the next Interest Payment Date; provided, however, that to the extent available, each transfer made on the fifth business day before the end of the month immediately preceding each Interest Payment Date shall be in an amount to provide, together with amounts then on deposit in the Interest Account, the balance of the interest due on the Notes on the next succeeding Interest Payment Date. There shall be paid from the Interest Account equally and ratably to the Note Holder of each Note the amount of interest on each Note as such interest becomes due;

(4) a transfer to the Principal Account of the amount necessary to accumulate in equal monthly installments the principal of the Notes maturing or subject to mandatory sinking fund redemption on the next Principal Payment Date taking into account with respect to each such payment (i) any other money actually available in the Principal Account for such purpose and (ii) any credit against amounts due on each Principal

Payment Date granted pursuant to other provisions of this Master Indenture; provided, however, that to the extent available, the transfer made on the fifth business day before the end of the month immediately preceding such Principal Payment Date shall be in an amount to provide, together with amounts then on deposit in the Principal Account, the balance of the principal maturing or subject to mandatory sinking fund redemption on such Principal Payment Date. There shall be paid from the Principal Account equally and ratably to the Note Holder of each Note the amount of principal payments due on each Note, whether at maturity or earlier mandatory redemption (other than by reason of acceleration of maturity or other demand for payment), as such principal becomes due;

(5) to the Note Holder of any Note entitled to maintain a reserve fund for the payment of such Note, an amount sufficient to cause the balance on deposit in such reserve fund to equal the required balance in twelve (12) equal monthly installments or as otherwise in such amounts required by the applicable Related Obligation Documents; and

(6) to the Company, the amount specified in a Request as the amount of ordinary and necessary expenses of the Company for its operations for the following month.

(d) Any amounts remaining on deposit in the Revenue Fund on the day following the end of the month in which all Events of Default under Section 6.01(a) of this Master Indenture have been cured, waived or the termination of which has been acknowledged pursuant to Section 6.17 of this Master Indenture, shall be paid to the Company upon Request for deposit in a deposit account of the Company, which may be used for any lawful purpose.

(e) Pending disbursements of the amounts on deposit in the Revenue Fund, the Master Trustee shall promptly invest and reinvest such amounts in the Government Obligations specified in any Company Order. All such investments shall have a maturity not greater than ninety-one (91) days from date of purchase.

Section 4.06. Debt Service Coverage Ratio Requirement.

(a) Upon sixty days (60) following a Reporting Period, the Company shall deliver to the Dissemination Agent (as defined in the Continuing Disclosure Agreement relating to the applicable Related Obligations) a certificate signed by an Authorized Representative of the Company stating that, Net Revenues for the trailing twelve months immediately preceding such Reporting Period equal at least 1.10x Maximum Annual Debt Service on all outstanding Related Obligations payable from the Revenues of the Company.

(b) In the event that Net Revenues for the trailing twelve months immediately preceding such Reporting Period fall below 1.10x Maximum Annual Debt Service, the Company agrees to immediately begin making monthly payments to the Trustee from Revenues as further described in Section 4.1(a)(ii) of the Loan Agreement.

(c) If after 30 days following a report by the Company stating that Net Revenues for the trailing twelve months immediately preceding such Reporting Period have fallen below 1.10x Maximum Annual Debt Service and the Company has not made the required monthly payments

to the Trustee, the Trustee shall begin making monthly withdraws from the Debt Service Reserve Fund in amounts described in 4.1(a)(ii) of the Loan Agreement.

(d) Following the earlier of (i) two consecutive Reporting Periods stating that Net Revenues for the trailing twelve months immediately preceding such Reporting Period, are at least 1.10x Maximum Annual Debt Service or (ii) a Reporting Period stating that Net Revenues for the trailing twelve months immediately preceding such Reporting Period, are at least 1.20x Maximum Annual Debt Service, and (iii) the Company has provided sufficient payments to the Trustee such that the Debt Service Reserve Fund balance is no less than the Debt Service Reserve Fund Requirement, the Company may again begin making payments to the Trustee as described in Section 4.1(a)(i) of the Loan Agreement.

Section 4.07. Financial Reports; No Default Certificates; Notice of Default.

(a) The Company shall cause an annual audit of its books and accounts to be made by an Independent Accountant and delivered to it within 180 days after the end of each Fiscal Year of the Company. Within 30 days of the date such audit report is delivered to the Company, the Company shall deliver to the Master Trustee an Officer's Certificate signed by an Authorized Representative stating that such person has reviewed the obligations of the Company under the Related Obligation Documents, any Deed of Trust, the Notes, and this Master Indenture and the Related Obligation Indentures and the performance of the Company hereunder and thereunder, and has consulted with such officers and employees of the Company as deemed appropriate and necessary for the purpose of delivering such certificate, and based on such review and consultation, no Event of Default and no event which, with the giving of notice or the passage of time or both, would constitute an Event of Default has occurred and is continuing under the aforementioned documents, or describing any such Events of Default. The Master Trustee shall have no duty to examine or independently verify any such audit reports or the matters described in any such certificate and shall have no duty to furnish such audits to any third party.

(b) The Company shall also, promptly upon receiving notice thereof, notify the Related Issuer and the Master Trustee in writing upon the occurrence of an Event of Default or any event which with the giving of notice or the passage of time or both would constitute an Event of Default hereunder or under the Notes, or the Related Loan Documents or Related Obligation Documents.

Section 4.08. Negative Pledge. The Company shall not create or allow any liens to exist on any of its property or equipment included in any Deed of Trust, except as permitted by Section 2.12 or as otherwise permitted by the Deed of Trust. If any lien is filed, it shall not be an Event of Default so long as the Company promptly and continuously contests such lien to the extent permitted by State law.

ARTICLE V

CONSOLIDATION, MERGER, CONVEYANCE AND TRANSFER

Section 5.01. Consolidation, Merger, Conveyance, or Transfer Only on Certain Terms. In addition to any other requirements set forth in the Related Obligation Documents, the Company

covenants and agrees that it will not consolidate with or merge into any Person or convey or transfer its properties substantially as an entirety to any Person, unless:

(a) all of the following conditions exist:

(1) the Person formed by such consolidation or into which the Company merges or the Person which acquires substantially all of the properties of the Company as an entirety shall be a Person organized and existing under the laws of the United States of America or any state or the District of Columbia and shall expressly assume by instrument supplemental hereto executed and delivered to the Master Trustee, the due and punctual payment of the principal of (and premium, if any) and interest on the Notes and any other amounts due thereunder or in accordance with this Master Indenture and the performance and observance of every covenant and condition hereof on the part of the Company to be performed or observed;

(2) an Officer's Certificate shall be delivered to the Master Trustee to the effect that such consolidation, merger or transfer shall not, immediately after giving effect to such transaction, cause a default hereunder to occur and be continuing; and

(3) the Company shall have delivered to the Master Trustee and Related Obligation Trustee an Officer's Certificate and Opinion of Counsel, each stating that such consolidation, merger, conveyance, or transfer and such supplemental instrument comply with this Article and that all conditions precedent relating to such transaction provided for herein have been complied with, and a Favorable Opinion of Bond Counsel.

Section 5.02. Successor Substituted. Upon any consolidation or merger or any conveyance or transfer of the properties and assets of the Company substantially as an entirety in accordance with Section 5.01, the successor Person formed by such consolidation or into which the Company is merged or to which such conveyance or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company hereunder with the same effect as if such successor Person had been named as the Company herein.

ARTICLE VI

REMEDIES OF THE MASTER TRUSTEE AND NOTE HOLDERS IN EVENT OF DEFAULT

Section 6.01. Events of Default. "***Event of Default***," whenever used herein, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) default in the payment of the principal of (premium, if any) or interest or any other amount due on any Note when due (giving effect to any applicable period of grace, if any); or

(b) default in the performance, or breach, of any covenant or agreement on the part of the Company contained in this Master Indenture (other than a covenant or agreement the default in the performance or observance of which is elsewhere in this Section specifically addressed)

and continuance of such default or breach for a period of thirty (30) days after a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder and has been given by registered or certified mail by (i) the Note Holders of at least 25% in principal amount of Notes then Outstanding, or (ii) the Master Trustee to the Company (with a copy to the Master Trustee in the case of notice by the Note Holders); provided that if such default under this Section 6.01(b) can be cured by the Company but cannot be cured within the 30-day curative period described above, it shall not constitute an Event of Default if corrective action is instituted by the Company within such 30-day period and diligently pursued until the default is corrected; provided, however that the Company shall submit reports to the Master Trustee each fiscal quarter regarding such corrective action until the default is corrected; or

(c) a decree or order by a court having jurisdiction in the premises shall have been entered adjudging the Company a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization or arrangement of the Company under the Bankruptcy Code, Title 11 of the United States Code, as amended (the "***Bankruptcy Code***"), or any other similar applicable federal or state law, and such decree or order shall have continued undischarged and unstayed for a period of ninety (90) days; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver or trustee or assignee in bankruptcy or insolvency of the Company or the Company's property, or for the winding up or liquidation of the Company or the Company's affairs, shall have been entered, and such decree or order shall have remained in force undischarged and unstayed for a period of ninety (90) days; or

(d) the Company shall institute proceedings to be adjudicated a voluntary bankruptcy, or shall consent to the institution of a bankruptcy proceeding against it, or shall file a petition or answer or consent seeking reorganization or arrangement under the Bankruptcy Code or any other similar applicable federal or state law, or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or trustee or assignee in bankruptcy or insolvency of it or of its property, or shall make assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due, or corporate action shall be taken by the Company in furtherance of any of the aforesaid purposes;

(e) an event of default, as therein defined, under any instrument or agreement under which any Note may be incurred or secured, or under any Related Obligation Documents, occurs and is continuing beyond any applicable period of grace, if any; or

(f) a Qualified Provider under a Financial Products Agreement which is secured by a Note notifies the Master Trustee in writing that an event of default under such Financial Products Agreement, as therein defined, has occurred and is continuing beyond the applicable grace period, if any.

Section 6.02. Acceleration of Maturity in Certain Cases; Rescission and Annulment.

(a) If an Event of Default occurs and is continuing, then and in every such case the Master Trustee may, and upon the written request of the Note Holders of not less than 25% in principal amount of the Notes Outstanding (or, in the case of any Event of Default described in 6.01(e) above resulting in the loss of any exclusion from gross income of interest on, or the

invalidity of, any Debt secured by a pledge of Notes, the Note Holders of not less than 25% in principal amount of the Notes Outstanding of the affected series) shall, by a notice in writing to the Company, accelerate the Maturity of the Notes, and upon any such declaration such principal of (premium, if any) and interest and any other amount due on any Note shall become immediately due and payable.

(b) At any time after such a declaration of acceleration has been made and before a judgment or decree for payment of the money due has been obtained by the Master Trustee as hereinafter in this Article provided, the Note Holders of a majority in aggregate principal amount of the Notes Outstanding, by written notice to the Company and the Master Trustee, may rescind and annul such declaration and its consequences if:

(1) the Company has caused to be paid or deposited with the Master Trustee a sum sufficient to pay:

(A) all overdue installments of interest on all Notes;

(B) the principal of (and premium, if any, on) any Notes which have become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by the Notes as well as any other amounts due and owing as provided in such Notes; and

(C) all sums paid or advanced by the Master Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel; and

(2) all Events of Default, other than the non-payment of the principal of Notes which have become due solely by such acceleration, have been cured or waived as provided in Section 6.13.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

(c) Acceleration of Notes pursuant to this Section 6.02 may be declared separately and independently with or without an acceleration of the Related Obligations.

Section 6.03. Collection of Indebtedness and Suits for Enforcement by Master Trustee.

(a) The Company covenants that if:

(1) default is made in the payment of any installment of interest on any Note when such interest becomes due and payable;

(2) default is made in the payment of the principal of (or premium, if any), on any Note when such principal (or premium, if any) becomes due and payable; or

(3) default is made in the payment of any other amount when such amount is due and payable;

the Company will, subject to Section 4.01 hereof, upon demand of the Master Trustee, pay to it, for the benefit of the Note Holders of such Notes, the whole amount then due and payable on such Notes for principal (and premium, if any) and interest, with interest upon the overdue principal (and premium, if any) and any other amount due; and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel.

(b) If the Company fails to pay any of the foregoing amounts forthwith upon demand, the Master Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, and may prosecute such proceeding to judgment or final decree, and may enforce the same against the Company and collect the moneys adjudged or decreed to be payable in the manner provided by law.

(c) If an Event of Default occurs and is continuing, the Master Trustee may proceed to protect and enforce its rights and the rights of the Note Holders and other obligations secured hereunder by such appropriate judicial proceedings as the Master Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Master Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy, including without limitation proceeding under the UCC as to all or any part of the Trust Estate, and the Company hereby covenants and agrees with the Master Trustee that the Master Trustee shall have and may exercise with respect to the Trust Estate all the rights, remedies and powers of a secured party under the UCC as in effect in the State.

(d) If an Event of Default occurs and is continuing, the mortgage trustee named in the Deed of Trust may foreclose on any property subject to the Deed of Trust.

Section 6.04. Master Trustee May File Proofs of Claim.

(a) In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or property of the Company or of such other obligor or their creditors, the Master Trustee (irrespective of whether the principal of the Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Master Trustee shall have made any demand on the Company for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(1) to file and prove a claim for the whole amount of principal (and premium, if any) and interest and any other amounts owing and unpaid in respect of the Notes and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Master Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel) and of the Note Holders allowed in such judicial proceeding; and

(2) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any receiver, assignee, trustee, liquidator, sequestrator (or other similar official) in any such judicial proceeding is hereby authorized by each Note Holder to make such payments to the Master Trustee, and in the event that the Master Trustee shall consent to the making of such payments directly to the Note Holders, to pay to the Master Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel, and any other amounts due the Master Trustee under this Master Indenture.

(b) Nothing herein contained shall be deemed to authorize the Master Trustee to authorize or consent to or accept or adopt on behalf of any Note Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Note Holder thereof, or to authorize the Master Trustee to vote in respect of the claim of any Note Holder in any such proceeding.

Section 6.05. Master Trustee May Enforce Claims Without Possession of Notes. All rights of action and claims under this Master Indenture or the Notes may be prosecuted and enforced by the Master Trustee without the possession of any of the Notes or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Master Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel, be for the ratable benefit of the Note Holders in respect of which such judgment has been recovered.

Section 6.06. Application of Money Collected. Any money collected by the Master Trustee pursuant to this Article and any proceeds of any sale (after deducting the costs and expenses of such sale, including a reasonable compensation to the Master Trustee, its agents and counsel (including its fees, costs and expenses), and any taxes, assessments, or liens prior to the lien of this Master Indenture, except any thereof subject to which such sale shall have been made), whether made under any power of sale herein granted or pursuant to judicial proceedings, together with, in the case of an entry or sale as otherwise provided herein, any other sums then held by the Master Trustee as part of the Trust Estate, shall be deposited in the Revenue Fund created by this Master Indenture, shall be applied in the order specified in Section 4.05, at the date or dates fixed by the Master Trustee and, in case of the distribution of such money on account of principal (or premium, if any), upon presentation of the Notes and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid.

Section 6.07. Limitation on Suits. No Note Holder shall have any right to institute any proceeding, judicial or otherwise, with respect to this Master Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(1) such Note Holder has previously given written notice to the Master Trustee of a continuing Event of Default;

(2) the Note Holders of not less than 25% in principal amount of the Outstanding Notes shall have made written request to the Master Trustee to institute proceedings in respect of such Event of Default in its own name as Master Trustee hereunder;

(3) such Note Holder or Note Holders have provided to the Master Trustee indemnity satisfactory to it against the costs, expenses and liabilities to be incurred in compliance with such request;

(4) the Master Trustee for sixty (60) days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(5) no direction inconsistent with such written request has been given to the Master Trustee during such 60-day period by the Note Holders of a greater aggregate principal amount of the Outstanding Notes;

it being understood and intended that no one or more Note Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Master Indenture to affect, disturb or prejudice the rights of any other Note Holders, or to obtain or to seek to obtain priority or preference over any other Note Holders, or to enforce any right under this Master Indenture, except in the manner herein provided and for the equal and ratable benefit of all the Note Holders.

Section 6.08. Unconditional Right of Note Holders to Receive Principal, Premium and Interest. Notwithstanding any other provision in this Master Indenture, any Note Holder shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and interest on such Note, but (without waiving or impairing any rights such Note Holder may have under any other instrument or agreement) solely from the sources provided in this Master Indenture, on the respective Stated Maturities expressed in such Note (or, in the case of redemption, on the redemption date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Note Holder.

Section 6.09. Restoration of Rights and Remedies. If the Master Trustee or any Note Holder has instituted any proceeding to enforce any right or remedy under this Master Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Master Trustee or to such Note Holder, then and in every such case the Company, the Master Trustee and the Note Holders shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Master Trustee and the Note Holders shall continue as though no such proceeding had been instituted.

Section 6.10. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Master Trustee or to the Note Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 6.11. Delay or Omission Not Waiver. No delay or omission of the Master Trustee or of any Note Holder to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Master Trustee

or to the Note Holders may be exercised from time to time, and as often as may be deemed expedient, by the Master Trustee or by the Note Holders, as the case may be.

Section 6.12. Control by Note Holders. The Note Holders of a majority in aggregate principal amount of the Outstanding Notes shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Master Trustee or exercising any trust or power conferred on the Master Trustee, provided that such direction shall be in writing and not be in conflict with any rule of law or with this Master Indenture, and provided further that the Master Trustee shall have the right to decline to comply with any such request in accordance with Section 7.03(e) hereof or if the Master Trustee shall be advised by counsel (who may be its own counsel) that the action so directed may not lawfully be taken or the Master Trustee in good faith shall determine that such action would be unjustly prejudicial to the Note Holders not parties to such direction. The Master Trustee may take any other action deemed proper by the Master Trustee which is not inconsistent with such direction. The Trustee shall have no liability for any actions taken pursuant to written direction as provided in this Section 6.12.

Section 6.13. Waiver of Past Defaults.

(a) The Note Holders of a majority in principal amount of the Outstanding Notes may on behalf of the Note Holders of all the Notes waive any past default hereunder and its consequences, except:

(1) a default in the payment of the principal of (or premium, if any) or interest or any other amount on any Note; or

(2) a default in respect of a covenant or provision hereof which under Article VIII cannot be modified or amended without the consent of the Note Holder of each Outstanding Note affected.

(b) Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Master Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 6.14. Undertaking for Costs. All parties to this Master Indenture agree, and each Note Holder by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Master Indenture, or in any suit against the Master Trustee for any action taken or omitted by it as Master Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Master Trustee, to any suit instituted by any Note Holder, or group of Note Holders, holding in the aggregate more than 10% in aggregate principal amount of the Outstanding Notes, or to any suit instituted by any Note Holder for the enforcement of the payment of the principal of (or premium, if any) or interest on any Note on or after the respective Stated Maturities expressed in such Note (or, in the case of redemption, on or after the redemption date).

Section 6.15. Waiver of Stay or Extension Laws. The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Master Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants (to the extent that it may lawfully do so) that it will not hinder, delay or impede the execution of any power herein granted to the Master Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

Section 6.16. No Recourse Against Others. No recourse under or upon any obligation, covenant or agreement contained in this Master Indenture or any indenture supplemental hereto, or in any Note, or for any claim based thereon or otherwise in respect thereof, shall be had against any incorporator, or against any past, present or future director, officer or employee, as such, of the Master Trustee or the Company or of any successor corporation, either directly or through the Company, whether by virtue of any constitution or statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that this Master Indenture and the Notes are solely corporate obligations, and that no such personal liability whatever shall attach to, or is or shall be incurred by, the incorporators, directors, officers or employees, as such, of the Master Trustee or the Company or any successor corporation, or any of them, because of the creation of indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Master Indenture or in any of the Notes or implied therefrom; and that any and all such personal liability, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such incorporator, director, officer or employee, as such, are hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Master Indenture and the issue of such Notes.

Section 6.17. Termination of Default. Once an Event of Default has been cured in accordance with the provisions of this Master Indenture or the instrument under which any Note is incurred or secured, such Event of Default will be deemed to no longer exist and the Master Trustee shall notify the Company in writing that such Event of Default has been cured and all corrective actions under this Master Indenture shall immediately cease unless or until another Event of Default shall occur; provided however, that once the Notes are accelerated pursuant to Section 6.02, the provisions of Section 6.02 shall govern rescission and the cessation of remedies.

ARTICLE VII

CONCERNING THE MASTER TRUSTEE

Section 7.01. Duties and Liabilities of Master Trustee.

(a) The Master Trustee hereby accepts and agrees to execute the trusts imposed upon it by this Master Indenture, but only upon the express terms and conditions specifically and expressly set forth herein, and no implied covenants or obligations shall be read into this Master Indenture against the Master Trustee. Such duties shall be deemed purely ministerial in nature and the Master Trustee shall not be liable except for the performance of such duties.

(b) In case any Event of Default has occurred and is continuing (of which a Responsible Officer of the Master Trustee has actual knowledge or is deemed to have actual knowledge under Section 7.03(h) hereof), the Master Trustee shall exercise such of the rights and powers vested in it by this Master Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs. Such standard of care is not considered a fiduciary standard nor shall the Master Trustee be considered a fiduciary in the performance of its duties.

(c) No provision of this Master Indenture shall be construed to relieve the Master Trustee from liability for its own grossly negligent action, its own grossly negligent failure to act, or its own willful misconduct, except, that:

(1) this subsection shall not be construed to limit the effect of subsection (a) of this Section or Section 7.03 hereof;

(2) the Master Trustee shall not be liable for any action taken or not taken or error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Master Trustee was grossly negligent in ascertaining the pertinent facts;

(3) the Master Trustee shall be entitled to request and receive and shall not be liable with respect to any action taken or omitted to be taken by it in good faith when the Master Trustee reasonably believes the act or failure to act is authorized and within its powers to perform under this Master Indenture, including, but not limited to, in accordance with Section 6.02(a) hereof or otherwise with the direction of the Note Holders of a majority in aggregate principal amount of the Notes then Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Master Trustee, or exercising any trust or power conferred upon the Master Trustee, under this Master Indenture; and

(4) no provision of this Master Indenture shall require the Master Trustee to expend or risk its funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that the repayment of such funds or adequate indemnity against such risk or liability or the payment of its fees and expenses (including its legal counsel fees, costs and expenses) is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of this Master Indenture relating to the conduct or affecting the liability of or affording protection to the Master Trustee shall be subject to the provisions of this Section and Section 7.03.

Section 7.02. Notice of Defaults. Within sixty (60) days after the occurrence of any default of which the Master Trustee is deemed to have knowledge in accordance with Section 7.03(h) hereof, the Master Trustee shall transmit by mail to all Note Holders notice of such default, unless such default shall have been cured or waived or unless corrective action to cure such default has been instituted and is being pursued such that such default does not constitute an Event of Default; provided, however, that except in the case of a default in the payment of the principal of (or premium, if any) or interest on any Notes or in the payment of any sinking or purchase fund

installment, the Master Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors and/or Responsible Officers of the Master Trustee in good faith determine that the withholding of such notice from the Note Holders is in the interest of the Note Holders; and provided, further, that in the case of any default of the character specified in Section 6.01(b), no such notice to Note Holders shall be given until at least thirty (30) days after the notice described in Section 6.01(b) is given and a cure is not forthcoming. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default.

Section 7.03. Certain Rights of Master Trustee.

(a) The Master Trustee may, at the expense of the Company, request and conclusively rely on and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, debenture or other paper or document believed by it to be genuine and shall not be required to investigate or verify the truth or accuracy of any information or calculations required to be included therein or attached thereto. Any action taken or failed to be taken by the Master Trustee pursuant to this Master Indenture upon the request or authority or consent of any person who, at the time of making such request, or giving such authority or consent is the Note Holder, shall be conclusive and binding upon all future owners of the same Note and upon Notes issued in exchange therefor and upon transfer or in place thereof.

(b) Any request or direction of the Company shall be sufficiently evidenced by a Request; and any resolution of the Company may be evidenced to the Master Trustee by a Board Resolution.

(c) Whenever in the administration of this Master Indenture the Master Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Master Trustee (unless other evidence be herein specifically prescribed) may, request and conclusively rely upon an Officer's Certificate.

(d) The Master Trustee may consult with counsel and the advice of such counsel, professionals or any Opinion of Counsel shall be full and complete authorization and protection in respect of, and the Master Trustee shall not be liable for, any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon and the Master Trustee is under no duty to perform and independent investigation as to the accuracy or truth of such advice or correctness of any opinion.

(e) The Master Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Master Indenture at the request or direction of any of the Note Holders pursuant to the provisions of this Master Indenture, unless such Note Holders shall have provided to the Master Trustee security or indemnity satisfactory to it against the costs, expenses, losses and liabilities (including its legal counsel fees, costs, and expenses) which might be incurred by it in connection with such request or direction and for the payment of the Master Trustee's fees in connection therewith.

(f) The Master Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, debenture or other paper or document, but the Master Trustee, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Master Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by receiver, employee, agent or attorney and to take such memoranda from and in regard thereto as may be reasonably desired. The Master Trustee shall have no obligation to perform any of the duties of the Company under this Master Indenture.

(g) The Master Trustee may execute any of the trusts or powers hereunder either directly or by or through agents or attorneys or may act or refrain from acting in reliance upon the opinion or advice of such receiver, employee, agents or attorney, but the Master Trustee shall not be held liable for any negligence or misconduct of any such agent or attorney appointed by it with due care. The Master Trustee may act upon the opinion or advice of an attorney or agent selected by it in the exercise of reasonable care and upon the opinion or advice of an attorney or agent retained by the Company. The Master Trustee shall not be responsible for any loss or damage resulting from any action or nonaction based on its good faith reliance upon such opinion or advice. The Master Trustee may in all cases pay reasonable compensation to any attorney or agent retained or employed by it in connection herewith.

(h) The Master Trustee shall not be required to take notice or be deemed to have notice or knowledge of any events or other information, default or Event of Default hereunder or under any other agreement unless the Master Trustee shall be specifically notified of such event, information, default or Event of Default in writing by the Company or by the Note Holder of an Outstanding Note, and in the absence of such notice the Master Trustee may conclusively assume that no Event of Default exists.

(i) The Master Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with any written direction of the Note Holders of the Outstanding Notes permitted to be given by them under this Master Indenture and shall have the right, but not the obligation, to act as directed by said Note Holders.

(j) For the avoidance of doubt, the permissive right of the Master Trustee to do things enumerated in this Master Indenture shall not be construed as a duty or obligation and the Master Trustee shall not be answerable for other than its gross negligence or willful misconduct in accordance with the terms of this Master Indenture.

(k) The Master Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(l) The Master Trustee shall not be responsible for monitoring the existence of or determining whether any lien or encumbrance or other charge including without limitation whether any Permitted Encumbrance (as defined in any Deed of Trust) exists against a Related Project or the Trust Estate. The Master Trustee shall have the right, but not the responsibility or duty, to inspect the Project, including all books and records.

(m) In no event shall the Master Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, pandemics, epidemics, recognized public emergencies, quarantine restrictions, hacking or cyber-attacks, or other use or infiltration of the Master Trustee's technological infrastructure exceeding authorized access, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Master Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

(n) In no event shall the Master Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Master Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(o) The Master Trustee shall not be required to make any disbursement of funds until having collected funds.

(p) The rights of the Master Trustee to indemnity and reimbursement of fees and expenses shall survive the satisfaction and discharge of this Master Indenture, the payment of all Notes hereunder, and the Master Trustee's resignation or removal.

(q) The Master Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Company herein or in the Deed of Trust hereunder except as may be expressly provided for herein or therein. The Master Trustee may require of the Company full information and advice as to the performance of the aforesaid covenants, conditions and agreements.

Section 7.04. Not Responsible for Recitals or Issuance of Notes. The recitals contained herein and in the Notes (other than the certificate of authentication on such Notes) shall be taken as the statements of the Company and the Master Trustee assumes no responsibility for their correctness. The Master Trustee makes no representations as to the validity or sufficiency of this Master Indenture or of the Notes. The Master Trustee shall not be accountable for the use or application by the Company of any of the Notes or of the proceeds of such Notes, for the use or application of any money paid over by the Master Trustee in accordance with the provisions of this Master Indenture or for the use and application of money received by any Paying Agent, or for the sufficiency of said money to accomplish the intended objective of the financing. The Master Trustee makes no representations as to the technical or financial feasibility of the Related Project, the compliance of the Related Project with the Act, or the tax-exempt status of the Notes. The Master Trustee shall have no duty to analyze or review any financial report received by the Master Trustee or express any opinion concerning the contents of any such report and shall have no responsibility for the contents or accuracy of any such report. The Master Trustee is not responsible for any of the contents or representations contained in any prospectus or offering document and makes no representations as to the accuracy or completeness of any information contained therein.

Section 7.05. Master Trustee May Own Notes. The Master Trustee or other agent of the Master Trustee, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with the Company with the same rights it would have if it were not Master Trustee or such other agent.

Section 7.06. Moneys to Be Held in Trust. All moneys received by the Master Trustee shall, until used or applied as herein provided be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by law. The Master Trustee shall be under no liability for interest on any moneys received by it hereunder other than such interest as it expressly agrees in writing to pay.

Section 7.07. Compensation and Expenses of Master Trustee.

(a) The Company hereby agrees:

(1) to pay to the Master Trustee from time to time reasonable compensation for all services rendered by it hereunder including the Master Trustee's acceptance fee of $0, which shall be paid on the Closing Date; (ii) an annual fee of no less than $1,000 to be billed in advance; provided that the acceptance fee and the annual fee for the first year shall be paid on the Closing Date; and (iii) from time to time all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agent, and employees, incurred in and about the performance of their powers and duties under this Master Indenture and extraordinary services during the existence of a default (which compensation shall not be limited by any law limiting the compensation of the trustee of an express trust and which may be increased from time to time as the cost of business dictates and as negotiated with the Company), whether as Master Trustee or as Paying Agent;

(2) except as otherwise expressly provided in this Section 7.07(a), to reimburse the Master Trustee in a timely manner upon its request for all expenses, disbursements and advances incurred or made by the Master Trustee in accordance with any provision of this Master Indenture (including the compensation and the fees, costs, expenses and disbursements of its agents and counsel); and

(3) to indemnify the Master Trustee, its officers, directors, employees, agents and affiliates (including without limitation, the Master Trustee as Paying Agent hereunder) (collectively, the "***Indemnitees***") for, and to defend and hold them harmless against, loss, liability, claims, proceedings, suits, demands, penalties, costs and expenses, including without limitation, the costs and expenses of outside and in house counsel and experts and their staffs and all expenses of document location, duplication and shipment and of preparation to defend and defending any of the foregoing ("***Losses***"), that may be imposed on, incurred by or asserted against any Indemnitee in respect of (i) any loss, or damage to any property, or injury to or death of any person, asserted by or on behalf of any Person arising out of, resulting from, or in any way connected with the Related Project, or the conditions, occupancy, use, possession, conduct or management of, or any work done in or about the Related Project or from the planning, design, acquisition or construction of any Related Project facilities or any part thereof, (ii) the issuance of any Notes or Related

Obligations, or the Company's or the Related Issuer's, as the case may be, authority therefore, (iii) this Master Indenture and any instrument related thereto, (iv) the Master Trustee's execution, delivery and performance of this Master Indenture, except in respect of any Indemnitee to the extent such Indemnitee's gross negligence or willful misconduct caused such Loss (as determined in a final order by a court of competent jurisdiction), and (v) compliance with or attempted compliance with or reliance on any instruction or other direction upon which the Master Trustee may rely under this Master Indenture or any instrument related thereto. The Company further agrees to indemnify the Indemnitees against any Losses as a result of (1) any untrue statement or alleged untrue statement of any material fact or the omission or alleged omission to state a material fact necessary to make the statements made not misleading in any statement, information or material furnished by the Company to the Master Trustee or the Note Holder, including, but not limited to, any disclosure document utilized in connection with the sale of any Related Obligations; or (2) the inaccuracy of the statements contained in any section of any Related Obligation Indenture relating to environmental representations and warranties. The foregoing indemnification shall include, without limitation, indemnification for any statement or information concerning the Company or its officers and board members or its property contained in any official statement or other offering document furnished to the Master Trustee or the purchaser of any Notes or Related Obligations that is untrue or incorrect in any material respect, and any omission from such official statement or other offering document of any statement or information which should be contained therein for the purpose for which the same is to be used or which is necessary to make the statements therein concerning the Company, its officers and board members and its property not misleading in any material respect. The foregoing is in addition to any other rights, including rights to indemnification, to which the Master Trustee may otherwise be entitled, including without limitation, pursuant to the Deed of Trust. The provisions of this Section 7.07(a)(3) will survive the satisfaction and discharge of this Master Indenture and the payment of all Notes hereunder and/or the earlier resignation or removal of the Master Trustee. **IT IS THE EXPRESS INTENTION AND AGREEMENT OF THE COMPANY THAT IT WILL INDEMNIFY THE INDEMNITEES AGAINST LOSSES THAT ARISE FROM THE NEGLIGENCE OF THE INDEMNITEES.**

(b) As such security for the performance of the obligations of the Company under this Section the Master Trustee shall have a lien prior to the Notes upon all property and funds held or collected by the Master Trustee as such. The payment obligations set forth above shall include all such fees and expenses of the Master Trustee and its agents under any Supplemental Master Indenture.

(c) When the Master Trustee incurs expenses or renders services in connection with any bankruptcy or insolvency proceeding, such expenses (including the fees and expenses of its counsel) and the compensation for such services are intended to constitute expenses of administration under any bankruptcy law or law relating to creditors' rights generally.

Section 7.08. Corporate Master Trustee Required; Eligibility. There shall at all times be a Master Trustee hereunder which shall be organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $50,000,000, subject to supervision or

examination by federal or state authority. If the Master Trustee publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of the Master Trustee shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Master Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

Section 7.09. Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Master Trustee and no appointment of a successor Master Trustee pursuant to this Section shall become effective until the acceptance of appointment by the successor Master Trustee under Section 7.10.

(b) The Master Trustee may resign at any time by giving thirty (30) days written notice thereof to the Company. If an instrument of acceptance by a successor Master Trustee shall not have been delivered to the Master Trustee within thirty (30) days after the giving of such notice of resignation, the resigning Master Trustee may petition any court of competent jurisdiction for the appointment of a successor Master Trustee.

(c) The Master Trustee may be removed at any time by (i) the Note Holders of a majority in principal amount of the Outstanding Notes, or (ii) so long as there is no Event of Default and no circumstance has occurred that, with the passage of time, will constitute an Event of Default, the Company acting through an Authorized Representative.

(d) If at any time:

(1) the Master Trustee shall cease to be eligible under Section 7.08 and shall fail to resign after written request therefor by the Company or by any Note Holder; or

(2) the Master Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent, or a conservator or a receiver of the Master Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Master Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation; then, in any such case, (i) the Company by a Request may remove the Master Trustee, or (ii) subject to Section 6.14, any Note Holder who has been a bona fide Note Holder for at least six (6) months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Master Trustee and the appointment of a successor Master Trustee.

(e) If the Master Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Master Trustee for any cause, the Company shall promptly appoint a successor Master Trustee. If, within six (6) months after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Master Trustee shall be appointed by Act of the Note Holders of a majority in principal amount of the Outstanding Notes delivered to the Company and the retiring Master Trustee, the successor Master Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Master Trustee and supersede the successor Master Trustee appointed by the Company. If no successor Master

Trustee shall have been so appointed by the Company or the Note Holders and accepted appointment in the manner hereinafter provided, the Master Trustee or any Note Holder who has been a bona fide Note Holder for at least six (6) months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Master Trustee.

(f) The Company shall give notice of each resignation and each removal of the Master Trustee and each appointment of a successor Master Trustee by mailing written notice of such event by first-class mail, postage prepaid, to the Note Holders at their addresses as shown in the Note Register. Each notice shall include the name and address of the designated corporate trust office of the successor Master Trustee.

(g) The rights of the Master Trustee to indemnity, any amounts due and payable and reimbursement of costs, fees and expenses shall survive the Master Trustee's resignation or removal.

Section 7.10. Acceptance of Appointment by Successor.

(a) Every successor Master Trustee appointed hereunder shall execute, acknowledge and deliver to the Company and to the retiring Master Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Master Trustee shall become effective and such successor Master Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Master Trustee and the retiring Master Trustee shall have no further duties, responsibilities or obligations hereunder; but, on Request of the Company or the successor Master Trustee, such retiring Master Trustee shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Master Trustee all the rights, powers and trusts of the retiring Master Trustee, and shall duly assign, transfer and deliver to the successor Master Trustee all property and money held by such retiring Master Trustee hereunder. Upon request of any such successor Master Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Master Trustee all such rights, powers and trusts.

(b) No successor Master Trustee shall accept its appointment unless at the time of such acceptance such successor Master Trustee shall be qualified and eligible under this Article.

Section 7.11. Merger or Consolidation. Any Person into which the Master Trustee may be merged or with which it may be consolidated, or any Person resulting from any merger or consolidation to which the Master Trustee shall be a party, or any Person acquiring and succeeding to all or substantially all of the corporate trust business of the Master Trustee, shall be the successor Master Trustee hereunder, provided such Person shall be otherwise qualified and eligible under this Article, to the extent operative, and will have and succeed to the rights, powers, duties, immunities and privileges as its predecessor, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Notes shall have been authenticated, but not delivered, by the Master Trustee then in office, any successor by merger or consolidation to such authenticating Master Trustee may adopt such authentication and deliver the Notes so

authenticated with the same effect as if such successor Master Trustee had itself authenticated such Notes.

Section 7.12. Reserved.

Section 7.13. Subordination Authority. Notwithstanding anything to the contrary herein or in the Related Obligation Documents, without the consent of the Master Trustee, and without such actions constituting a breach or violation of the Deed of Trust, a mortgagor may impose upon real property such reasonable easements and similar encumbrances to title as are customarily created or imposed in connection with the development of real property ("***Customary Development Encumbrances***"), e.g., utility easements and similar rights of way, and easements, building setback lines, and the like created by the platting or re-platting of the real property. In addition, the liens and security interests covering or encumbering the real property created by the Deed of Trust shall at all times be subordinate and inferior to the easements and other similar encumbrances against title to the real property created in connection with any future Customary Development Encumbrances, including but not limited to plats; provided, however, such liens and security interests of the Deed of Trust shall not be inferior or subordinate to any monetary liens created pursuant to any such future Customary Development Encumbrances, and all liens and security interests created by the said Deed of Trust shall be superior and prior to any and all such monetary liens created by any such future Customary Development Encumbrances. The Master Trustee, to the extent deemed necessary or desirable by the Company, is hereby granted the authority to sign any and all documents subordinating the lien of the Deed of Trust to any Customary Development Encumbrances confirming such subordination in accordance with the terms of this Section following receipt of an Officer's Certificate directing the Master Trustee to sign the documents and certifying that such documents are permitted to be executed in accordance with this Section 7.13.

ARTICLE VIII

SUPPLEMENTS

Section 8.01. Supplemental Master Indentures Without Consent of Note Holders. Without the consent of the Note Holders, the Company, when authorized by a Company Resolution, and the Master Trustee at any time may enter into or consent to one or more indentures supplemental hereto, subject to Section 8.03 hereof, for any of the following purposes:

(a) to cure any ambiguity or to correct or supplement any provision herein or therein which may be inconsistent with any other provision herein or therein, or to make any other provisions with respect to matters or questions arising under this Master Indenture which shall not be inconsistent with this Master Indenture, provided such action shall not adversely affect the interests of any Note Holder;

(b) to grant to or confer upon the Master Trustee for the benefit of the Note Holders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Note Holders and the Master Trustee, or either of them, to add to the covenants of the Company for the benefit of the Note Holders or to surrender any right or power conferred hereunder upon the Company;

(c) to assign and pledge under this Master Indenture additional revenues, properties or collateral;

(d) to evidence the succession of another Person to the agreements of the Master Trustee, or a successor thereof hereunder;

(e) to evidence the succession of another Person to the Company, or successive successions, and the assumption by the successor Person of the covenants, agreements and obligations of the Company as permitted by this Master Indenture;

(f) to modify or supplement this Master Indenture in such manner as may be necessary or appropriate to qualify this Master Indenture under the Trust Indenture Act of 1939 as then amended, or under any similar federal or State statute or regulation, including provisions whereby the Master Trustee accepts such powers, duties, conditions and restrictions hereunder and the Company undertakes such covenants, conditions or restrictions additional to those contained in this Master Indenture as would be necessary or appropriate so to qualify this Master Indenture; provided, however, that nothing herein contained shall be deemed to authorize inclusion in this Master Indenture or in any indenture supplemental hereto, provisions referred to in Section 316(a)(2) of the said Trust Indenture Act or any corresponding provision provided for in any similar statute hereafter in effect;

(g) to provide for the refunding or advance refunding of any Note, in whole or in part as permitted hereunder;

(h) to permit a Note to be secured by new security which may or may not be extended to all Note Holders or to establish special funds or accounts under this Master Indenture;

(i) to allow for the issuance of any series of Notes in certificated or uncertificated form;

(j) to make any other change which does not materially adversely affect any Note Holder and does not materially adversely affect the owners of the Related Obligations;

(k) so long as no Event of Default has occurred and is continuing under this Master Indenture and so long as no event which with notice or the passage of time or both would become an Event of Default under this Master Indenture has occurred and is continuing, to make any other change herein or therein which, in the judgment of a management consultant, if any, a copy of whose report shall be filed with the Master Trustee:

(1) is in the best interest of the Company;

(2) does not materially adversely affect any Note Holder; and

(l) to make any amendment to any provision of this Master Indenture or to any supplemental indenture which is only applicable to Notes issued thereafter or which will not apply so long as any Notes then Outstanding remain Outstanding.

Section 8.02. Supplemental Master Indentures with Consent of Note Holders.

(a) With the consent of the Note Holders of not less than a majority in aggregate principal amount of the Outstanding Notes, by Act of said Note Holders delivered to the Company and the Master Trustee, the Company, when authorized by a Company Resolution, and the Master Trustee may enter into or consent to an indenture or indentures supplemental hereto (subject to Section 8.03 hereof) for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Master Indenture or of modifying in any manner the rights of the Note Holders under this Master Indenture; provided, however, that no such Supplemental Master Indenture shall, without the consent of the Note Holder of each Outstanding Note affected thereby:

(1) change the Stated Maturity of the principal of, or any installment of interest on, any Notes or any date for mandatory redemption thereof, or reduce the principal amount thereof or the interest thereon or any premium payable upon the redemption thereof, or change the coin or currency in which, any Notes or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the redemption date); or

(2) reduce the percentage in principal amount of the Outstanding Notes, the consent of whose Note Holders is required for any such supplemental indenture, or the consent of whose Note Holders is required for any waiver (of compliance with certain provisions of this Master Indenture or certain defaults hereunder and their consequences) provided for in this Master Indenture; or

(3) modify any of the provisions of this Section or Section 6.13, except to increase any such percentage or to provide that certain other provisions of this Master Indenture cannot be modified or waived without the consent of each Note Holder affected thereby.

(b) It shall not be necessary for any Act of Note Holders under this Section to approve the particular form of any proposed Supplemental Master Indenture, but it shall be sufficient if such Act of Note Holders shall approve the substance thereof, as presented in written form to the Note Holders by the Company.

Section 8.03. Execution of Supplemental Master Indentures. In executing, or accepting the additional trusts created by, any Supplemental Master Indenture permitted by this Article or the modifications thereby of the trusts created by this Master Indenture, the Master Trustee shall receive, and shall be fully protected in relying upon, an Opinion of Counsel to the effect that the execution of such Supplemental Master Indenture or consent is authorized or permitted by this Master Indenture. The Master Trustee may, but shall not (except to the extent required in the case of a Supplemental Master Indenture entered into under Section 8.01(d)) be obligated to, enter into any such Supplemental Master Indenture or consent which affects the Master Trustee's own rights, duties or immunities under this Master Indenture or otherwise.

Section 8.04. Effect of Supplemental Master Indentures. Upon the execution of any Supplemental Master Indenture under this Article, this Master Indenture shall, with respect to each series of Notes to which such Supplemental Master Indenture applies, be modified in accordance therewith, and such Supplemental Master Indenture shall form a part of this Master Indenture for

all purposes, and every Note Holder thereafter or theretofore authenticated and delivered hereunder shall be bound thereby.

Section 8.05. Notes May Bear Notation of Changes. Notes authenticated and delivered after the execution of any Supplemental Master Indenture pursuant to this Article may bear a notation in form not objected to by the Master Trustee as to any matter provided for in such Supplemental Master Indenture. If the Company or the Master Trustee shall so determine, new Notes so modified as to conform, in the opinion of the Company, to any such Supplemental Master Indenture may be prepared and executed by the Company and authenticated and delivered by the Master Trustee in exchange for Notes then Outstanding.

ARTICLE IX

SATISFACTION AND DISCHARGE OF MASTER INDENTURE

Section 9.01. Satisfaction and Discharge of Master Indenture.

(a) If at any time the Company shall have paid or caused to be paid the principal of (and premium, if any) and interest and all other amounts due and owing on all the Notes Outstanding hereunder, as and when the same shall have become due and payable, and if the Company shall also pay or provide for the payment of all other sums payable hereunder by the Company and shall have paid all of the Master Trustee's fees and expenses pursuant to Section 7.07 hereof, then this Master Indenture shall cease to be of further effect except as to (i) rights of registration of transfer and exchange, (ii) substitution of mutilated, defaced, or apparently destroyed, lost or stolen Notes, (iii) rights of Note Holders to receive payments of principal thereof (and premium, if any) and interest thereon and remaining obligations of the Company to make mandatory sinking fund payments, (iv) the rights, remaining obligations, if any, and immunities of the Master Trustee hereunder and (v) the rights of the Note Holders as beneficiaries hereof with respect to the property so deposited with the Master Trustee payable to all or any of them and the Master Trustee, on the Request of the Company and an Opinion of Counsel to the effect that the conditions precedent to the satisfaction and discharge of this Master Indenture have been fulfilled and at the cost and expense of the Company, shall execute proper instruments acknowledging satisfaction of and discharging this Master Indenture.

(b) Notwithstanding the satisfaction and discharge of this Master Indenture, the obligations of the Company to the Master Trustee under Section 7.07 and, if funds shall have been deposited with the Master Trustee pursuant to Section 9.02, the obligations of the Master Trustee under Section 9.03 and Section 4.02(f) shall survive.

Section 9.02. Notes Deemed Paid. Unless otherwise provided in the Supplemental Master Indenture establishing any such series of Notes, Notes of any series shall be deemed to have been paid if:

(a) in case said Notes are to be redeemed on any date prior to their Stated Maturity, the Company by Request shall have given to the Master Trustee in form satisfactory to it irrevocable instructions to give notice of redemption of such Notes on said redemption date;

(b) there shall have been deposited with the Master Trustee either money sufficient, or Government Obligations the principal of and the interest on which will provide money sufficient without reinvestment (as established by an Officer's Certificate delivered to the Master Trustee accompanied by a report of an Independent Accountant setting forth the calculations upon which such Officer's Certificate is based), to pay when due the principal of (and premium, if any) and interest due and to become due on said Notes on and prior to the Maturity thereof;

(c) in the event said Notes are not by their terms subject to redemption within the next forty-five (45) days, the Company by Request shall have given the Master Trustee in form satisfactory to it irrevocable instructions to give a notice to the Note Holders of such Notes that the deposit required by clause (b) of this Section 9.02 above has been made with the Master Trustee and that said Notes are deemed to have been paid in accordance with this Section and stating such redemption date upon which moneys are to be available for the payment of the principal of (and premium, if any) and interest on said Notes.

Section 9.03. Application of Trust Money. The Government Obligations and money deposited with the Master Trustee pursuant to Section 9.02 and principal or interest payments on any such Government Obligations shall be held in trust, shall not be sold or reinvested, and shall be applied by it, in accordance with the provisions of the Notes and this Master Indenture, to the payment, either directly or through any Paying Agent as the Master Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such money or Government Obligations were deposited; provided that, upon delivery to the Master Trustee of an Officer's Certificate (accompanied by the report of an Independent Accountant setting forth the calculations upon which such Officer's Certificate is based) establishing that the money and Government Obligations on deposit following the taking of the proposed action will be sufficient for the purposes described in subsection (b) of Section 9.02, any money received from principal or interest payments on Government Obligations deposited with the Master Trustee or the proceeds of any sale of such Government Obligations, if not then needed for such purpose, shall, upon Request be reinvested in other Government Obligations or disposed of as requested by the Company. For purposes of any calculation required by this Section, any Defeasance Obligation which is subject to redemption at the option of its issuer, the redemption date for which has not been irrevocably established as of the date of such calculation, shall be assumed to cease to bear interest at the earliest date on which such obligation may be redeemed at the option of the issuer thereof and the principal of such obligation shall be assumed to be received at its Stated Maturity.

Section 9.04. Execution in Counterparts. This Master Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument. Delivery of an executed counterpart of this Master Indenture by facsimile or electronic transmission shall be equally as effective as delivery of an original executed counterpart of this Master Indenture.

IN WITNESS WHEREOF, the Company and the Master Trustee have caused this Master Indenture to be signed on their behalf by their duly authorized representatives as of the date first written above.

PERMIAN BASIN WATER RESOURCES, LLC

By:_____
Name: _____
Title: _____

UMB BANK, N.A., as Master Trustee

By:_____
Name: _____
Title: _____

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APPENDIX B:

FORM OF FIRST SUPPLEMENTAL TRUST INDENTURE

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SUPPLEMENTAL MASTER TRUST INDENTURE NO. 1

Dated as of September 1, 2025

Between

PERMIAN BASIN WATER RESOURCES, LLC,
as Company

and

UMB BANK, N.A.,

as Master Trustee

_____

Supplemental to:

Master Trust Indenture and Security Agreement
Dated as of September 1, 2025

In connection with the issuance of

Series 2025A Note

and

Series 2025B Note

Relating to

Mission Economic Development Corporation Utility Revenue Bonds,
(Permian Basin Water Resources Project) Series 2025A

and

Mission Economic Development Corporation Utility Revenue Bonds,
(Permian Basin Water Resources Project) Taxable Series 2025B

TABLE OF CONTENTS

Page

Parties....1
Recitals....1

ARTICLE I

DEFINITIONS

Section 1.01 Definitions of Words and Terms....2

ARTICLE II

THE NOTES

Section 2.01 Authorization of Notes....2
Section 2.02 Form of Notes....3
Section 2.03 Payments on Notes....3
Section 2.04 Credits on Notes....3
Section 2.05 Interest on Overdue Installments....3
Section 2.06 Registration, Transfer and Exchange....3
Section 2.07 Trust Estate....3
Section 2.08 Debt Service Fund....3
Section 2.09 Capitalized Interest Fund....4
Section 2.10 Debt Service Reserve Fund....4

ARTICLE III

REDEMPTION OR REDUCTION OF NOTES;
SATISFACTION AND RELEASE

Section 3.01 Redemption....4
Section 3.02 Partial Redemption or Reduction....4
Section 3.03 Effect of Call for Prepayment or Redemption....4
Section 3.04 Satisfaction and Release....4

ARTICLE IV

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 4.01 Representations and Warranties....5
Section 4.02 Covenants under the Original Master Indenture....5

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.01 Notices....5
Section 5.02 Ratification of Original Master Indenture....5

Section 5.03 Limitation of Rights.....5
Section 5.04 Provisions of the Original Master Indenture to Control. 6
Section 5.05 Binding Effect. 6
Section 5.06 Severability Clause. 6
Section 5.07 Execution in Counterparts.....6
Section 5.08 Governing Law. 6

Exhibit "A" - Form of Tax-Exempt Master Indenture Note and Assignment; Certificate of Authentication and Registration (Series 2025A)

Exhibit "B" - Form of Taxable Master Indenture Note and Assignment; Certificate of Authentication and Registration (Series 2025B)

SUPPLEMENTAL MASTER TRUST INDENTURE NO. 1

THIS SUPPLEMENTAL MASTER TRUST INDENTURE NO. 1, dated as of September 1, 2025 (this "***Supplemental Master Indenture***"), is between **UMB BANK, N.A.**, a national banking association, as master trustee (the "***Master Trustee***"), and **PERMIAN BASIN WATER RESOURCES, LLC**, a Delaware limited liability company (the "***Company***"), amending and supplementing the hereinafter referenced Original Master Indenture.

RECITALS:

WHEREAS, the Company entered into a Master Trust Indenture and Security Agreement, dated as of September 1, 2025 (being referred to herein as the "***Original Master Indenture***"), with the Master Trustee, for the purpose of providing for the issuance of Notes (as hereinafter defined) thereunder to secure Debt of the Company (as such terms are defined in the Original Master Indenture); and

WHEREAS, the Company and the Master Trustee are authorized under the Original Master Indenture, to amend or supplement the Original Master Indenture, subject to the terms and provisions contained therein, and to provide for the issuance of a series of Notes; and

WHEREAS, the Company desires to enter into this Supplemental Master Indenture in order to provide for the issuance of certain Notes, as hereinafter described, to be secured under the Original Master Indenture as amended and supplemented hereby (as so amended and supplemented, the "***Master Indenture***"); and

WHEREAS, the Company deems it desirable to issue a (i) Master Indenture Note (Permian Basin Water Resources) Series 2025A entitled to the security of the Original Master Indenture in the original principal amount of $[_____] (the "***Series 2025A Note***") and (ii) Taxable Master Indenture Note (Permian Basin Water Resources) Series 2025B entitled to the security of the Original Master Indenture in the original principal amount of $[_____] (the "***Series 2025B Note***" and, together with the Series 2025A Note, the "***Notes***") and to deliver such Notes to the Mission Economic Development Corporation (the "***Issuer***") in order to evidence and secure the obligations of the Company under the Loan Agreement (the "***Loan Agreement***") between the Company and the Issuer, dated as of September 1, 2025, relating to the Issuer's (i) Utility Revenue Bonds (Permian Basin Water Resources Project) Series 2025A (the "***Series 2025A Bonds***") and (ii) Utility Revenue Bonds (Permian Basin Water Resources Project) Taxable Series 2025B (the "***Series 2025B Bonds***" and, together with the Series 2025A Bonds, the "***Bonds***") issued pursuant to a Trust Indenture and Security Agreement (the "***Bond Indenture***"), dated as of September 1, 2025, between the Issuer and UMB Bank, N.A., as trustee (in such capacity, the "***Bond Trustee***"); and

WHEREAS, all acts and things necessary to make the Notes authorized by this Supplemental Master Indenture, when executed by the Company and authenticated and delivered by the Master Trustee as provided in the Original Master Indenture and this Supplemental Master Indenture, the valid, binding and legal obligations of the Company and to constitute these presents, together with the Original Master Indenture, a valid indenture and agreement according to its terms, have been done and performed, and the execution of this Supplemental Master Indenture

and the issuance of the Notes authorized by this Supplemental Master Indenture have in all respects been duly authorized;

NOW, THEREFORE, in order to declare the terms and conditions upon which the Notes authorized hereby are authenticated, issued and delivered, and in consideration of the premises and the acquisition and acceptance of the Notes by the holders thereof, and in consideration of the mutual covenants, conditions and agreements which follow, the Company covenants and agrees with the Master Trustee as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions of Words and Terms. Words and terms used in this Supplemental Master Indenture and not otherwise defined herein shall, except as otherwise stated, have the meanings assigned to them in the Original Master Indenture.

"***Authorized Denomination***" means $25,000 and any integral multiple of $1,000 in excess thereof; provided, however, that if the total principal amount of any Outstanding Note is less than $25,000, then the Authorized Denomination of such Outstanding Note shall be the amount of such Outstanding Note.

"***Capitalized Interest Fund***" has the meaning assigned to such term in the Bond Indenture.

"***Debt Service Fund***" has the meaning assigned to such term in the Bond Indenture.

"***Debt Service Reserve Fund***" has the meaning assigned to such term in the Bond Indenture.

ARTICLE II

THE NOTES

Section 2.01 Authorization of Notes.

(a) There is hereby created and authorized to be issued hereunder a Note, described as follows: "Tax-Exempt Master Indenture Note (Permian Basin Water Resources) Series 2025A" in the aggregate original principal amount of $[_____], dated as of [___], 2025 (the "***Issue Date***"), issued by the Company and for the primary benefit of the Issuer. The Series 2025A Note shall initially be issued and registered in the name of the Issuer, and then endorsed by the Issuer to the order of and registered in the name of the Bond Trustee, or its successors or assigns, and shall be executed, authenticated and delivered in accordance with Article II of the Original Master Indenture.

(b) There is hereby created and authorized to be issued hereunder a Note described as follows: "Taxable Master Indenture Note (Permian Basin Water Resources) Series 2025B" in the aggregate original principal amount of $[_____], dated as of the Issue Date, issued by the

Company and for the primary benefit of the Issuer. The Series 2025B Note shall initially be issued and registered in the name of the Issuer, and then endorsed by the Issuer to the order of and registered in the name of the Bond Trustee, or its successors or assigns, and shall be executed, authenticated and delivered in accordance with Article II of the Original Master Indenture.

Section 2.02 Form of Notes. The Series 2025A Note and the Series 2025B Note shall be issued as single, fully-registered promissory notes without coupons, in substantially the forms set forth in, respectively, Exhibit "A" and Exhibit "B" hereto.

Section 2.03 Payments on Notes. The principal of the Notes shall be payable in the amounts and on the dates, and each of the unpaid installments of principal shall bear interest from the date of such notes at the respective rates, and such notes shall have such other terms and provisions, as are set forth in or incorporated by reference into the Loan Agreement.

Section 2.04 Credits on Notes.

(a) The Company shall receive a credit against amounts due on the Series 2025A Note on any payment date equal to the amounts paid as principal of (and premium, if any) or interest on, respectively, the Series 2025A Bonds on such payment date, including a credit against any mandatory sinking fund redemption payments.

(b) The Company shall receive a credit against amounts due on the Series 2025B Note on any payment date equal to the amounts paid as principal of (and premium, if any) or interest on, respectively, the Series 2025B Bonds on such payment date, including a credit against any mandatory sinking fund redemption payments.

(c) Notwithstanding the provisions of subsection (a) or (b) above or any other provision herein or in the Original Master Indenture , in the event that any payment on or with respect to the Bonds shall have been made by or on behalf of the Company and, by reason of bankruptcy or other act of insolvency, such payment shall be deemed to be a preferential payment, and the Bond Trustee shall be required by a court of competent jurisdiction to surrender such payment, any credit on the Series 2025A Note and the Series 2025B Note which may have been given as a result of such payment shall be rescinded, and the amount owing on, respectively, the Series 2025A Note or the Series 2025B Note shall be calculated as if such payment shall not have been made.

Section 2.05 Interest on Overdue Installments. The Series 2025A Note and the Series 2025B Note shall bear interest on overdue installments of principal (premium, if any), and interest, to the extent permitted by law, at a rate equal to the applicable interest rate or rates borne by, respectively, the Series 2025A Bonds or the Series 2025B Bonds.

Section 2.06 Registration, Transfer and Exchange. The Notes shall be transferred or exchanged pursuant to Section 2.05 of the Original Master Indenture.

Section 2.07 Trust Estate. The Notes shall be secured by the Trust Estate established pursuant to the Original Master Indenture.

Section 2.08 Debt Service Fund. The Notes shall be secured by the Debt Service Fund established pursuant to the Bond Indenture.

Section 2.09 Capitalized Interest Fund. The Notes shall be secured by the Capitalized Interest Fund established pursuant to the Bond Indenture.

Section 2.10 Debt Service Reserve Fund. The Notes shall be secured by the Debt Service Reserve Fund established pursuant to the Bond Indenture.

ARTICLE III

REDEMPTION OR REDUCTION OF NOTES; SATISFACTION AND RELEASE

Section 3.01 Redemption. The Series 2025A Note and the Series 2025B Note shall be subject to redemption prior to Stated Maturity to the extent and with respect to the corresponding redemption of the Series 2025A Bonds and Series 2025B Bonds, respectively, in accordance with the terms of the Bond Indenture. Written notice of redemption of the Bonds shall, without further notice or action by the Master Trustee or the Company, constitute notice of redemption of the corresponding amounts of principal due on the Notes and the same shall, thereby, become due and payable on the redemption date of the Bonds or at such earlier time as payment is required with respect thereto pursuant to the terms of the Bond Indenture.

Section 3.02 Partial Redemption or Reduction. In the event of a partial redemption of the Series 2025A Note or the Series 2025B Note pursuant to Section 3.01 hereof, the amount of the principal and interest on such Series 2025A Note or the Series 2025B Note becoming due after such redemption shall, to the extent appropriate, be adjusted so that the installments of principal and interest thereafter due on the Series 2025A Note or the Series 2025B Note correspond to the payments of the principal of and interest on the Outstanding Series 2025A Bonds and Series 2025B Bonds, respectively.

Section 3.03 Effect of Call for Prepayment or Redemption. On the date designated for prepayment or redemption by notice as herein provided, the Series 2025A Note or the Series 2025B Note or the portion thereof so called for prepayment or redemption shall become and be due and payable at the prepayment or redemption price provided for prepayments or redemption of such Series 2025A Note or Series 2025B Note or portion thereof on such date. If on the date fixed for prepayment or redemption, moneys for payment of the prepayment or redemption price and accrued and unpaid interest on the Series 2025A Note or the Series 2025B Note are held by the Master Trustee or the Bond Trustee, (i) interest on such Series 2025A Note or Series 2025B Note or portion thereof so called for prepayment or redemption shall cease to accrue, (ii) such Series 2025A Note or Series 2025B Note or portion thereof shall cease to be entitled to any benefit or security hereunder except the right to receive payment from the moneys held by the Master Trustee or the Bond Trustee and (iii) the amount of such Series 2025A Note or Series 2025B Note or portion thereof so called for prepayment or redemption shall be deemed paid and no longer outstanding.

Section 3.04 Satisfaction and Release. The Company's payment obligations with respect to the Series 2025A Note or the Series 2025B Note shall be considered satisfied, and the Master Trustee shall release this Supplemental Master Indenture with respect hereto, when all amounts

due and owing on the Series 2025A Note or the Series 2025B Note, respectively, have been paid or deemed paid under the Bond Indenture.

ARTICLE IV

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 4.01 Representations and Warranties. The Company represents and warrants that (a) it is duly authorized under the laws of the State of Delaware and all other applicable provisions of law to execute this Supplemental Master Indenture and to issue the Notes, (b) all limited liability company action on the part of the Company required by its organizational documents and the Original Master Indenture to establish this Supplemental Master Indenture as the binding obligation of the Company has been duly and effectively taken, and (c) all such action so required for the authorization and issuance of the Notes has been duly and effectively taken.

Section 4.02 Covenants under the Original Master Indenture . The Company covenants and agrees that so long as any of the Notes remain outstanding, it will deliver to the Bond Trustee all reports, opinions and other documents required by the Original Master Indenture to be submitted to the Master Trustee at the time said reports, opinions or other documents are required to be submitted to the Master Trustee, and that it will faithfully perform or cause to be performed at all times any and all covenants, agreements and undertakings required on the part of the Company contained in the Original Master Indenture and the Notes, and the Company hereby confirms its covenants and agrees with its undertakings in the Original Master Indenture .

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.01 Notices. Except as otherwise provided in the Original Master Indenture, it shall be sufficient service of any notice, request, complaint, demand or other paper required by the Original Master Indenture to be given to or filed with the parties if the same shall be delivered in writing and duly mailed by certified, registered or first class mail addressed to the addresses provided in the Original Master Indenture. The Master Trustee will be deemed to have received notice upon receipt of such written notice by the Responsible Officer of the Master Trustee.

Section 5.02 Ratification of Original Master Indenture. The Original Master Indenture, as supplemented by this Supplemental Master Indenture, is in all respects ratified and confirmed and the Original Master Indenture as so supplemented shall be read, taken and construed as one and the same instrument. Except as herein otherwise expressly provided, all the provisions, definitions, terms and conditions of the Original Master Indenture, as supplemented by this Supplemental Master Indenture, shall be deemed to be incorporated in, and made a part of, this Supplemental Master Indenture.

Section 5.03 Limitation of Rights. Nothing in this Supplemental Master Indenture or in the Notes, express or implied, shall give or be construed to give any Person other than the Company, the Master Trustee and the respective registered holders of the Notes or their assigns, any legal or equitable right, remedy or claim under or in respect of this Supplemental Master Indenture, or under any covenant, condition and provision herein contained, all its covenants,

conditions and provisions being for the sole benefit of the Company, the Master Trustee and of the respective holders of the Notes.

Section 5.04 Provisions of the Original Master Indenture to Control.The provisions of Section 7.01 through 7.13 of the Original Master Indenture shall control the terms under which the Master Trustee shall serve under this Supplemental Master Indenture.

Section 5.05 Binding Effect.All the covenants, stipulations, promises and agreements in this Supplemental Master Indenture by or on behalf of the Company or the Master Trustee shall inure to the benefit of and shall bind their respective successors and assigns, whether so expressed or not.

Section 5.06 Severability Clause.If any provision of this Supplemental Master Indenture shall be held or deemed to be, or shall in fact be, inoperative or unenforceable as applied to any particular case in any jurisdiction or jurisdictions, or in all jurisdictions or in all cases because of the conflicting of any provision with any constitution or statute or rule of public policy or for any other reasons, such circumstance shall not have the effect of rendering the provision or provisions in question inoperative or unenforceable in any other jurisdiction or in any other case or circumstance or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to the extent that such other provisions are not themselves actually in conflict with such constitution, statute or rule of public policy.

Section 5.07 Execution in Counterparts.This Supplemental Master Indenture may be executed in any number of counterparts, each of which shall be deemed an original; and all of which shall together constitute but one and the same instrument. The transactions described herein may be conducted and related documents may be sent and stored by electronic means.

Section 5.08 Governing Law.This Supplemental Master Indenture shall be governed, in all respects including validity, interpretation and effect by, and shall be enforceable in accordance with, the law of the State of Texas.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Master Indenture to be duly executed by the persons thereunto duly authorized, as of the date and year first above written.

PERMIAN BASIN WATER RESOURCES, LLC,
a Delaware limited liability company

By:_____
Name:_____
Title: _____

UMB BANK, N.A., as Master Trustee

By:_____
Name: _____
Title: _____

EXHIBIT A

FORM OF MASTER INDENTURE NOTE

TAX-EXEMPT MASTER INDENTURE NOTE
(PERMIAN BASIN WATER RESOURCES)
SERIES 2025A

THIS NOTE HAS NOT BEEN REGISTERED UNDER
THE SECURITIES ACT OF 1933, AS AMENDED

Registered	UNITED STATES OF AMERICA	Registered
No. MRA-1	STATE OF TEXAS	$[_____]

Interest Rate: AS SET FORTH HEREIN Maturity Date: [_____]

Issue Date: [___], 2025

Registered Note holder: MISSION ECONOMIC DEVELOPMENT CORPORATION

Principal Amount: _____ DOLLARS

Permian Basin Water Resources, LLC, a Delaware limited liability company (the "***Company***"), for value received, hereby promises to pay to the holder named above, or registered assigns (collectively, the "***holder***"), the Principal Amount set forth above. The Company also promises to pay interest hereon from the Issue Date set forth above, or from the Interest Payment Date (as defined in the Bond Indenture referred to below) to which interest has been paid or duly provided for, and on such other dates as may be required by the Loan Agreement referenced below until the principal hereof is paid or made available for payment. Principal of (and premium, if any) and interest on this Note are payable at the times and in the amounts described in Article IV of the Loan Agreement referred to below. The Company also promises to pay to the holder hereof the obligations of the Company described in Section 4.1 of the Loan Agreement, hereinafter defined, at the times and the amounts specified therein.

1. Authorization of Note. This Note represents the duly authorized Note of the Company, in the principal amount stated above, designated as "Tax-Exempt Master Indenture Note (Permian Basin Water Resources, LLC) Series 2025A" (this Note, together with all other Notes issued and secured under the Original Master Indenture , referred to collectively as the "***Notes***") issued under and pursuant to the Master Trust Indenture and Security Agreement dated as of September 1, 2025, between the Company, acting on its own behalf, and UMB Bank, N.A., as master trustee (the "**Master Trustee**"), as supplemented by the Supplemental Master Trust Indenture No. 1, dated as of September 1, 2025, between the Company, acting on its own behalf and the Master Trustee (collectively, being herein called the "***Master Indenture***"). This Note is issued for the purpose of securing the obligations of the Company under a Loan Agreement dated as of September 1, 2025 (the "***Loan Agreement***"), entered into between the Company and the

Mission Economic Development Corporation (the "***Issuer***") in connection with the issuance and sale of revenue bonds of the Issuer in the principal amount of $[_____], designated Mission Economic Development Corporation Utility Revenue Bonds (Permian Basin Water Resources Project) Series 2025A (the "***Bonds***"), issued under and pursuant to the Trust Indenture and Security Agreement, dated as of September 1, 2025 (the "***Indenture***"), between the Issuer and UMB Bank, N.A., as trustee (the "***Bond Trustee***").

It is provided in the Original Master Indenture that the Company has and may hereafter issue additional Notes from time to time, and if issued, such additional Notes will rank pari passu with this Note and all other Notes heretofore or hereafter issued under the Master Indenture, except as otherwise provided in the Supplemental Master Trust Indenture authorizing such Note and the Master Indenture.

Copies of the Original Master Indenture, the Bond Indenture and the Loan Agreement are on file at the Corporate Trust Office of the Master Trustee and reference is hereby made to the Master Indenture, the Bond Indenture and the Loan Agreement for the provisions, among others, with respect to the nature and extent of the security for and the rights of the registered holders of this Note, the terms and conditions on which, and purposes for which, this Note is issued and the rights, duties and obligations of the Company and the Master Trustee under the Master Indenture, to all of which the holder hereof, by acceptance of this Note assents. The Original Master Indenture may be modified, amended or supplemented only to the extent and under the circumstances permitted by, and subject to the terms and conditions of, the Master Indenture.

2. Payment. Interest on this Note which is payable, and is to be punctually paid or duly provided for, on each Interest Payment Date, will, as provided in the Master Indenture, be paid to the Person in whose name this Note is registered at the close of business on the regular Record Date for such interest, which shall be the Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the holder of this Note on such regular Record Date, and shall be paid to the Person in whose name this Note is registered at the close of business on a special record date for the payment of such defaulted interest to be fixed by the Master Trustee, notice whereof shall be given to holders of this Note not less than 10 days prior to such special record date.

Interest on this Note shall be paid to the holder of this Note at its address as it appears on the registration books of the Master Trustee by wire transfer of immediately available funds or in such other manner as may be mutually acceptable to the Master Trustee and the registered holder of this Note.

Principal and the redemption price of this Note shall be payable to the holder of this Note at the designated payment office of the Master Trustee, initially located in Austin, Texas (the "***Place of Payment***"), upon the surrender for cancellation of this Note.

If the specified date for any such payment shall be a Saturday, a Sunday or a legal holiday or the equivalent for banking institutions generally (other than legal moratorium) at the place where payment thereof is to be made, then such payment may be made on the next succeeding day which is not one of the foregoing days without additional interest and with the same force and effect as if made on the specified date for such payment. All such payments shall be made in such

coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

3. Redemption. This Note is subject to redemption only in connection with the redemption of a related amount of Series 2025A Bonds as described in the Bond Indenture referenced above.

4. Defeasance of Note. This Note is subject to defeasance as provided in the Master Indenture.

5. Limitations of Rights. The holder of this Note shall have no right to enforce the provisions of the Original Master Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Master Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Master Indenture.

6. Transfer of Note. This Note is transferable by the registered holder hereof in person or by duly authorized attorney at the designated payment office of the Master Trustee, but only to a successor Bond Trustee for the holders of the Series 2025A Bonds in the manner, subject to the limitations and upon payment of the charges provided in the Master Indenture, and upon surrender and cancellation of this Note. Upon such transfer a new registered Note or Notes without coupons of the same series and maturity and of Authorized Denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor. The Master Trustee may deem and treat the registered holder hereof as the absolute holder hereof for the purpose of receiving payment of or on account of principal hereof and premium, if any, hereon and interest due hereon and for all other purposes and the Master Trustee shall not be affected by any notice to the contrary.

7. Certain Rights of holders. If an Event of Default, as defined in the Master Indenture, shall occur, the principal of this Note and any additional Notes may be declared due and payable in the manner and with the effect provided in the Master Indenture. To the extent permitted by law, the indebtedness of the Company under the Loan Agreement and this Note may be separately and independently accelerated with or without an acceleration of the Series 2025A Bonds.

The Original Master Indenture permits, with certain exceptions as therein provided, the amendment of the Original Master Indenture and the modification of the rights and obligations of the Company and the rights of the holders of the Notes under the Original Master Indenture at any time with the consent of the holders of not less than a majority in principal amount of the Notes at the time Outstanding, as defined in the Master Indenture. The Original Master Indenture also contains provisions permitting the holders of specified percentages in aggregate principal amount of the Notes at the time Outstanding, as defined in the Master Indenture, on behalf of the holders of all the Notes, to waive compliance by the Company or its affiliates with certain provisions of the Original Master Indenture and certain past defaults under the Original Master Indenture and their consequences. Any such consent or waiver by the holder of this Note shall be conclusive and binding upon such holder and upon all future holders of this Note and of any Note issued upon the

transfer hereof or in exchange therefor or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

No reference herein to the Original Master Indenture and no provision of this Note or of the Original Master Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of this Note at the times, place, and rate, and in the coin or currency, herein prescribed from the sources herein described.

8. Usury. In no event shall the amount of interest (as defined and calculated in accordance with applicable law) contracted for, charged, reserved, received or taken in connection with the loan exceed the amount of interest which could have been contracted for, charged, reserved, received or taken at the Highest Lawful Rate as defined in the Loan Agreement. If the applicable law is ever judicially interpreted so as to render usurious any amount contracted for, charged, reserved, received or taken in connection with the loan, or if the exercise of the option contained in the Original Master Indenture or otherwise to accelerate the maturity of the loan or if any prepayment of the loan by the Company results in there having been paid or received any interest in excess of that permitted by applicable law, then notwithstanding anything to the contrary contained in the Master Indenture, the Loan Agreement provides that all excess amounts theretofore paid or received shall be credited on the principal balance of the loan (or, if the loan has been or would thereby be paid in full, refunded), and the provisions of the Original Master Indenture shall immediately be deemed reformed and the amounts thereafter collectible thereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for thereunder.

9. No Recourse. No recourse shall be had for the payment of the principal of or premium or interest on this Note or for any claim based thereon or upon any obligation, covenant or agreement in the Original Master Indenture contained, against any past, present or future officer, trustee, director, member, employee or agent of the Company, or any incorporator, officer, director, member, employee or agent of any successor corporation, as such, either directly or through any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise and all such liability of any such incorporators, officers, directors, members, employees or agents, as such, is hereby expressly waived and released as a condition of and consideration for the execution of the Original Master Indenture and the issuance of this Note.

10. Authentication of Note. This Note shall not be entitled to any benefit under the Master Indenture, or be valid or become obligatory for any purpose, until this Note shall have been authenticated by execution by the Master Trustee of the Certificate of Authentication inscribed hereon.

11. Waiver of Presentment or Notice. The Company hereby waives presentment for payment, demand, protest, notice of protest, notice of dishonor and all defenses on the grounds of extension of time of payment for the payment hereof which may be given (other than in writing) by the Master Trustee to the Company.

IT IS CERTIFIED that all conditions, acts and things required to exist, happen and be performed under the Original Master Indenture precedent to and in the issuance of this Note, exist, have happened and have been performed, and that the issuance, authentication and delivery of this Note have been duly authorized by resolutions of the Company.

IN WITNESS WHEREOF, the Company has caused this Note to be duly executed.

PERMIAN BASIN WATER RESOURCES, LLC,
a Delaware limited liability company

By:_____
Name:_____
Title: _____

ASSIGNMENT

For value received, the undersigned hereby assigns to UMB Bank, N.A., as Bond Trustee (the "*Bond Trustee*") under a Trust Indenture and Security Agreement, dated as of September 1, 2025, between the Bond Trustee and the undersigned, the within Note and all its rights thereunder without recourse or warranty, except warranty of good title and warranty that the Issuer has not assigned this Note to a person other than the Bond Trustee and that the principal amount remains unpaid under this Note.

MISSION ECONOMIC DEVELOPMENT CORPORATION

By:_____
Name:_____
Title: _____

(Form of Certificate of Authentication to
appear on each Note)

CERTIFICATE OF AUTHENTICATION

This is one of the Notes referred to in the Master Indenture.

Date of Authentication:

_____

UMB Bank, N.A., as Master Trustee

By:_____
Authorized Signature

EXHIBIT B

FORM OF MASTER INDENTURE NOTE

TAXABLE MASTER INDENTURE NOTE
(PERMIAN BASIN WATER RESOURCES)
SERIES 2025B

THIS NOTE HAS NOT BEEN REGISTERED UNDER
THE SECURITIES ACT OF 1933, AS AMENDED

Registered	UNITED STATES OF AMERICA	Registered
No. MRB-1	STATE OF TEXAS	$[_____]

Interest Rate: AS SET FORTH HEREIN Maturity Date: [_____]

Issue Date: [___], 2025

Registered Note holder: MISSION ECONOMIC DEVELOPMENT CORPORATION

Principal Amount: _____ DOLLARS

Permian Basin Water Resources, LLC, a Delaware limited liability company (the "***Company***"), for value received, hereby promises to pay to the holder named above, or registered assigns (collectively, the "***holder***"), the Principal Amount set forth above. The Company also promises to pay interest hereon from the Issue Date set forth above, or from the Interest Payment Date (as defined in the Bond Indenture referred to below) to which interest has been paid or duly provided for, and on such other dates as may be required by the Loan Agreement referenced below until the principal hereof is paid or made available for payment. Principal of (and premium, if any) and interest on this Note are payable at the times and in the amounts described in Article IV of the Loan Agreement referred to below. The Company also promises to pay to the holder hereof the obligations of the Company described in Section 4.1 of the Loan Agreement, hereinafter defined, at the times and the amounts specified therein.

12. Authorization of Note. This Note represents the duly authorized Note of the Company, in the principal amount stated above, designated as "Taxable Master Indenture Note (Permian Basin Water Resources) Series 2025B" (this Note, together with all other Notes issued and secured under the Master Indenture, referred to collectively as the "***Notes***") issued under and pursuant to the Master Trust Indenture and Security Agreement dated as of September 1, 2025, between the Company, acting on its own behalf, and UMB Bank, N.A., as master trustee (the "**Master Trustee**"), as supplemented by the Supplemental Master Trust Indenture No. 1, dated as of September 1, 2025, between the Company, acting on its own behalf and the Master Trustee (collectively, being herein called the "***Master Indenture***"). This Note is issued for the purpose of securing the obligations of the Company under a Loan Agreement dated as of September 1, 2025 (the "***Loan Agreement***"), entered into between the Company and the Mission Economic

Development Corporation (the "***Issuer***") in connection with the issuance and sale of revenue bonds of the Issuer in the principal amount of $[_____], designated Mission Economic Development Corporation Utility Revenue Bonds (Permian Basin Water Resources Project) Taxable Series 2025B (the "***Bonds***"), issued under and pursuant to the Trust Indenture and Security Agreement, dated as of September 1, 2025 (the "***Indenture***"), between the Issuer and UMB Bank, N.A., as trustee (the "***Bond Trustee***").

It is provided in the Original Master Indenture that the Company has and may hereafter issue additional Notes from time to time, and if issued, such additional Notes will rank pari passu with this Note and all other Notes heretofore or hereafter issued under the Master Indenture, except as otherwise provided in the Supplemental Master Trust Indenture authorizing such Note and the Master Indenture.

Copies of the Master Indenture, the Bond Indenture and the Loan Agreement are on file at the Corporate Trust Office of the Master Trustee and reference is hereby made to the Master Indenture, the Bond Indenture and the Loan Agreement for the provisions, among others, with respect to the nature and extent of the security for and the rights of the registered holders of this Note, the terms and conditions on which, and purposes for which, this Note is issued and the rights, duties and obligations of the Company and the Master Trustee under the Master Indenture, to all of which the holder hereof, by acceptance of this Note assents. The Original Master Indenture may be modified, amended or supplemented only to the extent and under the circumstances permitted by, and subject to the terms and conditions of, the Master Indenture.

13. Payment. Interest on this Note which is payable, and is to be punctually paid or duly provided for, on each Interest Payment Date, will, as provided in the Master Indenture, be paid to the Person in whose name this Note is registered at the close of business on the regular Record Date for such interest, which shall be the Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the holder of this Note on such regular Record Date, and shall be paid to the Person in whose name this Note is registered at the close of business on a special record date for the payment of such defaulted interest to be fixed by the Master Trustee, notice whereof shall be given to holders of this Note not less than 10 days prior to such special record date.

Interest on this Note shall be paid to the holder of this Note at its address as it appears on the registration books of the Master Trustee by wire transfer of immediately available funds or in such other manner as may be mutually acceptable to the Master Trustee and the registered holder of this Note.

Principal and the redemption price of this Note shall be payable to the holder of this Note at the designated payment office of the Master Trustee, initially located in Austin, Texas (the "***Place of Payment***"), upon the surrender for cancellation of this Note.

If the specified date for any such payment shall be a Saturday, a Sunday or a legal holiday or the equivalent for banking institutions generally (other than legal moratorium) at the place where payment thereof is to be made, then such payment may be made on the next succeeding day which is not one of the foregoing days without additional interest and with the same force and effect as if made on the specified date for such payment. All such payments shall be made in such

coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

14. Redemption. This Note is subject to redemption only in connection with the redemption of a related amount of Series 2025B Bonds as described in the Bond Indenture referenced above.

15. Defeasance of Note. This Note is subject to defeasance as provided in the Master Indenture.

16. Limitations of Rights. The holder of this Note shall have no right to enforce the provisions of the Original Master Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Master Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Master Indenture.

17. Transfer of Note. This Note is transferable by the registered holder hereof in person or by duly authorized attorney at the designated payment office of the Master Trustee, but only to a successor Bond Trustee for the holders of the Series 2025B Bonds in the manner, subject to the limitations and upon payment of the charges provided in the Master Indenture, and upon surrender and cancellation of this Note. Upon such transfer a new registered Note or Notes without coupons of the same series and maturity and of Authorized Denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor. The Master Trustee may deem and treat the registered holder hereof as the absolute holder hereof for the purpose of receiving payment of or on account of principal hereof and premium, if any, hereon and interest due hereon and for all other purposes and the Master Trustee shall not be affected by any notice to the contrary.

18. Certain Rights of holders. If an Event of Default, as defined in the Master Indenture, shall occur, the principal of this Note and any additional Notes may be declared due and payable in the manner and with the effect provided in the Master Indenture. To the extent permitted by law, the indebtedness of the Company under the Loan Agreement and this Note may be separately and independently accelerated with or without an acceleration of the Series 2025B Bonds.

The Original Master Indenture permits, with certain exceptions as therein provided, the amendment of the Original Master Indenture and the modification of the rights and obligations of the Company and the rights of the holders of the Notes under the Original Master Indenture at any time with the consent of the holders of not less than a majority in principal amount of the Notes at the time Outstanding, as defined in the Master Indenture. The Original Master Indenture also contains provisions permitting the holders of specified percentages in aggregate principal amount of the Notes at the time Outstanding, as defined in the Master Indenture, on behalf of the holders of all the Notes, to waive compliance by the Company or its affiliates with certain provisions of the Original Master Indenture and certain past defaults under the Original Master Indenture and their consequences. Any such consent or waiver by the holder of this Note shall be conclusive and binding upon such holder and upon all future holders of this Note and of any Note issued upon the

transfer hereof or in exchange therefor or in lieu hereof whether or not notation of such consent or waiver is made upon this Note.

No reference herein to the Original Master Indenture and no provision of this Note or of the Original Master Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of this Note at the times, place, and rate, and in the coin or currency, herein prescribed from the sources herein described.

19. Usury. In no event shall the amount of interest (as defined and calculated in accordance with applicable law) contracted for, charged, reserved, received or taken in connection with the loan exceed the amount of interest which could have been contracted for, charged, reserved, received or taken at the Highest Lawful Rate as defined in the Loan Agreement. If the applicable law is ever judicially interpreted so as to render usurious any amount contracted for, charged, reserved, received or taken in connection with the loan, or if the exercise of the option contained in the Original Master Indenture or otherwise to accelerate the maturity of the loan or if any prepayment of the loan by the Company results in there having been paid or received any interest in excess of that permitted by applicable law, then notwithstanding anything to the contrary contained in the Master Indenture, the Loan Agreement provides that all excess amounts theretofore paid or received shall be credited on the principal balance of the loan (or, if the loan has been or would thereby be paid in full, refunded), and the provisions of the Original Master Indenture shall immediately be deemed reformed and the amounts thereafter collectible thereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for thereunder.

20. No Recourse. No recourse shall be had for the payment of the principal of or premium or interest on this Note or for any claim based thereon or upon any obligation, covenant or agreement in the Original Master Indenture contained, against any past, present or future officer, trustee, director, member, employee or agent of the Company, or any incorporator, officer, director, member, employee or agent of any successor corporation, as such, either directly or through any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise and all such liability of any such incorporators, officers, directors, members, employees or agents, as such, is hereby expressly waived and released as a condition of and consideration for the execution of the Original Master Indenture and the issuance of this Note.

21. Authentication of Note. This Note shall not be entitled to any benefit under the Master Indenture, or be valid or become obligatory for any purpose, until this Note shall have been authenticated by execution by the Master Trustee of the Certificate of Authentication inscribed hereon.

22. Waiver of Presentment or Notice. The Company hereby waives presentment for payment, demand, protest, notice of protest, notice of dishonor and all defenses on the grounds of extension of time of payment for the payment hereof which may be given (other than in writing) by the Master Trustee to the Company.

IT IS CERTIFIED that all conditions, acts and things required to exist, happen and be performed under the Original Master Indenture precedent to and in the issuance of this Note, exist, have happened and have been performed, and that the issuance, authentication and delivery of this Note have been duly authorized by resolutions of the Company.

IN WITNESS WHEREOF, the Company has caused this Note to be duly executed.

PERMIAN BASIN WATER RESOURCES, LLC,
a Delaware limited liability company

By:_____
Name:_____
Title: _____

ASSIGNMENT

For value received, the undersigned hereby assigns to UMB Bank, N.A., as Bond Trustee (the "*Bond Trustee*") under a Trust Indenture and Security Agreement, dated as of September 1, 2025, between the Bond Trustee and the undersigned, the within Note and all its rights thereunder without recourse or warranty, except warranty of good title and warranty that the Issuer has not assigned this Note to a person other than the Bond Trustee and that the principal amount remains unpaid under this Note.

MISSION ECONOMIC DEVELOPMENT CORPORATION

By:_____
Name:_____
Title: _____

(Form of Certificate of Authentication to
appear on each Note)

CERTIFICATE OF AUTHENTICATION

This is one of the Notes referred to in the Master Indenture.

Date of Authentication:

_____

UMB Bank, N.A., as Master Trustee

By:_____
Authorized Signature

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APPENDIX C:

FORM OF INVESTOR LETTER

INVESTOR LETTER

Mission Economic Development Corporation
801 N. Bryan Road
Mission, Texas 78572

Government Capital Securities Corporation
559 Silicon Drive, Suite 100
Southlake, Texas 76092
Attention: Ed King

UMB Bank, N. A.
6034 West Courtyard Drive, Suite 225
Austin, Texas 78730
Attention: Corporate Trust Department

Re: $[_____] Mission Economic Development Corporation Utility Revenue Bonds (Permian Basin Water Resources Project) Series 2025A and Taxable Series 2025B (the "***Bonds***")

Ladies and Gentlemen:

The undersigned on behalf of [____] (the "***Investor***") is the initial purchaser of Bonds issued by Mission Economic Development Corporation (the "***Issuer***") pursuant to that certain Trust Indenture and Security Agreement dated as of September 1, 2025 (the "***Indenture***"), between the Issuer, and UMB Bank, N. A., as Trustee (the "***Trustee***"). Capitalized terms not defined herein shall be given the meaning ascribed thereto in the Limited Offering Memorandum (as defined herein).

In connection with the sale of the Bonds to Investor, Investor hereby makes the following representations, warranties and covenants as a material inducement and upon which Issuer, the Underwriter (as hereinafter defined), the Trustee, counsel for each of the foregoing, Jackson Walker L.L.P. as Bond Counsel and other Bond Counsel (if any) are authorized to rely:

(1) The Investor has committed to purchase on the date hereof at the price of $[__], with no accrued interest, $[__] in initial principal amount of the Bonds.

(2) The Investor has been informed that the Issuer will not sell or permit any Bonds to be sold to Investor unless the Investor makes the representations, warranties, and covenants herein and authorizes the Issuer, the Underwriter, the Trustee and counsel for each of the foregoing to rely thereon and such representations, warranties and covenants are made by the Investor as an inducement to the sale of the Bonds to the Investor.

(3) The Investor understands that (a) the Bonds (i) have not been registered under the Securities Act of 1933, as amended (the "***Securities Act***") and that such registration is not legally required as of the date hereof, (ii) have not been registered or qualified under any state securities or "Blue Sky" laws, (iii) will not be listed in any stock or other securities exchange, (iv) will not carry a rating from any rating service, and (v)

will be delivered in a form which may not be readily marketable; and (b) the Indenture has not been qualified under the Trust Indenture Act of 1939, as amended.

(4) The Investor understands that the Bonds may be purchased only by a "qualified institutional buyer" as defined under Rule 144A promulgated under the Securities Act (a "***Qualified Institutional Buyer***") or an institutional "accredited investor" as defined in Rule 501(a)(1), (2), (3), or (7) of Regulation D promulgated under the Securities Act (an "***Institutional Accredited Investor***"), and the Investor is either a Qualified Institutional Buyer or an Institutional Accredited Investor.

(5) The Investor understands and acknowledges that the Bonds are being issued in minimum denominations of $25,000 and are transferable only in such minimum denominations to another Institutional Accredited Investor or Qualified Institutional Buyer as provided by the Indenture, and the Investor (a) agrees to abide by the transfer restrictions set forth in the Indenture and (b) shall be responsible for compliance with such transfer restrictions, including having a reasonable belief that its transferee is an Institutional Accredited Investor or a Qualified Institutional Buyer, as the case may be.

(6) The Investor has received and read the Preliminary Limited Offering Memorandum, dated August 6, 2025, relating to the Bonds (the "***PLOM***"). The Investor has had the opportunity to review the documents to be executed in conjunction with the issuance of the Bonds, including, without limitation, the Indenture. The Investor will make its own independent credit analysis and decision to purchase the Bonds based on independent examination and evaluation of the transaction and the information contained in the PLOM, deemed appropriate by the Investor. The Investor understands it will receive the final Limited Offering Memorandum at or prior to the time of closing of the Bonds.

(7) The Investor has sufficient knowledge and experience in business and financial matters in general, and investments such as the Bonds in particular, to enable the Investor to evaluate the Bonds, the sources for repayment of the Bonds, and the terms, conditions of and other information presented in the Indenture and the other agreements, documents and instruments attached to the PLOM (which the Investor has received, read and understands). Based on the foregoing knowledge and experience of the Investor, the terms, conditions and other information set forth in the PLOM and other agreements, documents and instruments attached thereto (including the Indenture), and the Investor's own internal due diligence in reliance on the PLOM, the Investor (a) is familiar with the conditions, financial and otherwise, of the Developer, and (b) has made its own analysis of the Utility System, the Project, the Company, the Bonds and the security for the Bonds (including, without limitation, the Revenues and the terms and conditions of the Loan Agreement) so that the Investor has been able to make its decision to purchase the Bonds.

(8) The Investor acknowledges that no credit rating has been sought or obtained with respect to the Bonds.

(9) THE INVESTOR ACKNOWLEDGES AND UNDERSTANDS THAT THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER, SUBJECT TO THE LIMITATIONS SET FORTH IN THE INDENTURE, PAYABLE SOLELY

FROM AND SECURED BY THE SOURCES SET FORTH IN THE INDENTURE (WHICH PRIMARILY ARE THE ISSUER'S RIGHTS IN THE REVENUES TO BE GENERATED FROM THE UTILITY SYSTEM), AND THE ISSUER SHALL NOT BE DIRECTLY OR INDIRECTLY OR CONTINGENTLY OR MORALLY OBLIGATED TO USE ANY OTHER MONIES OR ASSETS OF THE ISSUER FOR ALL OR ANY PORTION OF THE PRINCIPAL, PREMIUM, IF ANY, AND INTEREST ON THE BONDS OR ANY COSTS INCIDENTAL THERETO.

(10) THE INVESTOR ACKNOWLEDGES AND UNDERSTANDS THAT NONE OF THE ISSUER, THE ISSUER'S ADVISOR, ANY ISSUER INDEMNIFIED PERSON, THE STATE OF TEXAS OR ANY POLITICAL SUBDIVISION (INCLUDING THE CITY OF MISSION, TEXAS) OR ANY AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS SHALL BE OBLIGATED TO PAY THE PRINCIPAL, PREMIUM, IF ANY, OR INTEREST THEREON OR ANY COSTS INCIDENTAL THERETO. THE BONDS ARE NOT A DEBT OF THE STATE OF TEXAS OR THE CITY OF MISSION, TEXAS AND DO NOT, DIRECTLY, INDIRECTLY OR CONTINGENTLY, OBLIGATE IN ANY MANNER, THE ISSUER'S ADVISOR, THE STATE OF TEXAS OR ANY POLITICAL SUBDIVISION (INCLUDING THE CITY OF MISSION, TEXAS) OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS TO LEVY ANY TAX OR TO MAKE ANY APPROPRIATION FOR PAYMENT OF THE PRINCIPAL, PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR ANY COSTS INCIDENTAL THERETO. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF TEXAS OR ANY POLITICAL SUBDIVISION (INCLUDING THE CITY OF MISSION, TEXAS) OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS, NOR THE FAITH AND CREDIT OF THE ISSUER OR ANY ISSUER INDEMNIFIED PERSON, SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL, PREMIUM, IF ANY, OR INTEREST ON, THE BONDS, OR ANY COSTS INCIDENTAL THERETO. THE ISSUER HAS NO TAXING POWER.

(11) The Investor's investment in the Bonds constitutes an investment that is suitable for and consistent with its investment program and that the Investor is able to bear the economic risk of an investment in the Bonds, including a complete loss of such investment.

(12) The Investor (a) is capable of evaluating investment risks and market value independently, both in general and with regard to transactions and investment strategies in municipal securities; (b) is exercising independent judgment in evaluating the quality of execution of the Investor's transactions by the Underwriter; and (c) has timely access to material information that is available publicly through established industry sources as defined in Municipal Securities Rulemaking Board ("***MSRB***") Rule G-47.[1]

[1] Pursuant to MSRB Rule G-47 established industry sources shall include the MSRB's Electronic Municipal Market Access ("EMMA"®) system, rating agency reports, and other sources of information relating to municipal securities transactions generally used by brokers, dealers, and municipal securities dealers that effect transactions in the type of municipal securities at issue.

(13) The Investor is purchasing the Bonds solely for its own account for investment purposes only, with a present intent to hold the securities, and not with a view to, or in connection with, any distribution, resale, fractionalization, subdivision or other disposition thereof. Notwithstanding such present intention, the Investor may sell or transfer the Bonds in the future, *provided* any such sale or transfer is made in compliance with the requirements of applicable securities laws, rules and regulations and the transfer restrictions set forth in the Indenture.

(14) The Investor acknowledges that in connection with the offering of the Bonds: (a) the Underwriter has acted at arm's length, is not an agent or financial advisor of, and owes no fiduciary duties to the Investor or any other person irrespective of whether the Underwriter has advised or is advising the Investor on other matters; and (b) the Investor has had the opportunity to consult with its own legal counsel and to negotiate this letter prior to execution.

(15) The Investor understands that the Issuer, the Underwriter, the Trustee, counsel for each of the foregoing, Jackson Walker L.L.P. as Bond Counsel and other Bond Counsel (if any) will rely upon the accuracy and truthfulness of the representations and warranties contained herein, and the Investor hereby consents to such reliance as a material inducement to enter into the agreements related to the Bonds and for the sale of Bonds to the Investor.

(16) The Investor acknowledges and agrees that none of the Issuer, the Trustee, counsel for each of the foregoing, Jackson Walker L.L.P. as Bond Counsel, other Bond Counsel (if any) and the board of directors (or functional equivalent), officers, employees, counsel, representative and agents of the foregoing (each such person, a "***Transaction Party***") will have any responsibility to the Investor for the accuracy or completeness of the information obtained by the Investor from any third party source (*i.e.*, a source other than a Transaction Party) regarding the Company, the Utility System, the Project, the Revenues, the Bonds or the provisions for payment of the Bonds or the sufficiency of any security therefore. The Investor acknowledges and agrees that, as among the Investors and the other persons or entities listed in the prior sentence, the Investor has assumed responsibility for obtaining such information and making such review as the Investor deemed necessary or desirable in connection with its decision to purchase the Bonds.

(17) Nothing in this letter shall relieve any party of its obligations under state or federal securities laws.

(18) The Investor has all right, power and authority to purchase the Bonds and to enter into and execute this letter and any other agreements, instruments or documents required to be entered into and executed by the Investor in connection with the purchase of the Bonds. The execution of this letter by the individual whose signature is set forth at the end of this letter and the delivery of this letter by the Investor have been duly authorized by all necessary action on the part of Investor.

(19) The execution and delivery of this letter by Investor will not violate, conflict with, require any consent under, or result in any breach or default under (a) any of

Investor's organizational and governing documents (to the extent applicable), (b) any applicable law or (c) any of the provisions of any contract or agreement to which it is a party or to which any of its material assets are bound, with or without notice or lapse of time or both.

[SIGNATURE FOLLOWS ON NEXT PAGE]

IN WITNESS WHEREOF, the undersigned has executed this Investor Letter as of the date first set forth above.

[INVESTOR]

By:_____
Name:_____
Title:_____

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APPENDIX D:

FORM OF TRUST INDENTURE AND SECURITY AGREEMENT

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TRUST INDENTURE AND SECURITY AGREEMENT

between

MISSION ECONOMIC DEVELOPMENT CORPORATION,
as Issuer

and

UMB BANK, N.A.,
as Trustee

Relating to
$[_____]
MISSION ECONOMIC DEVELOPMENT CORPORATION
UTILITY REVENUE BONDS
(PERMIAN BASIN WATER RESOURCES PROJECT)
SERIES 2025A

and

$[_____]
MISSION ECONOMIC DEVELOPMENT CORPORATION
UTILITY REVENUE BONDS
(PERMIAN BASIN WATER RESOURCES PROJECT)
SERIES 2025B

_____

Dated as of

September 1, 2025

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.01 Construction of Terms; Definitions 4
Section 1.02 Effect of Headings and Table of Contents....13
Section 1.03 Form of Documents Delivered to Trustee 13
Section 1.04 Acts of Bondholders 14
Section 1.05 Notice Addresses 15
Section 1.06 Notices to Bondholders; Waiver....15
Section 1.07 Successors and Assigns....15
Section 1.08 Severability Clause 15
Section 1.09 Benefits of Indenture....16
Section 1.10 Governing Law; Venue....16
Section 1.11 Directors, Officers, Employees, and Agents Exempt from Personal Liability....16

ARTICLE II

AUTHORIZATION AND TERMS OF BONDS;
ISSUANCE AND FORM OF BONDS

Section 2.01 Authorization and Form of Bonds 16
Section 2.02 Terms of Bonds....17
Section 2.03 Execution, Authentication and Delivery....19
Section 2.04 Registration, Transfer and Exchange....20
Section 2.05 Mutilated, Destroyed, Lost and Stolen Bonds 21
Section 2.06 Payment of Interest on Bonds; Interest Rights Preserved....22
Section 2.07 Persons Deemed Owners 22
Section 2.08 Cancellation 23
Section 2.09 Limited Liability of Issuer 23
Section 2.10 Initial Bonds....23
Section 2.11 Book-Entry-Only System....23

ARTICLE III

REDEMPTION OF BONDS

Section 3.01 Redemption....26
Section 3.02 Reserved....26
Section 3.03 Election to Redeem; Notice to Trustee....26
Section 3.04 Selection by Trustee of Bonds to be Redeemed 26
Section 3.05 Notice of Redemption....27
Section 3.06 Deposit of Redemption Price....27
Section 3.07 Bonds Payable on Redemption Date....27

Section 3.08 Bonds Redeemed in Part 28

ARTICLE IV

FUNDS AND INVESTMENTS

Section 4.01 Establishment of Funds; Source of Payment of the Bonds 28
Section 4.02 Bond Proceeds Fund 28
Section 4.03 Debt Service Fund 29
Section 4.04 Debt Service Reserve Fund 29
Section 4.05 Reserved 30
Section 4.06 Rebate Fund 30
Section 4.07 Project Fund 32
Section 4.08 Investment of Bond Proceeds 33
Section 4.09 Investment of Funds 33
Section 4.10 Trustee and Issuer Relieved From Responsibility 34

ARTICLE V

COVENANTS OF THE ISSUER

Section 5.01 Payment of Debt Service; Limited Obligations 34
Section 5.02 Money for Bond Payments to be Held in Trust; Appointment of Paying Agents 34
Section 5.03 Instruments of Further Assurance 36
Section 5.04 Maintenance of Rights 36
Section 5.05 Corporate Existence 37
Section 5.06 Limitations on Liens, Debt and Disposition of Assets 37
Section 5.07 Tax Covenants 37

ARTICLE VI

REMEDIES OF THE TRUSTEE AND
BONDHOLDERS IN EVENT OF DEFAULT

Section 6.01 Events of Default 38
Section 6.02 Acceleration of Maturity; Rescission and Annulment 39
Section 6.03 Reserved 40
Section 6.04 Suits for Enforcement by Trustee 40
Section 6.05 Trustee May File Proofs of Claim 40
Section 6.06 Trustee May Enforce Claims Without Possession of Bonds 41
Section 6.07 Application of Money Collected 41
Section 6.08 Limitation on Suits 42
Section 6.09 Unconditional Right of Bondholders to Receive Principal, Premium and Interest 42
Section 6.10 Restoration of Rights and Remedies 43
Section 6.11 Rights and Remedies Cumulative 43
Section 6.12 Delay or Omission Not Waiver 43
Section 6.13 Control by Bondholders 43

Section 6.14 Waiver of Past Defaults 43
Section 6.15 Undertaking for Costs 44
Section 6.16 Waiver of Stay or Extension Laws 44
Section 6.17 No Recourse Against Others 44
Section 6.18 Expenses Payable under Indenture 45
Section 6.19 Termination of Default 45

ARTICLE VII

CONCERNING THE TRUSTEE

Section 7.01 Duties and Liabilities of Trustee 45
Section 7.02 Notice of Defaults 46
Section 7.03 Certain Rights of Trustee 47
Section 7.04 Not Responsible For Recitals or Issuance of Bonds 49
Section 7.05 Trustee May Own Bonds 50
Section 7.06 Moneys to Be Held in Trust 50
Section 7.07 Compensation and Expenses of Trustee and Paying Agent 50
Section 7.08 Corporate Trustee Required; Eligibility 51
Section 7.09 Resignation and Removal; Appointment of Successor 51
Section 7.10 Acceptance of Appointment by Successor 52
Section 7.11 Merger or Consolidation 52
Section 7.12 Authenticating Agent 53
Section 7.13 Trustee Not Liable for Agents 54
Section 7.14 Facsimile and Electronic Transmissions 54

ARTICLE VIII

SUPPLEMENTS AND AMENDMENTS

Section 8.01 Supplemental Indentures and Amendatory Agreements Without Consent of Bondholders 54
Section 8.02 Supplemental Indentures and Amendatory Agreements with Consent of Bondholders 55
Section 8.03 Execution of Supplemental Indentures 56
Section 8.04 Effect of Supplemental Indentures 56
Section 8.05 Bonds May Bear Notation of Changes 56

ARTICLE IX

SATISFACTION AND DISCHARGE OF INDENTURE; UNCLAIMED MONEYS

Section 9.01 Satisfaction and Discharge of Indenture 57
Section 9.02 Payment of Bonds 58
Section 9.03 Application of Trust Money 59

ARTICLE X

MISCELLANEOUS

Section 10.01 Execution in Counterparts.....59
Section 10.02 Continuing Disclosure 59
Section 10.03 Final Agreement.....59

Exhibit A-1 - Form of Series 2025A Bonds
Exhibit A-2 - Form of Series 2025B Bonds
Exhibit B - Form of Requisition Certificate

TRUST INDENTURE AND SECURITY AGREEMENT

THIS TRUST INDENTURE AND SECURITY AGREEMENT (this "Indenture"), dated as of September 1, 2025, is between the **MISSION ECONOMIC DEVELOPMENT CORPORATION**, a constituted authority and non-profit corporation created and existing under the Development Corporation Act, Texas Local Government Code, Chapter 501, as amended, and Texas Local Government Code, Chapter 505, as amended (together, the "Act"), together with its successors and assigns (the "Issuer"), and **UMB BANK, N.A.**, a national banking association, not in its individual capacity but solely as Trustee (the "Trustee").

W I T N E S S E T H:

WHEREAS, the Act, authorizes and empowers the Issuer to issue bonds on behalf of the City of Mission, Texas (the "Unit") to finance expenditures found by the Board of Directors of the Issuer to be required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises, including water facilities;

WHEREAS, the Issuer was created by a city wholly or partly located in a county that is bordered by the Rio Grande, has a population of at least 500,000 and has wholly or partly within its boundaries at least four cities that each have a population of at least 25,000;

WHEREAS, the Issuer does not support the Project (as hereinafter defined) with sales and use tax revenue collected under Chapter 504 or 505 of the Texas Local Government Code;;

WHEREAS, the governing body of the County of Midland, Texas has requested the Issuer to exercise its powers to finance the Project located in such county to issue revenue bonds for the purpose of paying all or part of the cost of a "project," as defined in the Act, and to loan the proceeds of the bonds to finance all or part of the cost of the Project;

WHEREAS, Permian Basin Water Resources, LLC, a Delaware limited liability company (the "Company"), requests that the Issuer issue, and the Issuer proposes to issue, its revenue bonds pursuant to the Board Resolution of the Issuer authorizing the issuance of the revenue bonds and this Indenture, which will be designated $[_____] Utility Revenue Bonds (Permian Basin Water Resources Project) Series 2025A (the "Series 2025A Bonds") and $[_____] Utility Revenue Bonds (Permian Basin Water Resources Project) Taxable Series 2025B (the "Series 2025B Bonds" and, together with the Series 2025A Bonds, the "Bonds"), the proceeds of which will be loaned to the Company to be used to (i) finance or refinance the cost of the acquisition, improvement, construction, renovation and equipping of certain water facilities (ii) funding a reserve fund for payment of principal and interest on the Bonds; and (iii) pay the costs of issuing the Bonds (the "Project");

WHEREAS, the Issuer has determined, based on representations of the Company, that the Project furthers the public purpose of the Act;

WHEREAS, the Bonds shall not be a debt, liability or obligation of the Issuer, the Unit, the State of Texas or of any political subdivision thereof, but shall be payable solely from payments

derived from the Company and its affiliates and from other security, if any, furnished by the Company or its affiliates with respect to the Bonds;

WHEREAS, the Issuer and the Company have entered into a Loan Agreement, dated as of even date herewith (the "Loan Agreement"), providing for (i) a loan from the Issuer to the Company of the proceeds of the sale of the Bonds, and (ii) the repayment of such loan by the Company;

WHEREAS, contemporaneously with the execution and delivery of this Indenture, the parties to the Bond Documents have executed and delivered the other Bond Documents (as defined herein) for the purposes of effecting the issuance of the Bonds, furthering the public purposes of the Act, and securing to the Bondholders the payment of the Bond Obligations;

WHEREAS, the Issuer has determined, subject to the conditions set forth herein and within the Master Indenture, to provide for the issuance from time to time in the future of certain additional Debt for the purpose of defraying the cost of completing, enlarging, improving, or expanding one or more projects or other eligible properties for the Company or refunding any series of bonds theretofore issued and Outstanding under this Indenture;

WHEREAS, all things necessary to make the Bonds, when issued, executed and delivered by the Issuer and authenticated by the Trustee pursuant to this Indenture, the valid, legal and binding limited obligations of the Issuer, and to constitute this Indenture a valid pledge of certain income, revenues and assets derived from the proceeds of the Bonds and from the Loan Agreement for the payment of the Bond Obligations have been performed, and the execution and delivery of this Indenture, and the creation, execution and issuance of the Bonds subject to the terms hereof, have in all respects been duly authorized; and

NOW THEREFORE, in consideration of the premises and other good and valuable consideration and the mutual benefits, covenants and agreements set forth below, the parties agree as follows:

GRANTING CLAUSES

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that to secure the payment of the Bond Obligations and the performance of the covenants herein contained and to declare the terms and conditions on which the Outstanding Bonds are secured, and in consideration of the premises, of the purchase of the Bonds by the Bondholders thereof, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the Issuer by these presents does grant, bargain, sell, alien, remise, release, convey, assign, transfer, mortgage, hypothecate, pledge, set over, and confirm to the Trustee, forever, all and singular the following described properties, and grants a security interest therein for the purposes herein expressed, to-wit:

GRANTING CLAUSE FIRST

All right, title, and interest of the Issuer in and to the Loan Agreement, including all amounts payable thereunder, including but not limited to the Loan Payments, the Master Note any and all security heretofore or hereafter granted or held for the payment thereof, and the present and continuing right to bring actions and

proceedings under the Loan Agreement or for the enforcement thereof and to do any and all things which the Issuer is or may become entitled to do thereunder, but excluding the Issuer's Unassigned Rights; and

GRANTING CLAUSE SECOND

All right, title, and interest of the Issuer in and to all money and investments held for the credit of the funds and accounts established by or under this Indenture as hereinafter described; and

GRANTING CLAUSE THIRD

Any and all property that may, from time to time hereafter, by delivery or by writing of any kind, be subjected to the lien and security interest hereof by the Issuer or by anyone on its behalf (and the Trustee is hereby authorized to receive the same at any time as additional security hereunder), which subjection to the lien and security interest hereof of any such property as additional security may be made subject to any reservations, limitations, or conditions that shall be set forth in a written instrument executed by the Issuer or the Person so acting on its behalf or by the Trustee respecting the use and disposition of such property or the proceeds thereof;

TO HAVE AND TO HOLD all said property, rights, privileges, and franchises of every kind and description, real, personal or mixed, hereby and hereafter (by supplemental instrument or otherwise) granted, bargained, sold, aliened, remised, released, conveyed, assigned, transferred, mortgaged, hypothecated, pledged, set over, or confirmed as aforesaid, or intended, agreed, or covenanted so to be, together with all the appurtenances thereto appertaining (said properties, rights, privileges, and franchises together with any Cash and securities hereafter deposited or required to be deposited with the Trustee being herein collectively referred to as the "Trust Estate") unto the Trustee and its successors and assigns forever;

BUT IN TRUST, NEVERTHELESS, for the equal and proportionate benefit and security of the Bondholders from time to time of the Outstanding Bonds without any priority of any such Bonds over any other such Bonds except as herein otherwise expressly provided;

UPON CONDITION that, if the Issuer, or its successors or assigns shall well and truly pay, or cause to be paid, the principal of (and premium, if any) and interest on the Bonds according to the true intent and meaning thereof, or there shall be deposited with the Trustee such amounts in such form in order that no Bonds shall remain Outstanding as herein defined and provided, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions of the Bond Documents, then upon the full and final payment of all such sums and amounts secured hereby or upon such deposit, this Indenture and the rights, titles, liens, security interests, and assignments herein granted shall cease, determine, and be void and this grant shall be released by the Trustee in due form at the expense of the Issuer, except only as herein provided; otherwise this grant to be and shall remain in full force and effect;

AND IT IS HEREBY COVENANTED AND DECLARED that all Bonds are to be authenticated and delivered and the Trust Estate is to be held and applied by the Trustee, subject to the further covenants, conditions, and trusts hereinafter set forth, and the Issuer does hereby

covenant and agree to and with the Trustee, for the equal and proportionate benefit of all Bondholders, except as herein otherwise expressly provided, as follows:

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.01 Construction of Terms; Definitions.

(a) For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(1) "***Indenture***" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

(2) All references in this instrument to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed. The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

(3) The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular. Terms used herein but defined only in the Loan Agreement or Master Indenture have the meanings assigned to them in the Loan Agreement or in the Master Indenture, as applicable. Reference to any Bond Document means that Bond Document as amended or supplemented from time to time. Reference to any party to a Bond Document means that party and its successors and assigns.

(b) The following terms have the meanings assigned to them below whenever they are used in this Indenture except to the extent otherwise defined in Exhibit A-1, A-2 or B hereto:

"***Act***" has the meaning set forth in the Recitals hereof.

"***Act of Bondholders***" has the meaning assigned to such term in Section 1.04 hereof.

"***Authenticating Agent***" means the Person designated pursuant to Section 7.12 hereof to perform the duties of such set forth in this Indenture, initially the Trustee.

"***Authorized Denominations***" means, with respect to the Bonds, $25,000 and any $1,000 integral multiple thereof.

"***Authorized Newspaper***" means a newspaper of general circulation in the relevant area, printed in the English language and customarily published on each Business Day, whether or not published on Saturdays, Sundays or holidays. Whenever successive weekly publications in an Authorized Newspaper are required hereunder, they may be made

(unless otherwise expressly provided herein) on the same or different days of the week and in the same or in different Authorized Newspapers.

"***Authorized Representative***" means with respect to the Company, the President, the Vice-President, the Secretary/Treasurer, Chief Finance/Operations Officer or the Chief Executive Officer of the Company, or any other person duly appointed by the Governing Body of the Company to act on behalf of the Company, each as evidenced by a written certificate furnished to the Trustee signed on behalf of the Company by an authorized officer of the Company. The Trustee may rely on such written certificate until it is given written notice to the contrary. With respect to the Issuer, initially the President, Vice President or Chief Executive Officer of the Issuer, and thereafter, any other person or person at the time designated to act on behalf of the Issuer by written certificate furnished to the Trustee signed on behalf of the Issuer by one of its authorized signatories, which certificate may designate an alternate or alternates, and, when used with reference to the performance of any act, the discharge of any duty or the execution of any certificate or other document, any officer, employee or other person authorized to perform such act, discharge such duty or execute such certificate or other document.

"***Bankruptcy Code***" means Title 11 of the United States Code, as amended from time to time.

"***Board Resolution***" of any specified Person means a copy of a resolution certified by the person responsible for maintaining the records of the Governing Body of such Person to have been duly adopted by the Governing Body of such Person and to be in full force and effect on the date of such certification and delivered to the Trustee.

"***Bond Counsel***" means Jackson Walker LLP or such other attorney or firm of attorneys which are nationally recognized as having expertise in the practice of tax-exempt municipal finance law as approved by the Company.

"***Bond Documents***" means this Indenture, the Supplemental Master Trust Indenture, the Loan Agreement, the Master Notes, the Bonds, the Master Indenture, the Bond Purchase Agreement, and all other agreements, documents and instruments ever delivered pursuant to any of the foregoing and any and all future renewals and extensions or restatements of any of the foregoing.

"***Bond Obligations***" means all principal of (and premium, if any) and interest on the Bonds and any other amounts which may be owed by the Company to, or on behalf of, the Issuer or the Trustee under the Bond Documents.

"***Bond Proceeds Fund***" means the special trust fund created pursuant to Section 4.02 of this Indenture.

"***Bond Purchase Agreement***" means the Bond Purchase Agreement among the Issuer, the Company, and the Underwriter relating to the Bonds.

"***Bond Register***" and "***Bond Registrar***" have the respective meanings specified in Section 2.04.

"***Bond Year***" has the meaning given to such term in the Loan Agreement.

"***Bondholder***" means a Person in whose name a Bond is registered in the Bond Register.

"***Book-Entry-Only Form***" or "***Book-Entry-Only System***" means, with respect to the Bonds, a form or system, as applicable, under which (a) the ownership of beneficial interests in the Bonds may be transferred only through a book entry, and (b) physical bond certificates in fully registered form are registered only in the name of a Depository or its nominee as Bondholder, with the physical bond certificates held in the custody or on behalf of the Depository.

"***Business Day***" means any day which is not a Saturday, Sunday, legal holiday, or a day on which banking institutions in the City of New York, New York or in the cities where the Corporate Trust Office of the Trustee or its payment office is located or is authorized by law or executive order to close.

"***Capitalized Interest Fund***" means the special trust fund established pursuant to Section 4.05 hereof.

"***Cash***" means such coin or currency of the United States of America as at the time shall be legal tender for the payment of all public and private debts.

"***Closing Date***" means the date on which the Bonds are first authenticated and delivered to the initial purchasers thereof against payment therefor.

"***Code***" means the Internal Revenue Code of 1986, and the regulations issued thereunder, as the same may be amended from time to time, and any successor provisions of law. Reference to a particular section of the Code shall be deemed to be a reference to any successor to any such section.

"***Company***" means Permian Basin Water Resources, LLC, a Delaware limited liability company, its permitted successors and assigns, and any resulting, surviving or transferee Person permitted hereunder.

"***Consent***," "***Order***," and "***Request***" of any specified Person mean, respectively, a written consent, order, or request signed in the name of such person and delivered to the Trustee by an Authorized Representative.

"***Continuing Disclosure Agreement***" means the Continuing Disclosure Agreement, dated as of September [__], 2025, executed by the Company.

"***Corporate Trust Office***" means the address or addresses of the Trustee designated from time to time pursuant to Section 1.05 hereof.

"***Costs of Issuance***" means the cost of financing, legal, printing and other costs attributable to the issuance of the Bonds.

"***Debt***" has the meaning assigned to such term in the Master Indenture.

"***Debt Service Fund***" means the special trust fund established pursuant to Section 4.03 of this Indenture.

"***Debt Service Reserve Fund***" means the special trust fund established pursuant to Section 4.04 of this Indenture.

"***Debt Service Reserve Fund Requirement***" means the least of: (i) Maximum Annual Debt Service on the Bonds as of the Closing Date, (ii) 125% of average Annual Debt Service on the Bonds as of the Closing Date, or (iii) 10% of the lesser of the principal amount of the Outstanding Bonds or the original issue price of the Bonds. As of the Closing Date, the Debt Service Reserve Fund Requirement is $_____, which is an amount equal to the [Maximum Annual Debt Service on the Bonds].

"***Defeasance Obligations***" means obligations now or hereafter provided in Section 1207.062(b), Texas Government Code.

"***Depository***" means any securities depository that is a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended, operating and maintaining, with its participants or otherwise, a Book-Entry-Only System to record ownership of beneficial interests in the Bonds, and to effect transfers of the Bonds, in Book-Entry-Only Form. The initial Depository for the Bonds shall be DTC.

"***DTC***" means The Depository Trust Company, New York, New York, the initial securities depository of the Book-Entry-Only System described in Section 2.11 hereof. DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended.

"***Eligible Securities***" means, to the extent permitted by law (as determined by the Company and not the Trustee), obligations or securities now or hereafter authorized as investments under the Public Funds Investment Act, Chapter 2256, Texas Government Code, maturing or redeemable at the option of the Trustee, or marketable, prior to the maturities thereof, at such time or times as to enable disbursements to be made from the Debt Service Fund, the Project Fund and the Rebate Fund in accordance with the terms hereof.

"***Event of Default***" is defined in Article VI of this Indenture.

"***Favorable Opinion of Bond Counsel***" means, with respect to any action the taking of which requires such an opinion and is permitted by the terms of this Indenture, an unqualified opinion of counsel, which shall be from Bond Counsel, delivered to and in

form and substance satisfactory to the Issuer and the Trustee to the effect that such action does not violate the applicable laws and the Indenture.

"***Fiscal Year***" means, with respect to the Company and the Utility Companies, the twelve month period beginning January 1 and ending December 31.

"***Fiscal Quarter***" means each three month quarterly period within a Fiscal Year.

"***Governing Body***" of any specified Person means the board of directors or board of trustees of such Person or any duly authorized committee of that board, or if there is no board of directors, then the person or body which pursuant to law or the organizational documents of such Person is vested with powers similar to those vested in a board of trustees or a board of directors.

"***Government Obligations***" as used in Section 9.02 hereof means (1) direct noncallable obligations of the United States, including obligations that are fully and unconditionally guaranteed by the United States, (2) noncallable obligations of an agency or instrumentality of the United States, including obligations that are fully and unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Company approves the refunding, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; and (3) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the Company approves the refunding, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent.

"***Independent***" when used with respect to any specified Person means such a Person who (i) is in fact independent, (ii) does not have any direct financial interest or any material indirect financial interest in the Company, and (iii) is not connected with the Company as an officer, employee, promoter, trustee, partner, director or person performing similar functions. Whenever it is herein provided that any Independent Person's opinion or certificate shall be furnished to the Trustee, such Person shall be appointed by Order and such opinion or certificate shall state that the signer has read this definition and that the signer is Independent within the meaning hereof.

"***Interest Payment Date***" means each February 15 and August 15, commencing February 15, 2026.

"***Interest Rates***" shall mean interest rates as set forth in Section 2.02(a) of this Indenture.

"***Issuer***" means the Mission Economic Development Corporation, a constituted authority and non-profit corporation created and existing under the Act, together with its successors and assigns.

"***Issuer Indemnified Parties***" means, collectively, the board members, directors, officers and employees of the Issuer, the Mayor and City Council members of the Unit, and each and all of the Issuer's and the Unit's respective past, present and future directors,

board members, governing members, trustees, commissioners, elected or appointed officials, officers, employees, Authorized Representatives, attorneys, contractors, subcontractors, agents and advisers (including, without limitation, counsel and financial advisers) and each of their respective heirs, successors and assigns.

"***Issuer's Unassigned Rights***" means the Issuer's rights under the Indenture and the Loan Agreement to: (i) receive payment of its fees and reimbursement of its expenses, (ii) be indemnified and held harmless from liability, and (iii) give or receive notices, approvals, consents, requests and other communications in accordance with the Indenture and the Loan Agreement, including but not limited to all rights of the Issuer to receive payment of its fees and expenses and its right to indemnification pursuant to Sections 4.6, 5.1 and 5.4 of the Loan Agreement.

"***Loan Agreement***" means the Loan Agreement, dated as of the date of this Indenture, between the Issuer and the Company relating to the loan of the proceeds of the Bonds.

"***Loan Payments***" has the meaning assigned to such term in the Loan Agreement.

"***Management Consultant***" means a firm of Independent professional management consultants knowledgeable in the operation of utility companies and having a favorable reputation for skill and experience in the field of utility company management consultation.

"***Master Indenture***" means that certain Master Trust Indenture and Security Agreement, dated as of September 1, 2025, between the Company and the Master Trustee, as amended by the Supplemental Master Trust Indenture, and as further amended or supplemented from time to time in accordance with its terms.

"***Master Notes***" means the promissory notes in the forms attached to the Supplemental Master Trust Indenture as Exhibits "A" and "B" which are secured by the Master Indenture, executed by the Company and dated the Closing Date in the principal amounts of the Series 2025A Bonds and the Series 2025B Bonds, respectively.

"***Master Trustee***" means UMB Bank, N.A., a national banking association, with a corporate trust office in Austin, Texas, serving solely in its capacity as master trustee pursuant to the Master Indenture or any successor thereto pursuant to the provisions of the Master Indenture.

"***Maturity***" when used with respect to any Bond means the date on which the principal of such Bond becomes due and payable as therein or herein provided, whether at the Stated Maturity thereof or by declaration of acceleration, call for redemption or otherwise.

"***Officer's Certificate***" of any specified Person means a certificate signed by the chairman or president of the Governing Body or an Authorized Representative.

"***Opinion of Counsel***" has the meaning assigned to such term in the Loan Agreement.

"***Outstanding***" when used with respect to any Bonds means, as of the date of determination, all Bonds theretofore authenticated and delivered under this Indenture, except:

(i) Bonds theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(ii) Bonds for whose payment or redemption money (or Defeasance Obligations to the extent permitted by Section 9.02 of this Indenture) in the necessary amount has been theretofore deposited with the Trustee or any paying agent for such Bonds in trust for the Bondholders pursuant to this Indenture; provided, that, if such Bonds are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or irrevocable provision therefor satisfactory to the Trustee has been made;

(iii) Bonds upon transfer of or in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to this Indenture; and

(iv) Bonds alleged to have been destroyed, lost, or stolen which have been paid as provided in Section 2.05.

provided, however, that in determining whether Bondholders of the requisite principal amount of Outstanding Bonds have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Bonds owned of record or beneficially by the Company or any other obligor upon the Bonds or the Master Notes or such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds that the Responsible Officer actually knows to be so owned shall be so disregarded. Bonds so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Company or any other obligor upon the Bonds or the Master Notes or such other obligor.

"***Paying Agent***" means initially the Trustee, and any other Person authorized by the Issuer to pay the principal of (and premium, if any) or interest on any Bonds on behalf of the Issuer.

"***Permitted Investments***" means any one or more of the following obligations or securities, including those issued by the Trustee under any securitization or any of its Affiliates and meeting one of the appropriate standards set forth below:

(a) the following obligations of, or the following obligations directly and unconditionally guaranteed as to principal and interest by, the U.S. government or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States of America and have maturities not in excess of one year:

(i) all direct or fully guaranteed obligations of the Treasury;

(ii) U.S. Department of Housing and Urban Development public housing agency bonds (previously referred to as local issuer bonds);

(iii) Federal Housing Administration debentures;

(iv) Government National Mortgage Association (GNMA) guaranteed mortgage-backed securities or participation certificates;

(v) RefCorp debt obligations;

(vi) SBA-guaranteed participation certificates and guaranteed pool certificates;

(b) federal funds, unsecured certificates of deposit, time deposits, banker's acceptances, and repurchase agreements having maturities of not more than ninety (90) days of any commercial bank organized under the laws of the United States of America or any state thereof or the District of Columbia, the short-term debt obligations of which are rated (a) "A-1+" (or the equivalent) by S&P and, if it has a term in excess of three months, the long-term debt obligations of which are rated "AAA" (or the equivalent) by S&P, and that (1) is at least "adequately capitalized" (as defined in the regulations of its primary Federal banking regulator) and (2) has Tier 1 capital (as defined in such regulations) of not less than $1,000,000,000, (b) in one of the following Moody's rating categories: (1) for maturities less than one month, a long-term rating of "A2" or a short-term rating of "P-1", (2) for maturities between one and three months, a long-term rating of "A1" and a short-term rating of "P-1", (3) for maturities between three months to six months, a long-term rating of "Aa3" and a short-term rating of "P-1" and (4) for maturities over six months, a long-term rating of "Aaa" and a short-term rating of "P-1" and (c) in one of the following Fitch rating categories: (1) for maturities less than three months, a long term rating of "A" and a short term rating of "F-1" and (2) for maturities greater than three months, a long-term rating of "AA-" and a short term rating of "F-1+";

(c) deposits that are fully insured by the Federal Deposit Insurance Corp.;

(d) commercial paper rated (a) "A–1+" (or the equivalent) by S&P and having a maturity of not more than ninety (90) days, (b) in one of the following Moody's rating categories: (i) for maturities less than one month, a long-term rating of "A2" or a short-term rating of "P-1", (ii) for maturities between one and three months, a long-term rating of "A1" and a short-term rating of "P-1", (iii) for maturities between three months to six months, a long-term rating of "Aa3" and a short-term rating of "P-1" and (iv) for maturities over six months, a long-term rating of "Aaa" and a short-term rating of "P-1" and (c) in one of the following Fitch rating categories: (1) for maturities less than three months, a long term rating of "A" and a short term rating of "F-1" and (2) for maturities greater than three months, a long-term rating of "AA-" and a short term rating of "F-1+"; and

(e) money market mutual funds that are rated in either of the two highest categories by a Rating Agency, including funds for which the Trustee and/or its Affiliates provide investment advisory or other management services.

Notwithstanding the foregoing, "Permitted Investments" (i) shall exclude any security with the S&P "r" symbol (or any corresponding symbol of Moody's or Fitch) attached to the rating (indicating high volatility or dramatic fluctuations in their expected returns because of market risk), as well as any mortgage-backed securities and any security of the type commonly known as "strips"; (ii) shall be limited to those instruments that have a predetermined fixed dollar of principal due at maturity that cannot vary or change; (iii) shall only include instruments that qualify as "cash flow investments" (within the meaning of Section 860G(a)(6) of the Code); and (iv) shall exclude any investment where the right to receive principal and interest derived from the underlying investment provides a yield to maturity in excess of 120% of the yield to maturity at par of such underlying investment. Interest may either be fixed or variable, and any variable interest must be tied to a single interest rate index plus a single fixed spread (if any) and move proportionately with that index. All investments shall mature or be redeemable upon the option of the holder thereof on or prior to the Business Day preceding the day before such amounts are required to pay amounts due hereunder.

"***Person***" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

"***Place of Payment***" for the Bonds means a city or any political subdivision thereof designated as such in the Bonds.

"***Project***" shall have the meaning ascribed in the Recitals hereof.

"***Project Fund***" means the special trust fund created in Section 4.07 of this Indenture.

"***Record Date***" means the close of business for the Trustee on the last day of the calendar month immediately preceding any Interest Payment Date regardless of whether such day is a Business Day.

"***Redemption Date***" means an optional or mandatory redemption of the Bonds in accordance with Article III hereof.

"***Requisition Certificate***" means any Requisition Certificate in substantially the form attached as Exhibit B to this Indenture.

"***Responsible Officer***" when used with respect to the Trustee means the officer in the Corporate Trust Office of the Trustee having direct responsibility for administration of this Indenture.

"***Series 2025A Bonds***" means the Mission Economic Development Corporation Utility Revenue Bonds (Permian Basin Water Resources Project) Series 2025A, authorized to be issued pursuant to Section 2.01 of this Indenture.

"***Series 2025B Bonds***" means the Mission Economic Development Corporation Utility Revenue Bonds (Permian Basin Water Resources Project) Taxable Series 2025B, authorized to be issued pursuant to Section 2.01 of this Indenture.

"***State***" means the State of Texas.

"***Stated Maturity***" when used with respect to any Bond or any installment of interest thereon means the date specified in such Bond as the fixed date on which the principal of such Bond or such installment of interest is due and payable.

"***Supplemental Master Trust Indenture***" shall mean the Supplemental Master Trust Indenture No. 1, dated as of September 1, 2025, between the Company and the Master Trustee.

"***System***" has the meaning assigned to such term in the Master Indenture.

"***Tax Certificate and Agreement***" means the Tax Certificate and Agreement dated as of _____, 2025, concerning certain matters pertaining to the use and investment of proceeds of the Bonds, executed by and delivered to the Issuer on the date of issuance of the Bonds, including any and all exhibits attached thereto.

"***Trust Estate***" is defined in the Granting Clauses of this Indenture.

"***Trustee***" means UMB Bank, N.A., a national banking association with a corporate trust office in Austin, Texas, serving solely in its capacity as Trustee pursuant to this Indenture or any successor thereto pursuant to the provisions of this Indenture.

"***Underwriter***" means FMSbonds, Inc.

"***Utility Companies***" means, collectively, Greenwood Water Corporation, a Texas corporation, Park Water Company, a Texas corporation, and Park Sewer Company, a Texas corporation.

Section 1.02 Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 1.03 Form of Documents Delivered to Trustee. Every certificate and opinion and every Opinion of Counsel with respect to compliance with a condition or covenant provided for in this Indenture shall include a statement that the person making such certification or opinion has read such covenant or condition and the definitions relating thereto, has made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether such covenant or condition has been complied with, and a statement whether such condition or covenant has been complied with. In any case where several matters are required to be certified by or covered by an opinion of any specified Person, it is not necessary that all such matters be certified by or covered by the opinion of only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such

Person may certify or give an opinion as to such matters in one or several documents. Any certificate or opinion of any officer of a Person may be based, insofar as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or opinion or Opinion of Counsel may be based, in so far as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of a specified Person stating that the information with respect to such factual matters is in the possession of such Person, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Section 1.04 Acts of Bondholders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Bondholders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Bondholders in person or by an agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee, and, where it is hereby expressly required, to the Issuer. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act of Bondholders" by the Bondholders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent, shall be sufficient for any purpose of this Indenture and (subject to Section 8.01) conclusive in favor of the Trustee and the Issuer, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or a member of a partnership on behalf of such corporation or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the person executing the same, may also be proved in any other manner which the Trustee deems sufficient.

(c) The ownership of Bonds shall be proved by the Bond Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other Act of Bondholder shall bind every Bondholder issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Issuer in reliance thereon, whether or not notation of such action is made upon such Bond.

Section 1.05 Notice Addresses. Any request, demand, authorization, direction, notice, consent, waiver or Act of Bondholders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

(1) the Trustee by any Bondholder or by any specified Person shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with and actually received by the Responsible Officer of the Trustee at its Corporate Trust Office located at 6034 West Courtyard Drive, Suite 225, Austin, Texas 78730, Attention: Corporate Trust Department, or at any other address subsequently furnished in writing to the Bondholders and the other parties to the Bond Documents by the Trustee;

(2) the Issuer by any Bondholder or by any specified Person shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to the Issuer addressed to it at Mission Economic Development Corporation, at 801 N. Bryan Road, Mission, Texas 78572, Attention: Chief Executive Officer, or at any other address subsequently furnished in writing to the Trustee and the Company by the Issuer;

(3) the Company by any Bondholder or by any specified Person shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to the Company addressed to it at Permian Basin Water Resources, LLC, at 2409 S. County Road 1110, Midland, Texas 79706, Attention Trevor Hill, or at any other address subsequently furnished in writing to the Trustee and the Issuer by the Company.

Section 1.06 Notices to Bondholders; Waiver. Where this Indenture provides for notice to Bondholders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Bondholder affected by such event, at his address as it appears on the Bond Register, not later than the latest date, and not earlier than the earliest date, prescribed for the first giving of such notice. Any notice or communication to the Bondholders when the Bonds are in Book-Entry-Only Form shall be given in accordance with the applicable procedures of the Depository not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice. In any case where notice to Bondholders is given by mail or sent otherwise as provided in this Indenture, neither the failure to mail or otherwise send such notice, nor any default in any notice so mailed or sent to any particular Bondholder shall affect the sufficiency of such notice with respect to other Bondholders. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Bondholders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 1.07 Successors and Assigns. All covenants and agreements in this Indenture by the Issuer and the Trustee shall bind their respective successors and assigns, whether so expressed or not.

Section 1.08 Severability Clause. In case any provision in this Indenture or in the Bonds or any application thereof shall be invalid, illegal or unenforceable, the validity, legality and

enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby.

Section 1.09 Benefits of Indenture. Nothing in this Indenture or in the Bonds, express or implied, shall give to any Person, other than the parties hereto, their successors hereunder, any separate trustee or co-trustee appointed hereunder, the Company and the Bondholders, any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 1.10 Governing Law; Venue. This Indenture shall be governed, in all respects including validity, interpretation and effect by, and shall be enforceable in accordance with, the laws of the State. Each of the parties hereto hereby waives the right to trial by jury with respect to any litigation directly or indirectly arising out of, under or in connection with this Indenture.

Section 1.11 Directors, Officers, Employees, and Agents Exempt from Personal Liability. No recourse under or upon any obligation, covenant, or agreement contained in this Indenture, or in any Bond, or for any claim based thereon or otherwise in respect thereof, shall be had against any incorporator, or against any past, present, or future director, officer, or employee, as such, of the Issuer or the Trustee, or of any successor corporation, either directly or through the Issuer or the Trustee, whether by virtue of any constitution or statute or rule of law, or by the enforcement of any assessment, judgment, or penalty, or otherwise; it being expressly understood that this Indenture and the Bonds are solely corporate obligations, and that no such personal liability whatever shall attach to, or is or shall be incurred by, the incorporators, directors, officers, or employees, as such, of the Issuer, the Trustee, or any other successor corporation, or any of them, because of the creation of indebtedness hereby authorized, or under or by reason of the obligations, covenants, or agreements contained in this Indenture or the Bonds or implied therefrom, and that any and all such personal liability either at common law or equity or by constitution or statute, of, and any and all such rights and claims against, every such incorporator, director, officer, or employee, as such, are hereby expressly waived and released as a condition of, and in consideration for, the execution of this Indenture and the issuance of the Bonds.

ARTICLE II

AUTHORIZATION AND TERMS OF BONDS; ISSUANCE AND FORM OF BONDS

Section 2.01 Authorization and Form of Bonds.

(a) The Series 2025A Bonds shall be designated "Mission Economic Development Corporation Utility Revenue Bonds (Permian Basin Water Resources Project) Series 2025A." The aggregate principal amount of Series 2025A Bonds is $[_____]. Each of the Series 2025A Bonds shall be numbered separately from RA-1 upwards. Each of the Series 2025A Bonds shall be issued only in fully registered form in Authorized Denominations. The Series 2025A Bonds shall be issued for the purpose of providing funds to be loaned by the Issuer to the Company financing or refinancing the cost of the Project.

(b) The Series 2025A Bonds shall be substantially in the forms set forth in Exhibit A-1 attached hereto, with such appropriate variations, omissions, and insertions as

are permitted or required by this Indenture and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto. The Series 2025A Bonds may be typewritten, printed, lithographed, engraved or produced in similar manner. If any Series 2025A Bond is printed, any portion of the text of the Series 2025A Bond may be printed on the back of the Series 2025A Bond with an appropriate reference placed on the front of the Series 2025A Bond.

(c) The Series 2025B Bonds shall be designated "Mission Economic Development Corporation Utility Revenue Bonds (Permian Basin Water Resources Project) Taxable Series 2025B." The aggregate principal amount of Series 2025B Bonds is $[_____]. Each of the Series 2025B Bonds shall be numbered separately from RB-1 upwards. Each of the Series 2025B Bonds shall be issued only in fully registered form in Authorized Denominations. The Series 2025B Bonds shall be issued for the purpose of providing funds to be loaned by the Issuer to the Company financing or refinancing the cost of the Project.

(d) The Series 2025B Bonds shall be substantially in the forms set forth in Exhibit A-2 attached hereto, with such appropriate variations, omissions, and insertions as are permitted or required by this Indenture and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto. The Series 2025A Bonds may be typewritten, printed, lithographed, engraved or produced in similar manner. If any Series 2025B Bond is printed, any portion of the text of the Series 2025B Bond may be printed on the back of the Series 2025B Bond with an appropriate reference placed on the front of the Series 2025B Bond.

Section 2.02 Terms of Bonds.

(a) The Series 2025A Bonds shall be dated as of [_____], 2025, shall mature on [_____] in the years and in the amounts set forth below, and shall bear interest at the following rates (the "Interest Rates") from the later of (i) the date of delivery or (ii) the most recent Interest Payment Date to which interest has been paid or provided for:

Year of Maturity	**Amount**	**Interest Rate**

(b) Interest on the Series 2025A Bonds shall be paid on each Interest Payment Date until the principal thereof shall have been paid or provided for. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

(c) Amounts due with respect to the Series 2025A Bonds shall be payable in lawful money of the United States. Payment of principal of, premium, if any, and interest on the Series 2025A Bonds in certificated form shall be paid by check mailed to the registered Bondholder thereof at his or her address as it appears on the Bond Register on the Record Date or Maturity as applicable. Such payments with respect to Series 2025A Bonds registered in the Book-Entry-Only System shall be paid as provided in Section 2.11 herein "*Book-Entry-Only System*." Following written request of a registered Bondholder of at least $1,000,000 in principal amount of Series 2025A Bonds or all of any series of the Series 2025A Bonds, all payments of principal of, premium, if any, and interest on the Series 2025A Bonds shall be paid by wire transfer (at the risk and expense of such registered Owner) in immediately available funds to an account in the United States designated by such registered Owner following written notice received at least 15 days before a Record Date to the Trustee. CUSIP number identification with appropriate dollar amounts for each CUSIP number must accompany all payments of principal of, premium, if any, and interest, whether by check or by wire transfer.

(d) The Series 2025B Bonds shall be dated as of [_____], 2025, shall mature on [_____] in the years and in the amounts set forth below, and shall bear interest at the following rates (the "Interest Rates") from the later of (i) the date of delivery or (ii) the most recent Interest Payment Date to which interest has been paid or provided for:

Year of Maturity	**Amount**	**Interest Rate**

(e) Interest on the Series 2025B Bonds shall be paid on each Interest Payment Date until the principal thereof shall have been paid or provided for. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

(f) Amounts due with respect to the Series 2025B Bonds shall be payable in lawful money of the United States. Payment of principal of, premium, if any, and interest on the Series 2025B Bonds in certificated form shall be paid by check mailed to the registered Bondholder thereof at his or her address as it appears on the Bond Register on the Record Date or Maturity as applicable. Such payments with respect to Series 2025B Bonds registered in the Book-Entry-Only System shall be paid as provided in Section 2.11 herein "*Book-Entry-Only System*" Following written request of a registered Bondholder of at least $1,000,000 in principal amount of Series 2025B Bonds or all of any series of the Series 2025B Bonds, all payments of principal of, premium, if any, and interest on the Series 2025B Bonds shall be paid by wire transfer (at the risk and expense of such registered Owner) in immediately available funds to an account in the United States designated by such registered Owner following written notice received at least 15 days before a Record Date to the Trustee. CUSIP number identification with appropriate dollar amounts for each CUSIP number must accompany all payments of principal of, premium, if any, and interest, whether by check or by wire transfer.

Section 2.03 Execution, Authentication and Delivery. The Bonds shall be executed on behalf of the Issuer with the manual or facsimile signature of its President or Vice President, and the Issuer's seal (manual or facsimile) shall be impressed or imprinted thereon and attested by the manual or facsimile signature of the Secretary or any Assistant Secretary of the Issuer.

Bonds bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Issuer shall bind the Issuer, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Bonds or did not hold such offices at the date of such Bonds.

At any time and from time to time after the execution and delivery of this Indenture, the Issuer may deliver Bonds executed by the Issuer to the Authenticating Agent; the Authenticating Agent shall authenticate such Bonds; and the Bond Registrar shall register and deliver such Bonds as in this Indenture provided and not otherwise.

Prior to the initial delivery by the Trustee (in its capacity as Bond Registrar) of the Bonds, there shall be delivered to the Trustee:

(a) a Board Resolution of the Issuer authorizing the issuance, execution and delivery of the Bonds;

(b) a Company Order (i) to register the Bonds, and (ii) to authenticate and deliver the Bonds to the original purchasers upon payment to the Trustee for deposit or payment in accordance with the provisions of this Indenture of the sum specified in such Order;

(c) the Master Notes of the Company, duly executed by the Company on behalf of itself and duly authenticated by the Master Trustee, payable to the Trustee or properly endorsed or assigned to the Trustee;

(d) executed counterparts of each of the documents specifically listed in the definition of Bond Documents;

(e) an Opinion of Counsel to the Company to the effect that each such Bond Document specifically listed in the definition of Bond Documents has been duly authorized, executed and delivered by the Company and that the Bond Document as amended or supplemented constitutes a legal, valid, binding and enforceable obligation of that party subject to customary exceptions;

(f) an Officer's Certificate of the Company (i) approving the issuance and delivery of the Bonds, and (ii) certifying that there then exists no event of default under the documents specifically listed in the definition of Bond Documents or any outstanding documents by which the Company is bound;

(g) an opinion of Bond Counsel to the effect that (i) this Indenture has been duly authorized, executed and delivered by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable in accordance with its terms, and that all conditions precedent provided in this Indenture relating to the authentication and delivery of the Bonds have occurred, (ii) the Bonds have been duly authorized, executed, issued and delivered by the Issuer, are the legal and valid limited obligations of the Issuer, and are entitled to the benefits and security of this Indenture, and (iii) the Bonds and the offering or sale of the Bonds are not required to be registered under the Securities Act of 1933, as amended, and the Indenture is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

Section 2.04 Registration, Transfer and Exchange. The Trustee is hereby appointed as Bond Registrar (the "Bond Registrar") for the purpose of registering Bonds and transfers of Bonds as herein provided. The Bond Registrar shall cause to be kept at a corporate trust office or the principal payment office of the Bond Registrar or Bond Registrars for the Bonds, a register or registers (sometimes herein referred to as the "Bond Register") in which the Bond Registrar shall provide for the registration of Bonds and of transfers of Bonds. The Bond Registrar shall keep the Bond Register with respect to the Bonds at its corporate trust office in Austin, Texas.

Upon surrender for transfer of any Bond at the office or agency of the Trustee in a Place of Payment, the Issuer shall execute, the Authenticating Agent shall authenticate, and the Bond Registrar shall register and deliver, in the name of the designated transferee, one or more new Bonds of any Authorized Denomination, of a like aggregate principal amount, series, maturity and interest rate.

At the option of a Bondholder, Bonds may be exchanged for Bonds of any Authorized Denomination, of a like aggregate principal amount, series, Stated Maturity and interest rate, upon the surrender of the Bonds to be exchanged at such office or agency. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute, and the Bond Registrar shall authenticate and deliver, the Bonds that the Bondholder making the exchange is entitled to receive.

All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Bonds surrendered upon such transfer or exchange.

Every Bond presented or surrendered for transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer duly executed by the Bondholder thereof or his attorney duly authorized in writing.

No service charge shall be made for any transfer or exchange of Bonds, but the Issuer and the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, other than exchanges expressly provided in this Indenture to be made without expense or without charge to Bondholders.

The Issuer and the Bond Registrar shall not be required (1) to issue, transfer or exchange any Bonds during a period beginning at the opening of business fifteen (15) days before the day a notice of redemption of Bonds selected for redemption under Section 3.03 is sent and ending at the close of business on the day such notice is sent or (2) to transfer or exchange any Bond selected for redemption in whole or in part.

Section 2.05 Mutilated, Destroyed, Lost and Stolen Bonds. If (a) any mutilated Bond is surrendered to the Bond Registrar, or the Bond Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Bond, and (b) there is delivered to the Bond Registrar such security or indemnity as may be required by it to save each of the Issuer and the Bond Registrar harmless, then, in the absence of notice to the Issuer or the Bond Registrar that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and upon its request the Bond Registrar shall authenticate and deliver in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of like tenor, series, interest rate and principal amount, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Bond has become or is about to become due and payable, the Issuer in its discretion may (and upon Company Order shall), instead of issuing a new Bond, pay such Bond.

Upon the issuance of any new Bond under this Section, the Issuer and the Bond Registrar may require the payment by Bondholder of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Bond Registrar) connected therewith.

Every new Bond issued pursuant to this Section in lieu of any destroyed, lost or stolen Bond shall constitute an original additional contractual obligation of the Issuer, whether or not the destroyed, lost or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to

all the benefits and security of this Indenture equally and proportionately with any and all other Bonds duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds.

Section 2.06 Payment of Interest on Bonds; Interest Rights Preserved. Interest on any Bond that is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Bond is registered at the close of business on the Record Date for such interest.

Any interest on any Bond that is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to Bondholder thereof on the relevant Record Date by virtue of having been such Bondholder; and such Defaulted Interest shall be paid by the Issuer (but only from the sources provided herein), to the Persons in whose names the Bonds are registered at the close of business on a special record date ("Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Trustee, as agent of the Issuer, shall determine the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment, and at the same time the Issuer shall deposit or cause to be deposited (but only from the sources provided herein) with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of Persons entitled to such Defaulted Interest. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment and not less than ten (10) days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Issuer and the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the date and amount of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each Bondholder at his address as it appears in the Bond Register, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names the Bonds are registered on such Special Record Date.

Subject to the foregoing provisions of this Section, each Bond delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Bond shall carry the rights to interest accrued and unpaid, and to accrue, that were carried by such other Bonds.

Section 2.07 Persons Deemed Owners. The Issuer, the Trustee, the Authenticating Agent, the Bond Registrar and any of their respective agents may treat the Person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of (and premium, if any), and (subject to Section 2.06) interest on, such Bond and for all other purposes whatsoever whether or not such Bond be overdue, and except as otherwise provided in

this Indenture, neither the Issuer, the Trustee, nor any agent of the Issuer or the Trustee shall be affected by notice to the contrary.

Section 2.08 Cancellation. All Bonds surrendered for payment, redemption, transfer or exchange shall, if delivered to any Person other than the Bond Registrar be delivered to the Bond Registrar and, if not already canceled, shall be promptly canceled by it upon written request of the Issuer or the Company. The Issuer or the Company may at any time deliver to the Bond Registrar for cancellation any Bonds previously authenticated and delivered hereunder that the Issuer or the Company may have acquired in any lawful manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Bond Registrar. No Bonds shall be authenticated in lieu of or in exchange for any Bonds canceled as provided in this Section, except as expressly permitted by this Indenture. All canceled Bonds held by the Bond Registrar shall be maintained or disposed of according to the retention policies of the Bond Registrar in effect from time to time.

Section 2.09 Limited Liability of Issuer Any Obligations issued hereunder will be special limited obligations of the Issuer payable solely from the Trust Estate and, except from such source, none of the Issuer, any Issuer Indemnified Parties, the State, the Unit, or any political subdivision or agency thereof or any political subdivision approving the issuance of any Bonds shall be obligated to pay the principal of, premium, if any, or interest thereon or any costs incidental thereto. The Bonds issued hereunder are not a debt of the State or the Unit and do not directly, indirectly or contingently obligate in any manner the State, the Unit, or any political subdivision or agency thereof or any political subdivision approving the issuance of any Bonds to levy any tax or to make any appropriation for payment of the principal of, premium, if any, or interest on, the Bonds or any costs incidental thereto. Neither the faith and credit nor the taxing power of the State, the Unit, or any political subdivision or agency thereof or any political subdivision approving the issuance of the Bonds nor the faith and credit of the Issuer or any Issuer Indemnified Parties shall be pledged to the payment of the principal of, premium, if any, or interest on, the Bonds or any costs incidental thereto. The Issuer has no taxing power.

Section 2.10 Initial Bonds. Pending the preparation of definitive Bonds, the Issuer will execute, and the Bond Registrar shall deliver the Initial Bonds, which may be printed, lithographed, typewritten, mimeographed or otherwise produced, substantially of the tenor of the definitive Bonds in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Initial Bonds may determine, as evidenced by their execution of such Initial Bonds.

Section 2.11 Book-Entry-Only System.

(a) The Bonds may and initially shall be registered under a Book-Entry-Only System maintained by a Depository. Notwithstanding any inconsistent provisions in this Indenture to the contrary, the provisions of this Section 2.11 shall govern at any time the Bonds are issued and Outstanding in Book-Entry-Only Form.

(b) Under the Book-Entry-Only System, the Bonds shall be issued in the form of a separate, single, fully registered and immobilized bond certificate representing the aggregate principal amount of the Bonds. Except as provided herein, the ownership of such Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of

The Depository Trust Company, which will serve as initial Depository for the Bonds. Ownership of beneficial interests in the Bonds shall be shown by book-entry on the system maintained and operated by the Depository and its participants and indirect participants (such participants and indirect participants being collectively referred to as the "Participants"), and transfers of ownership of beneficial interests shall be made only by the Depository and its Participants by book-entry, and the Issuer, the Company and the Trustee shall have no responsibility therefor. The Depository will be required to maintain records of the positions of Participants in the Bonds, and the Participants and Persons acting through Participants will be required to maintain records of the purchasers of beneficial interests in the Bonds (the "Beneficial Owners"). Except as provided in subsection (i) of this Section 2.11, the Bonds shall not be transferable or exchangeable, except for transfer to another Depository or to another nominee of a Depository.

(c) With respect to Bonds registered in the Bond Register in the name of the Depository or its nominee, the Issuer, the Company and the Trustee shall have no responsibility or obligation to any Participant or to any Beneficial Owner for whom a Participant acquires an interest in the Bonds. NEITHER THE ISSUER, THE COMPANY, NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS OF THE BONDS WITH RESPECT TO (i) THE ACCURACY OF ANY RECORDS MAINTAINED BY THE DEPOSITORY OR ANY PARTICIPANT; (ii) THE PAYMENT BY THE DEPOSITORY OR ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF, OR INTEREST, AND PREMIUM, IF ANY, ON OR REDEMPTION PRICE OF THE BONDS; (iii) THE DELIVERY BY THE DEPOSITORY OR ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED TO BE GIVEN TO BONDHOLDERS UNDER THE TERMS OF THIS INDENTURE; (iv) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (v) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY THE DEPOSITORY AS OWNER OF THE BONDS. NEITHER THE ISSUER, THE COMPANY NOR THE TRUSTEE HAS ANY DIRECT OBLIGATION OR RESPONSIBILITY TO PARTICIPANTS OR BENEFICIAL OWNERS.

(d) So long as the Bonds or any portions thereof are registered in the name of a Depository or any nominee thereof, all payments of principal of (premium, if any) or interest on the Bonds or redemption price of such Bonds shall be made only to or upon the order of such Depository on the dates and at the times provided for such payment under this Indenture and at the address indicated for such Depository in the Bond Register kept by the Bond Registrar by transfer of immediately available funds; provided that the Trustee has received sufficient funds from the sources described in this Indenture and the Loan Agreement to make such payment. Each such payment to the Depository or its nominee shall be valid and effective to fully satisfy and discharge all liability of the Issuer or the Trustee with respect to the principal of (premium, if any) or interest on the Bonds and redemption price with respect to the Bonds so registered to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Bonds Outstanding of any Stated Maturity, the Trustee shall not require surrender by the Depository or its nominee of the Bonds so purchased or redeemed, and the Depository may retain such Bonds. In the event of partial redemption of

the Bonds, the Depository shall make an appropriate notation on the Bonds as to the amount of such partial redemption; provided that the Depository shall deliver to the Trustee, upon request, a written confirmation of such partial redemption and thereafter the records maintained by the Trustee shall be conclusive as to the amount of the Bonds of such Stated Maturity which have been redeemed. The Issuer, the Company and the Trustee shall not be liable for the failure of the Depository to properly indicate on the Bonds the payment of such principal or redemption price.

(e) All transfers of beneficial ownership interests in the Bonds when issued in Book-Entry-Only Form shall be effected by procedures promulgated by the Depository with its Participants for recording and transferring the ownership of beneficial interest in each of such Bonds.

(f) The Issuer, the Company, the Bond Registrar, and the Trustee and any of their respective agents may treat the Depository (or its nominee) as the sole and exclusive Bondholder of the Bonds registered in its name for the purposes of payment of the principal of (premium, if any) or interest on the Bonds or redemption price with respect to the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Indenture, registering the transfer of Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and the Issuer, the Company, the Bond Registrar and the Trustee shall not be affected by any notice to the contrary.

(g) So long as the Bonds are registered in the name of the Depository or any nominee thereof, all notices required or permitted to be given to the Bondholders under this Indenture shall be given to the Depository in accordance with the methods and practices prescribed by the Depository. In connection with any notice or other communication to be provided to Bondholders pursuant to this Indenture by the Issuer, the Company or the Trustee with respect to any consent or other action to be taken by Bondholders, the Depository shall consider the date of receipt of notice requesting such consent or other action as the record date for such consent or other action, provided that the Issuer or the Trustee may establish a special record date for such consent or other action. The Issuer or the Trustee shall give the Depository notice of such special record date not less than fifteen (15) calendar days in advance of such special record date to the extent possible.

(h) Any successor Trustee, in its written acceptance of its duties under this Indenture, shall agree to take any actions necessary from time to time to comply with the requirements of such Depository.

(i) The Depository may determine to discontinue providing its services with respect to the Bonds at any time by giving reasonable written notice to the Trustee and the Issuer and discharging its responsibilities with respect thereto under applicable law. Under such circumstance (if there is not a successor Depository), Bond certificates will be delivered as described elsewhere in Article II of this Indenture. Upon receipt of such notice from the Depository, the Trustee shall provide a copy of the notice to the Company. The Company, in its sole discretion, and without the consent of any other Person, may terminate the services of the Depository with respect to the Bonds if the Company determines that: (i) the

Depository is unable to discharge its responsibilities with respect to the Bonds; or (ii) a continuation of the requirement that all of the Bonds be registered in the Bond Register in the name of the nominee of the Depository is not in the best interest of the Beneficial Owners. In the event that no substitute Depository is found by the Company or restricted registration is no longer in effect, Bond certificates will be delivered as described in Article II of this Indenture. Upon the termination of the services of the Depository with respect to the Bonds pursuant to this Section 2.11(i), after which no successor Depository willing to undertake the functions of the Depository hereunder can be found that, in the opinion of the Company, is willing and able to undertake such functions upon reasonable and customary terms, the Bonds shall no longer be restricted to being registered in the Bond Register in the name of the nominee of the Depository, but may be registered in the name or names and in such maturities and principal amounts as the Depository shall designate in writing to the Bond Registrar in accordance with the provisions elsewhere in Article II of this Indenture, but without any liability on the part of the Issuer or the Bond Registrar for the accuracy of such designation. Upon the termination of the services of the Depository with respect to the Bonds for any reason and the appointment of a successor Depository, all references in this Indenture to the Depository shall refer to such successor Depository. Whenever the Depository requests the Issuer, the Company and the Trustee to do so, the Issuer, the Company and the Trustee (in each case, at the expense of the Company) shall cooperate with the Depository in taking appropriate action after reasonable notice to arrange for another Depository to maintain custody of certificates evidencing the Bonds.

(j) So long as any Bonds are registered in the name of the nominee of the Depository, a legend prescribed by the Depository to that effect may be printed on such Bond certificate.

ARTICLE III

REDEMPTION OF BONDS

Section 3.01 Redemption. The Bonds shall be subject to redemption as set forth in the forms of Bonds in Exhibit A-1 and Exhibit A-2 hereto.

Section 3.02 Reserved.

Section 3.03 Election to Redeem; Notice to Trustee. The election of the Company to redeem any Bonds shall be evidenced by a Board Resolution delivered to the Trustee. In case of any redemption at the election of the Company, the Company shall, at least sixty (60) days prior to the redemption date fixed by the Company (unless a shorter notice shall be satisfactory to the Trustee), deliver a Company Request to the Trustee notifying the Trustee in writing of such redemption date and of the principal amount of Bonds of each Stated Maturity to be redeemed.

Section 3.04 Selection by Trustee of Bonds to be Redeemed. If less than all of the Bonds of a particular Stated Maturity are called for redemption, the particular Bonds or portions thereof to be redeemed shall be redeemed by the Trustee in accordance with the written direction of the Company (subject to the applicable procedures of the Depository when the Bonds are in the Book-Entry-Only-System); provided, however, that portions of Bonds shall be redeemed in Authorized

Denominations and that no redemption shall result in a Bond being held in less than an Authorized Denomination.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Bonds shall relate, in the case of any Bond redeemed or to be redeemed only in part, to the portion of the principal of such Bond that has been or is to be redeemed.

Section 3.05 Notice of Redemption.

(a) Not less than fifteen (15) days prior to any redemption date, but not more than thirty (30) days prior to any redemption date, the Trustee shall cause notice of the call for any redemption identifying the Bonds or portions thereof to be redeemed to be given to the Bondholders of each Bond to be redeemed at the address shown on the Bond Register on the date such notices are sent. Any notice sent as provided in this Section shall be conclusively presumed to have been duly given, irrespective of whether received.

Each notice of redemption shall state at a minimum, the complete official name of the issue, including series designation, CUSIP number, amounts called of each Stated Maturity (for partial calls), date of the notice, the date of issue, interest rate, maturity date of the Bonds called for redemption, the redemption date, the redemption price, the place or places of redemption, and appropriate address or addresses with name of contact person and telephone number. Unless moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Trustee prior to the giving of such notice of redemption, such notice shall state that said redemption shall be conditional upon the receipt of such moneys by the Trustee on or prior to the date fixed for such redemption. If sufficient moneys are not received, such notice shall be of no force and effect, the Bonds shall not be redeemed, and the Trustee shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

(b) If any of the Bonds are redeemed pursuant to an advance refunding, notice of such advance refunding and redemption shall be given in the same manner as above provided, and within the same time period with respect to the actual redemption date.

Section 3.06 Deposit of Redemption Price. Subject to any condition to such redemption, at least one Business Day prior to any redemption date, the Company shall deposit with the Trustee or with a Paying Agent an amount of money sufficient to pay the redemption price, premium, if any, and interest accrued thereon to the date fixed for redemption of all the Bonds which are to be redeemed on such date.

Section 3.07 Bonds Payable on Redemption Date. Notice of redemption having been given as aforesaid, and the deposit described in Section 3.05 having been made, and all conditions to such redemption having been fulfilled, the Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date such Bonds shall cease to bear interest. If, however, funds available to pay the redemption price have not been so deposited on the redemption date, the redemption will be cancelled. Upon surrender of any such Bond for redemption in accordance with said notice, such Bond shall be paid

at the redemption price. Installments of interest whose Stated Maturity is on or prior to the redemption date shall be payable to the Bondholders registered as such on the relevant Record Dates according to their terms.

If any Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the redemption date at the rate borne by the Bond.

Section 3.08 Bonds Redeemed in Part. Any Bond which is to be redeemed only in part shall be surrendered at a Place of Payment (with, if the Issuer or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Issuer and the Trustee duly executed by, the Bondholder of such Bond thereof or his attorney duly authorized in writing) and the Issuer shall execute and the Trustee shall authenticate and deliver to the Bondholder of such Bond without service charge, a new Bond or Bonds of the same interest rate and Stated Maturity and of any Authorized Denomination as requested by such Bondholder in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

ARTICLE IV

FUNDS AND INVESTMENTS

Section 4.01 Establishment of Funds; Source of Payment of the Bonds.

(a) There is hereby established with the Trustee the Bond Proceeds Fund, the Debt Service Fund, the Debt Service Reserve Fund, the Capitalized Interest Fund, and the Project Fund (collectively, the "Funds"). At the written request and expense of the Company, the Trustee reserves the right to establish additional trust funds or accounts from time to time. The Trustee may also create additional funds or accounts as it finds necessary or desirable to administer this Indenture.

(b) The Bonds and all payments by the Issuer hereunder are not and shall never become general obligations of the Issuer, but are special and limited obligations payable solely from the Trust Estate, including but not limited to the Loan Payments and other payments made by the Company under the Loan Agreement. Loan Payments made pursuant to the Loan Agreement by the Company are to be made directly to the Trustee for the account of the Issuer and shall be deposited pursuant to the provisions of Section 4.1 of the Loan Agreement. No covenant or agreement contained in the Bonds or in this Indenture shall be deemed to be the covenant or agreement of any officer, director, agent, or employee of the Issuer in his or her individual capacity and neither the members of the Board of Directors of the Issuer nor any official executing or authenticating the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability, by reason of the issuance or authentication thereof.

Section 4.02 Bond Proceeds Fund. There is hereby created and established with the Trustee the special fund designated as the "Mission Economic Development Corporation Utility Revenue Bonds (Permian Basin Water Resources Project) Series 2025 Bond Proceeds Fund"

(herein referred to as the "Bond Proceeds Fund"). and, within such Bond Proceeds Fund, a "Tax-Exempt Bond Proceeds Account," and a "Taxable Bond Proceeds Account". The proceeds of the sale of the Series 2025A Bonds shall be deposited into the Tax-Exempt Proceeds Account and immediately transferred by Trustee to the Debt Service Fund, the Debt Service Reserve Fund, the Capitalized Interest Fund and the Project Fund, all as specified in the Company Order to authenticate and deliver the Series 2025A Bonds. The proceeds of the sale of the Series 2025B Bonds shall be deposited into the Taxable Bond Proceeds Account of the Proceeds Fund and applied by the Trustee as specified in the Company Order to authenticate and deliver the Series 2025B Bonds.

Section 4.03 Debt Service Fund.

(a) There is hereby created and established with the Trustee the special fund designated as the "Mission Economic Development Corporation Utility Revenue Bonds (Permian Basin Water Resources Project) Series 2025 Debt Service Fund" (herein referred to as the "Debt Service Fund") and, within such Debt Service Fund, a "Tax-Exempt Bonds Account" and a "Taxable Bonds Account". The money deposited to the Debt Service Fund, together with all investments thereof and investment income therefrom, shall be held in trust and applied solely as provided in this Section and Section 6.07.

(b) The Trustee shall deposit to the credit of the corresponding account of the Debt Service Fund immediately upon receipt (1) amounts due and payable by the Company pursuant to Section 4.1(a) or (b) of the Loan Agreement and the terms of the Master Notes; (2) any other amounts required by this Indenture; and (3) any other amounts delivered to the Trustee specifically for deposit thereto.

(c) On each Interest Payment Date, the Trustee shall withdraw money first from the applicable account of the Debt Service Fund in an amount sufficient to pay the Bondholders principal of and interest on the Bonds.

(d) On each Redemption Date, the Trustee shall withdraw money in any amount sufficient to pay accrued interest on any Bonds subject to mandatory redemption.

Section 4.04 Debt Service Reserve Fund.

(a) There is hereby created and established with the Trustee the special fund designated as the "Mission Economic Development Corporation Utility Revenue Bonds (Permian Basin Water Resources Project) Series 2025 Debt Service Reserve Fund" (herein referred to as the "Debt Service Reserve Fund"). On the Closing Date, the Debt Service Reserve Fund shall be funded in an amount not less than the Debt Service Reserve Requirement. The money deposited to the Debt Service Reserve Fund, together with all investments thereof and investment income therefrom, shall be held in trust and applied solely as provided in this Section.

(b) All amounts held by the Trustee in the Debt Service Reserve Fund are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as provided herein, and the amounts in the Debt Service Reserve Fund, except as otherwise set forth in Article VIII hereof and Section 4.06 of the Master Trust Indenture, shall not be used

for any other purpose while any of the Bonds remain Outstanding, except to pay extraordinary fees and expenses of the Trustee (without the necessity of the consent or direction of the majority Bondholders). This pledge shall constitute a pledge of and charge and lien upon the Debt Service Reserve Fund and all other moneys on deposit in the funds and accounts established hereunder for the payment of the principal of and interest on the Bonds in accordance with the terms hereof and thereof.

(c) All moneys on deposit in the Debt Service Reserve Fund shall be applied and disbursed on an Interest Payment Date, a mandatory redemption date, or at Maturity, as the case may be, to pay the principal of and interest on the Bonds as of such date to the extent insufficient funds are on deposit in the Debt Service Fund to make such payment; provided that, upon the occurrence and continuance of an Event of Default, amounts in the Debt Service Reserve Fund may be retained in the Reserve Fund or disbursed as directed by the Majority Bondholders to satisfy obligations hereunder. Upon the payment in full of the Bonds, all obligations owed by the Company to the Issuer and the Trustee, and the discharge of this Agreement, any amounts remaining in the Debt Service Reserve Fund shall be disbursed to the Company free and clear of the lien of this Agreement.

(d) In the event amounts held by the Trustee in the Debt Service Reserve Fund fall below the Debt Service Reserve Fund Requirement, the Company, following 30 days' written notice, shall begin making payments, in monthly installments equal to $1/6^{th}$ of the difference between the actual amount on hand in the Debt Service Reserve Fund and the Debt Service Reserve Fund Requirement until such time as the amount held in the Debt Service Reserve Fund equals the Debt Service Reserve Fund Requirement.

(e) In the event amounts held by the Trustee in the Debt Service Reserve Fund are in excess of the Debt Service Reserve Fund Requirement, the Trustee may disburse such excess funds to the Debt Service Fund for use as described in Section 4.03 above.

Section 4.05 Reserved.

Section 4.06 Rebate Fund.

(a) Establishment. The Trustee shall establish a separate account for the Bonds designated the "Mission Economic Development Corporation Utility Revenue Bonds (Permian Basin Water Resources Project) Series 2025 Rebate Fund" (herein referred to as the "Rebate Fund"). Absent a Favorable Opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest on the Series 2025A Bonds will not be adversely affected, the Company shall cause to be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to this Section and the Tax Certificate and Agreement. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust for payment to the United States Treasury. All amounts on deposit in the Rebate Fund for the Bonds shall be governed by this Section and the Tax Certificate and Agreement, unless and to the extent that the Company delivers to the Trustee a Favorable Opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest on the Series 2025A Bonds will not be adversely affected if such requirements are not satisfied.

(i) Annual Computation. Within 55 days of the end of each Bond Year, the Company shall calculate or cause to be calculated the amount of rebatable arbitrage, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Treasury Regulations (taking into account any applicable exceptions with respect to the computation of the rebatable arbitrage, described, if applicable, in the Tax Certificate and Agreement (*e.g.*, the temporary investments exceptions of Section 148(f)(4)(B) and (C) of the Code or Section 1.148-7(d) of the Treasury Regulations), for this purpose treating the last day of the applicable Bond Year as a computation date, within the meaning of Section 1.148-1(b) of the Treasury Regulations (the "Rebatable Arbitrage"). The Company shall obtain expert advice as to the amount of the Rebatable Arbitrage to comply with this Section 4.06.

(ii) Annual Transfer. Within 55 days of the end of each Bond Year, upon the written Request of the Company, an amount shall be deposited to the Rebate Fund by the Trustee from any Revenues legally available for such purpose (as specified by the Company in the aforesaid written Request), if and to the extent required so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with (i) of this Subsection (a). In the event that immediately following the transfer required by the previous sentence, the amount then on deposit to the credit of the Rebate Fund exceeds the amount required to be on deposit therein, upon written Request of the Company, the Trustee shall withdraw the excess from the Rebate Fund and then credit the excess to the Revenue Fund.

(iii) Payment to the Treasury. The Trustee shall pay, as directed by Request of the Company, to the United States Treasury, out of amounts in the Rebate Fund,

(1) not later than 60 days after the end of (X) the fifth Bond Year, and (Y) each applicable fifth Bond Year thereafter, an amount that, together with all previous rebate payments, is equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Bond Year; and

(2) not later than 60 days after the payment of all the Bonds, an amount equal to 100% of the Rebatable Arbitrage calculated as of the date of such payment and any income attributable to the Rebatable Arbitrage determined to be due and payable, computed in accordance with Section 1.148-3 of the Treasury Regulations.

In the event that, prior to the time of any payment required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the Company shall calculate or cause to be calculated the amount of such deficiency and deposit an amount received from any legally available source equal to such deficiency prior to the time such payment is due. Each payment required to be made pursuant to this Subsection (a) shall be made to the Internal Revenue Service Center on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, or shall be made in such other manner as provided under the Code.

(b) Disposition of Unexpended Funds. Any funds remaining in the Rebate Fund after redemption and payment in full of the Bonds and the payments described in Subsection (a)(iii) above being made may be withdrawn by the Company and utilized in any manner by the Company.

(c) Survival of Defeasance. Notwithstanding anything in this Section to the contrary, the obligation to comply with the requirements of this Section shall survive the defeasance or payment in full of the Bonds.

(d) Recordkeeping. The Company shall retain records of all determinations made hereunder until three (3) years after the complete retirement of the Bonds.

Section 4.07 Project Fund.

(a) There is hereby created and established with the Trustee the special fund designated as the "Mission Economic Development Corporation Utility Revenue Bonds (Permian Basin Water Resources Project) Series 2025 Project Fund" (herein referred to as the "Project Fund"). The money deposited in the Project Fund, including all money therein and all investments thereof, shall be held in trust and applied solely as provided in this Section. The Project Fund shall contain a Reimbursement Account, a Project Account, an Insurance Proceeds Account and a Costs of Issuance Account. The Trustee shall have the authority to create subaccounts within the Project Account of the Project Fund as is necessary and convenient for the administration of such account. The Trustee shall, at the written direction of the Company, transfer funds between subaccounts in the Project Account, in accordance with the provisions of the Loan Agreement, to fund all or any portion of the Project.

(b) The Trustee shall deposit to the credit of the Project Fund or any account or subaccount therein all amounts paid to the Trustee by the Company specifically for deposit to the credit of the Project Fund and the proceeds of the Bonds to the extent specified by the Company Order.

(c) The Trustee shall disburse amounts in the Reimbursement Account of the Project Fund on the Closing Date following receipt of and in accordance with a Requisition Certificate. The Trustee may rely fully on any Requisition Certificate, and shall not be required to make any investigation in connection therewith.

(d) The Trustee shall disburse amounts in the Costs of Issuance Account on or after the Closing Date upon receipt of a Requisition Certificate.

(e) Any moneys remaining in the Costs of Issuance Account ninety (90) days after the Closing Date and not needed to pay unpaid Costs of Issuance shall be deposited in the Project Account of the Project Fund. Upon final disbursement and/or transfer, the Trustee shall close the Costs of Issuance Account.

(f) In furtherance and not in limitation of this Section 4.07 hereof, all payments made from the Reimbursement Account, the Project Account, the Costs of Issuance Account or the Insurance Proceeds Account pursuant to a written requisition from the Company in

the form set forth in Exhibit B shall be presumed to be made properly and the Trustee shall not be required to make any investigation in connection therewith, including to see the application of any payments made from the Reimbursement Account, the Project Account, the Costs of Issuance Account or the Insurance Proceeds Account or to inquire into the purposes for which withdrawals are being made from such Accounts.

(g) On the earlier of the end of the third (3rd) Bond Year or receipt of the Requisition Certificate required by Section 3.2 of the Loan Agreement, the Trustee shall transfer any amount then on deposit in the Project Fund to the Debt Service Fund unless the Trustee has received from the Company a Requisition Certificate for all or any portion of such amounts for payment of incurred but unpaid Project Costs. To the extent the amounts are transferred to the Debt Service Fund, such amounts may be used, as specified in a Company Order, to (i) pay principal of or interest on the Bonds or (ii) redeem Bonds in Authorized Denominations, to the maximum degree permissible, and at the earliest dates at which the Bonds may be redeemed under this Indenture; provided, however, if the Bonds may not be redeemed, the Bonds may be defeased, as specified in a Company Order.

Section 4.08 Investment of Bond Proceeds. Pending the disbursement of any amounts deposited from the proceeds of the Bonds to any Fund, such proceeds may only be invested as specified in a Company Order in Permitted Investments.

Section 4.09 Investment of Funds.

(a) Pending disbursement of the amounts on deposit in any Fund, the Trustee shall promptly invest and reinvest such amounts in the particular Eligible Securities specified in any Company Order (which may be delivered electronically); provided that, if no such Company Order is delivered to the Trustee, the Trustee shall invest and reinvest such amount in Goldman Sachs Financial Square Government Fund (CUSIP 38141W273) as standing instructions and if such fund in unavailable, such funds shall be held uninvested. The Trustee shall have no discretion for investing funds or advising any parties on investing funds. The Trustee may invest funds in its own proprietary money market funds or deposit products. All such investments shall be credited to the Fund, account or subaccount from which the money used to acquire such investments shall have come.

(b) All income and profits on investments in the Debt Service Fund, the Project Fund and the Rebate Fund shall be credited to those respective Funds. All losses on investments shall be charged against the Fund and Account to which such investments are credited. The Trustee may make any investment through its own trust department. As amounts invested are needed for disbursement from any fund or account, the Trustee shall cause a sufficient amount of the investments credited to that fund or account to be redeemed or sold and converted into Cash to the credit of that fund or account. The Trustee shall rely on the written instructions of the Company (which may include electronic instructions) in investing money in any fund or account, and shall not be accountable for any losses (including depreciation in the value) of the investments made in accordance with the provisions of this Article IV or for any losses incurred upon any authorized disposition thereof.

(c) The Issuer and the Company (by their execution of the Loan Agreement) acknowledge that to the extent that regulations of the Comptroller of the Currency or other applicable regulatory agency grant the Issuer or the Company the right to receive brokerage confirmation of security transactions as they occur, the Issuer and the Company waive receipt of such confirmations. The Trustee shall furnish to the Company a periodic statement, made at least yearly, that includes details of all investment transactions made by the Trustee.

Section 4.10 Trustee and Issuer Relieved From Responsibility. The Trustee and the Issuer shall be fully protected in relying upon any Company Order relating to investments and disbursements from any Fund or account, and shall not be required to ascertain any facts with respect to any such Company Order. The parties acknowledge that the Trustee is not providing investment supervision, recommendations or advice.

ARTICLE V

COVENANTS OF THE ISSUER

Section 5.01 Payment of Debt Service; Limited Obligations. The Issuer will duly and punctually pay the principal of (and premium, if any) and interest on the Bonds in accordance with the terms of the Bonds and this Indenture; provided, however, that the Bonds and the other obligations of the Issuer provided for herein shall be limited obligations of the Issuer and shall be payable by the Issuer solely out of the Trust Estate and the revenues derived therefrom. The Bonds and any obligations of the Issuer provided for herein shall never be payable out of any other funds of the Issuer except the Trust Estate and such revenues.

If the specified date for any such payment shall be a Saturday, a Sunday or a legal holiday or the equivalent for banking institutions generally (other than a moratorium) at the place where payment thereof is to be made, then such payment may be made on the next succeeding day which is not one of the foregoing days without additional interest and with the same force and effect as if made on the specified date for such payment.

Section 5.02 Money for Bond Payments to be Held in Trust; Appointment of Paying Agents. The Issuer shall (at the expense of the Company) appoint a Paying Agent in each Place of Payment for the Bonds. Each such Paying Agent appointed by the Issuer shall be organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $50,000,000 and subject to supervision or examination by federal or state authority. The Issuer will, prior to each due date of the principal of (and premium, if any) or interest on any Bonds, deposit or cause to be deposited (but only from the sources provided herein) with a Paying Agent a sum sufficient to pay the principal (and premium, if any) or interest so becoming due, such sum to be held in trust for the benefit of the Bondholders of such Bonds. Each Paying Agent for the Bonds shall provide the CUSIP number for the Bond with each payment of interest on and the principal or the redemption price of any Bond, specifying the amount paid in respect of each CUSIP number. The Paying Agents shall make payment of interest or the redemption price of any Bond, upon written request of a Bondholder of at least $1,000,000 in principal amount of Bonds, by wire transfer (at the risk and expense of such registered Bondholder) in immediately available

funds to an account in the United States designated by such Bondholder following at least fifteen (15) days written notice to the Trustee prior to the Record Date.

The Issuer hereby appoints the Trustee as the initial Paying Agent for the Bonds. The Trustee shall accept such appointment by executing this Indenture in such capacity on the signature page hereto.

The Issuer (at the expense of the Company) will cause each Paying Agent other than the Trustee to execute and deliver to the Trustee and the Company an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section that such Paying Agent will

(1) hold all sums held by it for the payment of principal of (and premium, if any) or interest on Bonds in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;

(2) give the Trustee notice of any default by the Issuer (or any other obligor upon the Bonds) in the making of any such payment of principal (and premium, if any) or interest; and

(3) at any time during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent.

The Issuer may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, by Issuer Order or Company Order, direct any Paying Agent to pay to the Trustee all sums held in trust by such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Subject to applicable escheat laws of the State, any money deposited in trust with the Trustee or any Paying Agent in trust for the payment of the principal of (and premium, if any) or interest on any Bond and remaining unclaimed for the later of (i) the first anniversary of the Stated Maturity of the Bond or the installment of interest for the payment of which such money is held or (ii) two years after such principal (and premium, if any) or interest has become due and payable shall be paid to the Company on Company Request (which Request shall include the Company's representation that it is entitled to such funds under applicable escheatment laws and its agreement to comply with such laws) and the Bondholder of such Bond shall thereafter, to the extent of any legal right or claim, be deemed to be an unsecured general creditor, and shall look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Issuer, shall thereupon cease; provided, however, that the Trustee, the Issuer or such Paying Agent, before being required to make any such repayment, shall, upon receipt of a Company Order and at the expense of the Company, cause to be published once, in an Authorized Newspaper, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than thirty (30) days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Company;

and provided further, notwithstanding the foregoing, the Trustee shall be entitled to deliver any such funds to any escheatment authority in accordance with the Trustee's customary procedures. The Trustee shall hold any such funds in trust uninvested (without liability for interest accrued from the date deposited) for the benefit of the Bondholders entitled thereto.

Any bank or trust company with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Indenture. If the position of Paying Agent shall become vacant for any reason, the Issuer shall (but only at the direction and at the expense of the Company, and not otherwise), within thirty (30) days thereafter, appoint such bank or trust company as shall be specified by the Company to fill such vacancy; provided, however, that if the Issuer shall fail to appoint a successor Paying Agent within said period, the Trustee shall make such appointment.

Section 5.03 Instruments of Further Assurance. The Issuer covenants that to the extent of its power to do so (and subject to the advance payment of its expenses by the Company), it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such indentures supplemental hereto and such further acts, instruments and transfers as the Trustee may reasonably require for the better assigning, pledging and confirming unto the Trustee of the Trust Estate assigned and the revenues pledged hereunder all at the expense of the Company.

Section 5.04 Maintenance of Rights. The Issuer will use its best efforts to perform and observe all obligations to be performed by it under the Bond Documents; provided that the Issuer shall never be required to expend its own funds for such purposes. The Issuer, except as permitted hereby, will take no action, and will not knowingly omit to take any reasonable action, the taking or omission of which might release any party from its liabilities or obligations under the Bond Documents, or result in the surrender, termination, amendment, or modification of, or impair the validity of, any Bond Document. The Issuer agrees that the Trustee, subject to the conditions thereof, may enforce for and on behalf of the Bondholders all of the covenants and agreements of the parties to the Bond Documents (other than the Trustee) as set forth in the Bond Documents, whether or not the Issuer is in default hereunder. The Trustee shall have no responsibility for filing financing statements except for the filing of continuation statements with respect to any such original financing statements naming the Trustee as a secured party, of which a legible copy showing the date and place of filing, is delivered to the Trustee, at the expense of the Company. The Trustee is hereby authorized to make such filings; provided that the Trustee has no obligation with respect to the initial filing of financing statements or filing of continuation statements until such documents are provided to the Trustee with a copy of the initial filed financing statements, and the Trustee shall not be responsible for filing any financing or continuation statements that do not include the Trustee as a secured party or additional secured party or for the sufficiency of or the proper recording or indexing of any financing or continuation statements. Notwithstanding anything to the contrary contained herein, the Trustee shall not be responsible for any initial, amendment, or other filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection of any such security interests, or the accuracy or sufficiency of any description of collateral in such initial filings or for filing any modifications or amendments to the initial filings. The Trustee shall be fully protected in relying conclusively on information with respect to such initial filings delivered to it by or on behalf of the Company unless it is otherwise notified in writing by the Company. The Issuer shall have no responsibility for

filing any financing statements or continuation statements, and shall have no responsibility for the perfection of any security interests in connection with this Indenture or the Bonds.

Section 5.05 Corporate Existence. Subject to Article VI hereof, the Issuer will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence and rights (charter and statutory); provided, however, that the Issuer shall not be required to preserve any right if its Governing Body shall determine that the preservation thereof is no longer desirable in the conduct of the affairs of the Issuer and that the loss thereof is not disadvantageous in any material respect to the Bondholders.

Section 5.06 Limitations on Liens, Debt and Disposition of Assets. Except as permitted or contemplated in this Indenture, the Issuer covenants that it will not: (i) create any mortgage, lien, encumbrance, pledge, charge or other exception to title (other than those created by this Indenture) upon or against any of the properties or assets constituting the Trust Estate, or any revenues derived therefrom or any other funds held by the Trustee for the benefit of Bondholders superior to or ranking on parity with the lien created by this Indenture; (ii) sell, lease, transfer, convey or otherwise dispose of all or any part of the Trust Estate or its interest therein except subject to the interests of the Trustee created by this Indenture; (iii) create, incur or assume any debt secured by the Trust Estate or the Issuer's interest therein or the revenues pledged herein; or (iv) knowingly take any other action that will impair the lien of this Indenture on the Trust Estate.

Section 5.07 Tax Covenants.

(a) General. The Issuer hereby covenants with the holders of the Series 2025A Bonds that, notwithstanding any other provisions of this Indenture, it shall not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of interest on the Series 2025A Bonds under Section 103 of the Code. The Issuer need not comply with this Section with respect to obligations the interest on which is included in gross income for federal income tax purposes.

(b) Qualification as Exempt Facility Bonds. The Issuer shall not take any action, or fail to take any action, if any such action or failure to take action would cause the Series 2025A Bonds to be other than "exempt facility bonds" within the meaning of Section 142(a) of the Code, and in furtherance thereof, shall not make any use of the proceeds of the Series 2025A Bonds, or of any of the facilities financed or refinanced with the proceeds of the Series 2025A Bonds, or any portion thereof, as would cause the Series 2025A Bonds not to qualify under Section 142(a) of the Code as "exempt facility bonds." To that end, so long as any Series 2025A Bonds are outstanding, the Issuer, with respect to such proceeds and property and such other funds, will comply with applicable requirements of the Code and all regulations of the United States Department of the Treasury issued thereunder and under Section 103 of the Internal Revenue Code of 1954, as amended (the "1954 Code"), to the extent such requirements are, at the time, applicable and in effect. The Issuer shall establish reasonable procedures necessary to ensure continued compliance with the aforementioned sections of the Code (or, if applicable, the 1954 Code) and the continued qualification of the facilities financed or refinanced with the proceeds of the Series 2025A Bonds.

(c) Arbitrage. The Issuer shall not, directly or indirectly, use or permit the use of any proceeds of any Series 2025A Bonds, or of any property financed or refinanced thereby, or other funds of the Issuer, or take or omit to take any action, that would cause the Series 2025A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. To that end, the Issuer shall comply with all requirements of Section 148 of the Code and all regulations of the United States Department of the Treasury issued thereunder to the extent such requirements are, at the time, in effect and applicable to the Series 2025A Bonds.

(d) Federal Guarantee. The Issuer shall not make any use of the proceeds of the Series 2025A Bonds or any other funds of the Issuer, or take or omit to take any other action, that would cause the Series 2025A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(e) Compliance with Tax Certificate and Agreement. In furtherance of the foregoing tax covenants of this Section 5.07, the Issuer covenants that it will comply with the provisions of the Tax Certificate and Agreement, which is incorporated herein as if fully set forth herein. These covenants shall survive payment in full or defeasance of the Series 2025A Bonds.

ARTICLE VI

REMEDIES OF THE TRUSTEE AND BONDHOLDERS IN EVENT OF DEFAULT

Section 6.01 Events of Default. "Event of Default," whenever used herein means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(1) default in the payment of (i) the principal of (and premium, if any, on) any Bond at its Maturity or (ii) an installment of interest on any Bond at the Interest Payment Date for such installment; or

(2) default in the performance, or breach, of any covenant or agreement on the part of the Issuer contained in this Indenture (other than a covenant or agreement whose performance or observance is elsewhere in this Section specifically dealt with) and continuance of such default or breach for a period of thirty (30) days after there has been given, by registered or certified mail, to the Issuer and the Company by the Trustee, or to the Issuer, the Company and the Trustee by the Bondholders of at least 25% in principal amount of Bonds then Outstanding, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder; provided that if such default can be cured by the Issuer but cannot be cured within the 30-day curative period described above, it shall not constitute an Event of Default if corrective action is instituted by the Issuer within such 30-day period and diligently pursued until the default is corrected, provided, however, if such default or breach shall last longer than ninety (90) days, it shall constitute an Event of Default hereunder; or

(3) a decree or order by a court having jurisdiction in the premises shall have been entered adjudging the Company bankrupt or insolvent, or approving as properly filed a petition seeking reorganization or arrangement of the Company under the federal Bankruptcy Code or any other similar applicable federal or state law, and such decree or order shall have continued undischarged and unstayed for a period of ninety (90) days; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver or trustee or assignee in bankruptcy or insolvency of the Company or of the Company's property, or for the winding up or liquidation of the Company's affairs, shall have been entered, and such decree or order shall have remained in force undischarged and unstayed for a period of ninety (90) days; or

(4) the Company shall institute proceedings to be adjudicated voluntarily bankrupt, or shall consent to the institution of a bankruptcy proceeding against it, or shall file a petition or answer or consent seeking reorganization or arrangement under the federal Bankruptcy Code or any other similar applicable federal or state law, or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or trustee or assignee in bankruptcy or insolvency of it or of its property, or shall make assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due, or corporate action shall be taken by the Company in furtherance of any of the aforesaid purposes; or

(5) the maturity of any Master Note issued under the Master Indenture shall be accelerated unless such acceleration has been rescinded and annulled pursuant to the Master Indenture; or

(6) an Event of Default occurs under any agreement pursuant to which any bonds, loans, certificates, installment or lease payments or similar obligations of the Company that are payable or secured on a parity or subordinate basis to the Bonds has been incurred or issued and that permits the holder of such obligation or trustee to accelerate the obligation or otherwise exercise rights or remedies that affect the Trust Estate or materially impairs the ability of the Company to timely pay principal and interest on the Bonds; or

(7) an "Event of Default" has occurred under any of the Bond Documents as the term "Event of Default" is therein defined.

If any portion of a Loan Payment shall not be paid at the time therein specified, the Trustee shall reasonably promptly give telephonic or facsimile notice to the Master Trustee and any Person that may execute an Officer's Certificate on behalf of the Company of such failure.

Section 6.02 Acceleration of Maturity; Rescission and Annulment.

(a) If an Event of Default has occurred and is continuing (other than an Event of Default specified in Section 6.01(3)), then the Trustee may (and shall at the written direction of Bondholders of the majority of the aggregate Outstanding Bond Amount) declare the principal of, accrued and unpaid interest on, and other amounts payable under, all the Bonds to be immediately due and payable. If an Event of Default described in Section 6.01(4) occurs, such an acceleration shall occur automatically and without any further action.

(b) At any time after such a declaration of acceleration of maturity of the Bonds has been made and before a judgment or decree for payment of the Bonds has been obtained by the Trustee as provided in this Article VIII, the Majority Bondholders, by written notice to the Issuer and the Trustee, may rescind and annul such declaration and its consequences. No such rescission shall affect any subsequent default or Event of Default or impair any right consequent thereon (including without limitation, any right to accelerate the maturity of the Bonds).

(c) Bondholders of the majority of the aggregate Outstanding Bond Amount shall have the right to direct the Trustee in writing in the conduct of any proceedings for any remedy available to the Trustee; provided that, (i) such written direction will not conflict with any rule of law, this Agreement (including the limitations described in this Article VIII) or any other transaction document; (ii) the Trustee may take any other action not inconsistent with such written direction; and (iii) the Trustee has been provided with an indemnity and security acceptable to it (and the Trustee need not take any action that it determines might involve it in liability unless the Trustee has received indemnity and security acceptable to it in its sole and absolute discretion against any such liability). Notwithstanding anything contained herein to the contrary, upon the occurrence and continuance of an Event of Default, before taking any action which may subject the Trustee to liability under any environmental law, statute, regulation or similar requirement relating to the environment, the Trustee may require that a satisfactory indemnity bond, indemnity or environmental impairment insurance be furnished for the payment or reimbursement of all expenses to which it may be put and to protect it against all liability resulting from any claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability) and expenses which may result from such action.

Section 6.03 Reserved.

Section 6.04 Suits for Enforcement by Trustee. If an Event of Default occurs and is continuing, the Trustee may, with the receipt of appropriate indemnification satisfactory to the Trustee in its sole discretion, proceed to protect and enforce its rights and the rights of the Bondholders by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

Section 6.05 Trustee May File Proofs of Claim.

(a) In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor upon the Bonds or property of the Company or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Bonds shall then be due and payable as therein expressed or otherwise and irrespective of whether the Trustee shall have made any demand on the Company or such other obligor for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise

(1) to file and prove a claim for the whole amount of principal (and premium, if any) and interest owing and unpaid in respect of the Bonds and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee

(including any claim for the compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Bondholders allowed in such judicial proceeding, and

(2) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any receiver, assignee, trustee, liquidator, sequestrator (or other similar official) in any such judicial proceeding is hereby authorized by each Bondholder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Bondholders, to pay to the Trustee any amount due to it for the compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under this Indenture.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Bondholder any plan of reorganization, arrangement, adjustment or composition affecting the Bonds or the rights of any Bondholder thereof, or to authorize the Trustee to vote in respect of the claim of any Bondholder in any such proceeding.

Section 6.06 Trustee May Enforce Claims Without Possession of Bonds. All rights of action and claims under this Indenture or the Bonds may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Bondholders in respect of which such judgment has been recovered to the extent of the obligations then owing to such Persons.

Section 6.07 Application of Money Collected. The Trustee shall have a priority right and first lien against the Trust Estate and for reimbursement of any and all fees, costs and expenses (including legal fees) from any recovery of funds resulting from a bankruptcy or workout of the securities prior to any distribution to the Bondholders or other third parties. Any money collected by the Trustee pursuant to this Article and any other sums then held by the Trustee as part of the Trust Estate shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any) or interest, upon presentation of the Bonds and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

(1) First: To the payment of (a) all amounts due to the Trustee under this Indenture, including any legal counsel fees, other fees, costs or expenses and (b) any legal counsel fees, other fees, costs and expenses of the Issuer and the Issuer Indemnified Parties and any other payments due them in respect of the Issuer's Unassigned Rights (including, without limitation, indemnification payments); provided, that payment of amounts due to the Issuer or any Issuer Indemnified parties under this Section 6.07(1) shall not absolve the Company from liability therefor except to the extent of the amounts received from the Trustee under this Section 6.07(1);

(2) Second: To the payment of the amounts then due and unpaid upon the Bonds, for interest, in respect of which or for the benefit of which such money has been collected; ratably without preference or priority of any kind, according to the amounts due and payable on such Bonds for interest;

(3) Third: To the payment of the amounts then due and unpaid upon the Bonds, for principal (and premium, if any), in respect of which or for the benefit of which such money has been collected; ratably without preference or priority of any kind, according to the amounts due and payable on such Bonds for principal (and premium, if any); and

(4) Fourth: To the Debt Service Fund, any remaining amounts of money so collected.

If the Master Trustee has accelerated the Master Notes, the portion of the master trust estate allocable to the Bonds under Section 4.05(c)(2) of the Master Indenture shall be applied to purchase Defeasance Obligations for deposit with the Trustee to defease all or a portion of the Bonds in inverse order of maturity through the earlier of their Maturity or first Optional Redemption date as set forth in the form of Bond attached hereto as Exhibit A-1 or A-2.

Section 6.08 Limitation on Suits. No Bondholder shall have the right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(a) such Bondholder has previously given written notice to the Trustee of a continuing Event of Default;

(b) the Bondholders of not less than the majority of the Outstanding Bonds shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

(c) the Bondholders have provided to the satisfaction of the Trustee indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and

(d) the Trustee for sixty (60) days after its receipt of such notice, request and provision of indemnity has failed to institute any such proceeding.

It being understood and intended that no one or more Bondholders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Bondholders, or to obtain or to seek to obtain priority or preference over any other Bondholders, to take any action that would affect the validity of the lien of this Indenture on the Trust Estate, or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all the Bondholders to the extent of the amounts then owing to such Persons.

Section 6.09 Unconditional Right of Bondholders to Receive Principal, Premium and Interest. Notwithstanding any other provision in this Indenture, any Bondholder shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if

any) and interest on such Bond, but solely from the sources provided in this Indenture, on the respective Stated Maturities expressed in such Bond (or, in the case of redemption, on the redemption date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Bondholder.

Section 6.10 Restoration of Rights and Remedies. If the Trustee or any Bondholder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee, or such Bondholder, then and in every such case the Issuer, the Trustee, the Company, and the Bondholders shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Bondholders shall continue as though no such proceeding had been instituted.

Section 6.11 Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 6.12 Delay or Omission Not Waiver. No delay or omission of the Trustee or any Bondholder to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Indenture or by law to the Trustee or the Bondholders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or the Bondholders, as the case may be.

Section 6.13 Control by Bondholders. The Bondholders of a majority in principal amount of the Outstanding Bonds shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, provided that:

(i) such direction shall not be in conflict with any rule of law or with this Indenture;

(ii) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction;

(iii) the Trustee shall have been provided with an indemnity satisfactory to it in its sole discretion; and

(iv) the Trustee shall have no liability for any actions taken pursuant to written direction as provided in this Section 6.13.

Section 6.14 Waiver of Past Defaults. The Bondholders of not less than a majority in principal amount of the Outstanding Bonds may waive any past default hereunder and its consequences, except:

(a) a default in the payment of the principal of (or premium, if any) or interest on any Bond, or

(b) a default in respect of a covenant or provision hereof which under Article VIII cannot be modified or amended without the consent of the Bondholder of each Outstanding Bond affected.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 6.15 Undertaking for Costs. All parties to this Indenture agree, and each Bondholder by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess costs, including attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Trustee, to any suit instituted by any Bondholder, or group of Bondholders, holding in the aggregate more than 10% in principal amount of the Outstanding Bonds, or to any suit instituted by any Bondholder for the enforcement of the payment of the principal of (or premium, if any) or interest on any Bond on or after the respective Stated Maturities expressed in such Bond (or, in the case of redemption, on or after the redemption date).

Section 6.16 Waiver of Stay or Extension Laws. The Issuer covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Issuer (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants (to the extent it may lawfully do so) that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

Section 6.17 No Recourse Against Others. No recourse under or upon any obligation, covenant or agreement contained in this Indenture or any indenture supplemental hereto, or in the Loan Agreement, or in any Bond or any Master Note, or for any claim based thereon or otherwise in respect thereof, shall be had against any incorporator, or against any past, present or future director, officer or employee, as such, of the Issuer, the Company or the Unit or of any successor corporation, either directly or through the Issuer, the Company or the Unit, whether by virtue of any constitution or statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that this Indenture and the Loan Agreement and the Bonds and the Master Notes are solely corporate obligations, and that no such personal liability whatever shall attach to, or is or shall be incurred by, the incorporators, directors, officers or employees, as such, of the Issuer, the Company or the Unit or any successor corporation, or any of them, because of the creation of indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in the Loan Agreement or in any of the

Bonds or the Master Notes or implied therefrom; and that any and all such personal liability, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such incorporator, director, officer or employee, as such, are hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Indenture and the issue of such Bonds or the Master Notes.

Section 6.18 Expenses Payable under Indenture. All expenses incurred in carrying out this Indenture shall be payable solely from funds derived by the Issuer from the Company. Anything in this Indenture to the contrary notwithstanding, the performance by the Issuer of all duties and obligations imposed upon it hereby, the exercise by it of all powers granted to it hereunder, the carrying out of all covenants, agreements and promises made by it hereunder, and liability of the Issuer for all warranties and other covenants herein shall be limited solely to the Trust Estate; and the Issuer shall not be required to effectuate any of its duties, obligations, powers or covenants except from, and to the extent of, such moneys, revenues, proceeds, and payments derived from the Trust Estate.

Section 6.19 Termination of Default. Once an Event of Default has been cured in accordance with the provisions of this Indenture, such Event of Default will be deemed to no longer exist and the Trustee shall notify the Company in writing that such Event of Default has been cured and all corrective actions under this Indenture shall immediately cease unless or until another Event of Default shall occur.

ARTICLE VII

CONCERNING THE TRUSTEE

Section 7.01 Duties and Liabilities of Trustee.

(a) The Trustee accepts and agrees to execute the specific trusts imposed upon it by this Indenture, but only upon the express terms and conditions specifically and expressly set forth herein, and no implied covenants or obligations shall be read into this Indenture against the Trustee. Such duties shall be deemed purely ministerial in nature and the Trustee shall not be liable except for the performance of such duties.

(b) In case any Event of Default (of which the Responsible Officer of the Trustee has actual knowledge or is deemed to have actual knowledge under Section 7.03(h) hereof) has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs. Such standard of care is not considered a fiduciary standard, nor shall the Trustee be considered a fiduciary in the performance of its duties.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own grossly negligent action, its own grossly negligent failure to act, or its own willful misconduct, except, that:

(1) this subsection shall not be construed to limit the effect of subsection (a) of this Section or Section 7.03;

(2) the Trustee shall not be liable for any error of judgment made in good faith by the Responsible Officer, unless it shall be proved that the Trustee was grossly negligent in ascertaining the pertinent facts;

(3) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith when the Trustee reasonably believes the act or failure to act is authorized and within its powers to perform under this Indenture, including, but not limited to, in accordance with any written direction given to the Trustee under Section 6.02 of this Indenture or at the written direction of Bondholders of not less than a majority in aggregate principal amount of Bonds then Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(4) no provision of this Indenture shall require the Trustee to expend or risk its funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that the repayment of such funds or adequate indemnity against such risk or liability or the payment of its fees and expenses (including its legal counsel fees, costs and expenses) is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section and Sections 7.03 and 7.13.

Section 7.02 Notice of Defaults. Within sixty (60) days after the occurrence of any default hereunder of which the Trustee has actual knowledge in accordance with Section 7.03(h) hereof, the Trustee shall send to all Bondholders, notice of such default, unless such default shall have been cured or waived or unless corrective action to cure such default has been instituted and is being pursued such that such default does not constitute an Event of Default; provided, however, that except in the case of a default in the payment of the principal of (or premium, if any) or interest on any Bonds or in the payment of any sinking or purchase fund installment, the Trustee shall be protected in withholding such notice from the Bondholders if and so long as the board of directors, the executive committee or a trust committee of directors and/or Responsible Officers of the Trustee in good faith determine that the withholding of such notice is in the interest of the Bondholders; provided, further, that in the case of any default of the character specified in Section 6.01(2) hereof no such notice to Bondholders shall be given until at least thirty (30) days after the occurrence thereof. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default.

(a) the Trustee, pursuant to the Indenture, has resigned or been removed and a successor Trustee has been appointed, such notice to be mailed within ten (10) Business Days after the appointment of such successor Trustee;

(b) the Trustee either (1) receives a Board Resolution pursuant to Section 3.02 which directs the Trustee to redeem all the Outstanding Bonds or (2) declares the principal of all Outstanding Bonds to be immediately due and payable pursuant to Section 6.02, such

notice to be mailed within ten (10) Business Days after the receipt of such Board Resolution (and to specify the redemption date requested thereby) or after such declaration; or

(c) all Bonds shall be deemed to have been paid or defeased as provided in Article X hereof.

Section 7.03 Certain Rights of Trustee.

(a) The Trustee may, at the expense of the Company, request, conclusively rely on and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, debenture or other paper or document believed by it to be genuine and shall not be required to investigate or verify the truth or accuracy of any information or calculations required to be included therein or attached thereto. Any action taken or omitted to be taken by the Trustee pursuant to this Indenture upon the request or consent of any person who, at the time of making such request, or giving such authority or consent is the Bondholder, shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor and upon transfer or in place thereof;

(b) Any request or direction of any Person mentioned herein shall be sufficiently evidenced by a Request of such Person; and any resolution of the Governing Body of any Person may be evidenced to the Trustee by a Board Resolution of such Person;

(c) Whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may request and conclusively rely upon an Officer's Certificate;

(d) The Trustee may consult with counsel and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon, and the Trustee is under no duty to perform an independent investigation as to the accuracy or truth of such advice or correctness of any opinion;

(e) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Bondholders pursuant to the provisions of this Indenture, unless such Bondholders shall have provided to the Trustee reasonable security or indemnity satisfactory to it against the costs, expenses, losses and liabilities (including its legal counsel fees, costs and expenses) which might be incurred by it in connection with such request or direction and for the payment of the Trustee's fees in connection therewith;

(f) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, debenture or other paper or document but the Trustee, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally

or by receiver, employee agent or attorney and to take copies of such memoranda from and in regard thereto as may be reasonably be desired; provided that, the Trustee shall have no obligation to perform any of the duties of the Issuer under this Indenture or of the Company under any of the Bond Documents;

(g) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys, but the Trustee shall not be held liable for any negligence or misconduct of any such receiver, employee agent or attorney appointed with due care, and the Trustee shall be reimbursed for any fees or expenses incurred in hiring an agent;

(h) The Trustee shall not be required to take notice or be deemed to have notice or knowledge of any events, information, Event of Default or default hereunder unless the Responsible Officer shall be specifically notified of such event, information, Event of Default or default in writing by the Issuer or the Company or by a Bondholder, and in the absence of such notice the Trustee may conclusively assume that no default exists;

(i) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with any written direction of the Bondholders of the applicable percentage of the Bondholders of Outstanding Bonds permitted to be given by them under this Indenture and shall have the right, but not the obligation, to act as directed by said Bondholders;

(j) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it;

(k) The Trustee may seek the approval of the Bondholders by any means it deems appropriate and not inconsistent with the terms of this Indenture or the Master Indenture in connection with the giving of any consent or taking of any action in its capacity as holder of any Master Note;

(l) For the avoidance of doubt, the permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty or obligation to take such action;

(m) The Trustee shall not be required to give any bond or surety in respect of the execution of the trusts and powers established by this Indenture;

(n) The Trustee shall not be responsible for monitoring the existence of or determining whether any lien or encumbrance or other charge exists against the Project or the Trust Estate or for monitoring, inspecting or overseeing the construction, completion or development of the Project. The Trustee shall have the right, but not the responsibility or duty, to inspect the Project, including all books and records;

(o) The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Issuer herein except as may be expressly provided for herein or therein;

(p) The Trustee's rights to immunities and protection from liability hereunder will survive its resignation or removal and final payment or defeasance of the Bonds;

(q) In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, pandemics, epidemics, recognized public emergencies, quarantine restrictions, hacking or cyber-attacks, or other use or infiltration of the Trustee's technological infrastructure exceeding authorized access, loss or malfunctions of utilities, communications or computer (software and hardware) services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances;

(r) In no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action; and

(s) The Trustee shall not be required to make any disbursement of funds until having collected funds.

Section 7.04 Not Responsible For Recitals or Issuance of Bonds. The recitals contained herein and in the Bonds (other than the certificate of authentication on such Bonds) shall be taken as the statements of the Issuer, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof, or as to the title of the Issuer thereto or as to the adequacy, sufficiency or perfection of the security afforded thereby or hereby; as to the right, title or interest of the Issuer therein; as to the validity or genuineness of any securities at any time pledged and deposited with the Trustee hereunder; as to the validity or sufficiency of this Indenture, the other Bond Documents or of the Bonds; as to the technical or financial feasibility of the Project, the compliance of the Project with the Act, or the tax-exempt status of the Bonds or as to the correctness or sufficiency of any statement made in connection with the offer or sale of the Bonds. The Trustee shall not be accountable for the use or application of any of the Bonds or of the proceeds of such Bonds, or the sufficiency of said proceeds or cash flow to accomplish the intended objective of the financing, or for the use or application of any moneys paid over by the Trustee in accordance with any provision of this Indenture or the Loan Agreement. The Trustee shall have no duty to analyze or review any financial report received by the Trustee or express any opinion concerning the contents of any such report and shall have no responsibility for the contents or accuracy of any such report. The Trustee is not responsible for any of the contents or representations contained in any prospectus or offering document and makes no representations as to the accuracy or completeness of any information contained therein.

Section 7.05 Trustee May Own Bonds. The Trustee or any other agent appointed hereunder, in its individual or any other capacity, may become the owner or pledgee of Bonds and may otherwise deal with the Issuer with the same rights it would have if it were not Trustee or such other agent.

Section 7.06 Moneys to Be Held in Trust. All moneys received by the Trustee shall, until used or applied as herein provided (including payment of moneys to the Company under Section 9.01), be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any moneys received by it hereunder other than such interest as it expressly agrees in writing with the Company to pay.

Section 7.07 Compensation and Expenses of Trustee and Paying Agent. The following entities shall be entitled to payment, but solely from the Trust Estate and the revenues pledged by this Indenture to such payment or from other funds provided by the Company,

(1) payment to the Trustee, Bond Registrar, Authenticating Agent, and Paying Agent from time to time, when due, compensation for all services rendered by them hereunder, including (i) the Trustee's acceptance fee of $0, which shall be paid on the Closing Date; (ii) an annual fee of no less than $5,000 to be billed in advance; provided that the acceptance fee and the annual fee for the first year shall be paid on the Closing Date; and (iii) from time to time all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agent, and employees, incurred in and about the performance of their powers and duties under this Indenture and extraordinary services during the existence of a default, which shall not be limited by any law limiting the compensation of the trustee of an express trust, and which may be increased from time to time as the cost of business dictates and as negotiated with the Company; and

(2) except as otherwise expressly provided herein, to reimburse the Trustee and the Paying Agent in a timely manner upon its request for all expenses, disbursements and advances incurred or made by the Trustee or such Paying Agent in accordance with any provision of this Indenture (including the compensation and the fees, costs, expenses and disbursements of its agents and counsel and securities or transaction charges to the extent not waived by the Trustee as a result of its receipt of compensation with respect to such securities or transactions) except any such expense, disbursement or advance finally adjudicated by a court of competent jurisdiction to have been the result of the gross negligence or willful misconduct of such Person.

Nothing in this Section 7.07 shall affect or otherwise diminish the obligations of the Company to pay compensation and indemnification to the Trustee in accordance with the Loan Agreement as security for the performance of the obligations under this Section and the obligations of the Company under Sections 4.6(b) and 5.1(b) of the Loan Agreement. As such security for the performance of the obligations under this Section the Trustee shall have a lien prior to the Bonds upon all property and funds held or collected by the Trustee as such.

When the Trustee incurs expenses or renders services in connection with any bankruptcy or insolvency proceeding, such expenses (including the fees and expenses of its counsel) and the

compensation for such services are intended to constitute expenses of administration under any bankruptcy law or law relating to creditors' rights generally.

Section 7.08 Corporate Trustee Required; Eligibility. There shall at all times be a Trustee hereunder authorized which shall be (i) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least $250,000,000 of assets, or (ii) a state-chartered commercial bank that is a member of the Federal Reserve System and has at least $1,000,000,000 of assets. If the Trustee publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section, the assets of the Trustee shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

Section 7.09 Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Section shall become effective until the acceptance of appointment by the successor Trustee under Section 7.10.

(b) The Trustee may resign at any time by giving written notice thereof to the Issuer and the Company. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within thirty (30) days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed at any time (i) by an Act of Bondholders of a majority in principal amount of the Outstanding Bonds, or (ii) by the Company so long as no Event of Default has occurred or no circumstance exists that, with the passage of time, will constitute an Event of Default, in each case delivered to the Trustee and the Issuer.

(d) If at any time:

(1) the Trustee shall cease to be eligible under Section 7.08 and shall fail to resign after written request by the Issuer or by any such Bondholder, or

(2) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (i) the Issuer by an Issuer Request may remove the Trustee and (ii) any Bondholder who has been a bona fide Bondholder for at least 6 months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, the Issuer, by an Issuer Request, at the direction of the Company, shall promptly appoint a successor Trustee. If, within three (3) months after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee shall be appointed by Act of Bondholders of a majority in principal amount of the Outstanding Bonds delivered to the Issuer and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the successor Trustee appointed by the Issuer. If no successor Trustee shall have been so appointed by the Issuer or the Bondholders and accepted appointment in the manner hereinafter provided, the Trustee or any Bondholder who has been a bona fide Bondholder for at least 6 months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

(f) So long as no default or Event of Default has occurred and is continuing hereunder, the Company at any time may request that the Issuer remove the Trustee and appoint a substitute Trustee and the Issuer shall (subject to Section 10.07 hereof and subject to payment of any expenses in connection therewith) promptly comply with such request.

(g) The Company shall give, or cause to be given, notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee by mailing written notice of such event by first-class mail, postage prepaid, to the Bondholders at their addresses as shown in the Bond Register. Each notice shall include the name and address of the applicable corporate trust office or payment office of the successor Trustee.

(h) The rights of the Trustee to indemnity, any amounts due and payable and reimbursement of costs, fees and expenses shall survive the Trustee's resignation or removal.

Section 7.10 Acceptance of Appointment by Successor. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Issuer and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on request of the Issuer or the successor Trustee, such retiring Trustee shall, upon the payment of its outstanding charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to the successor Trustee, any and all property and money held by such retiring Trustee hereunder. Upon request of any such successor Trustee, the Issuer shall (upon payment of its expenses by the Company) execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

Section 7.11 Merger or Consolidation. Any Person into which the Trustee may be merged or with which it may be consolidated, or any Person resulting from any merger or consolidation to which the Trustee shall be a party, or any Person succeeding to all or substantially

all of the corporate trust business of the Trustee, shall be the successor Trustee hereunder, provided such Person shall be otherwise qualified and eligible under this Article, to the extent operative, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Bonds shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger or consolidation to such authenticating Trustee may adopt such authentication and deliver the Bonds so authenticated with the same effect as if such successor Trustee had itself authenticated such Bonds.

Section 7.12 Authenticating Agent. There may (and whenever the Trustee shall not maintain an office or agent in each Place of Payment there shall) be an Authenticating Agent appointed by the Trustee with power to act on its behalf and subject to its direction in the authentication and delivery of the Bonds in connection with delivery of Bonds pursuant to Section 2.03 and transfers and exchanges under Sections 2.04, 2.05 and 3.07, as fully to all intents and purposes as though the Authenticating Agent had been expressly authorized by those Sections to authenticate and deliver the Bonds. For all purposes of this Indenture, the authentication and delivery of the Bonds by the Authenticating Agent pursuant to this Section shall be deemed to be the authentication and delivery of the Bonds "by the Trustee".

The Trustee is hereby appointed Authenticating Agent with respect to the Bonds.

Each Authenticating Agent shall at all times be a bank or trust company having an office or agent in a Place of Payment, and shall at all times be organized and doing business under the laws of the United States or of any state with a combined capital and surplus of at least $50,000,000 and authorized under such laws to exercise corporate trust powers and subject to supervision or examination by federal or state authority. If the Authenticating Agent publishes reports of condition at least annually pursuant to law or the requirements of such authority, then for the purposes of this Section the combined capital and surplus of the Authenticating Agent shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Any Person into which any Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, consolidation, or conversion to which any Authenticating Agent shall be a party, or any corporation succeeding to the corporate trust business of any Authenticating Agent, shall be the successor of the Authenticating Agent hereunder, if such successor Person is otherwise eligible under this Section, without the execution or filing of any further act on the part of the parties hereto or the Authenticating Agent or such successor Person.

Any Authenticating Agent may at any time resign by giving written notice of resignation to the Trustee, the Issuer and the Company. The Trustee may at any time terminate the agency of any Authenticating Agent by giving written notice of termination to such Authenticating Agent and to the Issuer and the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time any Authenticating Agent shall cease to be eligible under this Section, the Trustee shall promptly appoint a successor Authenticating Agent and shall give written notice of such appointment to the Issuer and the Company.

The Trustee shall be entitled to be reimbursed for any compensation paid by the Trustee to the Authenticating Agent for its service subject to Sections 7.03 and 7.07. The provisions of Sections 2.07, 7.03, 7.04, and 7.05 of this Indenture shall be applicable to any Authenticating Agent.

Section 7.13 Trustee Not Liable for Agents. Notwithstanding anything contained herein to the contrary, the Trustee shall not be liable for any failure of the Paying Agent or the Authenticating Agent to perform in accordance with this Indenture any duty required or authorized herein to be performed by such Person or for any other acts or omissions of such Person.

Section 7.14 Facsimile and Electronic Transmissions. The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that such instructions or directions shall be signed by an Authorized Representative. All notices, approvals, consents, requests and any communications to the Trustee hereunder or under any other Bond Document must be in writing in English and must be in the form of a document that is signed manually or by way of an electronic signature (including electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other electronic signature provider). To the fullest extent permitted by applicable law and except for the certificate of authentication on the Bonds (which must be manually signed by an Authorized Representative of the Trustee) and instruments of transfer of the Bonds, facsimile or electronically transmitted signatures believed by the Trustee to comply with the ESIGN ACT of 2000 or other applicable law shall constitute original signatures for all purposes under this Indenture. If the Issuer or the Company elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Company agrees to (i) assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties; (ii) acknowledges that it is fully informed of the protections and risks associated with the various methods of utilizing electronic signatures and that there may be more secure methods of utilizing electronic signatures than the method(s) selected by the Issuer, Company, or other party, as applicable; and (iii) acknowledges that the security procedures (if any) to be followed in connection with the use of electronic signatures provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances. Notwithstanding the foregoing, the Trustee may in any instance and in its sole discretion require that an original document bearing a manual signature be delivered to the Trustee in lieu of, or in addition to, any document signed via electronic signature.

ARTICLE VIII

SUPPLEMENTS AND AMENDMENTS

Section 8.01 Supplemental Indentures and Amendatory Agreements Without Consent of Bondholders. Without the consent of Bondholders of any Bonds, the Issuer, when authorized by

a Board Resolution, and the Trustee at any time upon receipt of Company Consent, may enter into or consent to one or more indentures supplemental hereto, subject to Section 8.03 hereof, or amendments to the Loan Agreement or the Supplemental Master Trust Indenture for any of the following purposes:

(1) to evidence the succession of another Person to the Issuer or the Company, or successive successions, and the assumption by the successor Person of the covenants, agreements and obligations of the Issuer as permitted by this Indenture or the Company as permitted by the Loan Agreement;

(2) to add to the covenants of the Issuer or the Company for the benefit of the Bondholders, to surrender any right or power herein or therein conferred upon the Issuer or the Company;

(3) to cure any ambiguity or to correct or supplement any provision herein or therein which may be inconsistent with any other provision herein or therein, or to make any other provisions with respect to matters or questions arising under this Indenture or the Loan Agreement which shall not be inconsistent with this Indenture, provided such action shall not materially adversely affect the interests of the Bondholders;

(4) to modify or supplement this Indenture in such manner as may be necessary to qualify this Indenture under the Trust Indenture Act of 1939 as then amended, or under any similar federal or state statute or regulation, including provisions whereby the Trustee accepts such powers, duties, conditions and restrictions hereunder and the Issuer or the Company undertakes such covenants, conditions or restrictions additional to those contained in this Indenture as would be necessary or appropriate so to qualify this Indenture; provided, however, that nothing herein contained shall be deemed to authorize inclusion in this Indenture or in any indenture supplemental hereto, provisions referred to in Section 3.16(a)(2) of the said Trust Indenture Act or any corresponding provision provided for in any similar statute hereafter in effect; or

(5) in connection with any other change herein or therein which, in the judgment of a Management Consultant, a copy of whose report shall be filed with the Trustee, (a) is in the best interest of the Company and (b) does not materially adversely affect any Bondholder.

Section 8.02 Supplemental Indentures and Amendatory Agreements with Consent of Bondholders. With the consent of the Bondholders of not less than a majority in principal amount of the Outstanding Bonds affected by such supplemental indenture, by Act of such Bondholders delivered to the Issuer, the Company, the Trustee and the Issuer, when authorized by a Board Resolution, and the Trustee may, upon receipt of a Company Consent, enter into or consent to an indenture or indentures supplemental hereto (subject to Section 8.03 hereof), amendments to the Loan Agreement for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or the Loan Agreement or of modifying in any manner the rights of the Bondholders under this Indenture or the Loan Agreement; provided, however, that no such supplemental indenture or amendment shall, without the consent of each Bondholder affected thereby:

(1) change the Stated Maturity of the principal of, or any installment of interest on, any Bonds or any date for mandatory redemption thereof, or reduce the principal amount thereof or the interest thereon or any premium payable upon the redemption thereof, or change the coin or currency in which, any Bonds or the interest thereon is payable, or impair or subordinate the lien of this Indenture on the Trust Estate or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the redemption date), or

(2) reduce the percentage in principal amount of the Outstanding Bonds, the consent of whose Bondholders is required for any such supplemental indenture, or the consent of whose Bondholders is required for any waiver (of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences) provided for in this Indenture, or

(3) modify any of the provisions of this Section or Section 713, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Bondholder of each Bond affected thereby.

It shall not be necessary for any Act of Bondholders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act of Bondholders shall approve the substance thereof as presented in written form to the Bondholders.

Section 8.03 Execution of Supplemental Indentures. In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trusts created by this Indenture and in consenting to any amendment to the Loan Agreement or to any indenture supplemental to this Indenture, the Trustee shall be entitled to receive, and shall be fully protected in relying upon, a Favorable Opinion of Bond Counsel and an Opinion of Counsel stating that the execution of such supplemental indenture or consent is authorized or permitted by this Indenture. The Trustee may, but shall not (except to the extent required in the case of a supplemental indenture entered into under Section 8.01(4)) be obligated to, enter into any such supplemental indenture or consent which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise. The Trustee shall not execute any supplemental indenture without the consent of the Company.

Section 8.04 Effect of Supplemental Indentures. Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes, and every Bondholder thereafter or theretofore authenticated and delivered hereunder shall be bound thereby.

Section 8.05 Bonds May Bear Notation of Changes. Bonds authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Issuer or the Trustee shall so determine, new Bonds so modified as to conform, in the opinion of the Trustee and the Issuer, to any such supplemental indenture may be prepared and executed by the Issuer and authenticated and delivered by the Trustee in exchange for Bonds then Outstanding.

ARTICLE IX

SATISFACTION AND DISCHARGE OF INDENTURE; UNCLAIMED MONEYS

Section 9.01 Satisfaction and Discharge of Indenture. Whenever the following conditions shall exist, namely:

(a) all Bonds theretofore authenticated and delivered have been cancelled by the Trustee or delivered to the Trustee for cancellation, excluding, however:

(1) Bonds alleged to have been destroyed, lost, or stolen which have been replaced or paid as provided in Section 2.05, except for any such Bond which, prior to the satisfaction and discharge of this Indenture, has been presented to the Trustee with a claim of ownership and enforceability by Bondholder thereof and where enforceability has not been determined adversely against such Bondholder by a court of competent jurisdiction,

(2) Bonds, other than those referred to in paragraph (1) above, for the payment or redemption of which the Company has deposited or caused to be deposited with the Trustee at the Maturity thereof in trust for such purpose funds (which shall be immediately available for payment) in an amount sufficient to pay and discharge the entire indebtedness on such Bonds for principal (and premium, if any) and interest to such Maturity, and

(3) Bonds deemed no longer Outstanding as a result of the deposit or escrow of money or Defeasance Obligations or both as described in Section 9.02;

(b) all amounts due to the Trustee and the Issuer under this Indenture and the Loan Agreement including any legal counsel fees, costs or expenses due to the Trustee, the Issuer, or any Issuer Indemnified Party and any other payments due them in respect of the Issuer's Unassigned Rights have been paid or satisfactory arrangements for their payment have been made;

(c) the Company has paid or caused to be paid all other sums payable by the Company hereunder and under the Loan Agreement; and

(d) there has been delivered to the Trustee an Opinion of Counsel stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with;

then, upon Issuer Request (which the Issuer shall make upon Company Order), and subject to the applicable escheatment laws of the State, this Indenture and the lien, rights, and interests created hereby shall cease, determine, and become null and void (except as to any surviving rights of transfer, exchange, or tender of Bonds herein or therein provided for) and the Trustee and each co-trustee and separate trustee, if any, then acting as such hereunder shall, at the expense of the Company, execute and deliver a termination statement and such instruments of satisfaction and discharge as may be necessary (in form and substance satisfactory to the Company) and pay, assign, transfer, and deliver to the Company or upon Company Order all Cash, securities, and other property then held by it hereunder as a part of the Trust Estate.

In the absence of an Issuer Request as aforesaid, the payment of all Outstanding Bonds shall not render this Indenture inoperative.

Notwithstanding the satisfaction and discharge of this Indenture the obligations of the Company to the Trustee under Section 7.07 shall survive.

Section 9.02 Payment of Bonds.

(a) All of the Bonds shall be deemed to have been paid for purposes of this Indenture if (x) there has been deposited with the Trustee in trust in a segregated account either (i) moneys in an amount, or (ii) Defeasance Obligations, the principal of and interest on which will, when due, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon, (as established by a report of an Independent certified public accountant or accounting firm setting forth the calculations upon which such report is based) provide moneys in an amount, which, together with any moneys deposited with or held by the Trustee at the same time and available for such purpose pursuant to this Indenture, will be sufficient to pay when due and payable the principal, premium, if any, and interest due and payable and to become due and payable on and prior to the respective redemption dates or at Maturity, or (iii) a combination of (i) and (ii), and (y) in case any of such Bonds are to be redeemed on any date prior to their Stated Maturity, the Company has given to the Trustee irrevocable written instructions instructing the Trustee to effect the redemption of such Bonds on such date and to give notice of such redemption to Bondholders prior to said date as provided in Exhibit A to this Indenture, and (z) in the event such Bonds are not to be redeemed within the sixty (60) days next succeeding the date of such deposit with the Trustee, the Issuer has given irrevocable written instructions to the Trustee to give notice to the Bondholders advising that the deposit required by clause (x) of this paragraph has been made with the Trustee and that the Bonds are deemed to have been paid in accordance with this Article and stating such Maturity or redemption date or dates upon which money is to be available for the payment of the principal, premium, if any, and interest on such Bonds. The Trustee shall not be required to accept any deposit of Defeasance Obligations pursuant to clause (x)(ii) or (x)(iii) during the continuance of an Event of Default. For purposes of this Section, Government Obligations issued or held in the name of the Trustee in book-entry form on the books of the Department of Treasury of the United States of America shall be deemed to be deposited with the Trustee.

Any Defeasance Obligations deposited with the Trustee pursuant to this Section shall mature on such dates as shall be required for the aforesaid purpose. Such Defeasance Obligations shall not contain provisions permitting the redemption thereof at the option of the issuer thereof. If the Bonds are defeased as provided for herein, the guarantee of the Bonds shall automatically be removed in its entirety.

(b) Any release under this Section shall be without prejudice to the right of the Trustee to be paid compensation for all services rendered by it under this Indenture and all its expenses, charges and other disbursements and those of its attorneys, agents and employees, incurred on and about the administration of trusts created by this Indenture and the performance of its powers and duties under this Indenture.

Section 9.03 Application of Trust Money. The Defeasance Obligations and money deposited with the Trustee pursuant to Section 9.02 and principal or interest payments on any such Defeasance Obligations shall be held in trust, shall not be sold or reinvested, and shall be applied by it, in accordance with the provisions of the Bonds and this Indenture, to the payment, either directly or through any Paying Agent as the Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such money or Defeasance Obligations were deposited; provided that, upon delivery to the Trustee of an Officer's Certificate (accompanied by the report of an Independent certified public accountant or accounting firm setting forth the calculations upon which such Officer's Certificate is based) establishing that the money and Defeasance Obligations on deposit following the taking of the proposed action will be sufficient for the purposes described in Section 9.02(a), any money received from principal or interest payments on Defeasance Obligations deposited with the Trustee or the proceeds of any sale of such Defeasance Obligations, if not then needed for such purpose, shall, upon Company Request be reinvested in other Defeasance Obligations or disposed of as requested by the Company. For purposes of any calculation required by this Article, any Defeasance Obligation which is subject to redemption at the option of its issuer, the redemption date for which has not been irrevocably established as of the date of such calculation, shall be assumed to cease to bear interest at the earliest date on which such obligation may be redeemed at the option of the issuer thereof and the principal of such obligation shall be assumed to be received at its Stated Maturity.

ARTICLE X

MISCELLANEOUS

Section 10.01 Execution in Counterparts. This Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument. Delivery of an executed counterpart of this Indenture by facsimile or electronic transmission shall be equally as effective as delivery of an original executed counterpart of this Indenture.

Section 10.02 Continuing Disclosure. The Company has agreed to provide certain financial and other disclosure pursuant to the Continuing Disclosure Agreement.

Section 10.03 Final Agreement. This written Indenture represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties.

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Indenture to be signed on their behalf by their duly Authorized Representatives as of the date first written above.

MISSION ECONOMIC DEVELOPMENT CORPORATION

By:_____
Name:_____
Title:_____

UMB BANK, N.A., as Trustee, Paying Agent and Bond Registrar

By:_____
Name: _____
Title: _____

EXHIBIT A-1

FORM OF SERIES 2025A BONDS

EXCEPT AS MAY OTHERWISE BE PROVIDED HEREIN, THIS BOND OR ANY PORTION HEREOF MAY BE TRANSFERRED ONLY IN MINIMUM DENOMINATIONS OF $25,000 OR ANY INTEGRAL MULTIPLES OF $1,000 IN EXCESS THEREOF ("AUTHORIZED DENOMINATIONS").

1. Form of Definitive Series 2025A Bonds.

NO. RA-___ REGISTERED $_____

UNITED STATES OF AMERICA
MISSION ECONOMIC DEVELOPMENT CORPORATION
UTILITY REVENUE BOND (PERMIAN BASIN WATER RESOURCES PROJECT)
SERIES 2025A

Interest Rate	**Maturity Date**	**Dated Date**	**CUSIP NO.**
%	_____, ___	[___], 2025	

Mission Economic Development Corporation a nonprofit corporation created and existing under the Act (the "Issuer") hereby promises to pay to the order of CEDE & CO., or its successor in interest, or registered assigns, at the designated payment office of UMB Bank, N.A., initially in Austin, Texas (the "Place of Payment"), the aggregate principal amount of _____ ($_____) on the Maturity Date set forth above (or earlier as hereinafter provided) and to pay interest thereon, calculated on the basis of a 360-day year of twelve 30-day months at the per annum rate set forth above, from the date of delivery or the most recent Interest Payment Date to which interest has been paid or provided for; provided that such principal and interest are payable solely from the sources and in the manner hereinafter described, and solely as authorized and provided in the Act.

THE PRINCIPAL of, premium, if any, and interest on this Bond are payable in lawful money of the United States of America. Amounts due on this Bond shall be paid by check drawn upon by UMB Bank, N.A. (the "Trustee," "Paying Agent" and "Bond Registrar" for this series of Series 2025A Bonds) and mailed to the Owner hereof at its address as it appears on the bond registration books kept by the Bond Registrar (the "Bond Register") on the last day of the calendar month immediately preceding the month in which such payment date occurs. Series 2025A Bonds registered in the Book-Entry-Only System shall be paid in same day funds pursuant to the applicable procedures of the Depository Trust Company. Following written request of a registered owner of at least $1,000,000 in principal amount of Series 2025A Bonds or all of the Series 2025A Bonds, all payments of principal, premium and interest on the Series 2025A Bonds shall be paid by wire transfer at the risk and expense of such registered owner in immediately available funds

to an account in the United States designated by such registered owner following at least fifteen (15) days prior written notice to the Trustee.

THE INTEREST on this Bond shall be paid on each February 15 and August 15, commencing February 15, 2026, until the principal thereof shall have been paid or provided for.

THIS BOND is one of a series of bonds (the "Series 2025A Bonds") authorized and issued in the aggregate principal amount of $[_____] for the purpose of refunding certain outstanding debt, paying the costs of the acquisition, construction, renovation and equipment of certain water facilities for Permian Basin Water Resources, LLC (the "Company"), and paying a portion of the costs of issuance of the Series 2025A Bonds, a resolution adopted by the Governing Body of the Issuer, and a Trust Indenture and Security Agreement, dated as of September 1, 2025 (the "Indenture"), by and between the Issuer and the Trustee. The proceeds of the sale of the Series 2025A Bonds will be loaned to the Company pursuant to a Loan Agreement, dated as of September 1, 2025 (the "Loan Agreement"), between the Issuer and the Company, and the Company's obligations under the Loan Agreement are further evidenced by the Company's execution and issuance of a promissory note (the "Master Note"), dated as of the date of delivery of the Series 2025A Bonds, in an amount equal to the aggregate principal amount of the Series 2025A Bonds. The Master Note is a "Note" as defined in and is entitled to the security of a Master Trust Indenture and Security Agreement, dated as of September 1, 2025 (the "Master Indenture"), as supplemented by Supplemental Master Trust Indenture No. 1, dated as of September 1, 2025 (the "Supplemental Indenture"), between the Company on behalf of itself and UMB Bank, N.A., as Master Trustee.

THE TRANSFER of this Bond may be registered by the owner hereof in person or by his attorney or legal representative at the corporate trust office or designated payment office of the Bond Registrar as set forth in the Indenture, but only in the manner and subject to the limitations and conditions provided in the Indenture and upon surrender and cancellation of this Bond and execution of the Assignment hereon. Upon any such surrender for transfer of the Bond at the office or agency of the Trustee in a Place of Payment, the Issuer shall execute, the Trustee shall authenticate, and the Bond Registrar shall register and deliver, in the name of the designated transferee, one or more new Series 2025A Bonds of any Authorized Denomination, of a like aggregate principal amount, maturity and interest rate. The Issuer and the Bond Registrar shall not be required (1) to issue, transfer or exchange any Series 2025A Bonds during a period beginning at the opening of business fifteen (15) days before the day of mailing a notice of redemption of the Series 2025A Bonds selected for redemption under the Indenture and ending the close of business on the day of such mailing or (2) to transfer or exchange any Bond selected for redemption in whole or in part.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL

INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

Subject to the limitations set forth in the Master Indenture, the Company may from time to time issue additional notes authorized by and entitled to the security of the Master Indenture for the purposes set forth in the Master Indenture ("Master Notes"), which shall rank equally and on a parity with the Master Note and all other Master Notes except as set forth in any supplemental master indenture authorizing issuance of any Master Note.

The principal amount of the Series 2025A Bonds required to be redeemed pursuant to the operation of such mandatory redemptions shall be reduced by the principal amount of any Series 2025A Bonds of the same series and maturity date which, at least sixty (60) days prior to the mandatory sinking fund redemption date (a) shall have been purchased and delivered to the Trustee for cancellation, (b) shall have been purchased and canceled by the Trustee with funds furnished for such purpose, in each case at a purchase price not exceeding the principal amount of such Series 2025A Bonds plus accrued interest to the date of purchase thereof or (c) shall have been redeemed pursuant to the optional redemption provision described below.

Optional Redemption. The Series 2025A Bonds maturing on and after [_____], 20___ are subject to optional redemption, in whole or in part, prior to scheduled maturity on [_____], 20___, and any date thereafter, at the option of the Company, at a price of par plus interest accrued thereon to the redemption date, upon written notice of the exercise of the option to redeem Series 2025A Bonds delivered to the Trustee by the Company at least thirty (30) days prior to the date fixed for redemption but not more than sixty (60) days prior to the date fixed for redemption.

Mandatory Redemption. The Series 2025A Bonds maturing [_____] are subject to mandatory redemption in part prior to maturity, at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption, without premium, on [_____] 15 in each of the years, and in the principal amounts, respectively, as set forth in the following schedule:

[$_____] Series 2025A Bonds Maturing
_____ 15, [_____]

Mandatory Redemption Date (_____ 15)	Principal Amount to be Mandatorily Redeemed

* Final Maturity

The principal amount of the Series 2025A Bonds required to be redeemed pursuant to the operation of such mandatory redemptions shall be reduced by the principal amount of any Series 2025A Bonds of the same series and maturity date which, at least sixty (60) days prior to the mandatory sinking fund redemption date (a) shall have been purchased and delivered to the Trustee

for cancellation, (b) shall have been purchased and canceled by the Trustee with funds furnished for such purpose, in each case at a purchase price not exceeding the principal amount of such Series 2025A Bonds plus accrued interest to the date of purchase thereof or (c) shall have been redeemed pursuant to the optional redemption provision described above.

Extraordinary Optional Redemption. The Series 2025A Bonds are subject to extraordinary redemption, at the option of the Issuer upon a Company Request, at a redemption price of par plus interest accrued thereon to the redemption date, without premium, on any date, in the event the Project is damaged, destroyed or condemned or threatened to be condemned, (i) in whole, if, in accordance with the terms of the Loan Agreement, the Project is not reconstructed, repaired or replaced upon the change or destruction thereof, from insurance or condemnation proceeds transferred from the Project Fund to the Debt Service Fund which, together with an amount required to be paid by the Company pursuant to the Loan Agreement, will be sufficient to pay the Series 2025A Bonds in full, or (ii) in part, after reconstruction, repair or replacement of the Project in accordance with the terms of the Loan Agreement, from excess insurance or condemnation proceeds transferred from the Project Fund to the Debt Service Fund for such purpose.

IF LESS THAN ALL of the Series 2025A Bonds are called for redemption, the particular Series 2025A Bonds or portions thereof to be redeemed shall be redeemed by the Trustee in accordance with the written direction of the Company (subject to the applicable procedures of the Depository when the Series 2025A Bonds are registered in the Book-Entry-System); provided, however, that portions of Series 2025A Bonds shall be redeemed in Authorized Denominations and that no redemption shall result in a Bond being held in less than an Authorized Denomination.

IN CASE PART, but not all, of this Bond shall be selected for redemption, the owner hereof or his attorney or legal representative shall present and surrender this Bond to the Trustee for payment of the redemption price, and the Issuer shall cause to be executed, authenticated and delivered to or upon the order of such owner or his attorney or legal representative, without charge therefor, in exchange for the unredeemed portion of the principal amount of this Bond so surrendered, a Bond of the same maturity and bearing interest at the same rate.

AT LEAST thirty (30) days prior to the date fixed for any redemption of the Series 2025A Bonds but not more than sixty (60) days prior to any redemption date, the Trustee shall cause a written notice of such redemption to be mailed by first class mail, postage prepaid (or sent pursuant to the applicable procedures of the Depository when the Series 2025A Bonds are registered in the Book-Entry-Only-System), to each holder of the Series 2025A Bonds to be redeemed, at the address appearing on the Bond Register on the date such notice is mailed by the Trustee. Any notice mailed as provided herein shall be conclusively presumed to have been given, irrespective of whether received. By the date fixed for any such redemption, due provision shall be made with the Trustee and the Paying Agent for the payment of the appropriate redemption price, premium, if any, and interest accrued hereon. If such written notice of redemption is made, due provision for payment of the redemption price is made and all conditions to the redemption have been fulfilled, all as provided above and in the Indenture, the Series 2025A Bonds which are to be redeemed shall become due and payable at the redemption price and from and after such date shall cease to bear interest. If any Bond shall not be paid upon the surrender thereof for redemption, the principal shall, until paid, bear interest at the rate borne by this Bond.

IF THE DATE for any such payment on this Bond shall be a Saturday, a Sunday or a legal holiday or the equivalent for banking institutions generally (other than a moratorium) at the place where payment thereof is to be made, then such payment may be made on the next succeeding day which is not one of the foregoing days without additional interest and with the same force and effect as if made on the specified date for such payment.

IT IS HEREBY CERTIFIED AND COVENANTED that this Bond has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, exist, and been done in accordance with law; that this Bond is a special limited revenue obligation of the Issuer, and that the principal of, premium, if any, and interest on this Bond are payable from and secured by a lien on and pledge of the Trust Estate under the Indenture, including the payments designated as Loan Payments (the "Loan Payments") to be paid, or caused to be paid, by the Company to the Trustee, pursuant to the Master Indenture, the Supplemental Indenture and the Loan Agreement, as evidenced by the Master Note, and by an assignment by the Issuer to the Trustee of the Master Note to evidence the Company's obligations to make Loan Payments under the Master Indenture, the Supplemental Indenture and the Loan Agreement to the Trustee. The Company is unconditionally obligated (subject only to the provisions of the Loan Agreement relating to merger, consolidation, and transfer of assets) to the Issuer and the Trustee to pay, or cause to be paid, without set off, recoupment, or counterclaim, to the Trustee each Loan Payment for deposit into the Debt Service Fund created for the benefit of the owners of the Series 2025A Bonds by the Indenture, in aggregate amounts sufficient to pay and redeem, and provide for the payment and redemption of, the principal of, premium, if any, and interest on the Series 2025A Bonds, when due, and to make certain other deposits as required by the Indenture, subject to and as required by the provisions of the Loan Agreement, the Master Note, and the Indenture.

THE SERIES 2025A BONDS are secured by the Indenture whereunder the Trustee is custodian of the Debt Service Fund and is obligated to enforce the rights of the owners of the Series 2025A Bonds and to perform other duties in the manner and under the conditions stated in the Indenture. In case an "Event of Default," as defined in the Indenture, shall occur, the principal of the Series 2025A Bonds then Outstanding may be declared to be due and payable immediately upon the conditions and in the manner provided in the Indenture. The Trustee shall, upon written request of the owners of a majority in principal amount of the Series 2025A Bonds then Outstanding, waive, as permitted by the Indenture, any Event of Default and its consequences except a default in the payment of the principal of (or premium, if any) or interest on any Bond or a default in respect of a covenant or provision of the Indenture which under the Indenture cannot be modified or amended without the consent of Bondholder of each Outstanding Bond affected. Bondholder of this Bond shall have no right to institute any action, suit, or proceeding at law or in equity to enforce the Indenture except as provided in the Indenture; provided that nothing in the Indenture shall affect or impair the rights of the owner hereof to enforce the payment of the principal of, premium, if any, and interest on this Bond from the source and in the manner herein expressed. Reference is hereby made to the Indenture for additional provisions with respect to the nature and extent of the security for the Series 2025A Bonds; the rights, duties, and obligations of the Company, the Issuer, the Trustee, and the Bondholders; the terms upon which the Series 2025A Bonds are issued and secured; and the modification of any of the foregoing.

THE ISSUER has reserved the right to amend the Indenture, as provided therein; and, under some (but not all) circumstances, amendments thereto must be approved by the owners of a majority in aggregate principal amount of the Outstanding Series 2025A Bonds.

IN WITNESS WHEREOF, Mission Economic Development Corporation has caused this Bond to be executed with the manual or facsimile signatures of its duly authorized officers, all as of the date first set forth above.

MISSION ECONOMIC DEVELOPMENT CORPORATION

By:_____
Name:_____
Title:_____

2. Form of Trustee's Certificate of Authentication.

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Series 2025A Bonds issued under the provisions of the within mentioned Indenture.

UMB Bank, N.A., as Trustee

By:_____
Authorized Signature

Date of authentication:

_____

3. Form of Assignment.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____

_____

Please insert Social Security or Taxpayer Identification number of Transferee_____

_____

(Please print or typewrite name and address, including zip code of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____

_____,

attorney, to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:_____

Signature Guaranteed:_____

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company that is a medallion guarantor. The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of this Bond in every particular, without alteration or enlargement or any change whatsoever.

EXHIBIT A-2

FORM OF SERIES 2025B BONDS

EXCEPT AS MAY OTHERWISE BE PROVIDED HEREIN, THIS BOND OR ANY PORTION HEREOF MAY BE TRANSFERRED ONLY IN MINIMUM DENOMINATIONS OF $25,000 OR ANY INTEGRAL MULTIPLES OF $1,000 IN EXCESS THEREOF ("AUTHORIZED DENOMINATIONS").

1. Form of Definitive Series 2025B Bonds.

NO. RB-___ REGISTERED $_____

UNITED STATES OF AMERICA
MISSION ECONOMIC DEVELOPMENT CORPORATION
UTILITY REVENUE BOND (PERMIAN BASIN WATER RESOURCES PROJECT)
TAXABLE SERIES 2025B

Interest Rate	**Maturity Date**	**Dated Date**	**CUSIP NO.**
%	_____, ___	[___], 2025	

Mission Economic Development Corporation a nonprofit corporation created and existing under the Act (the "Issuer") hereby promises to pay to the order of CEDE & CO., or its successor in interest, or registered assigns, at the designated payment office of UMB Bank, N.A., initially in Austin, Texas (the "Place of Payment"), the aggregate principal amount of _____ ($_____) on the Maturity Date set forth above (or earlier as hereinafter provided) and to pay interest thereon, calculated on the basis of a 360-day year of twelve 30-day months at the per annum rate set forth above, from the date of delivery or the most recent Interest Payment Date to which interest has been paid or provided for; provided that such principal and interest are payable solely from the sources and in the manner hereinafter described, and solely as authorized and provided in the Act.

THE PRINCIPAL of, premium, if any, and interest on this Bond are payable in lawful money of the United States of America. Amounts due on this Bond shall be paid by check drawn upon by UMB Bank, N.A. (the "Trustee," "Paying Agent" and "Bond Registrar" for this series of Series 2025B Bonds) and mailed to the Owner hereof at its address as it appears on the bond registration books kept by the Bond Registrar (the "Bond Register") on the last day of the calendar month immediately preceding the month in which such payment date occurs. Series 2025B Bonds registered in the Book-Entry-Only System shall be paid in same day funds pursuant to the applicable procedures of the Depository Trust Company. Following written request of a registered owner of at least $1,000,000 in principal amount of Series 2025B Bonds or all of the Series 2025B Bonds, all payments of principal, premium and interest on the Series 2025B Bonds shall be paid by wire transfer at the risk and expense of such registered owner in immediately available funds

to an account in the United States designated by such registered owner following at least fifteen (15) days prior written notice to the Trustee.

THE INTEREST on this Bond shall be paid on each February 15 and August 15, commencing February 15, 2026, until the principal thereof shall have been paid or provided for.

THIS BOND is one of a series of bonds (the "Series 2025B Bonds") authorized and issued in the aggregate principal amount of $[_____] for the purpose of refunding certain outstanding debt, paying the costs of the acquisition, construction, renovation and equipment of certain water facilities for Permian Basin Water Resources, LLC (the "Company"), and paying a portion of the costs of issuance of the Series 2025B Bonds, a resolution adopted by the Governing Body of the Issuer, and a Trust Indenture and Security Agreement, dated as of September 1, 2025 (the "Indenture"), by and between the Issuer and the Trustee. The proceeds of the sale of the Series 2025B Bonds will be loaned to the Company pursuant to a Loan Agreement, dated as of September 1, 2025 (the "Loan Agreement"), between the Issuer and the Company, and the Company's obligations under the Loan Agreement are further evidenced by the Company's execution and issuance of a promissory note (the "Master Note"), dated as of the date of delivery of the Series 2025B Bonds, in an amount equal to the aggregate principal amount of the Series 2025B Bonds. The Master Note is a "Note" as defined in and is entitled to the security of a Master Trust Indenture and Security Agreement, dated as of September 1, 2025 (the "Master Indenture"), as supplemented by Supplemental Master Trust Indenture No. 1, dated as of September 1, 2025 (the "Supplemental Indenture"), between the Company on behalf of itself and UMB Bank, N.A., as Master Trustee.

THE TRANSFER of this Bond may be registered by the owner hereof in person or by his attorney or legal representative at the corporate trust office or designated payment office of the Bond Registrar as set forth in the Indenture, but only in the manner and subject to the limitations and conditions provided in the Indenture and upon surrender and cancellation of this Bond and execution of the Assignment hereon. Upon any such surrender for transfer of the Bond at the office or agency of the Trustee in a Place of Payment, the Issuer shall execute, the Trustee shall authenticate, and the Bond Registrar shall register and deliver, in the name of the designated transferee, one or more new Series 2025B Bonds of any Authorized Denomination, of a like aggregate principal amount, maturity and interest rate. The Issuer and the Bond Registrar shall not be required (1) to issue, transfer or exchange any Series 2025B Bonds during a period beginning at the opening of business fifteen (15) days before the day of mailing a notice of redemption of the Series 2025B Bonds selected for redemption under the Indenture and ending the close of business on the day of such mailing or (2) to transfer or exchange any Bond selected for redemption in whole or in part.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL

INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

Subject to the limitations set forth in the Master Indenture, the Company may from time to time issue additional notes authorized by and entitled to the security of the Master Indenture for the purposes set forth in the Master Indenture ("Master Notes"), which shall rank equally and on a parity with the Master Note and all other Master Notes except as set forth in any supplemental master indenture authorizing issuance of any Master Note.

The principal amount of the Series 2025B Bonds required to be redeemed pursuant to the operation of such mandatory redemptions shall be reduced by the principal amount of any Series 2025B Bonds of the same series and maturity date which, at least sixty (60) days prior to the mandatory sinking fund redemption date (a) shall have been purchased and delivered to the Trustee for cancellation, (b) shall have been purchased and canceled by the Trustee with funds furnished for such purpose, in each case at a purchase price not exceeding the principal amount of such Series 2025B Bonds plus accrued interest to the date of purchase thereof or (c) shall have been redeemed pursuant to the optional redemption provision described below.

Optional Redemption. The Series 2025B Bonds maturing on and after [_____], 20___ are subject to optional redemption, in whole or in part, prior to scheduled maturity on [_____], 20___, and any date thereafter, at the option of the Company, at a price of par plus interest accrued thereon to the redemption date, upon written notice of the exercise of the option to redeem Series 2025B Bonds delivered to the Trustee by the Company at least thirty (30) days prior to the date fixed for redemption but not more than sixty (60) days prior to the date fixed for redemption.

Mandatory Redemption. The Series 2025B Bonds maturing [_____] are subject to mandatory redemption in part prior to maturity, at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption, without premium, on [_____] 15 in each of the years, and in the principal amounts, respectively, as set forth in the following schedule:

[$_____] Series 2025B Bonds Maturing
_____ 15, [_____]

Mandatory Redemption Date (_____ 15)	Principal Amount to be Mandatorily Redeemed

* Final Maturity

The principal amount of the Series 2025B Bonds required to be redeemed pursuant to the operation of such mandatory redemptions shall be reduced by the principal amount of any Series 2025B Bonds of the same series and maturity date which, at least sixty (60) days prior to the mandatory sinking fund redemption date (a) shall have been purchased and delivered to the

Trustee for cancellation, (b) shall have been purchased and canceled by the Trustee with funds furnished for such purpose, in each case at a purchase price not exceeding the principal amount of such Series 2025B Bonds plus accrued interest to the date of purchase thereof or (c) shall have been redeemed pursuant to the optional redemption provision described above.

Extraordinary Optional Redemption. The Series 2025B Bonds are subject to extraordinary redemption, at the option of the Issuer upon a Company Request, at a redemption price of par plus interest accrued thereon to the redemption date, without premium, on any date, in the event the Project is damaged, destroyed or condemned or threatened to be condemned, (i) in whole, if, in accordance with the terms of the Loan Agreement, the Project is not reconstructed, repaired or replaced upon the change or destruction thereof, from insurance or condemnation proceeds transferred from the Project Fund to the Debt Service Fund which, together with an amount required to be paid by the Company pursuant to the Loan Agreement, will be sufficient to pay the Series 2025B Bonds in full, or (ii) in part, after reconstruction, repair or replacement of the Project in accordance with the terms of the Loan Agreement, from excess insurance or condemnation proceeds transferred from the Project Fund to the Debt Service Fund for such purpose.

IF LESS THAN ALL of the Series 2025B Bonds are called for redemption, the particular Series 2025B Bonds or portions thereof to be redeemed shall be redeemed by the Trustee in accordance with the written direction of the Company (subject to the applicable procedures of the Depository when the Series 2025B Bonds are registered in the Book-Entry-System); provided, however, that portions of Series 2025B Bonds shall be redeemed in Authorized Denominations and that no redemption shall result in a Bond being held in less than an Authorized Denomination.

IN CASE PART, but not all, of this Bond shall be selected for redemption, the owner hereof or his attorney or legal representative shall present and surrender this Bond to the Trustee for payment of the redemption price, and the Issuer shall cause to be executed, authenticated and delivered to or upon the order of such owner or his attorney or legal representative, without charge therefor, in exchange for the unredeemed portion of the principal amount of this Bond so surrendered, a Bond of the same maturity and bearing interest at the same rate.

AT LEAST thirty (30) days prior to the date fixed for any redemption of the Series 2025B Bonds but not more than sixty (60) days prior to any redemption date, the Trustee shall cause a written notice of such redemption to be mailed by first class mail, postage prepaid (or sent pursuant to the applicable procedures of the Depository when the Series 2025B Bonds are registered in the Book-Entry-Only-System), to each holder of the Series 2025B Bonds to be redeemed, at the address appearing on the Bond Register on the date such notice is mailed by the Trustee. Any notice mailed as provided herein shall be conclusively presumed to have been given, irrespective of whether received. By the date fixed for any such redemption, due provision shall be made with the Trustee and the Paying Agent for the payment of the appropriate redemption price, premium, if any, and interest accrued hereon. If such written notice of redemption is made, due provision for payment of the redemption price is made and all conditions to the redemption have been fulfilled, all as provided above and in the Indenture, the Series 2025B Bonds which are to be redeemed shall become due and payable at the redemption price and from and after such date shall cease to bear interest. If any Bond shall not be paid upon the surrender thereof for redemption, the principal shall, until paid, bear interest at the rate borne by this Bond.

IF THE DATE for any such payment on this Bond shall be a Saturday, a Sunday or a legal holiday or the equivalent for banking institutions generally (other than a moratorium) at the place where payment thereof is to be made, then such payment may be made on the next succeeding day which is not one of the foregoing days without additional interest and with the same force and effect as if made on the specified date for such payment.

IT IS HEREBY CERTIFIED AND COVENANTED that this Bond has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, exist, and been done in accordance with law; that this Bond is a special limited revenue obligation of the Issuer, and that the principal of, premium, if any, and interest on this Bond are payable from and secured by a lien on and pledge of the Trust Estate under the Indenture, including the payments designated as Loan Payments (the "Loan Payments") to be paid, or caused to be paid, to the Trustee, pursuant to the Master Indenture, the Supplemental Indenture and the Loan Agreement, as evidenced by the Master Note, and by an assignment by the Issuer to the Trustee of the Master Note to evidence the Company's obligations to make Loan Payments under the Master Indenture, the Supplemental Indenture and the Loan Agreement to the Trustee. The Company is unconditionally obligated (subject only to the provisions of the Loan Agreement relating to merger, consolidation, and transfer of assets) to the Issuer and the Trustee to pay, or cause to be paid, without set off, recoupment, or counterclaim, to the Trustee each Loan Payment for deposit into the Debt Service Fund created for the benefit of the owners of the Series 2025B Bonds by the Indenture, in aggregate amounts sufficient to pay and redeem, and provide for the payment and redemption of, the principal of, premium, if any, and interest on the Series 2025B Bonds, when due, and to make certain other deposits as required by the Indenture, subject to and as required by the provisions of the Loan Agreement, the Master Note, and the Indenture.

THE SERIES 2025B BONDS are secured by the Indenture whereunder the Trustee is custodian of the Debt Service Fund and is obligated to enforce the rights of the owners of the Series 2025B Bonds and to perform other duties in the manner and under the conditions stated in the Indenture. In case an "Event of Default," as defined in the Indenture, shall occur, the principal of the Series 2025B Bonds then Outstanding may be declared to be due and payable immediately upon the conditions and in the manner provided in the Indenture. The Trustee shall, upon written request of the owners of a majority in principal amount of the Series 2025B Bonds then Outstanding, waive, as permitted by the Indenture, any Event of Default and its consequences except a default in the payment of the principal of (or premium, if any) or interest on any Bond or a default in respect of a covenant or provision of the Indenture which under the Indenture cannot be modified or amended without the consent of Bondholder of each Outstanding Bond affected. Bondholder of this Bond shall have no right to institute any action, suit, or proceeding at law or in equity to enforce the Indenture except as provided in the Indenture; provided that nothing in the Indenture shall affect or impair the rights of the owner hereof to enforce the payment of the principal of, premium, if any, and interest on this Bond from the source and in the manner herein expressed. Reference is hereby made to the Indenture for additional provisions with respect to the nature and extent of the security for the Series 2025B Bonds; the rights, duties, and obligations of the Company, the Issuer, the Trustee, and the Bondholders; the terms upon which the Series 2025B Bonds are issued and secured; and the modification of any of the foregoing.

THE ISSUER has reserved the right to amend the Indenture, as provided therein; and, under some (but not all) circumstances, amendments thereto must be approved by the owners of a majority in aggregate principal amount of the Outstanding Series 2025B Bonds.

IN WITNESS WHEREOF, Mission Economic Development Corporation has caused this Bond to be executed with the manual or facsimile signatures of its duly authorized officers, all as of the date first set forth above.

MISSION ECONOMIC DEVELOPMENT CORPORATION

By:_____
Name:_____
Title:_____

2. Form of Trustee's Certificate of Authentication.

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Series 2025B Bonds issued under the provisions of the within mentioned Indenture.

UMB Bank, N.A., as Trustee

By:_____
Authorized Signature

Date of authentication:

3. Form of Assignment.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____

_____

Please insert Social Security or Taxpayer Identification number of Transferee_____

_____

(Please print or typewrite name and address, including zip code of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____

_____,

attorney, to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:_____

Signature Guaranteed:_____

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company that is a medallion guarantor. The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of this Bond in every particular, without alteration or enlargement or any change whatsoever.

EXHIBIT B

FORM OF REQUISITION CERTIFICATE

Company Request No.: _____

_____, 20__

UMB Bank, N.A., as Trustee
6034 West Courtyard Drive, Suite 225
Austin, Texas 78730
Attention: Corporate Trust

Re: Disbursement from Project Fund

Ladies and Gentlemen:

This Request is provided to you pursuant to Section 4.07 of the Trust Indenture and Security Agreement, dated as of September 1, 2025 (the "Indenture"), between the Mission Economic Development Corporation (the "Issuer") and you, as Trustee. The capitalized terms used in this Request have the same meanings given such terms in the Indenture or the Loan Agreement, dated as of September 1, 2025 (the "Loan Agreement"), between the Issuer and Permian Basin Water Resources, LLC (the "Company").

On behalf of the Company, the undersigned hereby certifies as follows:

(i) There has been expended, or is being expended concurrently with the delivery of this certificate, on account of [Project Costs, as defined in the Loan Agreement] [Cost of Issuance, as defined in the Loan Agreement] an amount at least equal to the amount requisitioned below for disbursement;

(ii) No Event of Default under the Indenture has occurred and is continuing;

(iii) No other Request in respect of the expenditures set forth in clause (i) above is being or has previously been delivered to the Trustee;

[You are hereby directed to pay the amount of $_____ from the Project Account of the Project Fund in the amount as set forth in the attached schedule.*]

[You are hereby directed to pay the amount of $_____ from the Costs of Issuance Account of the Project Fund in the amounts and to the parties as set forth in the attached schedule. Such amount, in addition to amounts previously paid from the Costs of Issuance Account of the Project Fund pursuant to the terms of this Indenture does not exceed $_____.]

[You are hereby directed to pay the amount of $_____ from the Insurance Proceeds Account of the Project Fund in the amounts and to the parties as set forth in the attached schedule.*]

With respect to this Company Request, the Company (i) certifies it has reviewed any wire instructions set forth herein to confirm such wire instructions are accurate, (ii) agrees to indemnify and hold harmless the Trustee from and against any and all claims, demands, losses, liability, or expenses sustained in connection therewith, including but not limited to attorney fees and expenses resulting directly or indirectly as a result of making any disbursement requested hereunder, and (iii) agrees it will not seek recourse from the Trustee as a result of losses incurred by it for making any disbursement in accordance with the Company's instructions herein. Provided, however, the Company shall not indemnify the Trustee for its own gross negligence or willful misconduct related to this Company Request and if the wiring information input by the Trustee is incorrect or inconsistent with the information provided by the Company.

PERMIAN BASIN WATER RESOURCES, LLC

By:_____
Authorized Representative

APPENDIX E:

FORM OF SECURITY AND PLEDGE AGREEMENT

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SECURITY AND PLEDGE AGREEMENT

This **SECURITY AND PLEDGE AGREEMENT** (the "***Agreement***") is dated as of September 1, 2025, among **[_____]**, a Texas corporation (the "***Pledgor***"), with its mailing address at [_____], **PERMIAN BASIN WATER RESOURCES, LLC**, a Delaware limited liability company (the "***Company***") with its mailing address at 2409 S. County Road 1110, Midland, Texas 79706, Attention Trevor Hill, and **UMB BANK, N.A.**, a national banking association, as Master Trustee (the "***Secured Party***"), with its mailing address at 6034 West Courtyard Drive, Suite 225, Austin, Texas 78730, Attention: Corporate Trust Department. All capitalized terms used herein without definition shall have the same meanings herein as such terms are defined in the hereinafter defined Master Indenture.

RECITALS

WHEREAS, the Company entered into a Master Trust Indenture and Security Agreement, dated as of September 1, 2025 (the "***Master Indenture***"), with the Master Trustee, for the purpose of providing for the issuance of Notes thereunder to secure Debt of the Company; and

WHEREAS, the Pledgor and the Company desire to enter into this Agreement in order to provide for security for the Notes; and

NOW, THEREFORE, in consideration of the benefits accruing to the Pledgor and the Company and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

"***Closing Date***" means the date of delivery of the Related Obligations.

"***System***" means the Pledgor's waterworks and sewer system and each component of said System as such components are acquired or constructed, together with all future extensions, improvements, enlargements, and additions thereto, and all replacements thereof.

Section 2. Grant of Security Interest. The Pledgor hereby grants to the Company, and the Company hereby grants to the Secured Party a lien on and security interest in, and acknowledges and agrees that the Secured Party has and shall continue to have a continuing lien on and security interest in, all right, title, and interest of the Pledgor, whether now owned or existing or hereafter created, acquired, or arising, in and to all of the following:

(a) Revenues;

(b) Accounts, to the extent any Account constitutes or arises from the assets described in subclause (a);

(c) Chattel Paper, to the extent any Chattel Paper constitutes or arises from the assets described in subclause (a);

(d) Instruments (including Promissory Notes), to the extent any Instruments (including Promissory Notes) constitutes or arises from the assets described in subclause (a);

(e) General Intangibles, to the extent any General Intangibles constitute or arise from the assets described in subclause (a);

(f) Letter-of-Credit rights, to the extent any Letter-of-Credit rights constitute, arise from the assets described in subclause (a);

(g) Supporting Obligations, to the extent any Supporting Obligations constitute, arise from or relate to the assets described in subclause (a);

(h) Deposit Accounts, to the extent any such Deposit Accounts constitute or contain the assets described in subclause (a);

(i) Investment Property (including certificated and uncertificated Securities, Securities Accounts, Security Entitlements, Commodity Accounts, and Commodity Contracts) to the extent any Investment Property constitutes or contains the assets described in subclause (a);

(j) Monies, personal property, and interests in personal property of the Pledgor of any kind or description now held by the Secured Party or at any time hereafter transferred or delivered to, or coming into the possession, custody, or control of, the Secured Party, or any agent or affiliate of the Secured Party, whether expressly as collateral security or for any other purpose (whether for safekeeping, custody, collection or otherwise, but excluding safety deposit boxes or property delivered to the Secured Party as a trustee in trust for third parties) and all dividends and distributions on or other rights in connection with any such property, in each case to the extent constituting or arising from the assets described in subclause (a);

(k) Supporting evidence and documents relating to any of the above-described property, including, without limitation, computer programs, disks, tapes and related electronic data processing media, and all rights of the Pledgor to retrieve the same from third parties, written applications, credit information, account cards, payment records, correspondence, delivery and installation certificates, invoice copies, delivery receipts, notes, and other evidences of indebtedness, insurance certificates and the like, together with all books of account, ledgers, and cabinets in which the same are reflected or maintained;

(l) Additions to, and substitutions and replacements of, any and all of the foregoing; and

(m) Proceeds and products of the foregoing, and all insurance of the foregoing and proceeds thereof;

all of the foregoing being herein sometimes referred to as the "**Collateral**." All terms which are used in this Agreement which are defined in the Uniform Commercial Code of

the State of Texas as in effect from time to time ("***UCC***") shall have the same definitions herein as provided in the UCC, unless this Agreement shall otherwise specifically provide. For purposes of this Agreement, (a) the term "***Receivables***" means all rights to the payment of a monetary obligation now existing or arising on and after the Closing Date, whether or not earned by performance including, but not limited to, all contributions and donations constituting or arising from fundraising campaigns, and whether evidenced by an Account, Chattel Paper, Instrument, General Intangible, or otherwise and (b) the term "***Revenues***" means for any period, all moneys, fees, grants, donations, rates, receipts, rentals, licensing fees, charges, issues and income received by the Pledgor now existing or on or after the Closing Date including from the operation of the Pledgor or its facilities or any other source whatsoever, and including without limitation gifts, bequests, grants, devises, contributions, moneys received from the operation of the Pledgor's business, the possession of its properties, or the fundraising campaigns, insurance proceeds or condemnation awards, and all rights to receive the same, whenever arising, whether in the form of accounts, accounts receivable, contract rights or other rights, and the proceeds of the same, whether now owned or held or hereafter coming into being. Notwithstanding the foregoing, in no event shall Collateral include (i) any asset or property owned or otherwise in the possession of the Pledgor prior to the Closing Date except to the extent any asset or property constitutes proceeds of any Collateral received by the Pledgor after the Closing Date and (ii) grants, bequests, donations and contributions to Pledgor heretofore or hereafter made, and the income and gains derived therefrom, which are specifically restricted by the donor or grantor to a particular purpose which is inconsistent with their use for payments required under the Related Loan Documents or on the Obligations (such excluded items being referred to herein as "***Excluded Property***"). Each of the parties hereto agree that the Pledgor is not pledging or granting a lien on or security interest in the Excluded Property and that none of the Excluded Property shall be governed or otherwise restricted by the terms and conditions of this Agreement.

In determining whether Accounts, Chattel Paper, Instruments, General Intangibles, Letter-of-Credit, Support Obligations, Deposit Account, cash and cash equivalent from time to time constitute Collateral, amounts shall be so classified and determined based the application of the following: (i) first, on actual source and the actual use if such source or use is reasonably determinable; (ii) second, in accordance with applicable law, including Section 9-315(b) of the UCC, and (iii) finally, for any other amounts classifiable or determinable after giving effect to clauses (i) and (ii), allocated pro rata, in proportion to (a) the remaining amount of Revenues, Collateral or Proceeds of either, on the one hand, bears to (b) the remaining amount of Excluded Property and pre-existing assets.

Section 3. Obligations Hereby Secured. The lien and security interest herein granted and provided for is made and given to secure, and shall secure, the payment and performance of (a) any and all indebtedness, obligations and liabilities of whatsoever kind and nature of the Company under and payment for the Master Indenture (whether arising before or after the filing of a petition in bankruptcy), whether direct or indirect, absolute or contingent, due or to become due, and whether now existing or hereafter arising and howsoever held, evidenced or acquired,

and whether several, joint or joint and several, including, without limitation, all indebtedness, obligations, and liabilities of the Company under the Master Indenture and (b) any and all expenses and charges, legal or otherwise, suffered or incurred by the Secured Party in collecting or enforcing any of such indebtedness, obligations or liabilities or in realizing on or protecting or preserving any security therefor, including, without limitation, the lien and security interest granted hereby (all of the foregoing being hereinafter referred to as the "***Obligations***").

Section 4. Covenants, Agreements, Representations and Warranties. The Pledgor hereby covenants and agrees with, and represents and warrants to, the Secured Party that:

(a) The Pledgor is a corporation, duly organized and validly existing under the laws of the State of Texas. The Pledgor shall not change its jurisdiction of organization, except upon at least 30 days' prior written notice (or such shorter period as the Secured Party may consent). The Pledgor is the sole and lawful owner of the Collateral, and has full right, power and authority to enter into this Agreement and to perform each and all of the matters and things herein provided for. The Pledgor's organizational registration number is [_____].

(b) The Pledgor's legal name and jurisdiction of organization are correctly set forth in the first paragraph of this Agreement. The Pledgor has not transacted business at any time during the immediately preceding five-year period, and does not currently transact business, under any other legal names or trade names. The Pledgor shall not change its legal name or transact business under any other trade name without first giving 30 days' prior written notice of its intent to do so to the Secured Party.

(c) The Pledgor shall comply in all material respects with all applicable material requirements of any Governmental Authority having jurisdiction over the Pledgor or the Collateral. The Pledgor shall use reasonable care in the care or use of any Collateral. The Pledgor shall perform its obligations under any contract or other agreement constituting part of the Collateral as contemplated by the Master Indenture, it being understood and agreed that the Secured Party has no responsibility to perform such obligations.

(d) Subject to the terms of the Master Indenture, the Pledgor shall not, without the Secured Party's prior written consent, sell, assign, mortgage, lease or otherwise dispose of the Collateral or any interest therein.

(e) The Pledgor shall at all times allow the Secured Party and its representatives free access to and right of inspection of the Collateral during normal business hours with reasonable prior notice; *provided* that, during the existence of an Event of Default, or good faith belief by the Secured Party of an Event of Default, any such access or inspection may be at any time and without prior notice.

(f) The Pledgor agrees from time to time to deliver to the Secured Party such evidence of the existence, identity and location of the Collateral and of its availability as collateral security pursuant hereto, in each case as the Secured Party may reasonably request. During the existence of an Event of Default, the Secured Party shall have the right to verify all or any part of the Collateral in any manner, and through any medium, which the Secured Party considers

appropriate (including, without limitation, the verification of Collateral by use of a fictitious name), and the Pledgor agrees to furnish all assistance and information, and perform any acts, which the Secured Party may require in connection therewith.

(g) The Pledgor agrees to execute and deliver written notice to the Secured Party and Pledgor shall prepare and file, as appropriate, such further agreements, assignments, instruments, and documents and to do all such other things to assure the Secured Party its lien and security interest hereunder, pursuant to the terms and conditions hereunder, including, without limitation, such financing statements, and amendments thereof or supplements thereto, and such other instruments and documents as the Secured Party may from time to time require in order to comply with the UCC and any other applicable law, and during the existence of an Event of Default, such control agreements with respect to Deposit Accounts, Investment Property, Letter-of-Credit rights, and electronic Chattel Paper, in each case to the extent constituting Collateral and to cause the relevant depository institutions, financial intermediaries, and issuers to execute and deliver such control agreements, as the Secured Party may from time to time reasonably require. Notwithstanding the foregoing, Secured Party shall have no responsibility for filing UCC financing statements except for filing (i) continuation statements of the original financing statements listing Secured Party as secured party filed pursuant to the Master Indenture, copies of which have been provided to the Secured Party; and (ii) continuation statements of the original financing statements listing Secured Party as a secured party filed pursuant to this Agreement, copies of which have been provided to Secured Party. The Secured Party may order lien searches from time to time against the Pledgor and the Collateral, and the Pledgor shall promptly reimburse the Secured Party for all costs and expenses incurred in connection with such lien searches. In the event for any reason the law of any jurisdiction other than Texas becomes or is applicable to the Collateral or any part thereof, or to any of the Obligations, the Pledgor agrees to execute and deliver all such instruments and documents and to do all such other things necessary or appropriate to preserve, protect, and enforce the lien and security interest of the Secured Party under the law of such other jurisdiction. The Pledgor agrees to mark its books and records to reflect the lien and security interest of the Secured Party in the Collateral. Notwithstanding the foregoing, prior to the existence of an Event of Default, this subclause (g) shall not permit the Secured Party to request the Pledgor to (i) enter into deposit account or security account control agreement with respect to any deposit or securities accounts which contain Collateral, (ii) direct the location of any such Collateral or depositories for any such Collateral in such accounts, (iii) have consent rights with respect to the use or disposition of Collateral in such accounts, or (iv) enter into any other agreement, which instructs the any third party holder of the Pledgor's Collateral to take instruction with respect to disposition, use or location of the Collateral from the Secured Party.

(h) Except as provided in the Master Indenture, upon the failure of the Pledgor to perform any of the covenants and agreements herein contained, after 30 Business Days following written notice to the Pledgor (or without notice if an Event of Default exists), the Secured Party may, at its option, perform the same and in so doing may expend such sums as the Secured Party may deem reasonably advisable in the performance thereof, including, without limitation, the payment of any insurance premiums, the payment of any taxes, liens and encumbrances, expenditures made in defending against any adverse claims, and all other expenditures which the Secured Party may be compelled to make by operation of law or which the Secured Party may

make by agreement or otherwise for the protection of the security hereof. All such sums and amounts so expended shall be repayable by the Pledgor immediately without notice or demand, shall constitute additional Obligations payable to the Secured Party secured hereunder and shall bear interest from the date said amounts are expended at the Default Rate specified in the Master Indenture. No such performance of any covenant or agreement by the Secured Party on behalf of the Pledgor, and no such advancement or expenditure therefor, shall relieve the Pledgor of any default under the terms of this Agreement or in any way obligate the Secured Party to take any further or future action with respect thereto. The Secured Party, in making any payment hereby authorized, may do so according to any bill, statement or estimate procured from the appropriate public office or holder of the claim to be discharged without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax assessment, sale, forfeiture, tax lien or title or claim. The Secured Party is hereby authorized to charge any account of the Pledgor maintained with the Secured Party for the amount of such sums and amounts so expended.

Section 5. Special Provisions Re: Receivables. (a) As of the time any Receivable constituting Collateral becomes subject to the security interest provided for hereby, and at all times thereafter, the Pledgor shall be deemed to have warranted as to each and all of such Receivables that all warranties of the Pledgor set forth in this Agreement are true and correct in all material respects with respect to each such Receivable; that such Receivable and all papers and documents relating thereto are genuine and in all material respects what they purport to be; that such Receivable is valid and subsisting; that no such Receivable is evidenced by any Instrument or Chattel Paper unless such Instrument or Chattel Paper has theretofore been endorsed by the Pledgor and delivered to the Secured Party (except that, prior to the existence of an Event of Default, the Pledgor will not be required to endorse and deliver to the Secured Party any such Instrument or Chattel Paper); and that the amount of such Receivable represented as owing, to the knowledge of the Pledgor, is not disputed and is not subject to any set-offs, credits, deductions or countercharges other than those arising in the ordinary course of the Pledgor's business, including through allowance for doubtful accounts in an amount exceeding $50,000, which are disclosed to the Secured Party in writing promptly upon the Pledgor becoming aware thereof. Without limiting the foregoing, if any Receivable constituting Collateral arises out of a contract with the United States of America, or any state or political subdivision thereof, or any department, agency or instrumentality of any of the foregoing, the Pledgor agrees to notify the Secured Party and, during the existence of an Event of Default, at the Secured Party's request, execute whatever instruments and documents are required by the Secured Party in order that such Receivable shall be assigned to the Secured Party and that proper notice of such assignment shall be given under the federal Assignment of Claims Act (or any successor statute) or any similar state or local statute, as the case may be.

(b) Unless and until an Event of Default exists, the Pledgor may settle and adjust disputes and claims with its customers and account Pledgors, handle recoveries and grant discounts, credits and allowances in the ordinary course of its business as presently conducted for amounts and on terms which the Pledgor in good faith considers advisable. During the existence of any Event of Default, at the Secured Party's request, the Pledgor shall also notify the Secured Party promptly of all disputes and claims in the aggregate and settle or adjust them at no expense to the Secured Party, but no discount, credit or allowance other than on normal trade terms in the ordinary course of business as presently conducted shall be granted to any

customer or account Pledgor without the Secured Party's consent. The Secured Party may, at all times during the existence of any Event of Default, settle or adjust disputes and claims directly with customers or account Pledgors for amounts and upon terms which the Secured Party considers advisable.

Section 6. Collection of Receivables.

(a) Except as otherwise provided in this Agreement, the Pledgor shall make collection of all Receivables constituting Collateral and may use the same to carry on its business in accordance with sound business practice and otherwise subject to the terms hereof.

(b) Upon the request of the Secured Party, the Pledgor shall provide to the Secured Party a listing of all Investment Property (including all securities, certificated or uncertificated, securities accounts, and commodity accounts) of the Pledgor. During the existence of an Event of Default, certificates for all certificated securities now or at any time constituting Investment Property and Collateral, upon request of the Secured Party, shall be promptly delivered by the Pledgor to the Secured Party duly endorsed in blank for transfer or accompanied by an appropriate assignment or assignments or an appropriate undated stock power or powers, in every case sufficient to transfer title thereto including, without limitation, all stock received in respect of a stock dividend or resulting from a split-up, revision or reclassification of such Investment Property or any part thereof or received in addition to, in substitution of or in exchange for such Investment Property or any part thereof as a result of a merger, consolidation or otherwise. With respect to any uncertificated securities or any Investment Property constituting Collateral, held by a securities intermediary, commodity intermediary, or other financial intermediary of any kind, during the existence of an Event of Default, upon request of the Secured Party, the Pledgor shall execute and deliver, and shall cause any such issuer or intermediary to execute and deliver, an agreement among the Pledgor, the Secured Party, and such issuer or intermediary in form and substance satisfactory to the Secured Party which provides, among other things, for the issuer's or intermediary's agreement that it shall comply with entitlement orders, and apply any value distributed on account of any such Investment Property, as directed by the Secured Party without further consent by the Pledgor. The Secured Party may at any time, after the occurrence and during the continuance of an Event of Default, cause to be transferred into its name or the name of its nominee or nominees all or any part of the Investment Property constituting Collateral.

(c) During the existence of an Event of Default and whether or not the Secured Party has exercised any or all of its rights under other provisions of this Section 6, in the event the Secured Party requests the Pledgor to do so:

(i) all Instruments and Chattel Paper at any time constituting part of the Receivables or any other Collateral (including any postdated checks) shall, upon receipt by the Pledgor, be immediately endorsed to and deposited with the Secured Party; and/or

(ii) the Pledgor shall instruct all account payors to remit all payments in respect of Receivables or any other Collateral to a lockbox or lockboxes under the sole custody and control of the Secured Party selected by the Secured Party.

(d) During the existence of an Event of Default and whether or not the Secured Party has exercised any or all of its rights under other provisions of this Section 6, the Secured Party or its designee may notify the Pledgor's account Pledgors at any time that Receivables or any other Collateral have been assigned to the Secured Party or of the Secured Party's security interest therein, and either in its own name, or the Pledgor's name, or both, demand, collect (including, without limitation, through a lockbox analogous to that described in Section 6(c)(ii) hereof), receive, receipt for, sue for, compound and give acquittance for any or all amounts due or to become due on Receivables or any other Collateral, and file any claim or take any other action or proceeding necessary or appropriate to protect or realize upon the security interest of the Secured Party in the Collateral.

(e) Any proceeds of Receivables or other Collateral transmitted to or otherwise received by the Secured Party pursuant to any of the provisions of Sections 6(c) or 6(d) hereof may be handled and administered by the Secured Party in and through a remittance account at the Secured Party, and the Pledgor acknowledges that the maintenance of such remittance account by the Secured Party is solely for the Secured Party's convenience and that the Pledgor does not have any right, title or interest in such remittance account or any amounts at any time standing to the credit thereof. The Secured Party may, after the occurrence and during the continuation of any Event of Default, apply all or any part of any proceeds of Receivables or other Collateral, except for the Excluded Property, which shall be remitted to the Pledgor upon receipt, received by it from any source to the payment of the Obligations (whether or not then due and payable), such applications to be made in such amounts, in such manner and order in accordance with the Master Indenture. The Secured Party need not apply or give credit for any item included in proceeds of Receivables or other Collateral until the Secured Party has received final payment therefor at its office in cash or final solvent credits current in Texas, acceptable to the Secured Party as such. However, if the Secured Party does give credit for any item prior to receiving final payment therefor and the Secured Party fails to receive such final payment or an item is charged back to the Secured Party for any reason, the Secured Party may in either instance charge the amount of such item back against the remittance account or any account of the Pledgor maintained with the Secured Party, together with interest thereon at the Default Rate specified in the Master Indenture. Concurrently with each transmission of any proceeds of Receivables or other Collateral to the remittance account, the Pledgor shall furnish the Secured Party with a report in such form as the Secured Party shall reasonably require identifying the particular Receivable or other Collateral from which the same arises or relates. The Secured Party shall have no right to restrict the release proceeds of Collateral or apply such proceeds to the Obligations absent the existence of an Event of Default. The Pledgor hereby indemnifies the Secured Party in accordance with Section 7.07 of the Master Indenture. The Secured Party shall have no liability or responsibility to the Pledgor for accepting any check, draft or other order for payment of money bearing the legend "payment in full" or words of similar import or any other restrictive legend or endorsement whatsoever or be responsible for determining the correctness of any remittance.

Section 7. Special Provisions Regarding Investment Property and Deposits.

(a) Unless and until an Event of Default has occurred and is continuing after written notice to the Pledgor by the Secured Party as required in the Master Indenture:

(i) the Pledgor shall be entitled to exercise all voting and/or consensual powers pertaining to the Investment Property constituting Collateral or any part thereof for all purposes not inconsistent with the terms of this Agreement or any other document evidencing or otherwise relating to any Obligations; and

(ii) the Pledgor shall be entitled to receive and retain all cash dividends paid upon or in respect of the Investment Property constituting Collateral.

(b) Unless and until an Event of Default, has occurred and is continuing, the Pledgor may sell or otherwise dispose of any Investment Property constituting Collateral, to the extent permitted by the Master Indenture. After the occurrence and during the continuation of any Event of Default the Pledgor shall not sell all or any part of the Investment Property constituting Collateral without the prior written consent of the Secured Party.

(c) The Pledgor represents that no proceeds of any loans will be used to purchase or carry margin stock or to extend credit to other person for the purpose of purchasing or carrying any margin stock. Margin stock does not constitute more than 5% of the consolidated value of the Pledgor and the Pledgor does not have any present intention that margin stock will constitute more than 5% of the value of the assets. As used in this subclause (d) the term "margin stock" shall have the meaning assigned to it in Regulation U of the Board of Governors of the Federal Reserve System of the United States or any successor, as the same may be amended or supplemented from time to time.

(d) All Deposit Accounts of the Pledgor on the date hereof are listed and identified (by account number and depository institution) on Schedule A attached hereto and made a part hereof, and, if any such Deposit Account constitutes Excluded Property, such designation is also made on Schedule A. The Pledgor shall promptly notify the Secured Party of any other Deposit Account opened or maintained by the Pledgor after the date hereof, and shall submit to the Secured Party a supplement to Schedule A to reflect such additional accounts (provided the Pledgor's failure to do so shall not impair the Secured Party's security interest therein). With respect to any Deposit Account maintained by a depository institution other than the Secured Party, during the existence of an Event of Default, and as a condition to the establishment and maintenance of any such Deposit Account, upon request of the Secured Party, the Pledgor, the depository institution, and the Secured Party shall execute and deliver an account control agreement in form and substance satisfactory to the Secured Party which provides, among other things, for the depository institution's agreement that it will comply with instructions originated by the Secured Party directing the disposition of the funds in the Deposit Account without further consent by such Pledgor.

Section 8. Power of Attorney. In addition to any other powers of attorney contained herein, the Pledgor hereby appoints the Secured Party, its nominee, and any other person whom

the Secured Party may designate, as the Pledgor's attorney-in-fact, with full power and authority upon the occurrence and during the continuation of any Event of Default to sign the Pledgor's name on verifications of Receivables and other Collateral; to send requests for verification of Collateral to the Pledgor's customers, account Pledgors and other obligors; to endorse the Pledgor's name on any checks, notes, acceptances, money orders, drafts and any other forms of payment or security that may come into the Secured Party's possession or on any assignments, stock powers, or other instruments of transfer relating to the Collateral or any part thereof; to sign the Pledgor's name on any invoice or bill of lading relating to any Collateral, on claims to enforce collection of any Collateral, on notices to and drafts against customers and account Pledgors and other obligors, on schedules and assignments of Collateral, on notices of assignment and on public records; to notify the post office authorities to change the address for delivery of the Pledgor's mail to an address designated by the Secured Party; to receive, open and dispose of all mail addressed to the Pledgor; and to do all things necessary to carry out this Agreement. The Pledgor hereby ratifies and approves all acts of any such attorney and agrees that neither the Secured Party nor any such attorney will be liable for any acts or omissions nor for any error of judgment or mistake of fact or law other than such person's gross negligence or willful misconduct. The Pledgor also hereby grants the Secured Party a power of attorney to execute any such financing statements, or amendments and supplements to financing statements, on behalf of the Pledgor without notice thereof to the Pledgor. The foregoing powers of attorney, being coupled with an interest, are irrevocable until the Obligations have been fully paid and satisfied and all agreements of the Secured Party to extend credit to or for the account of the Pledgor have expired or otherwise have been terminated.

Section 9. Defaults and Remedies.

(a) Any Event of Default (as defined in the Master Indenture or Related Obligation Indenture) shall constitute an "***Event of Default***" under this Agreement.

NOTHING HEREIN CONTAINED SHALL IMPAIR THE DEMAND CHARACTER OF ANY OF THE OBLIGATIONS WHICH ARE EXPRESSED TO BE PAYABLE ON DEMAND.

(b) Upon the occurrence of and during the continuation of any Event of Default, at the written direction of the Note Holders of a majority in aggregate principal amount of the Outstanding Notes (as defined in the Master Indenture) and subject to the indemnities and immunities provided to the Secured Party as Master Trustee under the Master Indenture, the Secured Party shall have, in addition to all other rights provided herein or by law, the rights and remedies of a secured party under the UCC (regardless of whether the UCC is the law of the jurisdiction where the rights or remedies are asserted and regardless of whether the UCC applies to the affected Collateral), and further the Secured Party may, without demand and without advertisement, notice, hearing or process of law, all of which the Pledgor hereby waives, at any time or times, sell and deliver all or any part of the Collateral (and any other property of the Pledgor attached thereto or found therein) held by or for it at public or private sale, for cash, upon credit or otherwise, at such prices and upon such terms as the Secured Party deems advisable. In addition to all other sums due the Secured Party hereunder, the Pledgor shall pay the Secured Party all costs and expenses incurred by the Secured Party, including reasonable attorneys' fees and court costs, in obtaining, liquidating or enforcing payment of Collateral or the

Obligations or in the prosecution or defense of any action or proceeding by or against the Secured Party or the Pledgor concerning any matter arising out of or connected with this Agreement or the Collateral or the Obligations, including, without limitation, any of the foregoing arising in, arising under or related to a case under the United States Bankruptcy Code (or any successor statute). Any requirement of reasonable notice shall be met if such notice is in writing and is personally served on or mailed, postage prepaid, to the Pledgor in accordance with Section 12(b) hereof at least 10 days before the time of sale or other event giving rise to the requirement of such notice; *provided however*, no notification need be given to the Pledgor if the Pledgor has signed, during the existence of an Event of Default, a statement renouncing any right to notification of sale or other intended disposition. The Secured Party shall not be obligated to make any sale or other disposition of the Collateral regardless of notice having been given. The Secured Party may be the purchaser at any such sale. The Pledgor hereby waives all of its rights of redemption from any such sale. The Secured Party may postpone or cause the postponement of the sale of all or any portion of the Collateral by announcement at the time and place of such sale, and such sale may, without further notice, be made at the time and place to which the sale was postponed or the Secured Party may further postpone such sale by announcement made at such time and place. The Secured Party has no obligation to prepare the Collateral for sale. The Secured Party may sell or otherwise dispose of the Collateral without giving any warranties as to the Collateral or any part thereof, including disclaimers of any warranties of title or the like, and the Pledgor acknowledges and agrees that the absence of such warranties shall not render the disposition commercially unreasonable.

(c) Without in any way limiting the foregoing, upon the occurrence and during the continuation of any Event of Default, the Secured Party shall have the right, in addition to all other rights provided herein or by law, to take physical possession of any and all of the Collateral and anything found therein, the right for that purpose to enter without legal process any premises where the Collateral may be found (provided such entry be done lawfully), and the right to maintain such possession on the Pledgor's premises (the Pledgor hereby agreeing to lease such premises without cost or expense to the Secured Party or its designee if the Secured Party so requests) or to remove the Collateral or any part thereof to such other places as the Secured Party may desire. Upon the occurrence and during the continuance of any Event of Default, the Secured Party shall have the right to exercise any and all rights with respect to all Deposit Accounts of the Pledgor, that constitute Collateral or hold any Collateral, including, without limitation, the right to direct the disposition of the funds in each Deposit Account and to collect, withdraw and receive all amounts due or to become due or payable under each such Deposit Account. Upon the occurrence and during the continuance of any Event of Default, the Pledgor shall, upon the Secured Party's demand, promptly assemble the Collateral and make it available to the Secured Party at a place designated by the Secured Party. If the Secured Party exercises its right to take possession of the Collateral, the Pledgor shall also at its expense perform any and all other steps requested by the Secured Party to preserve and protect the security interest hereby granted in the Collateral, such as placing and maintaining signs indicating the security interest of the Secured Party, appointing overseers for the Collateral and maintaining Collateral records.

(d) Without in any way limiting the foregoing, upon the occurrence and during the continuance of any Event of Default, all rights of the Pledgor to exercise the voting and/or consensual powers which it is entitled to exercise pursuant to Section 7(a)(i) hereof and/or to

receive and retain the distributions which it is entitled to receive and retain pursuant to Section 7(a)(ii) hereof, shall cease and thereupon become vested in the Secured Party, which, in addition to all other rights provided herein or by law, shall then be entitled solely and exclusively to exercise all voting and other consensual powers pertaining to the Investment Property that constitutes Collateral (including, without limitation, the right to deliver notice of control with respect to any such Investment Property held in a securities account or commodity account and deliver all entitlement orders with respect thereto) and/or to receive and retain the distributions which the Pledgor would otherwise have been authorized to retain pursuant to Section 7(a)(ii) hereof and shall then be entitled solely and exclusively to exercise any and all rights of conversion, exchange or subscription or any other rights, privileges or options pertaining to any Investment Property that constitutes Collateral as if the Secured Party were the absolute owner thereof. Without limiting the foregoing, the Secured Party shall have the right to exchange, at its discretion, any and all of the Investment Property that constitutes Collateral upon the merger, consolidation, reorganization, recapitalization or other readjustment of the respective issuer thereof or upon the exercise by or on behalf of any such issuer or the Secured Party of any right, privilege or option pertaining to any Investment Property and, in connection therewith, to deposit and deliver any and all of the Investment Property with any committee, depositary, transfer agent, registrar or other designated agency upon such terms and conditions as the Secured Party may determine. In the event the Secured Party in good faith believes any of the Collateral constitutes restricted securities within the meaning of any applicable securities laws, any disposition thereof in compliance with such laws shall not render the disposition commercially unreasonable.

(e) Without in any way limiting the foregoing, the Pledgor hereby grants to the Secured Party a royalty-free irrevocable license and right to use all of the Pledgor's patents, patent applications, patent licenses, trademarks, trademark registrations, trademark licenses, trade names, trade styles, copyrights, copyright applications, copyright licenses, and similar intangibles which license is to be used solely in connection with any foreclosure or other realization by the Secured Party on all or any part of the Collateral. The license and right granted the Secured Party hereby shall be without any royalty or fee or charge whatsoever.

(f) The powers conferred upon the Secured Party hereunder are solely to protect its interest in the Collateral and shall not impose on it any duty to exercise such powers. The Secured Party shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession or control if such Collateral is accorded treatment substantially equivalent to that which the Secured Party accords its own property, consisting of similar type assets, it being understood, however, that the Secured Party shall have no responsibility for ascertaining or taking any action with respect to calls, conversions, exchanges, maturities, tenders or other matters relating to any such Collateral, whether or not the Secured Party has or is deemed to have knowledge of such matters. This Agreement constitutes an assignment of rights only and not an assignment of any duties or obligations of the Pledgor in any way related to the Collateral, and the Secured Party shall have no duty or obligation to discharge any such duty or obligation. The Secured Party shall have no responsibility for taking any necessary steps to preserve rights against any parties with respect to any Collateral or initiating any action to protect the Collateral against the possibility of a decline in market value. Neither the Secured Party nor any party acting as attorney for the Secured Party shall be liable for any acts or

omissions or for any error of judgment or mistake of fact or law other than their gross negligence or willful misconduct.

(g) Failure by the Secured Party to exercise any right, remedy or option under this Agreement or any other agreement between the Pledgor and the Secured Party or provided by law, or delay by the Secured Party in exercising the same, shall not operate as a waiver; and no waiver by the Secured Party shall be effective unless it is in writing and then only to the extent specifically stated. The rights and remedies of the Secured Party under this Agreement shall be cumulative and not exclusive of any other right or remedy which the Secured Party may have. For purposes of this Agreement, an Event of Default shall be construed as continuing after its occurrence until waived in writing by the Secured Party.

Section 10. Application of Proceeds. The proceeds and avails of the Collateral at any time received by the Secured Party during the existence of any Event of Default shall be applied in accordance with the Master Indenture.

Section 11. Continuing Agreement. This Agreement shall be a continuing agreement in every respect and shall remain in full force and effect until all of the Obligations, both for principal and interest, have been fully paid and satisfied and all agreements of the Secured Party to extend credit to or for the account of the Pledgor have expired or otherwise have been terminated. Upon such termination of this Agreement, the Secured Party shall, upon the request and at the expense of the Pledgor, forthwith release its security interest hereunder.

Section 12. Miscellaneous.

(a) This Agreement cannot be changed or terminated orally. All of the rights, privileges, remedies and options given to the Secured Party hereunder shall inure to the benefit of its successors and assigns, and all the terms, conditions, covenants, agreements, representations and warranties of and in this Agreement shall bind the Pledgor and its legal representatives, successors and assigns, provided that the Pledgor may not assign its rights or delegate its duties hereunder without the Secured Party's prior written consent.

(b) Except as otherwise specified herein, all notices and other communication provided for hereunder shall be in writing and given in accordance with the notice provisions of the Master Indenture.

(c) In the event and to the extent that any provision hereof shall be deemed to be invalid or unenforceable by reason of the operation of any law or by reason of the interpretation placed thereon by any court, this Agreement shall to such extent be construed as not containing such provision, but only as to such locations where such law or interpretation is operative, and the invalidity or unenforceability of such provision shall not affect the validity of any remaining provisions hereof, and any and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect.

(d) This Agreement shall be deemed to have been made in the State of Texas and shall be governed by, and construed in accordance with, the laws of the State of Texas applicable to

contracts to be performed entirely therein. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning of any provision hereof.

(e) This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterpart signature pages, each constituting an original, but all together one and the same instrument. Facsimile signatures and signatures delivered electronically (e.g., via pdf file) shall be deemed to be the equivalent of original signatures for the purpose of this Agreement and any amendment hereto.

(f) The Secured Party shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge any obligation, duty or liability under the Collateral and the Pledgor shall and does hereby agree to defend and indemnify the Secured Party from and against and to hold the Secured Party harmless of and from any and all liability, loss or damage which it may or might incur under the Collateral or under or by reason of the assignment of the Collateral and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertaking on its part to perform or discharge any of the terms, covenants or agreements contained therein or by reason of this Agreement, except for those finally adjudicated by a court of competent jurisdiction as directly resulting from the gross negligence or willful misconduct of the Secured Party. Should the Secured Party incur any such liability, loss or damage under or by reason of the assignment thereof or in the defense of any such claims or demands, the amount thereof including costs, expenses and reasonable attorney's fees shall be secured hereby and the Pledgor shall reimburse the Secured Party therefor immediately upon demand. The Secured Party is acting in its capacity as Master Trustee under the Master Indenture and it is expressly understood by the parties hereto that the Secured Party's duties, obligations, rights and liabilities under the Agreement are further governed by the terms contained in the Master Indenture and that the Secured Party is protected in taking action under this Agreement by the rights, protections, indemnities and immunities granted to it as Master Trustee under the Master Indenture. The Pledgor agrees and acknowledges that this indemnity will remain in full force and effective if such claims, losses, fines, penalties, costs, damages and liabilities are the result of, directly or indirectly result from, arise out of, or relate to, or are asserted to have resulted from, arisen out of, or related to, the sole or contributory negligence of the Secured Party. In the event any provision of this Agreement requires the approval, consent, or action by the Secured Party, the Secured Party must undertake to grant or deny such approval or consent, or perform such action, only subject to and as directed by the terms of the Master Indenture, and may, in the Secured Party's sole discretion, require written direction of the Note Holders of a majority in aggregate principal amount of the Outstanding Notes (as defined in the Master Indenture) prior to undertaking any such approval, consent, or action. The provisions of this Section 12(f) shall survive the termination of this Agreement, the discharge of the Master Indenture and the resignation or removal of the Secured Party.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Pledgor and the Company have caused this Security and Pledge Agreement to be duly executed and delivered as of the date and year first above written.

[PLEDGOR]

By: _____
Name: _____
Title: _____

PERMIAN BASIN WATER RESOURCES, LLC

By: _____
Name: _____
Title: _____

Accepted and agreed to as of the date and year first above written.

UMB BANK, N.A., as Master Trustee,

By _____
Name _____
Title _____

SCHEDULE A

[Description of Account]

APPENDIX F:

FORM OF CONTINUING DISCLOSURE AGREEMENT

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$[_____] MISSION ECONOMIC DEVELOPMENT CORPORATION
UTILITY REVENUE BONDS (PERMIAN BASIN WATER RESOURCES PROJECT)
SERIES 2025A AND TAXABLE SERIES 2025B

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement dated as of September ___, 2025 (this "***Disclosure Agreement***") is executed and delivered by and between UMB BANK, N.A., a national banking association organized and validly existing under the laws of the United States, as the Dissemination Agent (defined below), and Permian Basin Water Resources, LLC, a Delaware limited liability company (the "***Company***"), with respect to the "$[_____] Mission Economic Development Corporation Utility Revenue Bonds (Permian Basin Water Resources Project), Series 2025A" (the "***Tax-Exempt Bonds***") and the "$[_____] Mission Economic Development Corporation Utility Revenue Bonds (Permian Basin Water Resources Project), Taxable Series 2025B" (the "***Taxable Bonds***" and, together with the Tax-Exempt Bonds, the "***Bonds***") issued pursuant to the Trust Indenture and Security Agreement dated as of September 1, 2025, by and between the Issuer and the Trustee (the "***Indenture***"). The Company and the Dissemination Agent agree as follows:

Section 1. **Purpose of the Disclosure Agreement**. This Disclosure Agreement is being executed and delivered for the benefit of the Bondholders and Beneficial Owners of the Bonds. Unless and until a different filing location is designated by the MSRB (as defined below) or the SEC (as defined below), all filings made by the Dissemination Agent pursuant to this Disclosure Agreement shall be filed with the MSRB through EMMA (as defined below).

Section 2. **Definitions**. Capitalized terms used but not defined herein shall have their respective meanings set forth in the Indenture. In addition to the terms elsewhere defined in this Disclosure Agreement, the following terms used herein (including the Recitals hereto) shall have the following meanings unless otherwise stated herein:

"***Act***" means, collectively, the Development Corporation Act, Chapter 501, Texas Local Government Code, as amended, and Texas Local Government Code, Chapter 505, as amended.

"***Bonds***" has the meaning set forth in the preamble of this Disclosure Agreement.

"***Business Day***" shall mean any day other than a Saturday, Sunday or legal holiday in the State of Texas observed as such by the Dissemination Agent.

"***Company***" has the meaning set forth in the preamble of this Disclosure Agreement.

"***Company Disclosures***" has the meaning set forth in Section 3(a).

"***Company Information***" has the meaning set forth in Section 3(a).

"***Disclosure Agreement***" has the meaning set forth in the preamble hereof.

"***Dissemination Agent***" shall mean UMB BANK, N.A., a national banking association, in its capacity as dissemination agent, or any successor dissemination agent

designated in writing by the Dissemination Agent or the Company; *provided* that such successor has filed with the Trustee a written acceptance of such designation.

"***DTC***" means The Depository Trust Company of New York, New York, or any successor securities depository.

"***EMMA***" shall mean the Electronic Municipal Market Access System available on the internet at http://emma.msrb.org.

"***Indenture***" has the meaning set forth in the preamble of this Disclosure Agreement.

"***Issuer***" shall mean Mission Economic Development Corporation, a non-profit industrial development corporation created and existing under the Act, together with its successors and assigns.

"***Listed Event***" has the meaning set forth in Section 4(a).

"***MSRB***" shall mean the Municipal Securities Rulemaking Board, or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule.

"***Regulated Utilities***" means, collectively, Park Water Company, a Texas corporation, Greenwood Water Corporation, a Texas corporation, and Park Sewer Company, a Texas corporation.

"***Related Entity***" shall mean an entity:

(1) (a) that owns (directly or through other entities) a 50% or greater interest in the capital or profits of the Company, or (b) in which the Company owns (directly or through other entities) a 50% or greater interest; and

(2) that is material to the Utility Infrastructure (through contractual or other arrangements with the Company or otherwise).

"***Rule***" shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"***SEC***" shall mean the United States Securities and Exchange Commission.

"***Trustee***" shall mean UMB BANK, N.A., a national banking association organized and validly existing under the laws of the United States, in its capacity as trustee, or any successor thereto pursuant to the Indenture.

"***Utility Infrastructure***" means certain water facilities installed by the Company and the Regulated Utilities for the benefit of the Company.

Section 3. Company Reports.

(a) The Company agrees to provide or cause to be provided to the Dissemination Agent (i) the "***Company Information***" as provided (including within the stated timeframes stated) in

Exhibit B attached hereto together with a written direction to provide such information to the MSRB and (ii) notices of the occurrence of any Listed Events (together with the Company Information, the "***Company Disclosures***") as provided in Section 4(b) through Section 4(d).

(b) To the extent the Company timely provides the Company Information to the Dissemination Agent in accordance with the timeframes set forth in Exhibit B together with a written direction to provide such information to the MSRB, the Dissemination Agent shall file such information with the MSRB as promptly as practicable. The Dissemination Agent shall file a notice of occurrence of a Listed Event in the form provided by the Company with the MSRB as provided in Section 4(b) through Section 4(d). In the event Company fails to timely deliver the Company Information as required under this Section 3 and the Dissemination Agent files a notice to MSRB of such failure, such notice shall be in the form set forth in Exhibit A attached hereto.

Section 4. Reporting of Listed Events.

(a) With respect to the Bonds, each of the following is a "***Listed Event***":

(1) The occurrence of an Event of Default under the Indenture or Loan Agreement.

(2) Non-payment related defaults, if material;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties;

(4) Unscheduled draws on credit enhancements reflecting financial difficulties;

(5) Substitution of credit or liquidity providers, or their failure to perform;

(6) Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability with respect to the Tax-Exempt Bonds, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Tax-Exempt Bonds, or other material events affecting the tax status of the Tax-Exempt Bonds;

(7) Modifications to rights of Bondholders, if material;

(8) Bond calls, if material, and tender offers;

(9) Defeasances;

(10) Release, substitution, or sale of the Trust Estate securing repayment of the Bonds, if material;

(11) Rating changes;

(12) Bankruptcy, insolvency, receivership or similar event of the Issuer or the Company or any determination that the Company is unable to pay its debts as they become due; for the avoidance of doubt, an event described in this Section 4(a)(12) is considered to occur when any of the following occur: (i) the appointment of a receiver, fiscal agent, or similar officer for the Issuer or the Company or any Related Entity in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer or the Company, (ii) if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or (iii) the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer or the Company;

(13) Appointment of a successor trustee or additional trustee under the Indenture or the change of name of a trustee, if material;

(14) Material damage to or destruction of the Utility Infrastructure;

(15) Material default by the Company or any Related Entity on any loan with respect to the financing of the Utility Infrastructure;

(16) The consummation of a merger, consolidation, or acquisition of the Company, or the sale of all or substantially all of the assets of the Company, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(17) The filing of any lawsuit with claim for damage, in excess of $10,000,000 against the Company or any Related Entity that may adversely affect the completion of the Utility Infrastructure or litigation that would materially adversely affect the financial condition of the Company; and

(18) Any material change in the legal structure or controlling ownership of the Company.

(b) Upon the occurrence of a Listed Event, Company shall notify the Dissemination Agent in writing promptly, but in any event not more than within five (5) Business Days of the occurrence of such Listed Event, and the Company shall, in writing, direct the Dissemination Agent to file a notice of such occurrence with the MSRB (in the form provided by the Company) via EMMA within five (5) Business Days of receipt of Company's written notice of such Listed Event. The notice to MSRB is required to be filed within ten (10) Business Days of the occurrence of such Listed Event; *provided*, *however*, that the failure of Company to provide timely written direction to the Dissemination Agent in accordance with this paragraph shall not constitute a failure

of the Dissemination Agent to comply with any applicable filing requirements or a breach of this Disclosure Agreement by the Dissemination Agent.

(c) Any notice to be delivered to MSRB pursuant to Section 4(b) shall be accompanied with the text of the disclosure that the Company desires to make, the written authorization of the Company for the Dissemination Agent to disseminate such information as provided herein, and the date the Company desires for the Dissemination Agent to disseminate such information (which date shall not be more than ten (10) Business Days after the occurrence of the Listed Event). In all cases, the Company shall have the sole responsibility for the content, design and other elements comprising substantive contents of all disclosures made under this Disclosure Agreement; *provided* that the Dissemination Agent makes no deviation from the instructions provided by the Company pursuant to this Section 4 or, in the absence thereof, as otherwise provided by this Disclosure Agreement. In addition, the Company shall have the sole responsibility to ensure that any notice required to be filed under this Section 4 is filed within ten (10) Business Days of the occurrence of the Listed Event.

(d) The Dissemination Agent shall not be required to file a notice of the occurrence of such Listed Event pursuant to this Section 4 with the MSRB unless and until it receives written instructions from the Company to do so. It is agreed and understood that the duty to make or cause to be made the disclosures herein is that of the Company and not that of the Trustee or the Dissemination Agent and neither the Trustee nor the Dissemination Agent is under any obligation to investigate whether any Listed Event has occurred. In no event shall the Dissemination Agent be liable in damages or in tort to the Company or any Bondholder, Beneficial Owner or beneficial owner of any interests in the Bonds, or any other party, as a result of the failure of the Company to give the foregoing notice or to give such notice in a timely fashion.

Section 5. Termination of Reporting Obligations. The obligations of the Company and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds or, with respect to the Dissemination Agent, the discharge of the Dissemination Agent's duties hereunder. If such termination occurs prior to the final maturity of the Bonds, the Company shall give notice of such termination in the same manner as for a Listed Event under Section 4.

Section 6. Dissemination Agent. The Dissemination Agent or any successor Dissemination Agent may, from time to time, be appointed or engaged by Company to assist in carrying out the Company's obligations under this Disclosure Agreement, and such Dissemination Agent may be discharged with or without appointing a successor Dissemination Agent. The initial Dissemination Agent appointed hereunder shall be UMB BANK, N.A. The Dissemination Agent may resign at any time with 30 days' advance written notice to the Company.

Section 7. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the Company and the Dissemination Agent may jointly amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold, condition or delay its consent to any amendment so requested by the Company) and any provision of this Disclosure Agreement may be waived, *provided* that all of the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 3 or Section 4, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Company or the type of business conducted.

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of Bond Counsel, have complied with the requirements of the Rule at the time of the delivery of the Bonds (if applicable), after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances.

(c) The amendment or waiver either (i) is approved by Beneficial Owners or Bondholders (as applicable) in the same manner as provided in the Indenture for amendments to the Indenture with the consent of such Beneficial Owners or Bondholders (as the case may be), or (ii) does not, in the opinion of Bond Counsel, materially impair the interests of the Bondholders or Beneficial Owners. No amendment that adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld, conditioned or delayed).

(d) In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Company shall (i) provide written direction to the Dissemination Agent to file a notice with the MSRB within five (5) Business Days of the occurrence of such amendment or waiver, and (ii) include the same information contained in such notice in the in the Company Information due to be provided immediately following the date of approval and subsequent consummation of such amendment or waiver, which Company Information shall be delivered to the Dissemination Agent within the timeframe specified in Exhibit B attached hereto, and in each case of the foregoing *clauses (i)* and *(ii)*, the Company shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (including on the presentation with respect to a change of accounting principles), of information (including financial information and operating data) being presented by the Company.

(e) In the event that the Dissemination Agent receives written notice pursuant to Section 7(d) from the Company of any amendment or waiver of a provision of this Disclosure Agreement, the Dissemination Agent shall promptly file such notice of occurrence with the MSRB, but in any event, within not more than one (1) Business Day of receipt thereof. The Dissemination Agent shall not be liable if such notice is filed in excess of ten (10) Business Days of the occurrence of such amendment or waiver of a provision of this Disclosure Agreement if the Company has not provided such notice in accordance with this Disclosure Agreement.

Section 8. Identifying Information to be Included; Additional Information.

(a) All documents provided to the MSRB pursuant to this Disclosure Agreement shall be accompanied by identifying information as prescribed by the MSRB.

(b) Nothing in this Disclosure Agreement shall be deemed to prevent the Company from (i) disseminating any other information, using the means of dissemination set forth in this Dissemination Agreement or any other means of communication, or (ii) including any other information in addition to that which is required by this Dissemination Agreement. If the Company

chooses to include any information in any Company Information or Company Disclosures in addition to that which is specifically required by this Disclosure Agreement, the Company shall have no obligation under this Disclosure Agreement to update such information or include it in any future notice required hereunder, Company Information or Company Disclosures.

Section 9. **Default**. In the event of a failure of the Company to comply with any provision of this Disclosure Agreement, the Dissemination Agent may (and, at the request of Beneficial Owners of at least 25% aggregate principal amount of Outstanding Bonds, shall, upon being indemnified to its satisfaction), or any Bondholders or Beneficial Owner of the Bonds may, take such actions as may be necessary and appropriate to cause the Company to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Company to comply with this Disclosure Agreement shall be a mandamus or specific performance action.

Section 10. **No Liability**. UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT OR THE COMPANY BE LIABLE TO BONDHOLDERS OR BENEFICIAL OWNERS OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE COMPANY OR THE DISSEMINATION AGENT, RESPECTIVELY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO A MANDAMUS OR SPECIFIC PERFORMANCE ACTION. NEITHER THE DISSEMINATION AGENT NOR THE COMPANY IS UNDER ANY OBLIGATION OR IS REQUIRED TO BRING SUCH AN ACTION.

Section 11. **Duties, Immunities and Liabilities of Dissemination Agent**.

(a) The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof or the Company's failure to submit complete Company Disclosures. The Dissemination Agent shall not be responsible for ensuring compliance with any rule or regulation applicable to the Company or Underwriter in connection with the filings of information herein but is merely responsible for the filing of any such information provided to the Dissemination Agent by the Company. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties. The Company agrees to indemnify and to hold harmless the Dissemination Agent, its officers, directors, employees and agents against any loss, expense and liabilities which it may incur arising out of or in the exercise

or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence, fraud or willful misconduct. The obligations of the Company under this Section shall survive the resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Dissemination Agent shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Dissemination Agent hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Dissemination Agent and believed to be genuine and to have been signed or presented by the proper party or parties.

(b) The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(c) The Dissemination Agent shall be entitled to fees and reimbursement of reasonable expenses for its services hereunder and such fees, charges and expenses of the Dissemination Agent shall be payable by the Company.

Section 12. **No Personal Liability**. No covenant, stipulation, obligation or agreement of the Company or the Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future officer, agent or employee of the Company or the Dissemination Agent in other than that person's official capacity.

Section 13. **Severability**. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

Section 14. **Beneficiaries**. This Disclosure Agreement shall inure solely to the benefit of the Company, the Dissemination Agent, the Bondholders and the Beneficial Owners, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or

shall act to disclaim, waive or otherwise limit the duties of the Company under federal and state securities laws.

Section 15. **Notices**. All notices, requests, consents, claims, demands, waivers and other communications hereunder to any party hereto, a Bondholder or a Beneficial Owner (each, a "***Notice***") shall be in writing and shall be deemed to have been given to and received by a party hereto or beneficiary hereunder, as applicable, (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by email (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail (in each case, return receipt requested, postage pre-paid), in each case of the foregoing *clauses (a)* through *(d)*, when sent to the respective parties hereto or beneficiaries hereunder at the following addresses (or at such other address for a party hereto, a Bondholder or a Beneficial Owner as shall be specified in a Notice given in accordance with this Section 15):

If to the Company:	Permian Basin Water Resources, LLC 2409 S. County Road 1110 Midland, Texas 79706 Email: Permian-Water.com Attention: Trevor Hill
If to Dissemination Agent:	UMB BANK, N.A., as Dissemination Agent 6034 West Courtyard Dr., Suite 225 Austin, Texas 78730 Email: Saul.Ramirez@umb.com Attention: Corporate Trust Department
If to the Bondholders:	UMB BANK, N.A., as Trustee 6034 West Courtyard Dr., Suite 225 Austin, Texas 78730 Email: Saul.Ramirez@umb.com Attention: Corporate Trust Department
If to the Beneficial Owners:	Cede & Co. c/o The Depository Trust Company 570 Washington Blvd., Jersey City, NJ 07310 Email: LegalandTaxNotices@dtcc.com Attention: Mandatory Announcements-Legal Notice

Section 16. **Governing Law**. This Disclosure Agreement and all disputes, claims, defenses, controversies, suits or causes of action (whether sounding in contract, tort or statute) that may be based upon, arise out of or relate hereto shall be construed in accordance with and governed by the laws of the State of Texas applicable to contracts made, entered into and performed in the State of Texas, excluding any conflicts of law principles or rules that would require, permit or

result in the application of the laws of any jurisdiction other than those of the State of Texas. Each of the parties hereto hereby waives the right to trial by jury with respect to any litigation directly or indirectly arising out of, under or in connection with this Disclosure Agreement.

Section 17. Rules of Construction.

(a) To the fullest extent permitted by law, the parties hereto intend that any ambiguities shall be resolved without regard or reference to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

(b) The headings of Exhibits, Sections and subsections in this Disclosure Agreement are provided for convenience only and shall not affect the construction or interpretation hereof.

(c) Unless the context otherwise requires or unless otherwise specifically stated herein: (i) a term has the meaning assigned to it and any defined term used in one tense or case (including using nouns as verbs and vice versa) shall include all other appropriate tenses or cases; (ii) "or" is not exclusive; (iii) words in the singular include the plural, and words in the plural include the singular; (iv) provisions apply to successive events and transactions; (v) the words "herein," "hereof," "hereby," "hereto," "hereunder" and other words of similar import refer to this Disclosure Agreement as a whole (including any Exhibits this Disclosure Agreement) and not to any particular Exhibit, Section, subsection, paragraph, subparagraph, clause or other subdivision; (vi) all references herein to Exhibits, Sections, subsections, paragraphs, subparagraphs and clauses shall be deemed to be references to Exhibits, Sections, subsections, paragraphs, subparagraphs and clauses of this Disclosure Agreement; (vii) any pronoun used in this Disclosure Agreement shall include the corresponding masculine, feminine or neuter forms; (viii) the words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation"; (ix) the word "extent" in the phrase "to the extent" or "to the fullest extent" shall mean the degree to which a subject or other thing extends, and such phrase shall not mean simply "if"; (x) references to "$" or "dollars" shall mean United States dollars; (xi) unless otherwise expressly provided herein, any agreement, instrument, statute, regulation or rule defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument, statute, regulation or rule as from time to time amended, restated, waived or otherwise modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes, regulations or rules) by succession of comparable successor statutes, regulations or rules and references to all attachments thereto and instruments incorporated therein; (xii) an accounting term not otherwise defined has the meaning assigned to it in accordance with then-applicable United States generally accepted accounting principles; (xiii) the word "federal" shall be deemed to be preceded by the words "United States" or "U.S." (to the extent not actually preceded by such words); and (xiv) the word "foreign" shall mean non-United States.

(d) The headings or titles of the several Exhibits, Sections and subsections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not limit or otherwise affect the meaning, construction or effect of this Disclosure Agreement or describe the scope or intent of any provisions hereof.

(e) Every "request," "order," "demand," "application," "appointment," "notice," "statement," "certificate," "consent," or similar action hereunder by any party shall, unless the

form thereof is specifically provided, be in writing signed by a duly authorized representative of such party with a duly authorized signature.

(f) The parties hereto acknowledge that each such party and their respective counsel have participated in the drafting and revision of this Disclosure Agreement. Accordingly, the parties hereto agree that any rule of construction that disfavors the drafting party shall not apply in the interpretation of this Disclosure Agreement or any amendment or supplement or exhibit hereto.

Section 18. **Counterparts**. This Disclosure Agreement may be executed in counterparts, each of which shall be deemed to be an original copy of this Disclosure Agreement and all of which, when taken together, shall be deemed to constitute one and the same agreement. This Disclosure Agreement may be signed by electronic signature, including any portable document format ("***PDF***") or any electronic signature complying with the U.S. federal E-SIGN Act of 2000 (e.g., www.docusign.com), and delivery of an executed counterpart of a signature page to this Disclosure Agreement, this Disclosure Agreement and related documents by electronic mail in PDF or other means of electronic transmission is deemed to have the same binding legal effect as physical delivery of the paper document bearing the original signature.

[*Signature Pages Follow*]

IN WITNESS WHEREOF, the parties hereto have caused this Disclosure Agreement to be executed by their respective duly authorized representatives as of the date first written above.

UMB BANK, N.A.
as Dissemination Agent

By: _____
Authorized Officer

PERMIAN BASIN WATER RESOURCES, LLC

By:_____
Name: Trevor Hill
Title: President

EXHIBIT A

Form of Notice to MSRB

NOTICE TO MSRB OF FAILURE TO FILE COMPANY INFORMATION

Name of Issuer: Mission Economic Development Corporation

Name of Bond Issue: $[_____] Utility Revenue Bonds (Permian Basin Water Resources Project), Series 2025A and $[_____] Utility Revenue Bonds (Permian Basin Water Resources Project), Taxable Series 2025B (together, the "***Bonds***")

CUSIP Nos.: [_____]

Date of Delivery: _____

NOTICE IS HEREBY GIVEN that Permian Basin Water Resources, LLC (the "***Company***") has not provided the Company Information with respect to the Bonds as required by the Continuing Disclosure Agreement dated September ___, 2025, between the Company and UMB BANK, N.A., as "***Dissemination Agent***." The Company anticipates that the Company Information will be filed by_____.

Dated: _____

UMB BANK, N.A., on behalf of the Company, (as Dissemination Agent)

By:_____

Name:_____

Title:_____

cc: Authorized Officer, the Company

Exhibit B
Continuing Disclosure Agreement
Company Reporting

EXHIBIT B

COMPANY REPORTING

COMPANY INFORMATION

Annual Consolidated and Consolidating Financial Statements of Company
As soon as available, and in no event later than one hundred and eighty (180) days after the end of each fiscal year of the Company, commencing with the fiscal year ending December 31, 2025, the Company shall deliver to Dissemination Agent annual consolidated and consolidating financial statements of the Company including supplementary information related to the Company's subsidiaries including the Greenwood Water Corporation, the Park Water Company, and the Park Sewer Company, which may be included as part of the Park Water Company, and any and all other subsidiaries, affiliates, or other entities that may exist in the production and collection of any Revenues as defined in the Master Trust Indenture and Security Agreement, dated as of September 1, 2025, ("Master Indenture") between the Company and UMB Bank, N.A. (the "Master Trustee"), audited by an independent certified public accountant acceptable to Master Trustee and in accordance with GAAP.

Trailing Twelve Month Unaudited Income Statements of the Utility System
As soon as available, and in no event later than sixty (60) days following the end of each January 31 and July 31 (each a "Reporting Date"), commencing January 31, 2026, the Company shall deliver to the Dissemination Agent a report containing the information listed in Table 1 below (the "Table 1 Report"). For purposes of the Table 1 Report due January 31, 2026, the Prior Reporting Period shall be based on the information as of July 31, 2025.

For purposes of the Table 1 Report, all information related to connections and income shall be based on Revenues as defined in the Master Indenture. The Table 1 Report ***excludes*** connections and revenues located (i) outside the boundaries of the Certificates of Convenience and Necessity ("CCN") of the Utility Companies, or (ii) within the boundaries of the Midland County Utility District ("MCUD").

Table 1
Trailing Twelve Month Unaudited Income Statements of the Utility System[1]

	Prior Reporting Period	Current Reporting Period	Total Trailing Twelve Months
Greenwood Water Customers			
Park Water Customers			
Park Sewer Customers			
Total Customer Connections			
Water Revenue			
Wastewater Revenue			
Other Revenue			
Gross Revenues			
Maintenance and Operating Expenses [2]			

Net Revenues			

[1] Excludes connections and revenues located (i) outside the boundaries of the CCN of the Utility Companies, or (ii) within the boundaries of MCUD.
[2] Maintenance and Operating Expenses are not adjusted or reduced in connection with any revenues realized from outside the CCN or within the boundaries of MCUD.

Trailing Twelve Month Unaudited Income Statements of the Utility System
As soon as available, and in no event later than sixty (60) days following the end of each Reporting Date, the Company shall deliver to the Dissemination Agent an updated report containing the information listed in Table 2 below (the "Table 2 Report"). For purposes of the Table 2 Report due January 31, 2026, the Prior Reporting Period shall be based on the information as of July 31, 2025.

For purposes of the Table 2 Report, all information related to connections and income shall be based on Revenues as defined in the Master Indenture and ***include*** all connections and revenues, including those located (i) outside the boundaries of the CCN of the Utility Companies, or (ii) within the boundaries of MCUD.

Table 2
Trailing Twelve Month Unaudited Connections and Income of the Utility System[1]

	Prior Reporting Period	**Current Reporting Period**	**Total Trailing Twelve Months**
Greenwood Water Customers			
Park Water Customers			
Park Sewer Customers			
Total Customer Connections			
Water Revenue			
Wastewater Revenue			
Other Revenue			
Gross Revenues			
Maintenance and Operating Expenses [2]			
Net Revenues			

[1] Includes connections and revenues located (i) outside the boundaries of the CCN of the Utility Companies, or (ii) within the boundaries of MCUD.
[2] Maintenance and Operating Expenses are not adjusted or reduced in connection with any revenues realized from outside the CCN or within the boundaries of MCUD.

Exhibit B
Continuing Disclosure Agreement
Company Reporting

Calculation of Debt Service Coverage Ratio
As soon as available, and in no event later than sixty (60) days following July 31, 2026 and each Reporting Date thereafter, the Company shall deliver to the Dissemination Agent a report containing the information listed in Table 3 below.

Table 3[1]
Debt Service Coverage Ratio as of [January 31] / [July 31], 20[__]

Reporting Date	
Trailing Twelve Months Gross Revenues	
Less: Trailing Twelve Months Maintenance and Operating Expenses	
Trailing Twelve Months Net Revenues	
Debt Service Due Over Next Twelve Months	
Maximum Annual Debt Service	

Gross Revenue Debt Service Coverage Ratio

Coverage on Maximum Annual Debt Service	

Net Revenue Debt Service Coverage Ratio

Coverage on Maximum Annual Debt Service[2]	

[1] *Includes* Connections and Revenues Received from Outside the CCN or within the Boundaries of MCUD.
[2] Per the Master Indenture, the Debt Service Coverage Ratio Requirement for any Reporting Period shall be Net Revenues for the twelve months immediately preceding such Reporting Period equal to at least 1.10x Maximum Annual Debt Service on all outstanding Bonds payable from Revenues of the Company.

Exhibit B
Continuing Disclosure Agreement
Company Reporting

Status of the Development
As soon as available, and in no event later than sixty (60) days following the end of each Reporting Date, the Company shall deliver to the Dissemination Agent an updated report containing the information listed in Table 4 below:

Table 4
Summary of Completed and Planned Future Development

Project Description	Actual / Planned Connections	Actual / Expected Construction Start Date	Actual / Expected Construction Completion Date	Units Fully Connected to the System	Units Occupied as of Reporting Date	Units Expected to be Occupied by the Next Reporting Date
BTR #1 – Single Family						
BRT #2 – Single Family						
BTR #3 – Multifamily						
BTR #4 – Multifamily						
BTR #5 – Multifamily						

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APPENDIX G:

ENGINEERING REPORT

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DILIGENCE – ENGINEERING REPORT

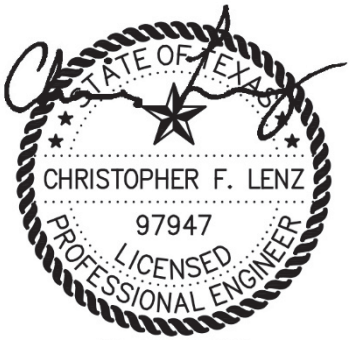
FOR

PERMIAN BASIN WATER RESOURCES, LLC

MIDLAND COUNTY, TEXAS

Prepared by:
United Engineering Group
3205 W. Ray Road, Suite 1
Chandler, AZ 85226
Contact: Christopher Lenz, P.E.
clenz@unitedeng.com
(480) 705-5372

August 6, 2025



08/06/25

United Engineering Group
3205 W Ray Road
Chandler, AZ 85226

Diligence - Engineering Report: Permian Basin Water Resources, LLC

Prepared by:

United Engineering Group

TERMS OF REFERENCE

This report is provided as part of the due diligence process undertaken by potential investors for Permian Basin Water Resources, LLC (PBWR) and its affiliates Greenwood Water Corporation (GWC) and Park Water Company (PWC).

This report will review:

1. The regulatory environment in which PBWR, GWC and PWC operate;
2. The stability of water resources in the Greenwood region;
3. The ability for GWC and PWC to access those water resources;
4. The current state of the fitted infrastructure for GWC and PWC;
5. The infrastructure requirements to meet the projected growth anticipated by PBWR;
6. The costs associated with meeting the infrastructure requirements;
7. The timing of infrastructure additions; and
8. The financial capacity of GWC and PWC to provide debt service coverage for infrastructure deployments.

In this review, United Engineering Group, LLC (UEG) has relied on its extensive experience in civil engineering, land development, design and permitting; discussions, representations and projections provided by PBWR; on-site inspections and evaluations and work performed by UEG for Paleo Land Company, LLC.

This report does not constitute an engineering approval of any plans, infrastructure or projections provided by PBWR but does consider those plans in the context of the regulatory requirements for water, wastewater and reclaimed water services in Texas.

EXECUTIVE SUMMARY

Within the scope of services provided, UEG has evaluated the current infrastructure, operations and plans developed by PBWR for the provision of water, wastewater and reclaimed water services to areas in the immediate vicinity of Greenwood, TX. Based on our assessment:

- Greenwood Water Corporation is a Texas Retail Public Utility (PUCT Substantive Rule §24.3(31)) in good standing with an approved certificate of convenience and necessity (“CCN”) currently providing potable water services to approximately 304 water connections (the “Greenwood System”). Greenwood Water Corporation is classified as a Class D utility under PUCT Substantive Rule §24.3(8).

- Park Water Company is a Texas Retail Public Utility (PUCT Substantive Rule §24.3(31)) in good standing with an approved CCN currently providing potable water, sewer and recycled reclaimed

water service to approximately 561 water connections (the "Park Water System"). Park Water Company is classified as a Class D utility under PUCT Substantive Rule §24.3(8). Of the 561 water connections, approximately 223 water connections are outside the CCN including 169 of which are provided service under an agreement with the MCUD and 65 wastewater connection outside the CCN.

- Park Sewer Company is a Texas corporation and is the permittee of the wastewater discharge permit (TPDES WQ0015661001) under which Park Water Company is providing sewer service. It is anticipated that the Company will either move the permit to Park Water Company, or merge Park Sewer Company with Park Water in the future.

- The Greenwood region presents a desirable opportunity for housing growth due to the potential for low-cost housing, the well-known high performing Greenwood Independent School District, an emerging preference for non-urban living, and continued population growth in Midland County.

- PBWR has completed the initial phases of a water resources study that has determined the aquifer supplying water to the utility can sustain withdrawals required for 50+ years. Additional evaluations of water availability continue and PBWR believes there is sufficient water available to support up to 10,000 homes (requiring approximately 5,500 GPM of raw water production).

- PBWR's Total Water Management philosophy maximizes the reuse of Type I Reclaimed Water and reduces the overall demand for "new" water, allowing significantly more homes to be served within the same raw water envelope.

- PBWR has obtained the necessary regulatory approvals (PUCT, TCEQ, Midland County) for its current and immediate future operations. This includes an approved CCN for Vander Ranch (900 homes) and a wastewater surface water discharge permit (TPDES) for 360,000 GPD (or 2,500 homes), reclaimed water discharge authorization for irrigation and dust control. PBWR will be required to obtain approvals for future infrastructure additions as well as any additions to the GWC and PWC CCN service areas.

- Based on the unit capacities installed today, the current PBWR water infrastructure has the capacity to serve approximately:
    - Water Treatment: 1017 homes
    - Water Storage: 1,250 homes
    - Booster Pumps: 974 homes
    - Pressure Tanks: 1070 homes

  Additional capacity may be realized through augmenting these individual systems.

- The current PBWR wastewater infrastructure has the capacity to serve approximately 607 connections.

- The third phase of wastewater plant is currently under design which will increase capacity to 145,000 GPD enough to serve approximately 1035 homes at 140 gallons per home per day of wastewater.

- PBWR's wastewater treatment capacity is designed to easily add 60,000 GPD incremental treatment modules to the permitted TPDES capacity of 360,000 GPD, or 2,500 homes.

Diligence - Engineering Report: Permian Basin Water Resources, LLC

Prepared by:

United Engineering Group

GREENWOOD, TX

Greenwood, Texas is an unincorporated area of Midland County 8 miles east of the City of Midland (**Figure 1**). This area is noted for its pastoral countryside, its easy access to the City and the Greenwood Independent School District, which boasts the highest rankings in the county. These facts make the area a highly sought-after residential location.

Figure 1: Location of Greenwood, TX

The Greenwood development opportunity reflects many of the aspects of the new reality facing communities today:

- The need for affordable housing;
- The desire for a suburban living environment, less dense than cities, where the impacts of future issues like pandemics are lessened; and
- The desire to live in a fully serviced community where citizens can access everything needed without travelling to other communities.

Overall, the Midland-Odessa region of Texas has evolved into a stable and economically growing region. Development in the Greenwood region is nascent with much of the opportunity existing as greenfield land development.

A Regional Economic Analysis is provided in Appendix K to this report. That analysis demonstrated that the economy of the Midland region has become consistently more stable – a function of diversification of the employment base and the sustained increase in demand. The region, however, lacks the necessary residential housing infrastructure necessary to feed Midland's economic engine. The leading indicators of employment and population growth all suggest that there will be, in the near-term, a visible and increasing demand for both owner and renter properties – particularly in the affordable range.

The Regional Economic Analysis demonstrates:

- The region has endured several major fluctuations in oil extraction, most recently the Covid-19 pandemic and the mini-recession of 2020, and has always rapidly emerged stronger and more stable.
- Today, the area offers a significantly diversified economy, increasingly independent of the oil and gas business.
- The region's residents maintain a high Median Household Income ($94,000 in 2024).
- There is a systemic supply – demand imbalance in housing that is worsening.
- There is limited affordable housing in the region – in both the owner-occupied and rental markets.
- Greenwood, despite its proximity to the city of Midland, its exceptional schools and its desirable lifestyle, has historically been underserved by affordable housing.
- The newly built utilities in Greenwood allow for high density development – both residential and commercial.
- Access to affordable housing and rentals will drive growth in the Greenwood region.
- The region has a need for 42,000 residential dwelling units over the next 10 years.
- Fully one-third of newly constructed units will be for rental, generating a steady-state demand of 1,400 rental units per year, which could be increased as a percentage by trending higher.
- Greenwood can expect to participate at a rate of 20-30% the regional demand as a function of affordability, newly created amenities and the Greenwood Independent School District.

CORPORATE ENTITIES

Permian Basin Water Resources, LLC (PBWR) is a holding company which owns regulated utility companies who provide services (water, wastewater and reclaimed water) in the Greenwood region. PBWR is comprised of three entities as discussed in the preceding Executive Summary:

- Greenwood Water Corporation
- Park Water Company
- Park Sewer Company

PBWR's subsidiaries provide water and sewer service pursuant to the jurisdictions of the Public Utility Commission of Texas (PUCT) and Texas Commission on Environmental Quality (TCEQ). The relationship between the corporate entities and their regulated counterparts is shown in the following table:

Table 1: Corporate and Regulated Entities

Corporate Entity	PUCT Entity	PUCT CCN	TCEQ Entity	TCEQ Customer Number	TCEQ Regulated Entity	TCEQ Regulated Entity Number	Permit
Permian Basin Water Resources							
Greenwood Water Corporation	Greenwood Water Corporation	11792	Greenwood Water Corporation	CN 600664528	Greenwood Water System	RN 101439940	PWS TX1650078
Park Water Company	Park Water Company	13278	Park Water Company	CN 605471689	Park Water System	RN 110239118	PWS TX1650167
Park Sewer Company	See Park water Company	21115	See Park water Company	CN 605480086	Park Water WWTP	RN 110288503	TPDES WQ0015661001

Certificates of Convenience and Necessity

Regulated water and sewer utilities are those investor-owned utilities that are rate regulated by public utilities commissions. In Texas, the PUCT is the rate regulating entity. Under PUCT rules, regulated utilities exist as Public Retail Utilities (PUCT Substantive Rule §24.3(31)) providing water, sewer and reclaimed water services within monopolistic service areas (Certificates of Convenience and Necessity, or CCNs). A CCN grants the exclusive right to provide retail water or sewer utility service to an identified geographic area. Chapter 13 of the Texas Water Code requires a CCN holder to provide continuous and adequate service to the area within its CCN boundary.

By granting the CCN's for Greenwood Water Corporation and Park Water Company, the PUCT has made a formal determination that those entities possess the financial, managerial, and technical capability to provide continuous and adequate service to the requested area as required by Texas Water Code § 13.241(a) and title 16 of the Texas Administrative Code (TAC) 16 TAC §24.227. Greenwood Water Corporation and Park Water Company are in good standing with the PUCT.

The CCN defines the service boundaries for regulated service providers. In order to serve outside the CCN, those properties must be petitioned into the CCN under a proceeding at the PUCT (PUCT Substantive Rule §24.227). A regulated utility may serve up to one-quarter mile outside their existing CCN (PUCT Substantive Rule §24.229(a)(1)(A)(i)) provided that notice is provided to PUCT within 30 days (PUCT Substantive Rule §24.229(a)(2).

For service to MCUD constituents, Park Water Company is operating under MCUD's authority provided by Sec. 49.215(d) of the Texas Water Code allowing that "a district [established under Section 59, Article XVI of the Texas Constitution] shall not be required to hold a certificate of convenience and necessity as a precondition for providing retail water or sewer service to any customer or service area" and under Texas Water Code Sec 49.057, MCUD is "charged with the responsibility for the management of all the affairs of the district and shall employ or contract with all persons, firms, partnerships, corporations, or other entities, public or private, deemed necessary by the board for the conduct of the affairs of the district."

PBWR anticipates that Park Water Company will file CCN extension requests for the Ranch 80 Development (also referred to as Pecan Grove), the Meadows and Greenwood Country Estates in Q3 2025. In addition, Park Water Company will file with the PUCT to include those Midland County Utilities District (MCUD) properties that are being served north and west of the current CCN, including Saddleback Estates. Many of these properties are or will be served today under an agreement with MCUD to provide service for homeowners who feel their on-site water systems are inadequate for continuous service.

A CCN is not required for the construction or upgrading of distribution facilities within the retail public utility's certificated service area, or for the purchase or condemnation of real property for use as facility sites or rights-of-way (PUCT Substantive Rule §24.229(b)). While not required, prior construction or upgrading of distribution facilities, does not entitle a retail public utility to be granted a CCN or CCN amendment without a showing that the proposed CCN or CCN amendment is necessary for the service, accommodation, convenience, or safety of the public. Below is a table of accounts for each utility.

Table 2: Historical Water and Wastewater Users by Category

Year	Entity	Total Accounts	Residential	Commercial	Total Gallons Sold in 000's
2018	GWC	300	294	6	47,545
2019	GWC	304	297	7	42,352
2020	GWC	304	297	7	58,292
	PWC (Water)	15			936
	PWC (Sewer)	0			
2021	GWC	304	297	7	45,960
	PWC (Water)	80			7,512
	PWC (Sewer)	54			2,759
2022	GWC	304	297	7	51,503
	PWC (Water)	235			20,529
	PWC (Sewer)	171			8,738
2023	GWC	304	297	7	57,545
	PWC (Water)	271			26,229
	PWC (Sewer)	179			9,147
2024	GWC	303	296	7	41,328
	PWC (Water)	425	424	1	39,604
	PWC (Sewer)	293	292	1	25,266

REGULATORY ENVIRONMENT

Regulatory Agencies

GWC and PWC are regulated by a number of agencies with various jurisdictional authority over the PWC and GWC:

- Public Utility Commission of Texas (PUCT). The Public Utility Commission of Texas regulates the state's electric, telecommunication, and water and sewer utilities, implements respective legislation, and offers customer assistance in resolving consumer complaints. Most importantly from a utility perspective is the regulation of service territories (CCNs), rates and capital structure at the utility level, and service requirements (detailing billing, collections, disconnects and a host of other operational tasks associated with the running of a utility in Texas.[1]

- Texas Commission on Environmental Quality (TCEQ). The Texas Commission on Environmental Quality strives to protect the state's public health and natural resources consistent with sustainable economic development with the explicit goal of clean air, clean water, and the safe management of waste. For PWC and GWC, TCEQ approves designs for water and wastewater infrastructure (Chapter 290 - Public Drinking Water Subchapter D: Rules and Regulations For Public Water Systems §§290.38 - 290.47; Chapter 217 - Design Criteria For Domestic Wastewater Systems §§217.1 – 217.333). Critically, TCEQ administers the federal Safe Drinking Water Act and the Clean Water Act (including discharges of wastewater to Waters of the United States) under delegated authority from the US Environmental Protection Agency (USEPA). These requirements are detailed in Title 30 of the Texas Administrative Code.

- Texas Water Development Board (TWDB). The mission of the Texas Water Development Board is to lead the state's efforts in ensuring a secure water future for Texas and its citizens. TWDB provides water planning, data collection and dissemination, financial assistance, and technical assistance services to the citizens of Texas. For PBWR, TWDB requires reporting on water abstraction, use, and water loss.

Public Utility Commission of Texas

Regulated water and sewer utilities are those investor-owned utilities that are rate regulated by public utilities commissions. In Texas, the Public Utility Commission of Texas (PUCT) is the rate regulating entity. Under PUCT rules, regulated utilities exist as public service corporations providing water, wastewater and reclaimed water services within monopolistic service areas (Certificates of Convenience and Necessity, or CCNs). Within the CCN, the regulated utility is the only service provider available to customers in perpetuity.

Rates for utility services are approved by the public utilities commissions and a generally derived to produce a revenue requirement that provides regulated return on prudently invested, used and useful capital (or rate base) plus coverage of operating expenses (based on a test year as determined by the

[1] https://www.puc.texas.gov/agency/rulesnlaws/subrules/water/Water.aspx

utility) plus an allowance for depreciation. While there is obviously some significant complexity associated with rate making in regulated utilities, the overall goal is for public utilities commissions to provide stable, financially solvent utilities that are capable of meeting the immediate and future infrastructure needs of customers.

Once established, rates remain in effect until an application is made for alteration by the utility. In that sense, rate stability is very high. In the case of an under-earning utility – one that is not achieving the revenue required – a utility may make application to the PUCT for a rate adjustment. Applications for rates adjustments can be made generally at a maximum interval of 12 months (PUCT Substantive Rule §24.29).

Certificates of Convenience and Necessity (CCNs)

PBWR acquired GWC and its existing CCN in 2015. PWC's application for a CCN was approved by the PUCT on 10 March 2020. Included in Appendices A and B are the relevant orders from the Public Utility Commission of Texas (PUCT) approving the formation of GWC and PWC as public service corporations and their initial CCN boundaries.

- GWC was granted CCN number 11792 from the PUCT (see Appendix A[2])
- On March 10, 2020, PWC was granted water CCN number 13278 and sewer CCN number 21115 (see Appendix B).

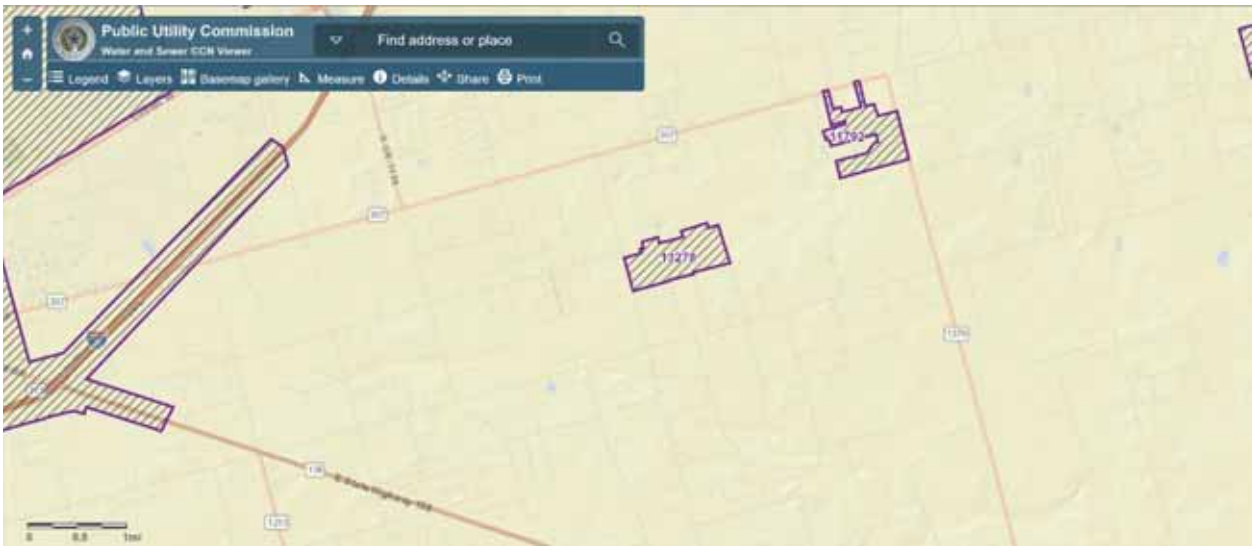


Figure 2: PUCT Regulated Water and Sewer Providers in Greenwood – GWC (CCN 11792) and PWC (CCN 13728)

[2] The original order issuing CCN 11792 has not been located. However, Appendix A - PUC Final Approval of Stock Transfer (6-19-15) includes as Procedural History as of 2015: "Greenwood is an investor-owned water utility holding Certificate of Convenience and Necessity (CCN) No. 11792 and provides retail water service in Midland County to approximately 289 metered connections."

PBWR operates the only community water and wastewater systems in the area (**Figure** 2)[3] although the Greenwood Independent School District maintains a Non-Transient, Non-Community Water System (NTNCWS) for water supply to the school.

By granting the CCN's, PUCT has made a formal determination that GWC and PWC possess the financial, managerial, and technical capability to provide continuous and adequate service to the requested area as required by Texas Water Code §13.241(a) and title 16 of the Texas Administrative Code (TAC) 16 TAC §24.227.

GWC and PWC are in good standing with the PUCT.

Texas Commission on Environmental Quality

The TCEQ regulates engineering and operational standards associated with the provision of water, wastewater and reclaimed water production, treatment, and delivery/conveyance.

Water Systems

For water systems, TCEQ determines whether a system meets the criteria of a Public Water System (PWS) in accordance with the federal Safe Drinking Water Act. A PWS can be a Community Water System, a Non-Community Water System or a Non-Transient Non-Community Water System. GWC and PWC are Public Water Systems as defined by State and federal regulations 30 TAC §290.38(71) and 40 CFR §142.2.

In the case of GWC and PWC, each has designated Community Water Systems as follows:

GWC: PWS TX1650078 Greenwood Water System[4]

PWC: PWS TX1650167 Park Water System[5]

In the context of TCEQ reporting, Park Water System is categorized as a consecutive system[6] receiving all its water from GWC. Functionally this means that PWC is not required to monitor water at an entry point to the distribution system (EPDS) for the Park Water System as that monitoring is performed by GWC. However, in the case of a violation of the National Primary Drinking Water Standards, enforceable Secondary Standards and individual contaminant limits (as adopted in 30 TAC §290.104 to §290.110), PWC may be required to provide public notice of those violations to its customers.

Monitoring plans have been developed by GWC and Park Water System to ensure that the requirements of Chapter 290 are met. For GWC, those monitoring frequencies are shown in **Table 3**.

[3] https://www.puc.texas.gov/industry/water/utilities/map.aspx

[4] https://dww2.tceq.texas.gov/DWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=4679&tinwsys_st_code=TX&wsnumber=TX1650078%20%20%20&DWWState=TX

[5] https://dww2.tceq.texas.gov/DWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=13333&tinwsys_st_code=TX&wsnumber=TX1650167%20%20%20&DWWState=TX

[6] Consecutive system--A public water system that receives some or all of its raw water or finished water from one or more other public water systems (30 TAC §290.103(6)).

Table 3: GWC Monitoring Requirements

ANALYTE/ITEM	Frequency
Revised Total Coliform Rule	2 sample/month
1005-ARSENIC	1 sample/QTR
Quarterly Chlorine Monitoring Report	Quarterly
Consumer Confidence Report	Annual
Disinfection By-Products (Phase 2)	1 sample/yr
Lead & Copper	10 samples/yr
1040-NITRATE	1 sample/yr
VOC - VOLATILE ORGANICS	1 sample/yr
2981-1,1,1-TRICHLOROETHANE	
2985-1,1,2-TRICHLOROETHANE	
2977-1,1-DICHLOROETHYLENE	
2378-1,2,4-TRICHLOROBENZENE	
2980-1,2-DICHLOROETHANE	
2983-1,2-DICHLOROPROPANE	
2990-BENZENE	
2982-CARBON TETRACHLORIDE	
2989-CHLOROBENZENE	
2380-CIS-1,2-DICHLOROETHYLENE	
2964-DICHLOROMETHANE	
2992-ETHYLBENZENE	
2968-O-DICHLOROBENZENE	
2969-P-DICHLOROBENZENE	
2996-STYRENE	
2987-TETRACHLOROETHYLENE	
2991-TOLUENE	
2979-TRANS-1,2-DICHLOROETHYLENE	
2984-TRICHLOROETHYLENE	
2976-VINYL CHLORIDE	
2955-XYLENES, TOTAL	
504 - EDB/DBCP	1 sample/3 yrs
2931-1,2-DIBROMO-3-CHLOROPROPANE	
2946-ETHYLENE DIBROMIDE	
515 - SOC METHOD 515.4	1 sample/3 yrs
2110-2,4,5-TP	
2105-2,4-D	

2031-DALAPON	
2041-DINOSEB	
2040-PICLORAM	
531 - SOC METHOD 531.1	1 sample/3 yrs
2047-ALDICARB	
2044-ALDICARB SULFONE	
2043-ALDICARB SULFOXIDE	
2046-CARBOFURAN	
2036-OXAMYL	
MIN - MINERALS	1 sample/3 yrs
1025-FLUORIDE	
MTL1 - METALS REVISED	1 sample/3 yrs
1002-ALUMINUM	
1074-ANTIMONY, TOTAL	
1010-BARIUM	
1075-BERYLLIUM, TOTAL	
1015-CADMIUM	
1020-CHROMIUM	
1024-CYANIDE	
1035-MERCURY	
1045-SELENIUM	
1050-SILVER	
1085-THALLIUM, TOTAL	
1095-ZINC	
SOC5 - SYNTHETIC ORGANICS	1 sample/3 yrs
2051-ALACHLOR	
2050-ATRAZINE	
2306-BENZO(A)PYRENE	
2010-BHC-GAMMA	
2959-CHLORDANE	
2035-DI(2-ETHYLHEXYL) ADIPATE	
2039-DI(2-ETHYLHEXYL) PHTHALATE	
2005-ENDRIN	
2065-HEPTACHLOR	
2067-HEPTACHLOR EPOXIDE	
2274-HEXACHLOROBENZENE	
2042-HEXACHLOROCYCLOPENTADIENE	
2015-METHOXYCHLOR	
2326-PENTACHLOROPHENOL	
2037-SIMAZINE	
2020-TOXAPHENE	

RAD - RADIONUCLIDES	1 sample/6 yrs
4010-COMBINED RADIUM (-226 & -228)	
4006-COMBINED URANIUM	
4000-GROSS ALPHA, EXCL. RADON & U	
1041-NITRITE	1 sample/9 yrs
1094-ASBESTOS	1 sample/9 yrs

GWC has had violations related to arsenic, lead and copper monitoring and residual disinfectant monitoring reporting. The arsenic violations were prior to PBWR's acquisition of GWC. Subsequent significant upgrades to the Regional Water Campus were made by PBWR to augment treatment capacity and automation of blend control. Violations with respect to the Lead and Copper Rule and residual disinfectant reporting were administrative in nature. All of these violations for the companies have been resolved to the satisfaction of TCEQ. In May of 2024, TCEQ required a change to the discharge of the Reverse Osmosis Concentrate Discharge. Park Water has received an industrial reuse permit, contracted for the disposal of this water and is the process of constructing a Salt Water Disposal Well to comply with these changes communicated as a notice of enforcement from TCEQ.

Wastewater Systems

On the wastewater front, the design, construction and operation of a water reclamation facility is subject to permitting requirements from TCEQ. Ultimately these permits define the treatment plant location, treatment technology, phasing and disposal of treated wastewater.

Park Sewer Company was issued a Texas Pollutant Discharge Elimination System (TPDES) permit on June 18, 2020 for the construction and operation of a membrane bioreactor tertiary treatment system (TPDES Permit No. WQ0015661001, EPA ID No. TX0138363 – Appendix C). This permit is currently being renewed and is out for public comment. The original permit provided for the phased deployment of treatment units commencing with a 10,000 gallon per day (GPD) system and included the deployment of the currently installed 85,000 gallon per day treatment capacity. The original permit included phasing up to 360,000 gallons per day. The new permit adjusts these phases to better align with construction plans but the ultimate capacity remains unchanged at 360,000 gpd.

The site designated for the full build-out of the water reclamation facility has been identified, and site planning is currently underway. This site meets the set-back requirements as detailed in 30 TAC §309.13(e)(1) which establishes that "wastewater treatment plant units [as defined in 30 TAC §309.11] may not be located closer than 150 feet to the nearest property line," (see **Figure 3**).

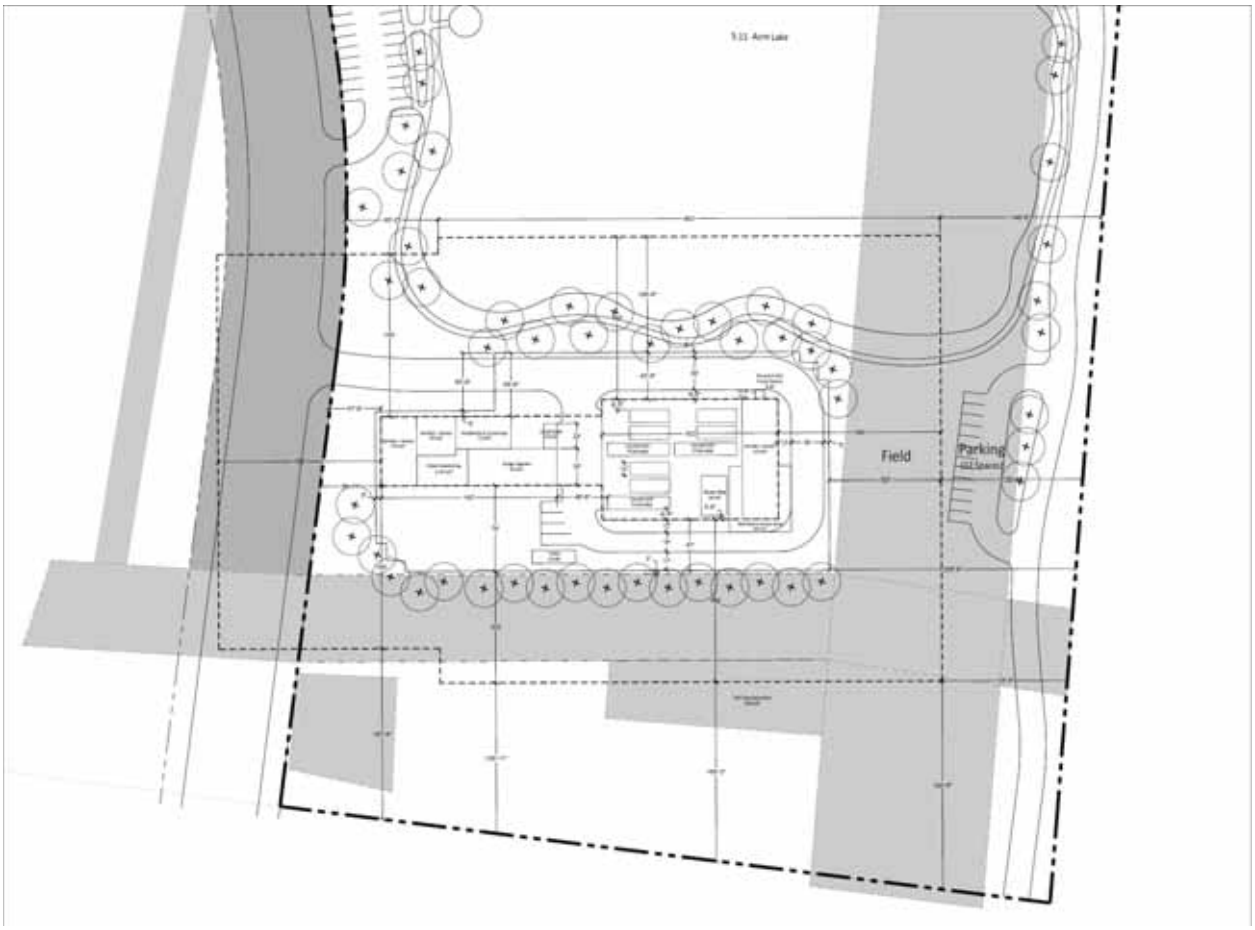


Figure 3: Water Reclamation Facility Site Plan

The TPDES permit allows for the discharge of treated wastewater to the Midland Draw at the intersection of CR 120 and SCR 1110. This discharge point and the TPDES permit were the subject of an appeal of the permit process by several of the landowners in the area. This objection was ultimately resolved with the adoption of a Total Phosphorus limit enforceable when discharging to the Midland Draw. As a result of this settlement, PBWR included phosphorus control in the design criteria of the S&L membrane bioreactor. The S&L design criteria includes an effluent quality guarantee (**Table 4**) that ensures that the system is capable of meeting this phosphorus limit, as well as the other discharge limitations for Type 1 Reclaimed Water. While the TPDES permit allows for discharge, Park Sewer Company reuses 100% of the recycled water produced.

Table 4: S&L Effluent Quality Guarantee

Effluent Characteristics	
Parameter	**mg/L**
Carbonaceous Biochemical Oxygen Demand ($cBOD_5$)	5
Total Suspended Solids (TSS)	5
Ammonia Nitrogen (NH_4^+-N)	1
Total Nitrogen (TN)	10
Total Phosphorus (TP)	0.5

Texas Water Development Board

TWDB exercises broad administrative and reporting authority in Texas.

Primarily GWC and PWC contact with the TWDB is via annual water use and loss reporting. In 2024, the companies reported a total production of potable water of 88,503,868 gallons.

WATER RESOURCES

Of critical importance for any water utility is the legal and continuous availability of wet water. In Texas, groundwater extraction rights are appurtenant to the land – meaning that any landowner has the right to drill and withdrawal water. This is provided in the Texas Water Code:

> Water Code, Subtitle E
>
> Sec. 36.002. OWNERSHIP OF GROUNDWATER.
>
> (a) The legislature recognizes that a landowner owns the groundwater below the surface of the landowner's land as real property.
>
> (b) The groundwater ownership and rights described by this section entitle the landowner, including a landowner's lessees, heirs, or assigns, to:
>
> (1) drill for and produce the groundwater below the surface of real property, subject to Subsection (d), without causing waste or malicious drainage of other property or negligently causing subsidence; and
>
> (2) have any other right recognized under common law.

Notwithstanding the Texas Water Code, the state of Texas has established Groundwater Management Areas (GMA). GMAs were created "in order to provide for the conservation, preservation, protection, recharging, and prevention of waste of the groundwater, and of groundwater reservoirs or their subdivisions, and to control subsidence caused by withdrawal of water from those groundwater reservoirs or their subdivisions, consistent with the objectives of Section 59, Article XVI, Texas Constitution."

These GMAs are further divided into Groundwater Conservation Districts (GCDs) that devolve local control to regional authorities.

Of note for this analysis is that Midland County, while existing in Groundwater Management Area 7, is not included in a Groundwater Conservation District. See Appendix E.

As a risk point, there is a potential for Midland County to become regulated under a Groundwater Conservation District. In February 2017, TCEQ issued a recommendation on a GCD south of the Greenwood area. TCEQ's Final Report recommended that the Texas Water Commission "issue an order to add all of the PGMA [Priority Groundwater Management Area] territories in the Upton and Midland

counties to the Glasscock GCD pursuant to 30 TAC, Chapters §§293 and 294. The alternative would be to add all of the PGMA territories in the Upton and Midland counties to the Santa Rita UWCD."[7]

However, the process of incorporating a new GCD or changing the boundaries of an existing GCD is established under 31 TAC Part 10 and requires that the applicant demonstrate that the geographic and hydrogeologic conditions require the proposed boundary change (30 TAC §356.22(a)(2)).

Recently TCEQ evaluated groundwater availability and use data for Upton and Midland counties and determined:

> Since the PGMA's original designation in 1990, groundwater use in the area has shifted significantly from mostly irrigation to mostly oil and gas exploration activity, and this share of oil and gas activity increases each year. A GCD is not authorized to regulate groundwater used for oil and gas activities under the Texas Water Code, Chapter 36. Given this situation, establishing a GCD may not be an effective approach for managing groundwater resources in the Reagan, Upton, and Midland County PGMA.[8]

Accordingly, the Company believes that it is unlikely that Midland County will be incorporated into a Groundwater Conservation District.

[7] https://www.tceq.texas.gov/assets/public/permitting/watersupply/groundwater/pgma/Feb2017_reagan_upton_midland_pgma_final_rpt.pdf

[8] https://www.tceq.texas.gov/downloads/groundwater/publications/sfr-53-24-pgma-gcd-report-89th-legislature.pdf

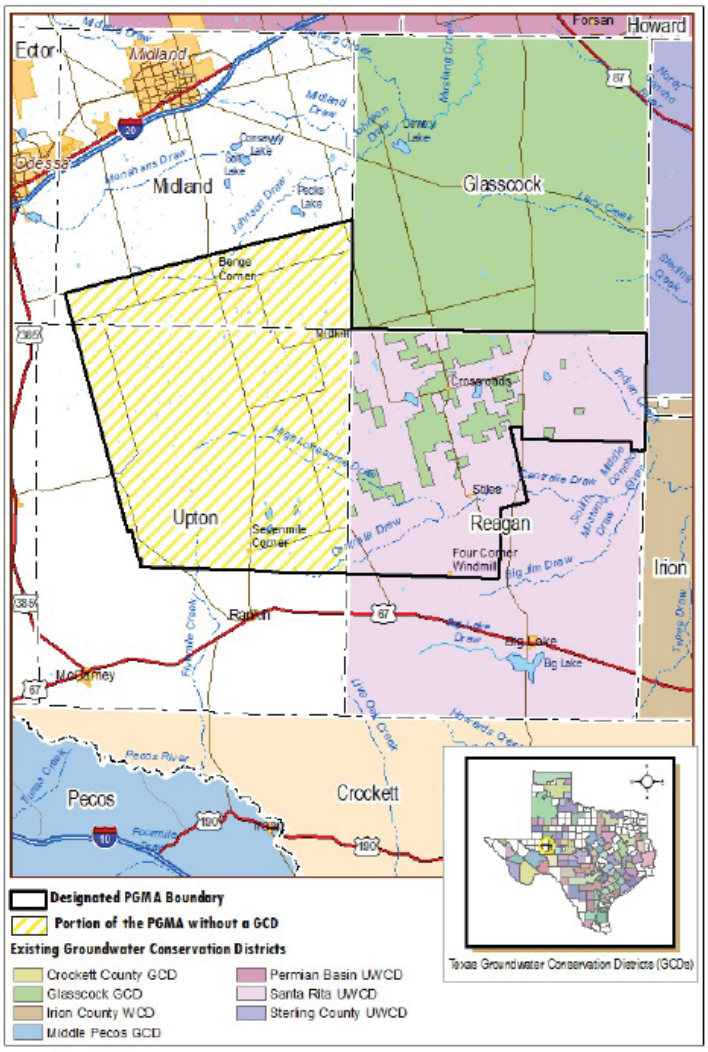


Figure 1. The Reagan, Upton, and Midland County PGMA and Surrounding GCDs.

Figure 4: Groundwater Management Areas - Midland Region

Water Sustainability

The Greenwood area sits within the Edwards – Trinity Plateau (outcrop), the Ogallala, and the Edwards – Trinity Plateau (subcrop) aquifers (Appendix F). While there are specific quality concerns for the area (notably arsenic, fluoride, nitrate and total dissolved solids), the production capacity of the aquifers can be very high although it is very geographically and locationally specific.

The Ogallala aquifer sits on top of the Edwards-Trinity Plateau aquifer and while there is some hydraulic connectivity (in an area known as the High Plains Aquifer), it appears that the majority of the water extraction in the area is identified as being withdrawn from the Ogallala.

The Ogallala aquifer is quite shallow with a saturated thickness in the area 100 to 200 feet narrowly restricted between the land surface and encountering the “red bed” or red clay located stratigraphically

beneath the Ogallala aquifer (Appendix G). In addition, the Ogallala is identified as an unconfined aquifer that is rainwater dependent for natural recharge. This is an important characteristic in two ways: the volatility of precipitation in the area can impact the availability of water and rapid recharge can transport agricultural pollutants like nitrate quickly into the water.

Overall, the availability of groundwater resources is impacted by:

- Precipitation
- Short and Long-term Droughts
- Overall Water Abstraction and Recharge

Precipitation

Midland precipitation[9] since 1930 is shown in **Figure 5**. As can be seen, while the annual rainfall can vary significantly, from a decadal perspective precipitation is relatively stable.

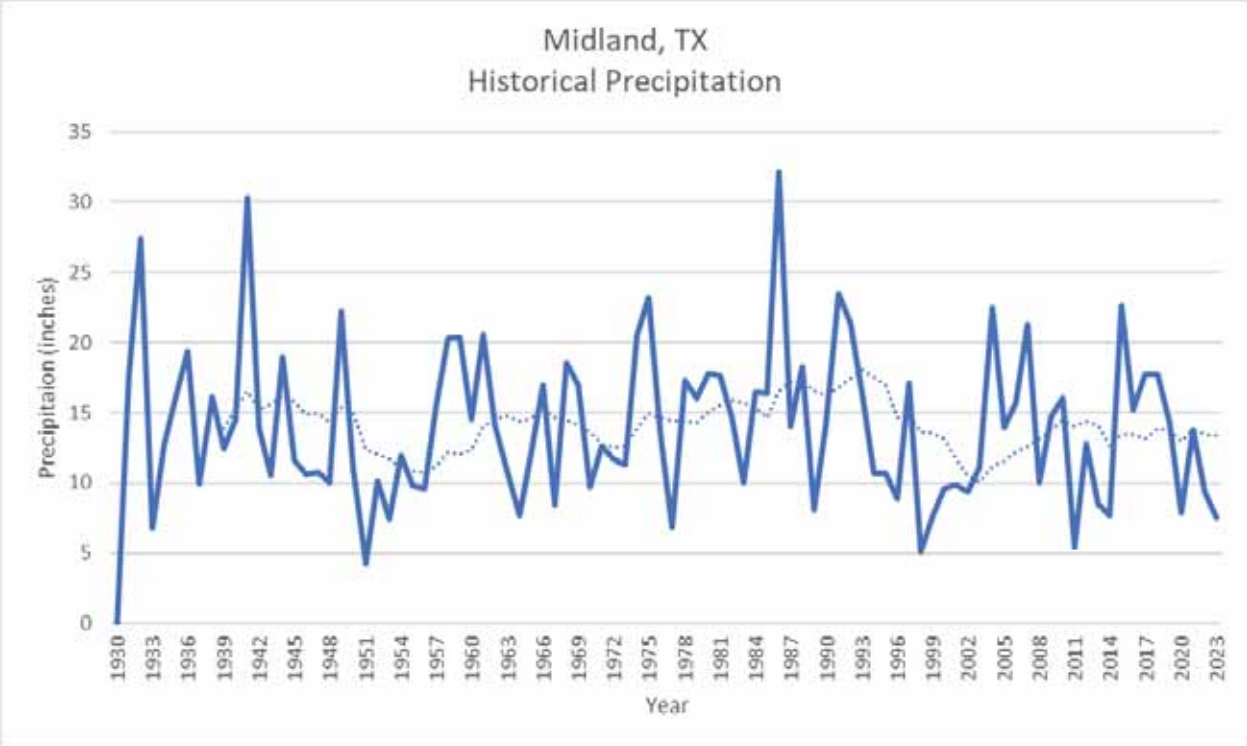


Figure 5: Midland Historical Rainfall (recorded at the regional airport – MAF)

[9] https://www.weather.gov/maf/cli_maf_pcpn_annual

Drought Conditions

Notwithstanding, Texas is susceptible to drought conditions and routinely experiences very dry periods, as shown in **Figure 6.**[10] As a result, water resource management is critical to future sustainability. The cyclical wet/dry cycles can be seen by the Palmer Drought Severity Index (PDSI). The PDSI uses readily available temperature and precipitation data to estimate relative dryness. While not a real measure of drought *per se*, it is a standardized index: -10 (dry) to +10 (wet)[11] and can be used as a measure of short-term soil/surface water availability. In this context, it is also useful in assessing the overall water needs for outdoor uses such as irrigation through changes in potential evapotranspiration.

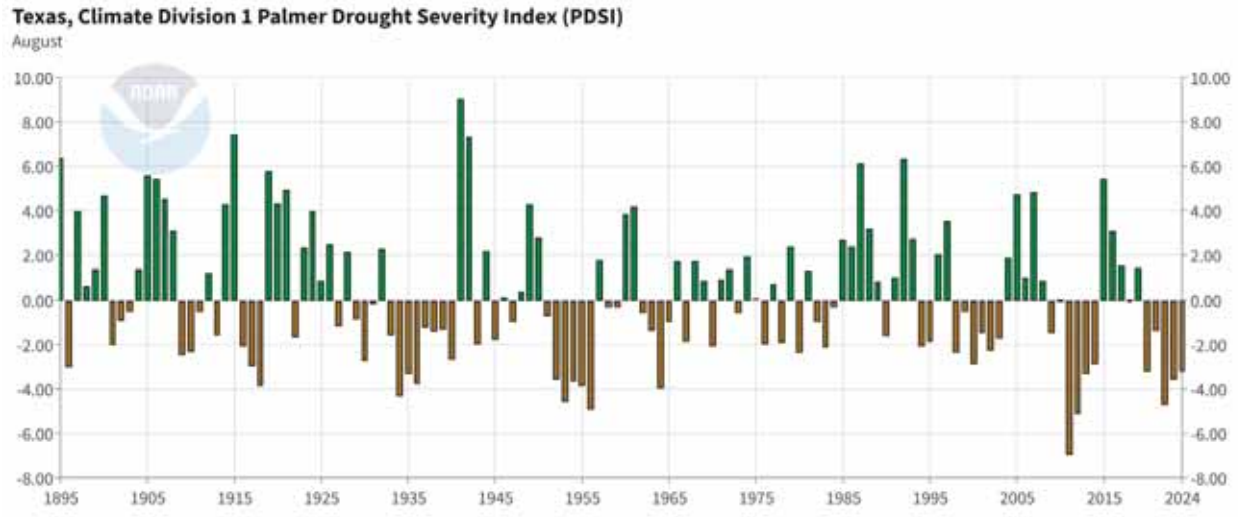


Figure 6: Historical PDSI - Texas

Longer-term drought impacts can be visualized using tools like the U.S. Drought Monitor (USDM). The USDM is updated each Thursday to show the location and intensity of drought across the country using a five-category system, from Abnormally Dry (D0) conditions to Exceptional Drought (D4). As shown in **Figure 7**, Midland County has experienced significant periods of drought with varying intensity. [12] On rare occasions, large sections of Midland County are in extreme drought. In most years, the drought conditions are less severe (D0, D1, or D2). From a utility perspective, this means that water conservation, water reuse, and total water management are vital for the viability of communities.

[10] https://www.ncei.noaa.gov/access/monitoring/climate-at-a-glance/divisional/time-series/4101/pdsi/1/8/1895-2025

[11] Dai, Aiguo & National Center for Atmospheric Research Staff (Eds). Last modified 12 Dec 2019. "The Climate Data Guide: Palmer Drought Severity Index (PDSI)." Retrieved from https://climatedataguide.ucar.edu/climate-data/palmer-drought-severity-index-pdsi.

[12] https://www.drought.gov/states/texas/county/Midland

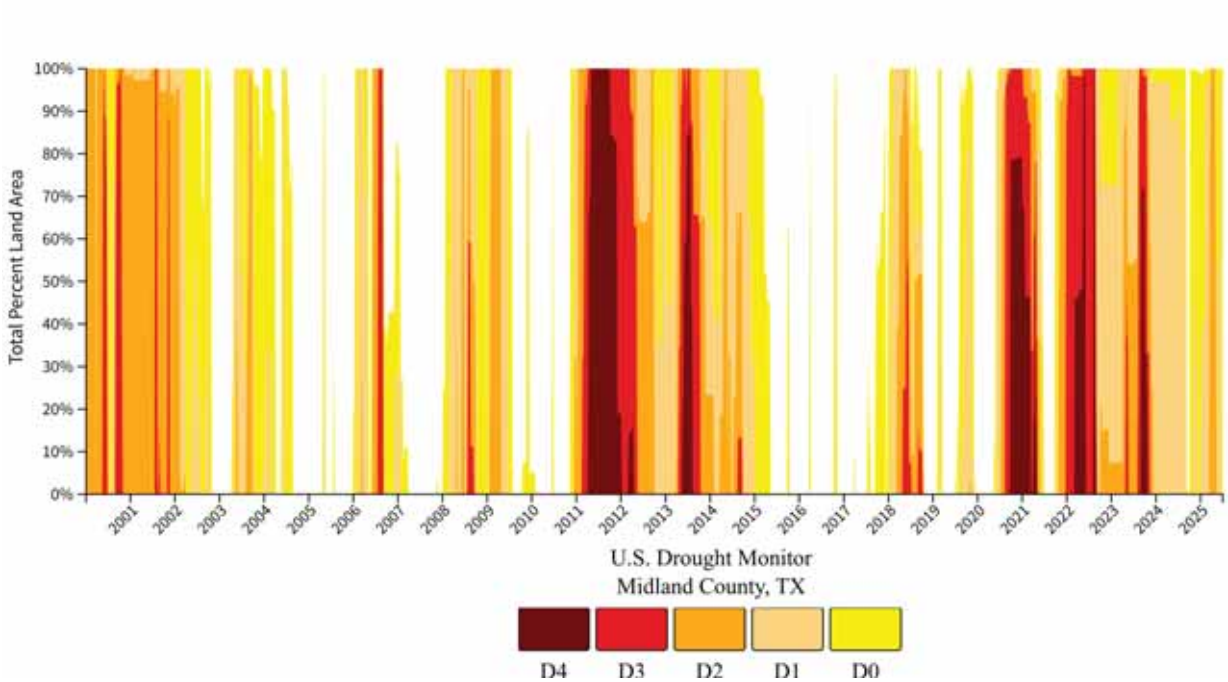


Figure 7: Percentage of Texas in Drought Conditions (2000 - 2021)

Abstraction and Recharge

To understand the long-term groundwater storage and availability, the Texas Water Development Board (TWDB) operates automated monitoring wells that provides water level data access throughout Texas.[13] While the monitored wells in the Midland-Odessa region are not directly in the development area, they can serve as a barometer of conditions which can be used to gauge the availability of groundwater (**Figure 8**).

[13] https://waterdatafortexas.org/groundwater

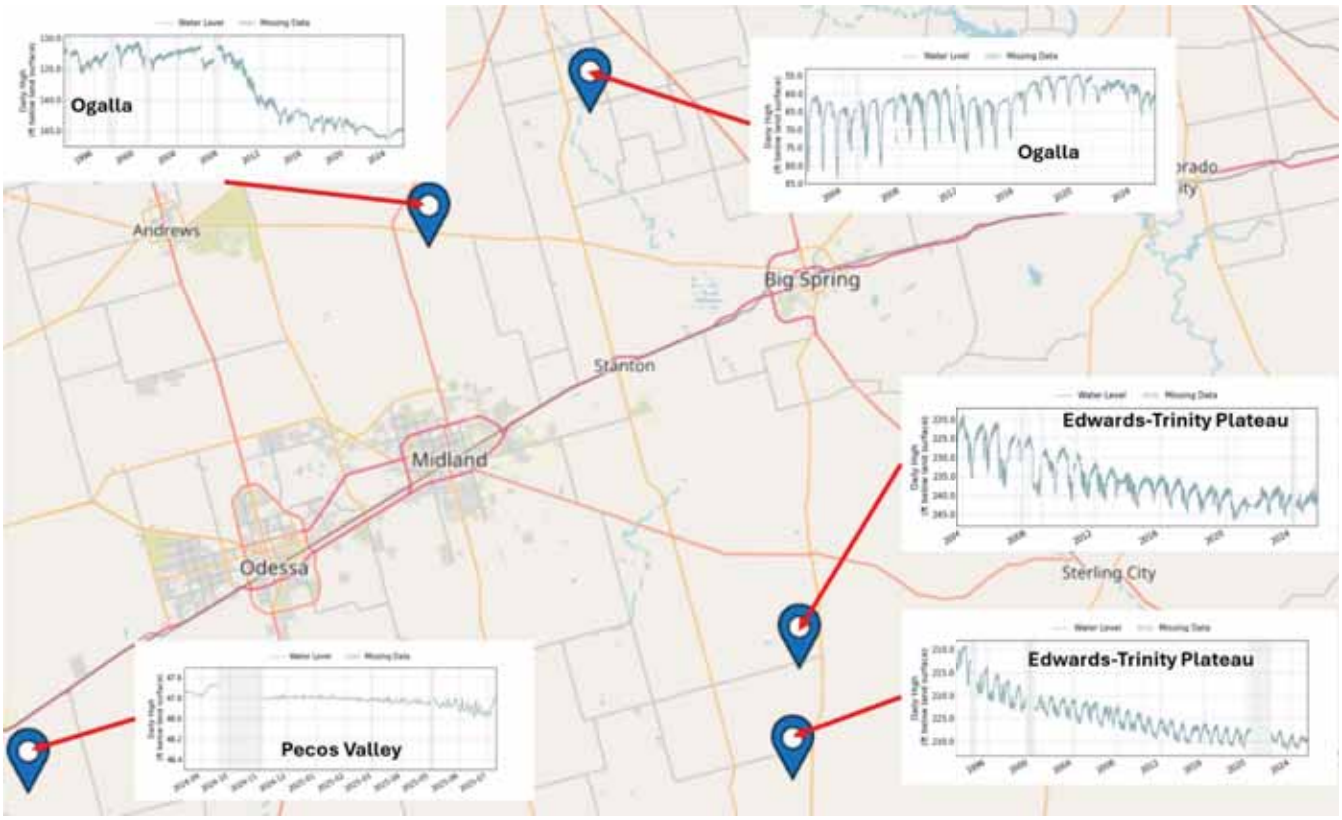


Figure 8: TWDB Groundwater Monitoring

While the Edwards-Trinity Plateau and the deeper Ogallala aquifers show overall decline over the past 30 years, the shallower Ogallala regions appear to be more stable representing the importance of rainwater infiltration to the region. Further, most of the monitoring wells are exhibiting reduced rates of depletion, as shown by flatter curves.

As an area transitions from agricultural to municipal/industrial demand, there is a reduction in water use. Typical alfalfa irrigation requirements are 18 to 36 inches per season[14] (1.5 to 3 acre-feet per acre); for cotton, the number is 24 to 28 inches per season[15] (2 to 2.3 acre-feet per acre). Housing development on the other hand, at 3.5 homes per acre, typically requires in the order of 1 acre-foot per acre, liberating water availability for the long-term. In addition, with the Total Water Management program operated by PBWR, overall water use can be reduced.

It is also important to note that the aquifer underlying the proposed development area contains a "paleochannel" traversing the area from southwest to northeast. A paleochannel is a remnant of an inactive stream that has been filled with younger sediment. These sediments are generally more poorly cemented or lithified than units outside of the paleochannel which leads to an increase in porosity and permeability.

[14] http://waterquality.montana.edu/farm-ranch/irrigation/alfalfa/guidelines.html
[15] http://www.twdb.texas.gov/conservation/resources/doc/Irrigation_Manual.pdf

Wells located fully within this paleochannel can sustain significantly higher production rates than those on the edge or outside the paleochannel (Appendix H).

Water Resources Study

In 2019-20, PBWR commissioned a hydrologic study of the groundwater resources in the region to establish the long-term potential for groundwater development in the PBWR region. This is a three-phase program: a desk study (Phase 1) to understand the production capacity of PBWR wells based on existing data; a field survey and test (Phase 2) involving:

- removal and inspection of existing downhole pumping equipment;
- performance of a downhole well video survey;
- re-installation of pumping equipment;
- performance of a well and aquifer test at each well;
- collection of samples for water quality analyses; and
- re-equipped each well to pre-testing status.

The aquifer assessment is based on 72-hour continuous pump tests along with field-verified hydrogeologic parameters to determine the impact of continuous withdrawal.

This work is an on-going project conducted by R. W. Harden & Associates, Inc. (RWH&A). The results of these tests indicate that the actual site-specific aquifer transmissivity values are much higher than the values estimated during Phase 1 (the Desk Study), but the current saturated thicknesses are slightly less than the values estimated based on regional interpolations. However, in summary, the aquifer is potentially more productive within the Study Area than originally predicted.

The Report on the Phase 2 tests (Appendix I) indicate that:

> …the unconfined Ogallala aquifer within the Study Area could potentially sustain approximately 800 to 1,000 gpm over a 50-year period with individual well yields ranging from approximately 100 to 200 gpm. Total system capacity may be increased to approximately 1,000 to 2,000 gpm by adding well sites near the western edge of the Study Area near the Midland Draw with individual yields ranging from approximately 250 to 500 gpm.

Ultimately, PBWR is likely to need in the order 2,952 gpm of raw-potable water production to serve the anticipated 3,433 homes envisioned.

PBWR's Total Water Management Approach

Total Water Management (TWM) is a water resources management strategy that seeks to supplant potable water use with reclaimed water, thereby permanently reducing the demand for "new" water. Under TWM, non-potable uses are supplied with Type 1 Reclaimed Water or untreated raw water. The result is a significant reduction in total water used in a community. Common area irrigation can consume large amounts of water in the summer and due to the required reverse osmosis treatment, employing potable water for this purpose requires the abstraction of at least 1.3 times the volume of ground water to account for concentrate production.

WATER INFRASTRUCTURE

The current water system serves approximately 842 connections in GWC, PWC Vander and PWC MCUD services. To meet the needs of that demand, GWC and PWC installed significant upgrades to the water production and delivery systems in 2024 and 2025.

Production, Treatment and Distribution

GWC and PWC supply water from a Regional Water Campus (RWC) located on County Road 120 (**Figure 9**). Currently, raw water for treatment and delivery is provided by 10 groundwater wells, three located on the RWC site, six located approximately 1.25 miles east of the RWC site, and 1 located to the west in the Chaney Ranch Subdivision. One additional well is currently being permitted in Chaney Ranch and will add 190 gpm to the raw water production.

The current raw water production capacity is approximately 525 gallons per minute (GPM). Raw water from the wells is delivered to a 250,000-gallon tank on the RWC site, in which all sources of water are blended. The raw water is treated by three (3) 100 GPM reverse osmosis (RO) treatment units for removal of arsenic, nitrate, fluoride and total dissolved solids (TDS). The RO permeate (water that has undergone membrane filtration) is then blended with raw water in a TCEQ-approved ratio to produce water that meets the safe drinking water requirements of 30 TAC §290.101 to 105 (Subchapter F: Drinking Water Standards Governing Drinking Water Quality and Reporting Requirements for Public Water Systems).

Figure 9: Regional Water Campus building - RO B & C

The blended water is then chlorinated with liquid sodium hypochlorite (NaOCl) prior to storage in a 250,000-gallon Potable Water Storage tank on the RWC site. This chlorine injection system is a fully redundant duplexed system capable of delivering 1 gallon per hour of 12.5% NaOCl which is sufficient to

maintain a residual chlorine level in the potable water of 0.5 to 2 parts per million (ppm) at peak demand.

The potable water is delivered to homes by a triplex booster pump system fitted with three (3) 15 HP, 250 GPM pumps rated at 155 feet total dynamic head each. The maximum output from this system is 750 GPM. Normal operating pressure for the system is 70 psi at the development delivery points.

Water is delivered to the communities through an 8" PVC transmission main. Smaller diameter PVC pipes connect each home through a curb stop and meter. PWC is supplied with new PVC distribution systems installed 2020-21. GWC is a much older system with small (2" to 6"), often leaky pipelines.

GWC and PWC provide AMI (advanced metering infrastructure) meters for every connection. These meters record water consumption hourly and transmit data daily.

The water system is operated by a TCEQ-licensed Water Operator A and is operated and monitored in accordance with the requirements of TCEQ Subchapter F: Drinking Water Standards Governing Drinking Water Quality and Reporting Requirements for Public Water Systems (30 TAC §290.101 - 290.119, 290.121, 290.122).

Concentrate Management

Concentrate or brine production is a function of the reverse osmosis treatment systems. Recovery rates for the reverse osmosis treatment systems are in the order of 70 percent, meaning that the production of 100 GPM of permeate generates approximately 42 GPM of concentrate. The current PBWR reverse osmosis permeate production capacity of 300 GPM generates 126 GPM of concentrate.

Currently, PBWR disposes of concentrate via sales to non-potable water users, including fracking industry and dust control via its industrial reuse permit. Additional contracts have been signed to dispose of this water with contracted salt water disposal wells and by building a utility salt water disposal well. These projects are ongoing per TCEQ requests.

Summary of Existing Water Infrastructure

The existing water system infrastructure and available capacities are detailed in **Table 5**.

Table 5: GWC/PWC Existing Water Infrastructure & Capacities

Component	ID	Capacity	Current Unit Capacity (Connections)	Criteria
Production Wells	Well A	35 GPM	900 units	§290.45(b)(1)(D)(i) two or more wells having a total capacity of 0.6 gpm per connection. Supplemental Wells to Offset Summer Drought are currently in design.
	Well B	100 GPM		
	Well 1A	150 GPM		
	Well 1	15 GPM		
	Well 3	10 GPM		
	Well 4	5 GPM		
	Well 5	15 GPM		
	Well 6	30 GPM		
	Well C	40 GPM		
	Chaney SW	180 GPM		
	TOTAL **Chaney Well NW**	**540 GPM** **190 GPM – in 2025 Total Capacity 710 GPM**		
Raw Water Storage		250,000 Gallons	N/A	
Reverse Osmosis Treatment Units	A	100GPM + 33 GPM Blend	1142 units	§290.45(a)(6) The capacity of the treatment facilities shall not be less than the required raw water or groundwater production rate or the anticipated maximum daily demand of the system.
	B	100 GPM +33 GPM Blend		
	C	100 GPM + 33 GPM Blend		
	TOTAL	**400 GPM**		
Potable Water Storage		250,000 gallons	1,250 units	§290.45(b)(1)(D)(ii) a total storage capacity of 200 gallons per connection.
Booster Pump		750 GPM	974 units Based on Peak Hour Demand – Additional Pump Planned to reach 1000 gpm per regulation	§290.45(b)(D)(iii) two or more pumps that have a total capacity of 2.0 gpm per connection or that have a total capacity of at least 1,000 gpm and the ability to meet peak hourly demands with the largest pump out of service, whichever is less.
Hydropneumatic Tank		21,600 Gallons	1070 units	§290.45(b)(D)(iv) an elevated storage capacity of 100 gallons per connection or a pressure tank capacity of 20 gallons per connection. If pressure tanks are used, a maximum capacity of 30,000 gallons is sufficient for up to 2,500 connections.

The existing water transmission and distribution system in PWC is shown[16] in **Figure 11**.

Figure 10: Existing Water Transmission and Distribution Pipelines

WASTEWATER SERVICE

Wastewater service to the Vander Ranch development is provided by PWC. GWC does not provide wastewater service.

Each home in the Vander Ranch community is provided with a 4" gravity sewer lateral. Wastewater is collected from the community via a gravity collection system and directed to an on-site influent lift station. This lift station is a factory-built duplex system capable of pumping 300 GPM from the collection system to the membrane bioreactor (MBR) tertiary treatment system. This plant is now constructed to treat 85,000 gallons per day (GPD). PWC maintains an approved Texas Pollutant Discharge Elimination System (TPDES) permit for the operation of the MBR. This permit includes phased infrastructure to 360,000 GPD (TPDES Permit No. WQ0015661001, EPA ID No. TX0138363 – Appendix C).

Wastewater is treated at a dedicated parcel (approximately 25 acres) that provides adequate land area for the wastewater treatment unit location, as well as 150-foot setbacks from any adjacent property boundaries as required by 30 TAC §309.13(e)(1).

[16] Note Vander Ranch distribution system piping is not shown.

The Water Reclamation Facility (WRF) treats domestic wastewater biologically (aerobic and anoxic treatment) and filters at sub-micron levels using MBR technology. The treatment technology selected by PBWR is the Smith & Loveless TITAN MBR Package Treatment Plant.

MBR's are a reliable, resilient, and space-efficient water reclamation technology. MBR's produce consistent reclaimed water quality regardless of influent conditions. MBR's do not employ any anaerobic treatment processes that can produce odors, nor do they require large scale open tankage. In short, MBR's are the optimum solution for new and growing developments.

The resultant reclaimed water is fully treated to meet the permit requirements (Daily Averages) of

- 5-day Carbonaceous Biochemical Oxygen Demand (BOD_5) < 5 mg/L
- Total Suspended Solids (TSS) < 5 mg/L
- Ammonia Nitrogen (TN) < 1 mg/L
- Total Phosphorus (TP) < 35.5 lbs/month
- E.coli < 126 CFU/100 mL

The final reclaimed water produced by the MBR is deployed for non-potable uses in the community, including common area irrigation and recreational impoundments. The MBR water quality surpasses the quality requirements for Type I Reclaimed Water Use, the quality standard established by TCEQ to protect public health where there is likely to be "contact between humans and the reclaimed water."[17]

Type I Reclaimed Water by TCEQ has many and substantial reuse opportunities, including (30 TAC §210.32):

1. Residential irrigation, including landscape irrigation at individual homes.
2. Irrigation of public parks, golf courses with unrestricted public access, school yards, or athletic fields.
3. Fire protection, either in internal sprinkler systems or external fire hydrants.
4. Irrigation of food crops where the applied reclaimed water may have direct contact with the edible part of the crop.
5. Irrigation of pastures for milking animals.
6. Maintenance of impoundments or natural water bodies where recreational activities, such as wading or fishing, are anticipated.
7. Toilet or urinal flush water.
8. Other similar activities where the potential for unintentional human exposure may occur.

The WRF is operated pursuant to a TCEQ TPDES permit (TPDES Permit No. WQ0015661001, EPA ID No. TX0138363) and by a TCEQ Wastewater Treatment Operator A.

[17] 30 TAC §210.3 (31)

Figure 11: Smith & Loveless 10kGPD MBR

The Park Sewer Company TPDES permit is under renewal and out for public comment now. The Reclaimed Water Reuse Authorization has been issued and plant has been upgraded to 85,000 gallons per day.

Wastewater Treatment Capacity Phasing

PBWR has developed a phased treatment capacity program utilizing standard MBR modules to ensure that wastewater treatment can be deployed as required by development.

The TPDES permit is phased to allow for incremental additions of treatment capacity to 360,000 gallons per day. Under the TPDES permit, Park Sewer Company is required to meet the following (see Operational Requirements, paragraph 8 of TPDES Permit):

> Whenever flow measurements for any domestic sewage treatment facility reach 75% of the permitted daily average or annual average flow for three consecutive months, the permittee must initiate engineering and financial planning for expansion and/or upgrading of the domestic wastewater treatment and/ or collection facilities. Whenever the flow reaches 90% of the permitted daily average or annual average flow for three

consecutive months, the permittee shall obtain necessary authorization from the Commission to commence construction of the necessary additional treatment and/ or collection facilities.

30 TAC §217.32(a)(3) Table B.1 provides that for a subdivision, the design flow range is 75-100 gallons per capita per day. In PBWR's experience the actual flows received from residential homes is 140 gallons per day per dwelling unit. This is a function of low flow fixtures and the use of new gasketed piping that significantly reduces any infiltration or inflow.

Based on the expected 140 gallons per unit per day sewer flow, the Company expects that additional treatment capacity will be required at detailed in **Table 6**:

Table 6: Wastewater Treatment Phasing

Phase	Incremental Treatment Module	Total Available Capacity	90% Capacity	Housing Units at 90% Capacity
Phase 1	85,000 GPD	85,000 GPD	76,500 GPD	546
Phase 2	60,000 GPD	145,000 GPD	135,500 GPD	967
Phase 3	35,000 GPD	180,000 GPD	162,000 GPD	1,157
Phase 4	60,000 GPD	240,000 GPD	216,000 GPD	1,542
Phase 5	120,000 GPD	360,000 GPD	324,000 GPD	2,314

Based on the development potential after Phase 7, PBWR has identified that the WRF site can support an ultimate treatment capacity of 1 MGD. **Figure 13** shows the WRF site with the treatment capacity to 1 MGD.

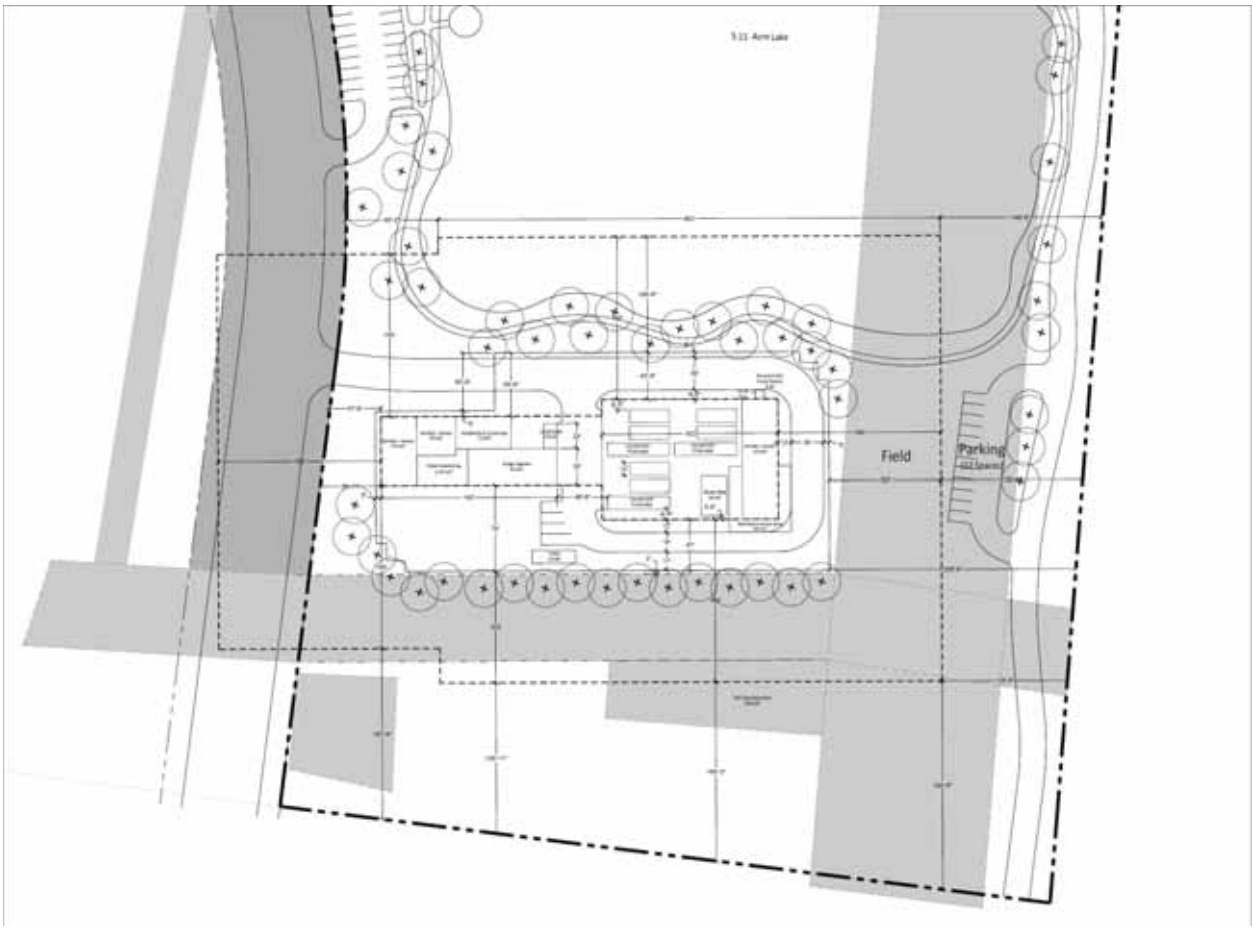


Figure 12: Water Reclamation Facility (WRF) Site Plan

UTILITY INFRASTRUCTURE CAPITAL EXPENDITURE REQUIREMENTS

In order to meet continued growth in the region, PBWR will need to continue to invest in infrastructure additions. **Table 6** presents the capacity needs by major process category along with the anticipated capital cost for required capacity increase and the size of that capacity increase.

Table 7: Future Water and Wastewater Infrastructure Requirements

Connections	Growth Rates		2022 Total	2023 Total	2024 Total	2025 Total	2026 Total	2027 Total	2028 Total	2029 Total	2030 Total
Greenwood Water	SFD	MF	304	303	303	303	305	305	305	305	305
Park Water	25	37	233	270	429	714	1158	1602	2046	2490	2934
Park Wastewater	21	33	171	179	283	535	931	1327	1723	2119	2515
Total Water Connections			537	573	732	1017	1463	1907	2351	2795	3239
Total Wastewater Connections			171	179	283	535	931	1327	1723	2119	2515
Total Utility Connections	at YE		708	752	1,015	1,552	2,394	3,234	4,074	4,914	5,754
	Requirement	Unit									
Potable Water Storage Capacity Requirements (gallons)	200	gal/connection									
Capacity	250,000	gallons	250,000	250,000	250,000	250,000	500,000	500,000	1,000,000	1,000,000	1,000,000
Required Capacity			107,400	114,600	146,400	203,400	292,600	381,400	470,200	559,000	647,800
Over/(Under) Capacity (gallons)			142,600	135,400	103,600	46,600	207,400	118,600	529,800	441,000	352,200
Additional Capacity Added							250,000				
Booster Station Capacity Requirements (gpm)	0.91875	gpm/connection									
Capacity	750		750	750	750	750	3,000	3,000	3,000	3,000	3,000
Required Capacity			493	526	673	934	1,344	1,752	2,160	2,568	2,976
Over/(Under) Capacity (gpm)			257	224	77	(184)	1,656	1,248	840	432	24
Additional Capacity Added							2,250				
HPT Pressure Tanks Capacity Requirement (gallons)	20										
Capacity	19400		19,400	19,400	19,400	29,400	29,400	30,000	30,000	30,000	30,000
Required Capacity			10,740	11,460	14,640	20,340	29,260	30,000	30,000	30,000	30,000
Over/(Under) Capacity (gallons)			8,660	7,940	4,760	9,060	140	-	-	-	-
Additional Capacity Added							30,000				
Raw Well Capacity Requirements (gpm)	0.46875										
Capacity	300		300	300	300	735	1,035	1,035	1,235	1,435	1,635
Required Capacity			252	269	343	477	686	894	1,102	1,310	1,518
Over/(Under) Capacity (gpm)			48	31	(43)	258	349	141	133	125	117
Additional Capacity Added						435	300	200	200	200	
RO Permeate Capacity Requirements (gpm)	0.2625										
(500gpd/connection) Capacity	300		300	300	300	300	500	950	950	950	1,400
Required Capacity			141	150	192	267	384	501	617	734	850
Over/(Under) Capacity (gpm)			159	150	108	33	116	449	333	216	550
Additional Capacity Added						200	450				
Estimated Capital Cost for Additional Capacity (1)											
Operational Wastewater Capacity Requirements (gpd)	140										
Capacity	85000		85,000	85,000	85,000	85,000	145,000	240,000	360,000	360,000	360,000
Required Capacity			23,940	25,060	39,620	74,900	130,340	185,780	241,220	296,660	352,100
Over/(Under) Capacity (gpm)			61,060	59,940	45,380	10,100	14,660	54,220	118,780	63,340	7,900
Additional Capacity Added						60000	35000	60000			

Costs of Planned Infrastructure Improvements

Through December 31, 2024, Park Water Company and Greenwood Water Corporation have invested $22,651,054 in Utility Plant and Infrastructure. As development in the Utility Service Areas continues, Park Water Company will expand water production, treatment, storage, transmission and distribution and sewer collections, conveyance, treatment and reclaimed water transmission to accommodate the needs of customers as projected in Table 8.

Table 8: CAPEX by Year

Infrastructure Description	FY 2025	FY 2026	FY 2027	Total
Water Resource Projects	$600,000	$750,000	$0	$1,350,000
Water Treatment and Storage Projects	$2,925,000	$650,000	$1,000,000	$4,575,000
Distribution and Transmission Projects	$2,600,000	$1,286,000	$0	$3,886,000
Water Technology Projects	$0	$364,000	$0	$364,000
Total	**$6,125,000**	**$3,050,000**	**$1,000,000**	**$10,175,000**

2025 Water CAPEX Projects:

Raw Water Supply, Treatment Expansion, and Facility Modernization

Permian Basin Water Resources has developed a phased capital improvement plan to secure additional raw water capacity, manage concentrate waste, and upgrade treatment and distribution infrastructure. These improvements will strengthen operational reliability, meet future growth demands, and address TCEQ compliance requirements.

Phase 1: Meadow Raw Water Supply Project

To increase source capacity, the Meadow Raw Water Project will deliver approximately 300 gallons per minute (gpm) of raw water into the system. Project components include:

- Construction of two new water production wells
- Installation of a 10,500 linear feet of 250 psi raw water pipeline
- An in-line booster station to maintain delivery pressure

This phase establishes long-term supply resiliency and supports future development.

- Location: Wells - Within future development of Meadows 78, LLC at 13119 E County Road 120
- Location: Transmission Main – From Meadows 78, LLC at 13119 E County Road 120 to existing well field at 1 mile east of County Road 1379 then to Regional Water Campus 10510 E County Road 120

Phase 2: Concentrate Disposal Project

As reverse osmosis (RO) treatment expands, proper concentrate disposal becomes essential. The Concentrate Disposal Project includes:

- 8,000 linear feet of 250 psi pipeline
- A dedicated concentrate booster pump station
- Yard piping and engineering/permitting

This infrastructure enables compliant disposal of RO waste streams and ensures scalability for future treatment capacity.

- Location: Transmission Main – From Regional Water Campus 10510 E County Road 120 west along County Road 120 and north to South West corner of Vander Ranch development at 2409 S County Road 1110

Phase 3: To address aging infrastructure and meet current system demands, the plan includes:

- Replacement of the existing distribution pump station
- Electrical system upgrades
- Yard piping improvements
- Engineering and permitting

In tandem, a new 150 gpm RO skid with a Clean-in-Place (CIP) system will be installed in the existing building. This will be the final RO installation at the current treatment facility before the transition to the new building.

- RO Unit and CIP Skid:
- Engineering and Permitting:

These combined investments improve system pressure, support enhanced water quality, and resolve outstanding TCEQ compliance concerns related to the booster station.

Location: Regional Water Campus 10510 E County Road 120

Phase 4: New Building Construction

To support ongoing expansion, a new treatment building will be designed and partially constructed:

- Construction:
- Design Engineering:

This facility will ultimately house the upgraded concentrate booster and distribution pump stations, consolidating operations and supporting long-term infrastructure needs.

Location: Regional Water Campus 10510 E County Road 120

Phase 5: Chaney Wells & Raw Water Pipeline to Regional Water Campus

To support ongoing expansion, a new treatment building will be designed and partially constructed:

- 21,000 linear feet of 250 psi pipeline
- Construction of two new water production wells
- Design Engineering:

This facility will ultimately house the upgraded concentrate booster and distribution pump stations, consolidating operations and supporting long-term infrastructure needs.

Location: Chaney Ranch Wells – Chaney Ranch County Road 110

Location: Transmission Main - From Chaney Ranch County Road 110 south along County Road 1110, then east along County Road 120 to Regional Water Campus 10510 E County Road 120

Phase 6: Monitoring & Control Technology

To support ongoing expansion, a new treatment building will be designed and partially constructed:

- IT, SCADA & Control Systems:
- Design Engineering:

This facility will ultimately house the upgraded concentrate booster and distribution pump stations, consolidating operations and supporting long-term infrastructure needs.

Location: Regional Water Campus 10510 E County Road 120

Total 2025 Capital Program Estimate: Approximately $6,125,000

CONCLUSIONS

Within the scope of services provided, UEG has evaluated the current infrastructure, operations and plans developed by PBWR for the provision of water, wastewater and reclaimed water services to areas in the immediate vicinity of Greenwood, TX. Based on our assessment:

- Greenwood Water Corporation is a Texas Retail Public Utility (PUCT Substantive Rule §24.3(31)) in good standing with an approved CCN currently providing potable water service. Greenwood Water Corporation is classified as a Class D utility under PUCT Substantive Rule §24.3(8).

- Park Water Company is a Texas Retail Public Utility (PUCT Substantive Rule §24.3(31)) in good standing with an approved CCN currently providing potable water, sewer and recycled reclaimed water service. A CCN extension is currently being filed to expand the CCN.

- Park Sewer Company is a Texas corporation and is the permittee of the wastewater discharge permit (TPDES WQ0015661001) under which Park Water Company is providing sewer service. It is anticipated that the Company will either move the permit to Park Water Company, or merge Park Sewer Company with Park Water in the future.

- The Greenwood region presents a desirable opportunity for housing growth due to the potential for low-cost housing, the well-known high performing Greenwood Independent School District, an emerging preference for non-urban living, and continued population growth in Midland County.

- PBWR has completed the initial phases of a water resources study that has determined the aquifer supplying water to the utility can sustain withdrawals required for 50+ years. Additional

evaluations of water availability continue and PBWR believes there is sufficient water available to support up to 10,000 homes (requiring approximately 5,500 GPM of raw water production).

- PBWR's Total Water Management philosophy maximizes the reuse of Type I Reclaimed Water and reduces the overall demand for "new" water, allowing significantly more homes to be served within the same raw water envelope.

- Discussions with MCUD are ongoing in order that PBWR may access additional water in support of the PBWR-MCUD Regional Water and Sewer Service Agreement.

- PBWR has obtained the necessary regulatory approvals (PUCT, TCEQ, Midland County) for its current and immediate future operations. This includes an approved CCN for Vander Ranch (900 homes) and a wastewater surface water discharge permit (TPDES) for 360,000 GPD (or 2,500 homes). PBWR will be required to obtain approvals for future infrastructure additions as well as any additions to the GWC and PWC CCN service areas.

- Based on the unit capacities installed today, the current PBWR water infrastructure has the capacity to serve approximately:
    - Water Treatment: 1017 homes
    - Water Storage: 1,250 homes
    - Booster Pumps: 974 homes
    - Pressure Tanks: 1070 homes

  Additional capacity may be realized through augmenting these individual systems.

- The current PBWR wastewater infrastructure has the capacity to serve approximately 607 connections.

- The next phase of wastewater plant is currently under design which increase capacity to 145,000 GPD with the ability to serve 1035 homes at 140 gallons per home per day of wastewater.

- PBWR's wastewater treatment capacity is designed to easily add 60,000 GPD incremental treatment modules to the permitted TPDES capacity of 360,000 GPD, or 2,500 homes.

APPENDICES

Appendix A: GWC CCN Formation Order

Appendix B: PWC CCN Formation Order

Appendix C: TPDES Permit No. WQ0015661001, EPA ID No. TX0138363

Appendix D: 2020 GWC/PWC Texas Water Development Board Water Use Survey

Appendix E: Groundwater Districts of Texas

Appendix F: Major Aquifers of Texas

Appendix G: Southwest Ground-Water Consultants Preliminary Groundwater Resource Study December 28, 2014

Appendix H: Aquifer Thickness Overview

Appendix I: Phase 2 – Results of Testing of Existing Wells and Groundwater Availability Assessment, Midland County, Texas

Appendix J: Permian Basin Water Resources - Greenwood Tx – Regional Economics Assessment

Appendix A:

GWC CCN Formation Order

PUC DOCKET NO. 42961
SOAH DOCKET NO. 473-15-0614.WS

2015 JUN 19 AM 11:22

FILING CLERK

REQUEST OF GREENWOOD WATER CORPORATION FOR APPROVAL OF WATER UTILITY STOCK TRANSFER CCN NO. 11792	§ § § §	**PUBLIC UTILITY COMMISSION OF TEXAS**

ORDER

This Order addresses the application by Greenwood Water Corporation (Greenwood) for approval to transfer 100% of the stock and ownership interest in Greenwood from Mr. Paul R. Wilhite to Permian Basin Water Resources, LLC (Permian). A unanimous stipulation (Stipulation) was entered which resolves all of the issues in this proceeding. Consistent with the Stipulation, as modified by this Order, Greenwood's application is approved.

At an open meeting on June 18, 2015, the Commission voted to adopt the proposed order with two additional ordering paragraphs that are ordering paragraphs 4 and 5 below.

The Public Utility Commission of Texas (Commission) adopts the following findings of fact and conclusions of law:

I. Findings of Fact

Procedural History

1. On August 20, 2014, Greenwood and Permian filed with the Texas Commission on Environmental Quality (TCEQ) an application for approval to transfer 100% of the stock and ownership interest in Greenwood from Mr. Paul R. Wilhite to Permian.

2. Greenwood is an investor-owned water utility holding Certificate of Convenience and Necessity (CCN) No. 11792 and provides retail water service in Midland County to approximately 289 metered connections.

3. On September 1, 2014, jurisdiction over this proceeding transferred to the Commission.

4. On October 1, 2014, Commission Staff requested a hearing.

5. On October 6, 2014, the Commission referred this proceeding to the State Office of Administrative Hearings (SOAH) for processing.

6. On October 27, 2014, the SOAH administrative law judge (ALJ) held a prehearing conference. Greenwood, Permian, and Commission Staff participated in the prehearing conference.

7. On October 30, 2014, SOAH Order No. 1 was filed setting a procedural schedule for this docket.

8. On October 21, 2014, and November 6, 2014, Greenwood filed first and second supplements to the application for approval of the proposed stock transfer.

9. On November 6, 2014, Greenwood filed an affidavit verifying that notice of the requested approval of the proposed stock transfer was provided to each of its customers by first class mail, postage prepaid, on or before October 31, 2014. No comments or requests to intervene in this proceeding were filed by any customers of Greenwood.

10. On November 14, 2014, the Commission approved the Preliminary Order for this proceeding.

11. TCEQ identified reporting and approval issues regarding two water wells and associated reverse osmosis treatment systems (New Wells A and B). The letter from TCEQ described actions needed to resolve these issues and achieve compliance with TCEQ's Chapter 290 Rules and Regulations for Public Water Systems.

12. On March 26, 2015, Greenwood, Permian, and Commission Staff (collectively, Signatories) filed a joint motion to approve Stipulation and a joint motion to admit evidence and remand the proceeding to the Commission.

13. On April 3, 2015, the SOAH ALJ issued SOAH Order No. 5, admitting evidence, returning this proceeding to the Commission, and dismissing the SOAH docket. The following evidence was admitted into the record in support of the Stipulation:

    a. Request for approval of the application, filed on September 8, 2014;
    b. Greenwood's first supplement to the application, filed on October 21, 2014;
    c. Greenwood's second supplement to the application, filed on November 6, 2014;
    d. Greenwood's third supplement to the application, filed on December 2, 2014;
    e. Greenwood's proof of notice, filed on November 6, 2014;
    f. Stipulation and all attachments thereto, filed on March 26, 2015; and

g. Commission Staff memorandum in support of the Stipulation, filed on March 26, 2015.

Description of the Stipulation

14. The Signatories agreed that adequate and reasonable notice has been provided to affected persons consistent with 16 Tex. Admin. Code § 22.55 (TAC).

15. The Signatories agreed that the transfer of Greenwood's stock may be completed only after the date that a final order of approval is entered in this proceeding.

16. The Signatories agreed that Greenwood generates sufficient revenues for independent operation without the need for financial Assurant to ensure continuous and adequate water utility service.

17. The Signatories agreed that Permian will provide an affidavit of a professional engineer attesting that no construction costs are necessary to complete the remediation of the reporting and approval issues identified by TCEQ. The affidavit of the professional engineer is attached to the Stipulation as Attachment C.

18. The Signatories agreed that, unless Greenwood has previously received and filed with the Commission written confirmation from the TCEQ that the comprehensive compliance investigation issues have been completely resolved, within 45 days of the date of this Order, Permian agrees to post a letter of credit with the Commission in the amount of $20,000.00 as financial assurance to ensure the remediation of the issues arising from the TCEQ's comprehensive compliance investigation relating to New Wells A and B.

19. The Signatories agreed that within a reasonable period of time after Greenwood or Permian receives notice or instructions from the TCEQ that additional construction is needed to resolve the comprehensive compliance investigation issues, Permian agrees to post an additional letter of credit with the Commission in the amount of any anticipated construction costs. Permian agrees that failure to timely provide the required financial assurance for construction costs will subject Permian to administrative fines or other penalties.

20. The Signatories agreed that any letter of credit would be in the form attached to the Stipulation as Attachment A.

21. The Signatories agreed that any letter of credit remains in effect until the Commission authorizes the release of the letter of credit. The Signatories agreed that the decision regarding release of the letter of credit may be delegated by the Commission to the Commission's Executive Director.

22. The Signatories agreed that after the stock transfer is complete Greenwood will continue to maintain its existing office within the certificated area of CCN No. 11792.

23. The CCN will remain in the name of Greenwood Water Corporation until the appropriate application for CCN transfer is approved.

24. In light of Greenwood's request for stock transfer and supplemental documents, the Stipulation is the result of good faith negotiations between the Signatories, and these efforts, as well as the overall result of the Stipulation viewed in light of the record as a whole, support the reasonableness and benefits of the terms of the Stipulation.

II. Conclusions of Law

1. The Commission has jurisdiction over the subject matter of this proceeding pursuant to Tex. Water Code (TWC) § 13.302.

2. This docket was processed in accordance with the requirements of the TWC, the Texas Administrative Procedure Act, Tex. Gov't Code, Chapter 2001 (West 2008 & Supp. 2014) (APA), and 16 TAC § 24.111.

3. Proper notice of the request for approval of stock transfer was provided in compliance with 16 TAC § 22.55.

4. The Stipulation, taken as a whole, is a just and reasonable resolution of all the issues it addresses, is consistent with the relevant provisions of TWC chapter 13 and the Commission's rules, and is consistent with the public interest.

5. The Stipulation resolves all issues pending in this docket.

6. The Commission's adoption of a final order satisfies the requirements of the APA without the necessity of a decision on contested case issues resulting from a hearing on the merits.

7. The requirements for informal disposition pursuant to 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following order:

1. Consistent with the Stipulation, as modified by this Order, Greenwood's request for transfer of stock is approved.

2. Within 45 days of the date of this Order, Permian shall post a letter of credit with the Commission in the amount of $20,000.00 as financial assurance to ensure the remediation of the issues arising from the TCEQ's comprehensive compliance investigation relating to New Wells A and B, unless Greenwood has previously received and filed with the Commission written confirmation from the TCEQ that the comprehensive compliance investigation issues have been completely resolved.

3. Within 60 days after Greenwood or Permian receives notice or instructions from the TCEQ that additional construction is needed to resolve the comprehensive compliance investigation issues, Permian shall post an additional letter of credit with the Commission in the amount of any anticipated construction costs.

4. Permian shall immediately file a report with Commission upon Greenwood or Permian receiving written confirmation from the TCEQ that the comprehensive compliance investigation issues have been completely resolved.

5. Permian shall maintain any letter of credit required under this order until Permian petitions the Commission's Executive Director, and receives approval from the Commission's Executive Director to release the letter of credit.

6. Entry of this Order consistent with the Stipulation does not indicate the Commission's endorsement of any principle or methodology that may underlie the Stipulation. Entry of this Order shall not be regarded as binding holding or precedent as to the appropriateness of any principle or methodology underlying the Stipulation.

7. All other motions, requests for entry of specific findings of fact, conclusions of law, and ordering paragraphs, and any other requests for general or specific relief, if not expressly granted in this Order, are denied.

SIGNED AT AUSTIN, TEXAS the 19th day of June 2015.

PUBLIC UTILITY COMMISSION OF TEXAS

DONNA L. NELSON, CHAIRMAN

KENNETH W. ANDERSON, JR., COMMISSIONER

BRANDY MARTY MARQUEZ, COMMISSIONER

Appendix B:

PWC CCN Formation Order

Control Number: 49311

Item Number: 38

Addendum StartPage: 0

DOCKET NO. 49311

RECEIVED
2020 MAR 10 PM 1:16
PUBLIC UTILITY COMMISSION
FILING CLERK

APPLICATION OF PARK WATER COMPANY TO OBTAIN CERTIFICATES OF CONVENIENCE AND NECESSITY IN MIDLAND COUNTY	§ § § § §	**PUBLIC UTILITY COMMISSION OF TEXAS**

NOTICE OF APPROVAL

This Notice of Approval addresses the application of the Park Water Company to obtain new water and sewer certificates of convenience and necessity (CCN) in Midland County. Commission Staff recommends approval of the application, as amended and supplemented. The Commission approves the application, as amended and supplemented, and grants water CCN number 13278 and sewer CCN number 21115.

I. Findings of Fact

The Commission makes the following findings of fact.

Applicant

1. Park Water is a Texas for-profit corporation registered with the Texas secretary of state under file number 802526497.

2. Park Water is a retail public utility.

3. Park Water proposes to construct and operate facilities to provide water and sewer service in Midland County.

4. Park Water will own and operate Texas Commission on Environmental Quality (TCEQ)-registered public water system (PWS) identification number 1650167.

5. Park Water will own and operate a sewer system under Texas Pollutant Discharge Elimination System (TPDES) permit No. WQ0015661001.

6. Park Water is wholly owned by Permian Basin Water Resources, LLC, a Delaware limited liability company registered with the Texas secretary of state under file number 803442273.

Application

7. On March 8, 2019, Park Water filed the application at issue in this docket, seeking a new water CCN and sewer CCN in Midland County.

8. The proposed service area contains approximately 262 acres and no current customers.

9. The proposed service area consists of the land that will be developed as the Vander Ranch Subdivision in Midland County.

10. The proposed service area is located approximately 8 miles east of downtown Midland, Texas, and is generally bounded on the north by a location approximately 0.7 miles south of County Road 2014; on the east by a location approximately one mile east of County Road 1110; on the south by a location approximately 0.6 miles north of County Road 120; and on the west by South County Road 1110.

11. In Order No. 3 filed on June 6, 2019, the administrative law judge (ALJ) found the application administratively complete.

Notice of Application

12. On July 8, 2019, Park Water filed the affidavit of Jonathan Cochran, an attorney for Park Water, attesting that notice was mailed to current customers, landowners, neighboring utilities, and affected parties on June 17, 2019.

13. On July 8, 2019, Park Water filed the affidavit of Rachel Moore, Sales Assistant, attesting that notice was published in the *Midland Reporter-Telegram*, a newspaper of general circulation in Midland County, on June 15 and 22, 2019.

14. In Order No. 5 filed on July 22, 2019, the ALJ found the notice of the application sufficient.

Evidentiary Record

15. On January 21, 2020, Commission Staff and Park Water filed join a motion to admit evidence.

16. In Order No. 10 filed on March 10, 2020, the ALJ admitted the following evidence into the record of the proceeding: (a) Park Water's application filed on March 8, 2019; (b) Park Water's supplements to the application filed on March 12 and 26, April 12, May 7, and August 20, 2019; (c) Park Water's proof of notice filed on July 8, 2019; (d) Park Water's

response to Commission Staff's first request for information filed on July 24, 2019; (e) Park Water's response to Commission Staff's second request for information filed on September 17, 2019; (f) Park Water's response to Commission Staff's third request for information filed on October 18, 2019; (g) Park Water's response to Commission Staff's fourth request for information filed on December 5, 2019; (h) Park Water's consent form filed on December 16, 2019; and (i) Commission Staff's final recommendation and attachments filed on January 7, 2020.

Adequacy of Existing Service—Texas Water Code (TWC) § 13.246(c)(1); 16 Texas Administrative Code (TAC) § 24.227(d)(1)

17. Water and sewer services are not currently being provided in the requested area.

18. Additional construction is necessary for Park Water to serve the requested area.

Need for Service—TWC § 13.246(c)(2); 16 TAC § 24.227(d)(2)

19. The requested area is vacant land that is being developed into residential subdivisions.

20. The water system and sewer system that will be constructed by Park Water are necessary for the development of the subdivisions.

Effect of Granting the Certificates—TWC § 13.246(c)(3); 16 TAC § 24.227(d)(3)

21. Greenwood Water Corporation provides water utility service within two miles of the requested service area.

22. Park Water and Greenwood Water are commonly owned by Permian Basin.

23. There will be no effect on any other retail public utility servicing the proximate area as there are no other water or sewer providers within two miles of the boundary of the requested area.

24. The Commission received no protests or adverse comments from any other retail public utility.

Ability to Serve: Managerial and Technical—TWC §§ 13.241(a) through (c), 13.246(c)(4); 16 TAC §§ 24.227(a) and (d)(4)

25. Park Water's proposed PWS is registered with the TCEQ under PWS ID No. 1650167.

26. Park Water has licensed operators to operate the water and sewer systems.

27. Park Water has provided a capital improvements plan for constructing the facilities that are necessary for Park Water to serve the requested area.

28. Park Water is capable of providing drinking water that meets the requirements of the Texas Health and Safety Code, Chapter 341, the TWC, Chapter 13, and has access to an adequate supply of water.

29. Park Water's proposed sewer system will be permitted by the TCEQ under TPDES permit number WQ0015661001 and is capable of meeting TCEQ's design criteria for sewer treatment plants.

Service from Other Utilities—TWC § 13.246(c)(5); 16 TAC § 24.227(d)(5)

30. There are no other retail public water or sewer utilities with one-half mile of the requested area.

31. It is not feasible for an adjacent utility to provide service to the requested area.

Regionalization or Consolidation—TWC § 13.241(d); 16 TAC § 24.227(b)

32. Greenwood Water, a commonly owned affiliate, is within two miles of the boundary of the requested area.

33. New facilities are the optimum plan for providing service because of the age and capacity of Greenwood Water's facilities.

34. It is not feasible for Greenwood Water to provide water service to the requested area.

35. Park Water has satisfied the Commission's requirements on regionalization and consolidation.

Ability to Serve: Financial Ability and Stability—TWC §§ 13.241(a), 13.246(c)(6); 16 TAC §§ 24.227(a) and (d)(6), 24.11(e)

36. Park Water has a debt-to-equity ratio of zero, which is less than one, which meets the leverage test.

37. Park Water has sufficient cash available to cover any projected operations and maintenance shortages in the first five years of operations, which meets the operations test.

38. Park Water has demonstrated that it has the financial ability and stability to finance the facilities necessary to operate and manage the utility and to provide continuous and adequate service to the proposed service area.

Financial Assurance—TWC § 13.246(d); 16 TAC § 24.227(e)

39. There is no need to require Park Water to provide a bond or other financial assurance to ensure continuous and adequate utility service is provided.

Environmental Integrity—TWC § 13.246(c)(7); 16 TAC § 24.227(d)(7)

40. Granting Park Water's water CCN will have a minimal effect on the environmental integrity on the land as the requested area is already being developed.

41. Granting Park Water's sewer CCN will protect the environmental integrity of the land by eliminating the need for additional onsite sewage facilities in the service area.

Effect on Land—TWC § 13.246(c)(9); 16 TAC § 24.227(d)(9)

42. Additional construction is necessary to provide service in the requested area, which will have a minimal effect on the land.

Improvement in Service—TWC § 13.246(c)(8); 16 TAC § 24.227(d)(8)

43. Granting Park Water a water and sewer CCN will allow Park Water to provide service to potential future customers in the requested area, which is not currently receiving service.

Lowering of Cost—TWC § 13.246(c)(8); 16 TAC § 24.227(d)(8)

44. There will be no lowering of cost because there are no current customers in the requested area.

Rate Study—16 TAC § 24.25(b)(1)(B)(i)

45. Park Water provided a rate study supporting its proposed rates.

Calculations Supporting Proposed Rates—16 TAC § 24.25(b)(1)(B)(ii)

46. Park Water provided all calculations supporting its proposed rates.

Assumptions for Projections Included in Rate Study—16 TAC § 24.25(b)(1)(B)(iii)

47. Park Water provided all assumptions for projections included in its rate study.

Estimated Completion Date for Physical Plant—16 TAC § 24.25(b)(1)(B)(iv)

48. Park Water provided an estimated completion date for the systems.

Estimated Service Start Dates for All Phases of Construction—16 TAC § 24.25(b)(1)(B)(v)

49. Service and billing will commence upon the approval of this application by the Commission and completion of the systems.

Maps, Tariffs, and Certificates

50. On December 12, 2019, Commission Staff emailed its proposed maps, tariffs, and certificates to Park Water.

51. On December 16, 2019, Park Water filed its consent to the proposed maps, tariffs, and certificates.

52. On January 7, 2020, Commission Staff filed its final recommendation of approval of Park Water's application.

53. On January 21, 2020, Commission Staff filed the proposed maps, certificates, and tariffs as attachments to its joint proposed notice of approval and motion to admit evidence.

Informal Disposition

54. More than 15 days have passed since the completion of notice provided in this docket.

55. No person filed a protest or motion to intervene.

56. Commission Staff and Park Water are the only parties to this proceeding.

57. No party requested a hearing and no hearing is needed.

58. Commission Staff recommended approval of the application.

59. This decision is not adverse to any party.

II. Conclusions of Law

The Commission makes the following conclusions of law.

1. The Commission has jurisdiction over the application under TWC §§ 13.041, 13.241, 13.244, and 13.246.

2. Park Water is a retail public utility as defined in TWC § 13.002(19) and 16 TAC § 24.3(59).

3. Notice of the application complies with TWC § 13.246 and 16 TAC § 24.235.

4. The Commission processed the application in accordance with the requirements of the Administrative Procedure Act,[1] the TWC, and Commission rules.

5. The application meets the requirements set forth in TWC §§ 13.241 and 13.246 and 16 TAC §§ 24.25 and 24.227.

6. Park Water has demonstrated adequate financial, managerial, and technical capability to provide continuous and adequate service to the requested area as required by TWC § 13.241(a), (b), and (c), and 16 TAC § 24.227.

7. After considering the factors in TWC § 13.246(c) and 16 TAC § 24.227(d), the issuance of new water CCN number 13278 and sewer CCN number 2115 is necessary for the service, accommodation, convenience, or safety of the public as required by TWC § 13.246(b) and 16 TAC § 24.227(c).

8. Under TWC § 13.257(r) and (s), Park Water must record a certified copy of the approved certificates and maps, along with a boundary description of the service area, in the real property records of Midland County and to submit evidence of the recording to the Commission.

9. The requirements for informal disposition under 16 TAC § 22.35 have been met in this proceeding.

III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders.

1. The Commission approves the application and grants Park Water water CCN number 13278 and sewer CCN number 21115 consistent with this Notice of Approval and shown on the maps attached to this Notice of Approval.

2. The Commission grants the certificates attached to this Notice of Approval.

3. The Commission approves the tariff filed with Commission Staff's joint proposed notice of approval and motion to admit evidence and attached to this Notice of Approval.

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[1] Tex. Gov't Code ch. 2001.

4. Park Water must serve every customer and applicant for service within the areas certificated under water CCN number 13278 and sewer CCN number 21115 and such service must be continuous and adequate.

5. Park Water must comply with the recording requirements in TWC § 13.257(r) and (s) for the area in Midland County affected by the application.

6. Park Water must file in this docket proof of the recording required in ordering paragraph five not later than 45 days after the date of this Notice of Approval.

7. Park Water must provide notice to the Commission once billing for service begins under 16 TAC § 24.25(b)(1)(B)(vi).

8. Park Water must file a rate application in order to true-up the rates approved in this docket with the Commission within 18 months from the date service begins under 16 TAC § 24.25(b)(1)(C).

9. The Commission denies all other motions and any other requests for general or specific relief, if not expressly granted.

Signed at Austin, Texas the 10 **day of** March **2020.**

ISAAC TA
ADMINISTRATIVE LAW JUDGE

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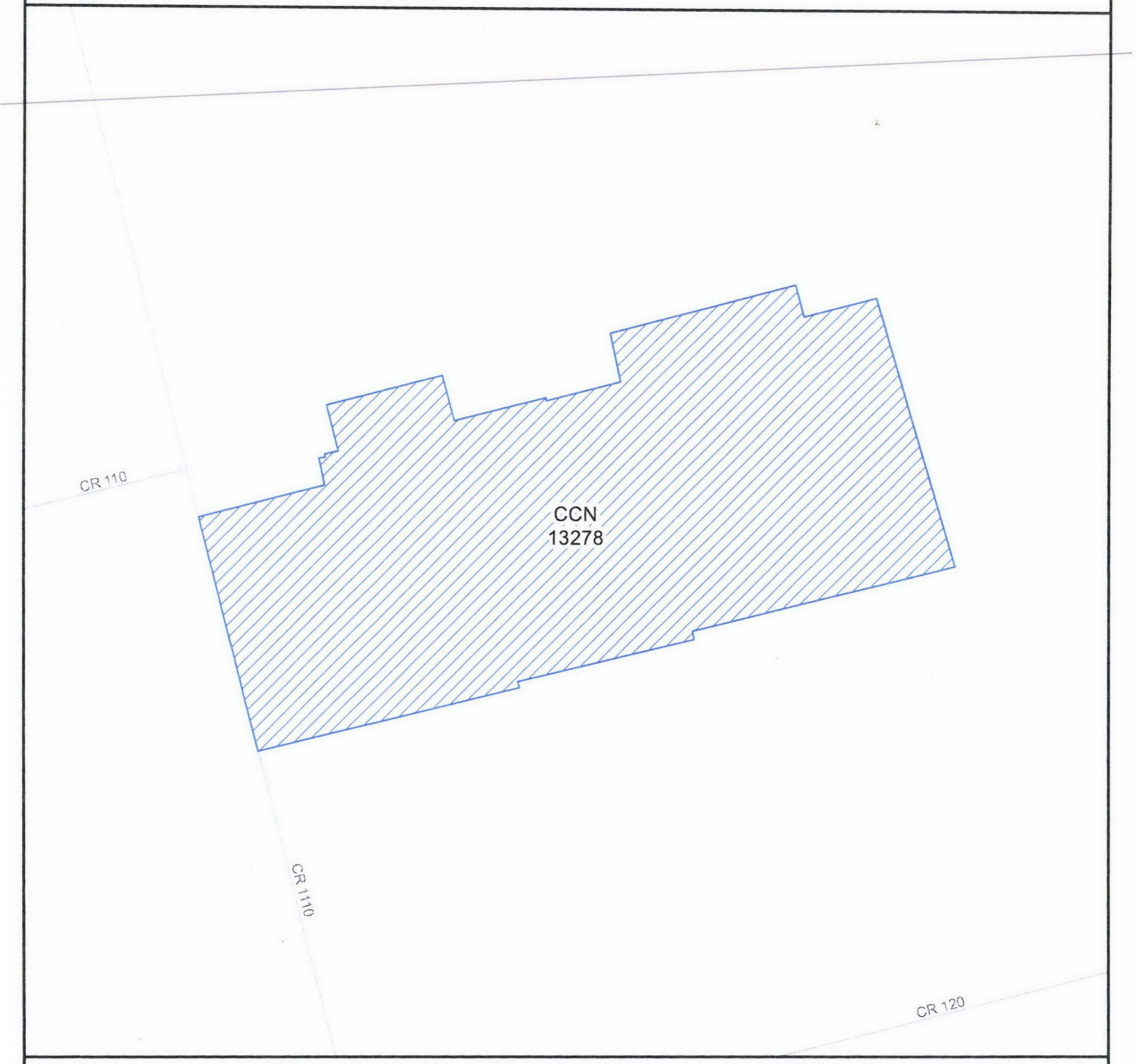
Park Water Company
Water CCN No. 13278
PUC Docket No. 49311
Obtained New CCN in Midland County



0 500 1,000
Feet

N

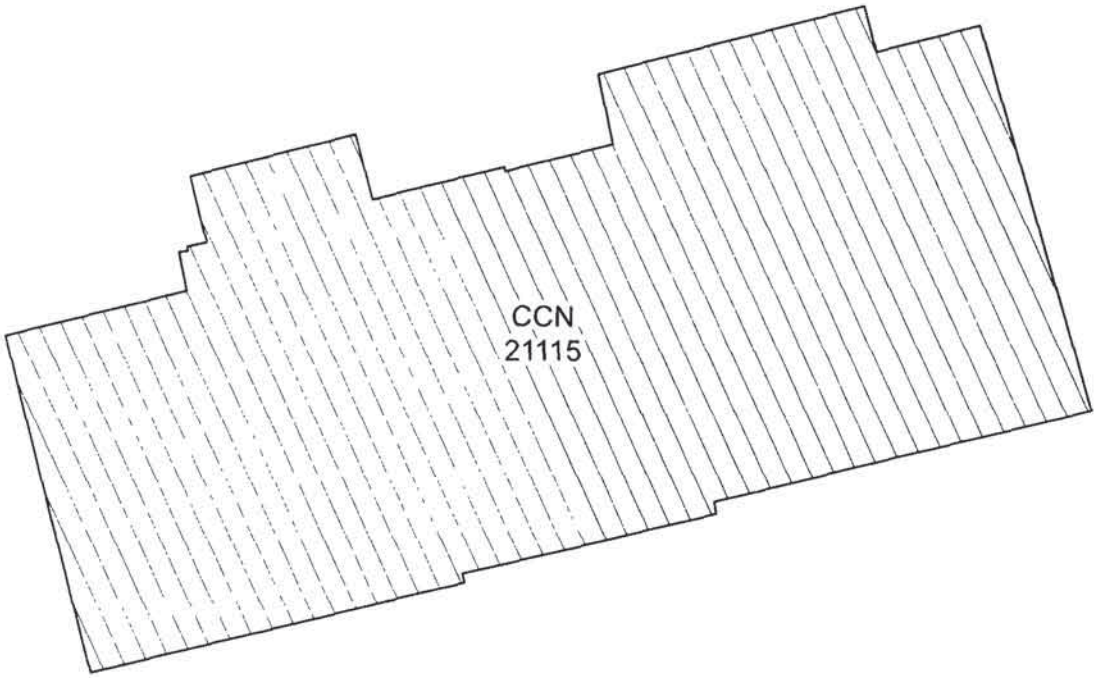
Water CCN

13278 - Park Water Company

Public Utility Commission of Texas
1701 N. Congress Ave
Austin, TX 78701

Map by: Komal Patel
Date created: August 16, 2019
Project Path: n:\finalmapping\
49311ParkWaterCoWater.mxd

Park Water Company
Sewer CCN No. 21115
PUC Docket No. 49311
Obtained New CCN in Midland County



CR 110

CR 1110

CR 120

0 500 1,000
Feet

N

Sewer CCN

21115 - Park Water Company

Public Utility Commission of Texas
1701 N. Congress Ave
Austin, TX 78701

Map by Komal Patel
Date created August 16, 2019
Project Path: n \finalmapping\
49311ParkWaterCoSewer.mxd

Public Utility Commission

of Texas

By These Presents Be It Known To All That

Park Water Company

having obtained certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, Park Water Company is entitled to this

Certificate of Convenience and Necessity No. 13278

to provide continuous and adequate water utility service to that service area or those service areas in Midland County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 49311 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of Park Water Company, to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this 10th day of March 2020.

Public Utility Commission

of Texas

By These Presents Be It Known To All That

Park Water Company

having obtained certification to provide sewer utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service, Park Water Company is entitled to this

Certificate of Convenience and Necessity No. 21115

to provide continuous and adequate sewer utility service to that service area or those service areas in Midland County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Docket No. 49311 are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of Park Water Company, to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this 10th day of March 2020.

WATER UTILITY TARIFF
Docket Number: 49311

Park Water Company
(Utility Name)

7107 FM 307
(Business Address)

Midland, Texas 79706
(City, State, Zip Code)

(432) 687-2070
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:

13278

This tariff is effective in the following counties:

Midland

This tariff is effective in the following cities or unincorporated towns (if any):

Greenwood (unincorporated area)

This tariff is effective in the following subdivisions and public water systems:

Vander Ranch, PWS No. 2200052

TABLE OF CONTENTS

The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

SECTION 1.0 -- RATE SCHEDULE 2
SECTION 2.0 -- SERVICE RULES AND POLICIES 4
SECTION 3.0 -- EXTENSION POLICY 12

APPENDIX A – DROUGHT CONTINGENCY PLAN
APPENDIX B – SAMPLE SERVICE AGREEMENT
APPENDIX C – APPLICATION FOR SERVICE

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

Meter Size	Monthly Minimum Charge	Gallonage Charge
5/8" or 3/4"	$ 112.82 (Includes 0 gallons)	$7.94 per 1,000 gallons
1"	$ 282.05	
1½"	$ 564.10	
2"	$ 902.56	
3"	$1692.30	
4"	$2820.50	

FORM OF PAYMENT: The utility will accept the following forms of payment:
Cash X, Check X, Money Order X, Credit Card X, Other (specify)__

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN $1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT 1.0%

PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT FEE TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE $750.00

TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Unique costs) ..... Actual Cost

FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

TAP FEE (Large meter) ..... Actual Cost

TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

METER RELOCATION FEE ..... Actual Relocation Cost, Not to Exceed Tap Fee

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

METER TEST FEE $25.00

THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED $25.

SECTION 1.0 - RATE SCHEDULE (Continued)

RECONNECTION FEE

THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

a) Non-payment of bill (Maximum $25.00) $25.00

b) Customer's request that service be disconnected $50.00

TRANSFER FEE $35.00

THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

LATE CHARGE (EITHER $5.00 OR 10% OF THE BILL) 10%

PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE $30.00

RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum $50) $50.00

COMMERCIAL & NON-RESIDENTIAL DEPOSIT ..... 1/6TH OF ESTIMATED ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC 24.21(b)(2)(F)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.

SECTION 2.0 -- SERVICE RULES AND POLICIES

The utility will have the most current Public Utility Commission of Texas (PUC or Commission) Rules, Chapter 24, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

Section 2.01 - Application for Water Service

All applications for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff), will be signed by the applicant, any required fees (deposits, reconnect, tap, extension fees, etc. as applicable) will be paid and easements, if required, will be granted before service is provided by the utility. A separate application or contract will be made for each service location.

Section 2.02 - Refusal of Service

The utility may decline to serve an applicant until the applicant has complied with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the PUC Rules. In the event that the utility refuses to serve an applicant, the utility will inform the applicant in writing of the basis of its refusal. The utility is also required to inform the applicant that a complaint may be filed with the Commission.

Section 2.03 - Fees and Charges & Easements Required Before Service Can Be Connected

(A) Customer Deposits
If a residential applicant cannot establish credit to the satisfaction of the utility, the applicant may be required to pay a deposit as provided for in Section 1.02 - Miscellaneous Fees of this tariff. The utility will keep records of the deposit and credit interest in accordance with PUC Rules.

Residential applicants 65 years of age or older may not be required to pay deposits unless the applicant has an outstanding account balance with the utility or another water or sewer utility which accrued within the last two years.

Nonresidential applicants who cannot establish credit to the satisfaction of the utility may be required to make a deposit that does not exceed an amount equivalent to one-sixth of the estimated annual billings.

Refund of deposit. If service is not connected, or after disconnection of service, the utility will promptly refund the customer's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. The utility may refund the deposit at any time prior to termination of utility service but must refund the deposit plus interest for any residential customer who has paid 18 consecutive billings without being delinquent.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

(B) Tap or Reconnect Fees

A new customer requesting service at a location where service has not previously been provided must pay a tap fee as provided in Section 1. A customer requesting service where service has previously been provided must pay a reconnect fee as provided in Section 1. Any applicant or existing customer required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to request for payment and/or commencement of construction.

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

If the applicant or existing customer does not believe that these costs are reasonable or necessary, the applicant or existing customer shall be informed of their right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's or existing customer's property(ies) is located.

Fees in addition to the regular tap fee may be charged if listed specifically in Section 1 to cover unique costs not normally incurred as permitted by 16 TAC § 24.86(a)(1)(C). For example, a road bore for customers outside a subdivision or residential area could be considered a unique cost.

(C) Easement Requirement

Where recorded public utility easements on the service applicant's property do not exist or public road right-of-way easements are not available to access the applicant's property, the Utility may require the applicant to provide it with a permanent recorded public utility easement on and across the applicant's real property sufficient to provide service to that applicant. Such easement(s) shall not be used for the construction of production, storage, transmission or pressure facilities unless they are needed for adequate service to that applicant.

Section 2.04 - Utility Response to Applications for Service

After the applicant has met all the requirements, conditions and regulations for service, the utility will install tap, meter and utility cut-off valve and/or take all necessary actions to initiate service. The utility will serve each qualified applicant for service within 5 working days unless line extensions or new facilities are required. If construction is required to fill the order and if it cannot be completed within 30 days, the utility will provide the applicant with a written explanation of the construction required and an expected date of service.

Except for good cause where service has previously been provided, service will be reconnected within one working day after the applicant has met the requirements for reconnection.

Section 2.05 - Customer Responsibility

The customer will be responsible for furnishing and laying the necessary customer service pipe from the meter location to the place of consumption. Customers will not be allowed to use the utility's cutoff valve on the utility's side of the meter. Existing customers may install cutoff valves on their side of the meter and are encouraged to do so. All new customers may be required to install and maintain a cutoff valve on their side of the meter.

No direct connection between a public water supply system and any potential source of contamination or between a public water supply system and a private water source (ex. private well) will be allowed. A customer shall not connect, or allow any other person or party to connect, onto any water lines on his premises.

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

Section 2.06 - Customer Service Inspections

Applicants for new service connections or facilities which have undergone extensive plumbing modifications are required to furnish the utility a completed customer service inspection certificate. The inspection certificate shall certify that the establishment is in compliance with the Texas Commission on Environmental Quality (TCEQ) Rules and Regulations for Public Water Systems, 30 TAC § 290.46(j). The Utility is not required to perform these inspections for the applicant/customer, but will assist the applicant/customer in locating and obtaining the services of a certified inspector.

Section 2.07 - Back Flow Prevention Devices

No water connection shall be allowed to any residence or establishment where an actual or potential contamination hazard exists unless the public water facilities are protected from contamination by either an approved air gap, backflow prevention assembly, or other approved device. The type of device or backflow prevention assembly required shall be determined by the specific potential hazard identified in 30 TAC § 290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems.

The use of a backflow prevention assembly at the service connection shall be considered as additional backflow protection and shall not negate the use of backflow protection on internal hazards as outlined and enforced by local plumbing codes. When a customer service inspection certificate indicates that an adequate internal cross-connection control program is in effect, backflow protection at the water service entrance or meter is not required.

At any residence or establishment where it has been determined by a customer service inspection, that there is no actual or potential contamination hazard, as referenced in 30 TAC § 290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems, then a backflow prevention assembly or device is not required. Outside hose bibs do require, at a minimum, the installation and maintenance of a working atmospheric vacuum breaker.

All backflow prevention assemblies or devices shall be tested upon installation by a TCEQ certified backflow prevention assembly tester and certified to be operating within specifications. Backflow prevention assemblies which are installed to provide protection against health hazards must also be tested and certified to be operating within specifications at least annually by a certified backflow prevention assembly tester.

If the utility determines that a backflow prevention assembly or device is required, the utility will provide the customer or applicant with a list of TCEQ certified backflow prevention assembly testers. The customer will be responsible for the cost of installation and testing, if any, of backflow prevention assembly or device. The customer should contact several qualified installers to compare prices before installation. The customer must pay for any required maintenance and annual testing and must furnish a copy of the test results demonstrating that the assembly is functioning properly to the utility within 30 days after the anniversary date of the installation unless a different date is agreed upon.

Docket Number: 49311

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

Section 2.08 - Access to Customer's Premises

The utility will have the right of access to the customer's premises at all reasonable times for the purpose of installing, testing, inspecting or repairing water mains or other equipment used in connection with its provision of water service, or for the purpose of removing its property and disconnecting lines, and for all other purposes necessary to the operation of the utility system including inspecting the customer's plumbing for code, plumbing or tariff violations.

The customer shall allow the utility and its personnel access to the customer's property to conduct any water quality tests or inspections required by law. Unless necessary to respond to equipment failure, leak or other condition creating an immediate threat to public health and safety or the continued provision of adequate utility service to others, such entry upon the customer's property shall be during normal business hours and the utility personnel will attempt to notify the customer that they will be working on the customer's property. The customer may require any utility representative, employee, contractor, or agent seeking to make such entry identify themselves, their affiliation with the utility, and the purpose of their entry.

All customers or service applicants shall provide access to meters and utility cutoff valves at all times reasonably necessary to conduct ordinary utility business and after normal business hours as needed to protect and preserve the integrity of the public drinking water supply.

Section 2.09 - Meter Requirements, Readings, and Testing

One meter is required for each residential, commercial, or industrial connection. All water sold by the utility will be billed based on meter measurements. The utility will provide, install, own and maintain meters to measure amounts of water consumed by its customers.

Meters will be read at monthly intervals and as nearly as possible on the corresponding day of each monthly meter reading period unless otherwise authorized by the Commission.

Meter tests. The utility will, upon the request of a customer, and, if the customer so desires, in his or her presence or in that of his or her authorized representative, make without charge a test of the accuracy of the customer's meter. If the customer asks to observe the test, the test will be made during the utility's normal working hours at a time convenient to the customer. Whenever possible, the test will be made on the customer's premises, but may, at the utility's discretion, be made at the utility's testing facility. If within a period of two years the customer requests a new test, the utility will make the test, but if the meter is found to be within the accuracy standards established by the American Water Works Association, the utility will charge the customer a fee which reflects the cost to test the meter up to a maximum $25 for a residential customer. Following the completion of any requested test, the utility will promptly advise the customer of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

Section 2.10 - Billing

(A) Regular Billing
Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of bills for utility service will be at least sixteen (16) days from the date of issuance.

The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. Payment for utility service is delinquent if full payment, including late fees and the regulatory assessment, is not received at the utility or the utility's authorized payment agency by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next workday after the due date.

(B) Late Fees
A late penalty of either $5.00 or 10.0% will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The utility must maintain a record of the date of mailing to charge the late penalty.

(C) Information on Bill
Each bill will provide all information required by the PUC Rules. For each of the systems it operates, the utility will maintain and note on the monthly bill a local or toll-free telephone number (or numbers) to which customers can direct questions about their utility service.

(D) Prorated Bills
If service is interrupted or seriously impaired for 24 consecutive hours or more, the utility will prorate the monthly base bill in proportion to the time service was not available to reflect this loss of service.

Section 2.11- Payments

All payments for utility service shall be delivered or mailed to the utility's business office. If the business office fails to receive payment prior to the time of noticed disconnection for non-payment of a delinquent account, service will be terminated as scheduled. Utility service crews shall not be allowed to collect payments on customer accounts in the field.

Payment of an account by any means that has been dishonored and returned by the payor or payee's bank, shall be deemed to be delinquent. All returned payments must be redeemed with cash or valid money order. If a customer has two returned payments within a twelve month period, the customer shall be required to pay a deposit if one has not already been paid.

Section 2.12 - Service Disconnection

(A) With Notice
Utility service may be disconnected if the bill has not been paid in full by the date listed on the termination notice. The termination date must be at least 10 days after the notice is mailed or hand delivered.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

The utility is encouraged to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 26 days from the date of issuance of a bill and if proper notice of termination has been given.

Notice of termination must be a separate mailing or hand delivery in accordance with the PUC Rules.

B) Without Notice

Utility service may also be disconnected without notice for reasons as described in the PUC Rules.

Section 2.13 - Reconnection of Service

Utility personnel must be available during normal business hours to accept payments on the day service is disconnected and the following day unless service was disconnected at the customer's request or due to a hazardous condition.

Service will be reconnected within 36 hours after the past due bill, reconnect fees and any other outstanding charges are paid or the conditions which caused service to be disconnected are corrected.

Section 2.14 - Service Interruptions

The utility will make all reasonable efforts to prevent interruptions of service. If interruptions occur, the utility will re-establish service within the shortest possible time. Except for momentary interruptions due to automatic equipment operations, the utility will keep a complete record of all interruptions, both emergency and scheduled and will notify the Commission in writing of any service interruptions affecting the entire system or any major division of the system lasting more than four hours. The notice will explain the cause of the interruptions.

Section 2.15 - Quality of Service

The utility will plan, furnish, and maintain production, treatment, storage, transmission, and distribution facilities of sufficient size and capacity to provide a continuous and adequate supply of water for all reasonable consumer uses. Unless otherwise authorized by PUC and TCEQ, the utility will maintain facilities as described in the TCEQ Rules and Regulations for Public Water Systems.

Section 2.16 - Customer Complaints and Disputes

If a customer or applicant for service lodges a complaint, the utility will promptly make a suitable investigation and advise the complainant of the results. Service will not be disconnected pending completion of the investigation. If the complainant is dissatisfied with the utility's response, the utility must advise the complainant that he has recourse through the PUC complaint process. Pending resolution of a complaint, the commission may require continuation or restoration of service.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

The utility will maintain a record of all complaints which shows the name and address of the complainant, the date and nature of the complaint and the adjustment or disposition thereof, for a period of two years after the final settlement of the complaint.

In the event of a dispute between a customer and a utility regarding any bill for utility service, the utility will conduct an investigation and report the results to the customer. If the dispute is not resolved, the utility will inform the customer that a complaint may be filed with the Commission.

Section 2.17 - Customer Liability

Customer shall be liable for any damage or injury to utility-owned property shown to be caused by the customer.

SECTION 3.0 -- EXTENSION POLICY

Section 3.01 - Standard Extension Requirements

Line Extension and Construction Charges. No Contribution in Aid of Construction may be required of any customer except as provided for in this approved tariff.

The Utility is not required to extend service to any applicant outside of its certified service area and will only do so under terms and conditions mutually agreeable to the Utility and the applicant, in compliance with PUC rules and policies, and upon extension of the Utility's certified service area boundaries by the PUC.

The applicant for service will be given an itemized statement of the costs, options such as rebates to the customer, sharing of construction costs between the utility and the customer, or sharing of costs between the customer and other applicants prior to beginning construction.

Section 3.02 - Costs Utilities and Service Applicants Shall Bear

Within its certified area, the utility will pay the cost of the first 200 feet of any water main or distribution line necessary to extend service to an individual residential customer within a platted subdivision.

However, if the residential customer requesting service purchased the property after the developer was notified in writing of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

Residential customers will be charged the equivalent of the costs of extending service to their property from the nearest transmission or distribution line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the additional cost of extending service to and throughout their property, including the cost of all necessary transmission and storage facilities necessary to meet the service demands anticipated to be created by that property.

Unless an exception is granted by the PUC, the residential service applicant shall not be required to pay for costs of main extensions greater than 2" in diameter for water distribution and pressure wastewater collection lines and 6" in diameter for gravity wastewater lines.

Exceptions may be granted by the PUC if:

- adequate service cannot be provided to the applicant using the maximum line sizes listed due to distance or elevation, in which case, it shall be the utility's burden to justify that a larger diameter pipe is required for adequate service;
- or larger minimum line sizes are required under subdivision platting requirements or building codes of municipalities within whose corporate limits or extraterritorial jurisdiction the point of use is located; or the residential service applicant is located outside the CCN service area.

Docket Number: 49311

SECTION 3.0 -- EXTENSION POLICY (Continued)

If an exception is granted, by the PUC, the utility shall establish a proportional cost plan for the specific extension or a rebate plan which may be limited to seven years to return the portion of the applicant's costs for oversizing as new customers are added to ensure that future applicants for service on the line pay at least as much as the initial service applicant.

For purposes of determining the costs that service applicants shall pay, commercial customers with service demands greater than residential customer demands in the certified area, industrial, and wholesale customers shall be treated as developers. A service applicant requesting a one inch meter for a lawn sprinkler system to service a residential lot is not considered nonstandard service.

If an applicant requires service other than the standard service provided by the utility, such applicant will be required to pay all expenses incurred by the utility in excess of the expenses that would be incurred in providing the standard service and connection beyond 200 feet and throughout his property including the cost of all necessary transmission facilities.

The utility will bear the full cost of any over-sizing of water mains necessary to serve other customers in the immediate area. The individual residential customer shall not be charged for any additional production, storage, or treatment facilities. Contributions in aid of construction may not be required of individual residential customers for production, storage, treatment or transmission facilities unless otherwise approved by the Commission under this specific extension policy.

Section 3.03 - Contributions in Aid of Construction

Developers may be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with TCEQ minimum design criteria for facilities used in the production, transmission, pumping, or treatment of water or TCEQ minimum requirements. For purposes of this subsection, a developer is one who subdivides or requests more than two meters on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction for the actual costs of any additional facilities required to maintain compliance with the TCEQ minimum design criteria for water production, treatment, pumping, storage and transmission.

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 16 TAC § 24.86(d). When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge for facilities which must be committed to such extension compliant with the TCEQ minimum design criteria. As provided by 16 TAC § 24.85(e)(3), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

SECTION 3.0 -- EXTENSION POLICY (Continued)

A utility may only charge a developer standby fees for unrecovered costs of facilities committed to a developer's property under the following circumstances:

- Under a contract and only in accordance with the terms of the contract; or
- if service is not being provided to a lot or lots within two years after installation of facilities necessary to provide service to the lots has been completed and if the standby fees are included on the utilities approved tariff after a rate change application has been filed. The fees cannot be billed to the developer or collected until the standby fees have been approved by the commission or executive director.
- for purposes of this section, a manufactured housing rental community can only be charged standby fees under a contract or if the utility installs the facilities necessary to provide individually metered service to each of the rental lots or spaces in the community.

Section 3.04 - Appealing Connection Costs

The imposition of additional extension costs or charges as provided by Sections 3.0 - Extension Policy of this tariff shall be subject to appeal as provided in this tariff, PUC rules, or the rules of such other regulatory authority as may have jurisdiction over the utility's rates and services.

Any applicant required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to payment and/or commencement of construction. If the applicant does not believe that these costs are reasonable or necessary, the applicant shall be informed of the right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's property(ies) is located.

Section 3.05 - Applying for Service

The Utility will provide a written service application form to the applicant for each request for service received by the Utility's business offices. A separate application shall be required for each potential service location if more than one service connection is desired by any individual applicant. Service application forms will be available at the Utility's business office during normal weekday business hours. Service applications will be sent by prepaid first class United States mail to the address provided by the applicant upon request. Completed applications should be returned by hand delivery in case there are questions which might delay fulfilling the service request. Completed service applications may be submitted by mail if hand delivery is not possible.

Where a new tap or service connection is required, the service applicant shall be required to submit a written service application and request that a tap be made. A diagram, map, plat, or written metes and bounds description of precisely where the applicant desires each tap or service connection is to be made and, if necessary, where the meter is to be installed, along the applicant's property line may also be required with the tap request.

SECTION 3.0 -- EXTENSION POLICY (Continued)

The actual point of connection and meter installation must be readily accessible to Utility personnel for inspection, servicing, and meter reading while being reasonably secure from damage by vehicles and mowers. If the Utility has more than one main adjacent to the service applicant's property, the tap or service connection will be made to the Utility's nearest service main with adequate capacity to service the applicant's full potential service demand. Beyond the initial 200 feet, the customer shall bear only the equivalent cost of extending from the nearest main. If the tap or service connection cannot be made at the applicant's desired location, it will be made at another location mutually acceptable to the applicant and the Utility. If no agreement on location can be made, the applicant may refer the matter to the PUC for resolution.

Section 3.06 - Qualified Service Applicant

A "qualified service applicant" is an applicant who has: (1) met all of the Utility's requirements for service contained in this tariff, PUC rules and/or PUC order, (2) has made payment or made arrangement for payment of tap fees, (3) has provided all easements and rights-of-way required to provide service to the requested location, (4) delivered an executed customer service inspection certificate to the Utility, if applicable, and (5) has executed a customer service application for each location to which service is being requested.

The utility shall serve each qualified service applicant within its certified service area as soon as practical after receiving a completed service application. All service requests will be fulfilled within the time limits prescribed by PUC rules once the applicant has met all conditions precedent to achieving "qualified service applicant" status. If a service request cannot be fulfilled within the required period, the applicant shall be notified in writing of the delay, its cause and the anticipated date that service will be available. The PUC service dates shall not become applicable until the service applicant has met all conditions precedent to becoming a qualified service applicant as defined by PUC rules.

Section 3.07 - Developer Requirements

As a condition of service to a new subdivision, the Utility shall require a developer (as defined by PUC rule) to provide permanent recorded public utility easements as a condition of service to any location within the developer's property.

APPENDIX A – DROUGHT CONTINGENCY PLAN

"This page incorporates by reference the utility's Drought Contingency Plan, as approved and periodically amended by the Texas Commission on Environmental Quality."

APPENDIX B -- SAMPLE SERVICE AGREEMENT
From 30 TAC Chapter 290.47(b), Appendix B
SERVICE AGREEMENT

I. PURPOSE. The NAME OF WATER SYSTEM is responsible for protecting the drinking water supply from contamination or pollution which could result from improper private water distribution system construction or configuration. The purpose of this service agreement is to notify each customer of the restrictions which are in place to provide this protection. The utility enforces these restrictions to ensure the public health and welfare. Each customer must sign this agreement before the NAME OF WATER SYSTEM will begin service. In addition, when service to an existing connection has been suspended or terminated, the water system will not re-establish service unless it has a signed copy of this agreement.

II. RESTRICTIONS. The following unacceptable practices are prohibited by State regulations.

A. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air-gap or an appropriate backflow prevention device.

B. No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device.

C. No connection which allows water to be returned to the public drinking water supply is permitted.

D. No pipe or pipe fitting which contains more than 0.25% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.

E. No solder or flux which contains more than 0.2% lead can be used for the installation or repair of plumbing at any connection which provides water for human use.

III. SERVICE AGREEMENT. The following are the terms of the service agreement between the NAME OF WATER SYSTEM (the Water System) and NAME OF CUSTOMER (the Customer).

A. The Water System will maintain a copy of this agreement as long as the Customer and/or the premises is connected to the Water System.

B. The Customer shall allow his property to be inspected for possible cross-connections and other potential contamination hazards. These inspections shall be conducted by the Water System or its designated agent prior to initiating new water service; when there is reason to believe that cross-connections or other potential contamination hazards exist; or after any major changes to the private water distribution facilities. The inspections shall be conducted during the Water System's normal business hours.

C. The Water System shall notify the Customer in writing of any cross-connection or other potential contamination hazard which has been identified during the initial inspection or the periodic reinspection.

D. The Customer shall immediately remove or adequately isolate any potential cross-connections or other potential contamination hazards on his premises.

E. The Customer shall, at his expense, properly install, test, and maintain any backflow prevention device required by the Water System. Copies of all testing and maintenance records shall be provided to the Water System.

IV. ENFORCEMENT. If the Customer fails to comply with the terms of the Service Agreement, the Water System shall, at its option, either terminate service or properly install, test, and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this agreement shall be billed to the Customer.

CUSTOMER'S SIGNATURE: _____

DATE: _____

APPENDIX C -- APPLICATION FOR SERVICE
(Utility Must Attach Blank Copy)

SEWER UTILITY TARIFF
Docket Number: 49311

Park Water Company
(Utility Name)

7107 FM 307
(Business Address)

Midland, Texas 79706
(City, State, Zip Code)

(432) 687-2070
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:

21115

This tariff is effective in the following counties:

Midland

This tariff is effective in the following cities or unincorporated towns (if any):

Greenwood (unincorporated area)

This tariff is effective in the following subdivisions and public water systems:

Vander Ranch, WQ0015661-001

TABLE OF CONTENTS

The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

SECTION 1.0 -- RATE SCHEDULE 2
SECTION 2.0 -- SERVICE RULES AND POLICIES 4
SECTION 3.0 -- EXTENSION POLICY 11

APPENDIX A – DROUGHT CONTINGENCY PLAN
APPENDIX B – SAMPLE SERVICE AGREEMENT
APPENDIX C – APPLICATION FOR SERVICE

SECTION 1.0 - RATE SCHEDULE

Section 1.01 - Rates

Meter Size	Monthly Minimum Charge	Gallonage Charge
5/8" or ¾"	$134.66 (Includes zero gallons)	$13.26 per 1000 gallons
1"	$336.65	$13.26 per 1000 gallons
1½"	$673.30	$13.26 per 1000 gallons
2"	$1,077.28	$13.26 per 1000 gallons
3"	$2,019.90	$13.26 per 1000 gallons
4"	$2,693.20	$13.26 per 1000 gallons

Volume charges are determined based on average water consumption for the winter period which includes the following months: December, January, and February. The monthly billing for new residential connections shall be based on 5,000 gallons per month until a winter average water consumption is established. Billing for non-residential connections shall be based on actual water monthly water consumption.

FORM OF PAYMENT: The utility will accept the following forms of payment:
Cash X, Check X, Money Order X, Credit Card X, Other (specify)__

THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN $1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT 1.0%

PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT FEE TO THE TCEQ.

Section 1.02 - Miscellaneous Fees

TAP FEE $750.00

TAP FEE COVERS THE UTILITY'S COSTS FOR MATERIALS AND LABOR TO INSTALL A STANDARD RESIDENTIAL 5/8" or 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

TAP FEE (Unique costs) ..... Actual Cost

FOR EXAMPLE, A ROAD BORE FOR CUSTOMERS OUTSIDE OF SUBDIVISIONS OR RESIDENTIAL AREAS.

TAP FEE (Large meter) ..... Actual Cost

TAP FEE IS THE UTILITY'S ACTUAL COST FOR MATERIALS AND LABOR FOR METER SIZE INSTALLED.

METER RELOCATION FEE ..... Actual Relocation Cost, Not to Exceed Tap Fee

THIS FEE MAY BE CHARGED IF A CUSTOMER REQUESTS THAT AN EXISTING METER BE RELOCATED.

METER TEST FEE $25.00

THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THE FEE MAY NOT EXCEED $25.

RECONNECTION FEE

THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS (OR OTHER REASONS LISTED UNDER SECTION 2.0 OF THIS TARIFF):

a) Non-payment of bill (Maximum $25.00) $25.00
b) Customer's request that service be disconnected $50.00

Docket Number: 49311

SECTION 1.0 - RATE SCHEDULE (Continued)

TRANSFER FEE $35.00

THE TRANSFER FEE WILL BE CHARGED FOR CHANGING AN ACCOUNT NAME AT THE SAME SERVICE LOCATION WHEN THE SERVICE IS NOT DISCONNECTED.

LATE CHARGE (EITHER $5.00 OR 10% OF THE BILL)..... 10%

PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE $30.00

RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum $50) $50.00

COMMERCIAL & NON-RESIDENTIAL DEPOSIT ..... 1/6TH OF ESTIMATED ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE:

WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC 24.21(b)(2)(F)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.

SECTION 2.0 -- SERVICE RULES AND POLICIES

The utility will have the most current Public Utility Commission of Texas (PUC or Commission) Rules, Chapter 24, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

Section 2.01 - Application for Sewer Service

All applications for service will be made on the utility's standard application or contract form (attached in the Appendix to this tariff), will be signed by the applicant, any required fees (deposits, reconnect, tap, extension fees, etc. as applicable) will be paid and easements, if required, will be granted before service is provided by the utility. A separate application or contract will be made for each service location.

Section 2.02 - Refusal of Service

The utility may decline to serve an applicant until the applicant has complied with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the PUC Rules. In the event that the utility refuses to serve an applicant, the utility will inform the applicant in writing of the basis of its refusal. The utility is also required to inform the applicant that a complaint may be filed with the Commission.

Section 2.03 - Fees and Charges & Easements Required Before Service Can Be Connected

(A) Customer Deposits
If a residential applicant cannot establish credit to the satisfaction of the utility, the applicant may be required to pay a deposit as provided for in Section 1.02 - Miscellaneous Fees of this tariff. The utility will keep records of the deposit and credit interest in accordance with PUC Rules.

Residential applicants 65 years of age or older may not be required to pay deposits unless the applicant has an outstanding account balance with the utility or another water or sewer utility which accrued within the last two years.

Nonresidential applicants who cannot establish credit to the satisfaction of the utility may be required to make a deposit that does not exceed an amount equivalent to one-sixth of the estimated annual billings.

Refund of deposit. If service is not connected, or after disconnection of service, the utility will promptly refund the customer's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. The utility may refund the deposit at any time prior to termination of utility service but must refund the deposit plus interest for any residential customer who has paid 18 consecutive billings without being delinquent.

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

(B) Tap or Reconnect Fees

A new customer requesting service at a location where service has not previously been provided must pay a tap fee as provided in Section 1. A customer requesting service where service has previously been provided must pay a reconnect fee as provided in Section 1. Any applicant or existing customer required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to request for payment and/or commencement of construction.

If the applicant or existing customer does not believe that these costs are reasonable or necessary, the applicant or existing customer shall be informed of their right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's or existing customer's property(ies) is located.

Fees in addition to the regular tap fee may be charged if listed specifically in Section 1 to cover unique costs not normally incurred as permitted by 16 TAC § 24.86(a)(1)(C). For example, a road bore for customers outside a subdivision or residential area could be considered a unique cost.

(C) Easement Requirement

Where recorded public utility easements on the service applicant's property do not exist or public road right-of-way easements are not available to access the applicant's property, the Utility may require the applicant to provide it with a permanent recorded public utility easement on and across the applicant's real property sufficient to provide service to that applicant. Such easement(s) shall not be used for the construction of production, storage, transmission or pressure facilities unless they are needed for adequate service to that applicant.

Section 2.04 - Utility Response to Applications for Service

After the applicant has met all the requirements, conditions and regulations for service, the utility will install tap, meter and utility cut-off valve and/or take all necessary actions to initiate service. The utility will serve each qualified applicant for service within 5 working days unless line extensions or new facilities are required. If construction is required to fill the order and if it cannot be completed within 30 days, the utility will provide the applicant with a written explanation of the construction required and an expected date of service.

Except for good cause where service has previously been provided, service will be reconnected within one working day after the applicant has met the requirements for reconnection.

Section 2.05 - Customer Responsibility

The customer will be responsible for furnishing and laying the necessary customer service pipe from the meter location to the place of consumption. Customers will not be allowed to use the utility's cutoff valve on the utility's side of the meter. Existing customers may install cutoff valves on their side of the meter and are encouraged to do so. All new customers may be required to install and maintain a cutoff valve on their side of the meter.

SECTION 2.0 – SERVICE RULES AND POLICIES (Continued)

No direct connection between a public water supply system and any potential source of contamination or between a public water supply system and a private water source (ex. private well) will be allowed. A customer shall not connect, or allow any other person or party to connect, onto any water lines on his premises.

Section 2.06 - Customer Service Inspections

Applicants for new service connections or facilities which have undergone extensive plumbing modifications are required to furnish the utility a completed customer service inspection certificate. The inspection certificate shall certify that the establishment is in compliance with the Texas Commission on Environmental Quality (TCEQ) Rules and Regulations for Public Water Systems, 30 TAC § 290.46(j). The Utility is not required to perform these inspections for the applicant/customer, but will assist the applicant/customer in locating and obtaining the services of a certified inspector.

Section 2.07 - Back Flow Prevention Devices

No water connection shall be allowed to any residence or establishment where an actual or potential contamination hazard exists unless the public water facilities are protected from contamination by either an approved air gap, backflow prevention assembly, or other approved device. The type of device or backflow prevention assembly required shall be determined by the specific potential hazard identified in 30 TAC § 290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems.

The use of a backflow prevention assembly at the service connection shall be considered as additional backflow protection and shall not negate the use of backflow protection on internal hazards as outlined and enforced by local plumbing codes. When a customer service inspection certificate indicates that an adequate internal cross-connection control program is in effect, backflow protection at the water service entrance or meter is not required.

At any residence or establishment where it has been determined by a customer service inspection, that there is no actual or potential contamination hazard, as referenced in 30 TAC § 290.47(i) Appendix I, Assessment of Hazards and Selection of Assemblies of the TCEQ Rules and Regulations for Public Water Systems, then a backflow prevention assembly or device is not required. Outside hose bibs do require, at a minimum, the installation and maintenance of a working atmospheric vacuum breaker.

All backflow prevention assemblies or devices shall be tested upon installation by a TCEQ certified backflow prevention assembly tester and certified to be operating within specifications. Backflow prevention assemblies which are installed to provide protection against health hazards must also be tested and certified to be operating within specifications at least annually by a certified backflow prevention assembly tester.

If the utility determines that a backflow prevention assembly or device is required, the utility will provide the customer or applicant with a list of TCEQ certified backflow prevention assembly testers. The customer will be responsible for the cost of installation and testing, if any, of backflow prevention

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

assembly or device. The customer should contact several qualified installers to compare prices before installation. The customer must pay for any required maintenance and annual testing and must furnish a copy of the test results demonstrating that the assembly is functioning properly to the utility within 30 days after the anniversary date of the installation unless a different date is agreed upon.

Section 2.08 - Access to Customer's Premises

The utility will have the right of access to the customer's premises at all reasonable times for the purpose of installing, testing, inspecting or repairing water mains or other equipment used in connection with its provision of water service, or for the purpose of removing its property and disconnecting lines, and for all other purposes necessary to the operation of the utility system including inspecting the customer's plumbing for code, plumbing or tariff violations.

The customer shall allow the utility and its personnel access to the customer's property to conduct any water quality tests or inspections required by law. Unless necessary to respond to equipment failure, leak or other condition creating an immediate threat to public health and safety or the continued provision of adequate utility service to others, such entry upon the customer's property shall be during normal business hours and the utility personnel will attempt to notify the customer that they will be working on the customer's property. The customer may require any utility representative, employee, contractor, or agent seeking to make such entry identify themselves, their affiliation with the utility, and the purpose of their entry.

All customers or service applicants shall provide access to meters and utility cutoff valves at all times reasonably necessary to conduct ordinary utility business and after normal business hours as needed to protect and preserve the integrity of the public drinking water supply.

Section 2.09 - Meter Requirements, Readings, and Testing

One meter is required for each residential, commercial, or industrial connection. All water sold by the utility will be billed based on meter measurements. The utility will provide, install, own and maintain meters to measure amounts of water consumed by its customers.

Meters will be read at monthly intervals and as nearly as possible on the corresponding day of each monthly meter reading period unless otherwise authorized by the Commission.

Meter tests. The utility will, upon the request of a customer, and, if the customer so desires, in his or her presence or in that of his or her authorized representative, make without charge a test of the accuracy of the customer's meter. If the customer asks to observe the test, the test will be made during the utility's normal working hours at a time convenient to the customer. Whenever possible, the test will be made on the customer's premises, but may, at the utility's discretion, be made at the utility's testing facility. If within a period of two years the customer requests a new test, the utility will make the test, but if the meter is found to be within the accuracy standards established by the American Water Works Association, the utility will charge the customer a fee which reflects the cost to test the meter up to a maximum $25 for a residential customer. Following the completion of any requested

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

test, the utility will promptly advise the customer of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

Section 2.10 - Billing

(A) Regular Billing
Bills from the utility will be mailed monthly unless otherwise authorized by the Commission. The due date of bills for utility service will be at least sixteen (16) days from the date of issuance.

The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the utility will constitute proof of the date of issuance. Payment for utility service is delinquent if full payment, including late fees and the regulatory assessment, is not received at the utility or the utility's authorized payment agency by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next workday after the due date.

(B) Late Fees
A late penalty of either $5.00 or 10.0% will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The utility must maintain a record of the date of mailing to charge the late penalty.

(C) Information on Bill
Each bill will provide all information required by the PUC Rules. For each of the systems it operates, the utility will maintain and note on the monthly bill a local or toll-free telephone number (or numbers) to which customers can direct questions about their utility service.

(D) Prorated Bills
If service is interrupted or seriously impaired for 24 consecutive hours or more, the utility will prorate the monthly base bill in proportion to the time service was not available to reflect this loss of service.

Section 2.11- Payments

All payments for utility service shall be delivered or mailed to the utility's business office. If the business office fails to receive payment prior to the time of noticed disconnection for non-payment of a delinquent account, service will be terminated as scheduled. Utility service crews shall not be allowed to collect payments on customer accounts in the field.

Payment of an account by any means that has been dishonored and returned by the payor or payee's bank, shall be deemed to be delinquent. All returned payments must be redeemed with cash or valid money order. If a customer has two returned payments within a twelve-month period, the customer shall be required to pay a deposit if one has not already been paid.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

Section 2.12 - Service Disconnection

(A) With Notice
Utility service may be disconnected if the bill has not been paid in full by the date listed on the termination notice. The termination date must be at least 10 days after the notice is mailed or hand delivered.

The utility is encouraged to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 26 days from the date of issuance of a bill and if proper notice of termination has been given.

Notice of termination must be a separate mailing or hand delivery in accordance with the PUC Rules.

B) Without Notice

Utility service may also be disconnected without notice for reasons as described in the PUC Rules.

Section 2.13 - Reconnection of Service

Utility personnel must be available during normal business hours to accept payments on the day service is disconnected and the following day unless service was disconnected at the customer's request or due to a hazardous condition.

Service will be reconnected within 36 hours after the past due bill, reconnect fees and any other outstanding charges are paid or the conditions which caused service to be disconnected are corrected.

Section 2.14 - Service Interruptions

The utility will make all reasonable efforts to prevent interruptions of service. If interruptions occur, the utility will re-establish service within the shortest possible time. Except for momentary interruptions due to automatic equipment operations, the utility will keep a complete record of all interruptions, both emergency and scheduled and will notify the Commission in writing of any service interruptions affecting the entire system or any major division of the system lasting more than four hours. The notice will explain the cause of the interruptions.

Section 2.15 - Quality of Service

The utility will plan, furnish, and maintain production, treatment, storage, transmission, and distribution facilities of sufficient size and capacity to provide a continuous and adequate supply of water for all reasonable consumer uses. Unless otherwise authorized by PUC and TCEQ, the utility will maintain facilities as described in the TCEQ Rules and Regulations for Public Water Systems.

SECTION 2.0 -- SERVICE RULES AND POLICIES (Continued)

Section 2.16 - Customer Complaints and Disputes

If a customer or applicant for service lodges a complaint, the utility will promptly make a suitable investigation and advise the complainant of the results. Service will not be disconnected pending completion of the investigation. If the complainant is dissatisfied with the utility's response, the utility must advise the complainant that he has recourse through the PUC complaint process. Pending resolution of a complaint, the commission may require continuation or restoration of service.

The utility will maintain a record of all complaints which shows the name and address of the complainant, the date and nature of the complaint and the adjustment or disposition thereof, for a period of two years after the final settlement of the complaint.

In the event of a dispute between a customer and a utility regarding any bill for utility service, the utility will conduct an investigation and report the results to the customer. If the dispute is not resolved, the utility will inform the customer that a complaint may be filed with the Commission.

Section 2.17 - Customer Liability

Customer shall be liable for any damage or injury to utility-owned property shown to be caused by the customer.

SECTION 3.0 -- EXTENSION POLICY

Section 3.01 - Standard Extension Requirements

Line Extension and Construction Charges. No Contribution in Aid of Construction may be required of any customer except as provided for in this approved tariff.

The Utility is not required to extend service to any applicant outside of its certified service area and will only do so under terms and conditions mutually agreeable to the Utility and the applicant, in compliance with PUC rules and policies, and upon extension of the Utility's certified service area boundaries by the PUC.

The applicant for service will be given an itemized statement of the costs, options such as rebates to the customer, sharing of construction costs between the utility and the customer, or sharing of costs between the customer and other applicants prior to beginning construction.

Section 3.02 - Costs Utilities and Service Applicants Shall Bear

Within its certified area, the utility will pay the cost of the first 200 feet of any water main or distribution line necessary to extend service to an individual residential customer within a platted subdivision.

However, if the residential customer requesting service purchased the property after the developer was notified in writing of the need to provide facilities to the utility, the utility may charge for the first 200 feet. The utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the utility's facilities in accordance with the utility's approved extension policy after receiving a written request from the utility.

Residential customers will be charged the equivalent of the costs of extending service to their property from the nearest transmission or distribution line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the additional cost of extending service to and throughout their property, including the cost of all necessary transmission and storage facilities necessary to meet the service demands anticipated to be created by that property.

Unless an exception is granted by the PUC, the residential service applicant shall not be required to pay for costs of main extensions greater than 2" in diameter for water distribution and pressure wastewater collection lines and 6" in diameter for gravity wastewater lines.

Exceptions may be granted by the PUC if:

- adequate service cannot be provided to the applicant using the maximum line sizes listed due to distance or elevation, in which case, it shall be the utility's burden to justify that a larger diameter pipe is required for adequate service;
- or larger minimum line sizes are required under subdivision platting requirements or building codes of municipalities within whose corporate limits or extraterritorial jurisdiction the point of use is located; or the residential service applicant is located outside the CCN service area.

SECTION 3.0 -- EXTENSION POLICY (Continued)

If an exception is granted, by the PUC, the utility shall establish a proportional cost plan for the specific extension or a rebate plan which may be limited to seven years to return the portion of the applicant's costs for oversizing as new customers are added to ensure that future applicants for service on the line pay at least as much as the initial service applicant.

For purposes of determining the costs that service applicants shall pay, commercial customers with service demands greater than residential customer demands in the certified area, industrial, and wholesale customers shall be treated as developers. A service applicant requesting a one inch meter for a lawn sprinkler system to service a residential lot is not considered nonstandard service.

If an applicant requires service other than the standard service provided by the utility, such applicant will be required to pay all expenses incurred by the utility in excess of the expenses that would be incurred in providing the standard service and connection beyond 200 feet and throughout his property including the cost of all necessary transmission facilities.

The utility will bear the full cost of any over-sizing of water mains necessary to serve other customers in the immediate area. The individual residential customer shall not be charged for any additional production, storage, or treatment facilities. Contributions in aid of construction may not be required of individual residential customers for production, storage, treatment or transmission facilities unless otherwise approved by the Commission under this specific extension policy.

Section 3.03 - Contributions in Aid of Construction

Developers may be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with TCEQ minimum design criteria for facilities used in the production, transmission, pumping, or treatment of water or TCEQ minimum requirements. For purposes of this subsection, a developer is one who subdivides or requests more than two meters on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

Any applicant who places unique or non-standard service demands on the system may be required to provide contributions in aid of construction for the actual costs of any additional facilities required to maintain compliance with the TCEQ minimum design criteria for water production, treatment, pumping, storage and transmission.

Any service extension to a subdivision (recorded or unrecorded) may be subject to the provisions and restrictions of 16 TAC § 24.86(d). When a developer wishes to extend the system to prepare to service multiple new connections, the charge shall be the cost of such extension, plus a pro-rata charge for facilities which must be committed to such extension compliant with the TCEQ minimum design criteria. As provided by 16 TAC § 24.85(e)(3), for purposes of this section, commercial, industrial, and wholesale customers shall be treated as developers.

SECTION 3.0 -- EXTENSION POLICY (Continued)

A utility may only charge a developer standby fees for unrecovered costs of facilities committed to a developer's property under the following circumstances:

- Under a contract and only in accordance with the terms of the contract; or
- if service is not being provided to a lot or lots within two years after installation of facilities necessary to provide service to the lots has been completed and if the standby fees are included on the utilities approved tariff after a rate change application has been filed. The fees cannot be billed to the developer or collected until the standby fees have been approved by the commission or executive director.
- for purposes of this section, a manufactured housing rental community can only be charged standby fees under a contract or if the utility installs the facilities necessary to provide individually metered service to each of the rental lots or spaces in the community.

Section 3.04 - Appealing Connection Costs

The imposition of additional extension costs or charges as provided by Sections 3.0 - Extension Policy of this tariff shall be subject to appeal as provided in this tariff, PUC rules, or the rules of such other regulatory authority as may have jurisdiction over the utility's rates and services.

Any applicant required to pay for any costs not specifically set forth in the rate schedule pages of this tariff shall be given a written explanation of such costs prior to payment and/or commencement of construction. If the applicant does not believe that these costs are reasonable or necessary, the applicant shall be informed of the right to appeal such costs to the PUC or such other regulatory authority having jurisdiction over the utility's rates in that portion of the utility's service area in which the applicant's property(ies) is located.

Section 3.05 - Applying for Service

The Utility will provide a written service application form to the applicant for each request for service received by the Utility's business offices. A separate application shall be required for each potential service location if more than one service connection is desired by any individual applicant. Service application forms will be available at the Utility's business office during normal weekday business hours. Service applications will be sent by prepaid first class United States mail to the address provided by the applicant upon request. Completed applications should be returned by hand delivery in case there are questions which might delay fulfilling the service request. Completed service applications may be submitted by mail if hand delivery is not possible.

Where a new tap or service connection is required, the service applicant shall be required to submit a written service application and request that a tap be made. A diagram, map, plat, or written metes and bounds description of precisely where the applicant desires each tap or service connection is to be made and, if necessary, where the meter is to be installed, along the applicant's property line may also be required with the tap request.

SECTION 3.0 -- EXTENSION POLICY (Continued)

The actual point of connection and meter installation must be readily accessible to Utility personnel for inspection, servicing, and meter reading while being reasonably secure from damage by vehicles and mowers. If the Utility has more than one main adjacent to the service applicant's property, the tap or service connection will be made to the Utility's nearest service main with adequate capacity to service the applicant's full potential service demand. Beyond the initial 200 feet, the customer shall bear only the equivalent cost of extending from the nearest main. If the tap or service connection cannot be made at the applicant's desired location, it will be made at another location mutually acceptable to the applicant and the Utility. If no agreement on location can be made, the applicant may refer the matter to the PUC for resolution.

Section 3.06 - Qualified Service Applicant

A "qualified service applicant" is an applicant who has: (1) met all of the Utility's requirements for service contained in this tariff, PUC rules and/or PUC order, (2) has made payment or made arrangement for payment of tap fees, (3) has provided all easements and rights-of-way required to

provide service to the requested location, (4) delivered an executed customer service inspection certificate to the Utility, if applicable, and (5) has executed a customer service application for each location to which service is being requested.

The utility shall serve each qualified service applicant within its certified service area as soon as practical after receiving a completed service application. All service requests will be fulfilled within the time limits prescribed by PUC rules once the applicant has met all conditions precedent to achieving "qualified service applicant" status. If a service request cannot be fulfilled within the required period, the applicant shall be notified in writing of the delay, its cause and the anticipated date that service will be available. The PUC service dates shall not become applicable until the service applicant has met all conditions precedent to becoming a qualified service applicant as defined by PUC rules.

Section 3.07 - Developer Requirements

As a condition of service to a new subdivision, the Utility shall require a developer (as defined by PUC rule) to provide permanent recorded public utility easements as a condition of service to any location within the developer's property.

APPENDIX A – DROUGHT CONTINGENCY PLAN

"This page incorporates by reference the utility's Drought Contingency Plan, as approved and periodically amended by the Texas Commission on Environmental Quality."

APPENDIX B -- SAMPLE SERVICE AGREEMENT
From 30 TAC Chapter 290.47(b), Appendix B
SERVICE AGREEMENT

I. PURPOSE. The NAME OF WATER SYSTEM is responsible for protecting the drinking water supply from contamination or pollution which could result from improper private water distribution system construction or configuration. The purpose of this service agreement is to notify each customer of the restrictions which are in place to provide this protection. The utility enforces these restrictions to ensure the public health and welfare. Each customer must sign this agreement before the NAME OF WATER SYSTEM will begin service. In addition, when service to an existing connection has been suspended or terminated, the water system will not re-establish service unless it has a signed copy of this agreement.

II. RESTRICTIONS. The following unacceptable practices are prohibited by State regulations.

A. No direct connection between the public drinking water supply and a potential source of contamination is permitted. Potential sources of contamination shall be isolated from the public water system by an air-gap or an appropriate backflow prevention device.

B. No cross-connection between the public drinking water supply and a private water system is permitted. These potential threats to the public drinking water supply shall be eliminated at the service connection by the installation of an air-gap or a reduced pressure-zone backflow prevention device.

C. No connection which allows water to be returned to the public drinking water supply is permitted.

D. No pipe or pipe fitting which contains more than 0.25% lead may be used for the installation or repair of plumbing at any connection which provides water for human use.

E. No solder or flux which contains more than 0.2% lead can be used for the installation or repair of plumbing at any connection which provides water for human use.

III. SERVICE AGREEMENT. The following are the terms of the service agreement between the NAME OF WATER SYSTEM (the Water System) and NAME OF CUSTOMER (the Customer).

A. The Water System will maintain a copy of this agreement as long as the Customer and/or the premises is connected to the Water System.

B. The Customer shall allow his property to be inspected for possible cross-connections and other potential contamination hazards. These inspections shall be conducted by the Water System or its designated agent prior to initiating new water service; when there is reason to believe that cross-connections or other potential contamination hazards exist; or after any major changes to the private water distribution facilities. The inspections shall be conducted during the Water System's normal business hours.

C. The Water System shall notify the Customer in writing of any cross-connection or other potential contamination hazard which has been identified during the initial inspection or the periodic reinspection.

D. The Customer shall immediately remove or adequately isolate any potential cross-connections or other potential contamination hazards on his premises.

E. The Customer shall, at his expense, properly install, test, and maintain any backflow prevention device required by the Water System. Copies of all testing and maintenance records shall be provided to the Water System.

IV. ENFORCEMENT. If the Customer fails to comply with the terms of the Service Agreement, the Water System shall, at its option, either terminate service or properly install, test, and maintain an appropriate backflow prevention device at the service connection. Any expenses associated with the enforcement of this agreement shall be billed to the Customer.

CUSTOMER'S SIGNATURE: _____

DATE: _____

APPENDIX C -- APPLICATION FOR SERVICE
(Utility Must Attach Blank Copy)

Appendix C:

TPDES Permit No. WQ0015661001, EPA ID No. TX0138363

TPDES PERMIT NO. WQ0015661001
[For TCEQ office use only - EPA I.D. No. TX0138363]

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
P.O. Box 13087
Austin, Texas 78711-3087

PERMIT TO DISCHARGE WASTES
under provisions of
Section 402 of the Clean Water Act
and Chapter 26 of the Texas Water Code

Park Sewer Company

whose mailing address is

7144 East Stetson Drive, Suite C-200
Scottsdale, Arizona 85251

is authorized to treat and discharge wastes from the Park Sewer Company Wastewater Treatment Facility, SIC Code 4952

located approximately 1.0 mile northeast of the intersection of East County Road 120 and South County Road 1110, in Midland County, Texas 79706

to Midland Draw, thence to Johnson Draw, thence to Mustang Draw, thence to Beals Creek, thence to Colorado River Below Lake J. B. Thomas in Segment No. 1412 of the Colorado River Basin

only according to effluent limitations, monitoring requirements, and other conditions set forth in this permit, as well as the rules of the Texas Commission on Environmental Quality (TCEQ), the laws of the State of Texas, and other orders of the TCEQ. The issuance of this permit does not grant to the permittee the right to use private or public property for conveyance of wastewater along the discharge route described in this permit. This includes, but is not limited to, property belonging to any individual, partnership, corporation, or other entity. Neither does this permit authorize any invasion of personal rights nor any violation of federal, state, or local laws or regulations. It is the responsibility of the permittee to acquire property rights as may be necessary to use the discharge route.

This permit shall expire at midnight, **five years from the date of issuance**.

ISSUED DATE:

June 18, 2020

For the Commission

INTERIM I EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS

1. During the period beginning upon the date of issuance and lasting through the completion of the expansion to the per day (MGD) facility, the permittee is authorized to discharge subject to the following effluent limitations:

   The daily average flow of effluent shall not exceed 0.01 MGD, nor shall the average discharge during any two-hour exceed 28 gallons per minute (gpm).

Effluent Characteristic	Discharge Limitations				Min. Self-Monito
	Daily Avg. mg/l (lbs/day)	7-day Avg. mg/l	Daily Max. mg/l	Single Grab mg/l	Report Daily Avg. Measurement Frequency
Flow, MGD	Report	N/A	Report	N/A	Continuous
Carbonaceous Biochemical Oxygen Demand (5-day)	5 (0.42)	10	20	30	One/week
Total Suspended Solids	5 (0.42)	10	20	30	One/week
Ammonia Nitrogen	2 (0.17)	5	10	15	One/week
Total Phosphorus*	Report (2.5 lbs/month)	N/A	N/A	N/A	One/week
E. coli, colony-forming units or most probable number per 100 ml	126	N/A	N/A	399	Five/week

*The Total Phosphorus Effluent Limitation and Measurement Frequency are only applicable when discharging to the M

2. The permittee shall utilize an Ultraviolet Light (UV) system for disinfection purposes. An equivalent method of dis substituted only with prior approval of the Executive Director.
3. The pH shall not be less than 6.0 standard units nor greater than 9.0 standard units and shall be monitored once p sample.
4. There shall be no discharge of floating solids or visible foam in other than trace amounts and no discharge of visibl
5. Effluent monitoring samples shall be taken at the following location(s): Following the final treatment unit.
6. The effluent shall contain a minimum dissolved oxygen of 4.0 mg/l and shall be monitored once per week by grab

INTERIM II EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS Out

1. During the period beginning upon the completion of the expansion to the 0.14 MGD facility and lasting through the co expansion to the 0.25 million gallons per day (MGD) facility, the permittee is authorized to discharge subject to the fo limitations:

   The daily average flow of effluent shall not exceed 0.14 MGD, nor shall the average discharge during any two-hour per exceed 382 gallons per minute (gpm).

Effluent Characteristic	Discharge Limitations				Min. Self-Monitorin	
	Daily Avg. mg/l (lbs/day)	7-day Avg. mg/l	Daily Max. mg/l	Single Grab mg/l	Report Daily Avg. & Measurement Frequency	
Flow, MGD	Report	N/A	Report	N/A	Continuous	To
Carbonaceous Biochemical Oxygen Demand (5-day)	5 (5.8)	10	20	30	One/week	Gr
Total Suspended Solids	5 (5.8)	10	20	30	One/week	Gr
Ammonia Nitrogen	2 (2.3)	5	10	15	One/week	Gr
Total Phosphorus*	Report (35.5 lbs/month)	N/A	N/A	N/A	One/week	Gr
E. coli, colony-forming units or most probable number per 100 ml	126	N/A	N/A	399	Five/week	Gr

*The Total Phosphorus Effluent Limitation and Measurement Frequency are only applicable when discharging to the Midl

2. The permittee shall utilize an Ultraviolet Light (UV) system for disinfection purposes. An equivalent method of disinf substituted only with prior approval of the Executive Director.
3. The pH shall not be less than 6.0 standard units nor greater than 9.0 standard units and shall be monitored once per sample.
4. There shall be no discharge of floating solids or visible foam in other than trace amounts and no discharge of visible o
5. Effluent monitoring samples shall be taken at the following location(s): Following the final treatment unit.
6. The effluent shall contain a minimum dissolved oxygen of 4.0 mg/l and shall be monitored once per week by grab sam

INTERIM III EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS

1. During the period beginning upon the completion of the expansion to the 0.25 million gallons per day (MGD) facili through the completion of the expansion to the 0.36 MGD facility, the permittee is authorized to discharge subject effluent limitations:

   The daily average flow of effluent shall not exceed 0.25 MGD, nor shall the average discharge during any two-hour exceed 694 gallons per minute (gpm).

Effluent Characteristic	Discharge Limitations				Min. Self-Monito
	Daily Avg. mg/l (lbs/day)	7-day Avg. mg/l	Daily Max. mg/l	Single Grab mg/l	Report Daily Avg. Measurement Frequency
Flow, MGD	Report	N/A	Report	N/A	Continuous
Carbonaceous Biochemical Oxygen Demand (5-day)	5 (10)	10	20	30	One/week
Total Suspended Solids	5 (10)	10	20	30	One/week
Ammonia Nitrogen	2 (4.2)	5	10	15	One/week
Total Phosphorus*	0.75 (1.56)	1.5	3	4.5	One/week
E. coli, colony-forming units or most probable number per 100 ml	126	N/A	N/A	399	Five/week

*The Total Phosphorus Effluent Limitation and Measurement Frequency are only applicable when discharging to the M

2. The permittee shall utilize an Ultraviolet Light (UV) system for disinfection purposes. An equivalent method of disi substituted only with prior approval of the Executive Director.
3. The pH shall not be less than 6.0 standard units nor greater than 9.0 standard units and shall be monitored once p sample.
4. There shall be no discharge of floating solids or visible foam in other than trace amounts and no discharge of visibl
5. Effluent monitoring samples shall be taken at the following location(s): Following the final treatment unit.
6. The effluent shall contain a minimum dissolved oxygen of 4.0 mg/l and shall be monitored once per week by grab s

FINAL EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS Out

1. During the period beginning upon the completion of the expansion to the 0.36 million gallons per day (MGD) facility through the date of expiration, the permittee is authorized to discharge subject to the following effluent limitations:

   The daily average flow of effluent shall not exceed 0.36 MGD, nor shall the average discharge during any two-hour pe exceed 1,000 gallons per minute (gpm).

Effluent Characteristic	Discharge Limitations				Min. Self-Monitorin	
	Daily Avg. mg/l (lbs/day)	7-day Avg. mg/l	Daily Max. mg/l	Single Grab mg/l	Report Daily Avg. & Measurement Frequency	
Flow, MGD	Report	N/A	Report	N/A	Continuous	Tot
Carbonaceous Biochemical Oxygen Demand (5-day)	5 (15)	10	20	30	One/week	Gra
Total Suspended Solids	5 (15)	10	20	30	One/week	Gra
Ammonia Nitrogen	2 (6.0)	5	10	15	One/week	Gra
Total Phosphorus*	0.5 (1.50)	1	2	3	One/week	Gra
E. coli, colony-forming units or most probable number per 100 ml	126	N/A	N/A	399	Five/week	Gra

*The Total Phosphorus Effluent Limitation and Measurement Frequency are only applicable when discharging to the Midl

2. The permittee shall utilize an Ultraviolet Light (UV) system for disinfection purposes. An equivalent method of disinf substituted only with prior approval of the Executive Director.
3. The pH shall not be less than 6.0 standard units nor greater than 9.0 standard units and shall be monitored once per sample.
4. There shall be no discharge of floating solids or visible foam in other than trace amounts and no discharge of visible o
5. Effluent monitoring samples shall be taken at the following location(s): Following the final treatment unit.
6. The effluent shall contain a minimum dissolved oxygen of 4.0 mg/l and shall be monitored once per week by grab sam

DEFINITIONS AND STANDARD PERMIT CONDITIONS

As required by Title 30 Texas Administrative Code (TAC) Chapter 305, certain regulations appear as standard conditions in waste discharge permits. 30 TAC § 305.121 - 305.129 (relating to Permit Characteristics and Conditions) as promulgated under the Texas Water Code (TWC) §§ 5.103 and 5.105, and the Texas Health and Safety Code (THSC) §§ 361.017 and 361.024(a), establish the characteristics and standards for waste discharge permits, including sewage sludge, and those sections of 40 Code of Federal Regulations (CFR) Part 122 adopted by reference by the Commission. The following text includes these conditions and incorporates them into this permit. All definitions in TWC § 26.001 and 30 TAC Chapter 305 shall apply to this permit and are incorporated by reference. Some specific definitions of words or phrases used in this permit are as follows:

1. Flow Measurements

   a. Annual average flow - the arithmetic average of all daily flow determinations taken within the preceding 12 consecutive calendar months. The annual average flow determination shall consist of daily flow volume determinations made by a totalizing meter, charted on a chart recorder and limited to major domestic wastewater discharge facilities with one million gallons per day or greater permitted flow.

   b. Daily average flow - the arithmetic average of all determinations of the daily flow within a period of one calendar month. The daily average flow determination shall consist of determinations made on at least four separate days. If instantaneous measurements are used to determine the daily flow, the determination shall be the arithmetic average of all instantaneous measurements taken during that month. Daily average flow determination for intermittent discharges shall consist of a minimum of three flow determinations on days of discharge.

   c. Daily maximum flow - the highest total flow for any 24-hour period in a calendar month.

   d. Instantaneous flow - the measured flow during the minimum time required to interpret the flow measuring device.

   e. 2-hour peak flow (domestic wastewater treatment plants) - the maximum flow sustained for a two-hour period during the period of daily discharge. The average of multiple measurements of instantaneous maximum flow within a two-hour period may be used to calculate the 2-hour peak flow.

   f. Maximum 2-hour peak flow (domestic wastewater treatment plants) - the highest 2-hour peak flow for any 24-hour period in a calendar month.

2. Concentration Measurements

   a. Daily average concentration - the arithmetic average of all effluent samples, composite or grab as required by this permit, within a period of one calendar month, consisting of at least four separate representative measurements.

      i. For domestic wastewater treatment plants - When four samples are not available in a calendar month, the arithmetic average (weighted by flow) of all values in the previous four consecutive month period consisting of at least four measurements shall be utilized as the daily average concentration.

ii. For all other wastewater treatment plants - When four samples are not available in a calendar month, the arithmetic average (weighted by flow) of all values taken during the month shall be utilized as the daily average concentration.

b. 7-day average concentration - the arithmetic average of all effluent samples, composite or grab as required by this permit, within a period of one calendar week, Sunday through Saturday.

c. Daily maximum concentration - the maximum concentration measured on a single day, by the sample type specified in the permit, within a period of one calendar month.

d. Daily discharge - the discharge of a pollutant measured during a calendar day or any 24-hour period that reasonably represents the calendar day for purposes of sampling. For pollutants with limitations expressed in terms of mass, the daily discharge is calculated as the total mass of the pollutant discharged over the sampling day. For pollutants with limitations expressed in other units of measurement, the daily discharge is calculated as the average measurement of the pollutant over the sampling day.

The daily discharge determination of concentration made using a composite sample shall be the concentration of the composite sample. When grab samples are used, the daily discharge determination of concentration shall be the arithmetic average (weighted by flow value) of all samples collected during that day.

e. Bacteria concentration (*E. coli* or Enterococci) - Colony Forming Units (CFU) or Most Probable Number (MPN) of bacteria per 100 milliliters effluent. The daily average bacteria concentration is a geometric mean of the values for the effluent samples collected in a calendar month. The geometric mean shall be determined by calculating the nth root of the product of all measurements made in a calendar month, where n equals the number of measurements made; or, computed as the antilogarithm of the arithmetic mean of the logarithms of all measurements made in a calendar month. For any measurement of bacteria equaling zero, a substituted value of one shall be made for input into either computation method. If specified, the 7-day average for bacteria is the geometric mean of the values for all effluent samples collected during a calendar week.

f. Daily average loading (lbs/day) - the arithmetic average of all daily discharge loading calculations during a period of one calendar month. These calculations must be made for each day of the month that a parameter is analyzed. The daily discharge, in terms of mass (lbs/day), is calculated as (Flow, MGD x Concentration, mg/l x 8.34).

g. Daily maximum loading (lbs/day) - the highest daily discharge, in terms of mass (lbs/day), within a period of one calendar month.

3. Sample Type

a. Composite sample - For domestic wastewater, a composite sample is a sample made up of a minimum of three effluent portions collected in a continuous 24-hour period or during the period of daily discharge if less than 24 hours, and combined in volumes proportional to flow, and collected at the intervals required by 30 TAC § 319.9 (a). For industrial wastewater, a composite sample is a sample made up of a minimum of three effluent portions collected in a continuous 24-hour period or during the period of daily discharge if less than 24 hours, and combined in volumes proportional to flow, and collected at the intervals required by 30 TAC § 319.9 (b).

b. Grab sample - an individual sample collected in less than 15 minutes.

4. Treatment Facility (facility) - wastewater facilities used in the conveyance, storage, treatment, recycling, reclamation and/or disposal of domestic sewage, industrial wastes, agricultural wastes, recreational wastes, or other wastes including sludge handling or disposal facilities under the jurisdiction of the Commission.

5. The term "sewage sludge" is defined as solid, semi-solid, or liquid residue generated during the treatment of domestic sewage in 30 TAC Chapter 312. This includes the solids that have not been classified as hazardous waste separated from wastewater by unit processes.

6. Bypass - the intentional diversion of a waste stream from any portion of a treatment facility.

MONITORING AND REPORTING REQUIREMENTS

1. Self-Reporting

Monitoring results shall be provided at the intervals specified in the permit. Unless otherwise specified in this permit or otherwise ordered by the Commission, the permittee shall conduct effluent sampling and reporting in accordance with 30 TAC §§ 319.4 - 319.12. Unless otherwise specified, effluent monitoring data shall be submitted each month, to the Enforcement Division (MC 224), by the 20th day of the following month for each discharge which is described by this permit whether or not a discharge is made for that month. Monitoring results must be submitted online using the NetDMR reporting system available through the TCEQ website unless the permittee requests and obtains an electronic reporting waiver. Monitoring results must be signed and certified as required by Monitoring and Reporting Requirements No. 10.

As provided by state law, the permittee is subject to administrative, civil and criminal penalties, as applicable, for negligently or knowingly violating the Clean Water Act (CWA); TWC §§ 26, 27, and 28; and THSC § 361, including but not limited to knowingly making any false statement, representation, or certification on any report, record, or other document submitted or required to be maintained under this permit, including monitoring reports or reports of compliance or noncompliance, or falsifying, tampering with or knowingly rendering inaccurate any monitoring device or method required by this permit or violating any other requirement imposed by state or federal regulations.

2. Test Procedures

a. Unless otherwise specified in this permit, test procedures for the analysis of pollutants shall comply with procedures specified in 30 TAC §§ 319.11 - 319.12. Measurements, tests, and calculations shall be accurately accomplished in a representative manner.

b. All laboratory tests submitted to demonstrate compliance with this permit must meet the requirements of 30 TAC § 25, Environmental Testing Laboratory Accreditation and Certification.

3. Records of Results

a. Monitoring samples and measurements shall be taken at times and in a manner so as to be representative of the monitored activity.

b. Except for records of monitoring information required by this permit related to the permittee's sewage sludge use and disposal activities, which shall be retained for a period of at least five years (or longer as required by 40 CFR Part 503), monitoring and reporting records, including strip charts and records of calibration and maintenance, copies of all records required by this permit, records of all data used to complete the application for this permit, and the certification required by 40 CFR § 264.73(b)(9) shall be retained at the facility site, or shall be readily available for review by a TCEQ representative for a period of three years from the date of the record or sample, measurement, report, application or certification. This period shall be extended at the request of the Executive Director.

c. Records of monitoring activities shall include the following:

i. date, time and place of sample or measurement;

ii. identity of individual who collected the sample or made the measurement.

iii. date and time of analysis;

iv. identity of the individual and laboratory who performed the analysis;

v. the technique or method of analysis; and

vi. the results of the analysis or measurement and quality assurance/quality control records.

The period during which records are required to be kept shall be automatically extended to the date of the final disposition of any administrative or judicial enforcement action that may be instituted against the permittee.

4. Additional Monitoring by Permittee

If the permittee monitors any pollutant at the location(s) designated herein more frequently than required by this permit using approved analytical methods as specified above, all results of such monitoring shall be included in the calculation and reporting of the values submitted on the approved self-report form. Increased frequency of sampling shall be indicated on the self-report form.

5. Calibration of Instruments

All automatic flow measuring or recording devices and all totalizing meters for measuring flows shall be accurately calibrated by a trained person at plant start-up and as often thereafter as necessary to ensure accuracy, but not less often than annually unless authorized by the Executive Director for a longer period. Such person shall verify in writing that the device is operating properly and giving accurate results. Copies of the verification shall be retained at the facility site and/or shall be readily available for review by a TCEQ representative for a period of three years.

6. Compliance Schedule Reports

Reports of compliance or noncompliance with, or any progress reports on, interim and final requirements contained in any compliance schedule of the permit shall be submitted no later

than 14 days following each schedule date to the Regional Office and the Enforcement Division (MC 224).

7. Noncompliance Notification

   a. In accordance with 30 TAC § 305.125(9) any noncompliance which may endanger human health or safety, or the environment shall be reported by the permittee to the TCEQ. Except as allowed by 30 TAC § 305.132, report of such information shall be provided orally or by facsimile transmission (FAX) to the Regional Office within 24 hours of becoming aware of the noncompliance. A written submission of such information shall also be provided by the permittee to the Regional Office and the Enforcement Division (MC 224) within five working days of becoming aware of the noncompliance. For Publicly Owned Treatment Works (POTWs), effective September 1, 2020, the permittee must submit the written report for unauthorized discharges and unanticipated bypasses that exceed any effluent limit in the permit using the online electronic reporting system available through the TCEQ website unless the permittee requests and obtains an electronic reporting waiver. The written submission shall contain a description of the noncompliance and its cause; the potential danger to human health or safety, or the environment; the period of noncompliance, including exact dates and times; if the noncompliance has not been corrected, the time it is expected to continue; and steps taken or planned to reduce, eliminate, and prevent recurrence of the noncompliance, and to mitigate its adverse effects.

   b. The following violations shall be reported under Monitoring and Reporting Requirement 7.a.:

      i. Unauthorized discharges as defined in Permit Condition 2(g).

      ii. Any unanticipated bypass that exceeds any effluent limitation in the permit.

      iii. Violation of a permitted maximum daily discharge limitation for pollutants listed specifically in the Other Requirements section of an Industrial TPDES permit.

   c. In addition to the above, any effluent violation which deviates from the permitted effluent limitation by more than 40% shall be reported by the permittee in writing to the Regional Office and the Enforcement Division (MC 224) within 5 working days of becoming aware of the noncompliance.

   d. Any noncompliance other than that specified in this section, or any required information not submitted or submitted incorrectly, shall be reported to the Enforcement Division (MC 224) as promptly as possible. For effluent limitation violations, noncompliances shall be reported on the approved self-report form.

8. In accordance with the procedures described in 30 TAC §§ 35.301 - 35.303 (relating to Water Quality Emergency and Temporary Orders) if the permittee knows in advance of the need for a bypass, it shall submit prior notice by applying for such authorization.

9. Changes in Discharges of Toxic Substances

   All existing manufacturing, commercial, mining, and silvicultural permittees shall notify the Regional Office, orally or by facsimile transmission within 24 hours, and both the Regional Office and the Enforcement Division (MC 224) in writing within five (5) working days, after

becoming aware of or having reason to believe:

a. That any activity has occurred or will occur which would result in the discharge, on a routine or frequent basis, of any toxic pollutant listed at 40 CFR Part 122, Appendix D, Tables II and III (excluding Total Phenols) which is not limited in the permit, if that discharge will exceed the highest of the following "notification levels":

   i. One hundred micrograms per liter (100 µg/L);

   ii. Two hundred micrograms per liter (200 µg/L) for acrolein and acrylonitrile; five hundred micrograms per liter (500 µg/L) for 2,4-dinitrophenol and for 2-methyl-4,6-dinitrophenol; and one milligram per liter (1 mg/L) for antimony;

   iii. Five (5) times the maximum concentration value reported for that pollutant in the permit application; or

   iv. The level established by the TCEQ.

b. That any activity has occurred or will occur which would result in any discharge, on a nonroutine or infrequent basis, of a toxic pollutant which is not limited in the permit, if that discharge will exceed the highest of the following "notification levels":

   i. Five hundred micrograms per liter (500 µg/L);

   ii. One milligram per liter (1 mg/L) for antimony;

   iii. Ten (10) times the maximum concentration value reported for that pollutant in the permit application; or

   iv. The level established by the TCEQ.

10. Signatories to Reports

All reports and other information requested by the Executive Director shall be signed by the person and in the manner required by 30 TAC § 305.128 (relating to Signatories to Reports).

11. All POTWs must provide adequate notice to the Executive Director of the following:

a. Any new introduction of pollutants into the POTW from an indirect discharger which would be subject to CWA § 301 or § 306 if it were directly discharging those pollutants;

b. Any substantial change in the volume or character of pollutants being introduced into that POTW by a source introducing pollutants into the POTW at the time of issuance of the permit; and

c. For the purpose of this paragraph, adequate notice shall include information on:

   i. The quality and quantity of effluent introduced into the POTW; and

   ii. Any anticipated impact of the change on the quantity or quality of effluent to be discharged from the POTW.

PERMIT CONDITIONS

1. General

   a. When the permittee becomes aware that it failed to submit any relevant facts in a permit application, or submitted incorrect information in an application or in any report to the Executive Director, it shall promptly submit such facts or information.

   b. This permit is granted on the basis of the information supplied and representations made by the permittee during action on an application, and relying upon the accuracy and completeness of that information and those representations. After notice and opportunity for a hearing, this permit may be modified, suspended, or revoked, in whole or in part, in accordance with 30 TAC Chapter 305, Subchapter D, during its term for good cause including, but not limited to, the following:

      i. Violation of any terms or conditions of this permit;

      ii. Obtaining this permit by misrepresentation or failure to disclose fully all relevant facts; or

      iii. A change in any condition that requires either a temporary or permanent reduction or elimination of the authorized discharge.

   c. The permittee shall furnish to the Executive Director, upon request and within a reasonable time, any information to determine whether cause exists for amending, revoking, suspending or terminating the permit. The permittee shall also furnish to the Executive Director, upon request, copies of records required to be kept by the permit.

2. Compliance

   a. Acceptance of the permit by the person to whom it is issued constitutes acknowledgment and agreement that such person will comply with all the terms and conditions embodied in the permit, and the rules and other orders of the Commission.

   b. The permittee has a duty to comply with all conditions of the permit. Failure to comply with any permit condition constitutes a violation of the permit and the Texas Water Code or the Texas Health and Safety Code, and is grounds for enforcement action, for permit amendment, revocation, or suspension, or for denial of a permit renewal application or an application for a permit for another facility.

   c. It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of the permit.

   d. The permittee shall take all reasonable steps to minimize or prevent any discharge or sludge use or disposal or other permit violation that has a reasonable likelihood of adversely affecting human health or the environment.

   e. Authorization from the Commission is required before beginning any change in the permitted facility or activity that may result in noncompliance with any permit requirements.

f. A permit may be amended, suspended and reissued, or revoked for cause in accordance with 30 TAC §§ 305.62 and 305.66 and TWC§ 7.302. The filing of a request by the permittee for a permit amendment, suspension and reissuance, or termination, or a notification of planned changes or anticipated noncompliance, does not stay any permit condition.

g. There shall be no unauthorized discharge of wastewater or any other waste. For the purpose of this permit, an unauthorized discharge is considered to be any discharge of wastewater into or adjacent to water in the state at any location not permitted as an outfall or otherwise defined in the Other Requirements section of this permit.

h. In accordance with 30 TAC § 305.535(a), the permittee may allow any bypass to occur from a TPDES permitted facility which does not cause permitted effluent limitations to be exceeded or an unauthorized discharge to occur, but only if the bypass is also for essential maintenance to assure efficient operation.

i. The permittee is subject to administrative, civil, and criminal penalties, as applicable, under TWC §§ 7.051 - 7.075 (relating to Administrative Penalties), 7.101 - 7.111 (relating to Civil Penalties), and 7.141 - 7.202 (relating to Criminal Offenses and Penalties) for violations including, but not limited to, negligently or knowingly violating the federal CWA §§ 301, 302, 306, 307, 308, 318, or 405, or any condition or limitation implementing any sections in a permit issued under the CWA § 402, or any requirement imposed in a pretreatment program approved under the CWA §§ 402 (a)(3) or 402 (b)(8).

3. Inspections and Entry

a. Inspection and entry shall be allowed as prescribed in the TWC Chapters 26, 27, and 28, and THSC § 361.

b. The members of the Commission and employees and agents of the Commission are entitled to enter any public or private property at any reasonable time for the purpose of inspecting and investigating conditions relating to the quality of water in the state or the compliance with any rule, regulation, permit or other order of the Commission. Members, employees, or agents of the Commission and Commission contractors are entitled to enter public or private property at any reasonable time to investigate or monitor or, if the responsible party is not responsive or there is an immediate danger to public health or the environment, to remove or remediate a condition related to the quality of water in the state. Members, employees, Commission contractors, or agents acting under this authority who enter private property shall observe the establishment's rules and regulations concerning safety, internal security, and fire protection, and if the property has management in residence, shall notify management or the person then in charge of his presence and shall exhibit proper credentials. If any member, employee, Commission contractor, or agent is refused the right to enter in or on public or private property under this authority, the Executive Director may invoke the remedies authorized in TWC § 7.002. The statement above, that Commission entry shall occur in accordance with an establishment's rules and regulations concerning safety, internal security, and fire protection, is not grounds for denial or restriction of entry to any part of the facility, but merely describes the Commission's duty to observe appropriate rules and regulations during an inspection.

4. Permit Amendment and/or Renewal

   a. The permittee shall give notice to the Executive Director as soon as possible of any planned physical alterations or additions to the permitted facility if such alterations or additions would require a permit amendment or result in a violation of permit requirements. Notice shall also be required under this paragraph when:

      i. The alteration or addition to a permitted facility may meet one of the criteria for determining whether a facility is a new source in accordance with 30 TAC § 305.534 (relating to New Sources and New Dischargers); or

      ii. The alteration or addition could significantly change the nature or increase the quantity of pollutants discharged. This notification applies to pollutants that are subject neither to effluent limitations in the permit, nor to notification requirements in Monitoring and Reporting Requirements No. 9;

      iii. The alteration or addition results in a significant change in the permittee's sludge use or disposal practices, and such alteration, addition, or change may justify the application of permit conditions that are different from or absent in the existing permit, including notification of additional use or disposal sites not reported during the permit application process or not reported pursuant to an approved land application plan.

   b. Prior to any facility modifications, additions, or expansions that will increase the plant capacity beyond the permitted flow, the permittee must apply for and obtain proper authorization from the Commission before commencing construction.

   c. The permittee must apply for an amendment or renewal at least 180 days prior to expiration of the existing permit in order to continue a permitted activity after the expiration date of the permit. If an application is submitted prior to the expiration date of the permit, the existing permit shall remain in effect until the application is approved, denied, or returned. If the application is returned or denied, authorization to continue such activity shall terminate upon the effective date of the action. If an application is not submitted prior to the expiration date of the permit, the permit shall expire and authorization to continue such activity shall terminate.

   d. Prior to accepting or generating wastes which are not described in the permit application or which would result in a significant change in the quantity or quality of the existing discharge, the permittee must report the proposed changes to the Commission. The permittee must apply for a permit amendment reflecting any necessary changes in permit conditions, including effluent limitations for pollutants not identified and limited by this permit.

   e. In accordance with the TWC § 26.029(b), after a public hearing, notice of which shall be given to the permittee, the Commission may require the permittee, from time to time, for good cause, in accordance with applicable laws, to conform to new or additional conditions.

   f. If any toxic effluent standard or prohibition (including any schedule of compliance specified in such effluent standard or prohibition) is promulgated under CWA § 307(a) for a toxic pollutant which is present in the discharge and that standard or prohibition is more stringent than any limitation on the pollutant in this permit, this permit shall be

modified or revoked and reissued to conform to the toxic effluent standard or prohibition. The permittee shall comply with effluent standards or prohibitions established under CWA § 307(a) for toxic pollutants within the time provided in the regulations that established those standards or prohibitions, even if the permit has not yet been modified to incorporate the requirement.

5. Permit Transfer

   a. Prior to any transfer of this permit, Commission approval must be obtained. The Commission shall be notified in writing of any change in control or ownership of facilities authorized by this permit. Such notification should be sent to the Applications Review and Processing Team (MC 148) of the Water Quality Division.

   b. A permit may be transferred only according to the provisions of 30 TAC § 305.64 (relating to Transfer of Permits) and 30 TAC § 50.133 (relating to Executive Director Action on Application or WQMP update).

6. Relationship to Hazardous Waste Activities

   This permit does not authorize any activity of hazardous waste storage, processing, or disposal that requires a permit or other authorization pursuant to the Texas Health and Safety Code.

7. Relationship to Water Rights

   Disposal of treated effluent by any means other than discharge directly to water in the state must be specifically authorized in this permit and may require a permit pursuant to TWC Chapter 11.

8. Property Rights

   A permit does not convey any property rights of any sort, or any exclusive privilege.

9. Permit Enforceability

   The conditions of this permit are severable, and if any provision of this permit, or the application of any provision of this permit to any circumstances, is held invalid, the application of such provision to other circumstances, and the remainder of this permit, shall not be affected thereby.

10. Relationship to Permit Application

    The application pursuant to which the permit has been issued is incorporated herein; provided, however, that in the event of a conflict between the provisions of this permit and the application, the provisions of the permit shall control.

11. Notice of Bankruptcy

    a. Each permittee shall notify the Executive Director, in writing, immediately following the filing of a voluntary or involuntary petition for bankruptcy under any chapter of Title 11 Bankruptcy) of the United States Code (11 USC) by or against:

i. the permittee;

ii. an entity (as that term is defined in 11 USC, § 101(14)) controlling the permittee or listing the permit or permittee as property of the estate; or

iii. an affiliate (as that term is defined in 11 USC, § 101(2)) of the permittee.

b. This notification must indicate:

i. the name of the permittee and the permit number(s);

ii. the bankruptcy court in which the petition for bankruptcy was filed; and

iii. the date of filing of the petition.

OPERATIONAL REQUIREMENTS

1. The permittee shall at all times ensure that the facility and all of its systems of collection, treatment, and disposal are properly operated and maintained. This includes, but is not limited to, the regular, periodic examination of wastewater solids within the treatment plant by the operator in order to maintain an appropriate quantity and quality of solids inventory as described in the various operator training manuals and according to accepted industry standards for process control. Process control, maintenance, and operations records shall be retained at the facility site, or shall be readily available for review by a TCEQ representative, for a period of three years.

2. Upon request by the Executive Director, the permittee shall take appropriate samples and provide proper analysis in order to demonstrate compliance with Commission rules. Unless otherwise specified in this permit or otherwise ordered by the Commission, the permittee shall comply with all applicable provisions of 30 TAC Chapter 312 concerning sewage sludge use and disposal and 30 TAC §§ 319.21 - 319.29 concerning the discharge of certain hazardous metals.

3. Domestic wastewater treatment facilities shall comply with the following provisions:

   a. The permittee shall notify the Municipal Permits Team, Wastewater Permitting Section (MC 148) of the Water Quality Division, in writing, of any facility expansion at least 90 days prior to conducting such activity.

   b. The permittee shall submit a closure plan for review and approval to the Municipal Permits Team, Wastewater Permitting Section (MC 148) of the Water Quality Division, for any closure activity at least 90 days prior to conducting such activity. Closure is the act of permanently taking a waste management unit or treatment facility out of service and includes the permanent removal from service of any pit, tank, pond, lagoon, surface impoundment and/or other treatment unit regulated by this permit.

4. The permittee is responsible for installing prior to plant start-up, and subsequently maintaining, adequate safeguards to prevent the discharge of untreated or inadequately treated wastes during electrical power failures by means of alternate power sources, standby generators, and/or retention of inadequately treated wastewater.

5. Unless otherwise specified, the permittee shall provide a readily accessible sampling point and, where applicable, an effluent flow measuring device or other acceptable means by which effluent flow may be determined.

6. The permittee shall remit an annual water quality fee to the Commission as required by 30 TAC Chapter 21. Failure to pay the fee may result in revocation of this permit under TWC § 7.302(b)(6).

7. Documentation

   For all written notifications to the Commission required of the permittee by this permit, the permittee shall keep and make available a copy of each such notification under the same conditions as self-monitoring data are required to be kept and made available. Except for information required for TPDES permit applications, effluent data, including effluent data in permits, draft permits and permit applications, and other information specified as not confidential in 30 TAC §§ 1.5(d), any information submitted pursuant to this permit may be claimed as confidential by the submitter. Any such claim must be asserted in the manner prescribed in the application form or by stamping the words confidential business information on each page containing such information. If no claim is made at the time of submission, information may be made available to the public without further notice. If the Commission or Executive Director agrees with the designation of confidentiality, the TCEQ will not provide the information for public inspection unless required by the Texas Attorney General or a court pursuant to an open records request. If the Executive Director does not agree with the designation of confidentiality, the person submitting the information will be notified.

8. Facilities that generate domestic wastewater shall comply with the following provisions; domestic wastewater treatment facilities at permitted industrial sites are excluded.

   a. Whenever flow measurements for any domestic sewage treatment facility reach 75% of the permitted daily average or annual average flow for three consecutive months, the permittee must initiate engineering and financial planning for expansion and/or upgrading of the domestic wastewater treatment and/or collection facilities. Whenever the flow reaches 90% of the permitted daily average or annual average flow for three consecutive months, the permittee shall obtain necessary authorization from the Commission to commence construction of the necessary additional treatment and/or collection facilities. In the case of a domestic wastewater treatment facility which reaches 75% of the permitted daily average or annual average flow for three consecutive months, and the planned population to be served or the quantity of waste produced is not expected to exceed the design limitations of the treatment facility, the permittee shall submit an engineering report supporting this claim to the Executive Director of the Commission.

      If in the judgment of the Executive Director the population to be served will not cause permit noncompliance, then the requirement of this section may be waived. To be effective, any waiver must be in writing and signed by the Director of the Enforcement Division (MC 169) of the Commission, and such waiver of these requirements will be reviewed upon expiration of the existing permit; however, any such waiver shall not be interpreted as condoning or excusing any violation of any permit parameter.

b. The plans and specifications for domestic sewage collection and treatment works associated with any domestic permit must be approved by the Commission and failure to secure approval before commencing construction of such works or making a discharge is a violation of this permit and each day is an additional violation until approval has been secured.

c. Permits for domestic wastewater treatment plants are granted subject to the policy of the Commission to encourage the development of area-wide waste collection, treatment, and disposal systems. The Commission reserves the right to amend any domestic wastewater permit in accordance with applicable procedural requirements to require the system covered by this permit to be integrated into an area-wide system, should such be developed; to require the delivery of the wastes authorized to be collected in, treated by or discharged from said system, to such area-wide system; or to amend this permit in any other particular to effectuate the Commission's policy. Such amendments may be made when the changes required are advisable for water quality control purposes and are feasible on the basis of waste treatment technology, engineering, financial, and related considerations existing at the time the changes are required, exclusive of the loss of investment in or revenues from any then existing or proposed waste collection, treatment or disposal system.

9. Domestic wastewater treatment plants shall be operated and maintained by sewage plant operators holding a valid certificate of competency at the required level as defined in 30 TAC Chapter 30.

10. For Publicly Owned Treatment Works (POTWs), the 30-day average (or monthly average) percent removal for BOD and TSS shall not be less than 85%, unless otherwise authorized by this permit.

11. Facilities that generate industrial solid waste as defined in 30 TAC § 335.1 shall comply with these provisions:

a. Any solid waste, as defined in 30 TAC § 335.1 (including but not limited to such wastes as garbage, refuse, sludge from a waste treatment, water supply treatment plant or air pollution control facility, discarded materials, discarded materials to be recycled, whether the waste is solid, liquid, or semisolid), generated by the permittee during the management and treatment of wastewater, must be managed in accordance with all applicable provisions of 30 TAC Chapter 335, relating to Industrial Solid Waste Management.

b. Industrial wastewater that is being collected, accumulated, stored, or processed before discharge through any final discharge outfall, specified by this permit, is considered to be industrial solid waste until the wastewater passes through the actual point source discharge and must be managed in accordance with all applicable provisions of 30 TAC Chapter 335.

c. The permittee shall provide written notification, pursuant to the requirements of 30 TAC § 335.8(b)(1), to the Environmental Cleanup Section (MC 127) of the Remediation Division informing the Commission of any closure activity involving an Industrial Solid Waste Management Unit, at least 90 days prior to conducting such an activity.

d. Construction of any industrial solid waste management unit requires the prior written notification of the proposed activity to the Registration and Reporting Section (MC 129) of the Registration, Review, and Reporting Division. No person shall dispose of industrial solid waste, including sludge or other solids from wastewater treatment processes, prior to fulfilling the deed recordation requirements of 30 TAC § 335.5.

e. The term "industrial solid waste management unit" means a landfill, surface impoundment, waste-pile, industrial furnace, incinerator, cement kiln, injection well, container, drum, salt dome waste containment cavern, or any other structure vessel, appurtenance, or other improvement on land used to manage industrial solid waste.

f. The permittee shall keep management records for all sludge (or other waste) removed from any wastewater treatment process. These records shall fulfill all applicable requirements of 30 TAC § 335 and must include the following, as it pertains to wastewater treatment and discharge:

   i. Volume of waste and date(s) generated from treatment process;
   ii. Volume of waste disposed of on-site or shipped off-site;
   iii. Date(s) of disposal;
   iv. Identity of hauler or transporter;
   v. Location of disposal site; and
   vi. Method of final disposal.

   The above records shall be maintained on a monthly basis. The records shall be retained at the facility site, or shall be readily available for review by authorized representatives of the TCEQ for at least five years.

12. For industrial facilities to which the requirements of 30 TAC § 335 do not apply, sludge and solid wastes, including tank cleaning and contaminated solids for disposal, shall be disposed of in accordance with THSC § 361.

TCEQ Revision 08/2008

SLUDGE PROVISIONS

The permittee is authorized to dispose of sludge only at a Texas Commission on Environmental Quality (TCEQ) authorized land application site, co-disposal landfill, wastewater treatment facility, or facility that further processes sludge. **The disposal of sludge by land application on property owned, leased or under the direct control of the permittee is a violation of the permit unless the site is authorized with the TCEQ. This provision does not authorize Distribution and Marketing of Class A or Class AB Sewage Sludge. This provision does not authorize the permittee to land apply sludge on property owned, leased or under the direct control of the permittee.**

SECTION I. REQUIREMENTS APPLYING TO ALL SEWAGE SLUDGE LAND APPLICATION

A. General Requirements

1. The permittee shall handle and dispose of sewage sludge in accordance with 30 TAC § 312 and all other applicable state and federal regulations in a manner that protects public health and the environment from any reasonably anticipated adverse effects due to any toxic pollutants that may be present in the sludge.

2. In all cases, if the person (permit holder) who prepares the sewage sludge supplies the sewage sludge to another person for land application use or to the owner or lease holder of the land, the permit holder shall provide necessary information to the parties who receive the sludge to assure compliance with these regulations.

3. The permittee shall give 180 days prior notice to the Executive Director in care of the Wastewater Permitting Section (MC 148) of the Water Quality Division of any change planned in the sewage sludge disposal practice.

B. Testing Requirements

1. Sewage sludge shall be tested once during the term of this permit in accordance with the method specified in both 40 CFR Part 261, Appendix II and 40 CFR Part 268, Appendix I [Toxicity Characteristic Leaching Procedure (TCLP)] or other method that receives the prior approval of the TCEQ for the contaminants listed in 40 CFR Part 261.24, Table 1. Sewage sludge failing this test shall be managed according to RCRA standards for generators of hazardous waste, and the waste's disposition must be in accordance with all applicable requirements for hazardous waste processing, storage, or disposal. Following failure of any TCLP test, the management or disposal of sewage sludge at a facility other than an authorized hazardous waste processing, storage, or disposal facility shall be prohibited until such time as the permittee can demonstrate the sewage sludge no longer exhibits the hazardous waste toxicity characteristics (as demonstrated by the results of the TCLP tests). A written report shall be provided to both the TCEQ Registration and Reporting Section (MC 129) of the Permitting and Remediation Support Division and the Regional Director (MC Region 7) within seven (7) days after failing the TCLP Test.

The report shall contain test results, certification that unauthorized waste management has stopped and a summary of alternative disposal plans that comply with RCRA standards for the management of hazardous waste. The report shall be addressed to: Director, Registration, Review, and Reporting Division (MC 129), Texas Commission on Environmental Quality, P.O. Box 13087, Austin, Texas 78711-3087. In addition, the permittee shall prepare an annual report on the results of all sludge toxicity testing. This annual report shall be submitted to the TCEQ Regional Office (MC Region 7) and the Compliance Monitoring Team (MC 224) of the Enforcement Division by September 30th of each year. Effective December 21, 2020, the permittee must submit this annual report using the online electronic reporting system available through the TCEQ website unless the permittee requests and obtains an electronic reporting waiver.

2. Sewage sludge shall not be applied to the land if the concentration of the pollutants exceeds the pollutant concentration criteria in Table 1. The frequency of testing for pollutants in Table 1 is found in Section I.C.

TABLE 1

Pollutant	Ceiling Concentration (Milligrams per kilogram)*
Arsenic	75
Cadmium	85
Chromium	3000
Copper	4300
Lead	840
Mercury	57
Molybdenum	75
Nickel	420
PCBs	49
Selenium	100
Zinc	7500

* Dry weight basis

3. Pathogen Control

All sewage sludge that is applied to agricultural land, forest, a public contact site, or a reclamation site must be treated by one of the following methods to ensure that the sludge meets either the Class A, Class AB or Class B pathogen requirements.

a. For sewage sludge to be classified as Class A with respect to pathogens, the density of fecal coliform in the sewage sludge be less than 1,000 most probable number (MPN) per gram of total solids (dry weight basis), or the density of *Salmonella* sp. bacteria in the sewage sludge be less than three MPN per four grams of total solids (dry weight basis) at the time the sewage sludge is used or disposed. In addition, one of the alternatives listed below must be met.

Alternative 1 - The temperature of the sewage sludge that is used or disposed shall be maintained at or above a specific value for a period of time. See 30 TAC § 312.82(a)(2)(A) for specific information.

Alternative 5 (PFRP) - Sewage sludge that is used or disposed of must be treated in one of the Processes to Further Reduce Pathogens (PFRP) described in 40 CFR Part 503, Appendix B. PFRP include composting, heat drying, heat treatment, and thermophilic aerobic digestion.

Alternative 6 (PFRP Equivalent) - Sewage sludge that is used or disposed of must be treated in a process that has been approved by the U. S. Environmental Protection Agency as being equivalent to those in Alternative 5.

b. For sewage sludge to be classified as Class AB with respect to pathogens, the density of fecal coliform in the sewage sludge be less than 1,000 MPN per gram of total solids (dry weight basis), or the density of *Salmonella* sp. bacteria in the sewage sludge be less than three MPN per four grams of total solids (dry weight basis) at the time the sewage sludge is used or disposed. In addition, one of the alternatives listed below must be met.

Alternative 2 - The pH of the sewage sludge that is used or disposed shall be raised to above 12 std. units and shall remain above 12 std. units for 72 hours.

The temperature of the sewage sludge shall be above 52° Celsius for 12 hours or longer during the period that the pH of the sewage sludge is above 12 std. units.

At the end of the 72-hour period during which the pH of the sewage sludge is above 12 std. units, the sewage sludge shall be air dried to achieve a percent solids in the sewage sludge greater than 50%.

Alternative 3 - The sewage sludge shall be analyzed for enteric viruses prior to pathogen treatment. The limit for enteric viruses is less than one Plaque-forming Unit per four grams of total solids (dry weight basis) either before or following pathogen treatment. See 30 TAC § 312.82(a)(2)(C)(i-iii) for specific information. The sewage sludge shall be analyzed for viable helminth ova prior to pathogen treatment. The limit for viable helminth ova is less than one per four grams of total solids (dry weight basis) either before or following pathogen treatment. See 30 TAC § 312.82(a)(2)(C)(iv-vi) for specific information.

Alternative 4 - The density of enteric viruses in the sewage sludge shall be less than one Plaque-forming Unit per four grams of total solids (dry weight basis) at the time the sewage sludge is used or disposed. The density of viable helminth ova in the sewage sludge shall be less than one per four grams of total solids (dry weight basis) at the time the sewage sludge is used or disposed.

c. Sewage sludge that meets the requirements of Class AB sewage sludge may be classified a Class A sewage sludge if a variance request is submitted in writing that is supported by substantial documentation demonstrating equivalent methods for reducing odors and written approval is granted by the executive director. The executive director may deny the variance request or revoke that approved variance if it is determined that the variance may potentially endanger human health or the environment, or create nuisance odor conditions.

d. Three alternatives are available to demonstrate compliance with Class B criteria for sewage sludge.

Alternative 1

i. A minimum of seven random samples of the sewage sludge shall be collected within 48 hours of the time the sewage sludge is used or disposed of during each monitoring episode for the sewage sludge.

ii. The geometric mean of the density of fecal coliform in the samples collected shall be less than either 2,000,000 MPN per gram of total solids (dry weight basis) or 2,000,000 Colony Forming Units per gram of total solids (dry weight basis).

Alternative 2 - Sewage sludge that is used or disposed of shall be treated in one of the Processes to Significantly Reduce Pathogens (PSRP) described in 40 CFR Part 503, Appendix B, so long as all of the following requirements are met by the generator of the sewage sludge.

i. Prior to use or disposal, all the sewage sludge must have been generated from a single location, except as provided in paragraph v. below;

ii. An independent Texas Licensed Professional Engineer must make a certification to the generator of a sewage sludge that the wastewater treatment facility generating the sewage sludge is designed to achieve one of the PSRP at the permitted design loading of the facility. The certification need only be repeated if the design loading of the facility is increased. The certification shall include a statement indicating the design meets all the applicable standards specified in Appendix B of 40 CFR Part 503;

iii. Prior to any off-site transportation or on-site use or disposal of any sewage sludge generated at a wastewater treatment facility, the chief certified operator of the wastewater treatment facility or other responsible official who manages the processes to significantly reduce pathogens at the wastewater treatment facility for the permittee, shall certify that the sewage sludge underwent at least the minimum operational requirements necessary in order to meet one of the PSRP. The acceptable processes and the minimum operational and record keeping requirements shall be in accordance with established U.S. Environmental Protection Agency final guidance;

iv. All certification records and operational records describing how the requirements of this paragraph were met shall be kept by the generator for a minimum of three years and be available for inspection by commission staff for review; and

v. If the sewage sludge is generated from a mixture of sources, resulting from a person who prepares sewage sludge from more than one wastewater treatment facility, the resulting derived product shall meet one of the PSRP, and shall meet the certification, operation, and record keeping requirements of this paragraph.

Alternative 3 - Sewage sludge shall be treated in an equivalent process that has been approved by the U.S. Environmental Protection Agency, so long as all of the following requirements are met by the generator of the sewage sludge.

i. Prior to use or disposal, all the sewage sludge must have been generated from a single location, except as provided in paragraph v. below;

ii. Prior to any off-site transportation or on-site use or disposal of any sewage sludge generated at a wastewater treatment facility, the chief certified operator of the wastewater treatment facility or other responsible official who manages the processes to significantly reduce pathogens at the wastewater treatment facility for the permittee, shall certify that the sewage sludge underwent at least the minimum operational requirements necessary in order to meet one of the PSRP. The acceptable processes and the minimum operational and record keeping requirements shall be in accordance with established U.S. Environmental Protection Agency final guidance;

iii. All certification records and operational records describing how the requirements of this paragraph were met shall be kept by the generator for a minimum of three years and be available for inspection by commission staff for review;

iv. The Executive Director will accept from the U.S. Environmental Protection Agency a finding of equivalency to the defined PSRP; and

v. If the sewage sludge is generated from a mixture of sources resulting from a person who prepares sewage sludge from more than one wastewater treatment facility, the resulting derived product shall meet one of the Processes to Significantly Reduce Pathogens, and shall meet the certification, operation, and record keeping requirements of this paragraph.

In addition, the following site restrictions must be met if Class B sludge is land applied:

i. Food crops with harvested parts that touch the sewage sludge/soil mixture and are totally above the land surface shall not be harvested for 14 months after application of sewage sludge.

ii. Food crops with harvested parts below the surface of the land shall not be harvested for 20 months after application of sewage sludge when the sewage sludge remains on the land surface for 4 months or longer prior to incorporation into the soil.

iii. Food crops with harvested parts below the surface of the land shall not be harvested for 38 months after application of sewage sludge when the sewage sludge remains on the land surface for less than 4 months prior to incorporation into the soil.

iv. Food crops, feed crops, and fiber crops shall not be harvested for 30 days after application of sewage sludge.

v. Animals shall not be allowed to graze on the land for 30 days after application of sewage sludge.

vi. Turf grown on land where sewage sludge is applied shall not be harvested for 1 year after application of the sewage sludge when the harvested turf is placed on either land with a high potential for public exposure or a lawn.

vii. Public access to land with a high potential for public exposure shall be restricted for 1 year after application of sewage sludge.

viii. Public access to land with a low potential for public exposure shall be restricted for 30 days after application of sewage sludge.

ix. Land application of sludge shall be in accordance with the buffer zone requirements found in 30 TAC § 312.44.

4. Vector Attraction Reduction Requirements

All bulk sewage sludge that is applied to agricultural land, forest, a public contact site, or a reclamation site shall be treated by one of the following Alternatives 1 through 10 for vector attraction reduction.

Alternative 1 - The mass of volatile solids in the sewage sludge shall be reduced by a minimum of 38%.

Alternative 2 - If Alternative 1 cannot be met for an anaerobically digested sludge, demonstration can be made by digesting a portion of the previously digested sludge anaerobically in the laboratory in a bench-scale unit for 40 additional days at a temperature between 30° and 37° Celsius. Volatile solids must be reduced by less than 17% to demonstrate compliance.

Alternative 3 - If Alternative 1 cannot be met for an aerobically digested sludge, demonstration can be made by digesting a portion of the previously digested sludge with percent solids of two percent or less aerobically in the laboratory in a bench-scale unit for 30 additional days at 20° Celsius. Volatile solids must be reduced by less than 15% to demonstrate compliance.

Alternative 4 - The specific oxygen uptake rate (SOUR) for sewage sludge treated in an aerobic process shall be equal to or less than 1.5 milligrams of oxygen per hour per gram of total solids (dry weight basis) at a temperature of 20° Celsius.

Alternative 5 - Sewage sludge shall be treated in an aerobic process for 14 days or longer. During that time, the temperature of the sewage sludge shall be higher than 40° Celsius and the average temperature of the sewage sludge shall be higher than 45° Celsius.

Alternative 6 - The pH of sewage sludge shall be raised to 12 or higher by alkali addition and, without the addition of more alkali shall remain at 12 or higher for two hours and then remain at a pH of 11.5 or higher for an additional 22 hours at the time the sewage sludge is prepared for sale or given away in a bag or other container.

Alternative 7 - The percent solids of sewage sludge that does not contain unstabilized solids generated in a primary wastewater treatment process shall be equal to or greater than 75% based on the moisture content and total solids prior to mixing with other materials. Unstabilized solids are defined as organic materials in sewage sludge that have not been treated in either an aerobic or anaerobic treatment process.

Alternative 8 - The percent solids of sewage sludge that contains unstabilized solids generated in a primary wastewater treatment process shall be equal to or greater than 90% based on the moisture content and total solids prior to mixing with other materials at the time the sludge is used. Unstabilized solids are defined as organic materials in sewage sludge that have not been treated in either an aerobic or anaerobic treatment process.

Alternative 9 -

i. Sewage sludge shall be injected below the surface of the land.

ii. No significant amount of the sewage sludge shall be present on the land surface within one hour after the sewage sludge is injected.

iii. When sewage sludge that is injected below the surface of the land is Class A or Class AB with respect to pathogens, the sewage sludge shall be injected below the land surface within eight hours after being discharged from the pathogen treatment process.

Alternative 10-

i. Sewage sludge applied to the land surface or placed on a surface disposal site shall be incorporated into the soil within six hours after application to or placement on the land.

ii. When sewage sludge that is incorporated into the soil is Class A or Class AB with respect to pathogens, the sewage sludge shall be applied to or placed on the land within eight hours after being discharged from the pathogen treatment process.

C. Monitoring Requirements

Toxicity Characteristic Leaching Procedure (TCLP) Test	- once during the term of this permit
PCBs	- once during the term of this permit

All metal constituents and fecal coliform or *Salmonella* sp. bacteria shall be monitored at the appropriate frequency shown below, pursuant to 30 TAC § 312.46(a)(1):

Amount of sewage sludge (*) metric tons per 365-day period	Monitoring Frequency
0 to less than 290	Once/Year
290 to less than 1,500	Once/Quarter
1,500 to less than 15,000	Once/Two Months
15,000 or greater	Once/Month

(*) *The amount of bulk sewage sludge applied to the land (dry wt. basis).*

Representative samples of sewage sludge shall be collected and analyzed in accordance with the methods referenced in 30 TAC § 312.7.

Identify each of the analytic methods used by the facility to analyze enteric viruses, fecal coliforms, helminth ova, *Salmonella* sp., and other regulated parameters.

Identify in the following categories (as applicable) the sewage sludge treatment process or processes at the facility: preliminary operations (e.g., sludge grinding and degritting), thickening (concentration), stabilization, anaerobic digestion, aerobic digestion, composting, conditioning, disinfection (e.g., beta ray irradiation, gamma ray irradiation, pasteurization), dewatering (e.g., centrifugation, sludge drying beds, sludge lagoons), heat drying, thermal reduction, and methane or biogas capture and recovery.

Identify the nature of material generated by the facility (such as a biosolid for beneficial use or land-farming, or sewage sludge for disposal at a monofill) and whether the material is ultimately conveyed off-site in bulk or in bags.

SECTION II. REQUIREMENTS SPECIFIC TO BULK SEWAGE SLUDGE FOR APPLICATION TO THE LAND MEETING CLASS A, CLASS AB or B PATHOGEN REDUCTION AND THE CUMULATIVE LOADING RATES IN TABLE 2, OR CLASS B PATHOGEN REDUCTION AND THE POLLUTANT CONCENTRATIONS IN TABLE 3

For those permittees meeting Class A, Class AB or B pathogen reduction requirements and that meet the cumulative loading rates in Table 2 below, or the Class B pathogen reduction requirements and contain concentrations of pollutants below listed in Table 3, the following conditions apply:

A. Pollutant Limits

Table 2

Pollutant	Cumulative Pollutant Loading Rate (pounds per acre)*
Arsenic	36
Cadmium	35
Chromium	2677
Copper	1339
Lead	268
Mercury	15
Molybdenum	Report Only
Nickel	375
Selenium	89
Zinc	2500

Table 3

Pollutant	Monthly Average Concentration (milligrams per kilogram)*
Arsenic	41
Cadmium	39
Chromium	1200
Copper	1500
Lead	300
Mercury	17
Molybdenum	Report Only
Nickel	420
Selenium	36
Zinc	2800

*Dry weight basis

B. Pathogen Control

All bulk sewage sludge that is applied to agricultural land, forest, a public contact site, a reclamation site, shall be treated by either Class A, Class AB or Class B pathogen reduction requirements as defined above in Section I.B.3.

C. Management Practices

1. Bulk sewage sludge shall not be applied to agricultural land, forest, a public contact site, or a reclamation site that is flooded, frozen, or snow-covered so that the bulk sewage sludge enters a wetland or other waters in the State.

2. Bulk sewage sludge not meeting Class A requirements shall be land applied in a manner which complies with Applicability in accordance with 30 TAC § 312.41 and the Management Requirements in accordance with 30 TAC § 312.44.

3. Bulk sewage sludge shall be applied at or below the agronomic rate of the cover crop.

4. An information sheet shall be provided to the person who receives bulk sewage sludge sold or given away. The information sheet shall contain the following information:

   a. The name and address of the person who prepared the sewage sludge that is sold or given away in a bag or other container for application to the land.

   b. A statement that application of the sewage sludge to the land is prohibited except in accordance with the instruction on the label or information sheet.

   c. The annual whole sludge application rate for the sewage sludge application rate for the sewage sludge that does not cause any of the cumulative pollutant loading rates in Table 2 above to be exceeded, unless the pollutant concentrations in Table 3 found in Section II above are met.

D. Notification Requirements

1. If bulk sewage sludge is applied to land in a State other than Texas, written notice shall be provided prior to the initial land application to the permitting authority for the State in which the bulk sewage sludge is proposed to be applied. The notice shall include:

   a. The location, by street address, and specific latitude and longitude, of each land application site.

   b. The approximate time period bulk sewage sludge will be applied to the site.

   c. The name, address, telephone number, and National Pollutant Discharge Elimination System permit number (if appropriate) for the person who will apply the bulk sewage sludge.

2. The permittee shall give 180 days prior notice to the Executive Director in care of the Wastewater Permitting Section (MC 148) of the Water Quality Division of any change planned in the sewage sludge disposal practice.

E. Record keeping Requirements

The sludge documents will be retained at the facility site and/or shall be readily available for review by a TCEQ representative. The person who prepares bulk sewage sludge or a sewage sludge material shall develop the following information and shall retain the information at

the facility site and/or shall be readily available for review by a TCEQ representative for a period of five years. If the permittee supplies the sludge to another person who land applies the sludge, the permittee shall notify the land applier of the requirements for record keeping found in 30 TAC § 312.47 for persons who land apply.

1. The concentration (mg/kg) in the sludge of each pollutant listed in Table 3 above and the applicable pollutant concentration criteria (mg/kg), or the applicable cumulative pollutant loading rate and the applicable cumulative pollutant loading rate limit (lbs/ac) listed in Table 2 above.

2. A description of how the pathogen reduction requirements are met (including site restrictions for Class AB and Class B sludge, if applicable).

3. A description of how the vector attraction reduction requirements are met.

4. A description of how the management practices listed above in Section II.C are being met.

5. The following certification statement:

   "I certify, under penalty of law, that the applicable pathogen requirements in 30 TAC § 312.82(a) or (b) and the vector attraction reduction requirements in 30 TAC § 312.83(b) have been met for each site on which bulk sewage sludge is applied. This determination has been made under my direction and supervision in accordance with the system designed to ensure that qualified personnel properly gather and evaluate the information used to determine that the management practices have been met. I am aware that there are significant penalties for false certification including fine and imprisonment."

6. The recommended agronomic loading rate from the references listed in Section II.C.3. above, as well as the actual agronomic loading rate shall be retained. The person who applies bulk sewage sludge or a sewage sludge material shall develop the following information and shall retain the information at the facility site and/or shall be readily available for review by a TCEQ representative indefinitely. If the permittee supplies the sludge to another person who land applies the sludge, the permittee shall notify the land applier of the requirements for record keeping found in 30 TAC § 312.47 for persons who land apply:

   a. A certification statement that all applicable requirements (specifically listed) have been met, and that the permittee understands that there are significant penalties for false certification including fine and imprisonment. See 30 TAC § 312.47(a)(4)(A)(ii) or 30 TAC § 312.47(a)(5)(A)(ii), as applicable, and to the permittee's specific sludge treatment activities.

   b. The location, by street address, and specific latitude and longitude, of each site on which sludge is applied.

   c. The number of acres in each site on which bulk sludge is applied.

   d. The date and time sludge is applied to each site.

e. The cumulative amount of each pollutant in pounds/acre listed in Table 2 applied to each site.

f. The total amount of sludge applied to each site in dry tons.

The above records shall be maintained on-site on a monthly basis and shall be made available to the Texas Commission on Environmental Quality upon request.

F. Reporting Requirements

The permittee shall report annually to the TCEQ Regional Office (MC Region 7) and Compliance Monitoring Team (MC 224) of the Enforcement Division, by September 30th of each year the following information. Effective December 21, 2020, the permittee must submit this annual report using the online electronic reporting system available through the TCEQ website unless the permittee requests and obtains an electronic reporting waiver.

1. Identify in the following categories (as applicable) the sewage sludge treatment process or processes at the facility: preliminary operations (e.g., sludge grinding and degritting), thickening (concentration), stabilization, anaerobic digestion, aerobic digestion, composting, conditioning, disinfection (e.g., beta ray irradiation, gamma ray irradiation, pasteurization), dewatering (e.g., centrifugation, sludge drying beds, sludge lagoons), heat drying, thermal reduction, and methane or biogas capture and recovery.

2. Identify the nature of material generated by the facility (such as a biosolid for beneficial use or land-farming, or sewage sludge for disposal at a monofill) and whether the material is ultimately conveyed off-site in bulk or in bags.

3. Results of tests performed for pollutants found in either Table 2 or 3 as appropriate for the permittee's land application practices.

4. The frequency of monitoring listed in Section I.C. that applies to the permittee.

5. Toxicity Characteristic Leaching Procedure (TCLP) results.

6. PCB concentration in sludge in mg/kg.

7. Identity of hauler(s) and TCEQ transporter number.

8. Date(s) of transport.

9. Texas Commission on Environmental Quality registration number, if applicable.

10. Amount of sludge disposal dry weight (lbs/acre) at each disposal site.

11. The concentration (mg/kg) in the sludge of each pollutant listed in Table 1 (defined as a monthly average) as well as the applicable pollutant concentration criteria (mg/kg) listed in Table 3 above, or the applicable pollutant loading rate limit (lbs/acre) listed in Table 2 above if it exceeds 90% of the limit.

12. Level of pathogen reduction achieved (Class A, Class AB or Class B).

13. Alternative used as listed in Section I.B.3.(a. or b.). Alternatives describe how the pathogen reduction requirements are met. If Class B sludge, include information on how site restrictions were met.

14. Identify each of the analytic methods used by the facility to analyze enteric viruses, fecal coliforms, helminth ova, *Salmonella* sp., and other regulated parameters.

15. Vector attraction reduction alternative used as listed in Section I.B.4.

16. Amount of sludge transported in dry tons/year.

17. The certification statement listed in either 30 TAC § 312.47(a)(4)(A)(ii) or 30 TAC § 312.47(a)(5)(A)(ii) as applicable to the permittee's sludge treatment activities, shall be attached to the annual reporting form.

18. When the amount of any pollutant applied to the land exceeds 90% of the cumulative pollutant loading rate for that pollutant, as described in Table 2, the permittee shall report the following information as an attachment to the annual reporting form.

    a. The location, by street address, and specific latitude and longitude.

    b. The number of acres in each site on which bulk sewage sludge is applied.

    c. The date and time bulk sewage sludge is applied to each site.

    d. The cumulative amount of each pollutant (i.e., pounds/acre) listed in Table 2 in the bulk sewage sludge applied to each site.

    e. The amount of sewage sludge (i.e., dry tons) applied to each site.

    The above records shall be maintained on a monthly basis and shall be made available to the Texas Commission on Environmental Quality upon request.

SECTION III. REQUIREMENTS APPLYING TO ALL SEWAGE SLUDGE DISPOSED IN A MUNICIPAL SOLID WASTE LANDFILL

A. The permittee shall handle and dispose of sewage sludge in accordance with 30 TAC § 330 and all other applicable state and federal regulations to protect public health and the environment from any reasonably anticipated adverse effects due to any toxic pollutants that may be present. The permittee shall ensure that the sewage sludge meets the requirements in 30 TAC § 330 concerning the quality of the sludge disposed in a municipal solid waste landfill.

B. If the permittee generates sewage sludge and supplies that sewage sludge to the owner or operator of a municipal solid waste landfill (MSWLF) for disposal, the permittee shall provide to the owner or operator of the MSWLF appropriate information needed to be in compliance with the provisions of this permit.

C. The permittee shall give 180 days prior notice to the Executive Director in care of the Wastewater Permitting Section (MC 148) of the Water Quality Division of any change planned in the sewage sludge disposal practice.

D. Sewage sludge shall be tested once during the term of this permit in accordance with the method specified in both 40 CFR Part 261, Appendix II and 40 CFR Part 268, Appendix I (Toxicity Characteristic Leaching Procedure) or other method, which receives the prior approval of the TCEQ for contaminants listed in Table 1 of 40 CFR § 261.24. Sewage sludge failing this test shall be managed according to RCRA standards for generators of hazardous waste, and the waste's disposition must be in accordance with all applicable requirements for hazardous waste processing, storage, or disposal.

   Following failure of any TCLP test, the management or disposal of sewage sludge at a facility other than an authorized hazardous waste processing, storage, or disposal facility shall be prohibited until such time as the permittee can demonstrate the sewage sludge no longer exhibits the hazardous waste toxicity characteristics (as demonstrated by the results of the TCLP tests). A written report shall be provided to both the TCEQ Registration and Reporting Section (MC 129) of the Permitting and Remediation Support Division and the Regional Director (MC Region 7) of the appropriate TCEQ field office within 7 days after failing the TCLP Test.

   The report shall contain test results, certification that unauthorized waste management has stopped and a summary of alternative disposal plans that comply with RCRA standards for the management of hazardous waste. The report shall be addressed to: Director, Registration, Review, and Reporting Division (MC 129), Texas Commission on Environmental Quality, P. O. Box 13087, Austin, Texas 78711-3087. In addition, the permittee shall prepare an annual report on the results of all sludge toxicity testing. This annual report shall be submitted to the TCEQ Regional Office (MC Region 7) and the Compliance Monitoring Team (MC 224) of the Enforcement Division by September 30 of each year.

E. Sewage sludge shall be tested as needed, in accordance with the requirements of 30 TAC Chapter 330.

F. Record keeping Requirements

   The permittee shall develop the following information and shall retain the information for five years.

1. The description (including procedures followed and the results) of all liquid Paint Filter Tests performed.

2. The description (including procedures followed and results) of all TCLP tests performed.

The above records shall be maintained on-site on a monthly basis and shall be made available to the Texas Commission on Environmental Quality upon request.

G. Reporting Requirements

The permittee shall report annually to the TCEQ Regional Office (MC Region 7) and Compliance Monitoring Team (MC 224) of the Enforcement Division by September 30th of each year the following information. Effective December 21, 2020, the permittee must submit this annual report using the online electronic reporting system available through the TCEQ website unless the permittee requests and obtains an electronic reporting waiver.

1. Identify in the following categories (as applicable) the sewage sludge treatment process or processes at the facility: preliminary operations (e.g., sludge grinding and degritting), thickening (concentration), stabilization, anaerobic digestion, aerobic digestion, composting, conditioning, disinfection (e.g., beta ray irradiation, gamma ray irradiation, pasteurization), dewatering (e.g., centrifugation, sludge drying beds, sludge lagoons), heat drying, thermal reduction, and methane or biogas capture and recovery.

2. Toxicity Characteristic Leaching Procedure (TCLP) results.

3. Annual sludge production in dry tons/year.

4. Amount of sludge disposed in a municipal solid waste landfill in dry tons/year.

5. Amount of sludge transported interstate in dry tons/year.

6. A certification that the sewage sludge meets the requirements of 30 TAC § 330 concerning the quality of the sludge disposed in a municipal solid waste landfill.

7. Identity of hauler(s) and transporter registration number.

8. Owner of disposal site(s).

9. Location of disposal site(s).

10. Date(s) of disposal.

The above records shall be maintained on-site on a monthly basis and shall be made available to the Texas Commission on Environmental Quality upon request.

SECTION IV. REQUIREMENTS APPLYING TO SLUDGE TRANSPORTED TO ANOTHER FACILITY FOR FURTHER PROCESSING

These provisions apply to sludge that is transported to another wastewater treatment facility or facility that further processes sludge. These provisions are intended to allow transport of sludge to facilities that have been authorized to accept sludge. These provisions do not limit the ability of the receiving facility to determine whether to accept the sludge, nor do they limit the ability of the receiving facility to request additional testing or documentation.

A. General Requirements

1. The permittee shall handle and dispose of sewage sludge in accordance with 30 TAC Chapter 312 and all other applicable state and federal regulations in a manner that protects public health and the environment from any reasonably anticipated adverse effects due to any toxic pollutants that may be present in the sludge.

2. Sludge may only be transported using a registered transporter or using an approved pipeline.

B. Record Keeping Requirements

1. For sludge transported by an approved pipeline, the permittee must maintain records of the following:

   a. the amount of sludge transported;

   b. the date of transport;

   c. the name and TCEQ permit number of the receiving facility or facilities;

   d. the location of the receiving facility or facilities;

   e. the name and TCEQ permit number of the facility that generated the waste; and

   f. copy of the written agreement between the permittee and the receiving facility to accept sludge.

2. For sludge transported by a registered transporter, the permittee must maintain records of the completed trip tickets in accordance with 30 TAC § 312.145(a)(1)-(7) and amount of sludge transported.

3. The above records shall be maintained on-site on a monthly basis and shall be made available to the TCEQ upon request. These records shall be retained for at least five years.

C. Reporting Requirements

The permittee shall report the following information annually to the TCEQ Regional Office (MC Region 7) and Compliance Monitoring Team (MC 224) of the Enforcement Division, by September 30th of each year. Effective December 21, 2020, the permittee must submit this annual report using the online electronic reporting system available through the TCEQ website unless the permittee requests and obtains an electronic reporting waiver.

1. Identify in the following categories (as applicable) the sewage sludge treatment process or processes at the facility: preliminary operations (e.g., sludge grinding and degritting), thickening (concentration), stabilization, anaerobic digestion, aerobic digestion, composting, conditioning, disinfection (e.g., beta ray irradiation, gamma ray irradiation, pasteurization), dewatering (e.g., centrifugation, sludge drying beds, sludge lagoons), heat drying, thermal reduction, and methane or biogas capture and recovery.

2. the annual sludge production;

3. the amount of sludge transported;

4. the owner of each receiving facility;

5. the location of each receiving facility; and

6. the date(s) of disposal at each receiving facility.

OTHER REQUIREMENTS

1. The permittee shall employ or contract with one or more licensed wastewater treatment facility operators or wastewater system operations companies holding a valid license or registration according to the requirements of 30 TAC Chapter 30, Occupational Licenses and Registrations, and in particular 30 TAC Chapter 30, Subchapter J, Wastewater Operators and Operations Companies.

   This Category C facility must be operated by a chief operator or an operator holding a Category C license or higher. The facility must be operated a minimum of five days per week by the licensed chief operator or an operator holding the required level of license or higher. The licensed chief operator or operator holding the required level of license or higher must be available by telephone or pager seven days per week. Where shift operation of the wastewater treatment facility is necessary, each shift that does not have the on-site supervision of the licensed chief operator must be supervised by an operator in charge who is licensed not less than one level below the category for the facility.

2. The facility is not located in the Coastal Management Program boundary.

3. The permittee shall comply with the requirements of 30 TAC § 309.13(a) through (d). In addition, by ownership of the required buffer zone area, the permittee shall comply with the requirements of 30 TAC § 309.13(e).

4. The permittee shall provide facilities for the protection of its wastewater treatment facility from a 100-year flood.

5. In accordance with 30 TAC § 319.9, a permittee that has at least twelve months of uninterrupted compliance with its bacteria limit may notify the commission in writing of its compliance and request a less frequent measurement schedule. To request a less frequent schedule, the permittee shall submit a written request to the TCEQ Wastewater Permitting Section (MC 148) for each phase that includes a different monitoring frequency. The request must contain all of the reported bacteria values (Daily Avg. and Daily Max/Single Grab) for the twelve consecutive months immediately prior to the request. If the Executive Director finds that a less frequent measurement schedule is protective of human health and the environment, the permittee may be given a less frequent measurement schedule. For this permit, 5/week may be reduced to 3/week in all phases. **A violation of any bacteria limit by a facility that has been granted a less frequent measurement schedule will require the permittee to return to the standard frequency schedule and submit written notice to the TCEQ Wastewater Permitting Section (MC 148).** The permittee may not apply for another reduction in measurement frequency for at least 24 months from the date of the last violation. The Executive Director may establish a more frequent measurement schedule if necessary to protect human health or the environment.

6. Prior to construction of the Interim I, Interim II, Interim III, and Final phase treatment facilities, the permittee shall submit to the TCEQ Wastewater Permitting Section (MC 148) a summary transmittal letter in accordance with the requirements in 30 TAC § 217.6(d). If requested by the Wastewater Permitting Section, the permittee shall submit plans and specifications and a final engineering design report which comply with 30 TAC Chapter 217, Design Criteria for Domestic Wastewater Systems. The permittee shall clearly show how the treatment system will meet the permitted effluent limitations required on Pages 2, 2a, 2b,

and 2c of this permit. A copy of the summary transmittal letter shall be available at the plant site for inspection by authorized representatives of the TCEQ.

7. Monitoring and reporting requirements according to 30 TAC §§ 319.1-319.11 and any additional effluent reporting requirements contained in this permit are suspended from the effective date of the permit until plant startup or discharge from the facility described by this permit, whichever occurs first. The permittee shall provide written notice to the TCEQ Regional Office (MC Region 7) and the Applications Review and Processing Team (MC 148) of the Water Quality Division at least forty-five days prior to plant startup or anticipated discharge, whichever occurs first, and prior to completion of each additional phase on Notification of Completion Form 20007.

Appendix D:

2020 GWC/PWC Texas Water Development Board Water Use Survey

Date/Time Survey Submitted: 3/1/2021 1:33:13 AM

TEXAS WATER DEVELOPMENT BOARD
WATER USE SURVEY

WATER USE IN CALENDAR YEAR: 2020

SYSTEM NAME: GREENWOOD WATER CORPORATION
SURVEY NUMBER:
OPERATOR NAME:
PRIMARY USED COUNT
MULTIPLE SURVEY ORG:
PRIMARY USED RIVER B
MAILING ADDRESS 1: 2409 S. County Road 1110
ORGANIZATION MAIN P
MAILING ADDRESS 2:
MAIN EMAIL:
CITY/STATE/ZIP: Midalnd TX 79706-
WEB:
PWS NAME: GREENWOOD WATER SYSTEM
PWS CODE:

INTAKE:

Water Type	County	Basin	Aquifer	Well Name (if applicable)	Metered or Estimated	Brackish / Saline (Y or N)	% Treate to Int
GROUND WATER SELF SUPPLIED	MIDLAND	COLORADO	OGALLALA AQUIFER	6 - SE OF 5	M	Y	100.

JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTO
1,218,500	2,646,000	2,718,600	4,643,872	7,255,900	7,807,000	6,291,660	11,122,444	7,429,162	4,

COUNTY CONNECTIONS:

COUNTY NAME	TOTAL CONNECTIONS
MIDLAND	306

CONNECTIONS & USAGE:

	CONNECTIONS	VOLUME (GALLONS)
TOTAL METERED RETAIL:	306	59,228,490
Residential - Single Family	299	58,726,761
Residential - Multi Family	0	0
Institutional	0	0
Commercial	7	501,729
Industrial	0	0
Agriculture	0	0
Reuse	0	0
TOTAL UNMETERED:	0	0

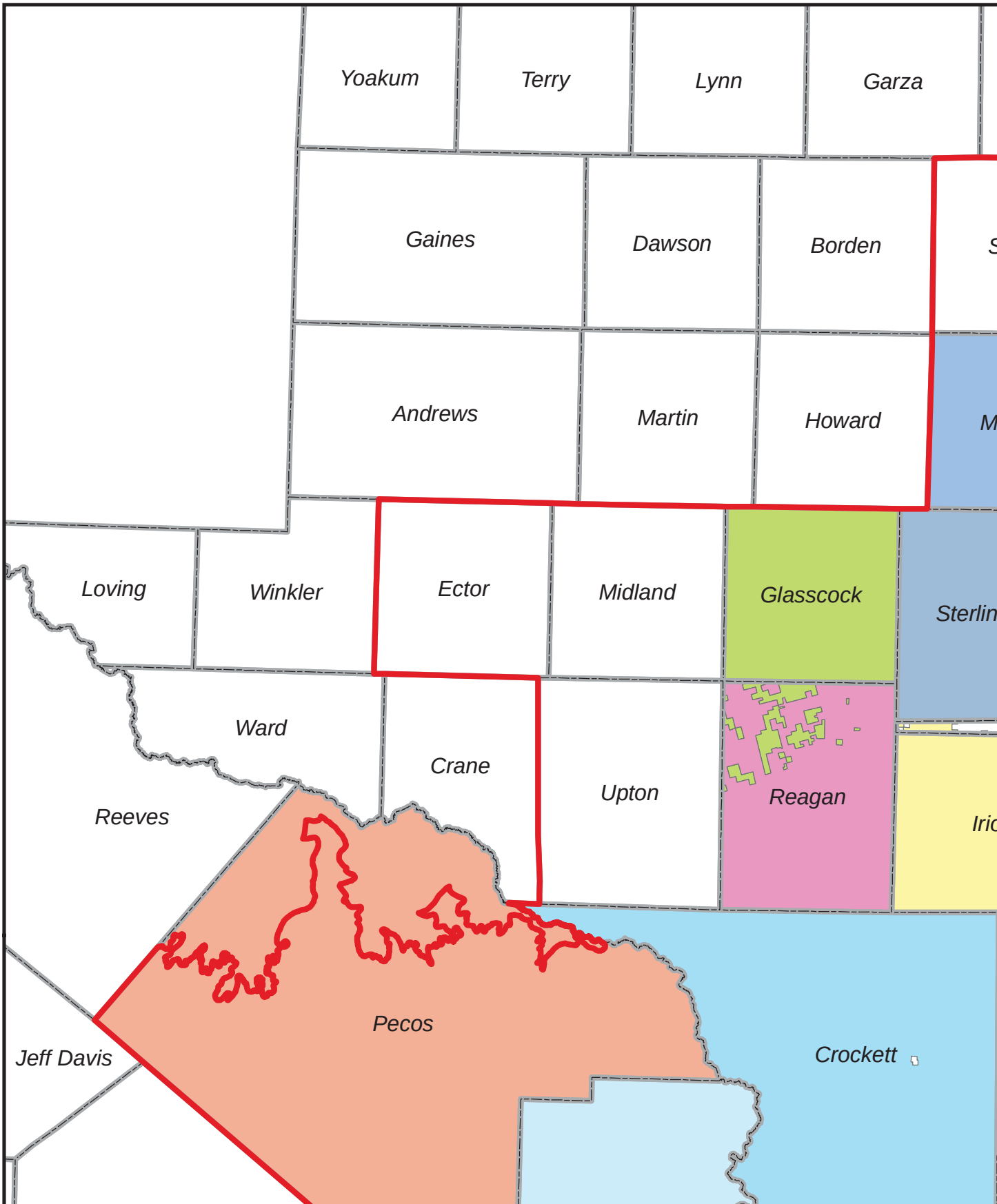
WATER SYSTEM INFORMATION:

Estimated full-time residential population served directly by this system	918

Appendix E:

Groundwater Districts of Texas

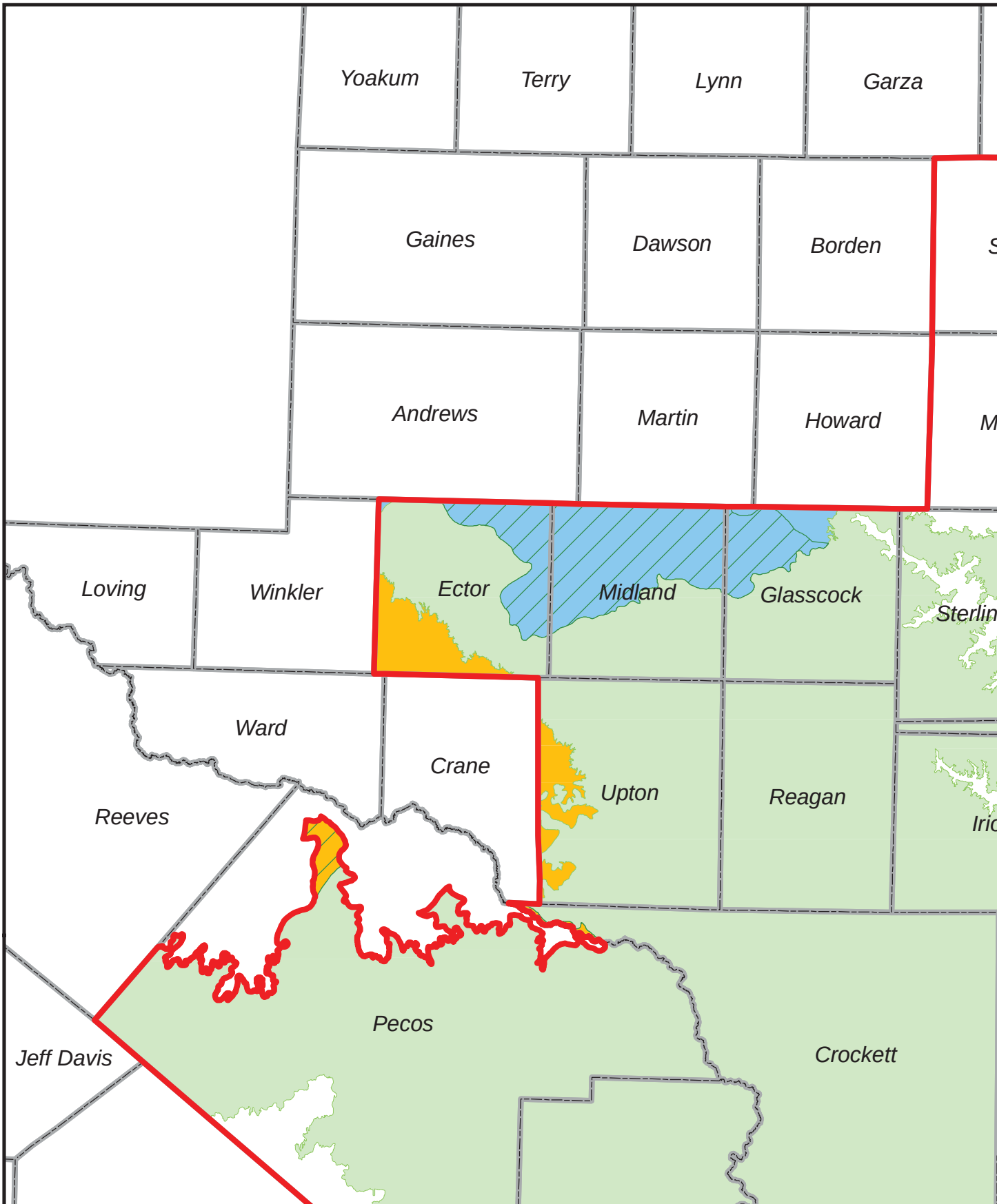
Ground


Yoakum
Terry
Lynn
Garza
Gaines
Dawson
Borden
Andrews
Martin
Howard
Loving
Winkler
Ector
Midland
Glasscock
Ward
Crane
Upton
Reagan
Reeves
Pecos
Jeff Davis
Crockett

Appendix F:

Major Aquifers of Texas

Ground


Yoakum
Terry
Lynn
Garza
Gaines
Dawson
Borden
Andrews
Martin
Howard
Loving
Winkler
Ector
Midland
Glasscock
Ward
Crane
Upton
Reagan
Reeves
Pecos
Crockett
Jeff Davis

Appendix G:

Southwest Ground-Water Consultants Preliminary Groundwater Resource Study

December 28, 2014

December 28, 2014

Mr. Stephen Noel, R.G.
Southwest Ground-water Consultants, Inc. Project No. 2893
3033 North 44th Street, Suite 120
Phoenix, AZ 85018

Subject: **Groundwater Resource Study**
Greenwood, Midland County, Texas

Dear Mr. Noel:

Rosengarten, Smith & Associates, (RSA) is pleased to present this Groundwater Resource Study for the above-referenced subject Site. Services were conducted in conformance with September 25, 2014 proposal including regional and site-specific data pertaining to the quality and quantity of groundwater available near the study area.

A summary report was prepared and includes information on hydrogeologic setting, geologic cross sections, geochemical parameter maps, well yields and driller interviews to aid your client in preparation for developing groundwater supply.

I appreciate this opportunity to be of service. If you have any questions, or if I can be of further service, please contact me by phone at (512) 610-7119 or email at i.moede@rsa-env.com.

Sincerely,
RSA, INC.

Ian H. Moede, PG #10,846

Enclosures

Rosengarten, Smith & Associates, Inc.
Technical Environmental Management

P.O. Box 162545
Austin, Texas 78716-2545

Office: (512) 707-1777
Fax: (512) 707-0501

Groundwater Resource Study

Greenwood Area

Midland, Midland County, Texas

Prepared For:

Southwest Ground-water Consultants, Inc.

3033 North 44th Street, Suite 120

Phoenix, Arizona 85018

Prepared By:

Rosengarten, Smith & Associates, Inc.

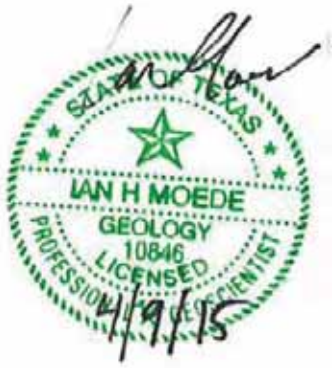
2222 Western Trails Blvd., Suite 300

Austin, TX 78745

Telephone: 512-707-1777

Fax: 512-707-0501

RSA Project No. 2893



December 28, 2014

Table of Contents

1.0 Introduction 1

1.1 Purpose 1

1.2 Study Area Description 1

2.0 Regulatory Oversight 3

2.1 Groundwater Conservation Districts 3

2.2 Groundwater Management Area 4

3.0 Hydrogeology 6

3.1 Surficial Geology 6

3.2 Aquifers 8

3.3 Ogallala Aquifer 9

3.4 Edwards-Trinity Plateau Aquifer 10

3.5 Cross Sections 10

4.0 Drought Conditions 14

4.1 Historical Groundwater Elevation 15

4.2 Historical Saturated Thickness Maps 20

4.2.1 Base of Aquifer (2004) 21

4.2.2 Depth to Water (2008) 23

4.2.3 Saturated Thickness (1990) 25

4.2.4 Saturated Thickness (2008) 27

4.2.5 Saturated Thickness Change (1990-2008) 29

4.2.6 Saturated Thickness Change (2004-2008) 31

4.2.7 Estimable Usable Lifetime 33

4.2.8 Water Level Change (1950-2007) 35

5.0 Groundwater Production and Yield 37

6.0 Groundwater Geochemical Characteristics 39

6.1.1 Arsenic 39

6.1.2 Nitrate 41

6.1.3 Total Dissolved Solids 42

7.0 2011 Region F State Water Plan 45

8.0 Public Water Supplies in Study Area 46

8.1 Greenwood Water Company PWS 46

8.2 Greenwood Independent School District PWS 46

9.0 Local Water Well Driller Interviews 48

10.0 Summary and Recommendations 50

11.0 References 51

Figures

Figure 1 - Study Area Map 2

Figure 2 - Groundwater Conservation Districts of Texas (Texas Natural Resouces Information System) 3

Figure 3 - Groundwater Management Areas of Texas (Texas Natural Resouces Information System) 4

Figure 4 - (Reagan, Upton and Midland County Priority Management Area Draft Report, September 2014) 5

Figure 5 - Surficial Geology Map 7

Figure 6 - Study Area Aquifers (BEG, 2005) 8

Figure 7 - Generalized Cross Section (TWDB Report 380) 9

Figure 8 - Edwards Trinity Aquifer Boundaries (TWDB Report 380) 10

Figure 9 - Cross Section A-A' 12

Figure 10 - Cross Section B-B' 13

Figure 11 - Annual Precipitation in Midland Area 14

Figure 12 - TWDB Well 2825604 Location Map 15

Figure 13 - Statistical Analysis of Well # 2825604 15

Figure 14 – Locatin Map of Charted Wells 16

Figure 15 - Hydrograph for Well # 2857901 17

Figure 16 - Hydrograph for Well # 2857801 17

Figure 17 - Hydrograph for Well # 4401102 18

Figure 18 - Hydrograph for Well #4401103 18

Figure 19 - Hydrograph for Well # 2858402 19
Figure 20 - Base of Aquifer, 2004 (TTUCGT, 2014) 21
Figure 21 - Depth to Water, 2008 (TTUCGT, 2014) 23
Figure 22 - Saturated Thickness, 1990 (TTUCGT, 2014) 25
Figure 23 - Saturated Thickness, 2008 (TTUCGT, 2014) 27
Figure 24 - Saturated Thickness Change , 1990-2008 (TTUCGT, 2014) 29
Figure 25 - Saturated Thickness Change, 2004-2008 (TTUCGT, 2014) 31
Figure 26 - Estimable Usable Lifetime (TTUCGT, 2014) 33
Figure 27 - Water Level Change, 1950-2007 (TTUCGT, 2014 35
Figure 28 - Statewide Map of Arsenic Concentrations (TWDB Report 380) 39
Figure 29 - Regional Arsenic Distribution (BEG, 2005) 40
Figure 30 - Statewide Nitrate Distribution in Groundwater (TWDB Report 380) 41
Figure 31 - TDS Distribution in the Ogallala (Schriver and Hopkins, 1998) 43
Figure 32 - Recommended Water Management Strategies for Region F (TWDB Region F Water Plan, 2011) 45

1.0 Introduction

Rosengarten, Smith & Associates, Inc. (RSA) has been tasked with providing a Groundwater Resource Study (GRS) for Mr. Stephen Noel, R.G. of Southwest Ground-water Consultant (SGC) of Phoenix, Arizona. The study area includes six tracts of land east of Midland, Texas in an unincorporated community referred to as Greenwood.

1.1 Purpose

The purpose of this GRS is to evaluate the ability of the groundwater resources in the study area to support new subdivision developments proposed by SGC's client. The ability to support these developments will be determined by the production capabilities and water quality of the groundwater bearing units in the study area.

1.2 Study Area Description

The study area is located approximately 20 miles northeast of Midland, Midland County, Texas. Midland is located in the Permian basin of West Texas. The study area is composed of all the area contained within a one-mile radius from the boundary of each of the six proposed development properties.

The study area is composed of six tracts of land noted as follows:

1. Chaney Ranch,
2. King 261,
3. Rex 95,
4. Evans 160,
5. Browder 22, and
6. Midland 40.

The study area has a wide variety of property use including oil/gas wells, agriculture, schools and single family residences.

The study area also contains two Public Water Supplies (PWSs): Greenwood Water Corporation (GWC) and the Greenwood Independent School District (GISD).

N

Rosengarten, Smith & Associates, Inc.

FIGURE 1

STUDY AREA MAP

DRAWN BY:	KAM	PROJECT NO.	2893
CHECKED BY:	IHM	DATE:	10/31/14

2.0 Regulatory Oversight

2.1 Groundwater Conservation Districts

Groundwater Conservation Districts (GCDs) are local governing districts created under the authority of Texas Water Code Chapter 36. GCDs are tasked with the management of groundwater supplies by creating Groundwater Management Plans (GMPs) and using various legal means to control and manage groundwater resources. Of particular interest to those wishing to develop groundwater resources, a GCD has the regulatory authority to regulate the production of wells (Texas Water Code §36.116). GCDs may choose not to exercise this power and instead promote conservation and education.

No GCDs covering the study area were in existence at the time that this report was finalized. Martin County (north, Permian Basin UWCD), Glasscock County (east, Glasscock GCD) and Reagan County (southeast, Santa Rita UWCD) all had GCDs.

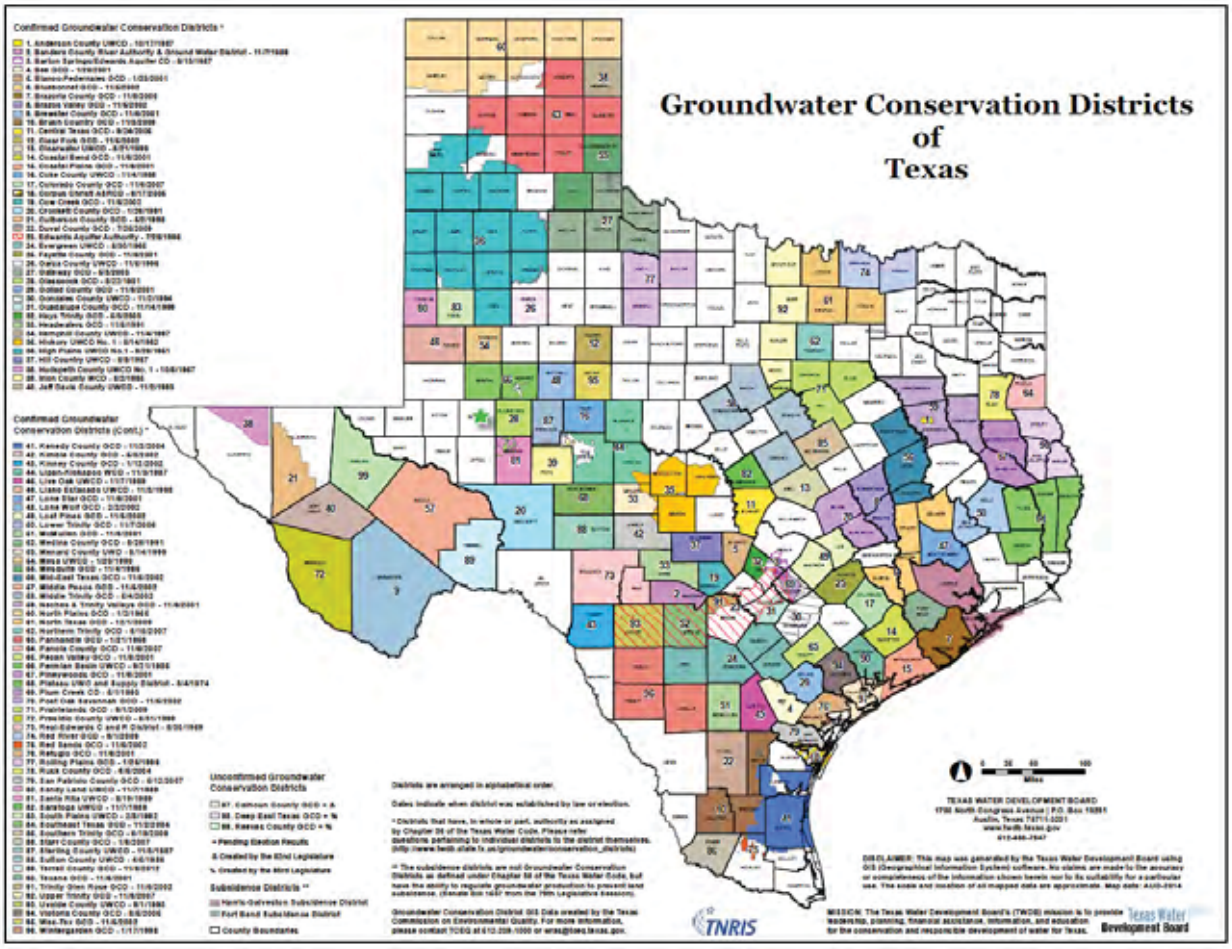


Figure 2 - Groundwater Conservation Districts of Texas (Texas Natural Resouces Information System)

2.2 Groundwater Management Area

A groundwater management area (GMA) is a geographical area which is suitable for groundwater resource management (Texas Water Code §35.001- §35.020). GMAs primary duty is to designate Priority Groundwater Management Areas (PGMAs) which are defined as "an area designated and delineated by the commission as an area that is experiencing or is expected to experience critical groundwater problems". The study area is included in GMA 7.

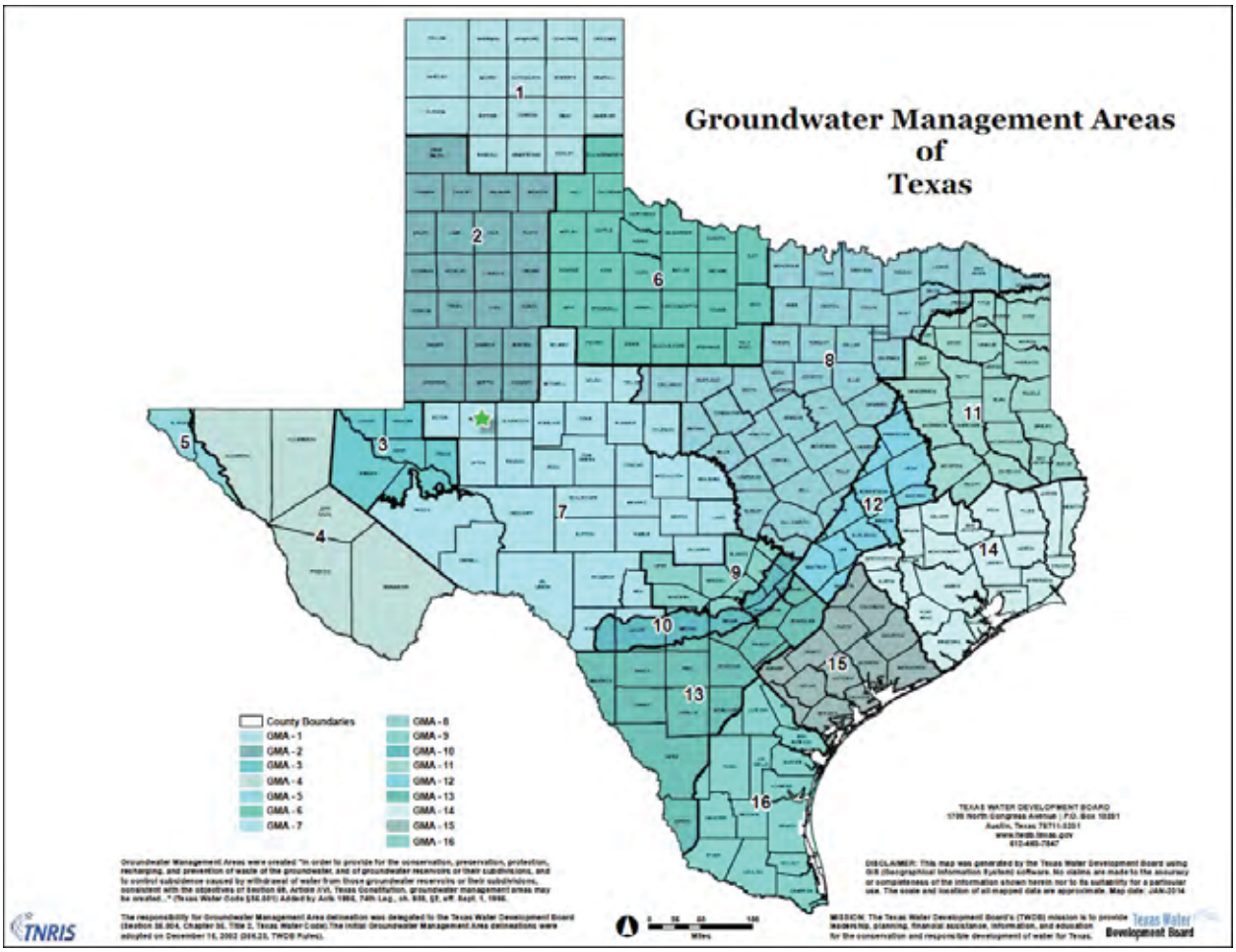


Figure 3 - Groundwater Management Areas of Texas (Texas Natural Resouces Information System)

A PGMA south of the study area was proposed by the TCEQ in September 2014. A GCD would be created for the proposed "Reagan, Upton and Midland County PGMA" if it was not assimilated into adjacent GCDs (Glasscock County and/or Reagan County). The draft report for this PGMA is located at: http://www.tceq.state.tx.us/assets/public/permitting/watersupply/groundwater/pgma/Sept2014_reagan_upton_midland_pgma_draft_rpt.pdf

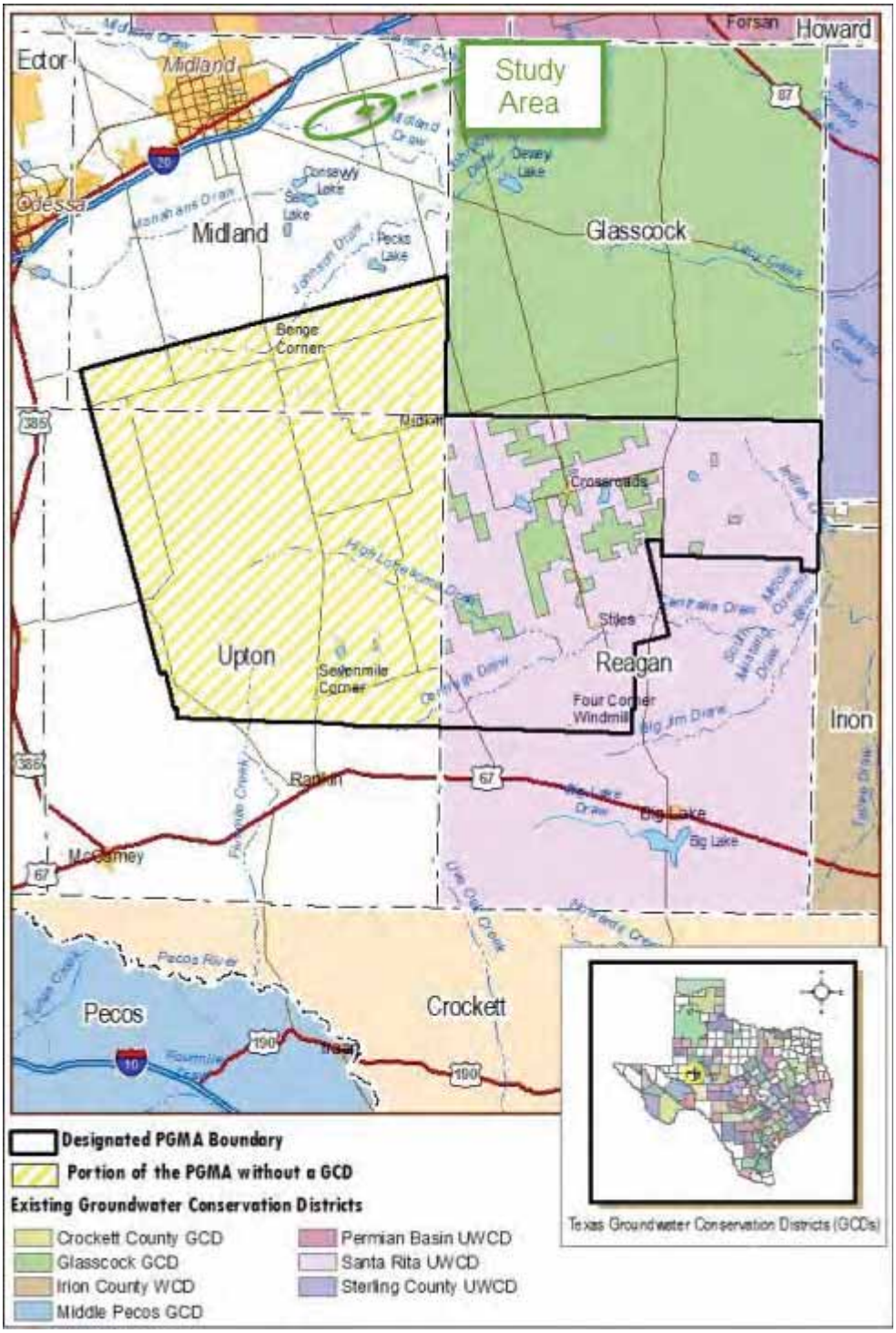


Figure 4 - (Reagan, Upton and Midland County Priority Management Area Draft Report, September 2014)

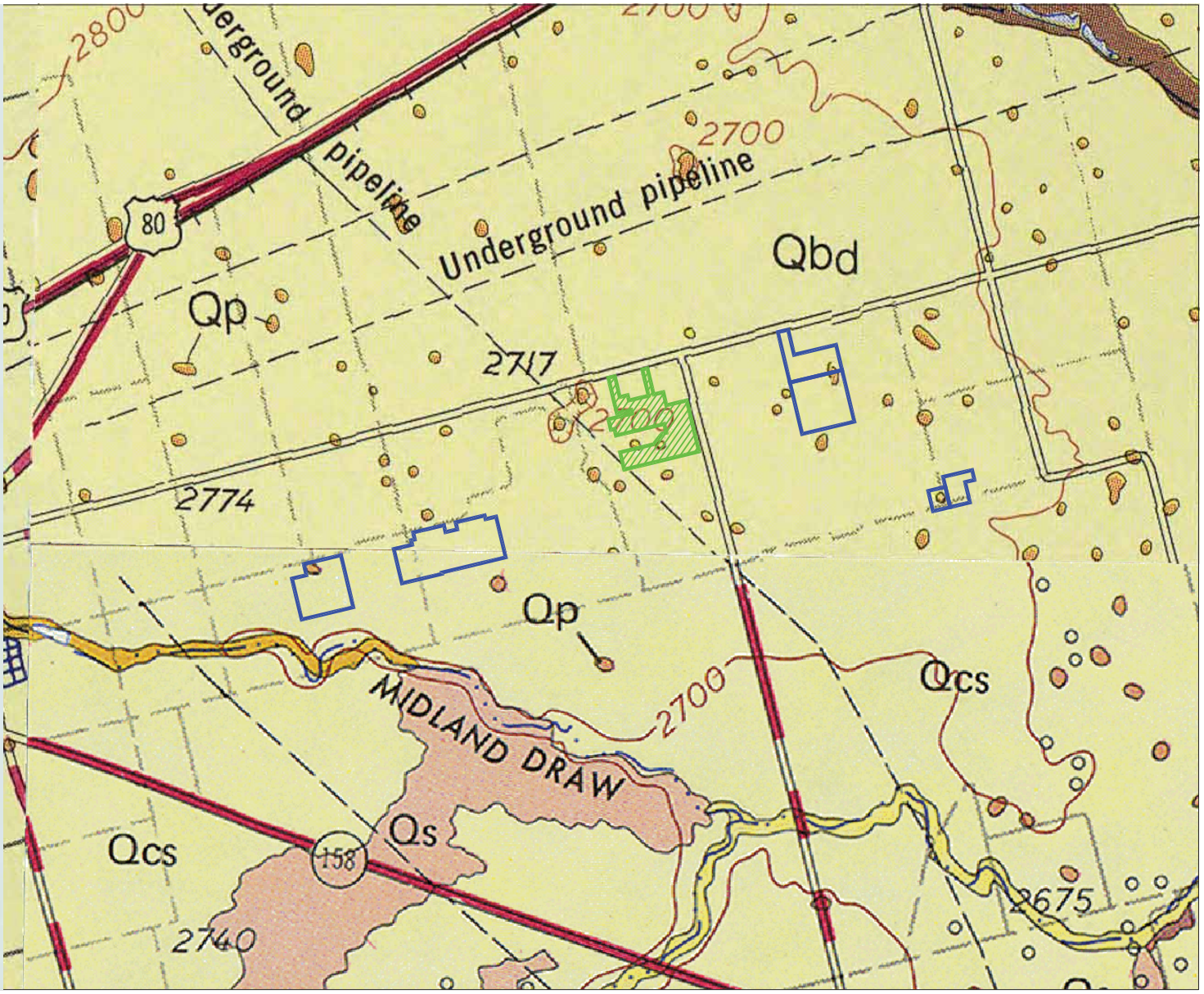
3.0 Hydrogeology

3.1 Surficial Geology

The surficial geology of the study area is comprised of two different formations notated at Qp (late Pleistocene Playa deposits) and Qbd (early Pleistocene Blackwater Draw Formation). A majority of the study area is Qbd with small, localized Qp deposits.

Qp - Playa Deposits are described as “Clay and silt, sandy, light to dark gray, in shallow depressions; usually covered by thin deposit of recent sediment (BEG, 1994).

Qbd - Blackwater Draw Formation is described as sand, fine to medium-grained quartz, silty, calcareous, caliche nodules, massive, grayish red; distinct soil profile; thickness 25 feet, feathers out locally (BEG, 1994).



LEGEND

ya deposits

in shallow depressions; those of Wisconsinan age
Recent sediment

er Draw Formation

quartz, silty, calcareous, caliche nodules,
soil profile; thickness 25 feet, feathers out
nclude younger deposits)

EXAS

PROPERTY BOUNDARY

GREENWOOD
WATER COPRORATION

N

0 4000 8000
SCALE IN FEET

RSA Rosengarten, Smith & Associates, Inc.

FIGURE 5
SURFICIAL GEOLOGY MAP

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CHECKED BY:	IHM	DATE:	10/24/14

3.2 Aquifers

Two aquifers are located in the study area, the Ogallala aquifer and the Edwards-Trinity Plateau aquifer. This GRS focuses primarily on the Ogallala aquifer as a result of reported higher groundwater production rates in the study area. The Ogallala aquifer overlies and interfingers with the Edwards-Trinity Plateau (ET-P) aquifer towards the southeast of the Ogallala and the northwest of the Edwards-Trinity Plateau. Areas where the two aquifers are hydraulically connected have historically been called the "High Plains aquifer", although there is debate about the vagueness of this terminology. Based off of cross section analysis, it appears that the study area is accurately represented by the High Plains aquifer terminology as a result of the appearance of the Chinle Formation red bed clay.

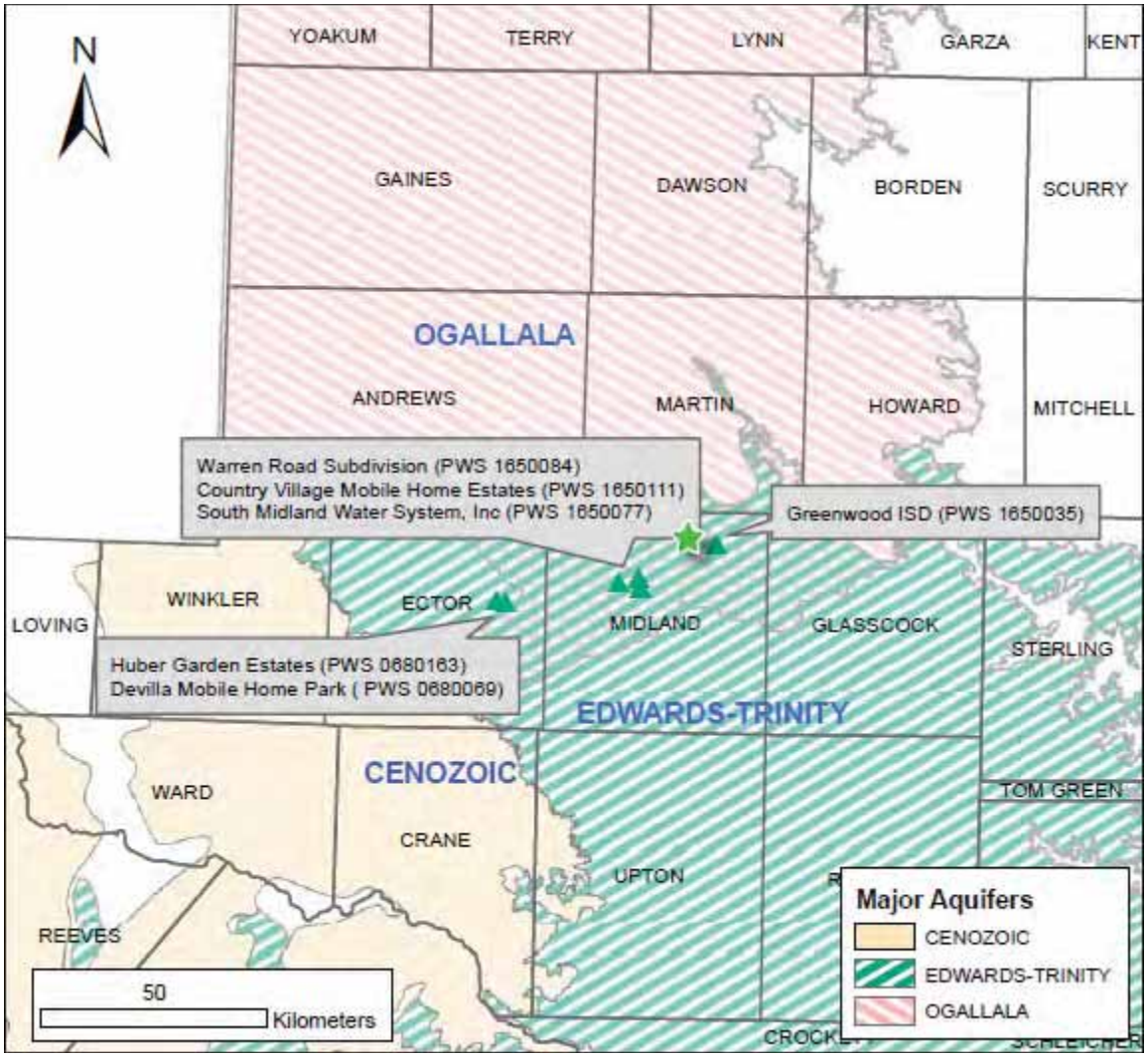
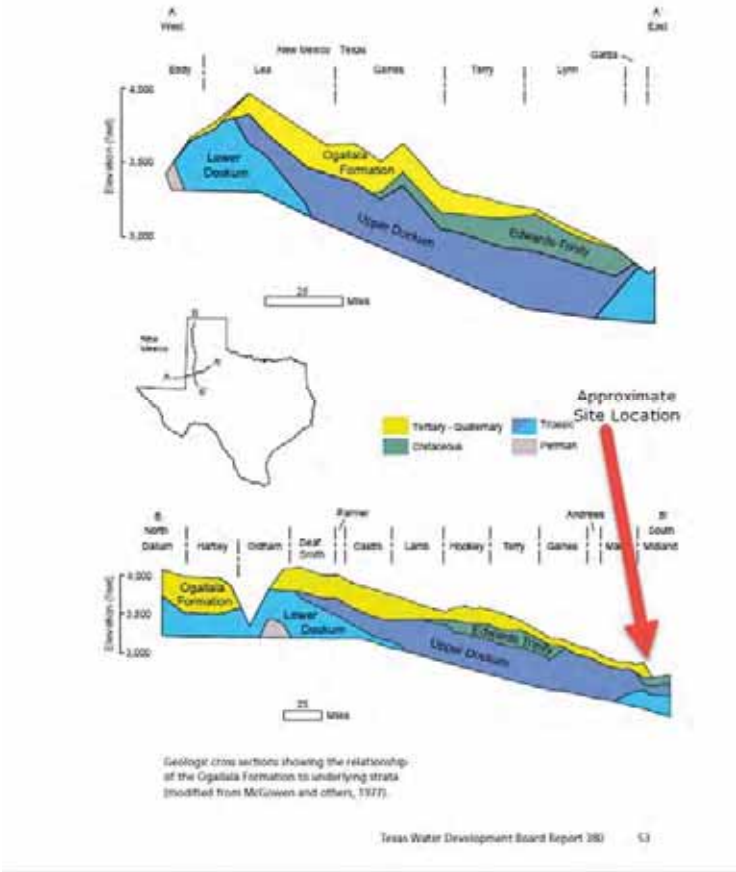


Figure 6 - Study Area Aquifers (BEG, 2005)

3.3 Ogallala Aquifer

The Ogallala is composed of fine grained fluvial deposits grading upward into thick sequences of fine grained eolian sands and clays. (TWDB, 1993). Approximate maximum thickness of the sediments are 900 feet (TWDB, 1984), although cross sections completed from TWDB driller logs of the study area range from 100-150 feet of sand consistent with the description of Ogallala sands. The Blackwater Draw Formation, which is present surficially in the study area, overlays the Ogallala.



Geologic cross sections showing the relationship of the Ogallala Formation to underlying strata (modified from McGowen and others, 1977).

Texas Water Development Board Report 380

Figure 7 - Generalized Cross Section (TWDB Report 380)

A resistant layer of caliche (or “caprock”) occurs at or near the top of the Ogallala. Caliche is a calcium carbonate accumulation resulting from soil-forming processes, precipitation from groundwater or a combination of both. This caliche is seen frequently on both cross sections generated for this report. A red clay or “red bed” is ubiquitous as the bottom terminal depth for all of the water well driller boring logs reviewed. These red beds are typically associated with Triassic age Chinle Formation sediments which lie stratigraphically beneath the Trinity Group Antlers Formation sands. Although the Antlers Formation lies below the Ogallala Formation stratigraphically, the Antlers sand is similar in appearance to Ogallala

sediments, and the two are often not easily distinguishable (TWDB, 2004)

3.4 Edwards-Trinity Plateau Aquifer

The Edwards-Trinity Plateau (ET-P) aquifer is typically located immediately stratigraphically below the Ogallala aquifer. The Edwards Group is hydraulically connected to the terrigenous clastic and carbonate sediments of the underlying Trinity Group. The Edwards-Trinity Group terminology was adopted for all permeable Cretaceous Rocks on the Edwards Plateau (USGS, 1994). The ET-P aquifer in the study consists of Antlers Formation sand which is composed of basal gravels overlain by fluvio-deltaic sands. The upper portion of the ET-P (primarily limestone) is largely omitted from the study area.

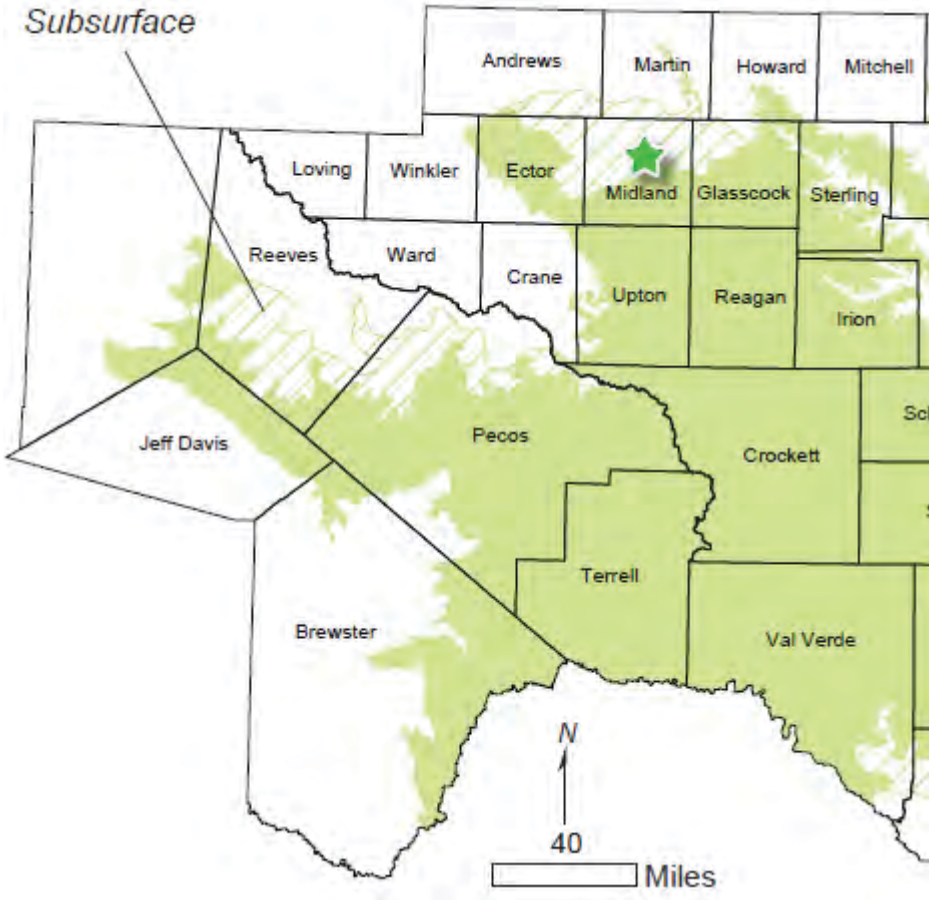


Figure 8 - Edwards Trinity Aquifer Boundaries (TWDB Report 380)

3.5 Cross Sections

Geological cross sections were generated from the TWDB Driller Submitted Boring Logs to show a two-dimensional picture of the strata and groundwater in the study area. Two cross sections (A-A' and B-B') were drawn from northwest to southeast through the western and eastern boundaries of the study area.

Cross-section location selection was a function of well density combined with applicability to study area.

Due to a wide variety of terminology used by drillers, direct correlation of geological strata is difficult and not reliable. RSA opted to correlate the tops and bottoms of the aquifer material in addition to groundwater elevation. Groundwater yield (shown above each well) and elevation data (shown on each well line) also has to be interpreted with caution. Groundwater elevations were not taken in the same season, or the same year. Water table aquifers are heavily influenced by precipitation and stark groundwater elevation changes (i.e., Well 270413 to Well 268606 in cross section B-B') are not likely to occur in real-time conditions.

Massive sands (in excess of 100 feet depth below ground surface) were common throughout both cross-sections. These unconsolidated sands varied in color and composition with depth. Sandstones were common in the mid sections of with increasing gravel at the deepest interval. Limestone was encountered in several of the boring logs, most notably in both of the southernmost wells in cross section A-A' and B-B'. This is consistent with a reappearance of Cretaceous age limestone which were eroded away in areas displaying the Triassic age (older) Chinle Formation "red bed".

NORTHWEST

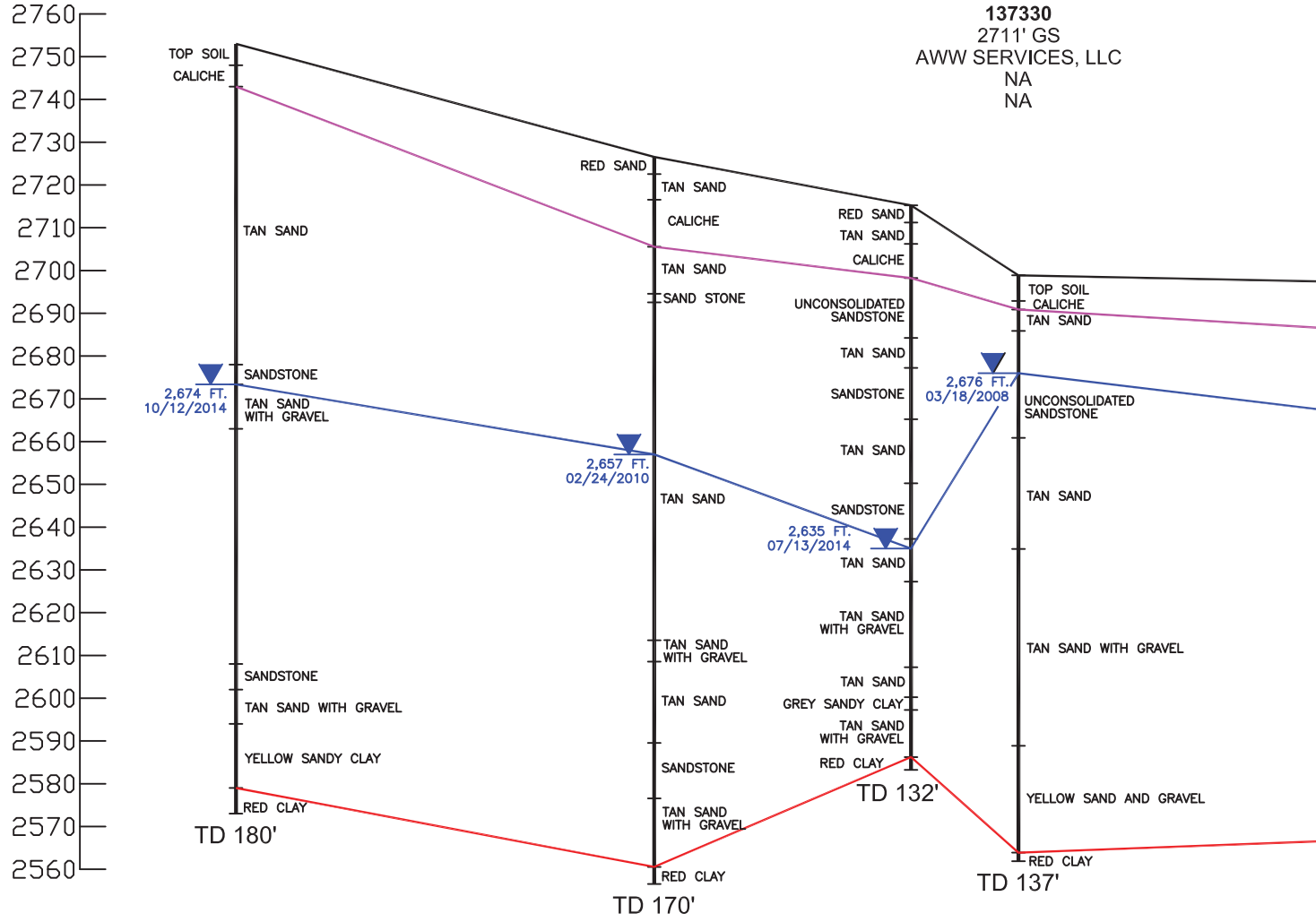
A

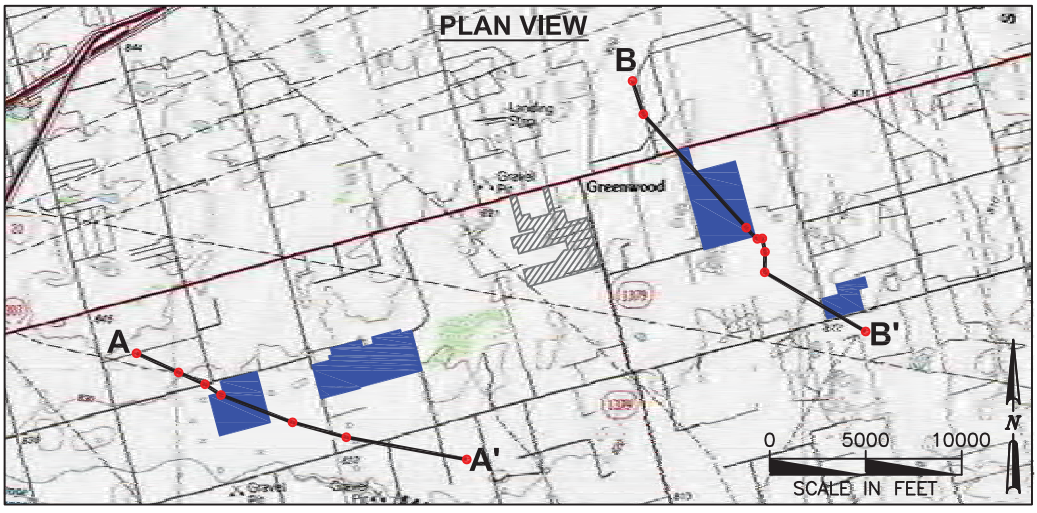
301436
2753' GS
AAW SERVICES, LLC
ESTIMATE
50 GPM

208916
2727' GS
AAW SERVICES, LLC
ESTIMATE
100 GPM

260491
2716' GS
AWW SERVICES, LLC
ESTIMATE
60+ GPM

137330
2711' GS
AWW SERVICES, LLC
NA
NA





WELL T

260491
2716' GS
AWW SERVICES, L
ESTIMATE
60+ GPM

NORTHWEST

B

341444
2699' GS
CASE DRILLING & PUMP SERVICES, LLC
ESTIMATE
15 GPM

204097
2712' GS
AAW SERVICES, LLC
NA
NA

309971
2704' GS
AAW SERVICES, LL
ESTIMATE
18 GPM

2720
2710
2700
2690
2680
2670
2660
2650
2640
2630
2620
2610
2600
2590
2580
2570
2560
2550
2540
2530
2520
2510
2500
2580

TOPSOIL
CALICHE
LIMESTONE
SAND/GRAVEL
RED CLAY

2,639 FT.
08/08/13

TD 102'

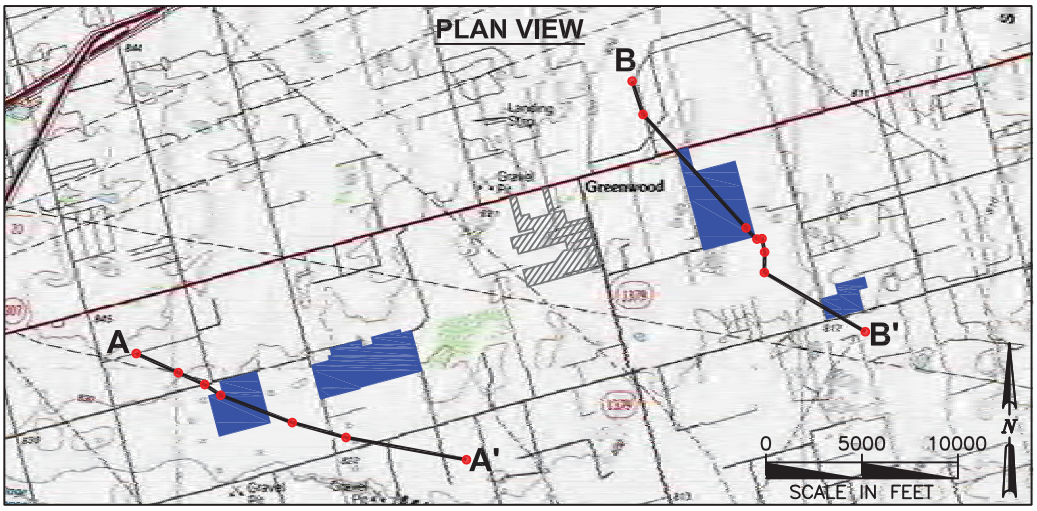
CLAY
CALICHE
TAN SAND
SANDSTONE
TAN SAND
SANDSTONE
TAN SAND

2,664 FT.
12/30/09

GRAVEL
SANDSTONE
GRAVEL
SANDSTONE
TAN SAND/GRAVEL
SANDSTONE
TAN SAND/GRAVEL
RED CLAY

TD 138'

SAND



LE

WELL TITLE

260491
2716' GS
AWW SERVICES, LLC
ESTIMATE
60+ GPM

4.0 Drought Conditions

The Midland area is climactically semi-arid and averages 14.6 inches of precipitation annually. Regular precipitation is critical to maintaining groundwater production in the study area. The Ogallala aquifer is an unconfined, or water table aquifer, which is almost entirely dependent on rainfall to recharge groundwater stores.

Annual rainfall data (http://www.srh.noaa.gov/maf/?n=cli_maf_records_averages) were tabulated and charted

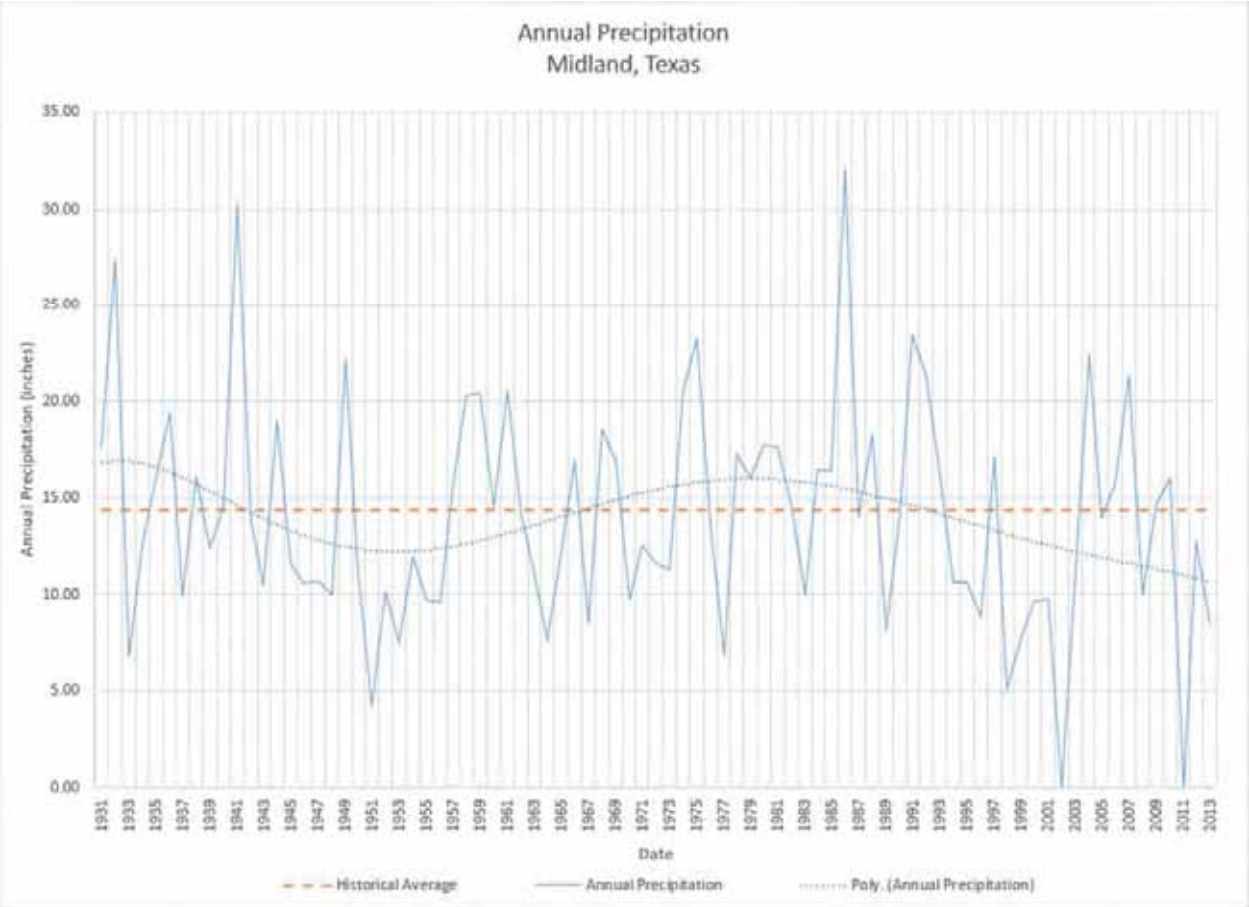


Figure 11 - Annual Precipitation in Midland Area

Several trends are apparent. Two long term, multi-decadal oscillations of approximately 50 years are shown (1935-1981 and 1953-current). Additionally, sub-decadal droughts are shown in the 1950-1957, 1998-2004 and 2011-current. In the past 20 years, 2 years have recorded zero precipitation (2002 and 2011).

4.1 Historical Groundwater Elevation

The Texas Water Development Board (TWDB) operates a real time groundwater well monitoring network throughout Texas to survey groundwater levels. Water level data were retrieved and basic statistical analysis was performed on Well # 2825604 (http://waterdatafortexas.org/groundwater/well/2825604). Well # 2825604 is located approximately 46 miles north of the study area in Dawson County. Wells in closer proximity to the study area were available for detailed analysis, but these wells were located south of the study area in a different aquifer.

Figure 12 - TWDB Well 2825604 Location Map

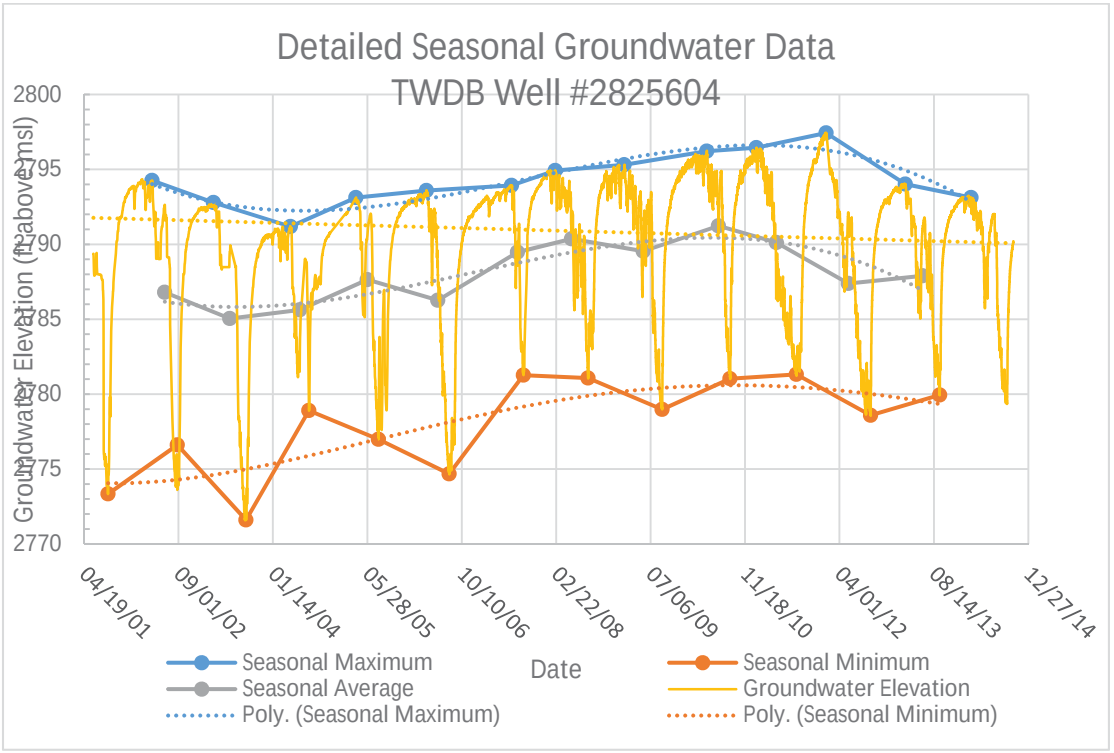


Figure 13 - Statistical Analysis of Well # 2825604

The chart shows clear seasonal fluctuations that occur on an annual basis. Seasonal lows occur from July

to September, while seasonal highs occur from February to April. An overall downward linear trend of groundwater elevation of approximately two feet is apparent in the thirteen year time period in which data has been regularly collected. Since the Ogallala aquifer is an unconfined, or water table aquifer, potentiometric surface is largely controlled by precipitation. No precipitation was reported in the Midland area in 2011. Consequently seasonal highs in 2013 and 2014 were approximately two feet lower than 2011. This also suggests that there may be a lag between lack of precipitation and impacted groundwater levels. The seasonal low for 2011 was lower than recent years and the 2012 and 2013 seasonal highs were several feet lower than prior years.

Due to the relatively large distance between TWDB Well # 2825604 and the study area, additional wells from the TWDB Groundwater Database were queried for historical groundwater elevations. Five wells located near the study area were selected and charted (http://mapserver.gis.ttu.edu/OgallalaOAP/).

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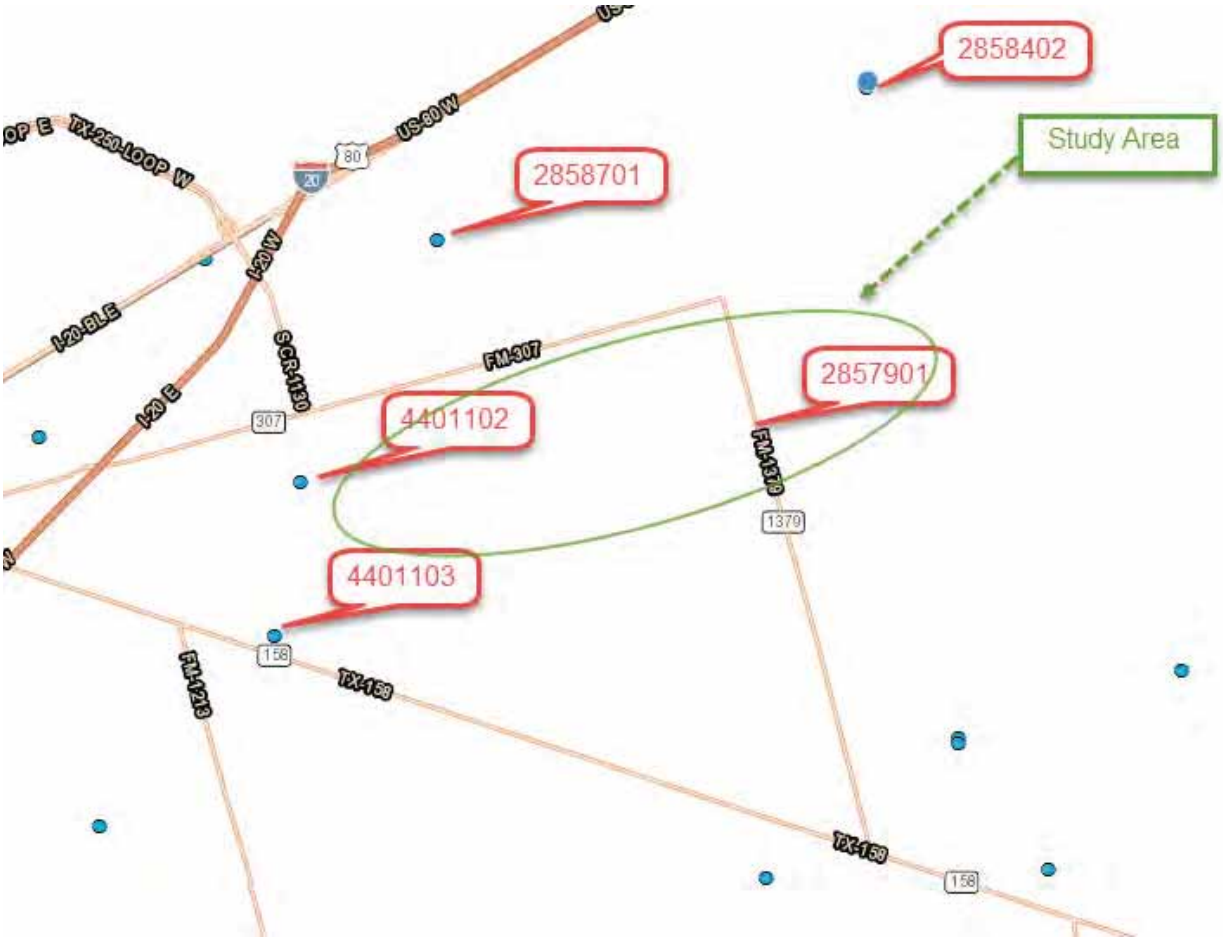


Figure 14 – Locatin Map of Charted Wells

Figure 15 - Hydrograph for Well # 2857901

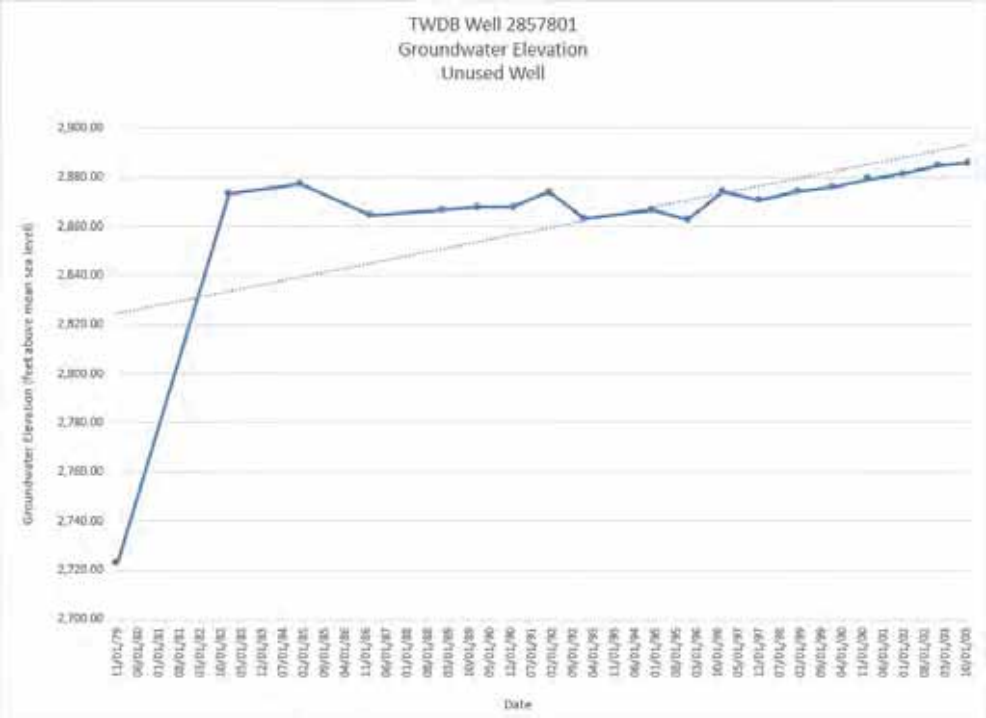


Figure 16 - Hydrograph for Well # 2857801

Figure 17 - Hydrograph for Well # 4401102

Figure 18 - Hydrograph for Well #4401103

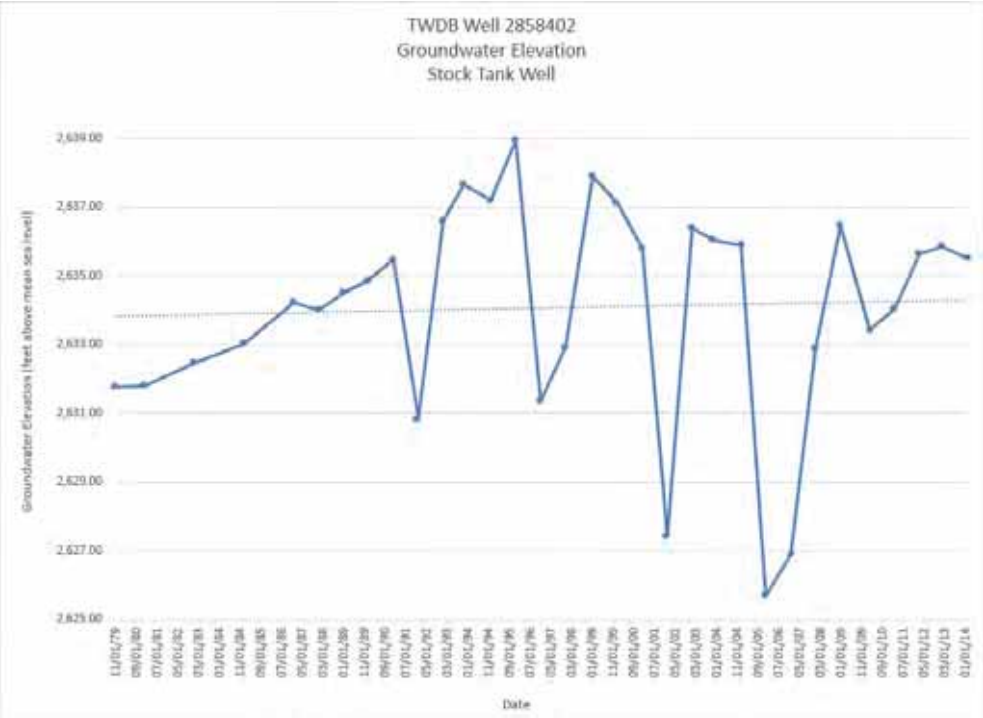


Figure 19 - Hydrograph for Well # 2858402

All of the surveyed wells showed an increase in groundwater elevation during the period in which measurements were recorded. However, only one of the wells in the dataset had data reported within the most recent calendar year (2014). It should be noted that the most recent drought conditions (2011-2013) will not be represented by four out of five of these example wells.

Well ID	Well Type	Beginning of Data Range	End of Data Range
2858402	Stock Tank Supply	January, 1979	January, 2014
4401103	Public Supply	December, 1955	May, 1955
4401102	Irrigation	December, 1955	June, 1994
2857801	Unused	November, 1979	October, 2003
2857901	Irrigation	December, 1963	December, 2006

4.2 Historical Saturated Thickness Maps

The Texas Tech University Center for Geospatial Technology (TTUCGT) developed a geographic information system (GIS) data reposity for Ogallala aquifer related data. All available map layers from the TTUCGT Ogallala interactive mapper (http://mapserver.gis.ttu.edu/OgallalaOAP/) were centered to the study area and isolated. They are provided below for individual discussion. It should be noted that the historic drought started after these data sets were completed (2008). Current conditions could be markedly different.

4.2.1 Base of Aquifer (2004)

Figure 20 - Base of Aquifer, 2004 (TTUCGT, 2014)

The study area shows a depression from that shows in increasing depth of the base of the aquifer from zero feet bgs to 150 feet bgs. An increase in aquifer thickness allows more potential storage area for groundwater.

4.2.2 Depth to Water (2008)

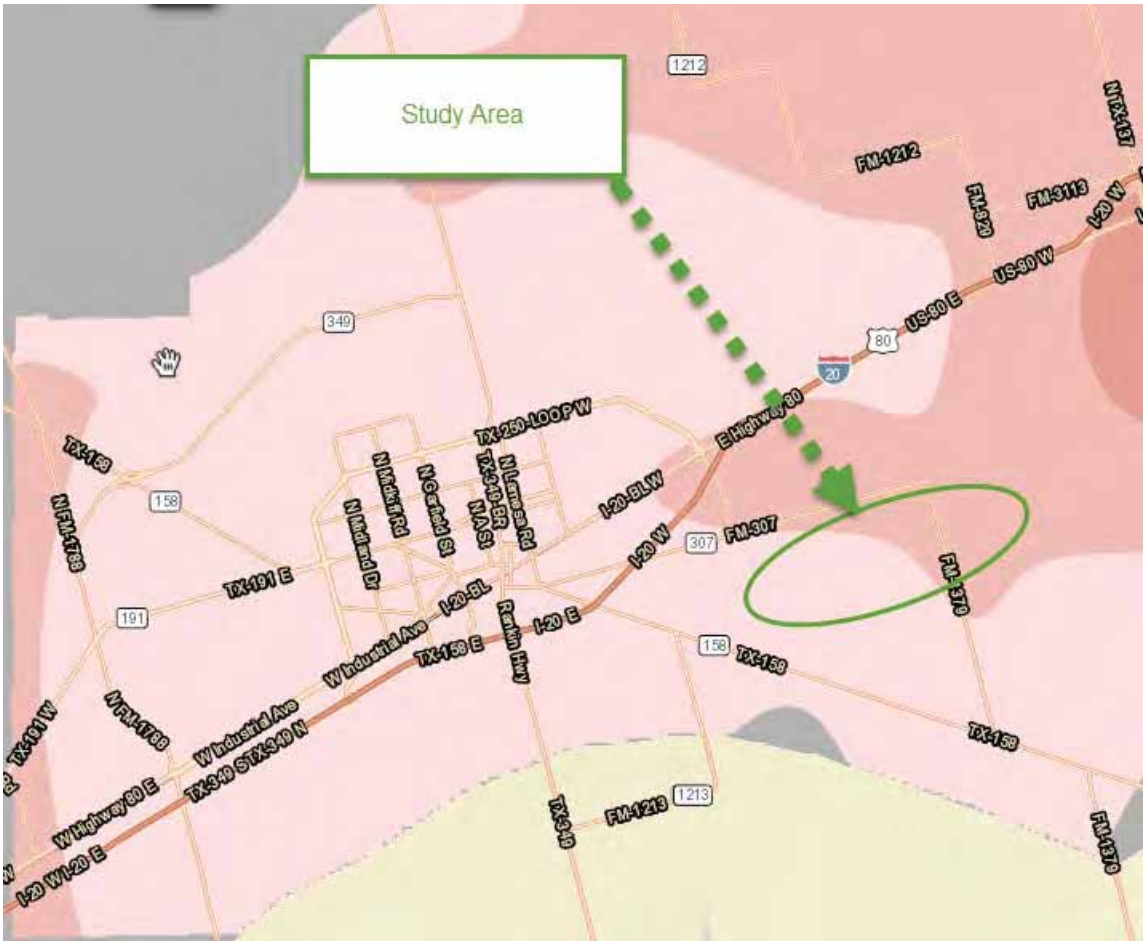


Figure 21 - Depth to Water, 2008 (TTUCGT, 2014)

Depth to water is the measurement from the top of the well casing to the water table. In the case of the Ogallala in the study area, depth to water is indicative of the groundwater level in the aquifer. The above map shows an increase in depth to water near the study area which abates towards the southwest.

4.2.3 Saturated Thickness (1990)

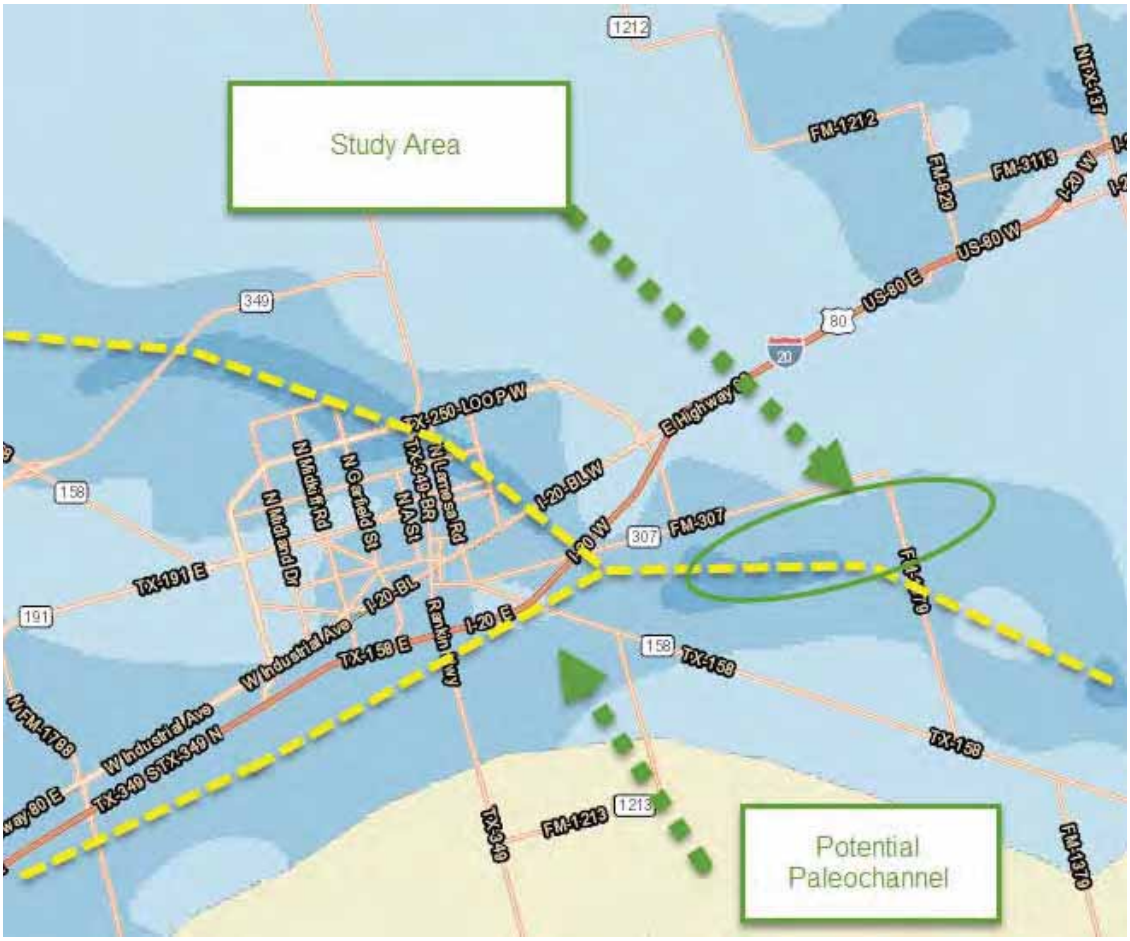
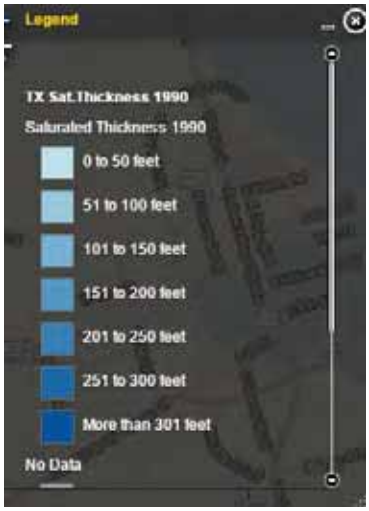


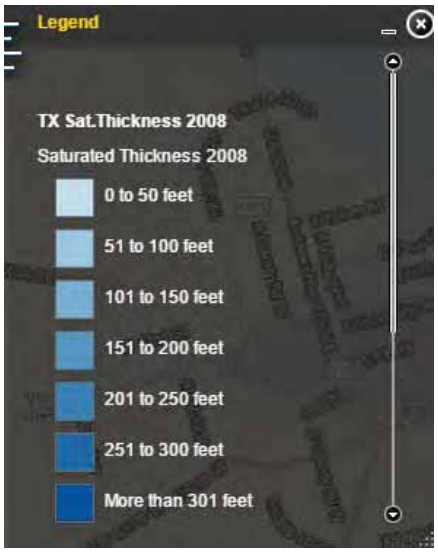
Figure 22 - Saturated Thickness, 1990 (TTUCGT, 2014)



Saturated thickness is a measurement of the vertical depth of sediments in which pore space is saturated with water. In an unconfined aquifer saturated thickness is a relatively close analogue to groundwater level. Saturated thickness in the study area during this time period conforms with depth to water readings in the 2008 Depth to Water figure. Increases in saturated thickness should lead to a decrease in depth to water. A paleochannel appears to traverse the study area from southwest to northeast. A paleochannel is a remnant of an inactive stream that has been filled with younger sediment. These sediments are generally more poorly cemented or lithified than units outside of the paleochannel which leads to an increase in porosity and permeability.

4.2.4 Saturated Thickness (2008)

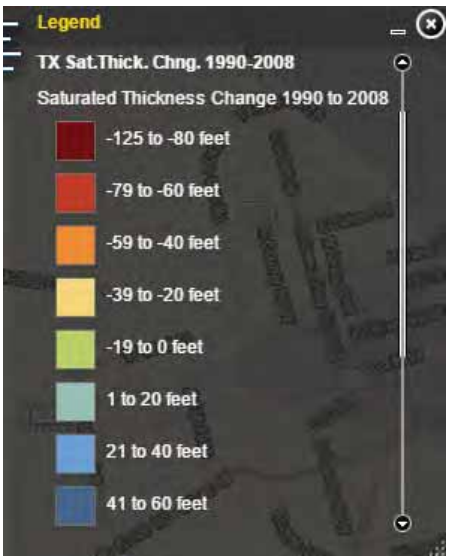
Figure 23 - Saturated Thickness, 2008 (TTUCGT, 2014)



Saturated thickness along the paleochannel which traverses the study area appears to have increased. Increase in saturated thickness would typically be caused by an increase in precipitation. Above average precipitation was received in the Midland area in 2004 and 2006, which could cause this increase.

4.2.5 Saturated Thickness Change (1990-2008)

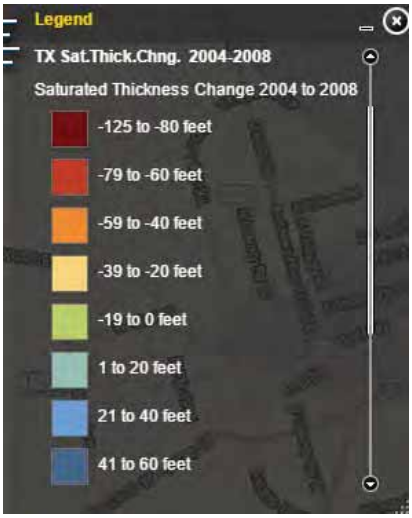
Figure 24 - Saturated Thickness Change , 1990-2008 (TTUCGT, 2014)



Saturated thickness change is a simple subtraction of the saturated thickness from the most current time period to the earliest time period for a data set. The saturated thickness appears to have increased for the southwestern portion of the study area, with slight decrease (0 to -19 feet) for the northern portion of the study area.

4.2.6 Saturated Thickness Change (2004-2008)

Figure 25 - Saturated Thickness Change, 2004-2008 (TTUCGT, 2014)



Saturated thickness during this time period appears to have decreased more significantly than during the previous period. This may be indicative of drought conditions that began to occur in 2007. Most of the study area is in the 0 to -19' decrease in saturated thickness. This may also be due to the high residential density and two PWSs that occur in the same area as the 0 to -19 foot isocontour.

4.2.7 Estimable Usable Lifetime

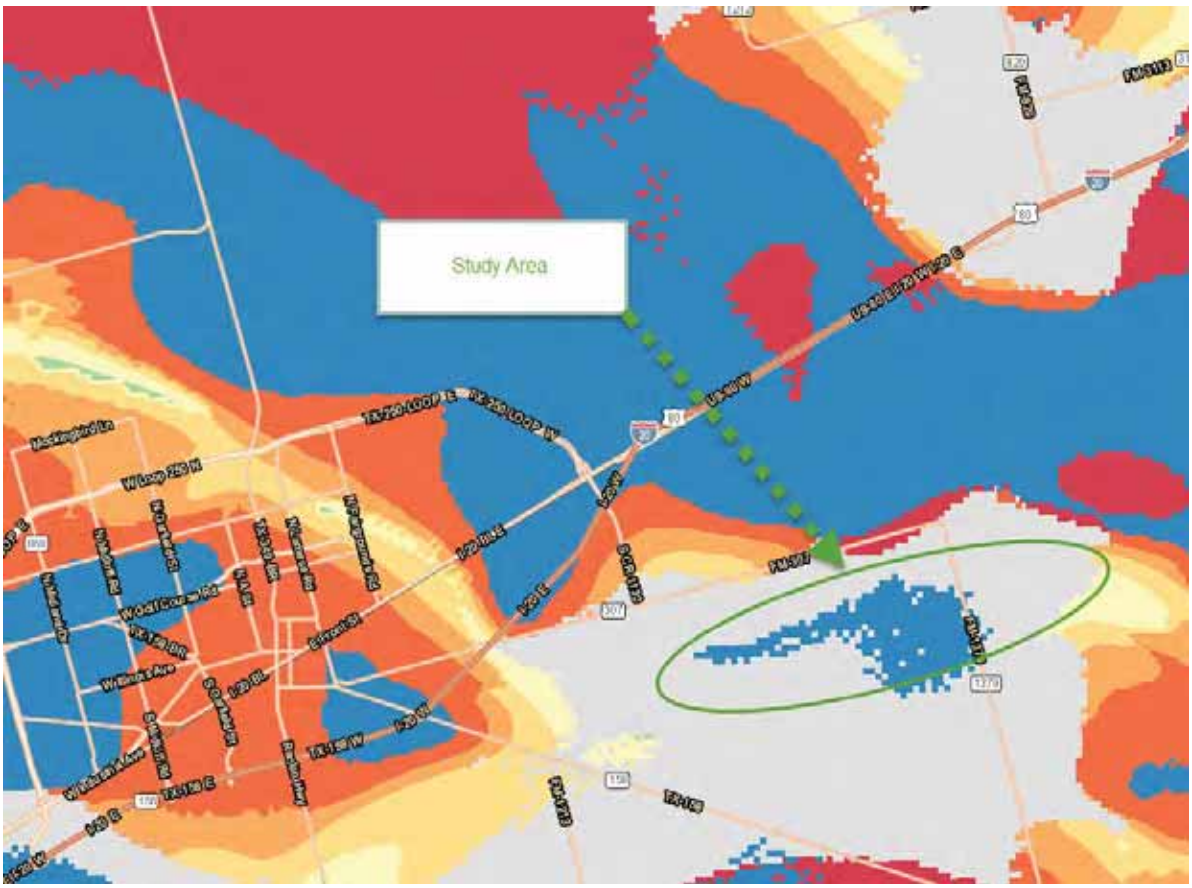
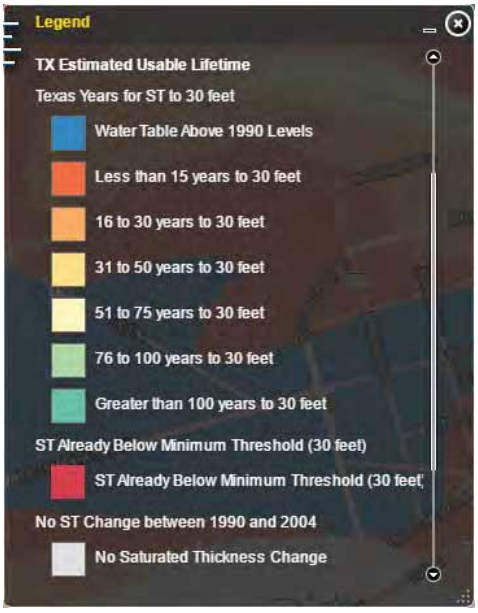


Figure 26 - Estimable Usable Lifetime (TTUCGT, 2014)



Estimable usable lifetime is measurement of the rate of change of saturated thickness for a given time period to a limit of 30 feet of saturated thickness. The time period that this evaluation is based off of is 1990-2008. Figure 25 shows either no change in saturated thickness or that the water table was above the 1990 saturated thickness. However, east of the site and north of I-20, considerable declines to less than the minimum 30 foot threshold occurred in 2008.

4.2.8 Water Level Change (1950-2007)

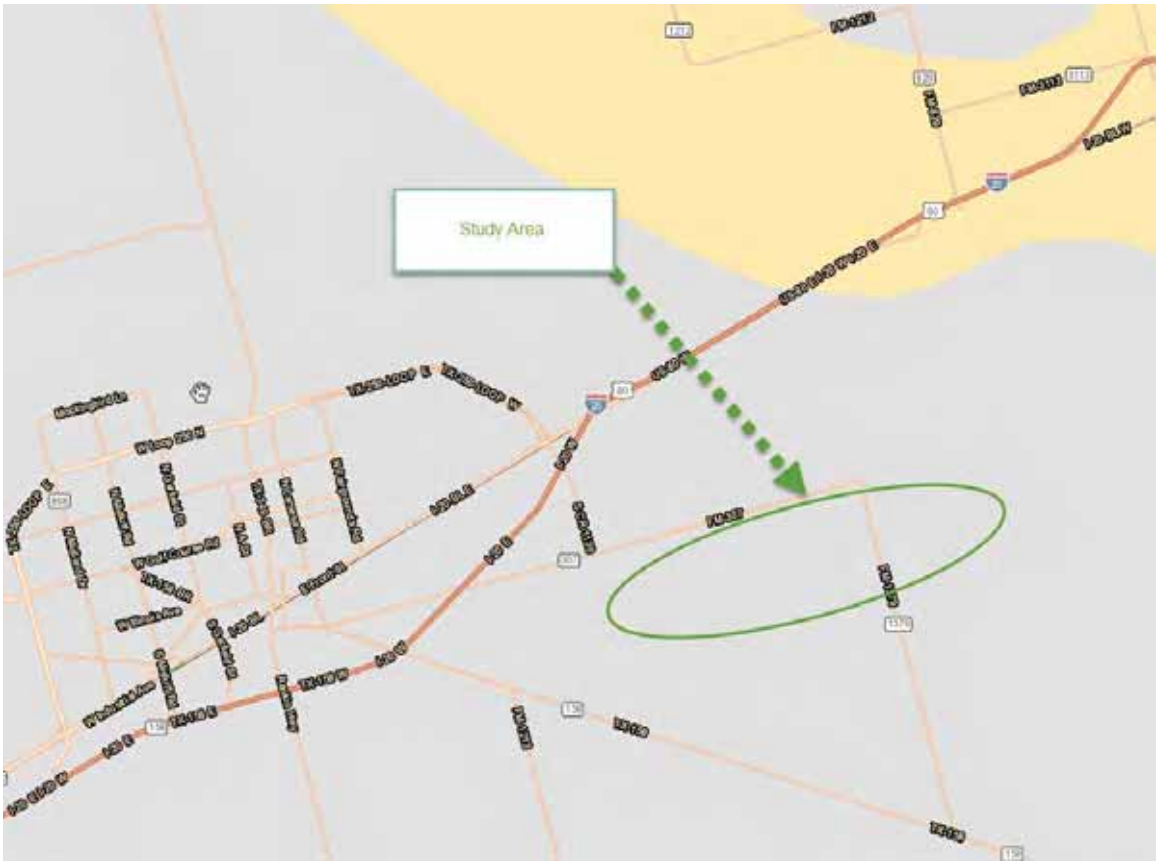
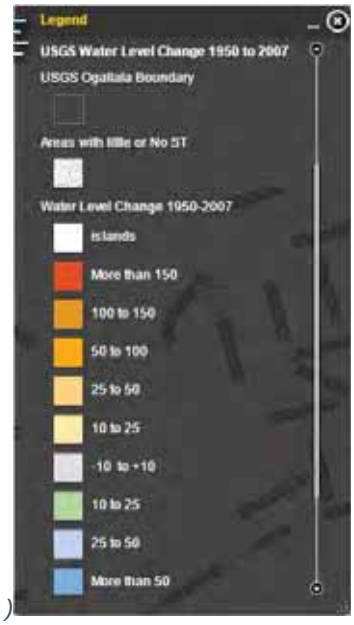


Figure 27 - Water Level Change, 1950-2007 (TTUCGT, 2014



The 1950-2007 water level change is generated from USGS data, which covers a longer time frame but has fewer data points which are likely higher quality than the TWDB data used for the TTUCGT maps. This dataset shows that the entire water level dataset has experienced little change from 1950-2007 (increase or decrease of 10 feet in a 57 year time span).

5.0 Groundwater Production and Yield

Groundwater production and yield was analyzed by performing mapping and statistical analysis on Texas Water Development Board (TWDB) Driller Submitted Boring Logs and TWDB groundwater database wells.

A total of 603 wells located in the study area. Dry wells accounted for approximately 10.45% of total wells in the survey area. It is possible that dry wells were drilled and not reported to the TWDB, so the 10.45% dry well percentage is likely to have a low bias.

Total Wells	**603**	
Dry Wells	63	10.45%

Wells in the study area are composed of eight major well types:

Well Type	**Quantity**	**Percent Total**
Test	5	0.84%
Rig Supply	19	3.18%
Public Water Supply	2	0.33%
Monitor Well	13	2.17%
Irrigation	42	7.02%
Industrial	1	0.17%
Injection	1	0.17%
Domestic	515	86.12%
Total	**598**	

Upon completion of a groundwater well, a well yield test is typically performed to determine the production capabilities of the well. The following methods were used, in order of data reliability from highest to lowest:

1) Pumping – a pump is placed in the well and removes water which is placed into a measured container. Well yield is determined by dividing the volume pumped by the time it took to fill the desired volume.

2) Bailer – a bailer is a cylindrical tube of various construction (steel, plastic, etc.) with a check valve at the bottom which allows water and sediment to enter but not to escape. This bailer is emptied into a measured container which can give an approximation of well yield. Bailers do not give continuous flow data which would mimic actual well yield from a pumping well.

3) Jetting – process in which water or air is injected into the well to clean out sediment and settle the filter pack in the well. Since water is being recirculated, it can be difficult to estimate well

yield with this method.

4) Estimated – catch all term for any combination of the previous methods, or visual estimation. Data is typically not reliable.

Test Type	Total Tests	Average Yield (gpm)
Jetted Well Tests	50	27
Bailer Well Test	86	17
Pump Well Tests	20	39
Estimated Well Test	301	26
Total Tested Wells	**457**	
Overall Yield Average (gpm)	**25**	

*gpm - gallons per minute

These yields have a large variance due to lack of standardized measurement between testing methods. Construction characteristics also vary from well to well (e.g., 4-inch well casing vs. 8-inch casing).

The large map displays the various well yield types combined into several “bins” in addition to dry wells. Wells are divided by yield measurement type and then color coded by yield. This should allow for rapid identification of areas of high and low yield. As was previously mentioned, well yield test type has tremendous impact on the accuracy of the well yield and thus priority should be given to pump test data over any other well yield test type.

Wells drilled prior to 2007 were not available for inclusion into these statistics, as drillers were not required to submit their boring logs or well yield.

6.0 Groundwater Geochemical Characteristics

Three parameters of concern were identified in the PWSs (GWC and GISD): arsenic, nitrate and TDS.

6.1.1 Arsenic

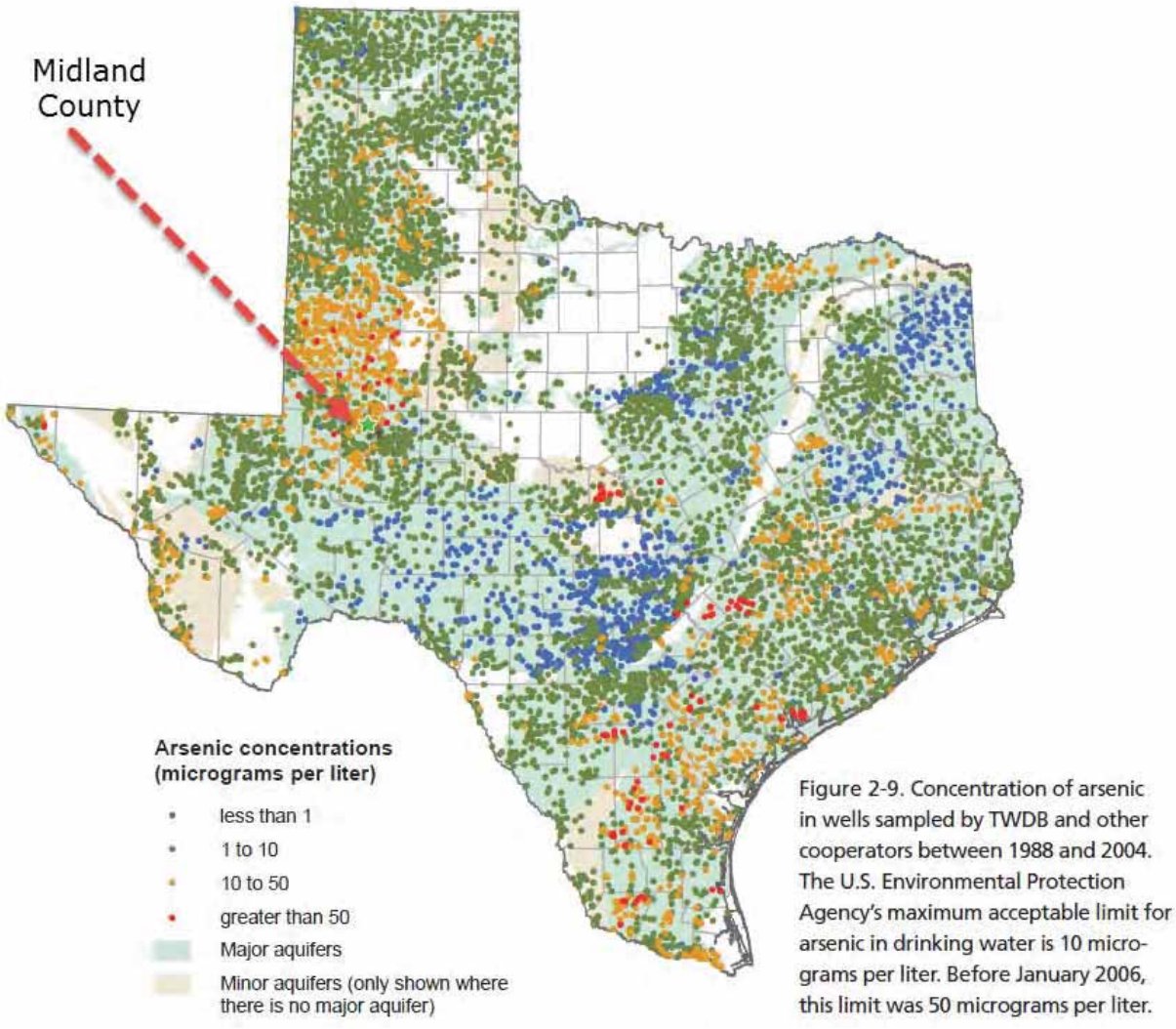


Figure 28 - Statewide Map of Arsenic Concentrations (TWDB Report 380)

Arsenic occurs in samples analyzed throughout the study area and is especially prevalent in west Texas aquifers (see above figure). Arsenic is a naturally occurring element that dissolves into groundwater dependant on the geological makeup of aquifer. The Safe Drinking Water Act (SDWA) MCL of 0.01 mg/l was exceeded by both study area PWSs with high frequency. Additional treatment would likely be needed for any new source water prior to use for public supply.

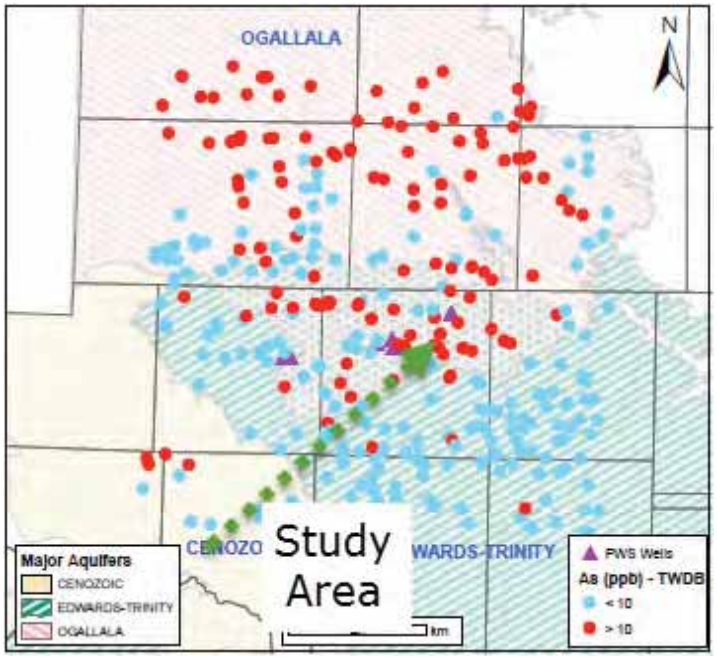


Figure 29 - Regional Arsenic Distribution (BEG, 2005)

6.1.2 Nitrate

Nitrate was detected in both study area PWSs and is commonly present in many water well samples. Nitrate is primarily used in agricultural fertilizers which are applied surficially to crops and thus enter the aquifers via irrigation or precipitation which infiltrates the vadose zone into the aquifer. As is shown in the following figure, nitrates in excess of 40 mg/l (four times the MCL) are very common in the Midland area of west Texas.

Nitrate is not strongly correlated to general water quality parameters (sulfate, chloride and TDS) in the Ogallala aquifer strengthening the conclusion that nitrate sources are anthropogenic rather than geologic in origin (BEG, 2005).

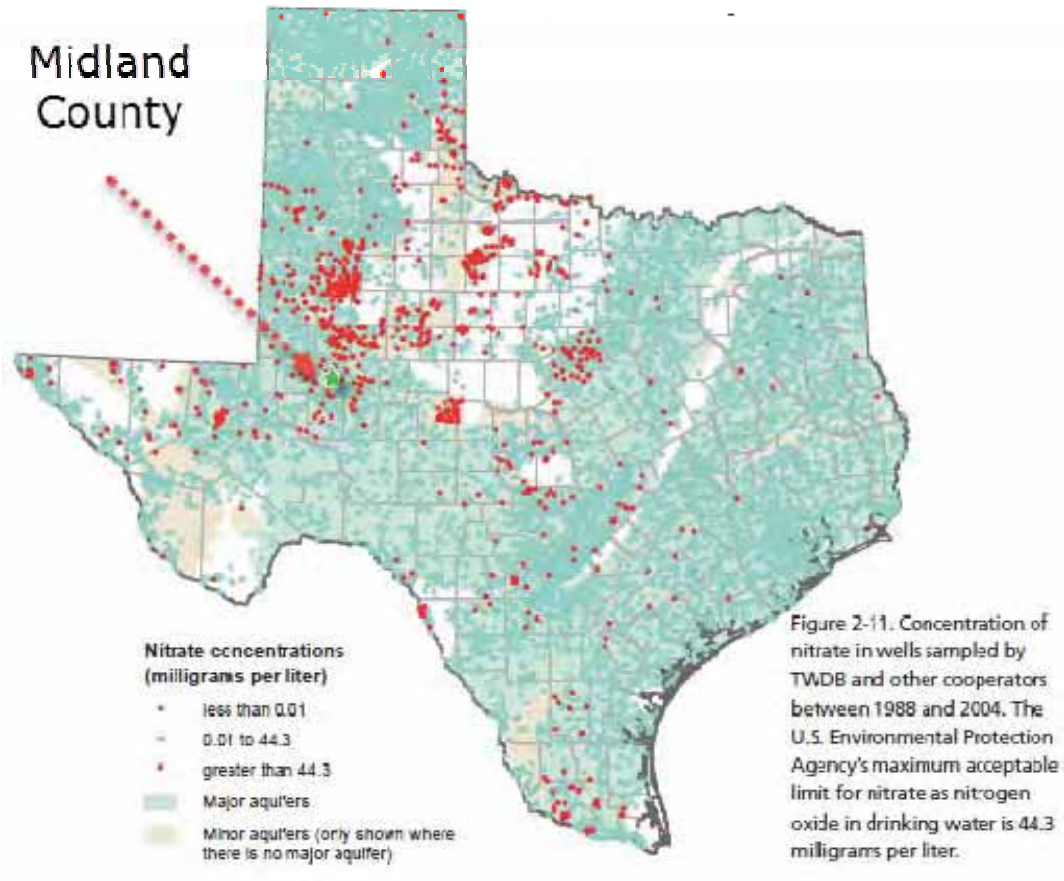


Figure 30 - Statewide Nitrate Distribution in Groundwater (TWDB Report 380)

Nitrates in excess of the primary MCL of 10 mg/l were reported at the GWC PWS in 2006. Detections occurred during every reported calendar year (26 samples in total from July 2003 to March 5, 2014. Nitrate concentrations dropped from an average of 6.9 mg/l from 2003 to 2012 to approximately 0.6 mg/l, potentially

indicating a new treatment method.

Nitrates in excess of the primary MCL of 10 mg/l were reported at the GISD in 2002 through 2005 and from 2011 through 2014. Detections occurred during every reported calendar year (41 samples in total from February 20, 2002 to July 31, 2014.

Nitrate will be a potential issue with wells completed in the study area, and treatment will likely be necessary to be compliant with SWDA standards.

6.1.3 Total Dissolved Solids

Total Dissolved Solids (TDS) are primarily a measure of inorganic salts in combination with small amounts of organic matter that are dissolved in water. TDS can be a problematic constituent at the furthest downdip (i.e., furthest from recharge areas) portions of aquifers. High TDS in drinking water supplies is associated with high hardness, deposits in pipes and fixtures, discoloration, staining and salty taste. As is shown in the following figure, TDS increases towards the southern end of the Ogallala aquifer.

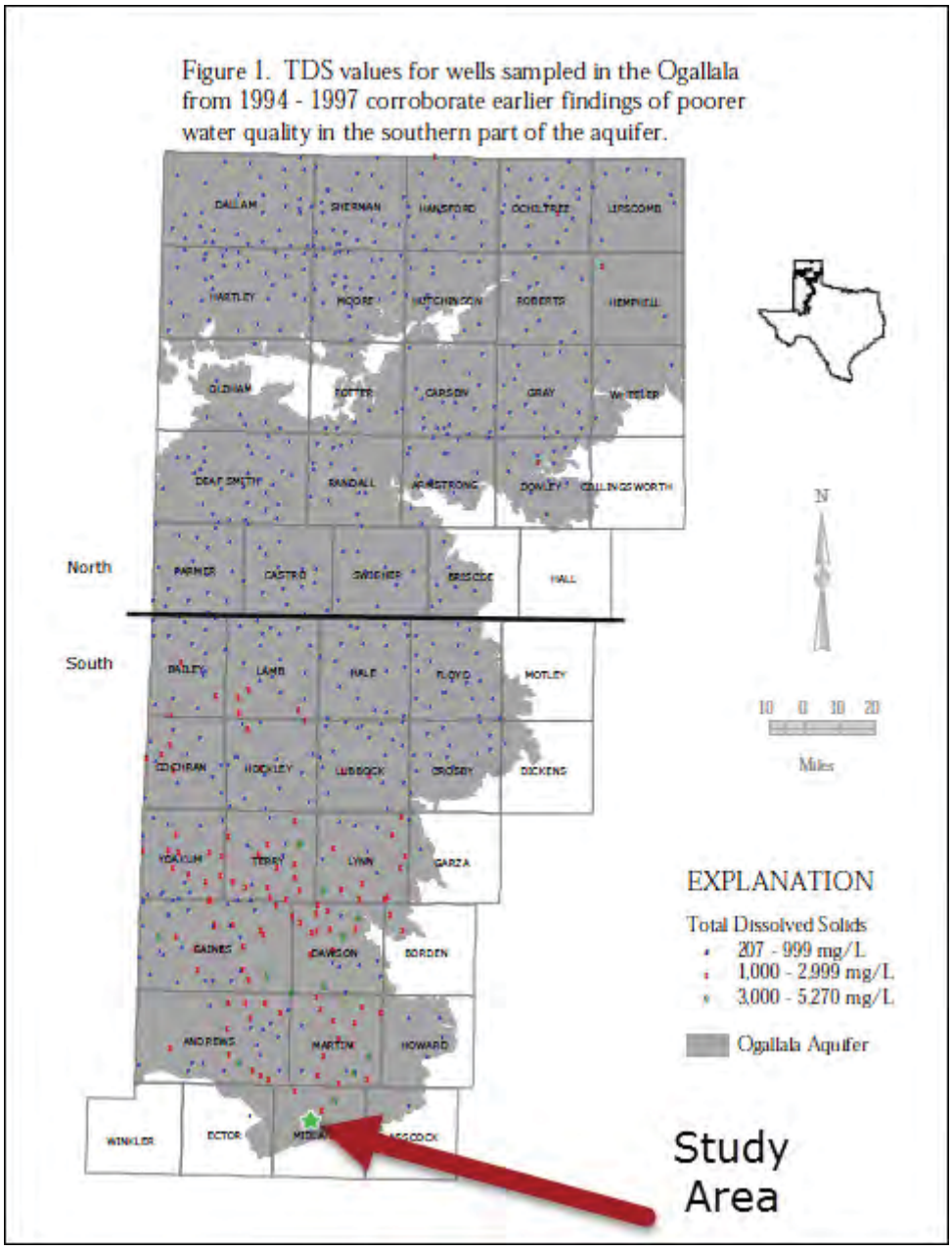


Figure 31 - TDS Distribution in the Ogallala (Schriver and Hopkins, 1998)

MCLs for PWSs are divided into two classes :

1) Primary MCLs – enforceable standards for drinking water contaminants, and

2) Secondary Maximum Contaminant Levels (SMCLs) – non-mandatory water quality standards for 15 contaminants (including TDS).

TDS fall under the SMCL category of constituents. The Federal SWDA SMCL for TDS is 500 mg/l. However, the Texas Secondary Standard (Title 30, Part 1, §290.105) for TDS is 1,000 mg/l.

Both of the PWSs in the study area reported TDS near or in excess of the Texas Secondary Standard of 1,000 mg/l. The GWC PWS reported levels very close to the Texas Secondary Standard (989 mg/l in 2012, 876 mg/l in 2009, 966 mg/l in 2006 and 903 mg/l in 2003). The GISD PWS reported 2,830 mg/l in 2012, 25 mg/l in 2009, 47 mg/l in 2006, 2,288 mg/l in 2003.

TDS at these levels may limit potential treatment options for the other chemicals of concern (i.e., ion exchange systems operate at greatly reduced efficiency in the presence of high TDS).

7.0 2011 Region F State Water Plan

Midland County is a member of the Texas Region F Water Planning Area which is located in the Edwards Plateau and encompasses 32 counties. The purpose of the regional water plan is to measure current usage and supplies which are projected out 50 years. Approximately 2% of the state's population lives in Region F counties. Population growth in Region F is forecast to be approximately 17%.

Seventy-five percent of the region's existing water supply comes from four major and seven minor aquifers, including the Ogallala and Edwards-Trinity Plateau area aquifers located in the study area. Reservoirs supply 17% of the existing supplies and alternative sources (desalination and wastewater reuse) account for the remaining 7%.

The overall increase in water supply needs is projected to be 15% by 2060. A variety of water management strategies will be necessary to assure adequate supply in 2060.

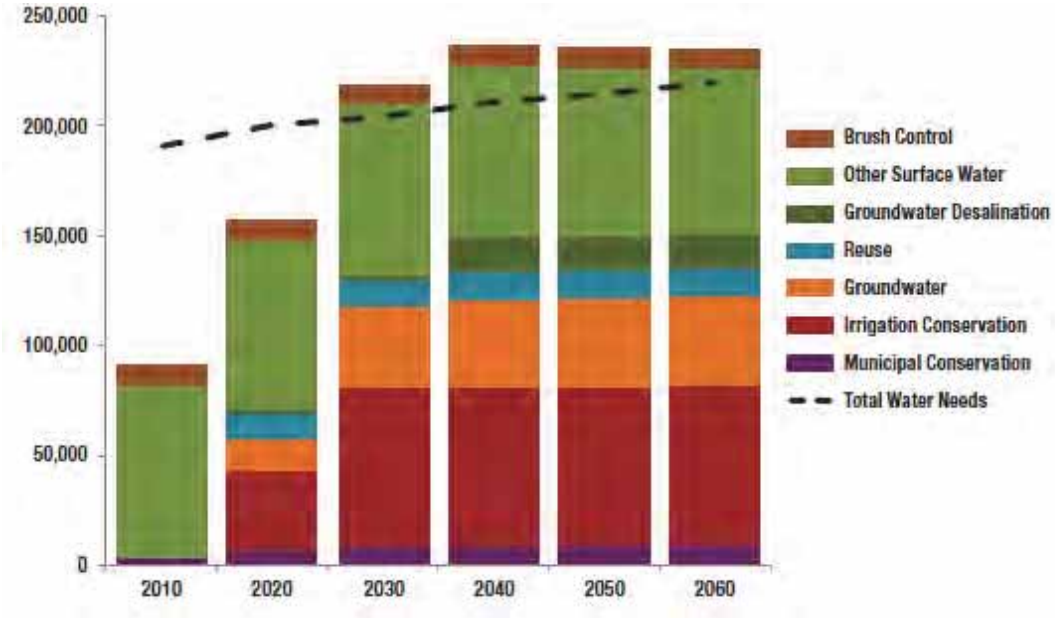


Figure 32 - Recommended Water Management Strategies for Region F (TWDB Region F Water Plan, 2011)

8.0 Public Water Supplies in Study Area

8.1 Greenwood Water Company PWS

The Greenwood Water Company service area is located centrally in the study area (**see Plate X**). The GWC treatment system and well field is located at the intersection of County Road 120 and County Road 1072.

The GWC well field consists of eight wells:

Well #	Well Depth	Tested Yield (gpm)
1A	220	125
2	180	10
3	100	8
4	165	17
5	180	25
6	190	32
A	182	180
B	180	160

Wells A and B were recently completed (2014) and are providing RO treated water to the remaining six wells' process stream. Approximately 289 meters are connected to the GWC serving a population of 867. GWC has exceeded the primary MCL for arsenic and the secondary MCL for fluoride. Arsenic levels have been above the MCL of 0.01 mg/l for all sampling events except the four quarterly sampling events in 2013 and the first quarter 2014. The most recent reported sampling event (April 2014) was above the MCL. The average arsenic concentration for GWC water is 0.021 mg/l which is twice the acceptable limit.

Fluoride exceeded the secondary MCL of 4 mg/l in August 2004, but has been below MCL since that date. Fluoride dropped from an average of 3.5 mg/l (2003 to 2012) to 0.03 mg/l, perhaps indicating new source water or treatment methods.

8.2 Greenwood Independent School District PWS

The Greenwood Independent School District (GISD) is located within the study area, to the east of the property marked as "Greenwood Water Corporation" on Figure X. GISD operates a Public Water Supply (PWS) which supplies approximately 1,500 people from four active groundwater wells immediately adjacent to the north of Greenwood High School. The Texas Commission on Environmental Quality tracks PWS by a unique ID. The GISD PWS is denoted as PWS ID# 1650035.

Population Served	1,545
Average Daily Flow Rate	0.03 million gallons per day (MGD)
Peak Demand Flow	54.2 gallons per minute (GPM)
Typical Nitrate Range	15.8 – 16.9 milligrams per liter (mg/l)
Typical Arsenic Range	25.5 – 40.3 micrograms per liter (µg/l)
Typical Total Dissolved Solids	>2,000 mg/l

A report entitled “Draft Feasibility Report – Feasibility Analysis of Public Water Supply for Small Public Water Systems” was completed by the University of Texas Bureau Of Economic Geology (BEG) in 2005 which examined the feasibility of various compliance alternatives for PWSs which had recent water quality compliance issues. Additional information on new supply feasibility (surface water, additional groundwater and treatment alternatives) is available in that report.

The GISD PWS report SDWA MCL exceedances for nitrate, arsenic and TDS. Reverse osmosis is used to reduce these constituents to acceptable levels prior to use.

9.0 Local Water Well Driller Interviews

RSA interviewed three licensed water well drillers known to perform water well installations in the Midland area to develop a better understanding of current conditions associated with installing water wells in the study area. Interview question content included average well depth, drilling methods, well yields, and any other pertinent information that the driller opted to disclose.

1) Choate Well Service Inc. (Dusty Choate)

- Current depth to water (below top of well casing) of Ogallala averages approximately 100 feet depending on the area.
- Indicated that the bottom of the aquifer in the study area demarcated by encountering the “red bed” or red clay located stratigraphically beneath the Ogallala aquifer.
- Did not notice a decline in the water levels year over year.
- Total well depth averages 100 to 150 feet depending on the area.
- Air rotary drilling is necessary in areas with heavy unconsolidated sand content to prevent borehole collapse.
- Expected well yield is 10 to 20 gallons per minute depending on the area.

2) Wheeler Drilling Co (Lorraine Wheeler)

- Depth to the bottom of the Ogallala aquifer is approximately 60 feet to 100 feet below ground surface (to the red bed).
- Odessa has seen a decline in well yield from 20-24 gallons per minute to 16-18 gallons per minute (“since oil/gas drilling has picked up”).
- Air rotary drilling is the preferred drilling method.

3) Straub Corporation (Raymond Straub)

- Depth to the bottom of the Ogallala aquifer is approximately 100 feet below ground surface south of midland and approximately 140 feet below ground surface southeast of Midland.
- In the Greenwood area, the depth to the bottom of the Ogallala aquifer is approximately 160-170 feet below ground surface because of one-mile wide paleochannel.
- Indicated observing multiple feet of groundwater elevation decline in the Ogallala
- The ET-P aquifer has a slightly better water quality but Ogallala aquifer usually has higher

yield.

- The Edwards-Trinity aquifer consists largely of consolidated sandstone and the Ogallala aquifer is primarily unconsolidated sand.
- The Edwards-Trinity aquifer is not distinct and underlies/commingles with the Ogallala aquifer (i.e. Ogallala deposits overlies the Edwards-Trinity.
- Air rotary drilling for the unconsolidated Ogallala

10.0 Summary and Recommendations

The following compounds are potential issues with groundwater sources:

- Nitrate
- Fluoride
- TDS
- Arsenic

The aquifer at the study area is colloquially referred to as the High Plains aquifer, which is a combination of Ogallala aquifer formations and the Antlers Formation of the Edwards-Trinity Plateau aquifer. The top of the aquifer is bound by caliche while the bottom is bound by Chinle Formation red beds.

West Texas has been enduring multi-year drought conditions since 2007. Hydrographs indicate that precipitation has a strong, but time-delayed effect on groundwater levels (i.e., lack of precipitation in 2011 was not apparent until 2012).

TWDB Region F and Midland are experiencing tremendous growth as a result of the oil and natural gas boom of the past several years. Increasing population will exert additional strain on groundwater supplies, as 75% of the existing supply of water to the region comes from groundwater.

The average well yield for wells surveyed is approximately 25 gallons per minute. These wells are primarily domestic wells. Public water supplies constructed with larger diameter casing than average domestic wells are capable of higher yields.

Wells placed in areas with large historical saturated thickness (i.e., in the potential paleochannel traversing the study area from southwest to northeast) have a higher probability of producing larger quantities of groundwater than those in areas with less saturated thickness.

11.0 References

1) Draft Feasibility Report – Feasibility Analysis of Water Supply for Small Public Water Systems – Greenwood ISD (University of Texas Bureau of Economic Geology (BEG) and Parsons, 2005)

2) Geologic Atlas of Texas Big Spring Quad (BEG, 1994)

3) Geologic Atlas of Texas San Angelo Quad (BEG, 1974)

4) United States Geological Survey – Geologic History and Hydrogeologic Setting of the Edwards-Trinity Aquifer System, West-Central Texas, Rene A. Barker, Peter W. Bush, and E.T. Baker, Jr. Water-Resources Investigations Report 94-4039 – 1994.

5) Texas Water Development Board Report 342 – Water-Quality Evaluation of the Ogallala Aquifer, Texas. Hopkins, Janie.

6) Texas Water Development Board Report 360 Chapter 5 – Hydrologic Relationships and Numerical Simulations of the Exchange of Water Between the Southern Ogallala and the Edwards-Trinity Aquifers in Southwest Texas T Neil Blandford and Derek J. Blazer. 2004

7) Texas Water Development Board Report 288 – Evaluating the Ground-water Resources of the High Plains of Texas Volume 1, Tommy Knowles, Phillip Nordstrom and William B. Klemt.

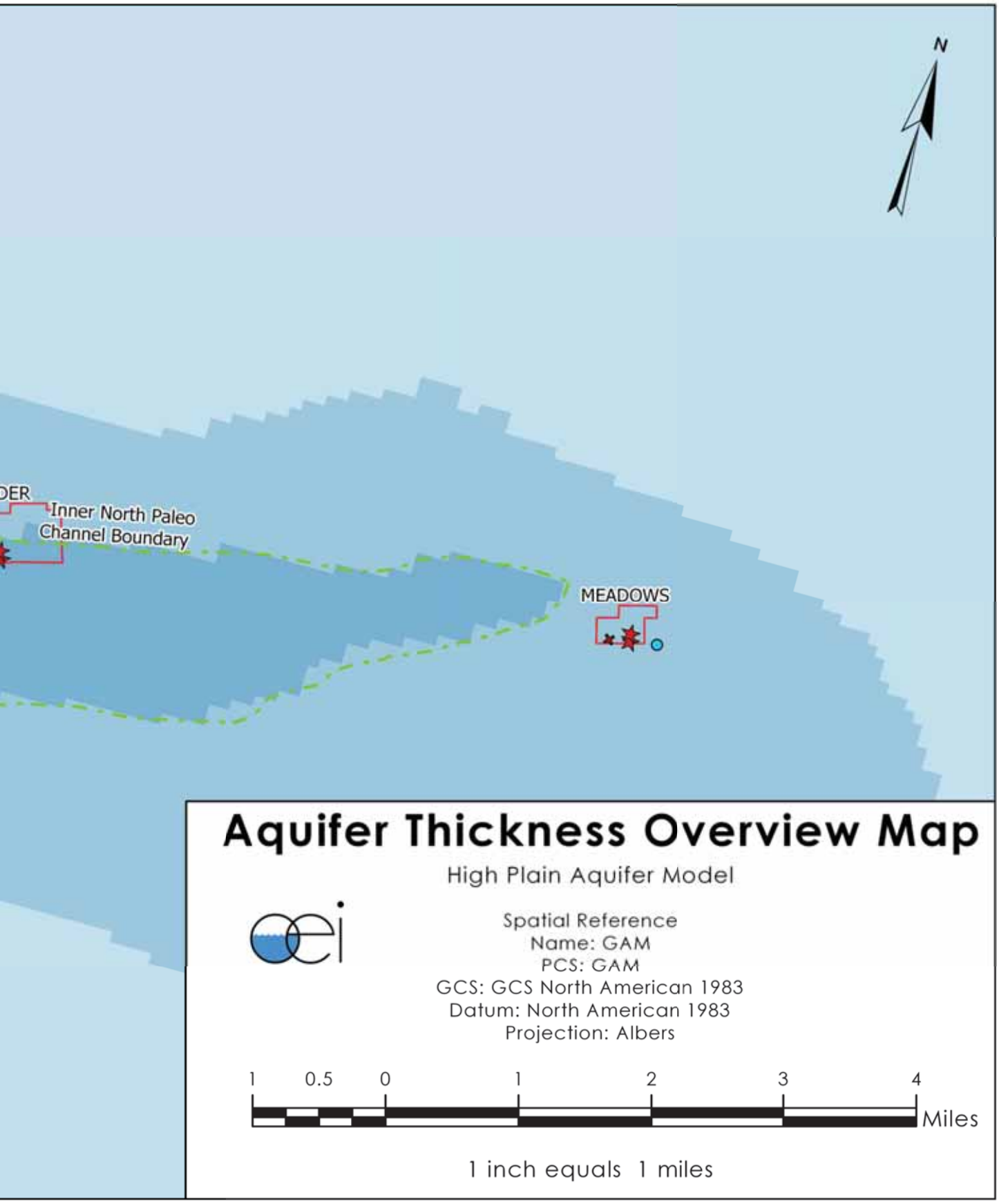
8) Updated Water-Quality Evaluation of the Ogallala Aquifer Including Selected Metallic and Non-Metallic Inorganic Constituents, Steven Schriver and Janie Hopkins, 1998.

9) Texas Tech University Center for Geospatial Technology, http://mapserver.gis.ttu.edu/OgallalaOAP/

10) Texas Water Development Board Report 380 – Aquifers of Texas. Peter G. George, Robert E. Mace, Rima Petrossian. 2011.

Appendix H:

Aquifer Thickness Overview



Aquifer Thickness Overview Map

High Plain Aquifer Model

Spatial Reference
Name: GAM
PCS: GAM
GCS: GCS North American 1983
Datum: North American 1983
Projection: Albers

1 0.5 0 1 2 3 4 Miles

1 inch equals 1 miles

Appendix I:

Phase 2 – Results of Testing of Existing Wells and Groundwater Availability Assessment,

Midland County, Texas

R W HARDEN &ASSOCIATES INC
GROUNDWATER RESOURCE PROFESSIONALS
9009 Mountain Ridge Dr • Suite 100 • Austin Texas 78759 • ph (512) 345-2379 • fax (512) 338-9372

October 29, 2020

Mr. Graham Symmonds
Permian Basin Water Resources, LLC
7144 E. Stetson Road, C200
Scottsdale, Arizona 85251

Re: Phase 2 – Results of Testing of Existing Wells and Groundwater Availability Assessment, Midland County, Texas

Dear Mr. Symmonds,

R. W. Harden & Associates, Inc. (RWH&A) is pleased to present the results of Phase 2 work associated with the development of groundwater resources from the Greenwood Water Corporation and Park Water Company areas, Midland County, Texas. The Greenwood Water Corporation and Park Water Company areas includes Greenwood, Hopkins, Chaney Ranch, Vander Ranch, and Meadows (collectively, the Study Area), which is located approximately 10 miles east the City of Midland (Figure 1).

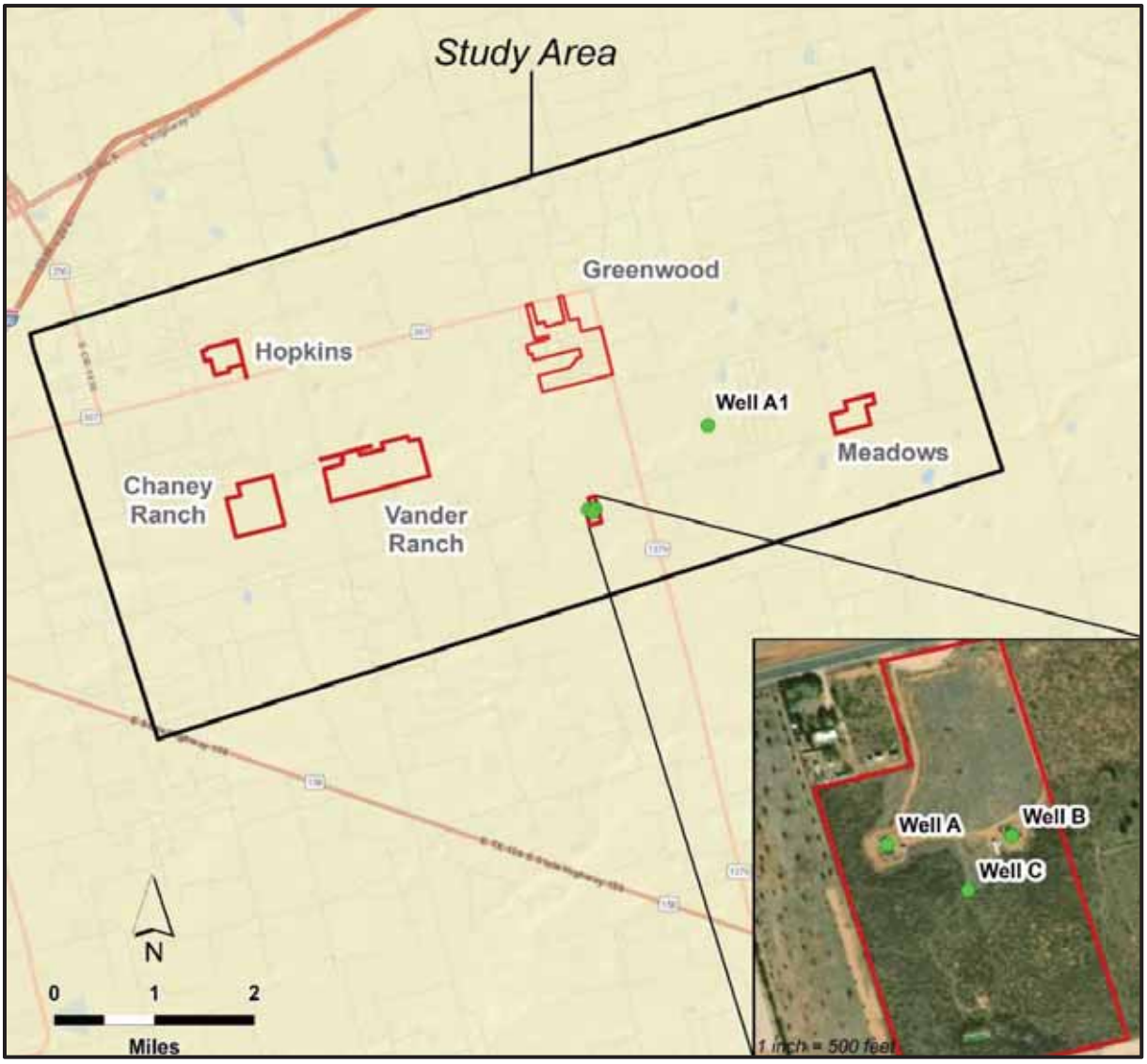
In September 2019, RWH&A presented the results of Phase 1 work, which included a desktop study to assess the potential groundwater availability from aquifers underlying the Study Area. The Phase 1 results indicated that the Ogallala aquifer is likely capable of producing the initial development capacity; however, the results were based on regional hydrogeologic assumptions and very limited site-specific data. Based on previous discussions, RWH&A understands that the Park Water Company must demonstrate that an initial capacity of nearly 440 gallons per minute (gpm), which includes treatment and system losses, can be met from the existing wells, Wells A, B, C, and A1.

The goal of the Phase 2 work described herein is to provide reliable estimates of the current system capacity and long-term availability of groundwater. To accomplish this, RWH&A conducted well and aquifer testing utilizing Wells A, B, C, and A1, and applied the testing results to groundwater flow models that were used to calculate current and future well capacities. The methods and results of Phase 2 work are discussed below.

Testing Methodology

RWH&A prepared a contractor work plan, which included specifications for: 1) removal and inspection of existing downhole pumping equipment, 2) performance of a downhole well video survey, 3) re-installation of pumping equipment, 4) performance of a well and aquifer test at each well, 5) collection of samples for water quality analyses, and 6) re-equipped each well to pre-testing status. Andrews & Foster Drilling Co. (A&F) of Athens, Texas was contracted to conduct the field work for the testing program. RWH&A provided oversight of the testing program through on-site observation of the methods and materials used by A&F during key portions of the program.

Figure 1. Study Area and Well Testing Sites



Results of Pumping Tests

During the months of February and March of 2020, pumping tests were performed on four existing wells, Well A, Well B, Well C, and Well A1. A constant flow rate was maintained throughout each testing period through continuous, on-site monitoring and adjustment by A&F. Plots of well bore water level measurements and pumping rate adjustments through time are provided in Appendix 1. Table 1 lists the aquifer transmissivity values calculated over time in gallons per day per foot (gal/day/ft) and the aquifer saturated thickness, which was calculated from the pre-testing static water level and the reported or observed total depth of the well.

Table 1. Aquifer Transmissivity Calculated from Pumping Tests

Well ID	Aquifer Transmissivity (gal/day/ft)	Saturated Thickness (feet)
Well A	63,800	60
Well B	24,000	70
Well C	33,000	70
Well A1	20,300	65

The results of these tests indicate that the actual site-specific aquifer transmissivity values are much higher than the values estimated during Phase 1, but the current saturated thicknesses are slightly less than the values estimated based on regional interpolations. However, in summary, the aquifer is potentially more productive within the Study Area than originally predicted.

Current Well Conditions

A&F contracted Granite Geo Services to conduct the downhole video surveys of Wells A1, A, and B, and Geo Cam, Inc. to conduct a downhole video survey of Well C. These surveys were conducted to document the well construction screen intervals and the condition of the interior of the wells from land surface to total depth. The video survey reports for each well are provided within Appendix 2. The results of each survey are summarized in Table 2, which notes the screen interval and video survey depth in feet below ground level (ft bgl), and the amount of potential fill at the bottom of the well based from reported well completion depths.

Table 2. Results of Downhole Video Survey

Well ID	Screen Interval (ft bgl)		Video Survey Depth (ft bgl)	Apparent Bottom Fill (feet)	Comment
	Top	Bottom			
Well A	122.5	182*	178.6	3.4	Damaged screen at 142.6 feet. Minimal clogging of screens.
Well B	136.3	Unknown	174.3	Unknown	Minimal clogging of screens. Video terminated in screen.
Well C	153.4	Unknown	174.7	Unknown	Minimal clogging of screens. Video terminated in screen.
Well A1	125	165*	162	11	Heavy to moderate buildup/ clogging of screens.

Asterisk (*) indicates that the bottom of the screen interval is as reported from the driller's report, if available.

In summary, the downhole video surveys indicate that the well screens within Well A1 show severe to moderate clogging and sediment buildup, while there has been minimal clogging of screens in Wells A, B, and C and the amount of fill is generally unknown. There is the potential for optimization of the well production capacity through a well development/rehabilitation program; however, that is beyond this scope or work.

A&F removed and inspected all downhole pumping equipment and surface discharge assemblies, and the inspection reports are provided within Appendix 3. During inspection of the equipment for Well B it was noted that there was a hole in the pump column pipe, which was likely the cause of the decrease in production and the pump column pipe was replaced.

While the reported horsepower (HP) of the pump and motors for the existing wells range from 15 to 25 HP, RWH&A understands that raw water system has recently been reconfigured and the produced water from the wells is now discharged into an open tank. Prior to the reconfiguration, the produced water flowed through reverse-osmosis (RO) treatment equipment, which added approximately 80 PSI (185 feet H_2O) to the system backpressure exerted on the well pumps. Because the RO system has reportedly been removed from direct service, and based on the modeling results presented in the section below, it is possible that the existing pumping equipment is now oversized with respect to current system pressures and that the new required HP could range from 7.5 to 10 HP, which excludes above ground head and back pressures.

Predictive Modeling

Numerous factors influence the potential productivity of a well or well field through time. For example, variations in the regional aquifer structure, saturated thickness, and hydraulic characteristics affect each well's response to production over time as its associated cone of depression is transmitted outward through the aquifer. The site-specific structure and depth of aquifer zones affect potential production rates and the lifespan of wells. In addition, interference drawdown caused by other groundwater users and potential users producing from similar zones typically reduces the long-term productivity of wells. For this evaluation, RWH&A employed digital flow models that account for these factors to estimate the long-term availability of groundwater from the Ogallala in the Study Area and predict individual well yields and pumping levels through time.

RWH&A incorporated the site-specific results from the testing program into the model to estimate the potential production capacity from the existing wells over the next five years. Since Well C is not currently approved as a public supply well by Texas Commission on Environmental Quality (TCEQ), RWH&A conducted two model simulations: "Run 1", which included Well C as a production well, and "Run 2" that did not include production from Well C. Table 3 summarizes the results of modeling and the anticipated average sustainable production over the next five-year period.

Table 3. Summary of Modeling Results and Total Anticipated Production

Well ID	*Run 1*	*Run 2*
Well A	190 gpm	220 gpm
Well B	135 gpm	160 gpm
Well C	160 gpm	0 gpm
Well A1	135 gpm	140 gpm
Total	***620 gpm***	***520 gpm***

For modeling purposes, it was assumed that continuous production is sustained and that 50% of the saturated thickness at each site remains at the end of the five-year pumping period. Applying the 50% assumption to the saturated thicknesses listed in Table 1, the water level declines after a continuous pumping period of five years range from approximately 30 to 40 feet. Assuming static water levels are currently near 110 feet bgl, pumping water levels would range between 140 to 150 feet bgl after five years of sustained production. It should be noted that the pumps in Wells A, B and C are currently set to a depth of 170 feet bgl, which is sufficient to maintain production over the next five years; however, the pump in Well A1 is set to a depth of 153 feet and therefore may likely need to be lowered. However, if Well A1 pumping equipment is to be lowered, it is recommended that the potential 11 feet of fill at the bottom of the well is removed prior to lowering equipment.

Results of Water Quality

Towards the end of testing of each well, A&F collect samples for laboratory analyses of the major and minor cations/anions and TCEQ's primary and secondary standards for drinking water. A tabulated summary of the results and lab reports are provided within Appendix 4. The results indicate that total dissolved solids, chloride, sulfate, fluoride, exceed TCEQ's secondary drinking water standards, while arsenic and nitrate exceed TCEQ primary drinking water standards. Additionally, the sample for Well C was analyzed for the full suite of TCEQ's requirements for drinking water including radionuclides. Gross beta and uranium exceed TCEQ's standards for drinking water as shown in Appendix 4. As stated in the Phase 1 report, water with constituent concentrations above primary standards is considered a health hazard and must be treated and/or blended to bring the constituent levels below the maximum concentration limits prior to distribution. Constituent concentrations greater than secondary standards are not considered harmful but are an aesthetic nuisance. Where secondary standards are exceeded, a request for an exception to the secondary standard must be granted by the TCEQ before the water may be used for public supplies.

Proposed Phase 3 Work – Exploration Drilling and Testing

Park Water Company's regional development capacity requirement now ranges from approximately 600 to up to 1,600 gpm. Additionally, RWH&A understands there is still likely a proposed future buildout of up to 7,500 connections that is projected across the Study Area, therefore requiring a total anticipated demand of approximately 4,800 gpm, which accounts for treatment and system losses.

Phase 1 work included assessing whether the initial demand and the future buildout demand could potentially be obtained from aquifers beneath the Study Area. The results of Phase 1 work indicated that the unconfined Ogallala aquifer within the Study Area could potentially sustain approximately 800 to 1,000 gpm over a 50-year period with individual well yields ranging from approximately 100 to 200 gpm. Total system capacity may be increased to approximately 1,000 to 2,000 gpm by adding well sites near the western edge of the Study Area near the Midland Draw with individual yields ranging from approximately 250 to 500 gpm.

As discussed above, the results of Phase 2 work suggest that the productivity of the Ogallala is likely greater than estimated from the analysis of Phase 1 data. The goal of Phase 3 work is to document

the site-specific hydraulic aquifer characteristics further across the Study Area to assess the additional capacity that can be obtained for future use. For Phase 3 work, RWH&A would prepare a contractor work plan that includes the work for conducting exploration drilling, formation sampling, geophysical logging, aquifer testing, and water quality sampling of individual sand zones via temporary test well(s) at one (1) or two (2) sites on each of the Hopkins, Chaney Ranch, Vander Ranch, and Meadows sites. Additionally, RWH&A recommends performing this work at sites near the Midland Draw as shown in Figure 3 of the Phase 1 report because the available data suggest that the Ogallala is more productive in this area and therefore a potential for lower well construction cost. The aquifer characteristics observed during Phase 3 testing will be used to confirm or modify the assumptions used in modeling to predict long-term groundwater availability and design and construction of new well and well fields to public supply standards.

RWH&A previously obtained cost estimates from reputable drilling contractors in the area to conduct a test drilling and aquifer testing program, which consists of mobilization, exploration drilling, geophysical logging, aquifer testing, and water quality sampling. The estimated drilling contractor cost to test the Ogallala ranged from approximately $28,000 to $35,000 per test hole, which must be noted were provided in 2019 as prices may have changed.

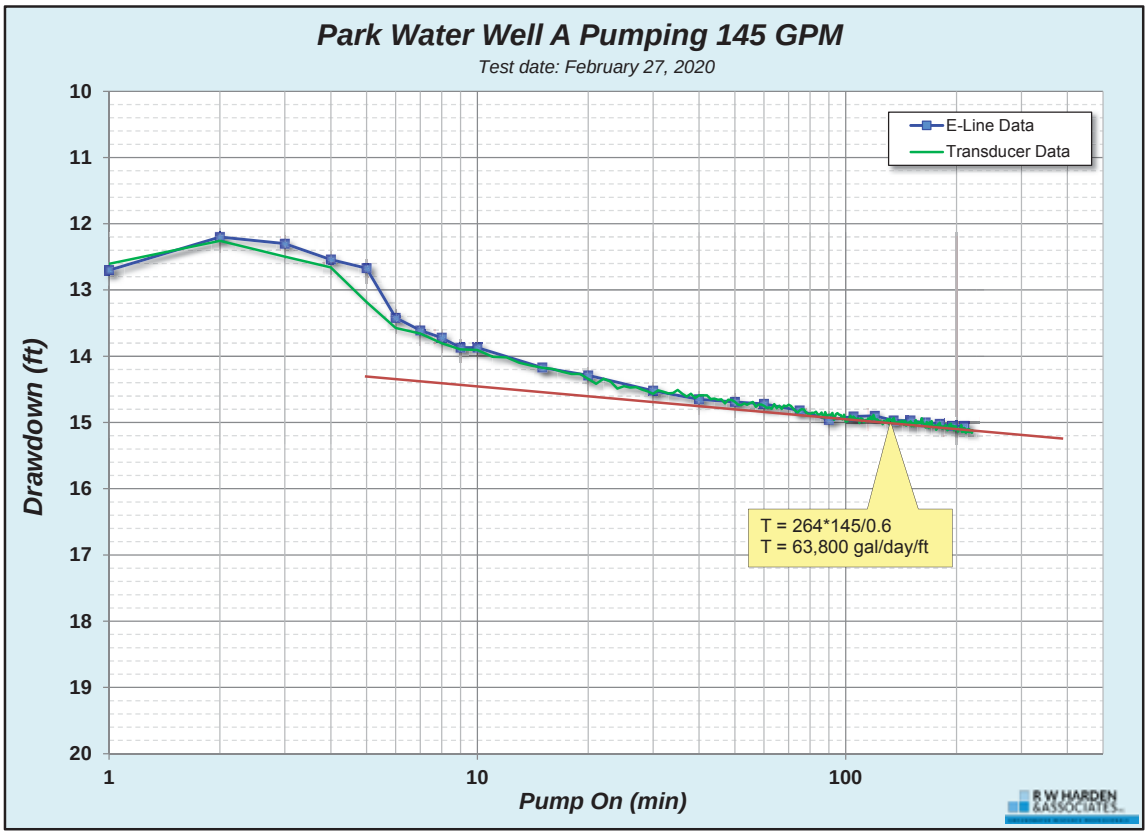
We look forward to assisting you during Phase 3 to verify the groundwater availability from the Study Area. Please do not hesitate to call if you have questions regarding the recommended work to be conducted.

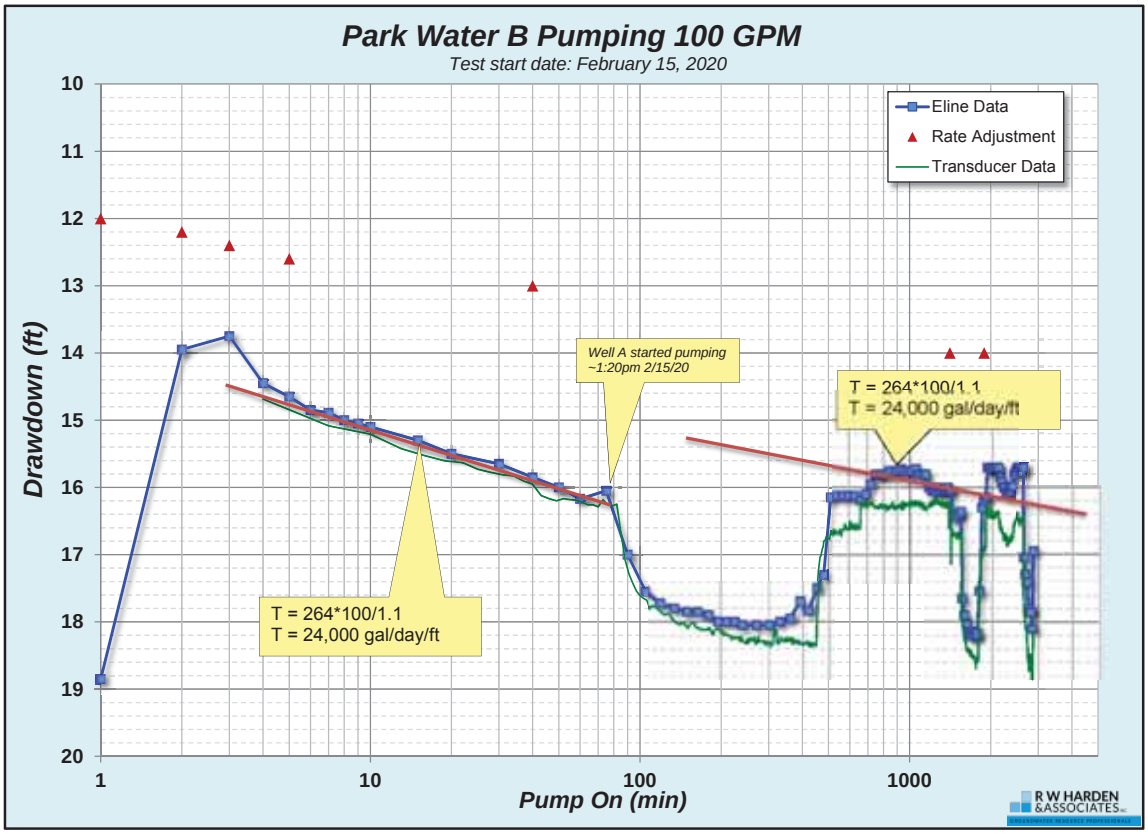
The seal appearing on this document was authorized by Elizabeth Ferry, P.G. 11011 on October 29, 2020. R. W. Harden & Associates, Inc., TBPG Firm No. 50033.

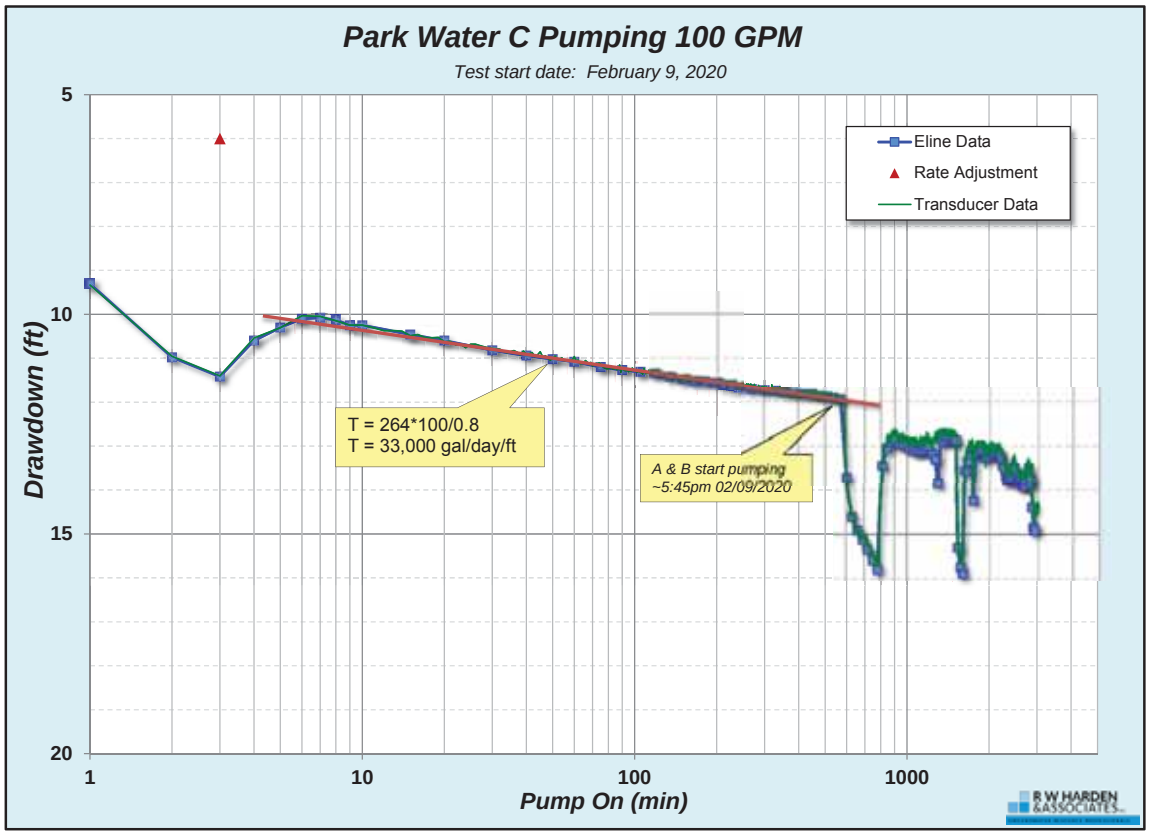
Sincerely,

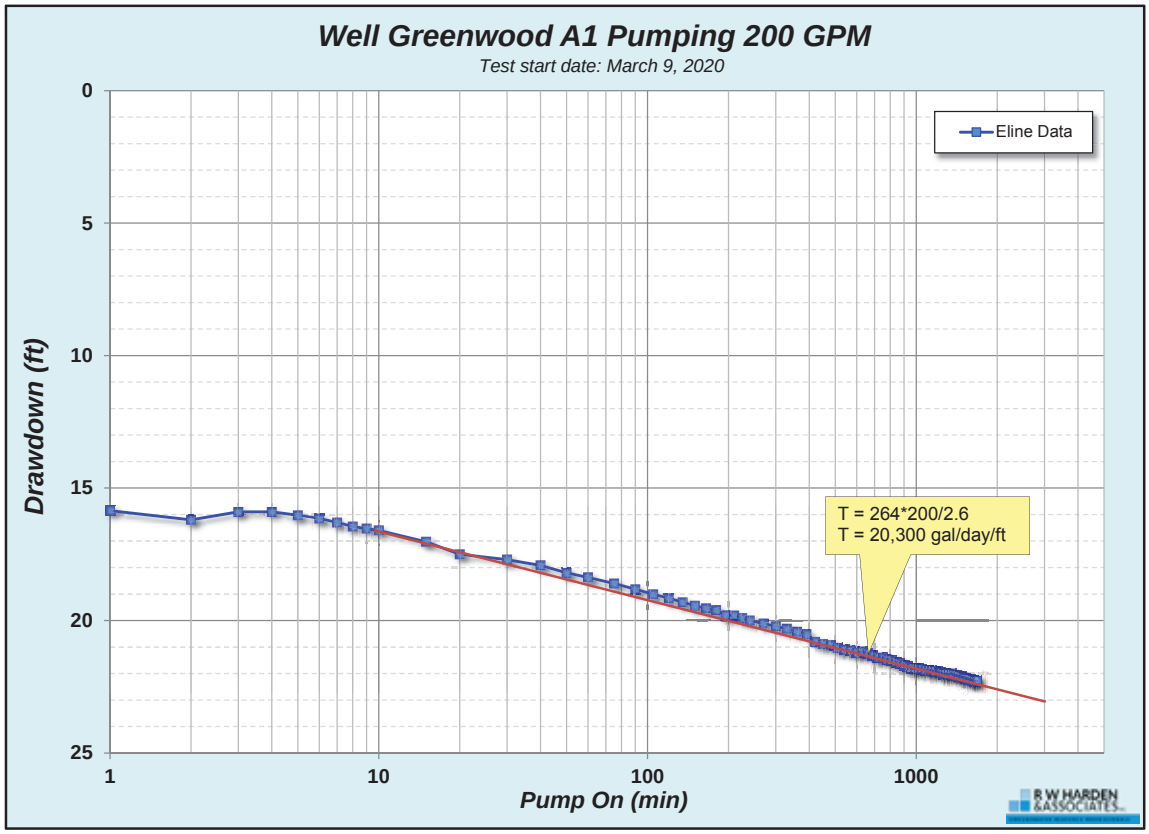
Elizabeth Ferry, P.G.
R. W. Harden & Associates, Inc.

Appendix 1 –
Pumping Test Results


Park Water Well A Pumping 145 GPM
Test date: February 27, 2020
E-Line Data
Transducer Data
T = 264*145/0.6
T = 63,800 gal/day/ft
Drawdown (ft)
Pump On (min)
10
11
12
13
14
15
16
17
18
19
20
1
10
100
R W HARDEN &ASSOCIATES


Park Water B Pumping 100 GPM
Test start date: February 15, 2020
Eline Data
Rate Adjustment
Transducer Data
Well A started pumping ~1:20pm 2/15/20
T = 264*100/1.1
T = 24,000 gal/day/ft
T = 264*100/1.1
T = 24,000 gal/day/ft
Drawdown (ft)
Pump On (min)
10
11
12
13
14
15
16
17
18
19
20
1
10
100
1000
R W HARDEN &ASSOCIATES


Park Water C Pumping 100 GPM
Test start date: February 9, 2020
Drawdown (ft)
5
10
15
20
1
10
100
1000
Pump On (min)
Eline Data
Rate Adjustment
Transcducer Data
T = 264*100/0.8
T = 33,000 gal/day/ft
A & B start pumping
~5:45pm 02/09/2020
R W HARDEN &ASSOCIATES


Well Greenwood A1 Pumping 200 GPM
Test start date: March 9, 2020
Drawdown (ft)
0
5
10
15
20
25
1
10
100
1000
Pump On (min)
Eline Data
T = 264*200/2.6
T = 20,300 gal/day/ft
R W HARDEN &ASSOCIATES

Appendix 2 –
Downhole Video Reports

Well A

Video Inspection Report

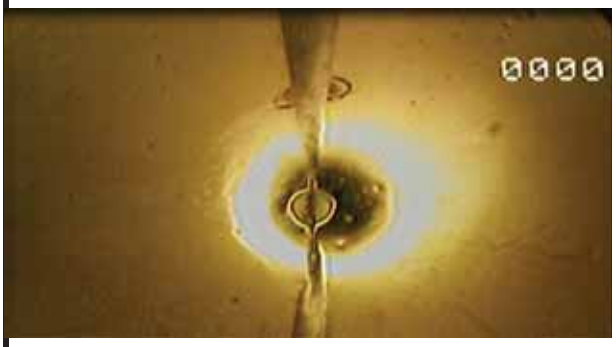
Borehole Geophysics and Hydrophysics
New Braunfels, TX
830-387-06123

Well Name:	PARK WATER WELL A	**Date:**	2/25/20
Service Company:	ANDREWS AND FOSTER		
Well Owner:	PERMIAN BASIN WATER RESOURCES	**Logged By:**	W. Smith
Field:	CR 120	**Witness:**	R. SANCHEZ
County:	MIDLAND	**Purpose of Inspection:**	
State	TX		PUMP TEST/REHAB
Depth:	178.6 **ELV/GL:** Unavailable **DIAMETER**	6.0'	**Water Level:** 110.2

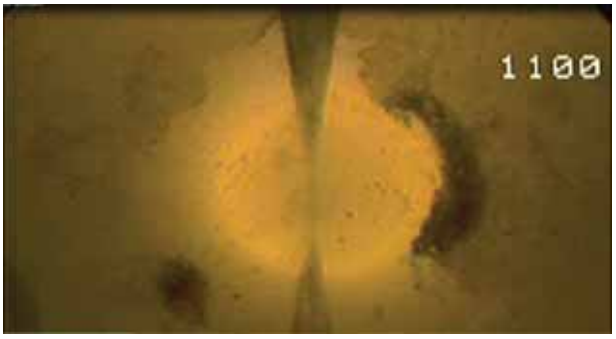
WELL INSPECTION SUMMARY

Depth (ft)	Description
0	Camera zeroed at downhole lense at ground level
0-110	No significant buildup seen along blank casing. Joints show no signs of seperation, seem well bonded.
110.2	Observed top of water level. Visiblility slightly reduced due to suspended matter
122.5	Top of upper most screened interval, no signs of of obtructions or clogging
142.6	DAMAGED SCREEN. GRAVEL PPACKING VISIBLE
161.5	Slight buildup along screens possible pump location, possible grease from pump
178.6	Fill material , unable to log deeper

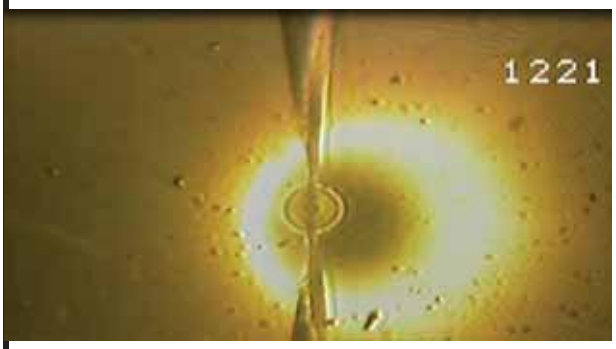
Well Inspection Snapshots: Please note right most digit is 1/10th of foot



0ft Camera zeroed at groung level

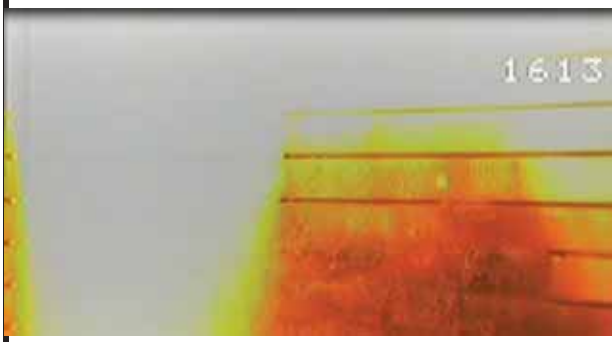


110.2 Top of water



122.1 ft Top of vertical screens clearly visible. No signs of buildup

146.8 ft Hole Hole in screen



161.3 ft Possible pump location showing moderate buildup

Well B

Video Inspection Report

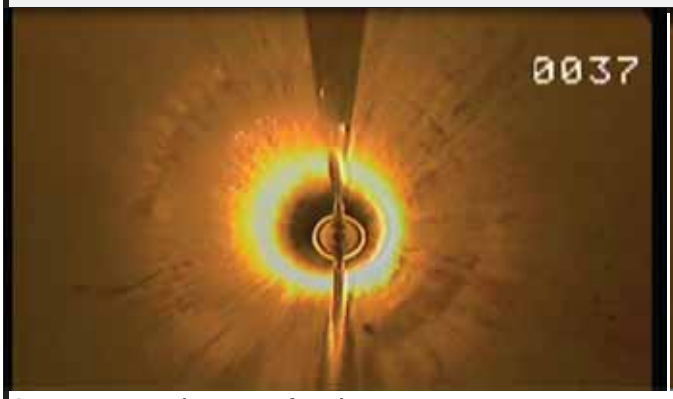
Borehole Geophysics and Hydrophysics
New Braunfels, TX
830-387-06123

Well Name:	PARK WATER WELL B			**Date:**	18-Feb-20
Service Company:	ANDREWS AND FOSTER				
Well Owner:	PERMIAN BASIN WATER RESOURCES			**Logged By:**	W. Smith
Field:	CR 120			**Witness:**	R. SANCHEZ
County:	MIDLAND			**Purpose of Inspection:**	
State	TX			PUMP TEST/REHAB	
Depth:	178	**Casing Dia:**	6.0'	**Water Level:**	108'

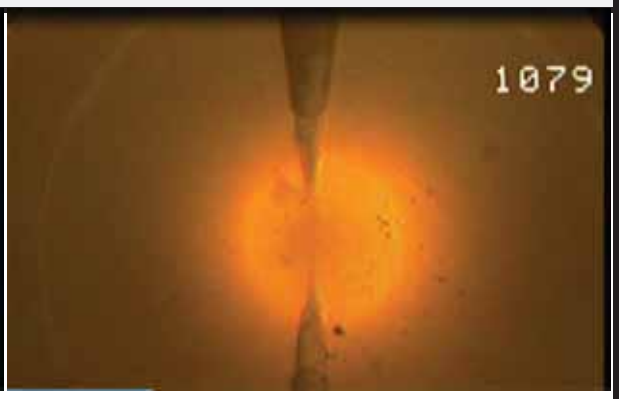
WELL INSPECTION SUMMARY

Depth (ft)	Description
3.7	Camera zeroed to top of casing at down view lense
3.7 - 108	No significant buildup seen along blank casing. Joints show no signs of seperation, seem well bonded.
108.7	Observed top of water level. Visiblility slightly reduced due to suspended particulate ma
140	Top of upper most screened interval, no signs of of obtructions or clogging
172-176	Screened interval showing sings of mderate buildup at pump interval
178	Camera sitting down on top of fill material. Screen itnerval likely continues with depth

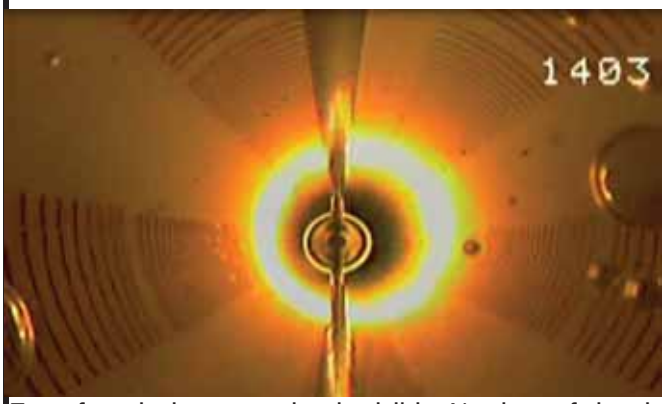
Well Inspection Snapshots: Please note right most digit is 1/10th of foot



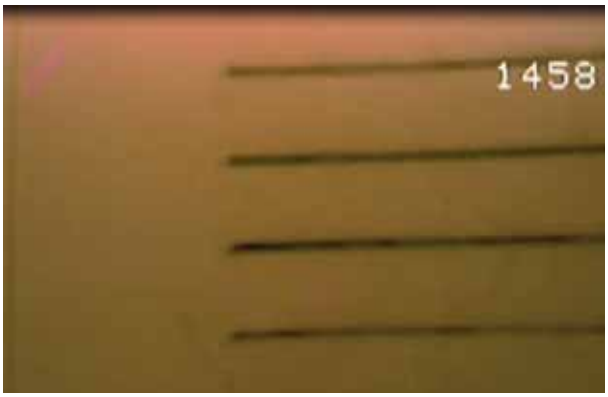
Camera zeroed to top of casing



Top of water 108ft

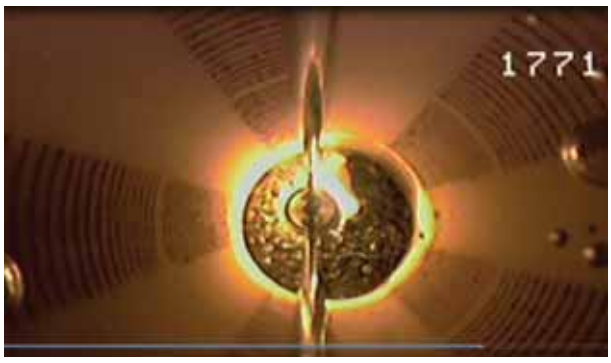


Top of vertical screens clearly visible. No signs of clogging or flowing sands or silt



Side View unclogged screens

Pump location showing moderate buildup



178 looking down at fill material

Well C

Liz Ferry

From: Jacob Stanton <jstanton@andrews-foster.com>
Sent: Tuesday, February 25, 2020 2:51 PM
To: Graham Symmonds; justin@greenwoodwatercorp.com; Liz Ferry
Subject: Park Well C - Video Review

Graham,

I have reviewed the video for Park Well C again and here are my notes from the video.

108' – Static water level
145.4' – Possible burn mark/heat from when motor was set to a shallower depth than currently set to
153.4' – Beginning of slots in PVC well casing
159.7' – Marking on casing walls. Area where pump/motor were currently set to
161.5' – Possible burn mark/heat from motor
165.9' – Buildup (composition unknown) around a slot in the PVC casing
170' – Spots of buildup on casing walls. Possibly mineral accumulation
174.7' – Soft fill. Can see beginning of additional slots in the PVC casing

I did not observe anything in the downhole video that would indicate any issues with the integrity of the well.

Not knowing the constructed total depth of the well makes it hard to determine how much fill is in the bottom of the well. If we assume it is similar in depth to Well A, which is listed as 182' deep, then we could assume there is approximately 7.3' of fill in the bottom in the bottom of Well C.

On a slightly different subject, but still related to Well C, is the submersible pump system. The pump system that was installed in Park Well C was a 30hp pump and a 25hp motor. This mismatched pairing is a big No-No in our industry. It is okay and even common practice in some instances to use a slightly larger motor on a pump but not the other way around. Basically the 25hp motor has had to do the work of a 30hp motor to turn the pump that was installed. This overworks the motor and drastically shortens the life of the motor. This current depth to top of pump was 157' BGL installed on 3-inch galvanized steel pipe. The setting depth places the pump system into the screened interval of the well. Under normal operating conditions a submersible pump system is not installed in or beneath a screened zone of a water well. The reason is that a submersible motor needs water flowing across the body of the motor to provide proper cooling. If the pump system is set in or beneath the screened interval of a water well, that allows the pump to pull water in from above or laterally instead of pulling water from the bottom of the well up. If a submersible motor does not have proper cooling flow it will generate excessive heat which can lead to premature motor failure and even collapse/melt the PVC well casing. Now in some instances when it is necessary to set the pump system in or beneath the screened interval of a water well we use a flow shroud or flow inducing sleeve to provide adequate cooling flow past the motor. The ability to use a flow shroud or flow inducing sleeve is dictated by the diameter of the pump system and diameter of the well. For the Park C well which had a nominal 6" diameter pump system inside an 8" PVC water well, there is room to use a 6" PVC flow shroud. If it were a 6" diameter pump system inside a 6" diameter water well, like Well B, then there would not be enough room to use a flow shroud.

Please let me know if you have any questions.

Thank You,
Jacob Stanton

Jacob Lawrence Stanton

P.O. Box 348 |1301 East Corsicana Street | Athens, Texas 75751
T: 903.675.2353 | M: 903.818.2075 | F: 903.677.5678

ANDREWS & FOSTER

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Well A1

Video Inspection Report

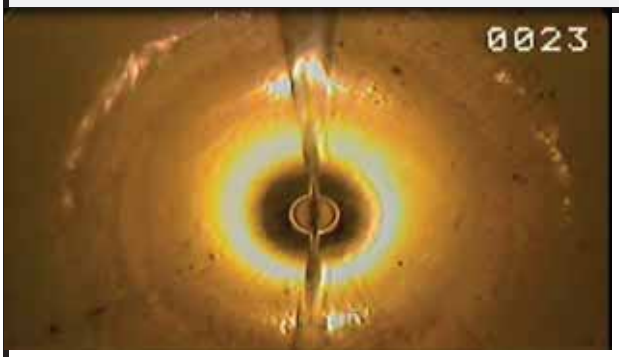
Borehole Geophysics and Hydrophysics
New Braunfels, TX
830-387-06123

Well Name:	Greenwood WATER WELL A1				**Date:**	5-Mar-20	
Service Company:	ANDREWS AND FOSTER						
Well Owner:	PERMIAN BASIN WATER RESOURCES				**Logged By:**	W. Smith	
Field:	CR 120				**Witness:**	Zeb Jandt	
County:	MIDLAND				**Purpose of Inspection:**		
State	TX				PUMP TEST/REHAB		
Depth:	164.3	**ELV/GL:**	2660'	**DIAMETER**	8.0"	**Water Level:**	107.4

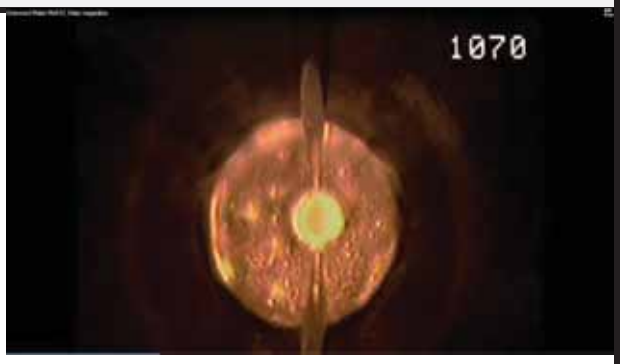
WELL INSPECTION SUMMARY

Depth (ft)	Description
2.3	Camera zeroed to top of casing at down view lense
7.2	Surface casing joint
2.3 - 108	No significant buildup seen along blank casing. Joints show no signs of seperation, seem well bonded. Black staining from riser assembly and electrical lines, increase with depth
107.4	Observed top of water level. Oils present in water, downhole view totally obscured. Swithed to viable side scan view.
127	Top of upper most screened interval, moderate amounts of buildup observed. Screen slots appear to be unclogged
153	Top of pump location. Moderate to heavy buildup along casing surface. Screen appear slighly to moderately impacted
164.3	Camera sitting down at 164.3 ft on top of fill. Camera lense is at 162.9ft

Well Inspection Snapshots: Please note right most digit is 1/10th of foot

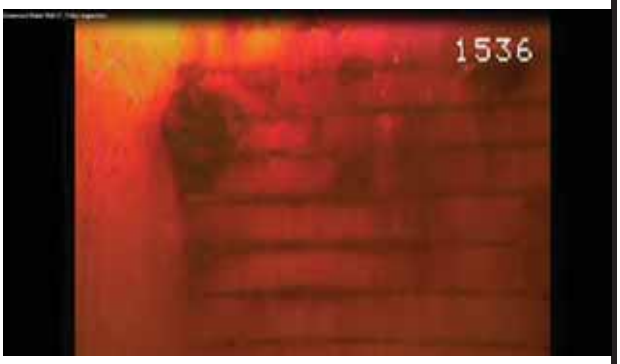


Camera zeroed to top of casing

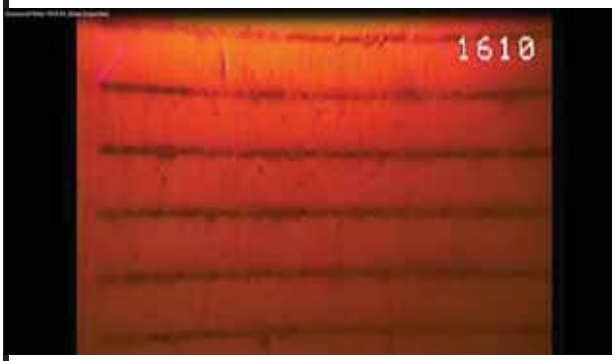


Top of water 107.4ft looking down from 107.0ft

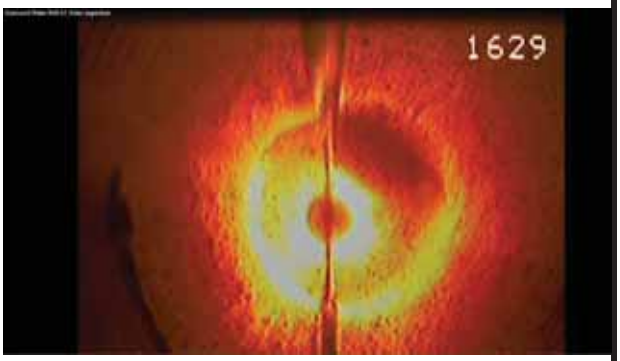
Top of screened interval showing moderate buildup



Buildup on screen at pump depth



Screen showing moderate buildup just above fill material



looking down at fill material from down hole lense fill depth 164.3ft

Appendix 3 –
Pump and Motor Inspection Reports

Well A

ANDREWS & FOSTER

SUBMERSIBLE PUMP & MOTOR FACT SHEET

Date: 02/25/2020	Job Name: Permian Basin Testing	Location: Midland, Texas
Foreman: J. Gary	Crew Members: J. Chairez, D. Hanna	Borehole / Well #: Well A
Job #: 20-043	Rig #: 32 CT #: 37	Water Sample: ☒ Yes ☐ No

PUMP DATA	
Make:	6" Berkeley
Horsepower:	20 HP
Model #:	6TS20-140 (9 Stages)

MOTOR DATA	
Make (size & type):	6" Franklin Electric Submersible
Horsepower:	20 HP
Date Code:	Unknown
Phase:	3
Volts:	460-Volt
KW Rating:	15
Amps:	26.9
KVA Code:	J
Locked Rotor Amps:	181
Line to Line Resistance OHMS:	0.8 - 1.0

SETTING	
Depth:	170'
Pipe Size & Type:	3" Certa-Lok Schedule 80 PVC
Check Valves:	In Discharge of Pump
Electrical Cable:	10/3 Round Jacketed w/Ground
Static Water Level:	113.15'

OTHER	
Control Panel (Model #):	Across-Line Starter Panel
E-Line Pipe (Size & Type):	1-Inch PVC Quik Set
Comments	New well head installed with water measurement tube access port. Flow inducing sleeve was installed over pump system. Iron buildup noted around top and bottom of motor. Pump intake was clear.

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BERKELEY® 6TS Series

70, 115, 140, 155, 230 and 300 GPM

The 6TS Series Submersible features heavy-duty 304 stainless steel construction that will outperform ordinary fabricated stainless steel pumps in aggressive water conditions.

APPLICATIONS

Water systems... for municipal, multiple housing, commercial, in water fountains, irrigation, mine de-watering, and farm use.

SPECIFICATIONS

Suction Motor Bracket – Stainless steel 304 (investment cast)

Top Bearing – Stainless steel 304 (chrome plated)

Coupling – Stainless steel 416

Shaft – Stainless steel 416

Spacer – Stainless steel 304

Impeller – Stainless steel 304

Diffuser Bowl – Stainless steel 304

Discharge Bracket – Stainless steel 304 (investment cast)

Check Valve – Stainless steel 304

FEATURES

Heavy-Duty, Investment Cast 304 Stainless Steel Discharge and Suction Bracket – Assures perfect pump-to-motor alignment with any NEMA-standard submersible motor. Discharge assures secure connection to drop pipe. Wrench flats provide positive grip during installation.

Low-Profile Stainless Steel Lead Guard – Aids installation in narrow wells

Wide Range of Performance Options – 1 HP to 60 HP; 29 to 365 U.S. GPM

Hard Chrome-plated Top Bearing Journal – Reduces wear in harsh conditions, such as sand

State-of-the-Art Design – Delivers maximum performance and reliability in the toughest conditions

100% Lead-free Components – Meets all U.S. federal guidelines for safe drinking water

Built-In Thrust Protection – Protects pump during periods of high demand and start-up. Prevents pump failure.

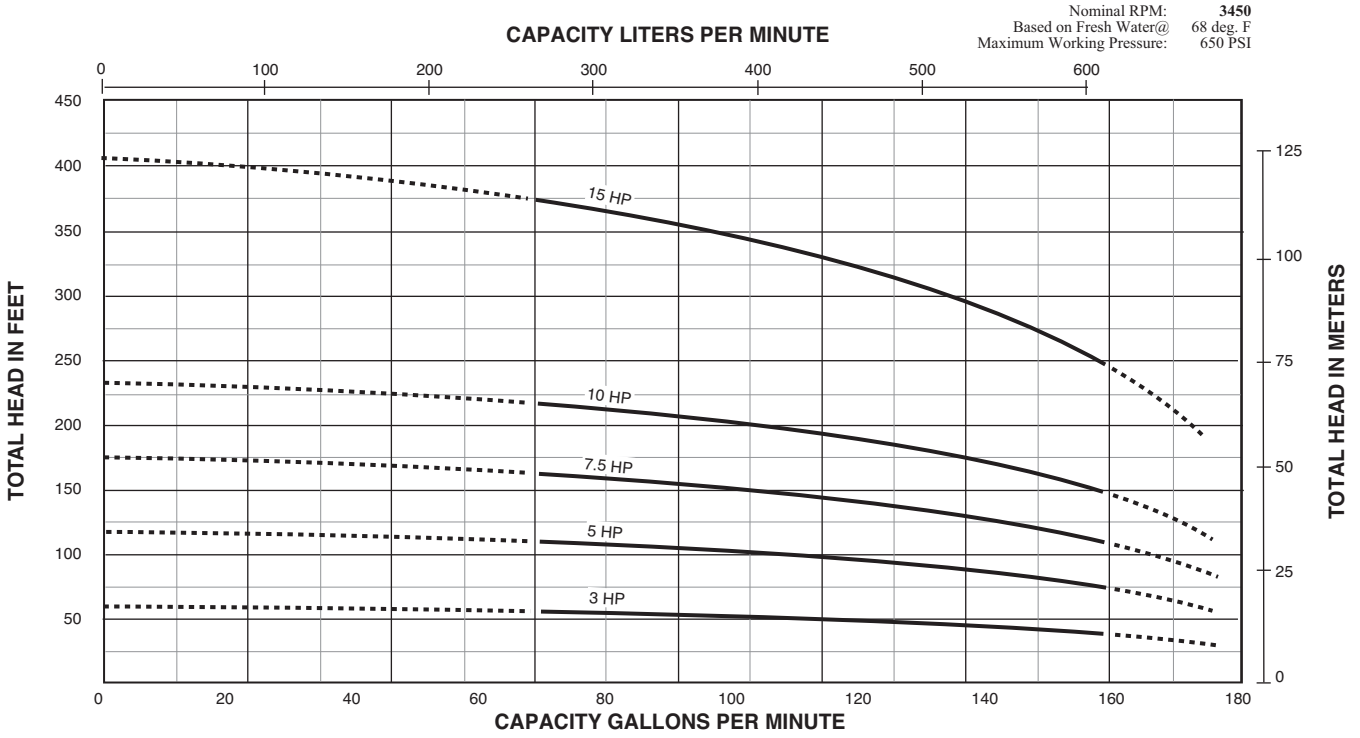
Built-In Check Valve (Optional) – Prevents backflow and reverse rotation

Buna® Wear Rings – Improve pump efficiency and durability

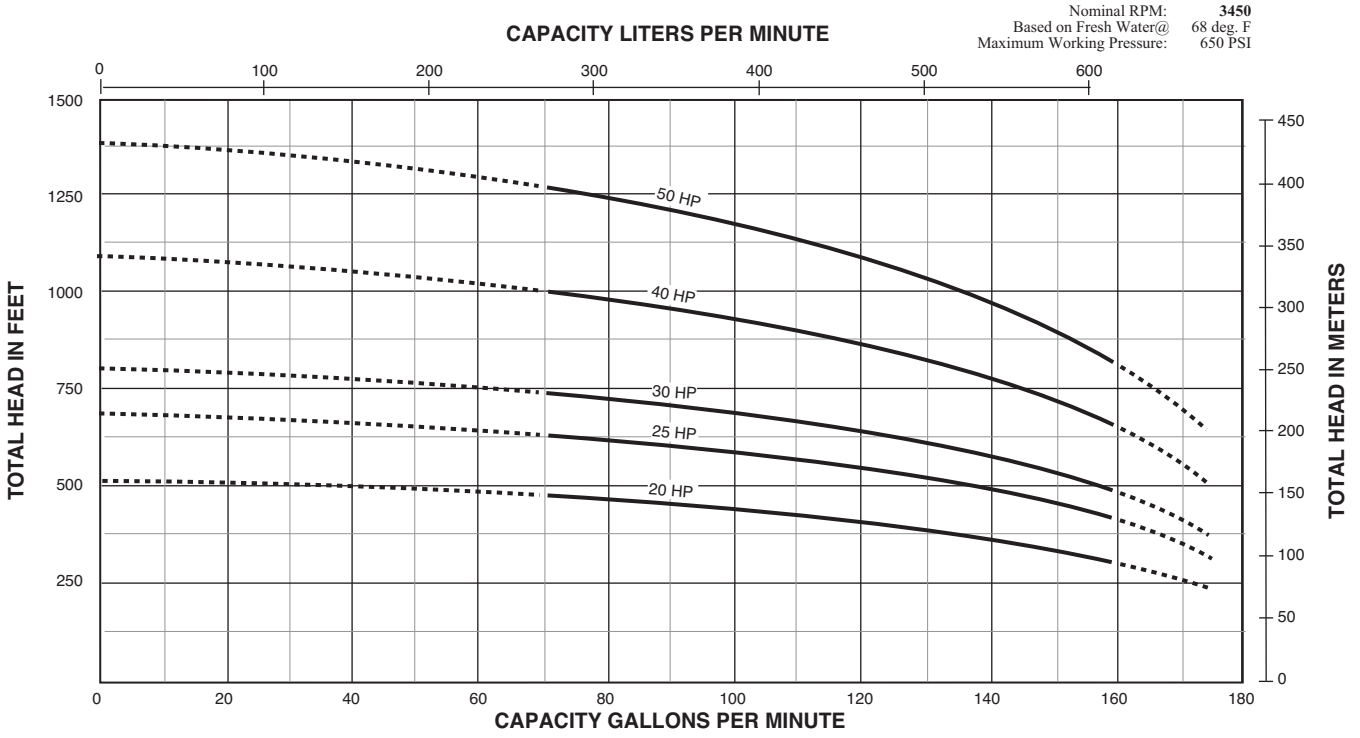
BERKELEY® 6TS Series

70, 115, 140, 155, 230 and 300 GPM

PUMP PERFORMANCE – 6TS-140 (3 – 15 HP)



PUMP PERFORMANCE – 6TS-140 (20 – 50 HP)



BERKELEY® 6TS Series

70, 115, 140, 155, 230 and 300 GPM

ORDERING INFORMATION

70 GPM	6TS1-70	1	1	3"	4"	**B85939**	**B85951**	26
	6TS2-70	2	2			**B85940**	**B85952**	28
	6TS3-70	3	3			**B85941**	**B85953**	30
	6TS5-70	5	5			**B85942**	**B85954**	30
	6TS5-70	5	5		6"	**B85943**	**B85955**	34
	6TS7.5-70	7-1/2	8		4"	**B85944**	**B85956**	34
	6TS7.5-70	7-1/2	8		6"	**B85945**	**B85957**	38
	6TS10-70	10	11		4"	**B85946**	**B85958**	38
	6TS10-70	10	11		6"	**B85947**	**B85959**	46
	6TS15-70	15	16			**B85948**	**B85960**	54
	6TS20-70	20	22			**B85949**	**B85961**	62
	6TS25-70	25	25			**B85950**	**B85962**	70
115 GPM	6TS2-115	2	1	3"	4"	**B85963**	**B85975**	24
	6TS5-115	5	2		4"	**B85964**	**B85976**	29
	6TS5-115	5	2		6"	**B85965**	**B85977**	29
	6TS7.5-115	7-1/2	4		4"	**B85966**	**B85978**	40
	6TS7.5-115	7-1/2	4		6"	**B85967**	**B85979**	40
	6TS10-115	10	5		4"	**B85968**	**B85980**	47
	6TS10-115	10	5		6"	**B85969**	**B85981**	47
	6TS15-115	15	8			**B85970**	**B85982**	62
	6TS20-115	20	11			**B85971**	**B85983**	79
	6TS25-115	25	14			**B85972**	**B85984**	90
	6TS30-115	30	17			**B85973**	**B85985**	105
	6TS40-115	40	23			**B85974**	**B85986**	129
140 GPM	6TS3-140	3	1	3"	4"	**B80547**	**B80943**	24
	6TS5-140	5	2		4"	**B80548**	**B80944**	26
	6TS5-140	5	2		6"	**B80549**	**B80945**	26
	6TS7.5-140	7-1/2	3		4"	**B80550**	**B80946**	29
	6TS7.5-140	7-1/2	3		6"	**B80551**	**B80947**	29
	6TS10-140	10	4		4"	**B80552**	**B80948**	31
	6TS10-140	10	4		6"	**B80553**	**B80949**	31
	6TS15-140	15	7			**B80554**	**B80950**	39
	6TS20-140	20	9			**B80555**	**B80951**	43
	6TS25-140	25	12			**B80556**	**B80952**	51
	6TS30-140	30	14			**B80557**	**B80953**	56
	6TS40-140	40	19			**B80558**	**B80954**	68
	6TS50-140	50	24			**B80559**	**B80955**	80

Well B

ANDREWS & FOSTER

SUBMERSIBLE PUMP & MOTOR FACT SHEET

Date: 02/18/2020	Job Name: Permian Basin Testing	Location: Midland, Texas
Foreman: J. Gary	Crew Members: J. Chairez, D. Hanna	Borehole / Well #: Well B
Job #: 20-043	Rig #: 32 CT #: 37	Water Sample: ☒ Yes ☐ No

PUMP DATA	
Make:	6" Berkeley
Horsepower:	15 HP
Model #:	6TS-115-150 (8 Stages) - Rebuilt on 2/13/2020

MOTOR DATA	
Make (size & type):	New 6" Grundfos Submersible
Horsepower:	15 HP
Date Code:	2020
Phase:	3
Volts:	460-Volt
KW Rating:	11
Amps:	25
KVA Code:	H
Locked Rotor Amps:	112
Line to Line Resistance OHMS:	1.2

SETTING	
Depth:	170'
Pipe Size & Type:	3" Certa-Lok Schedule 80 PVC
Check Valves:	1 - 3" Simmons DI Check Valve - 20' Above the Pump
Electrical Cable:	10/3 Round Jacketed w/Ground
Static Water Level:	108.50'

OTHER	
Control Panel (Model #):	Across-Line Starter Panel
E-Line Pipe (Size & Type):	1-Inch PVC Quik Set
Comments	New Well head installed with water measurement tube access port.

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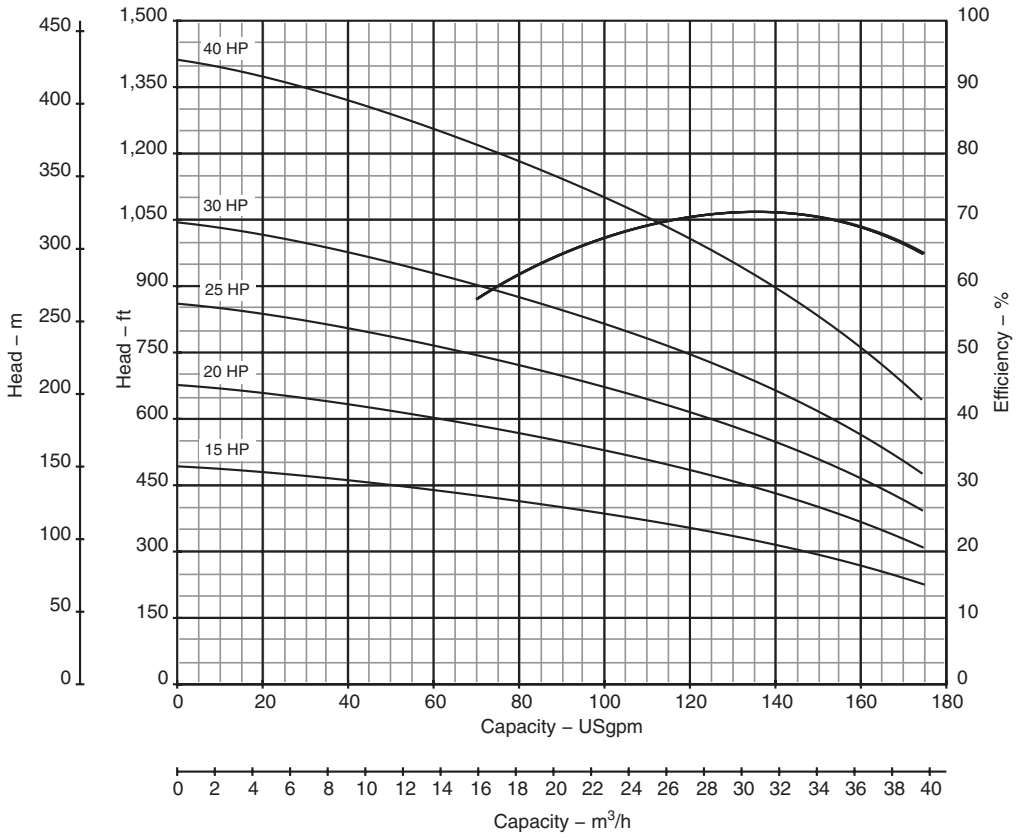
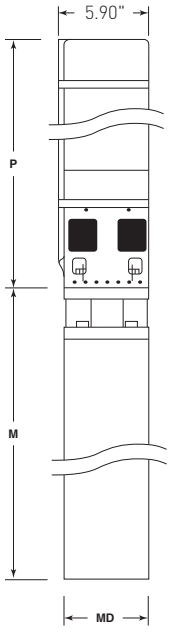
BERKELEY® 6TS-115
Submersible Turbine

Nominal RPM: 3450
Based on Fresh Water @ 68° F.
Maximum Working Pressure: 650 PSI





Outline Dimensions / Weights

HP	Stages	Motor size	P length	M* length	MD* dia.	Mtr. Wt.	Pump Wt.
15	8	6	48.68	29.92	5.51	128	62
20	11		60.03	31.50		137	79
25	14		73.38	36.22		161	95
30	17		86.72	38.19		176	112
40	23		113.42	40.55		187	145

Dimensions = inches; weight = U.S. lbs.
M* Maximum length (4" Pentair motor; 6" Hitachi motor)
MD* Motor diameter (4" Pentair motor; 6" Hitachi motor)

Specifications

Minimum Well I.D.	6.0 Inches
Minimum Submergence @ BEP (above inlet)	10.0 Feet
Capacity Range	65 - 170 GPM
Discharge	3" F NPT
See manufacturer's data for motor cooling requirements	

PENTAIR

Well C

ANDREWS & FOSTER

SUBMERSIBLE PUMP & MOTOR FACT SHEET

Date: 02/06/2020	Job Name: Permian Basin Testing	Location: Midland, Texas
Foreman: J. Gary	Crew Members: J. Chairez, D. Hanna	Borehole / Well #: Well C
Job #: 20-043	Rig #: 32 CT #: 37	Water Sample: ☒ Yes ☐ No

PUMP DATA	
Make:	6" Wolf
Horsepower:	30 HP
Model #:	V5MM5V1-03C (3 Stage)

MOTOR DATA	
Make (size & type):	6" Centri Pro Submersible
Horsepower:	25 HP
Date Code:	None
Phase:	3
Volts:	Dual Voltage Motor 460-Volt & 230-Volt
KW Rating:	
Amps:	38
KVA Code:	K
Locked Rotor Amps:	N/A
Line to Line Resistance OHMS:	N/A

SETTING	
Depth:	157'
Pipe Size & Type:	3" T&C Galvanized Column Pipe
Check Valves:	3" Ductile Iron Check Valve Screwed Into Pump Discharge
Electrical Cable:	10/3 Round Jacketed w/Ground
Static Water Level:	108.80'

OTHER	
Control Panel (Model #):	Across-Line Starter Panel
E-Line Pipe (Size & Type):	N/A
Comments:	Pump and motor both had iron buildup. Column pipe had iron build up and a green mineral build up. Water had a green tint to it coming out of the pipe. The submersible motor is undersized for the pump it was operating. Recommend replacing pump, motor, wire, and column pipe. Recommend using Certa-Lok PVC column pipe.

Well A1

ANDREWS & FOSTER

SUBMERSIBLE PUMP & MOTOR FACT SHEET

Set Date: 3-2-2020	Job Name: R W Hardin	Location: Midland
Foreman: J. Gary	Crew Members: J. Chairez D.	Borehole / Well #: A1
Job #: 20-043	Rig #: 32 CT #: 37	Water Sample: ☐ Yes ☒ No

PUMP DATA	
Make:	6” Berkley
Horsepower:	20
Model #:	6TS 20 155

MOTOR DATA	
Make (size & type):	Franklin
Horsepower:	20
Date Code:	
Phase:	3
Volts:	460
KW Rating:	17
Amps:	26.9
KVA Code:	J
Locked Rotor Amps:	181
Line to Line Resistance OHMS:	Y-B: .08, Y-R: .08, B-R: .08

SETTING	
Depth:	153’
Pipe Size & Type:	4” T&C
Check Valves:	120’ above pump
Electrical Cable:	10/3 round
Static Water Level:	

OTHER	
Control Panel (Model #):	N/A
Transducer:	N/A
Gauges:	N/A
E-Line Pipe (Size & Type):	N/A

BERKELEY® 6TS Series

70, 115, 140, 155, 230 and 300 GPM

The 6TS Series Submersible features heavy-duty 304 stainless steel construction that will outperform ordinary fabricated stainless steel pumps in aggressive water conditions.

APPLICATIONS

Water systems... for municipal, multiple housing, commercial, in water fountains, irrigation, mine de-watering, and farm use.

SPECIFICATIONS

Suction Motor Bracket – Stainless steel 304 (investment cast)

Top Bearing – Stainless steel 304 (chrome plated)

Coupling – Stainless steel 416

Shaft – Stainless steel 416

Spacer – Stainless steel 304

Impeller – Stainless steel 304

Diffuser Bowl – Stainless steel 304

Discharge Bracket – Stainless steel 304 (investment cast)

Check Valve – Stainless steel 304

FEATURES

Heavy-Duty, Investment Cast 304 Stainless Steel Discharge and Suction Bracket – Assures perfect pump-to-motor alignment with any NEMA-standard submersible motor. Discharge assures secure connection to drop pipe. Wrench flats provide positive grip during installation.

Low-Profile Stainless Steel Lead Guard – Aids installation in narrow wells

Wide Range of Performance Options – 1 HP to 60 HP; 29 to 365 U.S. GPM

Hard Chrome-plated Top Bearing Journal – Reduces wear in harsh conditions, such as sand

State-of-the-Art Design – Delivers maximum performance and reliability in the toughest conditions

100% Lead-free Components – Meets all U.S. federal guidelines for safe drinking water

Built-In Thrust Protection – Protects pump during periods of high demand and start-up. Prevents pump failure.

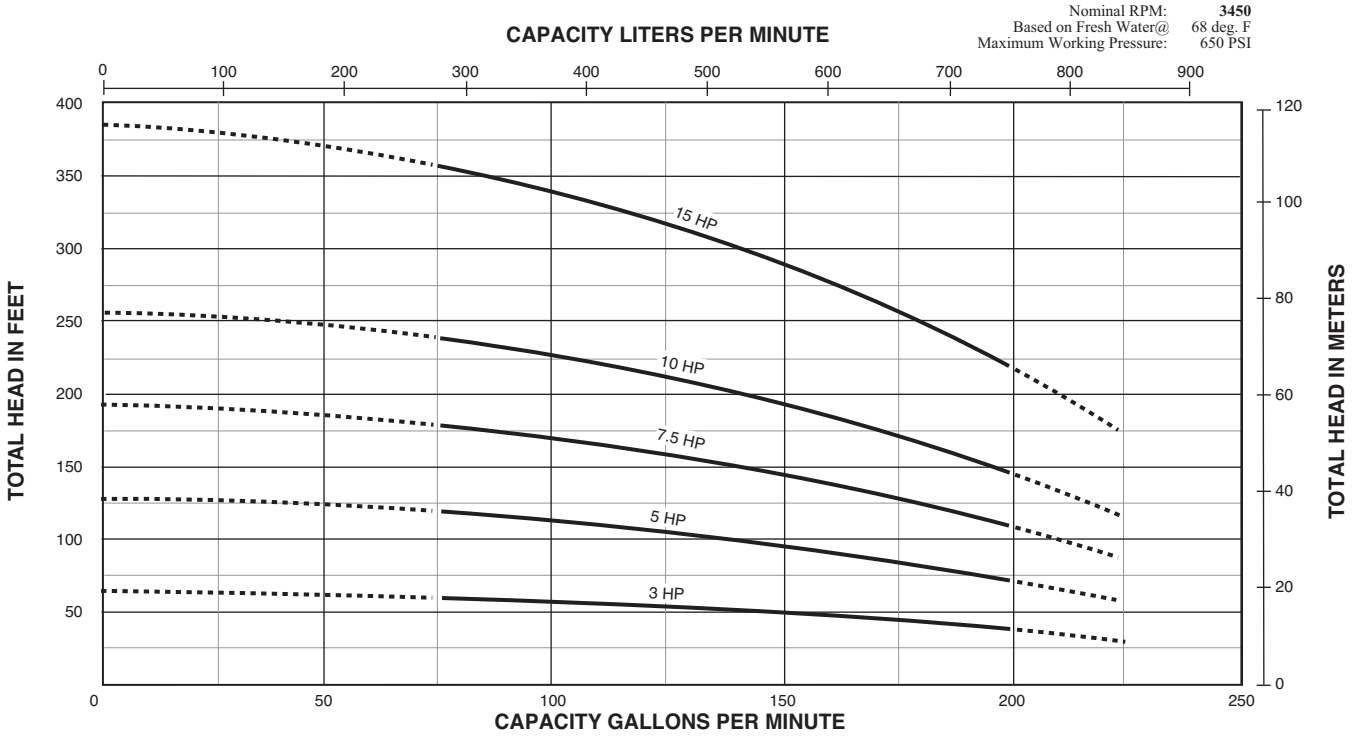
Built-In Check Valve (Optional) – Prevents backflow and reverse rotation

Buna® Wear Rings – Improve pump efficiency and durability

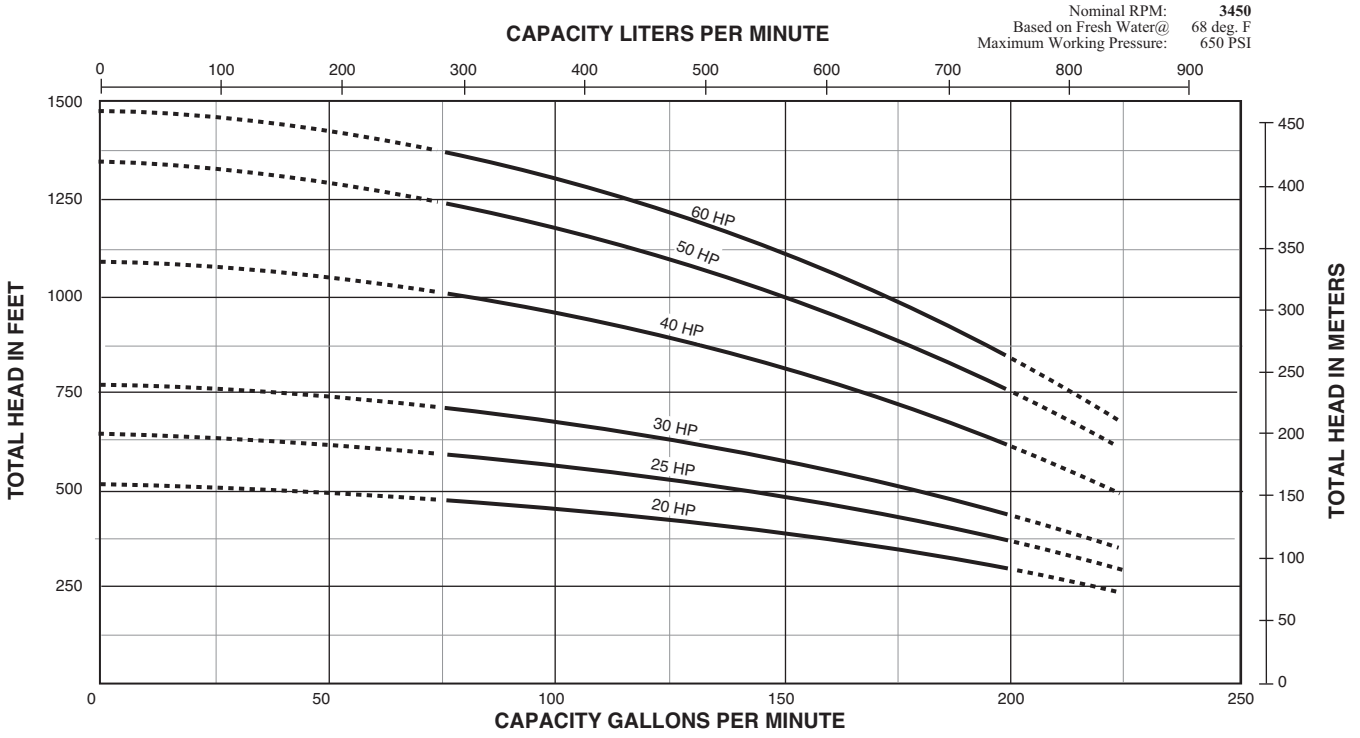
BERKELEY® 6TS Series

70, 115, 140, 155, 230 and 300 GPM

PUMP PERFORMANCE – 6TS-155 (3 – 15 HP)



PUMP PERFORMANCE – 6TS-155 (20 – 60 HP)



BERKELEY® 6TS Series

70, 115, 140, 155, 230 and 300 GPM

ORDERING INFORMATION

155 GPM	6TS3-155	3	1	3"	4"	**B85987**	**B86001**	24
	6TS5-155	5	2		4"	**B85988**	**B86002**	29
	6TS5-155	5	2		6"	**B85989**	**B86003**	29
	6TS7.5-155	7-1/2	3		4"	**B85990**	**B86004**	35
	6TS7.5-155	7-1/2	3		6"	**B85991**	**B86005**	35
	6TS10-155	10	4		4"	**B85992**	**B86006**	40
	6TS10-155	10	4		6"	**B85993**	**B86007**	40
	6TS15-155	15	6			**B85994**	**B86008**	51
	6TS20-155	20	8			**B85995**	**B86009**	62
	6TS25-155	25	10			**B85996**	**B86010**	73
	6TS30-155	30	12			**B85997**	**B86011**	84
	6TS40-155	40	16			**B85998**	**B86012**	106
	6TS50-155	50	20			**B85999**	**B86013**	128
	6TS60-155	60	22			**B86000**	**B86014**	139
230 GPM	6TS3-230	3	1	4"	4"	**B86015**	**B86029**	40
	6TS5-230	5	1		4"	**B86016**	**B86030**	44
	6TS5-230	5	1		6"	**B86017**	**B86031**	44
	6TS7.5-230	7-1/2	2		4"	**B86018**	**B86032**	49
	6TS7.5-230	7-1/2	2		6"	**B86019**	**B86033**	49
	6TS10-230	10	3		4"	**B86020**	**B86034**	53
	6TS10-230	10	3		6"	**B86021**	**B86035**	53
	6TS15-230	15	5			**B86022**	**B86036**	62
	6TS20-230	20	7			**B86023**	**B86037**	67
	6TS25-230	25	8			**B86024**	**B86038**	76
	6TS30-230	30	10			**B86025**	**B86039**	89
	6TS40-230	40	14			**B86026**	**B86040**	103
	6TS50-230	50	17			**B86027**	**B86041**	116
	6TS60-230	60	21			**B86028**	**B86042**	129
300 GPM	6TS5-300	5	1	4"	4"	**B86043**	**B86056**	40
	6TS5-300	5	1		6"	**B86044**	**B86057**	40
	6TS7.5-300	7-1/2	2		4"	**B86045**	**B86058**	44
	6TS7.5-300	7-1/2	2		6"	**B86046**	**B86059**	44
	6TS10-300	10	2		4"	**B86047**	**B86060**	44
	6TS10-300	10	2		6"	**B86048**	**B86061**	44
	6TS15-300	15	4			**B86049**	**B86062**	55
	6TS20-300	20	5			**B86050**	**B86063**	60
	6TS25-300	25	7			**B86051**	**B86064**	70
	6TS30-300	30	8			**B86052**	**B86065**	75
	6TS40-300	40	11			**B86053**	**B86066**	90
	6TS50-300	50	14			**B86054**	**B86067**	105
	6TS60-300	60	17			**B86055**	**B86068**	120

Appendix 4 –
Lab Water Quality Results

	Parameter (mg/L - Unless Specified)	TCEQ Standard	Well A 02/27/2020	Well B 02/17/2020	Well C 02/11/2020	Well A1
General	pH (SU)	> 7.0	7.45	7.9	7.41	8.22
	Total Alkalinity as CaCO3	-	189	185	196	197
	Total Dissolved Solids	1,000	2,630	2,040	2,370	1,030
	Hardness as CaCO3	-	1,200	1,100	1,200	560
Major Cation/Anion	Calcium	-	241	217	249	132
	Magnesium	-	137	126	146	57.1
	Sodium	-	304	256	286	95.3
	Chloride	300	537	538	573	301
	Sulfate	300	849	754	873	201
	Bicarbonate as HCO3	-	189	185	196	197
Misc. TCEQ Primary Standard	Antimony	0.006	N/A	< 0.002	N/A	N/A
	Arsenic	0.010	0.0232	0.0235	0.0232	0.0189
	Barium	2	N/A	0.0131	N/A	N/A
	Beryllium	0.004	N/A	< 0.002	N/A	N/A
	Cadmium	0.005	N/A	< 0.002	N/A	N/A
	Chromium	0.1	N/A	< 0.004	N/A	N/A
	Fluoride	4	2.89	3.13	3.17	3.01
	Lead	0.015	< 0.002	< 0.002	< 0.002	< 0.002
	Nitrate as Nitrogen	10	9.8	10.3	9.54	11.4
	Nitrite as Nitrogen	1	< 0.10	< 0.10	< 0.10	< 0.10
	Selenium	0.05	N/A	0.0273	N/A	N/A
	Thallium	0.002	N/A	< 0.002	N/A	N/A
Misc. TCEQ Secondary Standard	Aluminum	0.2	< 0.02	< 0.02	< 0.02	< 0.02
	Copper	1	N/A	0.00897	0.0149	< 0.002
	Fluoride	2	2.89	3.13	3.17	3.01
	Iron	0.3	< 0.20	< 0.20	< 0.20	< 0.20
	Manganese	0.05	< 0.002	< 0.002	< 0.002	< 0.002
	Silver	0.1	N/A	< 0.002	N/A	N/A
	Zinc	5	< 0.03	< 0.03	< 0.03	0.0494
Radio-nuclides	Gross Alpha (pCi/L)	15	N/A	N/A	10.4 +/- 9.49	N/A
	Gross Beta (pCi/L)	5	N/A	N/A	11.1 +/- 4.0	N/A
	Radium 226/228 (pCi/L)	50	N/A	N/A	0.16 +/- 0.31	N/A
	Uranium (µg/L)	30	N/A	N/A	217	N/A

Values highlighted in red indicate they exceed the TCEQ's standard for drinking water; pCi/L is pico curies per liter; and, N/A indicates the consituent was not analyzed for.

Well A

Certificate of Analysis Summary 653963

Andrews & Foster, Athens, TX

Project Name: Well A

Project Id:
Contact: Jacob Stanton
Project Location: Midland, TX

Date Received in Lab
Report Date
Project Manager

Analysis Requested						
	Lab Id:	653963-001				
	Field Id:	Well A				
	Depth:					
	Matrix:	DRINKING WATER				
	Sampled:	02.27.2020 00:00				
Acidity by SM2310B SUB: T104704215-19-30	***Extracted:***					
	Analyzed:	03.05.2020 15:30				
	Units/RL:	mg/L	RL			
Acidity, Total		-158				
Alkalinity by SM2320B SUB: T104704215-19-30	***Extracted:***	03.02.2020 10:15				
	Analyzed:	03.02.2020 11:51				
	Units/RL:	mg/L	RL			
Alkalinity, Bicarbonate (as CaCO3)		189	4.00			
Alkalinity, Carbonate (as CaCO3)		<4.00	4.00			
Cation-Anion Balance Calculation SUB: T104704215-19-30	***Extracted:***					
	Analyzed:	03.05.2020 16:42				
	Units/RL:	%	RL			
Cation-Anion Balance		1.60				
Hardness, Calculated SUB: T104704215-19-30	***Extracted:***					
	Analyzed:	03.05.2020 17:49				
	Units/RL:	mg/L	RL			
Hardness, Total (CaCO3)		1200	110			
Hydrogen Sulfide by Calculation by SM4500S2-H SUB: T104704215-19-30	***Extracted:***					
	Analyzed:	03.05.2020 16:43				
	Units/RL:	mg/L	RL			
Hydrogen sulfide		0				

This analytical report, and the entire data package it represents, has been made for your exclusive and confidential use.
The interpretations and results expressed throughout this analytical report represent the best judgment of XENCO Laboratories.
XENCO Laboratories assumes no responsibility and makes no warranty to the end use of the data hereby presented.
Our liability is limited to the amount invoiced for this work order unless otherwise agreed to in writing.

Certificate of Analysis Summary 653963

Andrews & Foster, Athens, TX

Project Name: Well A

Project Id:
Contact: Jacob Stanton
Project Location: Midland, TX

Date Received in Lab
Report Date
Project Manager

Analysis Requested						
	Lab Id:	653963-001				
	Field Id:	Well A				
	Depth:					
	Matrix:	DRINKING WATER				
	Sampled:	02.27.2020 00:00				
Inorganic Anions by EPA 300/300.1 SUB: T104704215-19-30	***Extracted:***	02.28.2020 09:10				
	Analyzed:	02.28.2020 10:37				
	Units/RL:	mg/L	RL			
Chloride		537	0.500			
Fluoride		2.89	0.500			
Nitrate as N		9.80	0.100			
Nitrite as N		<0.100	0.100			
Sulfate		849 D	5.00			
Recoverable Metals by EPA 200.8 SUB: T104704215-19-30	***Extracted:***	03.02.2020 09:40				
	Analyzed:	03.04.2020 19:17				
	Units/RL:	mg/L	RL			
Aluminum		<0.0200	0.0200			
Arsenic		0.0232	0.00400			
Lead		<0.00200	0.00200			
Manganese		<0.00200	0.00200			
Zinc		<0.0300	0.0300			
Recoverable Metals per ICP by EPA 200.7 SUB: T104704215-19-30	***Extracted:***	03.02.2020 09:45				
	Analyzed:	03.02.2020 22:52				
	Units/RL:	mg/L	RL			
Calcium		241 D	10.0			
Iron		<0.200	0.200			
Magnesium		137 D	20.0			
Potassium		13.7	0.500			
Silicon		32.6	0.500			
Sodium		304 D	25.0			

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Certificate of Analysis Summary 653963

Andrews & Foster, Athens, TX

Project Name: Well A

Project Id:
Contact: Jacob Stanton
Project Location: Midland, TX

Date Received in Lab
Report Date
Project Manager

Analysis Requested						
	Lab Id:	653963-001				
	Field Id:	Well A				
	Depth:					
	Matrix:	DRINKING WATER				
	Sampled:	02.27.2020 00:00				
Specific Conductance @25C by SM2510B SUB: T104704215-19-30	***Extracted:***					
	Analyzed:	03.03.2020 11:24				
	Units/RL:	umhos/cm	RL			
Specific conductance @ 25C		3210	10.0			
Sulfide by SM4500-S-F-00 SUB: T104704215-19-30	***Extracted:***					
	Analyzed:	03.04.2020 17:57				
	Units/RL:	mg/L	RL			
Sulfide, total		<5.00	5.00			
TDS by SM2540C SUB: T104704215-19-30	***Extracted:***					
	Analyzed:	03.05.2020 12:00				
	Units/RL:	mg/L	RL			
Total Dissolved Solids		2630	5.00			
pH by SM4500-H SUB: T104704215-19-30	***Extracted:***					
	Analyzed:	03.03.2020 10:42				
	Units/RL:	Deg C	RL			
Temperature		25.2 K				
pH by SM4500-H SUB: T104704215-19-30	***Extracted:***					
	Analyzed:	03.03.2020 10:42				
	Units/RL:	SU	RL			
pH		7.45 K				

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Our liability is limited to the amount invoiced for this work order unless otherwise agreed to in writing.

Analytical Report 653963

for

Andrews & Foster

Project Manager: Jacob Stanton

Well A

03.09.2020

Collected By: Client

1211 W. Florida Ave
Midland TX 79701

Xenco-Houston (EPA Lab Code: TX00122):
Texas (T104704215-19-30), Arizona (AZ0765), Florida (E871002-24), Louisiana (03054)
Oklahoma (2019-058), North Carolina (681), Arkansas (19-037-0)

Xenco-Dallas (EPA Lab Code: TX01468):
Texas (TX104704295-19-22), Arizona (AZ0809), Arkansas (17-063-0)

Xenco-El Paso (EPA Lab Code: TX00127): Texas (T104704221-19-16)
Xenco-Lubbock (EPA Lab Code: TX00139): Texas (T104704219-19-21)
Xenco-Midland (EPA Lab Code: TX00158): Texas (T104704400-19-19)
Xenco-Carlsbad (LELAP): Louisiana (05092)
Xenco-San Antonio (EPA Lab Code: TNI02385): Texas (T104704534-19-5)
Xenco Phoenix (EPA Lab Code: AZ00901): Arizona (AZ0757)
Xenco-Tampa: Florida (E87429), North Carolina (483)

03.09.2020

Project Manager: **Jacob Stanton**
Andrews & Foster
1301 E Corsicana St
Athens, TX 75751

Reference: XENCO Report No(s): **653963**
Well A
Project Address: Midland, TX

Jacob Stanton:

We are reporting to you the results of the analyses performed on the samples received under the project name referenced above and identified with the XENCO Report Number(s) 653963. All results being reported under this Report Number apply to the samples analyzed and properly identified with a Laboratory ID number. Subcontracted analyses are identified in this report with either the NELAC certification number of the subcontract lab in the analyst ID field, or the complete subcontracted report attached to this report.

Unless otherwise noted in a Case Narrative, all data reported in this Analytical Report are in compliance with NELAC standards. The uncertainty of measurement associated with the results of analysis reported is available upon request. Should insufficient sample be provided to the laboratory to meet the method and NELAC Matrix Duplicate and Matrix Spike requirements, then the data will be analyzed, evaluated and reported using all other available quality control measures.

The validity and integrity of this report will remain intact as long as it is accompanied by this letter and reproduced in full, unless written approval is granted by XENCO Laboratories. This report will be filed for at least 5 years in our archives after which time it will be destroyed without further notice, unless otherwise arranged with you. The samples received, and described as recorded in Report No. 653963 will be filed for 45 days, and after that time they will be properly disposed without further notice, unless otherwise arranged with you. We reserve the right to return to you any unused samples, extracts or solutions related to them if we consider so necessary (e.g., samples identified as hazardous waste, sample sizes exceeding analytical standard practices, controlled substances under regulated protocols, etc).

We thank you for selecting XENCO Laboratories to serve your analytical needs. If you have any questions concerning this report, please feel free to contact us at any time.

Respectfully,

Holly Taylor

Holly Taylor
Project Manager

A Small Business and Minority Company

Houston - Dallas - Midland - Tampa - Phoenix - Lubbock - San Antonio - El Paso - Atlanta - New Mexico

Sample Cross Reference 653963

Andrews & Foster, Athens, TX

Well A

Sample Id	Matrix	Date Collected	Sample Depth	Lab Sample Id
Well A	W	02.27.2020 00:00		653963-001

CASE NARRATIVE

Client Name: Andrews & Foster
Project Name: Well A

Project ID:
Work Order Number(s): *653963*

Report Date: *03.09.2020*
Date Received: *02.27.2020*

Sample receipt non conformances and comments:

None

Sample receipt non conformances and comments per sample:

None

Certificate of Analytical Results 653963

Andrews & Foster, Athens, TX

Well A

Sample Id: **Well A** Matrix: Drinking Water Date Received:02.27.2020 15:22

Lab Sample Id: 653963-001 Date Collected: 02.27.2020 00:00

Analytical Method: Alkalinity by SM2320B Prep Method: SM2320P

Tech: KBU % Moisture:

Analyst: KBU Date Prep: 03.02.2020 10:15

Seq Number: 3118210 SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Alkalinity, Bicarbonate (as CaCO3)	471-34-1	**189**	4.00	mg/L	03.02.2020 11:51		1
Alkalinity, Carbonate (as CaCO3)	3812-32-6	<4.00	4.00	mg/L	03.02.2020 11:51	U	1

Analytical Method: Cation-Anion Balance Calculation

Tech: ALA % Moisture:

Analyst: ALA

Seq Number: 3118682 SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Cation-Anion Balance	CATANBAL	**1.60**		%	03.05.2020 16:42		1

Analytical Method: Inorganic Anions by EPA 300/300.1 Prep Method: E300P

Tech: JYM % Moisture:

Analyst: JYM Date Prep: 02.28.2020 09:10

Seq Number: 3118063 SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Chloride	16887-00-6	**537**	0.500	mg/L	02.28.2020 10:37		1
Fluoride	16984-48-8	**2.89**	0.500	mg/L	02.28.2020 10:37		1
Nitrate as N	14797-55-8	**9.80**	0.100	mg/L	02.28.2020 10:37		1
Nitrite as N	14797-65-0	<0.100	0.100	mg/L	02.28.2020 10:37	U	1
Sulfate	14808-79-8	**849**	5.00	mg/L	02.28.2020 10:46	D	10

Analytical Method: TDS by SM2540C

Tech: JCL % Moisture:

Analyst: JCL

Seq Number: 3118688 SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Total Dissolved Solids	1642222	**2630**	5.00	mg/L	03.05.2020 12:00		1

Certificate of Analytical Results 653963

Andrews & Foster, Athens, TX

Well A

Sample Id: **Well A** Matrix: Drinking Water Date Received:02.27.2020 15:22

Lab Sample Id: 653963-001 Date Collected: 02.27.2020 00:00

Analytical Method: pH by SM4500-H

Tech: KBU % Moisture:

Analyst: KBU

Seq Number: 3118332 SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
pH	12408-02-5	**7.45**		SU	03.03.2020 10:42	K	1
Temperature	TEMP	**25.2**		Deg C	03.03.2020 10:42	K	1

Analytical Method: Hardness, Calculated

Tech: ANJ % Moisture:

Analyst: ANJ

Seq Number: 3118691 SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Hardness, Total (CaCO3)	471-34-1	**1200**	110	mg/L	03.02.2020 23:13		50

Analytical Method: Recoverable Metals by EPA 200.8 Prep Method: E200.8P

Tech: MLI % Moisture:

Analyst: ANJ Date Prep: 03.02.2020 09:40

Seq Number: 3118219 SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Aluminum	7429-90-5	<0.0200	0.0200	mg/L	03.04.2020 19:17	U	1
Arsenic	7440-38-2	**0.0232**	0.00400	mg/L	03.04.2020 19:17		1
Lead	7439-92-1	<0.00200	0.00200	mg/L	03.04.2020 19:17	U	1
Manganese	7439-96-5	<0.00200	0.00200	mg/L	03.04.2020 19:17	U	1
Zinc	7440-66-6	<0.0300	0.0300	mg/L	03.04.2020 19:17	U	1

Certificate of Analytical Results 653963

Andrews & Foster, Athens, TX

Well A

Sample Id: **Well A** Matrix: Drinking Water Date Received:02.27.2020 15:22

Lab Sample Id: 653963-001 Date Collected: 02.27.2020 00:00

Analytical Method: Recoverable Metals per ICP by EPA 200.7 Prep Method: E200.7P

Tech: MLI % Moisture:

Analyst: ANJ Date Prep: 03.02.2020 09:45

Seq Number: 3118260 SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Calcium	7440-70-2	**241**	10.0	mg/L	03.02.2020 23:13	D	50
Iron	7439-89-6	<0.200	0.200	mg/L	03.02.2020 22:52	U	1
Magnesium	7439-95-4	**137**	20.0	mg/L	03.02.2020 23:13	D	50
Potassium	7440-09-7	**13.7**	0.500	mg/L	03.02.2020 22:52		1
Silicon	7440-21-3	**32.6**	0.500	mg/L	03.02.2020 22:52		1
Sodium	7440-23-5	**304**	25.0	mg/L	03.02.2020 23:13	D	50

Analytical Method: Acidity by SM2310B

Tech: YAV % Moisture:

Analyst: YAV

Seq Number: 3118680 SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Acidity, Total	ACID	-158		mg/L	03.05.2020 15:30		1

Analytical Method: Hydrogen Sulfide by Calculation by SM4500S2-H

Tech: KBU % Moisture:

Analyst: KBU

Seq Number: 3118683 SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Hydrogen sulfide	7783-06-4	0		mg/L	03.05.2020 16:43	UK+	1

Analytical Method: Specific Conductance @25C by SM2510B

Tech: KBU % Moisture:

Analyst: KBU

Seq Number: 3118337 SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Specific conductance @ 25C	COND	**3210**	10.0	umhos/cm	03.03.2020 11:24		1

Certificate of Analytical Results 653963

Andrews & Foster, Athens, TX

Well A

Sample Id: **Well A**
Lab Sample Id: 653963-001

Matrix: Drinking Water
Date Collected: 02.27.2020 00:00

Date Received:02.27.2020 15:22

Analytical Method: Sulfide by SM4500-S-F-00
Tech: KBU
Analyst: KBU
Seq Number: 3118545

% Moisture:

SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Sulfide, total	18496-25-8	<5.00	5.00	mg/L	03.04.2020 17:57	U	1

Flagging Criteria

X In our quality control review of the data a QC deficiency was observed and flagged as noted. MS/MSD recoveries were found to be outside of the laboratory control limits due to possible matrix /chemical interference, or a concentration of target analyte high enough to affect the recovery of the spike concentration. This condition could also affect the relative percent difference in the MS/MSD.

B A target analyte or common laboratory contaminant was identified in the method blank. Its presence indicates possible field or laboratory contamination.

D The sample(s) were diluted due to targets detected over the highest point of the calibration curve, or due to matrix interference. Dilution factors are included in the final results. The result is from a diluted sample.

E The data exceeds the upper calibration limit; therefore, the concentration is reported as estimated.

F RPD exceeded lab control limits.

J The target analyte was positively identified below the quantitation limit and above the detection limit.

U Analyte was not detected.

L The LCS data for this analytical batch was reported below the laboratory control limits for this analyte. The department supervisor and QA Director reviewed data. The samples were either reanalyzed or flagged as estimated concentrations.

H The LCS data for this analytical batch was reported above the laboratory control limits. Supporting QC Data were reviewed by the Department Supervisor and QA Director. Data were determined to be valid for reporting.

K Sample analyzed outside of recommended hold time.

JN A combination of the "N" and the "J" qualifier. The analysis indicates that the analyte is "tentatively identified" and the associated numerical value may not be consistent with the amount actually present in the environmental sample.

** Surrogate recovered outside laboratory control limit.

BRL Below Reporting Limit. **ND** Not Detected.

RL Reporting Limit

MDL Method Detection Limit **SDL** Sample Detection Limit **LOD** Limit of Detection

PQL Practical Quantitation Limit **MQL** Method Quantitation Limit **LOQ** Limit of Quantitation

DL Method Detection Limit

NC Non-Calculable

SMP Client Sample **BLK** Method Blank

BKS/LCS Blank Spike/Laboratory Control Sample **BKSD/LCSD** Blank Spike Duplicate/Laboratory Control Sample Duplicate

MD/SD Method Duplicate/Sample Duplicate **MS** Matrix Spike **MSD:** Matrix Spike Duplicate

+ NELAC certification not offered for this compound.

***** (Next to analyte name or method description) = Outside XENCO's scope of NELAC accreditation

QC Summary 653963

Andrews & Foster

Well A

Analytical Method: **Alkalinity by SM2320B** Prep Method: SM2320P
Seq Number: 3118210 Matrix: Water Date Prep: 03.02.2020
MB Sample Id: 7697803-1-BLK

Parameter	MB Result	Units	Analysis Date	Flag
Alkalinity, Bicarbonate (as CaCO3)	<4.00	mg/L	03.02.2020 10:49	
Alkalinity, Carbonate (as CaCO3)	<4.00	mg/L	03.02.2020 10:49	

Analytical Method: **Alkalinity by SM2320B** Prep Method: SM2320P
Seq Number: 3118210 Matrix: Ground Water Date Prep: 03.02.2020
Parent Sample Id: 654116-001 MD Sample Id: 654116-001 D

Parameter	Parent Result	MD Result	%RPD	RPD Limit	Units	Analysis Date	Flag
Alkalinity, Bicarbonate (as CaCO3)	1230	1210	2	20	mg/L	03.02.2020 11:30	
Alkalinity, Carbonate (as CaCO3)	<4.00	<4.00	0	20	mg/L	03.02.2020 11:30	

Analytical Method: **Alkalinity by SM2320B** Prep Method: SM2320P
Seq Number: 3118210 Matrix: Water Date Prep: 03.02.2020
Parent Sample Id: 654161-001 MD Sample Id: 654161-001 D

Parameter	Parent Result	MD Result	%RPD	RPD Limit	Units	Analysis Date	Flag
Alkalinity, Bicarbonate (as CaCO3)	259	260	0	20	mg/L	03.02.2020 12:47	
Alkalinity, Carbonate (as CaCO3)	<4.00	<4.00	0	20	mg/L	03.02.2020 12:47	

Analytical Method: **Inorganic Anions by EPA 300/300.1** Prep Method: E300P
Seq Number: 3118063 Matrix: Water Date Prep: 02.28.2020
MB Sample Id: 7697691-1-BLK LCS Sample Id: 7697691-1-BKS LCSD Sample Id: 7697691-1-BSD

Parameter	MB Result	Spike Amount	LCS Result	LCS %Rec	LCSD Result	LCSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Chloride	<0.500	10.0	10.2	102	10.3	103	90-110	1	20	mg/L	02.28.2020 08:46	
Fluoride	<0.500	10.0	10.4	104	10.4	104	90-110	0	20	mg/L	02.28.2020 08:46	
Nitrate as N	<0.100	10.0	10.1	101	10.2	102	90-110	1	20	mg/L	02.28.2020 08:46	
Nitrite as N	<0.100	10.0	9.93	99	9.99	100	90-110	1	20	mg/L	02.28.2020 08:46	
Sulfate	<0.500	10.0	10.1	101	10.1	101	90-110	0	20	mg/L	02.28.2020 08:46	

Analytical Method: **Inorganic Anions by EPA 300/300.1** Prep Method: E300P
Seq Number: 3118063 Matrix: Water Date Prep: 02.28.2020
Parent Sample Id: 653913-001 MS Sample Id: 653913-001 S MSD Sample Id: 653913-001 SD

Parameter	Parent Result	Spike Amount	MS Result	MS %Rec	MSD Result	MSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Chloride	15.2	10.0	24.7	95	24.7	95	90-110	0	20	mg/L	02.28.2020 13:36	
Fluoride	<0.500	10.0	10.6	106	10.6	106	90-110	0	20	mg/L	02.28.2020 13:36	
Nitrate as N	0.210	10.0	10.5	103	10.5	103	90-110	0	20	mg/L	02.28.2020 13:36	
Nitrite as N	<0.100	10.0	9.68	97	9.67	97	90-110	0	20	mg/L	02.28.2020 13:36	
Sulfate	21.0	10.0	30.9	99	30.9	99	90-110	0	20	mg/L	02.28.2020 13:36	

MS/MSD Percent Recovery [D] = 100*(C-A) / B
Relative Percent Difference RPD = 200* | (C-E) / (C+E) |
LCS/LCSD Recovery [D] = 100 * (C) / [B]
Log Difference Log Diff. = Log(Sample Duplicate) - Log(Original Sample)

LCS = Laboratory Control Sample
A = Parent Result
C = MS/LCS Result
E = MSD/LCSD Result

MS = Matrix Spike
B = Spike Added
D = MSD/LCSD % Rec

Andrews & Foster

Well A

Analytical Method: **Inorganic Anions by EPA 300/300.1** Prep Method: E300P
Seq Number: 3118063 Matrix: Water Date Prep: 02.28.2020
Parent Sample Id: 653913-002 MS Sample Id: 653913-002 S MSD Sample Id: 653913-002 SD

Parameter	Parent Result	Spike Amount	MS Result	MS %Rec	MSD Result	MSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Chloride	15.3	10.0	24.7	94	24.7	94	90-110	0	20	mg/L	02.28.2020 14:02	
Fluoride	<0.500	10.0	10.5	105	10.5	105	90-110	0	20	mg/L	02.28.2020 14:02	
Nitrate as N	0.220	10.0	10.3	101	10.3	101	90-110	0	20	mg/L	02.28.2020 14:02	
Nitrite as N	<0.100	10.0	9.60	96	9.61	96	90-110	0	20	mg/L	02.28.2020 14:02	
Sulfate	21.3	10.0	30.8	95	30.9	96	90-110	0	20	mg/L	02.28.2020 14:02	

Analytical Method: **TDS by SM2540C**
Seq Number: 3118688 Matrix: Water
MB Sample Id: 3118688-1-BLK LCS Sample Id: 3118688-1-BKS LCSD Sample Id: 3118688-1-BSD

Parameter	MB Result	Spike Amount	LCS Result	LCS %Rec	LCSD Result	LCSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Total Dissolved Solids	<5.00	1000	998	100	997	100	80-120	0	10	mg/L	03.05.2020 12:00	

Analytical Method: **TDS by SM2540C**
Seq Number: 3118688 Matrix: Water
Parent Sample Id: 653913-001 MD Sample Id: 653913-001 D

Parameter	Parent Result	MD Result	%RPD	RPD Limit	Units	Analysis Date	Flag
Total Dissolved Solids	78.0	77.0	1	10	mg/L	03.05.2020 12:00	

Analytical Method: **TDS by SM2540C**
Seq Number: 3118688 Matrix: Water
Parent Sample Id: 654149-001 MD Sample Id: 654149-001 D

Parameter	Parent Result	MD Result	%RPD	RPD Limit	Units	Analysis Date	Flag
Total Dissolved Solids	1180	1170	1	10	mg/L	03.05.2020 12:00	

Analytical Method: **pH by SM4500-H**
Seq Number: 3118332 Matrix: Ground Water
Parent Sample Id: 653831-001 MD Sample Id: 653831-001 D

Parameter	Parent Result	MD Result	%RPD	RPD Limit	Units	Analysis Date	Flag
pH	7.02	7.01	0	20	SU	03.03.2020 10:42	
Temperature	22.2	22.2	0	20	Deg C	03.03.2020 10:42	

MS/MSD Percent Recovery [D] = 100*(C-A) / B
Relative Percent Difference RPD = 200* | (C-E) / (C+E) |
LCS/LCSD Recovery [D] = 100 * (C) / [B]
Log Difference Log Diff. = Log(Sample Duplicate) - Log(Original Sample)

LCS = Laboratory Control Sample
A = Parent Result
C = MS/LCS Result
E = MSD/LCSD Result

MS = Matrix Spike
B = Spike Added
D = MSD/LCSD % Rec

QC Summary 653963

Andrews & Foster

Well A

Analytical Method: **pH by SM4500-H**

Seq Number: 3118332 Matrix: Ground Water

Parent Sample Id: 653831-011 MD Sample Id: 653831-011 D

Parameter	Parent Result	MD Result	%RPD	RPD Limit	Units	Analysis Date	Flag
pH	7.07	7.08	0	20	SU	03.03.2020 10:42	
Temperature	25.1	25.0	0	20	Deg C	03.03.2020 10:42	

Analytical Method: **Recoverable Metals by EPA 200.8** Prep Method: E200.8P

Seq Number: 3118219 Matrix: Water Date Prep: 03.02.2020

MB Sample Id: 7697833-1-BLK LCS Sample Id: 7697833-1-BKS LCSD Sample Id: 7697833-1-BSD

Parameter	MB Result	Spike Amount	LCS Result	LCS %Rec	LCSD Result	LCSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Aluminum	<0.0200	0.500	0.477	95	0.479	96	85-115	0	20	mg/L	03.02.2020 13:57	
Arsenic	<0.00400	0.100	0.0951	95	0.0945	95	85-115	1	20	mg/L	03.02.2020 13:57	
Lead	<0.00200	0.100	0.0950	95	0.0944	94	85-115	1	20	mg/L	03.02.2020 13:57	
Manganese	<0.00200	0.100	0.0964	96	0.0957	96	85-115	1	20	mg/L	03.02.2020 13:57	
Zinc	0.000469	0.100	0.0954	95	0.0950	95	85-115	0	20	mg/L	03.02.2020 13:57	

Analytical Method: **Recoverable Metals by EPA 200.8** Prep Method: E200.8P

Seq Number: 3118219 Matrix: Drinking Water Date Prep: 03.02.2020

Parent Sample Id: 653613-001 MS Sample Id: 653613-001 S MSD Sample Id: 653613-001 SD

Parameter	Parent Result	Spike Amount	MS Result	MS %Rec	MSD Result	MSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Aluminum	0.0740	0.500	0.557	97	0.551	95	70-130	1	20	mg/L	03.02.2020 14:05	
Arsenic	<0.00400	0.100	0.0952	95	0.0954	95	70-130	0	20	mg/L	03.02.2020 14:05	
Lead	<0.00200	0.100	0.0954	95	0.0955	96	70-130	0	20	mg/L	03.02.2020 14:05	
Manganese	0.0238	0.100	0.118	94	0.118	94	70-130	0	20	mg/L	03.02.2020 14:05	
Zinc	0.0589	0.100	0.160	101	0.158	99	70-130	1	20	mg/L	03.02.2020 14:05	

Analytical Method: **Recoverable Metals by EPA 200.8** Prep Method: E200.8P

Seq Number: 3118219 Matrix: Waste Water Date Prep: 03.02.2020

Parent Sample Id: 653867-001 MS Sample Id: 653867-001 S

Parameter	Parent Result	Spike Amount	MS Result	MS %Rec	Limits	Units	Analysis Date	Flag
Aluminum	0.934	0.500	1.37	87	70-130	mg/L	03.04.2020 18:50	
Arsenic	0.000411	0.100	0.102	102	70-130	mg/L	03.04.2020 18:50	
Lead	0.000485	0.100	0.102	102	70-130	mg/L	03.04.2020 18:50	
Manganese	0.00597	0.100	0.103	97	70-130	mg/L	03.04.2020 18:50	
Zinc	0.293	0.100	0.205	0	70-130	mg/L	03.04.2020 18:50	X

MS/MSD Percent Recovery [D] = 100*(C-A) / B

Relative Percent Difference RPD = 200* | (C-E) / (C+E) |

LCS/LCSD Recovery [D] = 100 * (C) / [B]

Log Difference Log Diff. = Log(Sample Duplicate) - Log(Original Sample)

LCS = Laboratory Control Sample

A = Parent Result

C = MS/LCS Result

E = MSD/LCSD Result

MS = Matrix Spike

B = Spike Added

D = MSD/LCSD % Rec

QC Summary 653963

Andrews & Foster

Well A

Analytical Method: **Recoverable Metals per ICP by EPA 200.7** Prep Method: E200.7P
Seq Number: 3118260 Matrix: Water Date Prep: 03.02.2020
MB Sample Id: 7697835-1-BLK LCS Sample Id: 7697835-1-BKS LCSD Sample Id: 7697835-1-BSD

Parameter	MB Result	Spike Amount	LCS Result	LCS %Rec	LCSD Result	LCSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Calcium	<0.200	25.0	24.9	100	24.9	100	85-115	0	20	mg/L	03.02.2020 17:00	
Iron	<0.200	5.00	4.98	100	4.97	99	85-115	0	20	mg/L	03.02.2020 17:00	
Magnesium	<0.400	25.0	24.8	99	24.7	99	85-115	0	20	mg/L	03.02.2020 17:00	
Potassium	<0.500	10.0	10.1	101	9.73	97	85-115	4	20	mg/L	03.02.2020 17:00	
Silicon	<0.500	10.0	9.84	98	9.87	99	85-115	0	20	mg/L	03.02.2020 17:00	
Sodium	<0.500	25.0	24.6	98	24.6	98	85-115	0	20	mg/L	03.02.2020 17:00	

Analytical Method: **Recoverable Metals per ICP by EPA 200.7** Prep Method: E200.7P
Seq Number: 3118260 Matrix: Ground Water Date Prep: 03.02.2020
Parent Sample Id: 654116-001 MS Sample Id: 654116-001 S MSD Sample Id: 654116-001 SD

Parameter	Parent Result	Spike Amount	MS Result	MS %Rec	MSD Result	MSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Calcium	421	25.0	439	72	442	84	70-130	1	20	mg/L	03.02.2020 17:13	
Iron	14.3	5.00	20.1	116	20.3	120	70-130	1	20	mg/L	03.02.2020 17:13	
Magnesium	74.0	25.0	99.2	101	99.8	103	70-130	1	20	mg/L	03.02.2020 17:13	
Potassium	5.98	10.0	16.5	105	16.5	105	70-130	0	20	mg/L	03.02.2020 17:13	
Silicon	36.6	10.0	60.2	236	60.3	237	70-130	0	20	mg/L	03.02.2020 17:13	X
Sodium	97.4	25.0	122	98	122	98	70-130	0	20	mg/L	03.02.2020 17:13	

Analytical Method: **Acidity by SM2310B**
Seq Number: 3118680 Matrix: Water
MB Sample Id: 3118680-1-BLK LCS Sample Id: 3118680-1-BKS LCSD Sample Id: 3118680-1-BSD

Parameter	MB Result	Spike Amount	LCS Result	LCS %Rec	LCSD Result	LCSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Acidity, Total	<	500	494	99	496	99	80-120	0	20	mg/L	03.05.2020 15:30	

Analytical Method: **Acidity by SM2310B**
Seq Number: 3118680 Matrix: Drinking Water
Parent Sample Id: 653963-001 MD Sample Id: 653963-001 D

Parameter	Parent Result	MD Result	%RPD	RPD Limit	Units	Analysis Date	Flag
Acidity, Total	-158	-156	-1	20	mg/L	03.05.2020 15:30	

Analytical Method: **Specific Conductance @25C by SM2510B**
Seq Number: 3118337 Matrix: Water
MB Sample Id: 3118337-1-BLK LCS Sample Id: 3118337-1-BKS LCSD Sample Id: 3118337-1-BSD

Parameter	MB Result	Spike Amount	LCS Result	LCS %Rec	LCSD Result	LCSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Specific conductance @ 25C	<10.0	1410	1420	101	1410	100	80-120	1	20	umhos/cm	03.03.2020 11:24	

MS/MSD Percent Recovery [D] = 100*(C-A) / B
Relative Percent Difference RPD = 200* | (C-E) / (C+E) |
LCS/LCSD Recovery [D] = 100 * (C) / [B]
Log Difference Log Diff. = Log(Sample Duplicate) - Log(Original Sample)

LCS = Laboratory Control Sample
A = Parent Result
C = MS/LCS Result
E = MSD/LCSD Result

MS = Matrix Spike
B = Spike Added
D = MSD/LCSD % Rec

QC Summary 653963

Andrews & Foster

Well A

Analytical Method: **Specific Conductance @25C by SM2510B**

Seq Number: 3118337 Matrix: Water

Parent Sample Id: 653413-001 MD Sample Id: 653413-001 D

Parameter	Parent Result	MD Result	%RPD	RPD Limit	Units	Analysis Date	Flag
Specific conductance @ 25C	1620	1620	0	20	umhos/cm	03.03.2020 11:24	

Analytical Method: **Specific Conductance @25C by SM2510B**

Seq Number: 3118337 Matrix: Water

Parent Sample Id: 654088-001 MD Sample Id: 654088-001 D

Parameter	Parent Result	MD Result	%RPD	RPD Limit	Units	Analysis Date	Flag
Specific conductance @ 25C	4600	4620	0	20	umhos/cm	03.03.2020 11:24	

Analytical Method: **Sulfide by SM4500-S-F-00**

Seq Number: 3118545 Matrix: Water

MB Sample Id: 3118545-1-BLK LCS Sample Id: 3118545-1-BKS LCSD Sample Id: 3118545-1-BSD

Parameter	MB Result	Spike Amount	LCS Result	LCS %Rec	LCSD Result	LCSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Sulfide, total	<5.00	50.0	47.8	96	47.6	95	80-120	0	20	mg/L	03.04.2020 17:57	

MS/MSD Percent Recovery [D] = 100*(C-A) / B

Relative Percent Difference RPD = 200* | (C-E) / (C+E) |

LCS/LCSD Recovery [D] = 100 * (C) / [B]

Log Difference Log Diff. = Log(Sample Duplicate) - Log(Original Sample)

LCS = Laboratory Control Sample

A = Parent Result

C = MS/LCS Result

E = MSD/LCSD Result

MS = Matrix Spike

B = Spike Added

D = MSD/LCSD % Rec

Chain of Custody

XENCO LABORATORIES

Work Order No: 653963

Houston,TX (281) 240-4200 Dallas,TX (214) 902-0300 San Antonio,TX (210) 509-3334
Midland,TX (432) 704-5440 EL Paso,TX (915) 585-3443 Lubbock,TX (806) 794-1296 Craslbad, NM (432) 704-5440
Phoenix,AZ (480) 355-0900 Atlanta,GA (770) 449-8800 Tampa,FL (813) 620-2000 West Palm Beach, FL (561) 689-6701 www.xenco.com Page _____ of _____

Project Manager:	Jacob Stanton	Bill to: (if different)	Andrews + Foster
Company Name:	Andrews + Foster	Company Name:	
Address:	1301 E Corsicana St	Address:	1301 E Corsicana St
City, State ZIP:	Athens TX 75752	City, State ZIP:	Athens TX 75752
Phone:	903 818 2075	Email:	JStanton@Andrews-Foster.Com

Work Order Comments

Program: UST/PST ☐ PRP ☐ Brownfields ☐ RRC ☐ Superfund ☐
State of Project:
Reporting:Level II ☐ Level III ☐ PST/UST ☐ TRRP ☐ Level IV ☐
Deliverables: EDD ☐ ADaPT ☐ Other:

Project Name:		Turn Around	
Project Number:	Well A	Routine	☑
Project Location	midland TX	Rush:	
Sampler's Name:	Johnathan Gary	Due Date:	
PO #:		Quote #:	

SAMPLE RECEIPT			
Temp Blank:	Yes (No)	Wet Ice:	(Yes) No
Temperature (°C):	0.3	Thermometer ID	
Received Intact:	(Yes) No		
Cooler Custody Seals:	Yes No ~~N/A~~	Correction Factor:	
Sample Custody Seals:	Yes No ~~N/A~~	Total Containers:	

ANALYSIS REQUEST

Pres. Code / Number of Containers: X See attachment

Preservative Codes

MeOH: Me
None: NO
HNO3: HN
H2S04: H2
HCL: HL
NaOH: Na
Zn Acetate+ NaOH: Zn

TAT starts the day recevied by the lab, if received by 4:00pm

Lab ID	Sample Identification	Matrix	Date Sampled	Time Sampled	Depth	Sample Comments
	Well A	NW	2-27-20			

Total 200.7 / 6010 200.8 / 6020: 8RCRA 13PPM Texas 11 Al Sb As Ba Be B Cd Ca Cr Co Cu Fe Pb Mg Mn Mo Ni K Se Ag SiO2 Na Sr Tl Sn U V Zn
Circle Method(s) and Metal(s) to be analyzed TCLP / SPLP 6010: 8RCRA Sb As Ba Be Cd Cr Co Cu Pb Mn Mo Ni Se Ag Tl U 1631 / 245.1 / 7470 / 7471 : Hg

Notice: Signature of this document and relinquishment of samples constitutes a valid purchase order from client company to Xenco, its affiliates and subcontractors. It assigns standard terms and conditions of service. Xenco will be liable only for the cost of samples and shall not assume any responsibility for any losses or expenses incurred by the client if such losses are due to circumstances beyond the control of Xenco. A minimum charge of $75.00 will be applied to each project and a charge of $5 for each sample submitted to Xenco, but not analyzed. These terms will be enforced unless previously negotiated.

Relinquished by: (Signature)	Received by: (Signature)	Date/Time	Relinquished by: (Signature)	Received by: (Signature)	Date/Time
1 Johnathan Gary		2-27-20 / 3:22	2		
3			4		
5			6		

Revised Date 022619 Rev. 2019.1

Final 1.000

Andrews & Foster list!

Permian Basin – Wells A, B, and A1
Laboratory Quality Analysis Parameters

Parameter (mg/L)
Aluminum
Arsenic
Bicarbonate (as CaCO3)
Calcium (as CaCO3)
Carbonate (as CaCO3)
Chloride
Copper
Fluoride
Iron
Lead
Magnesium
Manganese
Nitrate as Nitrogen
Nitrite as Nitrogen
Potassium
Silicon
Sodium
Sulfate
Sulfide as Hydrogen Sulfide
Zinc
General Parameters
Acidity (as CaCO3)
Alkalinity, Total (as CaCO3)
Cation – Anion Balance
Hardness, Total (as CaCO3)
pH
Specific Conductance (umhos)
Total Dissolved Solids (mg/L)

Inter-Office Shipment

IOS Number : 59130

Date/Time:	02.27.2020	Created by:	Brianna Teel	Please send report to:	Holly Taylor
Lab# From:	**Midland**	Delivery Priority:		Address:	1211 W. Florida
Lab# To:	**Houston**	Air Bill No.:	777885613203	E-Mail:	holly.taylor@xen

Sample Id	Matrix	Client Sample Id	Sample Collection	Method	Method Name	Lab Due	HT Due	P
653963-001	W	Well A	02.27.2020 00:00	SM2340B	Hardness, Calculated	03.04.2020	08.25.2020	H
653963-001	W	Well A	02.27.2020 00:00	E200.8	Recoverable Metals by EPA 200.8	03.04.2020	08.25.2020	H
653963-001	W	Well A	02.27.2020 00:00	E200.7	Recoverable Metals per ICP by EPA 200	03.04.2020	08.25.2020	H
653963-001	W	Well A	02.27.2020 00:00	E300	Inorganic Anions by EPA 300/300.1	03.04.2020	**02.29.2020 00:00**	H
653963-001	W	Well A	02.27.2020 00:00	SM4500-H	pH by SM4500-H	03.04.2020	**02.27.2020 00:00**	H
653963-001	W	Well A	02.27.2020 00:00	SM2540C	TDS by SM2540C	03.04.2020	03.05.2020	H
653963-001	W	Well A	02.27.2020 00:00	SM4500S2-H	Hydrogen Sulfide by Calculation by SM4	03.04.2020	03.05.2020	H
653963-001	W	Well A	02.27.2020 00:00	SM4500SF00	Sulfide by SM4500-S-F-00	03.04.2020	03.05.2020	H
653963-001	W	Well A	02.27.2020 00:00	SM2320B	Alkalinity by SM2320B	03.04.2020	03.12.2020	H
653963-001	W	Well A	02.27.2020 00:00	SM2510B	Specific Conductance @25C by SM2510	03.04.2020	03.05.2020	H
653963-001	W	Well A	02.27.2020 00:00	SM1030E	Cation-Anion Balance Calculation	03.04.2020	03.28.2020	H
653963-001	W	Well A	02.27.2020 00:00	SM2310B	Acidity by SM2310B	03.04.2020	03.12.2020	H

Inter Office Shipment or Sample Comments:

Relinquished By: Brianna Teel

Brianna Teel

Date Relinquished: 02.27.2020

Received By: Jose Londono

Date Received: 02.28.2020

Cooler Temperature: 2.7

XENCO Laboratories

Inter Office Report- Sample Receipt Checklist

Sent To: Houston

IOS #: 59130

Acceptable Temperature Range: 0 - 6 degC
Air and Metal samples Acceptable Range: Ambient
Temperature Measuring device used : HOU-068

Sent By: Brianna Teel **Date Sent:** 02.27.2020 03.54 PM

Received By: Jose Londono **Date Received:** 02.28.2020 08.58 AM

Sample Receipt Checklist		Comments
#1 *Temperature of cooler(s)?	2.7	
#2 *Shipping container in good condition?	**Yes**	
#3 *Samples received with appropriate temperature?	**Yes**	
#4 *Custody Seals intact on shipping container/ cooler?	**Yes**	
#5 *Custody Seals Signed and dated for Containers/coolers	**Yes**	
#6 *IOS present?	**Yes**	
#7 Any missing/extra samples?	**No**	
#8 IOS agrees with sample label(s)/matrix?	**Yes**	
#9 Sample matrix/ properties agree with IOS?	**Yes**	
#10 Samples in proper container/ bottle?	**Yes**	
#11 Samples properly preserved?	**Yes**	
#12 Sample container(s) intact?	**Yes**	
#13 Sufficient sample amount for indicated test(s)?	**Yes**	
#14 All samples received within hold time?	**Yes**	

*** Must be completed for after-hours delivery of samples prior to placing in the refrigerator**

NonConformance:

Corrective Action Taken:

Nonconformance Documentation

Contact: _____ **Contacted by :** _____ **Date:** _____

Checklist reviewed by: Jose F. Londono Date: 02.28.2020

Jose Londono

XENCO Laboratories

Prelogin/Nonconformance Report- Sample Log-In

Client: Andrews & Foster

Date/ Time Received: 02/27/2020 03:22:00 PM

Work Order #: 653963

Acceptable Temperature Range: 0 - 6 degC
Air and Metal samples Acceptable Range: Ambient

Temperature Measuring device used : R8

Sample Receipt Checklist		Comments
#1 *Temperature of cooler(s)?	.3	
#2 *Shipping container in good condition?	**Yes**	
#3 *Samples received on ice?	**Yes**	
#4 *Custody Seals intact on shipping container/ cooler?	**N/A**	
#5 Custody Seals intact on sample bottles?	**N/A**	
#6*Custody Seals Signed and dated?	**N/A**	
#7 *Chain of Custody present?	**Yes**	
#8 Any missing/extra samples?	**No**	
#9 Chain of Custody signed when relinquished/ received?	**Yes**	
#10 Chain of Custody agrees with sample labels/matrix?	**Yes**	
#11 Container label(s) legible and intact?	**Yes**	
#12 Samples in proper container/ bottle?	**Yes**	
#13 Samples properly preserved?	**Yes**	
#14 Sample container(s) intact?	**Yes**	
#15 Sufficient sample amount for indicated test(s)?	**Yes**	
#16 All samples received within hold time?	**Yes**	
#17 Subcontract of sample(s)?	**Yes**	Xenco Stafford
#18 Water VOC samples have zero headspace?	**Yes**	

*** Must be completed for after-hours delivery of samples prior to placing in the refrigerator**

Analyst: AJA

PH Device/Lot#: 10BDH1991

Checklist completed by: Brianna Teel Date: 02/27/2020

Brianna Teel

Checklist reviewed by: Holly Taylor Date: 03/03/2020

Holly Taylor

Well B

Certificate of Analysis Summary 652605

Andrews & Foster, Athens, TX

Project Name: Public Water Supply Testing

Project Id:
Contact: Jacob Stanton
Project Location:

Date Received in Lab
Report Date
Project Manager

Analysis Requested						
	Lab Id:	652605-001				
	Field Id:	Well B				
	Depth:					
	Matrix:	DRINKING WATER				
	Sampled:	02.17.2020 11:45				
Acidity by SM2310B SUB: T104704215-19-30	***Extracted:***					
	Analyzed:	02.18.2020 15:10				
	Units/RL:	mg/L	RL			
Acidity, Total		-172				
Alkalinity by SM2320B SUB: T104704215-19-30	***Extracted:***	02.19.2020 08:44				
	Analyzed:	02.19.2020 10:03				
	Units/RL:	mg/L	RL			
Alkalinity, Total (as CaCO3)		185	4.00			
Alkalinity, Bicarbonate (as CaCO3)		185	4.00			
Alkalinity, Carbonate (as CaCO3)		<4.00	4.00			
Cation-Anion Balance Calculation SUB: T104704215-19-30	***Extracted:***					
	Analyzed:	02.25.2020 19:01				
	Units/RL:	%	RL			
Cation-Anion Balance		5.10				
Hardness, Calculated SUB: T104704215-19-30	***Extracted:***					
	Analyzed:	02.22.2020 16:19				
	Units/RL:	mg/L	RL			
Hardness, Total (CaCO3)		1100	110			
Hydrogen Sulfide by Calculation by SM4500S2-H SUB: T104704215-19-30	***Extracted:***					
	Analyzed:	02.24.2020 16:07				
	Units/RL:	mg/L	RL			
Hydrogen sulfide		0				

This analytical report, and the entire data package it represents, has been made for your exclusive and confidential use.
The interpretations and results expressed throughout this analytical report represent the best judgment of XENCO Laboratories.
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Our liability is limited to the amount invoiced for this work order unless otherwise agreed to in writing.

Certificate of Analysis Summary 652605

Andrews & Foster, Athens, TX

Project Name: Public Water Supply Testing

Project Id:

Contact: Jacob Stanton

Project Location:

Date Received in Lab

Report Date

Project Manager

Analysis Requested						
	Lab Id:	652605-001				
	Field Id:	Well B				
	Depth:					
	Matrix:	DRINKING WATER				
	Sampled:	02.17.2020 11:45				
Inorganic Anions by EPA 300 **SUB: T104704215-19-30**	***Extracted:***	02.18.2020 09:30				
	Analyzed:	02.18.2020 12:23				
	Units/RL:	mg/L	RL			
Bromide		5.85	0.500			
Chloride		538	0.500			
Fluoride		3.13	0.500			
Nitrate as N		10.3	0.100			
Nitrite as N		<0.100	0.100			
Sulfate		754 D	5.00			

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Certificate of Analysis Summary 652605

Andrews & Foster, Athens, TX

Project Name: Public Water Supply Testing

Project Id:

Contact: Jacob Stanton

Project Location:

Date Received in Lab

Report Date

Project Manager

Analysis Requested						
	Lab Id:	652605-001				
	Field Id:	Well B				
	Depth:					
	Matrix:	DRINKING WATER				
	Sampled:	02.17.2020 11:45				
Recoverable Dissolved Metals by ICP/MS SUB: T104704215-19-30	***Extracted:***	02.22.2020 11:00				
	Analyzed:	02.22.2020 17:11				
	Units/RL:	mg/L RL				
Aluminum		<0.0200 0.0200				
Antimony		<0.00200 0.00200				
Arsenic		0.0226 0.00400				
Barium		0.0237 0.00400				
Beryllium		<0.00200 0.00200				
Boron		0.756 0.0100				
Cadmium		<0.00200 0.00200				
Chromium		<0.00400 0.00400				
Copper		0.00818 0.00400				
Lead		<0.00200 0.00200				
Manganese		<0.00200 0.00200				
Selenium		0.0271 0.00200				
Silver		<0.00200 0.00200				
Strontium		7.01 D 0.500				
Thallium		<0.00200 0.00200				
Zinc		<0.0300 0.0300				

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Certificate of Analysis Summary 652605

Andrews & Foster, Athens, TX

Project Name: Public Water Supply Testing

Project Id:

Contact: Jacob Stanton

Project Location:

Date Received in Lab

Report Date

Project Manager

Analysis Requested						
	Lab Id:	652605-001				
	Field Id:	Well B				
	Depth:					
	Matrix:	DRINKING WATER				
	Sampled:	02.17.2020 11:45				
Recoverable Metals by EPA 200.8 SUB: T104704215-19-30	***Extracted:***	02.19.2020 10:57				
	Analyzed:	02.22.2020 13:34				
	Units/RL:	mg/L RL				
Aluminum		<0.0200 0.0200				
Antimony		<0.00200 0.00200				
Arsenic		0.0235 0.00400				
Barium		0.0131 0.00400				
Beryllium		<0.00200 0.00200				
Boron		0.804 0.0100				
Cadmium		<0.00200 0.00200				
Chromium		<0.00400 0.00400				
Copper		0.00897 0.00400				
Lead		<0.00200 0.00200				
Manganese		<0.00200 0.00200				
Selenium		0.0273 0.00200				
Silver		<0.00200 0.00200				
Strontium		7.29 D 0.500				
Thallium		<0.00200 0.00200				
Zinc		<0.0300 0.0300				

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Certificate of Analysis Summary 652605

Andrews & Foster, Athens, TX

Project Name: Public Water Supply Testing

Project Id:
Contact: Jacob Stanton
Project Location:

Date Received in Lab
Report Date
Project Manager

Analysis Requested						
	Lab Id:	652605-001				
	Field Id:	Well B				
	Depth:					
	Matrix:	DRINKING WATER				
	Sampled:	02.17.2020 11:45				
Recoverable Metals per ICP by EPA 200.7 SUB: T104704215-19-30	***Extracted:***	02.19.2020 08:20				
	Analyzed:	02.19.2020 20:44				
	Units/RL:	mg/L	RL			
Calcium		217 D	10.0			
Iron		<0.200	0.200			
Magnesium		126 D	20.0			
Potassium		12.7	0.500			
Silica		70.8	1.07			
Sodium		256 D	25.0			
Specific Conductance @25C by SM2510B SUB: T104704215-19-30	***Extracted:***					
	Analyzed:	02.19.2020 13:15				
	Units/RL:	umhos/cm	RL			
Specific conductance @ 25C		3090	10.0			
Sulfide by SM4500-S-F-00 SUB: T104704215-19-30	***Extracted:***					
	Analyzed:	02.21.2020 15:32				
	Units/RL:	mg/L	RL			
Sulfide, total		<5.00	5.00			
TDS by SM2540C SUB: T104704215-19-30	***Extracted:***					
	Analyzed:	02.20.2020 12:00				
	Units/RL:	mg/L	RL			
Total Dissolved Solids		2040	5.00			
pH by SM4500-H SUB: T104704215-19-30	***Extracted:***					
	Analyzed:	02.19.2020 13:14				
	Units/RL:	Deg C	RL			
Temperature		25.1 K				

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Certificate of Analysis Summary 652605

Andrews & Foster, Athens, TX

Project Name: Public Water Supply Testing

Project Id:

Contact: Jacob Stanton

Project Location:

Date Received in Lab

Report Date

Project Manager

Analysis Requested						
	Lab Id:	652605-001				
	Field Id:	Well B				
	Depth:					
	Matrix:	DRINKING WATER				
	Sampled:	02.17.2020 11:45				
pH by SM4500-H **SUB: T104704215-19-30**	***Extracted:***					
	Analyzed:	02.19.2020 13:14				
	Units/RL:	SU RL				
pH		7.90 K				

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Analytical Report 652605

for

Andrews & Foster

Project Manager: Jacob Stanton

Public Water Supply Testing

03.09.2020

Collected By: Client

1211 W. Florida Ave
Midland TX 79701

Xenco-Houston (EPA Lab Code: TX00122):
Texas (T104704215-19-30), Arizona (AZ0765), Florida (E871002-24), Louisiana (03054)
Oklahoma (2019-058), North Carolina (681), Arkansas (19-037-0)

Xenco-Dallas (EPA Lab Code: TX01468):
Texas (TX104704295-19-22), Arizona (AZ0809), Arkansas (17-063-0)

Xenco-El Paso (EPA Lab Code: TX00127): Texas (T104704221-19-16)
Xenco-Lubbock (EPA Lab Code: TX00139): Texas (T104704219-19-21)
Xenco-Midland (EPA Lab Code: TX00158): Texas (T104704400-19-19)
Xenco-Carlsbad (LELAP): Louisiana (05092)
Xenco-San Antonio (EPA Lab Code: TNI02385): Texas (T104704534-19-5)
Xenco Phoenix (EPA Lab Code: AZ00901): Arizona (AZ0757)
Xenco-Tampa: Florida (E87429), North Carolina (483)

03.09.2020

Project Manager: **Jacob Stanton**
Andrews & Foster
1301 E Corsicana St
Athens, TX 75751

Reference: XENCO Report No(s): **652605**
Public Water Supply Testing
Project Address:

Jacob Stanton:

We are reporting to you the results of the analyses performed on the samples received under the project name referenced above and identified with the XENCO Report Number(s) 652605. All results being reported under this Report Number apply to the samples analyzed and properly identified with a Laboratory ID number. Subcontracted analyses are identified in this report with either the NELAC certification number of the subcontract lab in the analyst ID field, or the complete subcontracted report attached to this report.

Unless otherwise noted in a Case Narrative, all data reported in this Analytical Report are in compliance with NELAC standards. The uncertainty of measurement associated with the results of analysis reported is available upon request. Should insufficient sample be provided to the laboratory to meet the method and NELAC Matrix Duplicate and Matrix Spike requirements, then the data will be analyzed, evaluated and reported using all other available quality control measures.

The validity and integrity of this report will remain intact as long as it is accompanied by this letter and reproduced in full, unless written approval is granted by XENCO Laboratories. This report will be filed for at least 5 years in our archives after which time it will be destroyed without further notice, unless otherwise arranged with you. The samples received, and described as recorded in Report No. 652605 will be filed for 45 days, and after that time they will be properly disposed without further notice, unless otherwise arranged with you. We reserve the right to return to you any unused samples, extracts or solutions related to them if we consider so necessary (e.g., samples identified as hazardous waste, sample sizes exceeding analytical standard practices, controlled substances under regulated protocols, etc).

We thank you for selecting XENCO Laboratories to serve your analytical needs. If you have any questions concerning this report, please feel free to contact us at any time.

Respectfully,

Holly Taylor

Holly Taylor
Project Manager

A Small Business and Minority Company

Houston - Dallas - Midland - Tampa - Phoenix - Lubbock - San Antonio - El Paso - Atlanta - New Mexico

Sample Cross Reference 652605

Andrews & Foster, Athens, TX

Public Water Supply Testing

Sample Id	Matrix	Date Collected	Sample Depth	Lab Sample Id
Well B	W	02.17.2020 11:45		652605-001

CASE NARRATIVE

Client Name: Andrews & Foster

Project Name: Public Water Supply Testing

Project ID:
Work Order Number(s): *652605*

Report Date: *03.09.2020*
Date Received: *02.17.2020*

Sample receipt non conformances and comments:

None

Sample receipt non conformances and comments per sample:

None

Certificate of Analytical Results 652605

Andrews & Foster, Athens, TX

Public Water Supply Testing

Sample Id: **Well B** Matrix: Drinking Water Date Received:02.17.2020 14:14
Lab Sample Id: 652605-001 Date Collected: 02.17.2020 11:45

Analytical Method: Alkalinity by SM2320B Prep Method: SM2320P
Tech: KBU % Moisture:
Analyst: KBU Date Prep: 02.19.2020 08:44
Seq Number: 3117056 SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Alkalinity, Total (as CaCO3)	1640192	**185**	4.00	mg/L	02.19.2020 10:03		1
Alkalinity, Bicarbonate (as CaCO3)	471-34-1	**185**	4.00	mg/L	02.19.2020 10:03		1
Alkalinity, Carbonate (as CaCO3)	3812-32-6	<4.00	4.00	mg/L	02.19.2020 10:03	U	1

Analytical Method: Cation-Anion Balance Calculation
Tech: ALA % Moisture:
Analyst: ALA
Seq Number: 3117644 SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Cation-Anion Balance	CATANBAL	**5.10**		%	02.25.2020 19:01		1

Analytical Method: Inorganic Anions by EPA 300 Prep Method: E300P
Tech: JYM % Moisture:
Analyst: JYM Date Prep: 02.18.2020 09:30
Seq Number: 3116876 SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Bromide	24959-67-9	**5.85**	0.500	mg/L	02.18.2020 12:23		1
Chloride	16887-00-6	**538**	0.500	mg/L	02.18.2020 12:23		1
Fluoride	16984-48-8	**3.13**	0.500	mg/L	02.18.2020 12:23		1
Nitrate as N	14797-55-8	**10.3**	0.100	mg/L	02.18.2020 12:23		1
Nitrite as N	14797-65-0	<0.100	0.100	mg/L	02.18.2020 12:23	U	1
Sulfate	14808-79-8	**754**	5.00	mg/L	02.18.2020 12:31	D	10

Certificate of Analytical Results 652605

Andrews & Foster, Athens, TX

Public Water Supply Testing

Sample Id: **Well B** Matrix: Drinking Water Date Received:02.17.2020 14:14

Lab Sample Id: 652605-001 Date Collected: 02.17.2020 11:45

Analytical Method: TDS by SM2540C

Tech: JCL % Moisture:

Analyst: JCL

Seq Number: 3117178 SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Total Dissolved Solids	1642222	**2040**	5.00	mg/L	02.20.2020 12:00		1

Analytical Method: pH by SM4500-H

Tech: KBU % Moisture:

Analyst: KBU

Seq Number: 3116989 SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
pH	12408-02-5	**7.90**		SU	02.19.2020 13:14	K	1
Temperature	TEMP	**25.1**		Deg C	02.19.2020 13:14	K	1

Analytical Method: Hardness, Calculated

Tech: ANJ % Moisture:

Analyst: ANJ

Seq Number: 3117323 SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Hardness, Total (CaCO3)	471-34-1	**1100**	110	mg/L	02.19.2020 21:50		50

Certificate of Analytical Results 652605

Andrews & Foster, Athens, TX

Public Water Supply Testing

Sample Id: **Well B**
Lab Sample Id: 652605-001

Matrix: Drinking Water
Date Collected: 02.17.2020 11:45

Date Received:02.17.2020 14:14

Analytical Method: Recoverable Dissolved Metals by ICP/MS
Tech: MLI
Analyst: ANJ
Seq Number: 3117324

Date Prep: 02.22.2020 11:00

Prep Method: E200.8P
% Moisture:

SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Aluminum	7429-90-5	<0.0200	0.0200	mg/L	02.22.2020 17:11	U	1
Antimony	7440-36-0	<0.00200	0.00200	mg/L	02.22.2020 17:11	U	1
Arsenic	7440-38-2	**0.0226**	0.00400	mg/L	02.22.2020 17:11		1
Barium	7440-39-3	**0.0237**	0.00400	mg/L	02.22.2020 17:11		1
Beryllium	7440-41-7	<0.00200	0.00200	mg/L	02.22.2020 17:11	U	1
Boron	7440-42-8	**0.756**	0.0100	mg/L	02.22.2020 17:11		1
Cadmium	7440-43-9	<0.00200	0.00200	mg/L	02.22.2020 17:11	U	1
Chromium	7440-47-3	<0.00400	0.00400	mg/L	02.22.2020 17:11	U	1
Copper	7440-50-8	**0.00818**	0.00400	mg/L	02.22.2020 17:11		1
Lead	7439-92-1	<0.00200	0.00200	mg/L	02.22.2020 17:11	U	1
Manganese	7439-96-5	<0.00200	0.00200	mg/L	02.22.2020 17:11	U	1
Selenium	7782-49-2	**0.0271**	0.00200	mg/L	02.22.2020 17:11		1
Silver	7440-22-4	<0.00200	0.00200	mg/L	02.22.2020 17:11	U	1
Strontium	7440-24-6	**7.01**	0.500	mg/L	02.27.2020 03:00	D	50
Thallium	7440-28-0	<0.00200	0.00200	mg/L	02.22.2020 17:11	U	1
Zinc	7440-66-6	<0.0300	0.0300	mg/L	02.22.2020 17:11	U	1

Certificate of Analytical Results 652605

Andrews & Foster, Athens, TX

Public Water Supply Testing

Sample Id: **Well B** Matrix: Drinking Water Date Received:02.17.2020 14:14

Lab Sample Id: 652605-001 Date Collected: 02.17.2020 11:45

Analytical Method: Recoverable Metals by EPA 200.8 Prep Method: E200.8P

Tech: MLI % Moisture:

Analyst: ANJ Date Prep: 02.19.2020 10:57

Seq Number: 3117159 SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Aluminum	7429-90-5	<0.0200	0.0200	mg/L	02.22.2020 13:34	U	1
Antimony	7440-36-0	<0.00200	0.00200	mg/L	02.22.2020 13:34	U	1
Arsenic	7440-38-2	**0.0235**	0.00400	mg/L	02.22.2020 13:34		1
Barium	7440-39-3	**0.0131**	0.00400	mg/L	02.22.2020 13:34		1
Beryllium	7440-41-7	<0.00200	0.00200	mg/L	02.22.2020 13:34	U	1
Boron	7440-42-8	**0.804**	0.0100	mg/L	02.22.2020 13:34		1
Cadmium	7440-43-9	<0.00200	0.00200	mg/L	02.22.2020 13:34	U	1
Chromium	7440-47-3	<0.00400	0.00400	mg/L	02.22.2020 13:34	U	1
Copper	7440-50-8	**0.00897**	0.00400	mg/L	02.22.2020 13:34		1
Lead	7439-92-1	<0.00200	0.00200	mg/L	02.22.2020 13:34	U	1
Manganese	7439-96-5	<0.00200	0.00200	mg/L	02.22.2020 13:34	U	1
Selenium	7782-49-2	**0.0273**	0.00200	mg/L	02.22.2020 13:34		1
Silver	7440-22-4	<0.00200	0.00200	mg/L	02.22.2020 13:34	U	1
Strontium	7440-24-6	**7.29**	0.500	mg/L	02.27.2020 03:06	D	50
Thallium	7440-28-0	<0.00200	0.00200	mg/L	02.22.2020 13:34	U	1
Zinc	7440-66-6	<0.0300	0.0300	mg/L	02.22.2020 13:34	U	1

Analytical Method: Recoverable Metals per ICP by EPA 200.7 Prep Method: E200.7P

Tech: MLI % Moisture:

Analyst: ANJ Date Prep: 02.19.2020 08:20

Seq Number: 3117157 SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Calcium	7440-70-2	**217**	10.0	mg/L	02.19.2020 21:50	D	50
Iron	7439-89-6	<0.200	0.200	mg/L	02.19.2020 20:44	U	1
Magnesium	7439-95-4	**126**	20.0	mg/L	02.19.2020 21:50	D	50
Potassium	7440-09-7	**12.7**	0.500	mg/L	02.19.2020 20:44		1
Silica	7631-86-9	**70.8**	1.07	mg/L	02.19.2020 20:44		1
Sodium	7440-23-5	**256**	25.0	mg/L	02.19.2020 21:50	D	50

Certificate of Analytical Results 652605

Andrews & Foster, Athens, TX

Public Water Supply Testing

Sample Id: **Well B** Matrix: Drinking Water Date Received:02.17.2020 14:14

Lab Sample Id: 652605-001 Date Collected: 02.17.2020 11:45

Analytical Method: Acidity by SM2310B

Tech: YAV % Moisture:

Analyst: YAV

Seq Number: 3116884 SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Acidity, Total	ACID	-172		mg/L	02.18.2020 15:10		1

Analytical Method: Hydrogen Sulfide by Calculation by SM4500S2-H

Tech: KBU % Moisture:

Analyst: KBU

Seq Number: 3117444 SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Hydrogen sulfide	7783-06-4	0		mg/L	02.24.2020 16:07	U+	1

Analytical Method: Specific Conductance @25C by SM2510B

Tech: KBU % Moisture:

Analyst: KBU

Seq Number: 3116993 SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Specific conductance @ 25C	COND	**3090**	10.0	umhos/cm	02.19.2020 13:15		1

Analytical Method: Sulfide by SM4500-S-F-00

Tech: KBU % Moisture:

Analyst: KBU

Seq Number: 3117251 SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Sulfide, total	18496-25-8	<5.00	5.00	mg/L	02.21.2020 15:32	U	1

Flagging Criteria

X In our quality control review of the data a QC deficiency was observed and flagged as noted. MS/MSD recoveries were found to be outside of the laboratory control limits due to possible matrix /chemical interference, or a concentration of target analyte high enough to affect the recovery of the spike concentration. This condition could also affect the relative percent difference in the MS/MSD.

B A target analyte or common laboratory contaminant was identified in the method blank. Its presence indicates possible field or laboratory contamination.

D The sample(s) were diluted due to targets detected over the highest point of the calibration curve, or due to matrix interference. Dilution factors are included in the final results. The result is from a diluted sample.

E The data exceeds the upper calibration limit; therefore, the concentration is reported as estimated.

F RPD exceeded lab control limits.

J The target analyte was positively identified below the quantitation limit and above the detection limit.

U Analyte was not detected.

L The LCS data for this analytical batch was reported below the laboratory control limits for this analyte. The department supervisor and QA Director reviewed data. The samples were either reanalyzed or flagged as estimated concentrations.

H The LCS data for this analytical batch was reported above the laboratory control limits. Supporting QC Data were reviewed by the Department Supervisor and QA Director. Data were determined to be valid for reporting.

K Sample analyzed outside of recommended hold time.

JN A combination of the "N" and the "J" qualifier. The analysis indicates that the analyte is "tentatively identified" and the associated numerical value may not be consistent with the amount actually present in the environmental sample.

** Surrogate recovered outside laboratory control limit.

BRL Below Reporting Limit. **ND** Not Detected.

RL Reporting Limit

MDL Method Detection Limit **SDL** Sample Detection Limit **LOD** Limit of Detection

PQL Practical Quantitation Limit **MQL** Method Quantitation Limit **LOQ** Limit of Quantitation

DL Method Detection Limit

NC Non-Calculable

SMP Client Sample **BLK** Method Blank

BKS/LCS Blank Spike/Laboratory Control Sample **BKSD/LCSD** Blank Spike Duplicate/Laboratory Control Sample Duplicate

MD/SD Method Duplicate/Sample Duplicate **MS** Matrix Spike **MSD:** Matrix Spike Duplicate

+ NELAC certification not offered for this compound.

***** (Next to analyte name or method description) = Outside XENCO's scope of NELAC accreditation

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Public Water Supply Testing

Analytical Method: **Alkalinity by SM2320B** Prep Method: SM2320P
Seq Number: 3117056 Matrix: Water Date Prep: 02.19.2020
MB Sample Id: 7696941-1-BLK LCS Sample Id: 7696941-1-BKS LCSD Sample Id: 7696941-1-BSD

Parameter	MB Result	Spike Amount	LCS Result	LCS %Rec	LCSD Result	LCSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Alkalinity, Total (as CaCO3)	<4.00	250	253	101	260	104	85-115	3	20	mg/L	02.19.2020 09:41	

Analytical Method: **Alkalinity by SM2320B** Prep Method: SM2320P
Seq Number: 3117056 Matrix: Water Date Prep: 02.19.2020
MB Sample Id: 7696941-1-BLK

Parameter	MB Result	Units	Analysis Date	Flag
Alkalinity, Bicarbonate (as CaCO3)	<4.00	mg/L	02.19.2020 09:35	
Alkalinity, Carbonate (as CaCO3)	<4.00	mg/L	02.19.2020 09:35	

Analytical Method: **Alkalinity by SM2320B** Prep Method: SM2320P
Seq Number: 3117056 Matrix: Surface Water Date Prep: 02.19.2020
Parent Sample Id: 652381-009 MD Sample Id: 652381-009 D

Parameter	Parent Result	MD Result	%RPD	RPD Limit	Units	Analysis Date	Flag
Alkalinity, Total (as CaCO3)	<4.00	<4.00	0	20	mg/L	02.19.2020 10:54	
Alkalinity, Bicarbonate (as CaCO3)	<4.00	<4.00	0	20	mg/L	02.19.2020 10:54	
Alkalinity, Carbonate (as CaCO3)	<4.00	<4.00	0	20	mg/L	02.19.2020 10:54	

Analytical Method: **Alkalinity by SM2320B** Prep Method: SM2320P
Seq Number: 3117056 Matrix: Drinking Water Date Prep: 02.19.2020
Parent Sample Id: 652584-001 MD Sample Id: 652584-001 D

Parameter	Parent Result	MD Result	%RPD	RPD Limit	Units	Analysis Date	Flag
Alkalinity, Total (as CaCO3)	31.8	33.0	4	20	mg/L	02.19.2020 09:58	
Alkalinity, Bicarbonate (as CaCO3)	31.8	33.0	4	20	mg/L	02.19.2020 09:58	
Alkalinity, Carbonate (as CaCO3)	<4.00	<4.00	0	20	mg/L	02.19.2020 09:58	

Analytical Method: **Inorganic Anions by EPA 300** Prep Method: E300P
Seq Number: 3116876 Matrix: Water Date Prep: 02.18.2020
MB Sample Id: 7696859-1-BLK LCS Sample Id: 7696859-1-BKS LCSD Sample Id: 7696859-1-BSD

Parameter	MB Result	Spike Amount	LCS Result	LCS %Rec	LCSD Result	LCSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Bromide	<0.500	10.0	9.97	100	9.97	100	90-110	0	20	mg/L	02.18.2020 08:50	
Chloride	<0.500	10.0	10.2	102	10.2	102	90-110	0	20	mg/L	02.18.2020 08:50	
Fluoride	<0.500	10.0	10.5	105	10.5	105	90-110	0	20	mg/L	02.18.2020 08:50	
Nitrate as N	<0.100	10.0	10.2	102	10.3	103	90-110	1	20	mg/L	02.18.2020 08:50	
Nitrite as N	<0.100	10.0	10.3	103	10.3	103	90-110	0	20	mg/L	02.18.2020 08:50	
Sulfate	<0.500	10.0	10.2	102	10.2	102	90-110	0	20	mg/L	02.18.2020 08:50	

MS/MSD Percent Recovery [D] = 100*(C-A) / B
Relative Percent Difference RPD = 200* | (C-E) / (C+E) |
LCS/LCSD Recovery [D] = 100 * (C) / [B]
Log Difference Log Diff. = Log(Sample Duplicate) - Log(Original Sample)

LCS = Laboratory Control Sample
A = Parent Result
C = MS/LCS Result
E = MSD/LCSD Result

MS = Matrix Spike
B = Spike Added
D = MSD/LCSD % Rec

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Public Water Supply Testing

Analytical Method: **Inorganic Anions by EPA 300** Prep Method: E300P
Seq Number: 3116876 Matrix: Water Date Prep: 02.18.2020
Parent Sample Id: 652521-001 MS Sample Id: 652521-001 S MSD Sample Id: 652521-001 SD

Parameter	Parent Result	Spike Amount	MS Result	MS %Rec	MSD Result	MSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Bromide	<100	2000	2100	105	2100	105	90-110	0	20	mg/L	02.18.2020 13:41	
Chloride	65100	2000	65900	40	65900	40	90-110	0	20	mg/L	02.18.2020 13:41	X
Fluoride	<100	2000	2160	108	2160	108	90-110	0	20	mg/L	02.18.2020 13:41	
Nitrate as N	<20.0	2000	2070	104	2070	104	90-110	0	20	mg/L	02.18.2020 13:41	
Nitrite as N	<20.0	2000	1740	87	1750	88	90-110	1	20	mg/L	02.18.2020 13:41	X
Sulfate	415	2000	2490	104	2490	104	90-110	0	20	mg/L	02.18.2020 13:41	

Analytical Method: **Inorganic Anions by EPA 300** Prep Method: E300P
Seq Number: 3116876 Matrix: Water Date Prep: 02.18.2020
Parent Sample Id: 652625-001 MS Sample Id: 652625-001 S MSD Sample Id: 652625-001 SD

Parameter	Parent Result	Spike Amount	MS Result	MS %Rec	MSD Result	MSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Bromide	<0.500	10.0	11.1	111	11.7	117	90-110	5	20	mg/L	02.18.2020 09:48	X
Chloride	49.3	10.0	58.3	90	58.3	90	90-110	0	20	mg/L	02.18.2020 09:48	
Fluoride	1.10	10.0	11.7	106	11.7	106	90-110	0	20	mg/L	02.18.2020 09:48	
Nitrate as N	1.27	10.0	11.5	102	11.5	102	90-110	0	20	mg/L	02.18.2020 09:48	
Nitrite as N	0.316	10.0	9.67	94	9.79	95	90-110	1	20	mg/L	02.18.2020 09:48	

Analytical Method: **TDS by SM2540C**
Seq Number: 3117178 Matrix: Water
MB Sample Id: 3117178-1-BLK LCS Sample Id: 3117178-1-BKS LCSD Sample Id: 3117178-1-BSD

Parameter	MB Result	Spike Amount	LCS Result	LCS %Rec	LCSD Result	LCSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Total Dissolved Solids	<5.00	1000	953	95	953	95	80-120	0	10	mg/L	02.20.2020 12:00	

Analytical Method: **TDS by SM2540C**
Seq Number: 3117178 Matrix: Water
Parent Sample Id: 652478-001 MD Sample Id: 652478-001 D

Parameter	Parent Result	MD Result	%RPD	RPD Limit	Units	Analysis Date	Flag
Total Dissolved Solids	708	708	0	10	mg/L	02.20.2020 12:00	

Analytical Method: **pH by SM4500-H**
Seq Number: 3116989 Matrix: Drinking Water
Parent Sample Id: 652584-001 MD Sample Id: 652584-001 D

Parameter	Parent Result	MD Result	%RPD	RPD Limit	Units	Analysis Date	Flag
pH	6.75	6.78	0	20	SU	02.19.2020 13:14	
Temperature	22.9	23.0	0	20	Deg C	02.19.2020 13:14	

MS/MSD Percent Recovery [D] = 100*(C-A) / B
Relative Percent Difference RPD = 200* | (C-E) / (C+E) |
LCS/LCSD Recovery [D] = 100 * (C) / [B]
Log Difference Log Diff. = Log(Sample Duplicate) - Log(Original Sample)

LCS = Laboratory Control Sample
A = Parent Result
C = MS/LCS Result
E = MSD/LCSD Result

MS = Matrix Spike
B = Spike Added
D = MSD/LCSD % Rec

QC Summary 652605

Andrews & Foster

Public Water Supply Testing

Analytical Method: **Recoverable Dissolved Metals by ICP/MS** Prep Method: E200.8P

Seq Number: 3117324 Matrix: Water Date Prep: 02.22.2020

MB Sample Id: 7697260-1-BLK LCS Sample Id: 7697260-1-BKS LCSD Sample Id: 7697260-1-BSD

Parameter	MB Result	Spike Amount	LCS Result	LCS %Rec	LCSD Result	LCSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Aluminum	<0.0200	0.500	0.510	102	0.501	100	85-115	2	20	mg/L	02.22.2020 16:46	
Antimony	<0.00200	0.100	0.0909	91	0.0934	93	85-115	3	20	mg/L	02.22.2020 16:46	
Arsenic	<0.00400	0.100	0.0992	99	0.0991	99	85-115	0	20	mg/L	02.22.2020 16:46	
Barium	<0.00400	0.100	0.0987	99	0.0989	99	85-115	0	20	mg/L	02.22.2020 16:46	
Beryllium	<0.00200	0.100	0.0998	100	0.0987	99	85-115	1	20	mg/L	02.22.2020 16:46	
Boron	<0.0100	0.100	0.0996	100	0.0997	100	85-115	0	20	mg/L	02.22.2020 16:46	
Cadmium	<0.00200	0.100	0.0987	99	0.0989	99	85-115	0	20	mg/L	02.22.2020 16:46	
Chromium	<0.00400	0.100	0.101	101	0.100	100	85-115	1	20	mg/L	02.22.2020 16:46	
Copper	<0.00400	0.100	0.101	101	0.101	101	85-115	0	20	mg/L	02.22.2020 16:46	
Lead	<0.00200	0.100	0.100	100	0.100	100	85-115	0	20	mg/L	02.22.2020 16:46	
Manganese	<0.00200	0.100	0.0993	99	0.0992	99	85-115	0	20	mg/L	02.22.2020 16:46	
Selenium	<0.00200	0.100	0.0996	100	0.0995	100	85-115	0	20	mg/L	02.22.2020 16:46	
Silver	<0.00200	0.0500	0.0479	96	0.0478	96	85-115	0	20	mg/L	02.22.2020 16:46	
Strontium	<0.0100	0.100	0.102	102	0.102	102	85-115	0	20	mg/L	02.22.2020 16:46	
Thallium	<0.00200	0.100	0.0994	99	0.0997	100	85-115	0	20	mg/L	02.22.2020 16:46	
Zinc	<0.0300	0.100	0.0997	100	0.0997	100	85-115	0	20	mg/L	02.22.2020 16:46	

Analytical Method: **Recoverable Dissolved Metals by ICP/MS** Prep Method: E200.8P

Seq Number: 3117324 Matrix: Drinking Water Date Prep: 02.22.2020

Parent Sample Id: 652902-001 MS Sample Id: 652902-001 S MSD Sample Id: 652902-001 SD

Parameter	Parent Result	Spike Amount	MS Result	MS %Rec	MSD Result	MSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Aluminum	<0.0200	0.500	0.489	98	0.504	101	70-130	3	20	mg/L	02.22.2020 16:54	
Antimony	<0.00200	0.100	0.102	102	0.102	102	70-130	0	20	mg/L	02.22.2020 16:54	
Arsenic	0.00945	0.100	0.110	101	0.108	99	70-130	2	20	mg/L	02.22.2020 16:54	
Barium	0.103	0.100	0.201	98	0.200	97	70-130	0	20	mg/L	02.22.2020 16:54	
Beryllium	<0.00200	0.100	0.0980	98	0.0981	98	70-130	0	20	mg/L	02.22.2020 16:54	
Boron	0.404	0.100	0.512	108	0.504	100	70-130	2	20	mg/L	02.22.2020 16:54	
Cadmium	<0.00200	0.100	0.0945	95	0.0946	95	70-130	0	20	mg/L	02.22.2020 16:54	
Chromium	<0.00400	0.100	0.0989	99	0.0991	99	70-130	0	20	mg/L	02.22.2020 16:54	
Copper	<0.00400	0.100	0.0982	98	0.0987	99	70-130	1	20	mg/L	02.22.2020 16:54	
Lead	<0.00200	0.100	0.0975	98	0.0983	98	70-130	1	20	mg/L	02.22.2020 16:54	
Manganese	<0.00200	0.100	0.0972	97	0.0982	98	70-130	1	20	mg/L	02.22.2020 16:54	
Selenium	0.00432	0.100	0.102	98	0.102	98	70-130	0	20	mg/L	02.22.2020 16:54	
Silver	<0.00200	0.0500	0.0470	94	0.0475	95	70-130	1	20	mg/L	02.22.2020 16:54	
Strontium	2.41	0.100	2.54	130	2.47	60	70-130	3	20	mg/L	02.22.2020 16:54	X
Thallium	<0.00200	0.100	0.0970	97	0.0982	98	70-130	1	20	mg/L	02.22.2020 16:54	
Zinc	<0.0300	0.100	0.0991	99	0.100	100	70-130	1	20	mg/L	02.22.2020 16:54	

MS/MSD Percent Recovery [D] = 100*(C-A) / B LCS = Laboratory Control Sample MS = Matrix Spike

Relative Percent Difference RPD = 200* | (C-E) / (C+E) | A = Parent Result B = Spike Added

LCS/LCSD Recovery [D] = 100 * (C) / [B] C = MS/LCS Result D = MSD/LCSD % Rec

Log Difference Log Diff. = Log(Sample Duplicate) - Log(Original Sample) E = MSD/LCSD Result

QC Summary 652605

Andrews & Foster

Public Water Supply Testing

Analytical Method: **Recoverable Dissolved Metals by ICP/MS** Prep Method: E200.8P

Seq Number: 3117324 Matrix: Water Date Prep: 02.22.2020

Parent Sample Id: 653037-001 MS Sample Id: 653037-001 S

Parameter	Parent Result	Spike Amount	MS Result	MS %Rec	Limits	Units	Analysis Date	Flag
Aluminum	<0.0200	0.500	0.495	99	70-130	mg/L	02.22.2020 17:46	
Antimony	<0.00200	0.100	0.101	101	70-130	mg/L	02.22.2020 17:46	
Arsenic	<0.00400	0.100	0.0999	100	70-130	mg/L	02.22.2020 17:46	
Barium	0.263	0.100	0.381	118	70-130	mg/L	02.22.2020 17:46	
Beryllium	<0.00200	0.100	0.0984	98	70-130	mg/L	02.22.2020 17:46	
Boron	0.492	0.100	0.596	104	70-130	mg/L	02.22.2020 17:46	
Cadmium	<0.00200	0.100	0.0955	96	70-130	mg/L	02.22.2020 17:46	
Chromium	<0.00400	0.100	0.0983	98	70-130	mg/L	02.22.2020 17:46	
Copper	0.635	0.100	0.749	114	70-130	mg/L	02.22.2020 17:46	
Lead	<0.00200	0.100	0.101	101	70-130	mg/L	02.22.2020 17:46	
Manganese	0.0157	0.100	0.112	96	70-130	mg/L	02.22.2020 17:46	
Selenium	<0.00200	0.100	0.0985	99	70-130	mg/L	02.22.2020 17:46	
Silver	<0.00200	0.0500	0.0479	96	70-130	mg/L	02.22.2020 17:46	
Strontium	0.282	0.100	0.385	103	70-130	mg/L	02.22.2020 17:46	
Thallium	<0.00200	0.100	0.0984	98	70-130	mg/L	02.22.2020 17:46	
Zinc	0.593	0.100	0.700	107	70-130	mg/L	02.22.2020 17:46	

Analytical Method: **Recoverable Metals by EPA 200.8** Prep Method: E200.8P

Seq Number: 3117159 Matrix: Water Date Prep: 02.19.2020

MB Sample Id: 7696967-1-BLK LCS Sample Id: 7696967-1-BKS LCSD Sample Id: 7696967-1-BSD

Parameter	MB Result	Spike Amount	LCS Result	LCS %Rec	LCSD Result	LCSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Aluminum	<0.0200	0.500	0.494	99	0.493	99	85-115	0	20	mg/L	02.20.2020 01:07	
Antimony	<0.00200	0.100	0.0939	94	0.0948	95	85-115	1	20	mg/L	02.20.2020 01:07	
Arsenic	<0.00400	0.100	0.0979	98	0.0987	99	85-115	1	20	mg/L	02.20.2020 01:07	
Barium	<0.00400	0.100	0.0965	97	0.0963	96	85-115	0	20	mg/L	02.20.2020 01:07	
Beryllium	<0.00200	0.100	0.0971	97	0.0966	97	85-115	1	20	mg/L	02.20.2020 01:07	
Boron	<0.0100	0.100	0.0960	96	0.0963	96	85-115	0	20	mg/L	02.20.2020 01:07	
Cadmium	<0.00200	0.100	0.0980	98	0.0980	98	85-115	0	20	mg/L	02.20.2020 01:07	
Chromium	<0.00400	0.100	0.0979	98	0.0987	99	85-115	1	20	mg/L	02.20.2020 01:07	
Copper	<0.00400	0.100	0.100	100	0.0999	100	85-115	0	20	mg/L	02.20.2020 01:07	
Lead	<0.00200	0.100	0.0970	97	0.0973	97	85-115	0	20	mg/L	02.20.2020 01:07	
Manganese	<0.00200	0.100	0.0978	98	0.0982	98	85-115	0	20	mg/L	02.20.2020 01:07	
Selenium	<0.00200	0.100	0.0977	98	0.0990	99	85-115	1	20	mg/L	02.20.2020 01:07	
Silver	<0.00200	0.0500	0.0493	99	0.0496	99	85-115	1	20	mg/L	02.20.2020 01:07	
Strontium	<0.0100	0.100	0.0996	100	0.0997	100	85-115	0	20	mg/L	02.20.2020 01:07	
Thallium	<0.00200	0.100	0.0980	98	0.0972	97	85-115	1	20	mg/L	02.20.2020 01:07	
Zinc	<0.0300	0.100	0.0979	98	0.0988	99	85-115	1	20	mg/L	02.20.2020 01:07	

MS/MSD Percent Recovery [D] = 100*(C-A) / B LCS = Laboratory Control Sample MS = Matrix Spike

Relative Percent Difference RPD = 200* | (C-E) / (C+E) | A = Parent Result B = Spike Added

LCS/LCSD Recovery [D] = 100 * (C) / [B] C = MS/LCS Result D = MSD/LCSD % Rec

Log Difference Log Diff. = Log(Sample Duplicate) - Log(Original Sample) E = MSD/LCSD Result

QC Summary 652605

Andrews & Foster

Public Water Supply Testing

Analytical Method: **Recoverable Metals by EPA 200.8** Prep Method: E200.8P
Seq Number: 3117159 Matrix: Drinking Water Date Prep: 02.19.2020
Parent Sample Id: 652624-001 MS Sample Id: 652624-001 S MSD Sample Id: 652624-001 SD

Parameter	Parent Result	Spike Amount	MS Result	MS %Rec	MSD Result	MSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Aluminum	<0.0200	0.500	0.484	97	0.488	98	70-130	1	20	mg/L	02.20.2020 01:16	
Antimony	<0.00200	0.100	0.0955	96	0.0964	96	70-130	1	20	mg/L	02.20.2020 01:16	
Arsenic	<0.00400	0.100	0.101	101	0.101	101	70-130	0	20	mg/L	02.20.2020 01:16	
Barium	0.198	0.100	0.301	103	0.301	103	70-130	0	20	mg/L	02.20.2020 01:16	
Beryllium	<0.00200	0.100	0.0967	97	0.0979	98	70-130	1	20	mg/L	02.20.2020 01:16	
Boron	0.150	0.100	0.247	97	0.251	101	70-130	2	20	mg/L	02.20.2020 01:16	
Cadmium	<0.00200	0.100	0.0950	95	0.0961	96	70-130	1	20	mg/L	02.20.2020 01:16	
Chromium	<0.00400	0.100	0.0991	99	0.100	100	70-130	1	20	mg/L	02.20.2020 01:16	
Copper	0.0383	0.100	0.136	98	0.134	96	70-130	1	20	mg/L	02.20.2020 01:16	
Lead	<0.00200	0.100	0.101	101	0.100	100	70-130	1	20	mg/L	02.20.2020 01:16	
Manganese	<0.00200	0.100	0.0970	97	0.0971	97	70-130	0	20	mg/L	02.20.2020 01:16	
Selenium	<0.00200	0.100	0.0986	99	0.0988	99	70-130	0	20	mg/L	02.20.2020 01:16	
Silver	<0.00200	0.0500	0.0465	93	0.0467	93	70-130	0	20	mg/L	02.20.2020 01:16	
Strontium	1.45	0.100	1.53	80	1.54	90	70-130	1	20	mg/L	02.20.2020 01:16	
Thallium	<0.00200	0.100	0.102	102	0.101	101	70-130	1	20	mg/L	02.20.2020 01:16	
Zinc	<0.0300	0.100	0.107	107	0.107	107	70-130	0	20	mg/L	02.20.2020 01:16	

Analytical Method: **Recoverable Metals per ICP by EPA 200.7** Prep Method: E200.7P
Seq Number: 3117157 Matrix: Water Date Prep: 02.19.2020
MB Sample Id: 7696968-1-BLK LCS Sample Id: 7696968-1-BKS LCSD Sample Id: 7696968-1-BSD

Parameter	MB Result	Spike Amount	LCS Result	LCS %Rec	LCSD Result	LCSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Calcium	<0.200	25.0	25.3	101	25.3	101	85-115	0	20	mg/L	02.19.2020 19:45	
Iron	<0.200	5.00	5.10	102	5.11	102	85-115	0	20	mg/L	02.19.2020 19:45	
Magnesium	<0.400	25.0	25.4	102	25.4	102	85-115	0	20	mg/L	02.19.2020 19:45	
Potassium	<0.500	10.0	9.90	99	9.92	99	85-115	0	20	mg/L	02.19.2020 19:45	
Silica	<1.07	21.4	22.6	106	22.8	107	85-115	1	20	mg/L	02.19.2020 19:45	
Sodium	<0.500	25.0	25.5	102	25.5	102	85-115	0	20	mg/L	02.19.2020 19:45	

Analytical Method: **Recoverable Metals per ICP by EPA 200.7** Prep Method: E200.7P
Seq Number: 3117157 Matrix: Water Date Prep: 02.19.2020
Parent Sample Id: 652449-001 MS Sample Id: 652449-001 S MSD Sample Id: 652449-001 SD

Parameter	Parent Result	Spike Amount	MS Result	MS %Rec	MSD Result	MSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Calcium	20.9	25.0	45.7	99	45.6	99	70-130	0	20	mg/L	02.19.2020 19:58	
Iron	<0.200	5.00	5.13	103	5.13	103	70-130	0	20	mg/L	02.19.2020 19:58	
Magnesium	0.745	25.0	25.7	100	25.5	99	70-130	1	20	mg/L	02.19.2020 19:58	
Potassium	4.96	10.0	14.8	98	14.8	98	70-130	0	20	mg/L	02.19.2020 19:58	
Silica	3.27	21.4	26.3	108	26.3	108	70-130	0	20	mg/L	02.19.2020 19:58	
Sodium	4.52	25.0	29.7	101	29.6	100	70-130	0	20	mg/L	02.19.2020 19:58	

MS/MSD Percent Recovery [D] = 100*(C-A) / B LCS = Laboratory Control Sample MS = Matrix Spike
Relative Percent Difference RPD = 200* | (C-E) / (C+E) | A = Parent Result B = Spike Added
LCS/LCSD Recovery [D] = 100 * (C) / [B] C = MS/LCS Result D = MSD/LCSD % Rec
Log Difference Log Diff. = Log(Sample Duplicate) - Log(Original Sample) E = MSD/LCSD Result

Andrews & Foster

Public Water Supply Testing

Analytical Method: **Recoverable Metals per ICP by EPA 200.7** Prep Method: E200.7P
Seq Number: 3117157 Matrix: Ground Water Date Prep: 02.19.2020
Parent Sample Id: 652381-002 MS Sample Id: 652381-002 S

Parameter	Parent Result	Spike Amount	MS Result	MS %Rec	Limits	Units	Analysis Date	Flag
Calcium	0.338	25.0	24.8	98	70-130	mg/L	02.19.2020 21:13	
Iron	0.908	5.00	5.84	99	70-130	mg/L	02.19.2020 21:13	
Magnesium	0.545	25.0	25.2	99	70-130	mg/L	02.19.2020 21:13	
Potassium	0.331	10.0	9.96	96	70-130	mg/L	02.19.2020 21:13	
Silica	14.2	21.4	36.7	105	70-130	mg/L	02.19.2020 21:13	
Sodium	5.89	25.0	30.4	98	70-130	mg/L	02.19.2020 21:13	

Analytical Method: **Acidity by SM2310B**
Seq Number: 3116884 Matrix: Water
MB Sample Id: 3116884-1-BLK LCS Sample Id: 3116884-1-BKS LCSD Sample Id: 3116884-1-BSD

Parameter	MB Result	Spike Amount	LCS Result	LCS %Rec	LCSD Result	LCSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Acidity, Total	<	500	496	99	496	99	80-120	0	20	mg/L	02.18.2020 15:10	

Analytical Method: **Acidity by SM2310B**
Seq Number: 3116884 Matrix: Water
Parent Sample Id: 651965-001 MD Sample Id: 651965-001 D

Parameter	Parent Result	MD Result	%RPD	RPD Limit	Units	Analysis Date	Flag
Acidity, Total	-172	-170	-1	20	mg/L	02.18.2020 15:10	

Analytical Method: **Specific Conductance @25C by SM2510B**
Seq Number: 3116993 Matrix: Water
MB Sample Id: 3116993-1-BLK LCS Sample Id: 3116993-1-BKS LCSD Sample Id: 3116993-1-BSD

Parameter	MB Result	Spike Amount	LCS Result	LCS %Rec	LCSD Result	LCSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Specific conductance @ 25C	<10.0	1410	1400	99	1400	99	80-120	0	20	umhos/cm	02.19.2020 13:15	

Analytical Method: **Specific Conductance @25C by SM2510B**
Seq Number: 3116993 Matrix: Drinking Water
Parent Sample Id: 652605-001 MD Sample Id: 652605-001 D

Parameter	Parent Result	MD Result	%RPD	RPD Limit	Units	Analysis Date	Flag
Specific conductance @ 25C	3090	3110	1	20	umhos/cm	02.19.2020 13:15	

MS/MSD Percent Recovery [D] = 100*(C-A) / B
Relative Percent Difference RPD = 200* | (C-E) / (C+E) |
LCS/LCSD Recovery [D] = 100 * (C) / [B]
Log Difference Log Diff. = Log(Sample Duplicate) - Log(Original Sample)

LCS = Laboratory Control Sample
A = Parent Result
C = MS/LCS Result
E = MSD/LCSD Result

MS = Matrix Spike
B = Spike Added
D = MSD/LCSD % Rec

QC Summary 652605

Andrews & Foster

Public Water Supply Testing

Analytical Method: **Sulfide by SM4500-S-F-00**

Seq Number: 3117251 Matrix: Water

MB Sample Id: 3117251-1-BLK LCS Sample Id: 3117251-1-BKS LCSD Sample Id: 3117251-1-BSD

Parameter	MB Result	Spike Amount	LCS Result	LCS %Rec	LCSD Result	LCSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Sulfide, total	<5.00	50.0	45.6	91	45.4	91	80-120	0	20	mg/L	02.21.2020 15:32	

MS/MSD Percent Recovery [D] = 100*(C-A) / B
Relative Percent Difference RPD = 200* | (C-E) / (C+E) |
LCS/LCSD Recovery [D] = 100 * (C) / [B]
Log Difference Log Diff. = Log(Sample Duplicate) - Log(Original Sample)

LCS = Laboratory Control Sample
A = Parent Result
C = MS/LCS Result
E = MSD/LCSD Result

MS = Matrix Spike
B = Spike Added
D = MSD/LCSD % Rec

Chain of Custody

XENCO LABORATORIES

Houston,TX (281) 240-4200 Dallas,TX (214) 902-0300 San Antonio,TX (210) 509-3334
Midland,TX (432-704-5440) EL Paso,TX (915)585-3443 Lubbock,TX (806)794-1296
Hobbs,NM (575-392-7550) Phoenix,AZ (480-355-0900) Atlanta,GA (770-449-8800) Tampa,FL (813-620-2000)

Work Order No: 652105

www.xenco.com Page _____ of _____

Project Manager:	Jacob Stanton	Bill to: (if different)	
Company Name:	Andrews & Foster	Company Name:	
Address:	1301 E Corsicana St	Address:	
City, State ZIP:	Athens TX 75751	City, State ZIP:	
Phone:	903-675-2353	Email:	jstanton@andrews-foster.com

Work Order Comments

Program: UST/PST ☐ PRP ☐ Brownfields ☐ RRC ☐ Superfund ☐
State of Project:
Reporting:Level II ☐ Level III ☐ PST/UST ☐ TRRP ☐ Level IV ☐
Deliverables: EDD ☐ ADaPT ☐ Other:

Project Name:	Public Water Supply Testing	Turn Around	
Project Number:		Routine	☑
P.O. Number:		Rush:	
Sampler's Name:		Due Date:	

SAMPLE RECEIPT			
Temperature (°C):	1.0	Temp Blank: Yes (No)	Wet Ice: (Yes) No
Received Intact:	(Yes) No	Thermometer ID	28
Cooler Custody Seals:	Yes No (N/A)	Correction Factor:	0
Sample Custody Seals:	Yes No (N/A)	Total Containers:	

Sample Identification	Matrix	Date Sampled	Time Sampled	Depth	Number of Containers	Alkalinity	Total Metals (Al, Sb, As, Ba, Be, B, Cd, Cr, Cu, Pb, Mn, Se, Ar, Sr, Tl, Zn, Ca, Fe, Mg, K, Si, Na)	Dissolved Metals (Al, Sb, As, Ba, Be, B, Cd, Cr, Cu, Pb, Mn, Se, Ag, Sr, Tl, Zn)	Hardness	Anions (Br, Cl, F, SO4, NO3, NO2)	Total Phosphorus	H2S	Conductivity	pH	TDS	Total Cyanide	BTEX	Acidity
Well B	GW	2/17	11:45 AM			X	X		X	X		X	X	X	X			X

ANALYSIS REQUEST

Work Order Notes

~~TAT starts the day recevied by the~~ lab, if received by 4:30pm

Sample Comments

Total 200.7 / 6010 200.8 / 6020: 8RCRA 13PPM Texas 11 Al Sb As Ba Be B Cd Ca Cr Co Cu Fe Pb Mg Mn Mo Ni K Se Ag SiO2 Na Sr Tl Sn U V Zn

Circle Method(s) and Metal(s) to be analyzed **TCLP / SPLP 6010**: 8RCRA Sb As Ba Be Cd Cr Co Cu Pb Mn Mo Ni Se Ag Tl U **1631 / 245.1 / 7470 / 7471** : Hg

Notice: Signature of this document and relinquishment of samples constitutes a valid purchase order from client company to Xenco, its affiliates and subcontractors. It assigns standard terms and conditions of service. Xenco will be liable only for the cost of samples and shall not assume any responsibility for any losses or expenses incurred by the client if such losses are due to circumstances beyond the control of Xenco. A minimum charge of $75.00 will be applied to each project and a charge of $5 for each sample submitted to Xenco, but not analyzed. These terms will be enforced unless previously negotiated.

Relinquished by: (Signature)	Received by: (Signature)	Date/Time	Relinquished by: (Signature)	Received by: (Signature)	Date/Time
1		2/17/20	2		
3		1447	4		
5			6		

Revised Date 051418 Rev. 2018.1

Permian Basin – Wells A, B, and A1

Laboratory Quality Analysis Parameters

Parameter (mg/L)
Aluminum
Arsenic
Bicarbonate (as CaCO3)
Calcium (as CaCO3)
Carbonate (as CaCO3)
Chloride
Copper
Fluoride
Iron
Lead
Magnesium
Manganese
Nitrate as Nitrogen
Nitrite as Nitrogen
Potassium
Silicon
Sodium
Sulfate
Sulfide as Hydrogen Sulfide
Zinc
General Parameters
Acidity (as CaCO3)
Alkalinity, Total (as CaCO3)
Cation – Anion Balance
Hardness, Total (as CaCO3)
pH
Specific Conductance (umhos)
Total Dissolved Solids (mg/L)

Inter-Office Shipment

IOS Number **58231**

Date/Time: 02/17/20 14:25
Lab# From: **Midland**
Lab# To: **Houston**

Created by: Brianna Teel
Delivery Priority:
Air Bill No.: 777789038475

Please send report to: Holly Taylor
Address: 1211 W. Florida
E-Mail: holly.taylor@xen

Sample Id	Matrix	Client Sample Id	Sample Collection	Method	Method Name	Lab Due	HT Due	PM
652605-001	W	Well B	02/17/20 11:45	SM2540C	TDS by SM2540C	**02/21/20**	**02/24/20 11:45**	HTA
652605-001	W	Well B	02/17/20 11:45	E200.8	Recoverable Metals by EPA 200.8	**02/21/20**	08/15/20	HTA
652605-001	W	Well B	02/17/20 11:45	E200.7	Recoverable Metals per ICP by EPA 200.	**02/21/20**	08/15/20	HTA
652605-001	W	Well B	02/17/20 11:45	E300	Inorganic Anions by EPA 300	**02/21/20**	**02/19/20 11:45**	HTA
652605-001	W	Well B	02/17/20 11:45	SM2340B	Hardness, Calculated	**02/21/20**	08/15/20	HTA
652605-001	W	Well B	02/17/20 11:45	SM4500-H	pH by SM4500-H	**02/21/20**	**02/17/20 12:00**	HTA
652605-001	W	Well B	02/17/20 11:45	E200.8DIS	Recoverable Dissolved Metals by ICP/MS	**02/21/20**	08/15/20	HTA
652605-001	W	Well B	02/17/20 11:45	SM4500SF00	Sulfide by SM4500-S-F-00	**02/21/20**	**02/24/20 11:45**	HTA
652605-001	W	Well B	02/17/20 11:45	SM2320B	Alkalinity by SM2320B	**02/21/20**	03/02/20	HTA
652605-001	W	Well B	02/17/20 11:45	SM2510B	Specific Conductance @25C by SM2510	**02/21/20**	**02/24/20 11:45**	HTA
652605-001	W	Well B	02/17/20 11:45	SM1030E	Cation-Anion Balance Calculation	**02/21/20**	03/18/20	HTA
652605-001	W	Well B	02/17/20 11:45	SM2310B	Acidity by SM2310B	**02/21/20**	03/02/20	HTA
652605-001	W	Well B	02/17/20 11:45	SM4500S2-H	Hydrogen Sulfide by Calculation by SM45	**02/21/20**	**02/18/20 11:45**	HTA

Inter Office Shipment or Sample Comments:

Relinquished By: Brianna Teel
Brianna Teel

Date Relinquished: 02/17/2020

Received By: Jose
Jose Londo

Date Received: 02/18/2020 0

Cooler Temperature: 4.5

XENCO Laboratories

Inter Office Report- Sample Receipt Checklist

Sent To: Houston

IOS #: 58231

Acceptable Temperature Range: 0 - 6 degC
Air and Metal samples Acceptable Range: Ambient
Temperature Measuring device used : HOU-068

Sent By: Brianna Teel **Date Sent:** 02/17/2020 02:25 PM

Received By: Jose Londono **Date Received:** 02/18/2020 09:03 AM

Sample Receipt Checklist		Comments
#1 *Temperature of cooler(s)?	4.5	
#2 *Shipping container in good condition?	**Yes**	
#3 *Samples received with appropriate temperature?	**Yes**	
#4 *Custody Seals intact on shipping container/ cooler?	**Yes**	
#5 *Custody Seals Signed and dated for Containers/coolers	**Yes**	
#6 *IOS present?	**Yes**	
#7 Any missing/extra samples?	**No**	
#8 IOS agrees with sample label(s)/matrix?	**Yes**	
#9 Sample matrix/ properties agree with IOS?	**Yes**	
#10 Samples in proper container/ bottle?	**Yes**	
#11 Samples properly preserved?	**Yes**	
#12 Sample container(s) intact?	**Yes**	
#13 Sufficient sample amount for indicated test(s)?	**Yes**	
#14 All samples received within hold time?	**Yes**	

*** Must be completed for after-hours delivery of samples prior to placing in the refrigerator**

NonConformance:

Corrective Action Taken:

Nonconformance Documentation

Contact: _____ **Contacted by :** _____ **Date:** _____

Checklist reviewed by: Jose Londono Date: 02/18/2020

XENCO Laboratories

Prelogin/Nonconformance Report- Sample Log-In

Client: Andrews & Foster

Date/ Time Received: 02/17/2020 02:14:00 PM

Work Order #: 652605

Acceptable Temperature Range: 0 - 6 degC
Air and Metal samples Acceptable Range: Ambient

Temperature Measuring device used : R8

Sample Receipt Checklist		Comments
#1 *Temperature of cooler(s)?	1.6	
#2 *Shipping container in good condition?	**Yes**	
#3 *Samples received on ice?	**Yes**	
#4 *Custody Seals intact on shipping container/ cooler?	**N/A**	
#5 Custody Seals intact on sample bottles?	**N/A**	
#6*Custody Seals Signed and dated?	**N/A**	
#7 *Chain of Custody present?	**Yes**	
#8 Any missing/extra samples?	**No**	
#9 Chain of Custody signed when relinquished/ received?	**Yes**	
#10 Chain of Custody agrees with sample labels/matrix?	**Yes**	
#11 Container label(s) legible and intact?	**Yes**	
#12 Samples in proper container/ bottle?	**Yes**	
#13 Samples properly preserved?	**Yes**	
#14 Sample container(s) intact?	**Yes**	
#15 Sufficient sample amount for indicated test(s)?	**Yes**	
#16 All samples received within hold time?	**Yes**	
#17 Subcontract of sample(s)?	**Yes**	Xenco Stafford
#18 Water VOC samples have zero headspace?	**Yes**	

*** Must be completed for after-hours delivery of samples prior to placing in the refrigerator**

Analyst: AJA

PH Device/Lot#: 10bdh1991

Checklist completed by: Brianna Teel Date: 02/17/2020

Brianna Teel

Checklist reviewed by: Holly Taylor Date: 02/21/2020

Holly Taylor

Well C

Certificate of Analysis Summary 651965

Andrews & Foster, Athens, TX

Project Name: Public Water Supply Testing

Project Id:

Contact: Jacob Stanton

Project Location:

Date Received in Lab

Report Date

Project Manager

Analysis Requested						
	Lab Id:	651965-001				
	Field Id:	Park Water C				
	Depth:					
	Matrix:	WATER				
	Sampled:	02.11.2020 09:50				
Acidity by SM2310B SUB: T104704215-19-30	***Extracted:***					
	Analyzed:	02.18.2020 15:10				
	Units/RL:	mg/L	RL			
Acidity, Total		-172				
Alkalinity by SM2320B SUB: T104704215-19-30	***Extracted:***	02.14.2020 11:56				
	Analyzed:	02.14.2020 13:33				
	Units/RL:	mg/L	RL			
Alkalinity, Total (as CaCO3)		196	4.00			
Alkalinity, Bicarbonate (as CaCO3)		196 H	4.00			
Alkalinity, Carbonate (as CaCO3)		<4.00	4.00			
Alkalinity, hydroxide (as CaCO3)		<4.00	4.00			
Cation-Anion Balance Calculation SUB: T104704215-19-30	***Extracted:***					
	Analyzed:	02.18.2020 17:17				
	Units/RL:	%	RL			
Cation-Anion Balance		3.50				
Hardness, Calculated SUB: T104704215-19-30	***Extracted:***					
	Analyzed:	02.22.2020 16:19				
	Units/RL:	mg/L	RL			
Total Hardness (as CaCO3)		1200	110			
Calcium Hardness as CaCO3		620	1200			

This analytical report, and the entire data package it represents, has been made for your exclusive and confidential use.
The interpretations and results expressed throughout this analytical report represent the best judgment of XENCO Laboratories.
XENCO Laboratories assumes no responsibility and makes no warranty to the end use of the data hereby presented.
Our liability is limited to the amount invoiced for this work order unless otherwise agreed to in writing.

Certificate of Analysis Summary 651965

Andrews & Foster, Athens, TX

Project Name: Public Water Supply Testing

Project Id:

Contact: Jacob Stanton

Project Location:

Date Received in Lab

Report Date

Project Manager

Analysis Requested						
	Lab Id:	651965-001				
	Field Id:	Park Water C				
	Depth:					
	Matrix:	WATER				
	Sampled:	02.11.2020 09:50				
Inorganic Anions by EPA 300/300.1 SUB: T104704215-19-30	***Extracted:***	02.13.2020 10:21				
	Analyzed:	02.13.2020 11:04				
	Units/RL:	mg/L	RL			
Chloride		573 D	5.00			
Fluoride		3.17	0.500			
Nitrate as N		9.54 K	0.100			
Nitrite as N		<0.100	0.100			
Sulfate		873 D	5.00			
Recoverable Metals by EPA 200.8 SUB: T104704215-19-30	***Extracted:***	02.14.2020 09:30				
	Analyzed:	02.15.2020 15:43				
	Units/RL:	mg/L	RL			
Aluminum		<0.0200	0.0200			
Arsenic		0.0232	0.00400			
Copper		0.0149	0.00400			
Lead		<0.00200	0.00200			
Manganese		<0.00200	0.00200			
Uranium		0.0217	0.00100			
Zinc		<0.0300	0.0300			

This analytical report, and the entire data package it represents, has been made for your exclusive and confidential use.
The interpretations and results expressed throughout this analytical report represent the best judgment of XENCO Laboratories.
XENCO Laboratories assumes no responsibility and makes no warranty to the end use of the data hereby presented.
Our liability is limited to the amount invoiced for this work order unless otherwise agreed to in writing.

Certificate of Analysis Summary 651965

Andrews & Foster, Athens, TX

Project Name: Public Water Supply Testing

Project Id:
Contact: Jacob Stanton
Project Location:

Date Received in Lab
Report Date
Project Manager

Analysis Requested						
	Lab Id:	651965-001				
	Field Id:	Park Water C				
	Depth:					
	Matrix:	WATER				
	Sampled:	02.11.2020 09:50				
Recoverable Metals per ICP by EPA 200.7 SUB: T104704215-19-30	***Extracted:***	02.14.2020 09:30				
	Analyzed:	02.14.2020 19:53				
	Units/RL:	mg/L	RL			
Calcium		249 D	10.0			
Iron		<0.200	0.200			
Magnesium		146 D	20.0			
Potassium		15.0	0.500			
Silica		75.6	1.07			
Sodium		286 D	25.0			
Sulfide by SM4500-S-F-00 SUB: T104704215-19-30	***Extracted:***					
	Analyzed:	02.14.2020 15:17				
	Units/RL:	mg/L	RL			
Sulfide, total		<5.00	5.00			
TDS by SM2540C SUB: T104704215-19-30	***Extracted:***					
	Analyzed:	02.17.2020 15:00				
	Units/RL:	mg/L	RL			
Total Dissolved Solids		2370	5.00			
pH by SM4500-H SUB: T104704215-19-30	***Extracted:***					
	Analyzed:	02.14.2020 11:54				
	Units/RL:	Deg C	RL			
Temperature		23.1 K				
pH by SM4500-H SUB: T104704215-19-30	***Extracted:***					
	Analyzed:	02.14.2020 11:54				
	Units/RL:	SU	RL			
pH		7.41 K				

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Analytical Report 651965

for

Andrews & Foster

Project Manager: Jacob Stanton

Public Water Supply Testing

03.19.2020

Collected By: Client

1211 W. Florida Ave
Midland TX 79701

Xenco-Houston (EPA Lab Code: TX00122):
Texas (T104704215-19-30), Arizona (AZ0765), Florida (E871002-24), Louisiana (03054)
Oklahoma (2019-058), North Carolina (681), Arkansas (19-037-0)

Xenco-Dallas (EPA Lab Code: TX01468):
Texas (TX104704295-19-22), Arizona (AZ0809), Arkansas (17-063-0)

Xenco-El Paso (EPA Lab Code: TX00127): Texas (T104704221-19-16)
Xenco-Lubbock (EPA Lab Code: TX00139): Texas (T104704219-19-21)
Xenco-Midland (EPA Lab Code: TX00158): Texas (T104704400-19-19)
Xenco-Carlsbad (LELAP): Louisiana (05092)
Xenco-San Antonio (EPA Lab Code: TNI02385): Texas (T104704534-19-5)
Xenco Phoenix (EPA Lab Code: AZ00901): Arizona (AZ0757)
Xenco-Tampa: Florida (E87429), North Carolina (483)

03.19.2020

Project Manager: **Jacob Stanton**
Andrews & Foster
1301 E Corsicana St
Athens, TX 75751

Reference: XENCO Report No(s): **651965**
Public Water Supply Testing
Project Address:

Jacob Stanton:

We are reporting to you the results of the analyses performed on the samples received under the project name referenced above and identified with the XENCO Report Number(s) 651965. All results being reported under this Report Number apply to the samples analyzed and properly identified with a Laboratory ID number. Subcontracted analyses are identified in this report with either the NELAC certification number of the subcontract lab in the analyst ID field, or the complete subcontracted report attached to this report.

Unless otherwise noted in a Case Narrative, all data reported in this Analytical Report are in compliance with NELAC standards. The uncertainty of measurement associated with the results of analysis reported is available upon request. Should insufficient sample be provided to the laboratory to meet the method and NELAC Matrix Duplicate and Matrix Spike requirements, then the data will be analyzed, evaluated and reported using all other available quality control measures.

The validity and integrity of this report will remain intact as long as it is accompanied by this letter and reproduced in full, unless written approval is granted by XENCO Laboratories. This report will be filed for at least 5 years in our archives after which time it will be destroyed without further notice, unless otherwise arranged with you. The samples received, and described as recorded in Report No. 651965 will be filed for 45 days, and after that time they will be properly disposed without further notice, unless otherwise arranged with you. We reserve the right to return to you any unused samples, extracts or solutions related to them if we consider so necessary (e.g., samples identified as hazardous waste, sample sizes exceeding analytical standard practices, controlled substances under regulated protocols, etc).

We thank you for selecting XENCO Laboratories to serve your analytical needs. If you have any questions concerning this report, please feel free to contact us at any time.

Respectfully,

Holly Taylor

Holly Taylor
Project Manager

A Small Business and Minority Company

Houston - Dallas - Midland - Tampa - Phoenix - Lubbock - San Antonio - El Paso - Atlanta - New Mexico

Sample Cross Reference 651965

Andrews & Foster, Athens, TX

Public Water Supply Testing

Sample Id	Matrix	Date Collected	Sample Depth	Lab Sample Id
Park Water C	W	02.11.2020 09:50		651965-001

CASE NARRATIVE

Client Name: Andrews & Foster

Project Name: Public Water Supply Testing

Project ID:
Work Order Number(s): *651965*

Report Date: *03.19.2020*
Date Received: *02.11.2020*

Sample receipt non conformances and comments:

None

Sample receipt non conformances and comments per sample:

None

Certificate of Analytical Results 651965

Andrews & Foster, Athens, TX

Public Water Supply Testing

Sample Id: **Park Water C** Matrix: Water Date Received:02.11.2020 11:37
Lab Sample Id: 651965-001 Date Collected: 02.11.2020 09:50

Analytical Method: Alkalinity by SM2320B Prep Method: SM2320P
Tech: KBU % Moisture:
Analyst: KBU Date Prep: 02.14.2020 11:56
Seq Number: 3116593 SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Alkalinity, Total (as CaCO3)	1640192	**196**	4.00	mg/L	02.14.2020 13:33		1
Alkalinity, Bicarbonate (as CaCO3)	471-34-1	**196**	4.00	mg/L	02.14.2020 13:33	H	1
Alkalinity, Carbonate (as CaCO3)	3812-32-6	<4.00	4.00	mg/L	02.14.2020 13:33	UH	1
Alkalinity, hydroxide (as CaCO3)	14280-30-9	<4.00	4.00	mg/L	02.14.2020 13:33	U	1

Analytical Method: Cation-Anion Balance Calculation
Tech: ALA % Moisture:
Analyst: ALA
Seq Number: 3116887 SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Cation-Anion Balance	CATANBAL	**3.50**		%	02.18.2020 17:17		1

Analytical Method: Inorganic Anions by EPA 300/300.1 Prep Method: E300P
Tech: ALA % Moisture:
Analyst: ALA Date Prep: 02.13.2020 10:21
Seq Number: 3116440 SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Chloride	16887-00-6	**573**	5.00	mg/L	02.13.2020 13:50	D	10
Fluoride	16984-48-8	**3.17**	0.500	mg/L	02.13.2020 11:04		1
Nitrate as N	14797-55-8	**9.54**	0.100	mg/L	02.13.2020 11:04	K	1
Nitrite as N	14797-65-0	<0.100	0.100	mg/L	02.13.2020 11:04	UK	1
Sulfate	14808-79-8	**873**	5.00	mg/L	02.13.2020 13:50	D	10

Certificate of Analytical Results 651965

Andrews & Foster, Athens, TX

Public Water Supply Testing

Sample Id: **Park Water C** Matrix: Water Date Received:02.11.2020 11:37

Lab Sample Id: 651965-001 Date Collected: 02.11.2020 09:50

Analytical Method: TDS by SM2540C

Tech: JCL % Moisture:

Analyst: JCL

Seq Number: 3116809 SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Total Dissolved Solids	1642222	**2370**	5.00	mg/L	02.17.2020 15:00		1

Analytical Method: pH by SM4500-H

Tech: KBU % Moisture:

Analyst: KBU

Seq Number: 3116560 SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
pH	12408-02-5	**7.41**		SU	02.14.2020 11:54	K	1
Temperature	TEMP	**23.1**		Deg C	02.14.2020 11:54	K	1

Analytical Method: Hardness, Calculated

Tech: ANJ % Moisture:

Analyst: ANJ

Seq Number: 3117323 SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Total Hardness (as CaCO3)	471-34-1	**1200**	110	mg/L	02.14.2020 21:34		50
Calcium Hardness as CaCO3	HARDNESS_CA	**620**	1200	mg/L	02.14.2020 21:34		50

Certificate of Analytical Results 651965

Andrews & Foster, Athens, TX

Public Water Supply Testing

Sample Id: **Park Water C** Matrix: Water Date Received:02.11.2020 11:37

Lab Sample Id: 651965-001 Date Collected: 02.11.2020 09:50

Analytical Method: Recoverable Metals by EPA 200.8 Prep Method: E200.8P

Tech: MLI % Moisture:

Analyst: ANJ Date Prep: 02.14.2020 09:30

Seq Number: 3116647 SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Aluminum	7429-90-5	<0.0200	0.0200	mg/L	02.15.2020 15:43	U	1
Arsenic	7440-38-2	**0.0232**	0.00400	mg/L	02.15.2020 15:43		1
Copper	7440-50-8	**0.0149**	0.00400	mg/L	02.15.2020 15:43		1
Lead	7439-92-1	<0.00200	0.00200	mg/L	02.15.2020 15:43	U	1
Manganese	7439-96-5	<0.00200	0.00200	mg/L	02.15.2020 15:43	U	1
Uranium	7440-61-1	**0.0217**	0.00100	mg/L	02.15.2020 15:43		1
Zinc	7440-66-6	<0.0300	0.0300	mg/L	02.15.2020 15:43	U	1

Analytical Method: Recoverable Metals per ICP by EPA 200.7 Prep Method: E200.7P

Tech: MLI % Moisture:

Analyst: ANJ Date Prep: 02.14.2020 09:30

Seq Number: 3116612 SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Calcium	7440-70-2	**249**	10.0	mg/L	02.14.2020 21:34	D	50
Iron	7439-89-6	<0.200	0.200	mg/L	02.14.2020 19:53	U	1
Magnesium	7439-95-4	**146**	20.0	mg/L	02.14.2020 21:34	D	50
Potassium	7440-09-7	**15.0**	0.500	mg/L	02.14.2020 19:53		1
Silica	7631-86-9	**75.6**	1.07	mg/L	02.14.2020 19:53		1
Sodium	7440-23-5	**286**	25.0	mg/L	02.14.2020 21:34	D	50

Analytical Method: Acidity by SM2310B

Tech: YAV % Moisture:

Analyst: YAV

Seq Number: 3116884 SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Acidity, Total	ACID	-172		mg/L	02.18.2020 15:10		1

Certificate of Analytical Results 651965

Andrews & Foster, Athens, TX

Public Water Supply Testing

Sample Id: **Park Water C**
Lab Sample Id: 651965-001

Matrix: Water
Date Collected: 02.11.2020 09:50

Date Received:02.11.2020 11:37

Analytical Method: Sulfide by SM4500-S-F-00
Tech: KBU
Analyst: KBU
Seq Number: 3116566

% Moisture:

SUB: T104704215-19-30

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Sulfide, total	18496-25-8	<5.00	5.00	mg/L	02.14.2020 15:17	U	1

Flagging Criteria

X In our quality control review of the data a QC deficiency was observed and flagged as noted. MS/MSD recoveries were found to be outside of the laboratory control limits due to possible matrix /chemical interference, or a concentration of target analyte high enough to affect the recovery of the spike concentration. This condition could also affect the relative percent difference in the MS/MSD.

B A target analyte or common laboratory contaminant was identified in the method blank. Its presence indicates possible field or laboratory contamination.

D The sample(s) were diluted due to targets detected over the highest point of the calibration curve, or due to matrix interference. Dilution factors are included in the final results. The result is from a diluted sample.

E The data exceeds the upper calibration limit; therefore, the concentration is reported as estimated.

F RPD exceeded lab control limits.

J The target analyte was positively identified below the quantitation limit and above the detection limit.

U Analyte was not detected.

L The LCS data for this analytical batch was reported below the laboratory control limits for this analyte. The department supervisor and QA Director reviewed data. The samples were either reanalyzed or flagged as estimated concentrations.

H The LCS data for this analytical batch was reported above the laboratory control limits. Supporting QC Data were reviewed by the Department Supervisor and QA Director. Data were determined to be valid for reporting.

K Sample analyzed outside of recommended hold time.

JN A combination of the "N" and the "J" qualifier. The analysis indicates that the analyte is "tentatively identified" and the associated numerical value may not be consistent with the amount actually present in the environmental sample.

** Surrogate recovered outside laboratory control limit.

BRL Below Reporting Limit. **ND** Not Detected.

RL Reporting Limit

MDL Method Detection Limit **SDL** Sample Detection Limit **LOD** Limit of Detection

PQL Practical Quantitation Limit **MQL** Method Quantitation Limit **LOQ** Limit of Quantitation

DL Method Detection Limit

NC Non-Calculable

SMP Client Sample **BLK** Method Blank

BKS/LCS Blank Spike/Laboratory Control Sample **BKSD/LCSD** Blank Spike Duplicate/Laboratory Control Sample Duplicate

MD/SD Method Duplicate/Sample Duplicate **MS** Matrix Spike **MSD:** Matrix Spike Duplicate

+ NELAC certification not offered for this compound.

***** (Next to analyte name or method description) = Outside XENCO's scope of NELAC accreditation

Andrews & Foster

Public Water Supply Testing

Analytical Method: **Alkalinity by SM2320B** Prep Method: SM2320P
Seq Number: 3116593 Matrix: Water Date Prep: 02.14.2020
MB Sample Id: 7696680-1-BLK LCS Sample Id: 7696680-1-BKS LCSD Sample Id: 7696680-1-BSD

Parameter	MB Result	Spike Amount	LCS Result	LCS %Rec	LCSD Result	LCSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Alkalinity, Total (as CaCO3)	<4.00	250	257	103	261	104	85-115	2	20	mg/L	02.14.2020 12:39	
Alkalinity, Bicarbonate (as CaCO3)	<4.00	250	7.68	3	7.58	3	-	1	20	mg/L	02.14.2020 12:39	H
Alkalinity, Carbonate (as CaCO3)	<4.00	250	250	100	253	101	-	1	20	mg/L	02.14.2020 12:39	H
Alkalinity, hydroxide (as CaCO3)	<4.00	250	<4.00	0	<4.00	0	-	NC	20	mg/L	02.14.2020 12:39	

Analytical Method: **Alkalinity by SM2320B** Prep Method: SM2320P
Seq Number: 3116593 Matrix: Liquid Date Prep: 02.14.2020
Parent Sample Id: 652280-001 MD Sample Id: 652280-001 D

Parameter	Parent Result	MD Result	%RPD	RPD Limit	Units	Analysis Date	Flag
Alkalinity, Total (as CaCO3)	327	329	1	20	mg/L	02.14.2020 14:36	
Alkalinity, Bicarbonate (as CaCO3)	327	329	1	20	mg/L	02.14.2020 14:36	
Alkalinity, Carbonate (as CaCO3)	<4.00	<4.00	0	20	mg/L	02.14.2020 14:36	
Alkalinity, hydroxide (as CaCO3)	<4.00	<4.00	0	20	mg/L	02.14.2020 14:36	

Analytical Method: **Alkalinity by SM2320B** Prep Method: SM2320P
Seq Number: 3116593 Matrix: Ground Water Date Prep: 02.14.2020
Parent Sample Id: 652331-001 MD Sample Id: 652331-001 D

Parameter	Parent Result	MD Result	%RPD	RPD Limit	Units	Analysis Date	Flag
Alkalinity, Total (as CaCO3)	1200	1200	0	20	mg/L	02.14.2020 13:13	
Alkalinity, Bicarbonate (as CaCO3)	1200	1200	0	20	mg/L	02.14.2020 13:13	
Alkalinity, Carbonate (as CaCO3)	<4.00	<4.00	0	20	mg/L	02.14.2020 13:13	
Alkalinity, hydroxide (as CaCO3)	<4.00	<4.00	0	20	mg/L	02.14.2020 13:13	

Analytical Method: **Inorganic Anions by EPA 300/300.1** Prep Method: E300P
Seq Number: 3116440 Matrix: Water Date Prep: 02.13.2020
MB Sample Id: 7696591-1-BLK LCS Sample Id: 7696591-1-BKS LCSD Sample Id: 7696591-1-BSD

Parameter	MB Result	Spike Amount	LCS Result	LCS %Rec	LCSD Result	LCSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Chloride	<0.500	10.0	10.1	101	10.1	101	90-110	0	20	mg/L	02.13.2020 09:36	
Fluoride	<0.500	10.0	10.7	107	10.7	107	90-110	0	20	mg/L	02.13.2020 09:36	
Nitrate as N	<0.100	10.0	10.2	102	10.2	102	90-110	0	20	mg/L	02.13.2020 09:36	
Nitrite as N	<0.100	10.0	9.99	100	10.1	101	90-110	1	20	mg/L	02.13.2020 09:36	
Sulfate	<0.500	10.0	10.1	101	10.1	101	90-110	0	20	mg/L	02.13.2020 09:36	

MS/MSD Percent Recovery [D] = 100*(C-A) / B
Relative Percent Difference RPD = 200* | (C-E) / (C+E) |
LCS/LCSD Recovery [D] = 100 * (C) / [B]
Log Difference Log Diff. = Log(Sample Duplicate) - Log(Original Sample)

LCS = Laboratory Control Sample
A = Parent Result
C = MS/LCS Result
E = MSD/LCSD Result

MS = Matrix Spike
B = Spike Added
D = MSD/LCSD % Rec

Andrews & Foster

Public Water Supply Testing

Analytical Method: **Inorganic Anions by EPA 300/300.1** Prep Method: E300P
Seq Number: 3116440 Matrix: Water Date Prep: 02.13.2020
Parent Sample Id: 652017-001 MS Sample Id: 652017-001 S MSD Sample Id: 652017-001 SD

Parameter	Parent Result	Spike Amount	MS Result	MS %Rec	MSD Result	MSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Chloride	94.1	10.0	101	69	101	69	90-110	0	20	mg/L	02.13.2020 12:58	X
Fluoride	5.42	10.0	15.4	95	15.4	95	90-110	0	20	mg/L	02.13.2020 12:58	
Nitrate as N	14.8	10.0	25.0	102	25.0	102	90-110	0	20	mg/L	02.13.2020 12:58	
Nitrite as N	<0.100	10.0	8.52	85	8.63	86	90-110	1	20	mg/L	02.13.2020 12:58	X
Sulfate	406	10.0	392	0	393	0	90-110	0	20	mg/L	02.13.2020 12:58	X

Analytical Method: **Inorganic Anions by EPA 300/300.1** Prep Method: E300P
Seq Number: 3116440 Matrix: Drinking Water Date Prep: 02.13.2020
Parent Sample Id: 652029-004 MS Sample Id: 652029-004 S MSD Sample Id: 652029-004 SD

Parameter	Parent Result	Spike Amount	MS Result	MS %Rec	MSD Result	MSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Chloride	12.1	10.0	22.1	100	22.1	100	90-110	0	20	mg/L	02.13.2020 13:15	
Fluoride	<0.500	10.0	10.9	109	10.9	109	90-110	0	20	mg/L	02.13.2020 13:15	
Nitrate as N	0.426	10.0	10.9	105	10.9	105	90-110	0	20	mg/L	02.13.2020 13:15	
Nitrite as N	<0.100	10.0	10.1	101	10.1	101	90-110	0	20	mg/L	02.13.2020 13:15	
Sulfate	0.524	10.0	10.6	101	10.7	102	90-110	1	20	mg/L	02.13.2020 13:15	

Analytical Method: **TDS by SM2540C**
Seq Number: 3116809 Matrix: Water
MB Sample Id: 3116809-1-BLK LCS Sample Id: 3116809-1-BKS LCSD Sample Id: 3116809-1-BSD

Parameter	MB Result	Spike Amount	LCS Result	LCS %Rec	LCSD Result	LCSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Total Dissolved Solids	<5.00	1000	933	93	932	93	80-120	0	10	mg/L	02.17.2020 15:00	

Analytical Method: **TDS by SM2540C**
Seq Number: 3116809 Matrix: Drinking Water
Parent Sample Id: 651906-001 MD Sample Id: 651906-001 D

Parameter	Parent Result	MD Result	%RPD	RPD Limit	Units	Analysis Date	Flag
Total Dissolved Solids	3380	3380	0	10	mg/L	02.17.2020 15:00	

Analytical Method: **pH by SM4500-H**
Seq Number: 3116560 Matrix: Drinking Water
Parent Sample Id: 651906-001 MD Sample Id: 651906-001 D

Parameter	Parent Result	MD Result	%RPD	RPD Limit	Units	Analysis Date	Flag
pH	7.03	7.03	0	20	SU	02.14.2020 11:54	
Temperature	22.2	22.1	0	20	Deg C	02.14.2020 11:54	

MS/MSD Percent Recovery [D] = 100*(C-A) / B
Relative Percent Difference RPD = 200* | (C-E) / (C+E) |
LCS/LCSD Recovery [D] = 100 * (C) / [B]
Log Difference Log Diff. = Log(Sample Duplicate) - Log(Original Sample)

LCS = Laboratory Control Sample
A = Parent Result
C = MS/LCS Result
E = MSD/LCSD Result

MS = Matrix Spike
B = Spike Added
D = MSD/LCSD % Rec

QC Summary 651965

Andrews & Foster

Public Water Supply Testing

Analytical Method: **pH by SM4500-H**

Seq Number: 3116560 Matrix: Water

Parent Sample Id: 652150-002 MD Sample Id: 652150-002 D

Parameter	Parent Result	MD Result	%RPD	RPD Limit	Units	Analysis Date	Flag
pH	7.96	7.97	0	20	SU	02.14.2020 11:54	
Temperature	21.8	22.0	1	20	Deg C	02.14.2020 11:54	

Analytical Method: **Recoverable Metals by EPA 200.8** Prep Method: E200.8P

Seq Number: 3116647 Matrix: Water Date Prep: 02.14.2020

MB Sample Id: 7696672-1-BLK LCS Sample Id: 7696672-1-BKS LCSD Sample Id: 7696672-1-BSD

Parameter	MB Result	Spike Amount	LCS Result	LCS %Rec	LCSD Result	LCSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Aluminum	<0.0200	0.500	0.489	98	0.490	98	85-115	0	20	mg/L	02.15.2020 15:12	
Arsenic	<0.00400	0.100	0.0944	94	0.0953	95	85-115	1	20	mg/L	02.15.2020 15:12	
Copper	<0.00400	0.100	0.0974	97	0.0968	97	85-115	1	20	mg/L	02.15.2020 15:12	
Lead	<0.00200	0.100	0.0952	95	0.0962	96	85-115	1	20	mg/L	02.15.2020 15:12	
Manganese	<0.00200	0.100	0.0973	97	0.0968	97	85-115	1	20	mg/L	02.15.2020 15:12	
Uranium	<0.00100	0.0250	0.0236	94	0.0239	96	85-115	1	20	mg/L	02.15.2020 15:12	
Zinc	<0.0300	0.100	0.0969	97	0.0963	96	85-115	1	20	mg/L	02.15.2020 15:12	

Analytical Method: **Recoverable Metals by EPA 200.8** Prep Method: E200.8P

Seq Number: 3116647 Matrix: Drinking Water Date Prep: 02.14.2020

Parent Sample Id: 651919-001 MS Sample Id: 651919-001 S MSD Sample Id: 651919-001 SD

Parameter	Parent Result	Spike Amount	MS Result	MS %Rec	MSD Result	MSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Aluminum	0.0246	0.500	0.520	99	0.504	96	70-130	3	20	mg/L	02.15.2020 15:20	
Arsenic	0.00780	0.100	0.105	97	0.105	97	70-130	0	20	mg/L	02.15.2020 15:20	
Copper	0.00197	0.100	0.0980	96	0.0955	94	70-130	3	20	mg/L	02.15.2020 15:20	
Lead	<0.00200	0.100	0.0986	99	0.0974	97	70-130	1	20	mg/L	02.15.2020 15:20	
Manganese	<0.00200	0.100	0.0960	96	0.0955	96	70-130	1	20	mg/L	02.15.2020 15:20	
Uranium	0.00403	0.0250	0.0296	102	0.0293	101	70-130	1	20	mg/L	02.15.2020 15:20	
Zinc	0.00624	0.100	0.101	95	0.101	95	70-130	0	20	mg/L	02.15.2020 15:20	

Analytical Method: **Recoverable Metals by EPA 200.8** Prep Method: E200.8P

Seq Number: 3116647 Matrix: Storm Water Date Prep: 02.14.2020

Parent Sample Id: 651953-001 MS Sample Id: 651953-001 S

Parameter	Parent Result	Spike Amount	MS Result	MS %Rec	Limits	Units	Analysis Date	Flag
Aluminum	0.0218	0.500	0.534	102	70-130	mg/L	02.15.2020 16:12	
Arsenic	<0.00400	0.100	0.0950	95	70-130	mg/L	02.15.2020 16:12	
Copper	<0.00400	0.100	0.101	101	70-130	mg/L	02.15.2020 16:12	
Lead	<0.00200	0.100	0.101	101	70-130	mg/L	02.15.2020 16:12	
Manganese	0.00250	0.100	0.100	98	70-130	mg/L	02.15.2020 16:12	
Uranium	<0.00100	0.0250	0.0251	100	70-130	mg/L	02.15.2020 16:12	
Zinc	<0.0300	0.100	0.102	102	70-130	mg/L	02.15.2020 16:12	

MS/MSD Percent Recovery [D] = 100*(C-A) / B LCS = Laboratory Control Sample MS = Matrix Spike

Relative Percent Difference RPD = 200* | (C-E) / (C+E) | A = Parent Result B = Spike Added

LCS/LCSD Recovery [D] = 100 * (C) / [B] C = MS/LCS Result D = MSD/LCSD % Rec

Log Difference Log Diff. = Log(Sample Duplicate) - Log(Original Sample) E = MSD/LCSD Result

QC Summary 651965

Andrews & Foster

Public Water Supply Testing

Analytical Method: **Recoverable Metals per ICP by EPA 200.7** Prep Method: E200.7P
Seq Number: 3116612 Matrix: Water Date Prep: 02.14.2020
MB Sample Id: 7696675-1-BLK LCS Sample Id: 7696675-1-BKS LCSD Sample Id: 7696675-1-BSD

Parameter	MB Result	Spike Amount	LCS Result	LCS %Rec	LCSD Result	LCSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Calcium	<0.200	25.0	25.0	100	25.0	100	85-115	0	20	mg/L	02.14.2020 13:41	
Iron	<0.200	5.00	4.99	100	5.00	100	85-115	0	20	mg/L	02.14.2020 13:41	
Magnesium	<0.400	25.0	24.9	100	24.9	100	85-115	0	20	mg/L	02.14.2020 13:41	
Potassium	<0.500	10.0	10.1	101	10.1	101	85-115	0	20	mg/L	02.14.2020 13:41	
Silica	<1.07	21.4	21.3	100	21.4	100	85-115	0	20	mg/L	02.14.2020 13:41	
Sodium	<0.500	25.0	24.5	98	24.5	98	85-115	0	20	mg/L	02.14.2020 13:41	

Analytical Method: **Recoverable Metals per ICP by EPA 200.7** Prep Method: E200.7P
Seq Number: 3116612 Matrix: Drinking Water Date Prep: 02.14.2020
Parent Sample Id: 651906-001 MS Sample Id: 651906-001 S MSD Sample Id: 651906-001 SD

Parameter	Parent Result	Spike Amount	MS Result	MS %Rec	MSD Result	MSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Calcium	619	25.0	654	140	660	164	70-130	1	20	mg/L	02.14.2020 13:53	X
Iron	0.839	5.00	6.09	105	6.13	106	70-130	1	20	mg/L	02.14.2020 13:53	
Magnesium	282	25.0	315	132	317	140	70-130	1	20	mg/L	02.14.2020 13:53	X
Potassium	30.4	10.0	42.7	123	43.1	127	70-130	1	20	mg/L	02.14.2020 13:53	
Silica	73.8	21.4	100	122	101	127	70-130	1	20	mg/L	02.14.2020 13:53	
Sodium	325	25.0	358	132	362	148	70-130	1	20	mg/L	02.14.2020 13:53	X

Analytical Method: **Recoverable Metals per ICP by EPA 200.7** Prep Method: E200.7P
Seq Number: 3116612 Matrix: Water Date Prep: 02.14.2020
Parent Sample Id: 652139-001 MS Sample Id: 652139-001 S

Parameter	Parent Result	Spike Amount	MS Result	MS %Rec	Limits	Units	Analysis Date	Flag
Calcium	33.4	25.0	59.2	103	70-130	mg/L	02.14.2020 20:43	
Iron	<0.200	5.00	5.56	111	70-130	mg/L	02.14.2020 20:43	
Magnesium	3.06	25.0	29.6	106	70-130	mg/L	02.14.2020 20:43	
Potassium	6.12	10.0	16.3	102	70-130	mg/L	02.14.2020 20:43	
Silica	6.71	21.4	30.3	110	70-130	mg/L	02.14.2020 20:43	
Sodium	5.51	25.0	31.4	104	70-130	mg/L	02.14.2020 20:43	

Analytical Method: **Acidity by SM2310B**
Seq Number: 3116884 Matrix: Water
MB Sample Id: 3116884-1-BLK LCS Sample Id: 3116884-1-BKS LCSD Sample Id: 3116884-1-BSD

Parameter	MB Result	Spike Amount	LCS Result	LCS %Rec	LCSD Result	LCSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Acidity, Total	<	500	496	99	496	99	80-120	0	20	mg/L	02.18.2020 15:10	

MS/MSD Percent Recovery [D] = 100*(C-A) / B LCS = Laboratory Control Sample MS = Matrix Spike
Relative Percent Difference RPD = 200* | (C-E) / (C+E) | A = Parent Result B = Spike Added
LCS/LCSD Recovery [D] = 100 * (C) / [B] C = MS/LCS Result D = MSD/LCSD % Rec
Log Difference Log Diff. = Log(Sample Duplicate) - Log(Original Sample) E = MSD/LCSD Result

QC Summary 651965

Andrews & Foster

Public Water Supply Testing

Analytical Method: **Acidity by SM2310B**

Seq Number: 3116884 Matrix: Water

Parent Sample Id: 651965-001 MD Sample Id: 651965-001 D

Parameter	Parent Result	MD Result	%RPD	RPD Limit	Units	Analysis Date	Flag
Acidity, Total	-172	-170	-1	20	mg/L	02.18.2020 15:10	

Analytical Method: **Sulfide by SM4500-S-F-00**

Seq Number: 3116566 Matrix: Water

MB Sample Id: 3116566-1-BLK LCS Sample Id: 3116566-1-BKS LCSD Sample Id: 3116566-1-BSD

Parameter	MB Result	Spike Amount	LCS Result	LCS %Rec	LCSD Result	LCSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Sulfide, total	<5.00	50.0	45.0	90	45.2	90	80-120	0	20	mg/L	02.14.2020 15:17	

Analytical Method: **Sulfide by SM4500-S-F-00**

Seq Number: 3116566 Matrix: Water

Parent Sample Id: 652070-001 MS Sample Id: 652070-001 S MSD Sample Id: 652070-001 SD

Parameter	Parent Result	Spike Amount	MS Result	MS %Rec	MSD Result	MSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Sulfide, total	<5.00	50.0	47.2	94	46.8	94	80-120	1	20	mg/L	02.14.2020 15:17	

MS/MSD Percent Recovery [D] = 100*(C-A) / B

Relative Percent Difference RPD = 200* | (C-E) / (C+E) |

LCS/LCSD Recovery [D] = 100 * (C) / [B]

Log Difference Log Diff. = Log(Sample Duplicate) - Log(Original Sample)

LCS = Laboratory Control Sample

A = Parent Result

C = MS/LCS Result

E = MSD/LCSD Result

MS = Matrix Spike

B = Spike Added

D = MSD/LCSD % Rec

Chain of Custody

Work Order No: 1es 19ues

XENCO LABORATORIES

Houston,TX (281) 240-4200 Dallas,TX (214) 902-0300 San Antonio,TX (210) 509-3334
Midland,TX (432-704-5440) EL Paso,TX (915)585-3443 Lubbock,TX (806)794-1296
Hobbs,NM (575-392-7550) Phoenix,AZ (480-355-0900) Atlanta,GA (770-449-8800) Tampa,FL (813-620-2000) www.xenco.com Page _____ of _____

Project Manager:	Jacob Stanton	Bill to: (if different)	
Company Name:	Andrews & Foster	Company Name:	
Address:	1301 E Corsicana St	Address:	
City, State ZIP:	Athens TX 75751	City, State ZIP:	
Phone:	903-675-2353 Email:	jstanton@andrews-foster.com	

Work Order Comments

Program: UST/PST ☐ PRP ☐ Brownfields ☐ RRC ☐ Superfund ☐
State of Project:
Reporting: Level II ☐ Level III ☐ PST/UST ☐ TRRP ☐ Level IV ☐
Deliverables: EDD ☐ ADaPT ☐ Other:

Project Name:	Public Water Supply Testing	Turn Around	
Project Number:		Routine ☒	
P.O. Number:		Rush:	
Sampler's Name:	Zeb Jandt	Due Date:	

SAMPLE RECEIPT				
Temp Blank:	Yes (No)	Wet Ice:	(Yes) No	
Temperature (°C):	6.3	Thermometer ID	BE	
Received Intact:	(Yes) No			
Cooler Custody Seals:	Yes No (N/A)	Correction Factor:	0	
Sample Custody Seals:	Yes No (N/A)	Total Containers:		

ANALYSIS REQUEST

Sample Identification	Matrix	Date Sampled	Time Sampled	Depth	Number of Containers	Alkalinity	Total Metals (Al, Sb, As, Ba, Be, B, Cd, Cr, Cu, Pb, Mn, Mo, Ni, Ar, Sr, Tl, Zn, Ca, Fe, Mg, Co, K, Na)	Dissolved Metals (Al, Sb, As, Ba, Be, B, Cd, Cr, Co, Cu, Pb, Mn, Mo, Ni, Se, Ag, Sr, Tl, Zn)	[redacted]	Anions (Cl, F, SO4, NO3, NO2)	[redacted]	[redacted]	[redacted]	pH	TDS	Total Cyanide	[redacted]	[redacted]
Park Water C		2/11/2020	9:50am				X			X				X	X			

Work Order Notes

~~TAT starts the day received by the~~ lab, if received by 4:30pm

Sample Comments

Cooling in Progress

Total 200.7 / 6010 200.8 / 6020: 8RCRA 13PPM Texas 11 Al Sb As Ba Be B Cd Ca Cr Co Cu Fe Pb Mg Mn Mo Ni K Se Ag SiO2 Na Sr Tl Sn U V Zn
Circle Method(s) and Metal(s) to be analyzed TCLP / SPLP 6010: 8RCRA Sb As Ba Be Cd Cr Co Cu Pb Mn Mo Ni Se Ag Tl U 1631 / 245.1 / 7470 / 7471 : Hg

Notice: Signature of this document and relinquishment of samples constitutes a valid purchase order from client company to Xenco, its affiliates and subcontractors. It assigns standard terms and conditions of service. Xenco will be liable only for the cost of samples and shall not assume any responsibility for any losses or expenses incurred by the client if such losses are due to circumstances beyond the control of Xenco. A minimum charge of $75.00 will be applied to each project and a charge of $5 for each sample submitted to Xenco, but not analyzed. These terms will be enforced unless previously negotiated.

Relinquished by: (Signature)	Received by: (Signature)	Date/Time	Relinquished by: (Signature)	Received by: (Signature)	Date/Time
1 Zeb Jandt		2/11/2020 11:37a	2		
3			4		
5			6		

Revised Date 051418 Rev. 2018.1

1-Kits

Permian Basin – Well C

Laboratory Quality Analysis Parameters

Parameter (mg/L)	
Acidity (as CaCO3)	
Alkalinity, Total (as CaCO3)	
Aluminum	
Arsenic	
Bicarbonate (as CaCO3)	
Calcium (as CaCO3)	
Carbonate (as CaCO3)	
Chloride	
Copper	
Fluoride	
Iron	
Lead	
Magnesium	
Manganese	
Nitrate as Nitrogen	
Nitrite as Nitrogen	
Potassium	
Silicon	
Sodium	
Sulfate	
Sulfide as Hydrogen Sulfide	
Zinc	
General Parameters	
Cation – Anion Balance	
Hardness, Total (as CaCO3)	
pH	
Specific Conductance (umhos)	
Total Dissolved Solids (mg/L)	
Radionuclides	
Gross Alpha	
Radium-226/228	
Beta Particle	
Uranium	

Note: Highlighted parameters are parameters required by TCEQ for public supply use.

Inter-Office Shipment

IOS Number : 57840

Date/Time:	02.11.2020	Created by:	Brianna Teel	Please send report to:	Holly Taylor
Lab# From:	**Midland**	Delivery Priority:		Address:	1211 W. Florida
Lab# To:	**Houston**	Air Bill No.:	777744922420	E-Mail:	holly.taylor@xen

Sample Id	Matrix	Client Sample Id	Sample Collection	Method	Method Name	Lab Due	HT Due	P
651965-001	W	Park Water C	02.11.2020 09:50	E200.7	Recoverable Metals per ICP by EPA 200	02.17.2020	08.09.2020	H
651965-001	W	Park Water C	02.11.2020 09:50	E200.8	Recoverable Metals by EPA 200.8	02.17.2020	08.09.2020	H
651965-001	W	Park Water C	02.11.2020 09:50	SM4500-H	pH by SM4500-H	02.17.2020	**02.11.2020 10:05**	H
651965-001	W	Park Water C	02.11.2020 09:50	SM2320B	Alkalinity by SM2320B	02.17.2020	02.25.2020	H
651965-001	W	Park Water C	02.11.2020 09:50	SM1030E	Cation-Anion Balance Calculation	02.17.2020	03.12.2020	H
651965-001	W	Park Water C	02.11.2020 09:50	E300	Inorganic Anions by EPA 300/300.1	02.17.2020	**02.13.2020 09:50**	H
651965-001	W	Park Water C	02.11.2020 09:50	SM2310B	Acidity by SM2310B	02.17.2020	02.25.2020	H
651965-001	W	Park Water C	02.11.2020 09:50	SM4500SF00	Sulfide by SM4500-S-F-00	02.17.2020	**02.18.2020 09:50**	H
651965-001	W	Park Water C	02.11.2020 09:50	SM2340B	Hardness, Calculated	02.17.2020	08.09.2020	H
651965-001	W	Park Water C	02.11.2020 09:50	SM2540C	TDS by SM2540C	02.17.2020	**02.18.2020 09:50**	H

Inter Office Shipment or Sample Comments:

Relinquished By: Brianna Teel

Brianna Teel

Date Relinquished: 02.11.2020

Received By: Lourdes Arev

Date Received: 02.13.2020

Cooler Temperature: 4.2

Sample SUB-Contract#: 57861

Date Printed: 02.11.2020 15:25

Date/Time: 02.11.2020 15:22
Created by: Brianna Teel
Send report to: Holly Taylor
Subcontractor: GEL Laboratories, LLC
Address: 1211 W. Florida Ave
Midland TX 79701
PO#: **651965**
Delivery Priority:
Air Bill No.:
E-Mail: holly.taylor@xenco.com
Invoice To: apInvoices@xenco.com; subcontract@xenco.com; holly.taylor@xenco.com
TAT: **Standard**

Sample Id	Client Sample Id	Cont #	Matrix	Sample Collection	Method	Method Name
651965-001	Park Water C	5998	W	02/11/20 09:50	E900	Gross Alpha-Gross Beta by EPA 900
651965-001	Park Water C	5998	W	02/11/20 09:50	E903.1	Radium-226 by EPA 903.1
651965-001	Park Water C	5998	W	02/11/20 09:50	E904.0	Radium-228 by EPA 904.0

Subcontractor: Analyze for method and samples specified on COC as requested. Any deviation, must be approved by a Xenco PM.

SUB-Contracting Comments:

DRINKING WATER

Relinquished By: Brianna Teel
Brianna Teel

Received By:

Date/ Time Relinquished: 02/11/2020

Date/ Time Received:

Relinquished By:

Received By:

Date/ Time Relinquished:

Date/ Time Received:

Cooler Temperature:

XENCO Laboratories

Inter Office Report- Sample Receipt Checklist

Sent To: Houston

IOS #: 57840

Acceptable Temperature Range: 0 - 6 degC
Air and Metal samples Acceptable Range: Ambient
Temperature Measuring device used : HOU-068

Sent By: Brianna Teel **Date Sent:** 02.11.2020 12.34 PM

Received By: Lourdes Arevalo **Date Received:** 02.13.2020 09.26 AM

Sample Receipt Checklist		Comments
#1 *Temperature of cooler(s)?	4.2	
#2 *Shipping container in good condition?	**Yes**	
#3 *Samples received with appropriate temperature?	**Yes**	
#4 *Custody Seals intact on shipping container/ cooler?	**N/A**	
#5 *Custody Seals Signed and dated for Containers/coolers	**Yes**	
#6 *IOS present?	**Yes**	
#7 Any missing/extra samples?	**No**	
#8 IOS agrees with sample label(s)/matrix?	**Yes**	
#9 Sample matrix/ properties agree with IOS?	**Yes**	
#10 Samples in proper container/ bottle?	**Yes**	
#11 Samples properly preserved?	**Yes**	
#12 Sample container(s) intact?	**Yes**	
#13 Sufficient sample amount for indicated test(s)?	**Yes**	
#14 All samples received within hold time?	**Yes**	

*** Must be completed for after-hours delivery of samples prior to placing in the refrigerator**

NonConformance:

Corrective Action Taken:

Nonconformance Documentation

Contact: _____ **Contacted by :** _____ **Date:** _____

Checklist reviewed by: _____ Date: 02.13.2020

Lourdes Arevalo

XENCO Laboratories

Prelogin/Nonconformance Report- Sample Log-In

Client: Andrews & Foster

Date/ Time Received: 02/11/2020 11:37:00 AM

Work Order #: 651965

Acceptable Temperature Range: 0 - 6 degC
Air and Metal samples Acceptable Range: Ambient

Temperature Measuring device used : R8

Sample Receipt Checklist		Comments
#1 *Temperature of cooler(s)?	6.3	
#2 *Shipping container in good condition?	**Yes**	
#3 *Samples received on ice?	**Yes**	Cooling in progress
#4 *Custody Seals intact on shipping container/ cooler?	**Yes**	
#5 Custody Seals intact on sample bottles?	**Yes**	
#6*Custody Seals Signed and dated?	**Yes**	
#7 *Chain of Custody present?	**Yes**	
#8 Any missing/extra samples?	**No**	
#9 Chain of Custody signed when relinquished/ received?	**Yes**	
#10 Chain of Custody agrees with sample labels/matrix?	**Yes**	
#11 Container label(s) legible and intact?	**Yes**	
#12 Samples in proper container/ bottle?	**Yes**	
#13 Samples properly preserved?	**Yes**	
#14 Sample container(s) intact?	**Yes**	
#15 Sufficient sample amount for indicated test(s)?	**Yes**	
#16 All samples received within hold time?	**Yes**	
#17 Subcontract of sample(s)?	**Yes**	Xenco Stafford & Gel Lab
#18 Water VOC samples have zero headspace?	**Yes**	

*** Must be completed for after-hours delivery of samples prior to placing in the refrigerator**

Analyst: AJA

PH Device/Lot#: 10BDH1991

Checklist completed by: Brianna Teel Date: 02/11/2020

Brianna Teel

Checklist reviewed by: Holly Taylor Date: 02/12/2020

Holly Taylor

GEL Laboratories LLC
a member of The GEL Group INC

PO Box 30712 Charleston, SC 29417
2040 Savage Road Charleston, SC 29407
P 843.556.8171
F 843.766.1178

gel.com

March 09, 2020

Ms. Holly Taylor
Xenco Laboratories
1211 W. Florida-Ave
Midland, Texas 79701

Re: Radiochemistry Analyses - Taylor
Work Order: 504232
SDG: 651965

Dear Ms. Taylor:

GEL Laboratories, LLC (GEL) appreciates the opportunity to provide the enclosed analytical results for the sample(s) we received on February 13, 2020. This original data report has been prepared and reviewed in accordance with GEL's standard operating procedures.

Test results for NELAP or ISO 17025 accredited tests are verified to meet the requirements of those standards, with any exceptions noted. The results reported relate only to the items tested and to the sample as received by the laboratory. These results may not be reproduced except as full reports without approval by the laboratory. Copies of GEL's accreditations and certifications can be found on our website at www.gel.com.

Our policy is to provide high quality, personalized analytical services to enable you to meet your analytical needs on time every time. We trust that you will find everything in order and to your satisfaction. If you have any questions, please do not hesitate to call me at (843) 556-8171, ext. 4289.

Sincerely,

Julie Robinson

Julie Robinson
Project Manager

Purchase Order: XXX
Chain of Custody: 57861
Enclosures

GEL LABORATORIES LLC
2040 Savage Road Charleston SC 29407 − (843) 556−8171 − www.gel.com

Certificate of Analysis Report
for

XENC002 Xenco Laboratories

Client SDG: 651965 GEL Work Order: 504232

The Qualifiers in this report are defined as follows:

* A quality control analyte recovery is outside of specified acceptance criteria

** Analyte is a Tracer compound

** Analyte is a surrogate compound

U Analyte was analyzed for, but not detected above the MDL, MDA, MDC or LOD.

Where the analytical method has been performed under NELAP certification, the analysis has met all of the requirements of the NELAC standard unless qualified on the Certificate of Analysis.

The designation ND, if present, appears in the result column when the analyte concentration is not detected above the limit as defined in the 'U' qualifier above.

This data report has been prepared and reviewed in accordance with GEL Laboratories LLC standard operating procedures. Please direct any questions to your Project Manager, Julie Robinson.

Reviewed by Julie Roberson

GEL LABORATORIES LLC
2040 Savage Road Charleston SC 29407 - (843) 556-8171 - www.gel.com

Certificate of Analysis

Report Date: March 9, 2020

Company : Xenco Laboratories
Address : 1211 W. Florida-Ave

Midland, Texas 79701
Contact: Ms. Holly Taylor
Project: Radiochemistry Analyses - Taylor

Client Sample ID: 651965-001
Sample ID: 504232001
Matrix: Drinking Water (Potable)
Collect Date: 11-FEB-20 09:50
Receive Date: 13-FEB-20
Collector: Client

Project: XENC00117
Client ID: XENC002

Parameter	Qualifier	Result	Uncertainty	MDC	RL	Units	PF	DF	Analyst	Date	Time	Batch	Method
Rad Gas Flow Proportional Counting													
EPA 904.0 Radium-228 in Drinking Water "As Received"													
Radium-228	U	-0.0969	+/-0.215	0.445	1.00	pCi/L			LXB3	03/04/20	1511	1972901	1
Gross Alpha/Beta in Drinking Water EPA 900.0 "As Received"													
Alpha	U	10.4	+/-9.49	15.7	3.00	pCi/L			KSD1	02/19/20	1852	1970457	2
Beta		11.1	+/-4.00	6.16	4.00	pCi/L							
Rad Radium-226													
Radium-226 in Drinking Water EPA 903.1 (De-emanation) "As Received"													
Radium-226		0.258	+/-0.0984	0.0825	1.00	pCi/L			MXH8	03/09/20	0905	1969460	3

The following Analytical Methods were performed:

Method	Description	Analyst Comments
1	EPA 904.0/ EPA 9320	
2	EPA 900.0	
3	EPA 903.1	

Surrogate/Tracer Recovery	Test	Result	Nominal	Recovery%	Acceptable Limits
Yttrium Carrier	EPA 904.0 Radium-228 in Drinking Water "As Received"			93.3	(25%-125%)
Barium Carrier	EPA 904.0 Radium-228 in Drinking Water "As Received"			102	(25%-125%)

Notes:
Counting Uncertainty is calculated at the 95% confidence level (1.96-sigma).

Column headers are defined as follows:

DF: Dilution Factor
DL: Detection Limit
MDA: Minimum Detectable Activity
MDC: Minimum Detectable Concentration
Lc/LC: Critical Level
PF: Prep Factor
RL: Reporting Limit
SQL: Sample Quantitation Limit

QC Summary

Report Date: March 9, 2020

Xenco Laboratories
1211 W. Florida-Ave
Midland, Texas

Contact: **Ms. Holly Taylor**

Workorder: **504232**

Parmname	NOM	Sample	Qual	QC	Units	RPD%	REC%	Range	Anlst	Date Time
Rad Gas Flow										
Batch 1970457										
QC1204501383 503930001 DUP										
Alpha	U	6.89		9.22	pCi/L	28.9		(0% - 100%)	KSD1	02/20/20 19:05
	Uncertainty	+/-5.12		+/-5.79						
Beta		7.61		13.4	pCi/L	55		(0% - 100%)		
	Uncertainty	+/-3.66		+/-3.87						
QC1204501386 LCS										
Alpha	14.0			14.0	pCi/L		100	(80%-120%)		02/19/20 18:52
	Uncertainty			+/-1.22						
Beta	6.29			6.96	pCi/L		111	(80%-120%)		
	Uncertainty			+/-0.763						
QC1204501382 MB										
Alpha			U	1.09	pCi/L					02/20/20 11:20
	Uncertainty			+/-1.18						
Beta			U	-0.723	pCi/L					
	Uncertainty			+/-1.36						
QC1204501384 503930001 MS										
Alpha	120 U	6.89		120	pCi/L		100	(70%-130%)		02/22/20 15:16
	Uncertainty	+/-5.12		+/-11.6						
Beta	108	7.61		118	pCi/L		102	(70%-130%)		
	Uncertainty	+/-3.66		+/-6.49						
QC1204501385 503930001 MSD										
Alpha	120 U	6.89		104	pCi/L	14.1	86.9	(0%-20%)		02/19/20 18:51
	Uncertainty	+/-5.12		+/-10.5						
Beta	108	7.61		121	pCi/L	2.56	105	(0%-20%)		
	Uncertainty	+/-3.66		+/-5.97						
Batch 1972901										
QC1204507248 505082001 DUP										
Radium-228	U	0.290	U	0.00296	pCi/L	N/A		N/A	LXB3	03/04/20 15:16
	Uncertainty	+/-0.318		+/-0.334						
QC1204507250 LCS										
Radium-228	4.37			4.67	pCi/L		107	(80%-120%)		03/04/20 15:16
	Uncertainty			+/-0.632						

QC Summary

Workorder: 504232

Parmname	NOM	Sample	Qual	QC	Units	RPD%	REC%	Range	Anlst	Date Time
Rad Gas Flow										
Batch 1972901										
QC1204507247 MB										
Radium-228			U	0.0438	pCi/L				LXB3	03/04/20 15:11
	Uncertainty			+/-0.197						
QC1204507249 505082001 MS										
Radium-228	8.74 U	0.290		7.14	pCi/L		81.7	(70%-130%)		03/04/20 15:16
	Uncertainty	+/-0.318		+/-0.730						
Rad Ra-226										
Batch 1969460										
QC1204499079 505106001 DUP										
Radium-226		0.104		0.138	pCi/L	28.1		(0% - 100%)	MXH8	03/09/20 09:35
	Uncertainty	+/-0.0666		+/-0.0862						
QC1204499081 LCS										
Radium-226	5.13			4.67	pCi/L		91.1	(90%-110%)		03/09/20 12:47
	Uncertainty			+/-0.418						
QC1204499078 MB										
Radium-226			U	0.0607	pCi/L					03/09/20 09:35
	Uncertainty			+/-0.0627						
QC1204499080 505106001 MS										
Radium-226	5.13	0.104		6.02	pCi/L		115	(80%-120%)		03/09/20 12:47
	Uncertainty	+/-0.0666		+/-0.460						

Notes:

Counting Uncertainty is calculated at the 95% confidence level (1.96-sigma).

The Qualifiers in this report are defined as follows:

**	Analyte is a Tracer compound
<	Result is less than value reported
>	Result is greater than value reported
BD	Results are either below the MDC or tracer recovery is low
FA	Failed analysis.
H	Analytical holding time was exceeded
J	See case narrative for an explanation
J	Value is estimated
K	Analyte present. Reported value may be biased high. Actual value is expected to be lower.
L	Analyte present. Reported value may be biased low. Actual value is expected to be higher.
M	M if above MDC and less than LLD
M	REMP Result > MDC/CL and < RDL

QC Summary

Workorder: **504232**

Parmname	NOM	Sample	Qual	QC	Units	RPD%	REC%	Range	Anlst	Date	Time

N/A RPD or %Recovery limits do not apply.

N1 See case narrative

ND Analyte concentration is not detected above the detection limit

NJ Consult Case Narrative, Data Summary package, or Project Manager concerning this qualifier

Q One or more quality control criteria have not been met. Refer to the applicable narrative or DER.

R Sample results are rejected

U Analyte was analyzed for, but not detected above the MDL, MDA, MDC or LOD.

UI Gamma Spectroscopy--Uncertain identification

UJ Gamma Spectroscopy--Uncertain identification

UL Not considered detected. The associated number is the reported concentration, which may be inaccurate due to a low bias.

X Consult Case Narrative, Data Summary package, or Project Manager concerning this qualifier

Y Other specific qualifiers were required to properly define the results. Consult case narrative.

^ RPD of sample and duplicate evaluated using +/-RL. Concentrations are <5X the RL. Qualifier Not Applicable for Radiochemistry.

h Preparation or preservation holding time was exceeded

N/A indicates that spike recovery limits do not apply when sample concentration exceeds spike conc. by a factor of 4 or more or %RPD not applicable.
^ The Relative Percent Difference (RPD) obtained from the sample duplicate (DUP) is evaluated against the acceptance criteria when the sample is greater than five times (5X) the contract required detection limit (RL). In cases where either the sample or duplicate value is less than 5X the RL, a control limit of +/- the RL is used to evaluate the DUP result.
* Indicates that a Quality Control parameter was not within specifications.
For PS, PSD, and SDILT results, the values listed are the measured amounts, not final concentrations.

Where the analytical method has been performed under NELAP certification, the analysis has met all of the requirements of the NELAC standard unless qualified on the QC Summary.

Radiochemistry
Technical Case Narrative
Xenco Laboratories
SDG #: 651965
Work Order #: 504232

Product: **Gross Alpha/Beta in Drinking Water EPA 900.0**
Analytical Method: EPA 900.0
Analytical Procedure: GL-RAD-A-001D REV# 4
Analytical Batch: 1970457

The following samples were analyzed using the above methods and analytical procedure(s).

GEL Sample ID#	Client Sample Identification
504232001	651965-001
1204501382	Method Blank (MB)
1204501383	503930001(651762-001) Sample Duplicate (DUP)
1204501384	503930001(651762-001) Matrix Spike (MS)
1204501385	503930001(651762-001) Matrix Spike Duplicate (MSD)
1204501386	Laboratory Control Sample (LCS)

The samples in this SDG were analyzed on an "as received" basis.

Data Summary:

All sample data provided in this report met the acceptance criteria specified in the analytical methods and procedures for initial calibration, continuing calibration, instrument controls and process controls where applicable, with the following exceptions.

Preparation Information

Aliquot Reduced
aliquot volumes were reduced due to the sample matrix.

Quality Control (QC) Information

RDL Met
Sample (See Below) did not meet the required detection limit due to low sample volume. No more volume could be used due to not exceeding the maximum net weight limit of the calibration curve. The sample counted for 500 minutes.

Sample	Analyte	Value
504232001 (651965-001)	ALPHA	Result 10.4 < MDA 15.7 > RDL 3 pCi/L

Technical Information

Gross Alpha/Beta Preparation Information
None of the samples have been flamed.

Recounts
Sample 1204501384 (651762-001MS) was recounted due to low recovery. The recount is reported. Sample

1204501383 (651762-001DUP) was recounted due to high relative percent difference/relative error ratio. The recount is reported.

Product: **EPA 904.0 Radium-228 in Drinking Water**
Analytical Method: EPA 904.0/ EPA 9320
Analytical Procedure: GL-RAD-A-030 REV# 21
Analytical Batch: 1972901

The following samples were analyzed using the above methods and analytical procedure(s).

GEL Sample ID#	Client Sample Identification
504232001	651965-001
1204507247	Method Blank (MB)
1204507248	505082001(NonSDG) Sample Duplicate (DUP)
1204507249	505082001(NonSDG) Matrix Spike (MS)
1204507250	Laboratory Control Sample (LCS)

The samples in this SDG were analyzed on an "as received" basis.

Data Summary:

There are no exceptions, anomalies or deviations from the specified methods. All sample data provided in this report met the acceptance criteria specified in the analytical methods and procedures for initial calibration, continuing calibration, instrument controls and process controls where applicable.

Product: **Radium-226 in Drinking Water EPA 903.1 (De-emanation)**
Analytical Method: EPA 903.1
Analytical Procedure: GL-RAD-A-028 REV# 20
Analytical Batch: 1969460

The following samples were analyzed using the above methods and analytical procedure(s).

GEL Sample ID#	Client Sample Identification
504232001	651965-001
1204499078	Method Blank (MB)
1204499079	505106001(NonSDG) Sample Duplicate (DUP)
1204499080	505106001(NonSDG) Matrix Spike (MS)
1204499081	Laboratory Control Sample (LCS)

The samples in this SDG were analyzed on an "as received" basis.

Data Summary:

All sample data provided in this report met the acceptance criteria specified in the analytical methods and procedures for initial calibration, continuing calibration, instrument controls and process controls where applicable, with the following exceptions.

Technical Information

Recounts
Samples were degassed and recounted to verify sample results. The second counts are reported.

Certification Statement

Where the analytical method has been performed under NELAP certification, the analysis has met all of the requirements of the NELAC standard unless otherwise noted in the analytical case narrative.

XENCO LABORATORIES

504232

Sample SUB-Contract#: 57861

Date Printed: 02.11.2020 15:25

Date/Time: 02.11.2020 15:22 Created by: Brianna Teel

Send report to: Holly Taylor

Subcontractor: GEL Laboratories, LLC

Address: 1211 W. Florida Ave
Midland TX 79701

PO#: **651965**

Delivery Priority:

Air Bill No.:

E-Mail: holly.taylor@xenco.com

Invoice To: apInvoices@xenco.com; subcontract@xenco.com; holly.taylor@xenco.com

TAT: **Standard**

Sample Id	Client Sample Id	Cont #	Matrix	Sample Collection	Method	Method Name	Lab PM
651965-001	Park Water C	5998	W	02/11/20 09:50	E900	Gross Alpha-Gross Beta by EPA 900	Holly Taylor
651965-001	Park Water C	5998	W	02/11/20 09:50	E903.1	Radium-226 by EPA 903.1	Holly Taylor
651965-001	Park Water C	5998	W	02/11/20 09:50	E904.0	Radium-228 by EPA 904.0	Holly Taylor

Subcontractor: Analyze for method and samples specified on COC as requested. Any deviation, must be approved by a Xenco PM.

SUB-Contracting Comments:

DRINKING WATER

Relinquished By: Brianna Teel
Brianna Teel

Received By:

Date/ Time Relinquished: 02/11/2020

Date/ Time Received: 2/13/2020 1030

Relinquished By: _____

Received By: _____

Date/ Time Relinquished: _____

Date/ Time Received: _____

Cooler Temperature: _____

GEL Laboratories LLC

SAMPLE RECEIPT & REVIEW FORM

504732

Client: XENC	SDG/AR/COC/Work Order:
Received By: NRG	Date Received: 2/13/2020
Carrier and Tracking Number	Circle Applicable: FedEx Express FedEx Ground UPS Field Services Courier Other 7777 4460 6275

Suspected Hazard Information	Yes	No	*If Net Counts > 100cpm on samples not marked "radioactive", contact the Radiation Safety Group for further investigation.
A)Shipped as a DOT Hazardous?		✓	Hazard Class Shipped: UN#: If UN2910, Is the Radioactive Shipment Survey Compliant? Yes___ No___
B) Did the client designate the samples are to be received as radioactive?		✓	COC notation or radioactive stickers on containers equal client designation.
C) Did the RSO classify the samples as radioactive?		✓	Maximum Net Counts Observed* (Observed Counts - Area Background Counts): 00 CPM mR/Hr Classified as: Rad 1 Rad 2 Rad 3
D) Did the client designate samples are hazardous?		✓	COC notation or hazard labels on containers equal client designation.
E) Did the RSO identify possible hazards?		✓	If D or E is yes, select Hazards below. PCB's Flammable Foreign Soil RCRA Asbestos Beryllium Other:

	Sample Receipt Criteria	Yes	NA	No	Comments/Qualifiers (Required for Non-Conforming Items)
1	Shipping containers received intact and sealed?	✓			Circle Applicable: Seals broken Damaged container Leaking container Other (describe)
2	Chain of custody documents included with shipment?	✓			Circle Applicable: Client contacted and provided COC COC created upon receipt
3	Samples requiring cold preservation within (0 ≤ 6 deg. C)?*			✓	Preservation Method: Wet Ice Ice Packs Dry ice None Other: *all temperatures are recorded in Celsius TEMP: 16°C
4	Daily check performed and passed on IR temperature gun?	✓			Temperature Device Serial #: IR3-18 Secondary Temperature Device Serial # (If Applicable):
5	Sample containers intact and sealed?	✓			Circle Applicable: Seals broken Damaged container Leaking container Other (describe)
6	Samples requiring chemical preservation at proper pH?	✓			Sample ID's and Containers Affected: If Preservation added, Lot#:
7	Do any samples require Volatile Analysis?			✓	If Yes, are Encores or Soil Kits present for solids? Yes___ No___ NA___(If yes, take to VOA Freezer) DG liquid VOA vials contain acid preservation? Yes___ No___ NA___(If unknown, select No) Are liquid VOA vials free of headspace? Yes___ No___ NA___ Sample ID's and containers affected:
8	Samples received within holding time?	✓			ID's and tests affected:
9	Sample ID's on COC match ID's on bottles?	✓			ID's and containers affected:
10	Date & time on COC match date & time on bottles?	✓			Circle Applicable: No dates on containers No times on containers COC missing info Other (describe)
11	Number of containers received match number indicated on COC?			✓	Circle Applicable: No container count on COC Other (describe)
12	Are sample containers identifiable as GEL provided?			✓	
13	COC form is properly signed in relinquished/received sections?	✓			Circle Applicable: Not relinquished Other (describe)

Comments (Use Continuation Form if needed):

PM (or PMA) review: Initials SH Date 2/14/20 Page 1 of 1

GL-CHL-SR-001 Rev 6

List of current GEL Certifications as of 09 March 2020

State	Certification
Alaska	17−018
Alaska Drinking Water	SC00012
Arkansas	88−0651
CLIA	42D0904046
California	2940
Colorado	SC00012
Connecticut	PH−0169
DoD ELAP/ ISO17025 A2LA	2567.01
Florida NELAP	E87156
Foreign Soils Permit	P330−15−00283, P330−15−00253
Georgia	SC00012
Georgia SDWA	967
Hawaii	SC00012
Idaho	SC00012
Illinois NELAP	200029
Indiana	C−SC−01
Kansas NELAP	E−10332
Kentucky SDWA	90129
Kentucky Wastewater	90129
Louisiana Drinking Water	LA024
Louisiana NELAP	03046 (AI33904)
Maine	2019020
Maryland	270
Massachusetts	M−SC012
Massachusetts PFAS Approv	Letter
Michigan	9976
Mississippi	SC00012
Nebraska	NE−OS−26−13
Nevada	SC000122020−1
New Hampshire NELAP	2054
New Jersey NELAP	SC002
New Mexico	SC00012
New York NELAP	11501
North Carolina	233
North Carolina SDWA	45709
North Dakota	R−158
Oklahoma	2019−165
Pennsylvania NELAP	68−00485
Puerto Rico	SC00012
S. Carolina Radiochem	10120002
Sanitation Districts of L	9255651
South Carolina Chemistry	10120001
Tennessee	TN 02934
Texas NELAP	T104704235−20−16
Utah NELAP	SC000122020−32
Vermont	VT87156
Virginia NELAP	460202
Washington	C780

Well A1

Certificate of Analysis Summary 655152

Andrews & Foster, Athens, TX

Project Name: Public Water Supply Testing

Project Id:
Contact: Jacob Stanton
Project Location:

Date Received in Lab
Report Date
Project Manager

Analysis Requested						
	Lab Id:	655152-001				
	Field Id:	Greenwood A1				
	Depth:					
	Matrix:	DRINKING WATER				
	Sampled:	03.10.2020 11:45				
Acidity by SM2310B SUB: T104704215-20-38	***Extracted:***					
	Analyzed:	03.17.2020 18:50				
	Units/RL:	mg/L	RL			
Acidity, Total		-1000				
Alkalinity by SM2320B SUB: T104704215-20-38	***Extracted:***	03.13.2020 10:52				
	Analyzed:	03.13.2020 13:27				
	Units/RL:	mg/L	RL			
Alkalinity, Total (CaCO3)		197	4.00			
Cation-Anion Balance Calculation SUB: T104704215-20-38	***Extracted:***					
	Analyzed:	03.17.2020 15:29				
	Units/RL:	%	RL			
Cation-Anion Balance		6.40				
Hardness, Calculated SUB: T104704215-20-38	***Extracted:***					
	Analyzed:	03.18.2020 14:04				
	Units/RL:	mg/L	RL			
Hardness, Total (CaCO3)		560	27			
Hydrogen Sulfide by Calculation by SM4500S2-H SUB: T104704215-20-38	***Extracted:***					
	Analyzed:	03.17.2020 15:28				
	Units/RL:	mg/L	RL			
Hydrogen sulfide		0				

BRL - Below Reporting Limit

Certificate of Analysis Summary 655152

Andrews & Foster, Athens, TX

Project Name: Public Water Supply Testing

Project Id:
Contact: Jacob Stanton
Project Location:

Date Received in Lab
Report Date
Project Manager

Analysis Requested						
	Lab Id:	655152-001				
	Field Id:	Greenwood A1				
	Depth:					
	Matrix:	DRINKING WATER				
	Sampled:	03.10.2020 11:45				
Inorganic Anions by EPA 300/300.1 SUB: T104704215-20-38	***Extracted:***	03.11.2020 10:21				
	Analyzed:	03.11.2020 14:06				
	Units/RL:	mg/L	RL			
Chloride		301	0.500			
Fluoride		3.01	0.500			
Nitrate as N		11.4	0.100			
Nitrite as N		<0.100	0.100			
Sulfate		201	0.500			
Recoverable Metals by EPA 200.8 SUB: T104704215-20-38	***Extracted:***	03.12.2020 11:00				
	Analyzed:	03.13.2020 20:32				
	Units/RL:	mg/L	RL			
Aluminum		<0.0200	0.0200			
Arsenic		0.0189	0.00400			
Copper		0.0146	0.00400			
Lead		<0.00200	0.00200			
Manganese		<0.00200	0.00200			
Zinc		0.0494	0.0300			
Recoverable Metals per ICP by EPA 200.7 SUB: T104704215-20-38	***Extracted:***	03.12.2020 11:00				
	Analyzed:	03.13.2020 13:43				
	Units/RL:	mg/L	RL			
Calcium		132 D	10.0			
Iron		<0.200	0.200			
Magnesium		57.1	0.400			
Potassium		9.82	0.500			
Silicon		28.3	0.500			
Sodium		95.3	0.500			

BRL - Below Reporting Limit

Certificate of Analysis Summary 655152

Andrews & Foster, Athens, TX

Project Name: Public Water Supply Testing

Project Id:
Contact: Jacob Stanton
Project Location:

Date Received in Lab
Report Date
Project Manager

Analysis Requested						
	Lab Id:	655152-001				
	Field Id:	Greenwood A1				
	Depth:					
	Matrix:	DRINKING WATER				
	Sampled:	03.10.2020 11:45				
Specific Conductance @25C by SM2510B SUB: T104704215-20-38	***Extracted:***					
	Analyzed:	03.13.2020 11:40				
	Units/RL:	umhos/cm	RL			
Specific conductance @ 25C		1750	10.0			
Sulfide by SM4500-S-F-00 SUB: T104704215-20-38	***Extracted:***					
	Analyzed:	03.13.2020 15:24				
	Units/RL:	mg/L	RL			
Sulfide, total		<5.00	5.00			
TDS by SM2540C SUB: T104704215-20-38	***Extracted:***					
	Analyzed:	03.17.2020 16:00				
	Units/RL:	mg/L	RL			
Total Dissolved Solids		1030	5.00			
pH by SM4500-H SUB: T104704215-20-38	***Extracted:***					
	Analyzed:	03.18.2020 14:49				
	Units/RL:	Deg C	RL			
Temperature		23.1 K				
pH by SM4500-H SUB: T104704215-20-38	***Extracted:***					
	Analyzed:	03.18.2020 14:49				
	Units/RL:	SU	RL			
pH		8.22 K				

BRL - Below Reporting Limit

eurofins | Environment Testing Xenco

Analytical Report 655152

for

Andrews & Foster

Project Manager: Jacob Stanton

Public Water Supply Testing

10.29.2020

Collected By: Client

1211 W. Florida Ave
Midland TX 79701

Xenco-Houston (EPA Lab Code: TX00122):
Texas (T104704215-20-38), Arizona (AZ0765), Florida (E871002-33), Louisiana (03054)
Oklahoma (2020-014), North Carolina (681), Arkansas (20-035-0)

Xenco-Dallas (EPA Lab Code: TX01468):
Texas (T104704295-20-26), Arizona (AZ0809)

Xenco-El Paso (EPA Lab Code: TX00127): Texas (T104704221-20-18)
Xenco-Lubbock (EPA Lab Code: TX00139): Texas (T104704219-20-23)
Xenco-Midland (EPA Lab Code: TX00158): Texas (T104704400-19-21)
Xenco-Carlsbad (LELAP): Louisiana (05092)
Xenco-San Antonio (EPA Lab Code: TNI02385): Texas (T104704534-20-8)
Xenco-Tampa: Florida (E87429), North Carolina (483)

10.29.2020

Project Manager: **Jacob Stanton**
Andrews & Foster
1301 E Corsicana St
Athens, TX 75751

Reference: Eurofins Xenco, LLC Report No(s): **655152**
Public Water Supply Testing
Project Address:

Jacob Stanton:

We are reporting to you the results of the analyses performed on the samples received under the project name referenced above and identified with the Eurofins Xenco, LLC Report Number(s) 655152. All results being reported under this Report Number apply to the samples analyzed and properly identified with a Laboratory ID number. Subcontracted analyses are identified in this report with either the NELAC certification number of the subcontract lab in the analyst ID field, or the complete subcontracted report attached to this report.

Unless otherwise noted in a Case Narrative, all data reported in this Analytical Report are in compliance with NELAC standards. The uncertainty of measurement associated with the results of analysis reported is available upon request. Should insufficient sample be provided to the laboratory to meet the method and NELAC Matrix Duplicate and Matrix Spike requirements, then the data will be analyzed, evaluated and reported using all other available quality control measures.

The validity and integrity of this report will remain intact as long as it is accompanied by this letter and reproduced in full, unless written approval is granted by Eurofins Xenco, LLC. This report will be filed for at least 5 years in our archives after which time it will be destroyed without further notice, unless otherwise arranged with you. The samples received, and described as recorded in Report No. 655152 will be filed for 45 days, and after that time they will be properly disposed without further notice, unless otherwise arranged with you. We reserve the right to return to you any unused samples, extracts or solutions related to them if we consider so necessary (e.g., samples identified as hazardous waste, sample sizes exceeding analytical standard practices, controlled substances under regulated protocols, etc).

We thank you for selecting Eurofins Xenco, LLC to serve your analytical needs. If you have any questions concerning this report, please feel free to contact us at any time.

Respectfully,

Holly Taylor

Holly Taylor
Project Manager

A Small Business and Minority Company

Houston - Dallas - Midland - Tampa - Phoenix - Lubbock - San Antonio - El Paso - Atlanta - New Mexico

Sample Cross Reference 655152

Andrews & Foster, Athens, TX

Public Water Supply Testing

Sample Id	Matrix	Date Collected	Sample Depth	Lab Sample Id
Greenwood A1	W	03.10.2020 11:45		655152-001

CASE NARRATIVE

Client Name: Andrews & Foster

Project Name: Public Water Supply Testing

Project ID:
Work Order Number(s): *655152*

Report Date: *10.29.2020*
Date Received: *03.10.2020*

Sample receipt non conformances and comments:

3/10/2020 Login revised to match list provided in email from Jacob Stanton. HT

Sample receipt non conformances and comments per sample:

None

Certificate of Analytical Results 655152

Andrews & Foster, Athens, TX

Public Water Supply Testing

Sample Id: **Greenwood A1** Matrix: Drinking Water Date Received:03.10.2020 13:36
Lab Sample Id: 655152-001 Date Collected: 03.10.2020 11:45

Analytical Method: Alkalinity by SM2320B Prep Method: SM2320P
Tech: KBU
Analyst: KBU Date Prep: 03.13.2020 10:52 % Moisture:
Seq Number: 3119601 SUB: T104704215-20-38

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Alkalinity, Total (CaCO3)	1640192	**197**	4.00	mg/L	03.13.2020 13:27		1

Analytical Method: Cation-Anion Balance Calculation
Tech: ALA
Analyst: ALA % Moisture:
Seq Number: 3119932 SUB: T104704215-20-38

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Cation-Anion Balance	CATANBAL	**6.40**		%	03.17.2020 15:29		1

Analytical Method: Inorganic Anions by EPA 300/300.1 Prep Method: E300P
Tech: JYM
Analyst: JYM Date Prep: 03.11.2020 10:21 % Moisture:
Seq Number: 3119315 SUB: T104704215-20-38

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Chloride	16887-00-6	**301**	0.500	mg/L	03.11.2020 14:06		1
Fluoride	16984-48-8	**3.01**	0.500	mg/L	03.11.2020 14:06		1
Nitrate as N	14797-55-8	**11.4**	0.100	mg/L	03.11.2020 14:06		1
Nitrite as N	14797-65-0	<0.100	0.100	mg/L	03.11.2020 14:06	U	1
Sulfate	14808-79-8	**201**	0.500	mg/L	03.11.2020 14:06		1

Analytical Method: TDS by SM2540C
Tech: JCL
Analyst: JCL % Moisture:
Seq Number: 3119968 SUB: T104704215-20-38

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Total Dissolved Solids	1642222	**1030**	5.00	mg/L	03.17.2020 16:00		1

Certificate of Analytical Results 655152

Andrews & Foster, Athens, TX

Public Water Supply Testing

Sample Id: **Greenwood A1** Matrix: Drinking Water Date Received:03.10.2020 13:36

Lab Sample Id: 655152-001 Date Collected: 03.10.2020 11:45

Analytical Method: pH by SM4500-H

Tech: KBU

Analyst: KBU

Seq Number: 3120122

% Moisture:

SUB: T104704215-20-38

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
pH	12408-02-5	**8.22**		SU	03.18.2020 14:49	K	1
Temperature	TEMP	**23.1**		Deg C	03.18.2020 14:49	K	1

Analytical Method: Hardness, Calculated

Tech: DEP

Analyst: DEP

Seq Number: 3120087

% Moisture:

SUB: T104704215-20-38

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Hardness, Total (CaCO3)	471-34-1	**560**	27	mg/L	03.13.2020 13:43		1

Analytical Method: Recoverable Metals by EPA 200.8

Prep Method: E200.8P

Tech: MLI

Analyst: ANJ

Date Prep: 03.12.2020 11:00

Seq Number: 3119669

% Moisture:

SUB: T104704215-20-38

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Aluminum	7429-90-5	<0.0200	0.0200	mg/L	03.13.2020 20:32	U	1
Arsenic	7440-38-2	**0.0189**	0.00400	mg/L	03.13.2020 20:32		1
Copper	7440-50-8	**0.0146**	0.00400	mg/L	03.13.2020 20:32		1
Lead	7439-92-1	<0.00200	0.00200	mg/L	03.13.2020 20:32	U	1
Manganese	7439-96-5	<0.00200	0.00200	mg/L	03.13.2020 20:32	U	1
Zinc	7440-66-6	**0.0494**	0.0300	mg/L	03.13.2020 20:32		1

Certificate of Analytical Results 655152

Andrews & Foster, Athens, TX

Public Water Supply Testing

Sample Id: **Greenwood A1** Matrix: Drinking Water Date Received:03.10.2020 13:36
Lab Sample Id: 655152-001 Date Collected: 03.10.2020 11:45

Analytical Method: Recoverable Metals per ICP by EPA 200.7 Prep Method: E200.7P
Tech: MLI
Analyst: ANJ Date Prep: 03.12.2020 11:00 % Moisture:
Seq Number: 3119898 SUB: T104704215-20-38

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Calcium	7440-70-2	**132**	10.0	mg/L	03.13.2020 13:48	D	50
Iron	7439-89-6	<0.200	0.200	mg/L	03.13.2020 13:43	U	1
Magnesium	7439-95-4	**57.1**	0.400	mg/L	03.13.2020 13:43		1
Potassium	7440-09-7	**9.82**	0.500	mg/L	03.13.2020 13:43		1
Silicon	7440-21-3	**28.3**	0.500	mg/L	03.13.2020 13:43		1
Sodium	7440-23-5	**95.3**	0.500	mg/L	03.13.2020 13:43		1

Analytical Method: Acidity by SM2310B
Tech: YAV
Analyst: YAV % Moisture:
Seq Number: 3119966 SUB: T104704215-20-38

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Acidity, Total	ACID	-1000		mg/L	03.17.2020 18:50		1

Analytical Method: Hydrogen Sulfide by Calculation by SM4500S2-H
Tech: KBU
Analyst: KBU % Moisture:
Seq Number: 3119931 SUB: T104704215-20-38

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Hydrogen sulfide	7783-06-4	0		mg/L	03.17.2020 15:28	UK+	1

Analytical Method: Specific Conductance @25C by SM2510B
Tech: KBU
Analyst: KBU % Moisture:
Seq Number: 3119585 SUB: T104704215-20-38

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Specific conductance @ 25C	COND	**1750**	10.0	umhos/cm	03.13.2020 11:40		1

Certificate of Analytical Results 655152

Andrews & Foster, Athens, TX

Public Water Supply Testing

Sample Id: **Greenwood A1**
Lab Sample Id: 655152-001

Matrix: Drinking Water
Date Collected: 03.10.2020 11:45

Date Received:03.10.2020 13:36

Analytical Method: Sulfide by SM4500-S-F-00
Tech: KBU
Analyst: KBU
Seq Number: 3119587

% Moisture:
SUB: T104704215-20-38

Parameter	Cas Number	Result	RL	Units	Analysis Date	Flag	Dil
Sulfide, total	18496-25-8	<5.00	5.00	mg/L	03.13.2020 15:24	U	1

Flagging Criteria

X In our quality control review of the data a QC deficiency was observed and flagged as noted. MS/MSD recoveries were found to be outside of the laboratory control limits due to possible matrix /chemical interference, or a concentration of target analyte high enough to affect the recovery of the spike concentration. This condition could also affect the relative percent difference in the MS/MSD.

B A target analyte or common laboratory contaminant was identified in the method blank. Its presence indicates possible field or laboratory contamination.

D The sample(s) were diluted due to targets detected over the highest point of the calibration curve, or due to matrix interference. Dilution factors are included in the final results. The result is from a diluted sample.

E The data exceeds the upper calibration limit; therefore, the concentration is reported as estimated.

F RPD exceeded lab control limits.

J The target analyte was positively identified below the quantitation limit and above the detection limit.

U Analyte was not detected.

L The LCS data for this analytical batch was reported below the laboratory control limits for this analyte. The department supervisor and QA Director reviewed data. The samples were either reanalyzed or flagged as estimated concentrations.

H The LCS data for this analytical batch was reported above the laboratory control limits. Supporting QC Data were reviewed by the Department Supervisor and QA Director. Data were determined to be valid for reporting.

K Sample analyzed outside of recommended hold time.

JN A combination of the "N" and the "J" qualifier. The analysis indicates that the analyte is "tentatively identified" and the associated numerical value may not be consistent with the amount actually present in the environmental sample.

** Surrogate recovered outside laboratory control limit.

BRL Below Reporting Limit. **ND** Not Detected.

RL Reporting Limit

MDL Method Detection Limit **SDL** Sample Detection Limit **LOD** Limit of Detection

PQL Practical Quantitation Limit **MQL** Method Quantitation Limit **LOQ** Limit of Quantitation

DL Method Detection Limit

NC Non-Calculable

SMP Client Sample **BLK** Method Blank

BKS/LCS Blank Spike/Laboratory Control Sample **BKSD/LCSD** Blank Spike Duplicate/Laboratory Control Sample Duplicate

MD/SD Method Duplicate/Sample Duplicate **MS** Matrix Spike **MSD:** Matrix Spike Duplicate

+ NELAC certification not offered for this compound.

***** (Next to analyte name or method description) = Outside XENCO's scope of NELAC accreditation

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Public Water Supply Testing

Analytical Method: **Alkalinity by SM2320B** Prep Method: SM2320P
Seq Number: 3119601 Matrix: Water Date Prep: 03.13.2020
MB Sample Id: 7698788-1-BLK LCS Sample Id: 7698788-1-BKS LCSD Sample Id: 7698788-1-BSD

Parameter	MB Result	Spike Amount	LCS Result	LCS %Rec	LCSD Result	LCSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Alkalinity, Total (CaCO3)	<4.00	250	260	104	264	106	85-115	2	20	mg/L	03.13.2020 11:35	

Analytical Method: **Alkalinity by SM2320B** Prep Method: SM2320P
Seq Number: 3119601 Matrix: Water Date Prep: 03.13.2020
Parent Sample Id: 655107-007 MD Sample Id: 655107-007 D

Parameter	Parent Result	MD Result	%RPD	RPD Limit	Units	Analysis Date	Flag
Alkalinity, Total (CaCO3)	136	136	0	20	mg/L	03.13.2020 13:21	

Analytical Method: **Alkalinity by SM2320B** Prep Method: SM2320P
Seq Number: 3119601 Matrix: Water Date Prep: 03.13.2020
Parent Sample Id: 655466-001 MD Sample Id: 655466-001 D

Parameter	Parent Result	MD Result	%RPD	RPD Limit	Units	Analysis Date	Flag
Alkalinity, Total (CaCO3)	567	559	1	20	mg/L	03.13.2020 11:59	

Analytical Method: **Inorganic Anions by EPA 300/300.1** Prep Method: E300P
Seq Number: 3119315 Matrix: Water Date Prep: 03.11.2020
MB Sample Id: 7698551-1-BLK LCS Sample Id: 7698551-1-BKS LCSD Sample Id: 7698551-1-BSD

Parameter	MB Result	Spike Amount	LCS Result	LCS %Rec	LCSD Result	LCSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Chloride	<0.500	10.0	10.5	105	10.5	105	90-110	0	20	mg/L	03.11.2020 12:52	
Fluoride	<0.500	10.0	10.6	106	10.6	106	90-110	0	20	mg/L	03.11.2020 12:52	
Nitrate as N	<0.100	10.0	10.3	103	10.3	103	90-110	0	20	mg/L	03.11.2020 12:52	
Nitrite as N	<0.100	10.0	10.3	103	10.3	103	90-110	0	20	mg/L	03.11.2020 12:52	
Sulfate	<0.500	10.0	10.3	103	10.3	103	90-110	0	20	mg/L	03.11.2020 12:52	

Analytical Method: **Inorganic Anions by EPA 300/300.1** Prep Method: E300P
Seq Number: 3119315 Matrix: Water Date Prep: 03.11.2020
Parent Sample Id: 655054-001 MS Sample Id: 655054-001 S MSD Sample Id: 655054-001 SD

Parameter	Parent Result	Spike Amount	MS Result	MS %Rec	MSD Result	MSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Chloride	<0.500	10.0	10.4	104	10.4	104	90-110	0	20	mg/L	03.11.2020 15:58	
Fluoride	<0.500	10.0	10.9	109	10.9	109	90-110	0	20	mg/L	03.11.2020 15:58	
Nitrate as N	<0.100	10.0	10.6	106	10.6	106	90-110	0	20	mg/L	03.11.2020 15:58	
Nitrite as N	<0.100	10.0	10.2	102	10.2	102	90-110	0	20	mg/L	03.11.2020 15:58	
Sulfate	<0.500	10.0	10.5	105	10.5	105	90-110	0	20	mg/L	03.11.2020 15:58	

MS/MSD Percent Recovery [D] = 100*(C-A) / B
Relative Percent Difference RPD = 200* | (C-E) / (C+E) |
LCS/LCSD Recovery [D] = 100 * (C) / [B]
Log Difference Log Diff. = Log(Sample Duplicate) - Log(Original Sample)

LCS = Laboratory Control Sample
A = Parent Result
C = MS/LCS Result
E = MSD/LCSD Result

MS = Matrix Spike
B = Spike Added
D = MSD/LCSD % Rec

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Public Water Supply Testing

Analytical Method: **Inorganic Anions by EPA 300/300.1** Prep Method: E300P
Seq Number: 3119315 Matrix: Surface Water Date Prep: 03.11.2020
Parent Sample Id: 655129-001 MS Sample Id: 655129-001 S MSD Sample Id: 655129-001 SD

Parameter	Parent Result	Spike Amount	MS Result	MS %Rec	MSD Result	MSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Chloride	37.7	10.0	47.3	96	47.4	97	90-110	0	20	mg/L	03.11.2020 16:36	
Fluoride	0.0613	10.0	10.9	108	10.9	108	90-110	0	20	mg/L	03.11.2020 16:36	
Nitrate as N	0.103	10.0	10.5	104	10.5	104	90-110	0	20	mg/L	03.11.2020 16:36	
Nitrite as N	<0.100	10.0	10.4	104	10.5	105	90-110	1	20	mg/L	03.11.2020 16:36	
Sulfate	8.52	10.0	19.1	106	19.0	105	90-110	1	20	mg/L	03.11.2020 16:36	

Analytical Method: **TDS by SM2540C**
Seq Number: 3119968 Matrix: Water
MB Sample Id: 3119968-1-BLK LCS Sample Id: 3119968-1-BKS LCSD Sample Id: 3119968-1-BSD

Parameter	MB Result	Spike Amount	LCS Result	LCS %Rec	LCSD Result	LCSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Total Dissolved Solids	<5.00	1000	937	94	936	94	80-120	0	10	mg/L	03.17.2020 16:00	

Analytical Method: **TDS by SM2540C**
Seq Number: 3119968 Matrix: Water
Parent Sample Id: 655107-001 MD Sample Id: 655107-001 D

Parameter	Parent Result	MD Result	%RPD	RPD Limit	Units	Analysis Date	Flag
Total Dissolved Solids	211	210	0	10	mg/L	03.17.2020 16:00	

Analytical Method: **TDS by SM2540C**
Seq Number: 3119968 Matrix: Ground Water
Parent Sample Id: 655158-001 MD Sample Id: 655158-001 D

Parameter	Parent Result	MD Result	%RPD	RPD Limit	Units	Analysis Date	Flag
Total Dissolved Solids	724	724	0	10	mg/L	03.17.2020 16:00	

Analytical Method: **pH by SM4500-H**
Seq Number: 3120122 Matrix: Storm Water
Parent Sample Id: 654816-001 MD Sample Id: 654816-001 D

Parameter	Parent Result	MD Result	%RPD	RPD Limit	Units	Analysis Date	Flag
pH	8.13	8.14	0	20	SU	03.18.2020 14:49	
Temperature	23.2	23.3	0	20	Deg C	03.18.2020 14:49	

MS/MSD Percent Recovery [D] = 100*(C-A) / B
Relative Percent Difference RPD = 200* | (C-E) / (C+E) |
LCS/LCSD Recovery [D] = 100 * (C) / [B]
Log Difference Log Diff. = Log(Sample Duplicate) - Log(Original Sample)

LCS = Laboratory Control Sample
A = Parent Result
C = MS/LCS Result
E = MSD/LCSD Result

MS = Matrix Spike
B = Spike Added
D = MSD/LCSD % Rec

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Analytical Method: **pH by SM4500-H**
Seq Number: 3120122 Matrix: Waste Water
Parent Sample Id: 655130-001 MD Sample Id: 655130-001 D

Parameter	Parent Result	MD Result	%RPD	RPD Limit	Units	Analysis Date	Flag
pH	8.16	8.16	0	20	SU	03.18.2020 14:49	
Temperature	24.7	25.0	1	20	Deg C	03.18.2020 14:49	

Analytical Method: **Recoverable Metals by EPA 200.8** Prep Method: E200.8P
Seq Number: 3119669 Matrix: Water Date Prep: 03.12.2020
MB Sample Id: 7698685-1-BLK LCS Sample Id: 7698685-1-BKS LCSD Sample Id: 7698685-1-BSD

Parameter	MB Result	Spike Amount	LCS Result	LCS %Rec	LCSD Result	LCSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Aluminum	<0.0200	0.500	0.506	101	0.501	100	85-115	1	20	mg/L	03.13.2020 18:50	
Arsenic	<0.00400	0.100	0.0971	97	0.0981	98	85-115	1	20	mg/L	03.13.2020 18:50	
Copper	<0.00400	0.100	0.0998	100	0.0994	99	85-115	0	20	mg/L	03.13.2020 18:50	
Lead	<0.00200	0.100	0.0974	97	0.0963	96	85-115	1	20	mg/L	03.13.2020 18:50	
Manganese	<0.00200	0.100	0.0986	99	0.0993	99	85-115	1	20	mg/L	03.13.2020 18:50	
Zinc	<0.0300	0.100	0.0966	97	0.0971	97	85-115	1	20	mg/L	03.13.2020 18:50	

Analytical Method: **Recoverable Metals by EPA 200.8** Prep Method: E200.8P
Seq Number: 3119669 Matrix: Drinking Water Date Prep: 03.12.2020
Parent Sample Id: 654998-001 MS Sample Id: 654998-001 S MSD Sample Id: 654998-001 SD

Parameter	Parent Result	Spike Amount	MS Result	MS %Rec	MSD Result	MSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Aluminum	<0.0200	0.500	0.514	103	0.531	106	70-130	3	20	mg/L	03.13.2020 18:59	
Arsenic	<0.00400	0.100	0.103	103	0.107	107	70-130	4	20	mg/L	03.13.2020 18:59	
Copper	0.0235	0.100	0.128	105	0.132	109	70-130	3	20	mg/L	03.13.2020 18:59	
Lead	<0.00200	0.100	0.103	103	0.107	107	70-130	4	20	mg/L	03.13.2020 18:59	
Manganese	<0.00200	0.100	0.100	100	0.106	106	70-130	6	20	mg/L	03.13.2020 18:59	
Zinc	<0.0300	0.100	0.125	125	0.129	129	70-130	3	20	mg/L	03.13.2020 18:59	

Analytical Method: **Recoverable Metals by EPA 200.8** Prep Method: E200.8P
Seq Number: 3119669 Matrix: Waste Water Date Prep: 03.12.2020
Parent Sample Id: 655098-001 MS Sample Id: 655098-001 S

Parameter	Parent Result	Spike Amount	MS Result	MS %Rec	Limits	Units	Analysis Date	Flag
Aluminum	0.670	0.500	1.43	152	70-130	mg/L	03.13.2020 20:20	X
Arsenic	<0.00400	0.100	0.105	105	70-130	mg/L	03.13.2020 20:20	
Copper	0.0519	0.100	0.161	109	70-130	mg/L	03.13.2020 20:20	
Lead	<0.00200	0.100	0.105	105	70-130	mg/L	03.13.2020 20:20	
Manganese	0.0551	0.100	0.160	105	70-130	mg/L	03.13.2020 20:20	
Zinc	<0.0300	0.100	0.111	111	70-130	mg/L	03.13.2020 20:20	

MS/MSD Percent Recovery [D] = 100*(C-A) / B
Relative Percent Difference RPD = 200* | (C-E) / (C+E) |
LCS/LCSD Recovery [D] = 100 * (C) / [B]
Log Difference Log Diff. = Log(Sample Duplicate) - Log(Original Sample)

LCS = Laboratory Control Sample
A = Parent Result
C = MS/LCS Result
E = MSD/LCSD Result

MS = Matrix Spike
B = Spike Added
D = MSD/LCSD % Rec

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Public Water Supply Testing

Analytical Method: **Recoverable Metals per ICP by EPA 200.7** Prep Method: E200.7P
Seq Number: 3119898 Matrix: Water Date Prep: 03.12.2020
MB Sample Id: 7698686-1-BLK LCS Sample Id: 7698686-1-BKS LCSD Sample Id: 7698686-1-BSD

Parameter	MB Result	Spike Amount	LCS Result	LCS %Rec	LCSD Result	LCSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Calcium	<0.200	25.0	25.0	100	24.9	100	85-115	0	20	mg/L	03.13.2020 12:40	
Iron	<0.200	5.00	5.04	101	5.04	101	85-115	0	20	mg/L	03.13.2020 12:40	
Magnesium	<0.400	25.0	24.8	99	24.8	99	85-115	0	20	mg/L	03.13.2020 12:40	
Potassium	<0.500	10.0	10.1	101	10.1	101	85-115	0	20	mg/L	03.13.2020 12:40	
Silicon	<0.500	10.0	10.4	104	10.5	105	85-115	1	20	mg/L	03.13.2020 12:40	
Sodium	<0.500	25.0	24.8	99	24.9	100	85-115	0	20	mg/L	03.13.2020 12:40	

Analytical Method: **Recoverable Metals per ICP by EPA 200.7** Prep Method: E200.7P
Seq Number: 3119898 Matrix: Storm Water Date Prep: 03.12.2020
Parent Sample Id: 655028-001 MS Sample Id: 655028-001 S MSD Sample Id: 655028-001 SD

Parameter	Parent Result	Spike Amount	MS Result	MS %Rec	MSD Result	MSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Calcium	10.6	25.0	32.4	87	32.5	88	70-130	0	20	mg/L	03.13.2020 12:53	
Iron	1.35	5.00	5.93	92	5.94	92	70-130	0	20	mg/L	03.13.2020 12:53	
Magnesium	1.07	25.0	22.8	87	22.8	87	70-130	0	20	mg/L	03.13.2020 12:53	
Potassium	18.6	10.0	27.8	92	27.9	93	70-130	0	20	mg/L	03.13.2020 12:53	
Silicon	1.28	10.0	10.9	96	10.9	96	70-130	0	20	mg/L	03.13.2020 12:53	
Sodium	18.1	25.0	39.9	87	39.9	87	70-130	0	20	mg/L	03.13.2020 12:53	

Analytical Method: **Recoverable Metals per ICP by EPA 200.7** Prep Method: E200.7P
Seq Number: 3119898 Matrix: Water Date Prep: 03.12.2020
Parent Sample Id: 654618-007 MS Sample Id: 654618-007 S

Parameter	Parent Result	Spike Amount	MS Result	MS %Rec	Limits	Units	Analysis Date	Flag
Calcium	31.7	25.0	53.5	87	70-130	mg/L	03.13.2020 13:35	
Iron	<0.200	5.00	4.40	88	70-130	mg/L	03.13.2020 13:35	
Magnesium	2.31	25.0	23.7	86	70-130	mg/L	03.13.2020 13:35	
Potassium	3.45	10.0	12.5	91	70-130	mg/L	03.13.2020 13:35	
Silicon	2.24	10.0	11.5	93	70-130	mg/L	03.13.2020 13:35	
Sodium	10.8	25.0	32.7	88	70-130	mg/L	03.13.2020 13:35	

Analytical Method: **Acidity by SM2310B**
Seq Number: 3119966 Matrix: Water
MB Sample Id: 3119966-1-BLK LCS Sample Id: 3119966-1-BKS LCSD Sample Id: 3119966-1-BSD

Parameter	MB Result	Spike Amount	LCS Result	LCS %Rec	LCSD Result	LCSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Acidity, Total	<	500	496	99	498	100	80-120	0	20	mg/L	03.17.2020 18:50	

MS/MSD Percent Recovery [D] = 100*(C-A) / B
Relative Percent Difference RPD = 200* | (C-E) / (C+E) |
LCS/LCSD Recovery [D] = 100 * (C) / [B]
Log Difference Log Diff. = Log(Sample Duplicate) - Log(Original Sample)

LCS = Laboratory Control Sample
A = Parent Result
C = MS/LCS Result
E = MSD/LCSD Result

MS = Matrix Spike
B = Spike Added
D = MSD/LCSD % Rec

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Analytical Method: **Acidity by SM2310B**
Seq Number: 3119966 Matrix: Drinking Water
Parent Sample Id: 655152-001 MD Sample Id: 655152-001 D

Parameter	Parent Result	MD Result	%RPD	RPD Limit	Units	Analysis Date	Flag
Acidity, Total	-1000	-1000	0	20	mg/L	03.17.2020 18:50	

Analytical Method: **Specific Conductance @25C by SM2510B**
Seq Number: 3119585 Matrix: Water
MB Sample Id: 3119585-1-BLK LCS Sample Id: 3119585-1-BKS LCSD Sample Id: 3119585-1-BSD

Parameter	MB Result	Spike Amount	LCS Result	LCS %Rec	LCSD Result	LCSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Specific conductance @ 25C	<10.0	1410	1430	101	1430	101	80-120	0	20	umhos/cm	03.13.2020 11:40	

Analytical Method: **Specific Conductance @25C by SM2510B**
Seq Number: 3119585 Matrix: Ground Water
Parent Sample Id: 654680-001 MD Sample Id: 654680-001 D

Parameter	Parent Result	MD Result	%RPD	RPD Limit	Units	Analysis Date	Flag
Specific conductance @ 25C	16600	16600	0	20	umhos/cm	03.13.2020 11:40	

Analytical Method: **Sulfide by SM4500-S-F-00**
Seq Number: 3119587 Matrix: Water
MB Sample Id: 3119587-1-BLK LCS Sample Id: 3119587-1-BKS LCSD Sample Id: 3119587-1-BSD

Parameter	MB Result	Spike Amount	LCS Result	LCS %Rec	LCSD Result	LCSD %Rec	Limits	%RPD	RPD Limit	Units	Analysis Date	Flag
Sulfide, total	<5.00	50.0	46.4	93	46.4	93	80-120	0	20	mg/L	03.13.2020 15:24	

MS/MSD Percent Recovery [D] = 100*(C-A) / B
Relative Percent Difference RPD = 200* | (C-E) / (C+E) |
LCS/LCSD Recovery [D] = 100 * (C) / [B]
Log Difference Log Diff. = Log(Sample Duplicate) - Log(Original Sample)

LCS = Laboratory Control Sample
A = Parent Result
C = MS/LCS Result
E = MSD/LCSD Result

MS = Matrix Spike
B = Spike Added
D = MSD/LCSD % Rec

Chain of Custody

XENCO LABORATORIES

Houston,TX (281) 240-4200 Dallas,TX (214) 902-0300 San Antonio,TX (210) 509-3334
Midland,TX (432-704-5440) EL Paso,TX (915)585-3443 Lubbock,TX (806)794-1296
Hobbs,NM (575-392-7550) Phoenix,AZ (480-355-0900) Atlanta,GA (770-449-8800) Tampa,FL (813-620-2000)

Work Order No: 655152

www.xenco.com Page _____ of _____

Project Manager:	Jacob Stanton	Bill to: (if different)	
Company Name:	Andrews & Foster	Company Name:	
Address:	1301 E Corsicana St	Address:	
City, State ZIP:	Athens TX 75751	City, State ZIP:	
Phone:	903-675-2353	Email:	jstanton@andrews-foster.com

Work Order Comments

Program: UST/PST ☐ PRP ☐ Brownfields ☐ RRC ☐ Superfund ☐

State of Project:

Reporting:Level II ☐ Level III ☐ PST/UST ☐ TRRP ☐ Level IV ☐

Deliverables: EDD ☐ ADaPT ☐ Other:

Project Name:	Public Water Supply Testing	Turn Around	
Project Number:		Routine	☑
P.O. Number:		Rush:	
Sampler's Name:	Jonathan Gary	Due Date:	

SAMPLE RECEIPT				
Temp Blank:	Yes (No)	Wet Ice:	(Yes) No	
Temperature (°C):	3.7/4.0	Thermometer ID		
Received Intact:	(Yes) No		129	
Cooler Custody Seals:	Yes No (N/A)	Correction Factor:	-0.3	
Sample Custody Seals:	Yes No (N/A)	Total Containers:		

ANALYSIS REQUEST

Sample Identification	Matrix	Date Sampled	Time Sampled	Depth	Number of Containers	Alkalinity	Total Metals (Al, Sb, As, Ba, Be, B, Cd, Cr, Cu, Pb, Mn, Se, Ar, Sr, Tl, Zn, Ca, Fe, Mg, K, Si, Na)	Dissolved Metals (Al, Sb, As, Ba, Be, B, Cd, Cr, Cu, Pb, Mn, Se, Ag, Sr, Tl, Zn)	Hardness	Anions (Br, Cl, F, SO4, NO3, NO2)	~~Total Phosphorus~~	H2S	Conductivity	pH	TDS	~~Total Cyanide~~	~~BTEX~~	Acidity	
Greenwood A1	DW	3/10	11:45a		6	X	X	X	X	X		X	X	X	X			X	

Work Order Notes

TAT starts the day recevied by the lab, if received by 4:30pm

Sample Comments

Total 200.7 / 6010 200.8 / 6020: 8RCRA 13PPM Texas 11 Al Sb As Ba Be B Cd Ca Cr Co Cu Fe Pb Mg Mn Mo Ni K Se Ag SiO2 Na Sr Tl Sn U V Zn

Circle Method(s) and Metal(s) to be analyzed TCLP / SPLP 6010: 8RCRA Sb As Ba Be Cd Cr Co Cu Pb Mn Mo Ni Se Ag Tl U 1631 / 245.1 / 7470 / 7471 : Hg

Notice: Signature of this document and relinquishment of samples constitutes a valid purchase order from client company to Xenco, its affiliates and subcontractors. It assigns standard terms and conditions of service. Xenco will be liable only for the cost of samples and shall not assume any responsibility for any losses or expenses incurred by the client if such losses are due to circumstances beyond the control of Xenco. A minimum charge of $75.00 will be applied to each project and a charge of $5 for each sample submitted to Xenco, but not analyzed. These terms will be enforced unless previously negotiated.

Relinquished by: (Signature)	Received by: (Signature)	Date/Time	Relinquished by: (Signature)	Received by: (Signature)	Date/Time
1	Jacob Stanton	13:00 3/10	2		
3			4		
5			6		

Inter-Office Shipment

IOS Number : 59983

Date/Time:	03.10.2020	Created by:	Brianna Teel	Please send report to:	Holly Taylor
Lab# From:	**Midland**	Delivery Priority:		Address:	1211 W. Florida
Lab# To:	**Houston**	Air Bill No.:	777984720752	E-Mail:	holly.taylor@xen

Sample Id	Matrix	Client Sample Id	Sample Collection	Method	Method Name	Lab Due	HT Due	P
655152-001	W	Greenwood A1	03.10.2020 11:45	E200.8	Recoverable Metals by EPA 200.8	03.16.2020	09.06.2020	H
655152-001	W	Greenwood A1	03.10.2020 11:45	E200.7	Recoverable Metals per ICP by EPA 200	03.16.2020	09.06.2020	H
655152-001	W	Greenwood A1	03.10.2020 11:45	E300	Inorganic Anions by EPA 300/300.1	03.16.2020	**03.12.2020 11:45**	H
655152-001	W	Greenwood A1	03.10.2020 11:45	SM2340B	Hardness, Calculated	03.16.2020	09.06.2020	H
655152-001	W	Greenwood A1	03.10.2020 11:45	SM4500-H	pH by SM4500-H	03.16.2020	**03.10.2020 12:00**	H
655152-001	W	Greenwood A1	03.10.2020 11:45	SM4500S2-H	Hydrogen Sulfide by Calculation by SM	03.16.2020	**03.11.2020 11:45**	H
655152-001	W	Greenwood A1	03.10.2020 11:45	E200.8DIS	Recoverable Dissolved Metals by ICP/M	HOLD	09.06.2020	H
655152-001	W	Greenwood A1	03.10.2020 11:45	SM4500SF00	Sulfide by SM4500-S-F-00	03.16.2020	03.17.2020	H
655152-001	W	Greenwood A1	03.10.2020 11:45	SM2320B	Alkalinity by SM2320B	03.16.2020	03.24.2020	H
655152-001	W	Greenwood A1	03.10.2020 11:45	SM2510B	Specific Conductance @25C by SM2510	03.16.2020	03.17.2020	H
655152-001	W	Greenwood A1	03.10.2020 11:45	SM1030E	Cation-Anion Balance Calculation	03.16.2020	04.09.2020	H
655152-001	W	Greenwood A1	03.10.2020 11:45	SM2310B	Acidity by SM2310B	03.16.2020	03.24.2020	H
655152-001	W	Greenwood A1	03.10.2020 11:45	SM2540C	TDS by SM2540C	03.16.2020	03.17.2020	H

Inter Office Shipment or Sample Comments:

Relinquished By: Brianna Teel

Brianna Teel

Date Relinquished: 03.10.2020

Received By: Jose Londono

Date Received: 03.11.2020

Cooler Temperature: 5.4

XENCO Laboratories

Inter Office Report- Sample Receipt Checklist

Sent To: Houston

IOS #: 59983

Acceptable Temperature Range: 0 - 6 degC
Air and Metal samples Acceptable Range: Ambient
Temperature Measuring device used : HOU-068

Sent By: Brianna Teel **Date Sent:** 03.10.2020 04.21 PM

Received By: Jose Londono **Date Received:** 03.11.2020 09.17 AM

Sample Receipt Checklist		Comments
#1 *Temperature of cooler(s)?	5.4	
#2 *Shipping container in good condition?	**Yes**	
#3 *Samples received with appropriate temperature?	**Yes**	
#4 *Custody Seals intact on shipping container/ cooler?	**Yes**	
#5 *Custody Seals Signed and dated for Containers/coolers	**Yes**	
#6 *IOS present?	**Yes**	
#7 Any missing/extra samples?	**No**	
#8 IOS agrees with sample label(s)/matrix?	**Yes**	
#9 Sample matrix/ properties agree with IOS?	**Yes**	
#10 Samples in proper container/ bottle?	**Yes**	
#11 Samples properly preserved?	**Yes**	
#12 Sample container(s) intact?	**Yes**	
#13 Sufficient sample amount for indicated test(s)?	**Yes**	
#14 All samples received within hold time?	**Yes**	

*** Must be completed for after-hours delivery of samples prior to placing in the refrigerator**

NonConformance:

Corrective Action Taken:

Nonconformance Documentation

Contact: _____ **Contacted by :** _____ **Date:** _____

Checklist reviewed by: Jose F. Londono Date: 03.11.2020

Jose Londono

XENCO Laboratories

Prelogin/Nonconformance Report- Sample Log-In

Client: Andrews & Foster

Date/ Time Received: 03.10.2020 01.36.46 PM

Work Order #: 655152

Acceptable Temperature Range: 0 - 6 degC
Air and Metal samples Acceptable Range: Ambient

Temperature Measuring device used : R9

Sample Receipt Checklist		Comments
#1 *Temperature of cooler(s)?	4	
#2 *Shipping container in good condition?	**Yes**	
#3 *Samples received on ice?	**Yes**	
#4 *Custody Seals intact on shipping container/ cooler?	**N/A**	
#5 Custody Seals intact on sample bottles?	**N/A**	
#6*Custody Seals Signed and dated?	**N/A**	
#7 *Chain of Custody present?	**Yes**	
#8 Any missing/extra samples?	**No**	
#9 Chain of Custody signed when relinquished/ received?	**Yes**	
#10 Chain of Custody agrees with sample labels/matrix?	**Yes**	
#11 Container label(s) legible and intact?	**Yes**	
#12 Samples in proper container/ bottle?	**Yes**	
#13 Samples properly preserved?	**Yes**	
#14 Sample container(s) intact?	**Yes**	
#15 Sufficient sample amount for indicated test(s)?	**Yes**	
#16 All samples received within hold time?	**Yes**	
#17 Subcontract of sample(s)?	**Yes**	Xenco Stafford
#18 Water VOC samples have zero headspace?	**Yes**	

*** Must be completed for after-hours delivery of samples prior to placing in the refrigerator**

Analyst: AJA

PH Device/Lot#: 10BDH1991

Checklist completed by: Brianna Teel

Brianna Teel

Date: 03.10.2020

Checklist reviewed by: Holly Taylor

Holly Taylor

Date: 03.10.2020

Appendix J:

Permian Basin Water Resources - Greenwood Tx – Regional Economics Assessment

PERMIAN BASIN WATER RESOURCES

GREENWOOD TX – REGIONAL ECONOMICS ASSESSMENT

EXECUTIVE SUMMARY

The economy of the Midland region has become consistently more stable – a function of diversification of the employment base and the sustained increase in demand. The region, however, lacks the necessary residential housing infrastructure necessary to feed Midland's economic engine. The leading indicators of employment and population growth all suggest that there will be, in the near-term, a visible and increasing demand for both owner and renter properties – particularly in the affordable range.

The following conclusions can be drawn from this assessment:

1. The region has endured several major fluctuations in oil extraction, most recently the Covid-19 pandemic and the mini-recession of 2020, and has always rapidly emerged stronger and more stable.
2. Today, the area offers a significantly diversified economy, increasingly independent of the oil and gas business.
3. The region's residents maintain a high Median Household Income ($94,000 in 2024).
4. There is a systemic supply – demand imbalance in housing that is worsening.
5. There is limited affordable housing in the region – in both the owner-occupied and rental markets.
6. Greenwood, despite its proximity to the city of Midland, its exceptional schools and its desirable lifestyle, has historically been underserved by affordable housing.
7. The newly built utilities in Greenwood allow for high density development – both residential and commercial.
8. Access to affordable housing and rentals will drive growth in the Greenwood region.
9. The region has a need for 42,000 residential dwelling units over the next 10 years.
10. Fully one-third of newly constructed units will be for rental, generating a steady-state demand of 1,400 rental units per year, which could be increased as a percentage by trending higher.
11. Greenwood can expect to participate at a rate of 20-30% the regional demand as a function of affordability, newly created amenities and the Greenwood Independent School District.

INTRODUCTION

Greenwood, Texas is an unincorporated area of Midland County 8 miles east of the City of Midland. This area is noted for its pastoral countryside, its easy access to the City of Midland and the Greenwood Independent School District (ISD), which boasts some of the highest rankings in the county. These facts make the area a highly sought-after residential location.

The Greenwood opportunity reflects many of the aspects of the new reality facing communities today:

- The need for affordable housing both in the rental and ownership markets;
- The desire for a more open living environment; and
- The desire to live in a fully serviced community where citizens can access everything needed without travelling to other communities.

The Vander Ranch and Pecan Grove (Figure 1) developments aim to take advantage of these emerging trends, and to do so in a region that is within easy access to the city, airports, major employment centers and amenities.

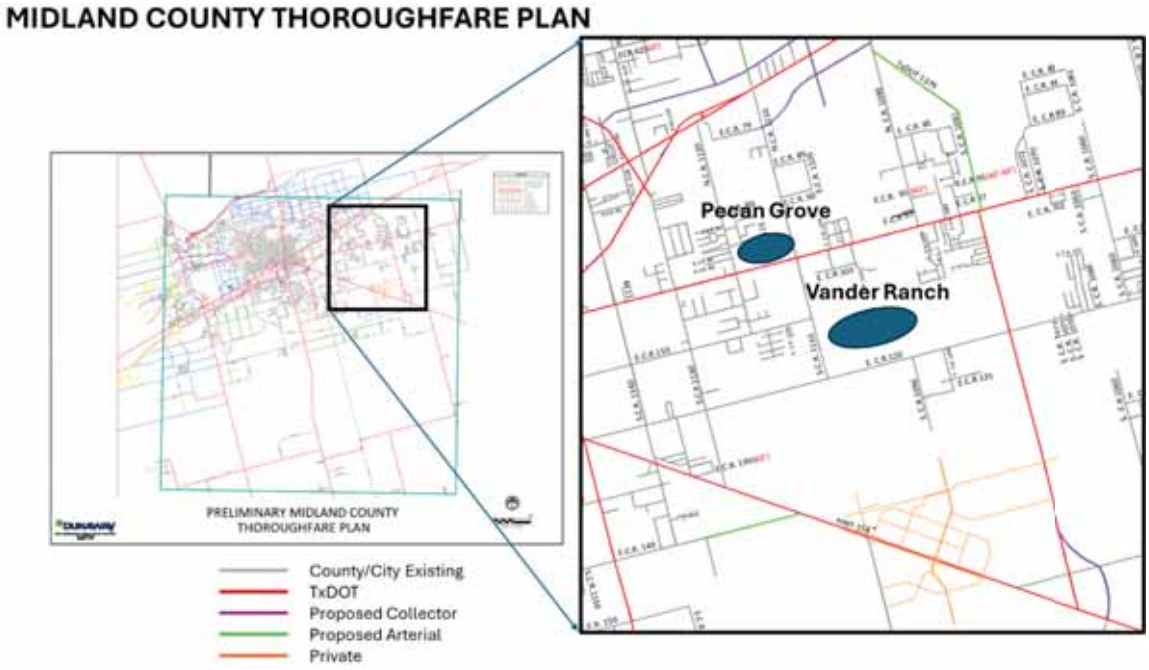

Figure 1: Vander Ranch & Pecan Grove[1]

MIDLAND ECONOMIC ENVIRONMENT

The economy of the Midland-Odessa area is dominated by resource extraction. Crude oil is extracted at thousands of wells across the region and is transported by a comprehensive array of pipelines, trucks and rail networks to the Gulf coast for refinement. The region has seen the construction and commissioning of several new pipelines for transport and is expected to have sufficient capacity at least until 2032 (Figure 2). While there are a significant number of wells in the area, Pioneer Natural Resources has indicated that there are as yet 10,000 new wells that could be supported in the Basin.

[1] https://www.co.midland.tx.us/DocumentCenter/View/6200/23-0508-Midland-County-MTP---Adopted

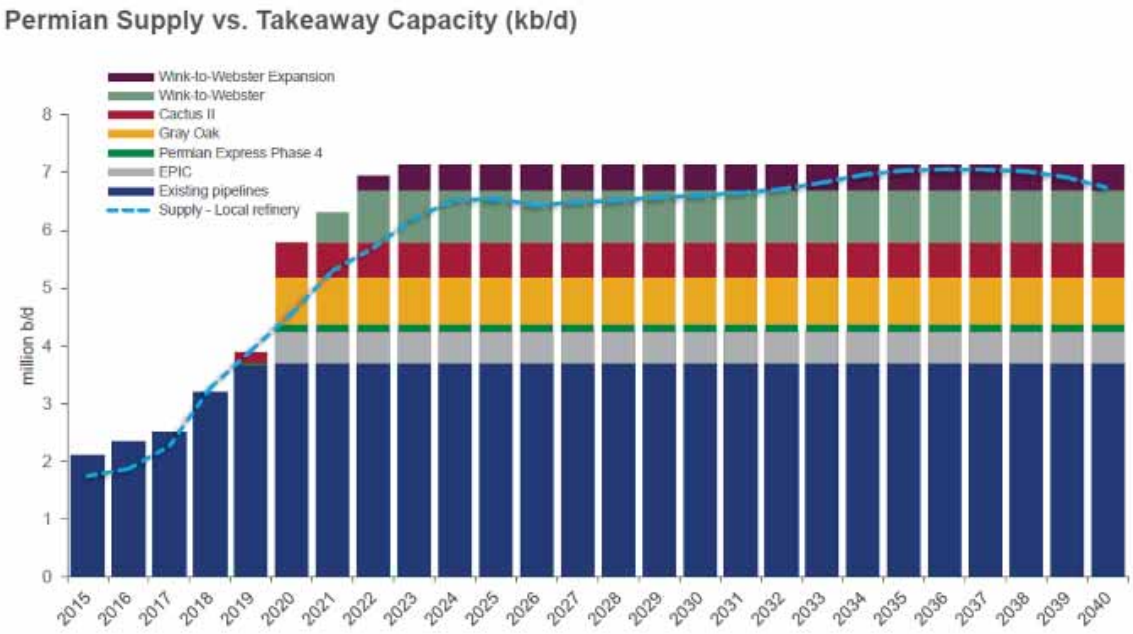

Figure 2: Permian Basin Production Forecast

This reliance on the often-cyclical oil industry has the potential to cause economic contractions and expansions. In recent years, however, the Midland region has diversified into a thriving community that is the beneficiary of oil extraction activities, but also provides for considerable service jobs and opportunities. There are a substantial number of wells and jockey pumps throughout the area which require operations, maintenance, service and support creating opportunity for the large number of service and support companies that are located along every industrial corridor.

In addition, Midland is the beneficiary of the substantial investment in infrastructure required by the oil industry. Most recently, Business Facilities has ranked Midland in the top 5 communities for business climate. The Best Business Climate ranking represents "a broad look at the business environment for companies in many industries, taking into account economic growth, regulations, incentives, diversity of industry, available workforce, and infrastructure."[2]

As a result, the well-established community is shifting from pure extraction to mineral resources management with the accompanying transition from blue collar to white collar jobs. This has provided considerable stability to the region and the community reflects that with large oil exploration companies establishing bases/headquarters in Midland, including: Schlumberger, Exxon, Pioneer, Chevron, Occidental and Halliburton.

With this stability, the economic base has continued to diversify in the region. While oil and gas remain a very important component of the economy, it now represents only 21% of the jobs in the region, with the majority distributed across the services typical of any large commercial center (Figure 3).

[2] https://www.midlandtexas.gov/CivicAlerts.aspx?AID=1734

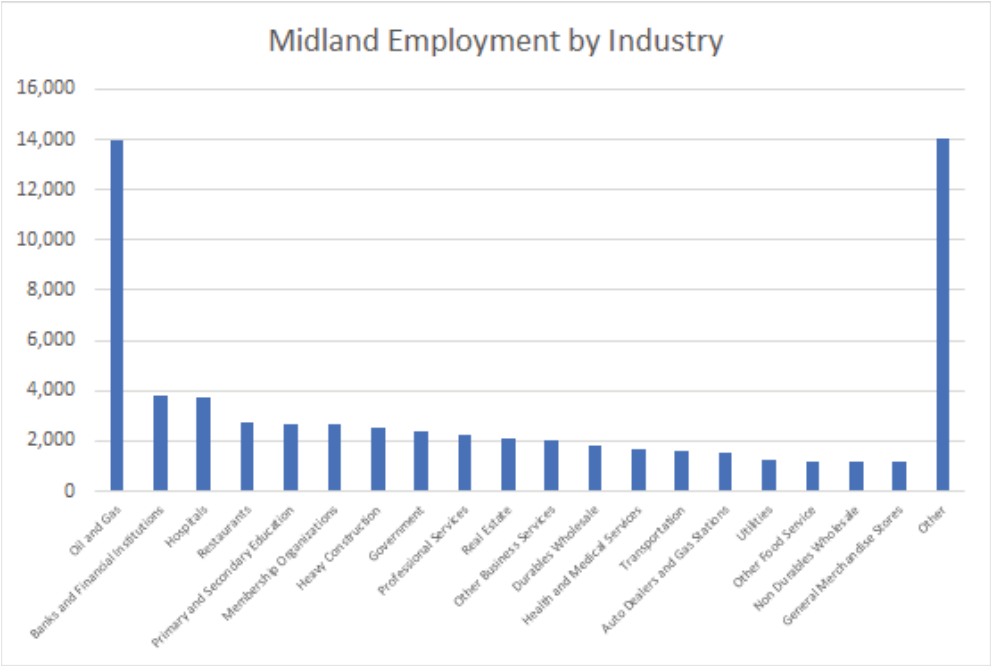

Figure 3: Midland, TX Employment by Industry[3]

Notably, the municipal region is supported by all major service and support groups as well as national chain shopping, including Walmart (two supercenters), HEB (two stores), Costco (one store), Kroger (one location). As with other communities of this size, there is ample representation from chain restaurants and specialty stores (Lowes, Home Depot, Tractor Supply Company, etc.)

DEMOGRAPHIC PERFORMANCE

Population Growth

The population of the City of Midland has increased 25.8% from 111,279 in 2010 to over 140,000 in 2024, despite fluctuations in unemployment rate and prices for oil (represented by West Texas Intermediate, WTI, $/bbl). Over the past 11 years, the region has seen stable population growth despite several downturns in the price of oil (Figure 4).

[3] Total Employees by Establishment Type (https://www.midlandtxedc.com/site-selectors/demographics-and-workforce)

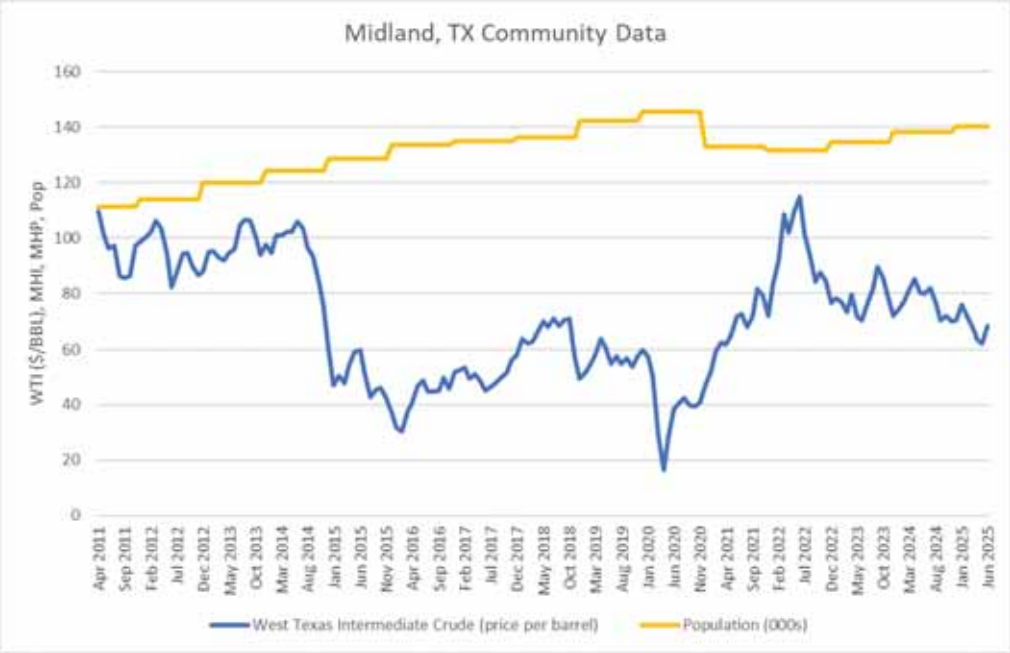

Figure 4: Midland, TX Population vs WTI[4]

Median Income

Because of the technical nature of oil and gas extraction, the Midland area demands and attracts highly skilled workers. Those skills translate into higher wages (Figure 5).

[4] https://worldpopulationreview.com/us-cities/texas/midland
https://fred.stlouisfed.org/series/MCOILWTICO

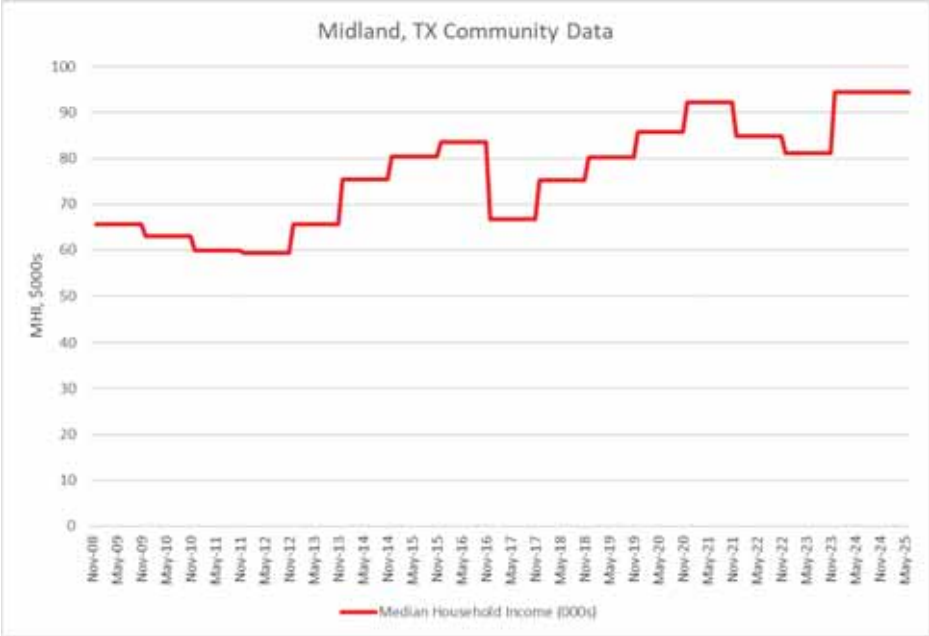

Figure 5: Median Household Income (MHI), Midland, TX[5]

Unemployment

The Covid-19 pandemic took its toll on every community in the US. Due to the dramatic decrease in oil consumption as a result of pandemic shutdowns, much of the oil extraction activities were curtailed. This resulted in an immediate spike in unemployment to 12%. However, as shown in Figure 4 and Figure 5, there has been steady improvement in the availability of employment, resulting in the unemployment rate decreasing to near pre-pandemic levels (in the order of 3%) and the economy having recovered all pandemic job losses.

[5] https://fred.stlouisfed.org/series/MHITX48329A052NCEN

Figure 6: Midland, TX Unemployment Rate[6]

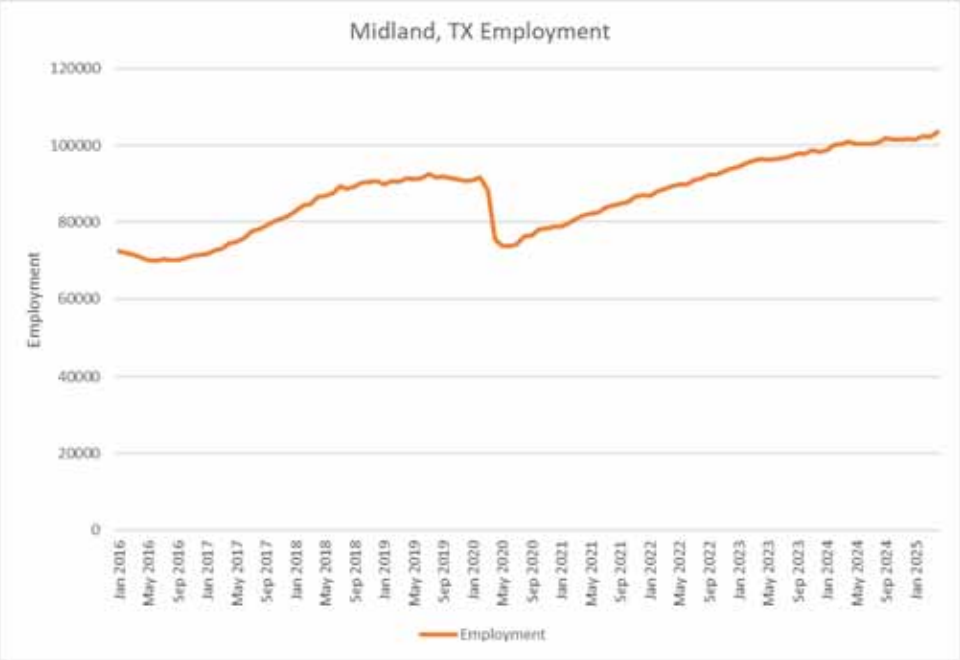

Figure 7: Midland, TX Employment[7]

6 https://data.bls.gov/timeseries/LAUMT483326000000003?amp%253bdata_tool=XGtable&output_view=data&include_graphs=true

7 https://data.bls.gov/timeseries/LAUMT483326000000003?amp%253bdata_tool=XGtable&output_view=data&include_graphs=true

ECONOMIC PERFORMANCE

Overall Oil and Gas Sector

The economy of Midland is dominated by the oil and gas industry. The Oil and Gas economic forecast for the region is continued growth in production. Within the US, The US Energy Information Administration forecasts the US crude oil production to remain steady through 2026 at around 13.3 million barrels per day.

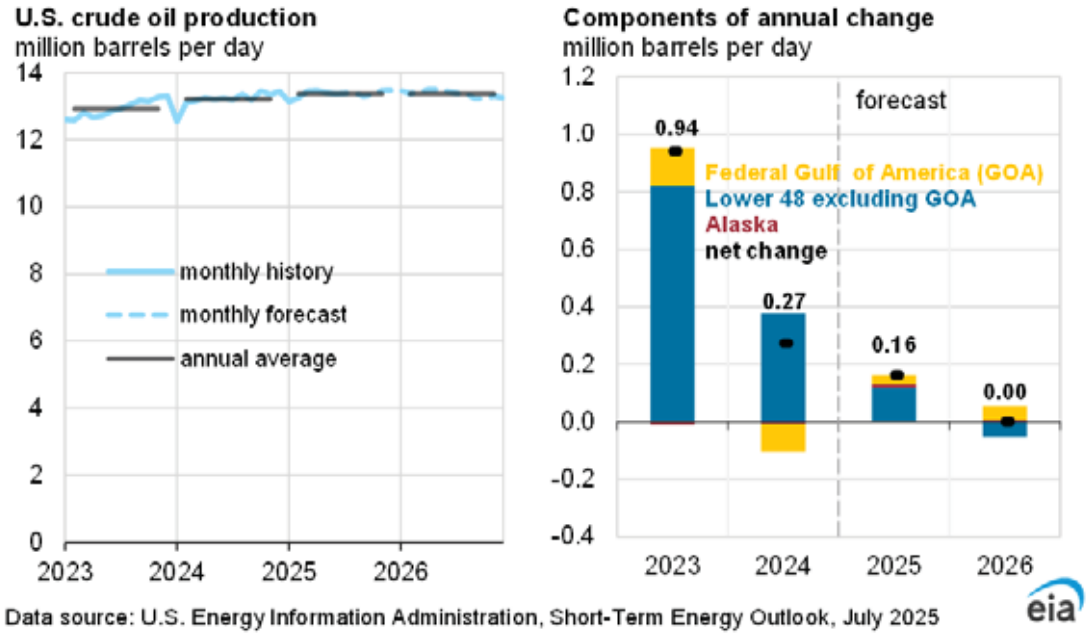

Figure 8: US Crude Oil Production[8]

Worldwide, the United States produces more crude oil than any nation (Figure 9). International conflicts and increasing demand will continue to drive the need for US oil in the near and longer terms and US energy independence efforts (Figure 10 and Figure 11) provides the basis for exploiting the opportunities for increased export.

[8] US Energy Information Administration, Short-Term Economic Outlook, July 2025 https://www.eia.gov/outlooks/steo/images/Fig5.png (accessed 11 Jul 25)

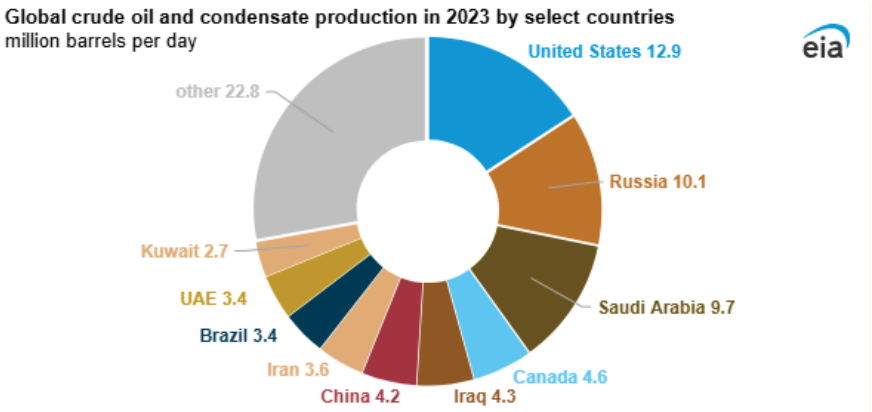

Figure 9: World Oil Production[9]

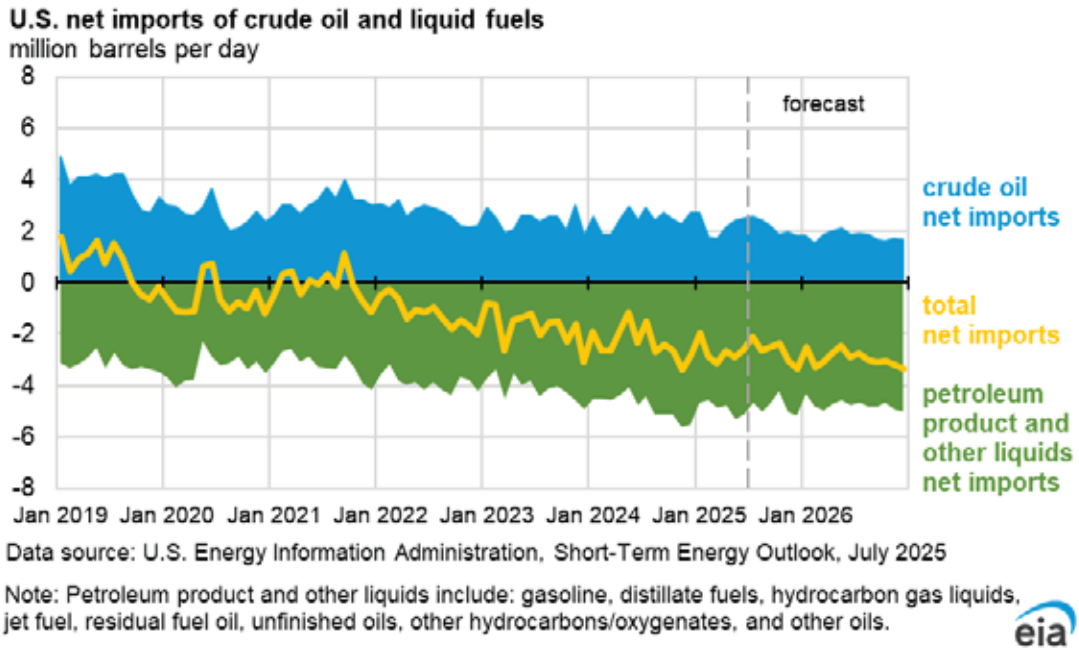

Figure 10: US Crude Oil Independence[10]

[9] https://www.eia.gov/todayinenergy/detail.php?id=61545
[10] US Energy Information Administration, Short-Term Economic Outlook, July 2025 (https://www.eia.gov/outlooks/steo/images/Fig20.png)

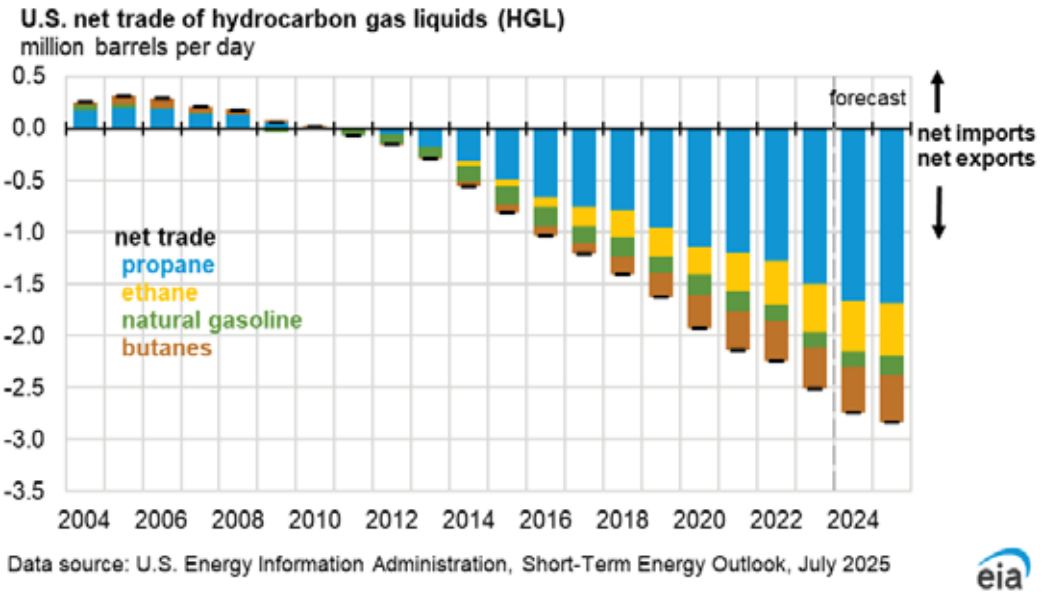

Figure 11: Net Exports of US Hydrocarbons[11]

The Importance of the Permian Basin in the Oil and Gas Sector

By capability and capacity, the Permian Basin in particular is poised to capitalize on this increased demand. The importance of the Permian Basin in meeting the energy demands of the country and the international markets is exemplified by noting that the number of active rigs and new wells drilled meets or exceeds the totals for all other regions in the lower 48 states (Figure 12).

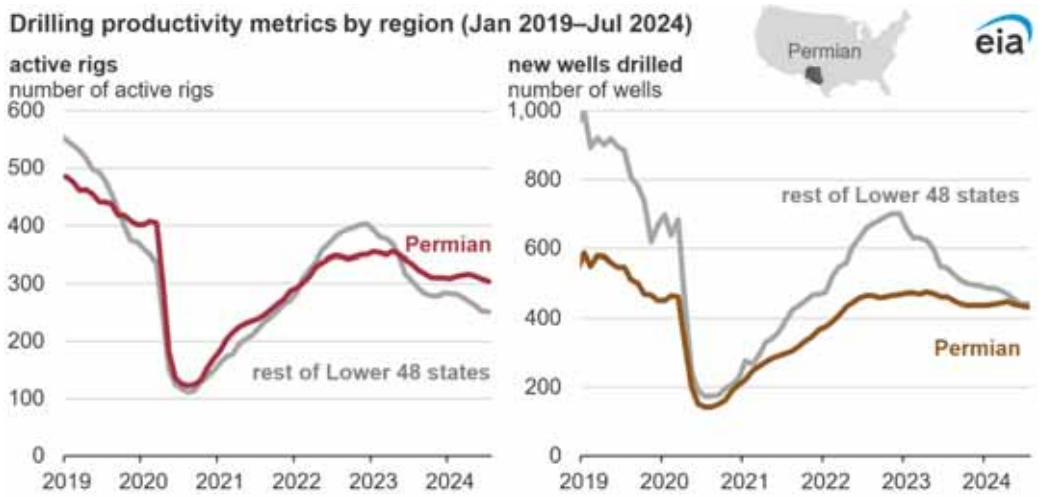

Figure 12: Active and New Wells - Permian Basin[12]

[11] US Energy Information Administration, Short-Term Economic Outlook, July 2025 (https://www.eia.gov/outlooks/steo/images/Fig21.png)
[12] https://www.eia.gov/todayinenergy/detail.php?id=62884

Permian Basin Crude Oil

The Permian region currently produces approximately 50% of the 11 million barrels per day of crude oil extracted in the lower 48 US states (Figure 13) and with the availability of transportation pipelines recently completed, stands to develop an equal or larger percentage of the growing demand. Permian to Gulf Coast pipeline utilization is expected to average about 82%, and maintain mid-80% range utilization for the rest of the decade. As production growth expands well into the 2030s, another 300,000-500,000 b/d in new capacity may be needed by the early 2030s.[13]

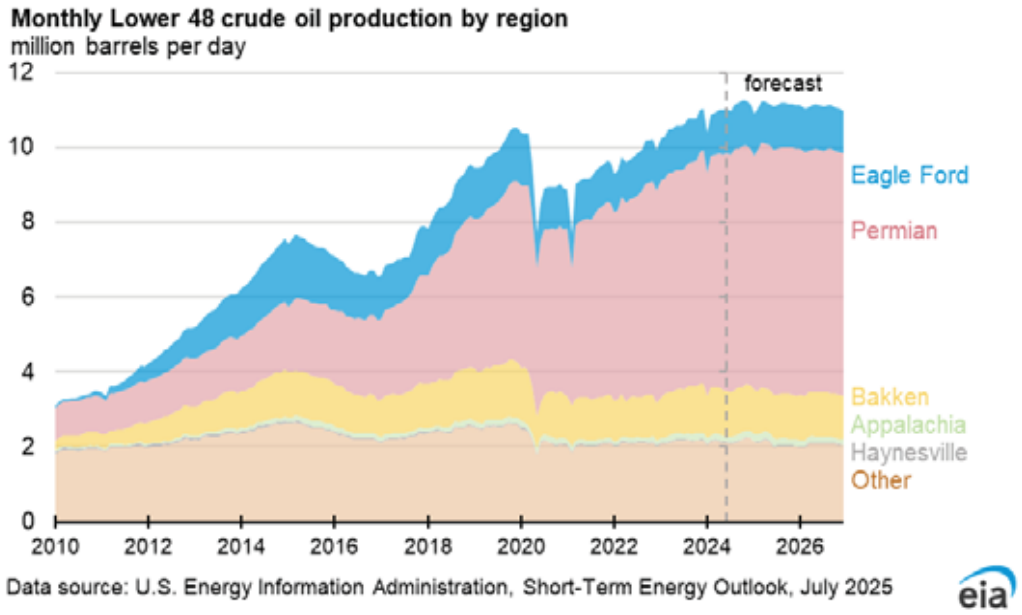

Figure 13: Crude Oil Production[14]

Permian Basin Natural Gas

The Permian Basin is the second-largest shale gas-producing region in the United States after the Appalachian Basin (spanning Pennsylvania, West Virginia, and Ohio), producing in the order of 20 billion cubic feet per day (Bcf/d) of marketed natural gas, or about 20% of the national production (Figure 14).

[13] https://www.allyenergy.com/blog/3-reasons-the-permian-basin-needs-1-more-crude-pipeline#:~:text=Permian%20basin%20crude%20pipeline%20long,boost%20in%20the%20early%202030s&text=A%20near%2Dterm%20overbuild%20is,the%20rest%20of%20the%20decade.

[14] US Energy Information Administration, Short-Term Economic Outlook, July 2025 (https://www.eia.gov/outlooks/steo/images/Fig45.png)

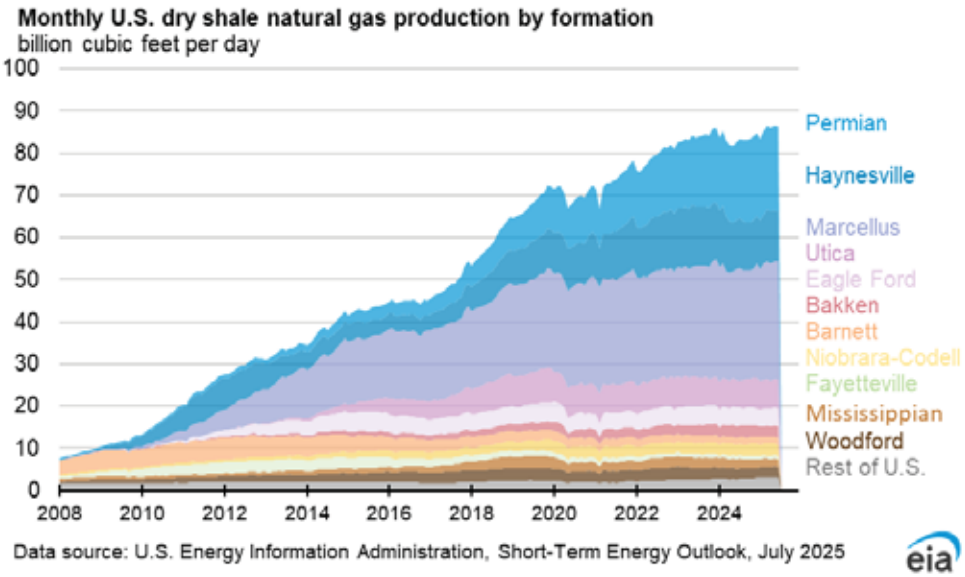

Figure 14: Monthly Shale Gas Production[15]

Unlike in the Appalachian Basin, where natural gas is produced from natural gas wells, most of the natural gas production in the Permian Basin is associated gas produced from oil wells. As a result, producers in the Permian Basin have the ability to respond to fluctuations in the hydrocarbon pricing by altering production between crude oil and natural gas. The result is flexibility in managing exploration and production operations, including whether to deploy drilling rigs or take rigs out of operation.[16]

EMERGING ECONOMIC SECTORS

The Midland area has been diversifying its economic engine, building on the highly skilled workforce available:

- Almost all of U.S. net hydrocarbon production growth in the next several years is expected to come from the Permian Basin.[17]
- Nearly 8% of all new and proposed photovoltaic solar capacity in the nation between 2022 and 2025 is expected to come from the Permian Basin—about 6 gigawatts, according to the Energy Information Administration. (Texas' solar installed capacity has doubled to more than 10 gigawatts since early 2020, with another 19 gigawatts of utility-scale solar capacity anticipated by 2025.)[18]
- Wind turbines in the region contributed about 22% of electricity delivered to the Texas power grid in 2022.[19]

[15] US Energy Information Administration, Short-Term Economic Outlook, July 2025 (https://www.eia.gov/outlooks/steo/images/Fig43.png)

[16] https://www.eia.gov/todayinenergy/detail.php?id=52598#:~:text=The%20Permian%20Basin%20is%20the,marketed%20natural%20gas%20in%202021.

[17] https://www.dallasfed.org/research/economics/2023/0509

[18] https://www.dallasfed.org/research/economics/2023/0509

[19] https://www.dallasfed.org/research/economics/2023/0509

- Midland partnered with Texas Tech University System with start-up funds for the formation of the National Institute for Renewable Energy (NIRE), an independent public-private collaboration that works to solve key scientific and technology challenges facing the wind power industry.
- Recently, the Permian Basin became the leader in wind and solar energy development in Texas and the nation. With additional wind power projects underway, the Permian Basin will expand wind power generation to over 3,400 megawatts.[20]
- Midland's abundant days of sunshine annually and large amounts of unused acreage make it an attractive place for solar power generation.
- Addressing carbon capture[21] as a feature of climate action, Houston-based Occidental Petroleum has partnered with the federal government for a facility in the Permian Basin that will pull carbon dioxide from the air. Occidental Petroleum's investment is in the order of $800 million to $1 billion;[22] the federal government has committed $1.2 billion toward two direct air capture plants (one of which is Occidental Petroleum's planned facility in South Texas). Government tax incentives are many billions more.[23]
- The Midland region has diversified, providing significant service jobs and opportunities. There are a significant number of wells and jockey pumps throughout the area which require operations, maintenance, service and support creating opportunity for a large number of service and support companies located along every industrial corridor. The highly skilled workforce constantly attracted to the area, with skills honed in the oil fields, is ideally suited for these types of activities.

REAL ESTATE DEMAND SUPPORTING THE COMMUNITY

The Midland region real estate market has historically been a drag on the potential development of the region. The Federal Reserve Bank of Dallas noted in 2023[24]:

- 25 to 90% of energy firms' employees commute from far outside the area (mostly from other Texas metros but also from other states), staying for a few weeks at a time.

The lack of affordable housing (both owner-occupied and rental) has hindered economic activity as there are not enough homes to meet the demand, and often those that are constructed are out of the price range of many potential residents.

Among Midland residents, there is a homeowner vacancy rate of 2.1% and a rental vacancy rate of 4.0%[25] leaving a shortfall of housing in both the owner and rental markets. The overall low vacancy

[20] https://www.midlandtxedc.com/site-selectors/industry-focus/traditional-and-alternative-energy/
[21] Direct air capture (DAC) technologies extract carbon dioxide, or CO2, directly from the atmosphere. The CO2 can be permanently stored in deep geological formations, or it can be used in food processing or can be combined with hydrogen to produce synthetic fuels.
[22] https://houston.innovationmap.com/oxy-1pointfive-carbon-capture-permian-basin-2657038367.html
[23] https://www.npr.org/2023/12/27/1210928126/oil-climate-change-carbon-capture-removal-direct-air-capture-occidental
[24] https://www.dallasfed.org/research/economics/2023/0509
[25] 2023 American Community Survey (https://data.census.gov/table/ACSDP5Y2020.DP04?q=Owner/Renter+(Householder)+Characteristics&g=050XX00US48329&tid=ACSDP5Y2020.DP04)

rates, coupled with an increasing population[26] creates a need for housing that must be met with more supply. From projections produced by the Texas Demographic Center, Midland County is projected to require 100,000 homes by 2032.

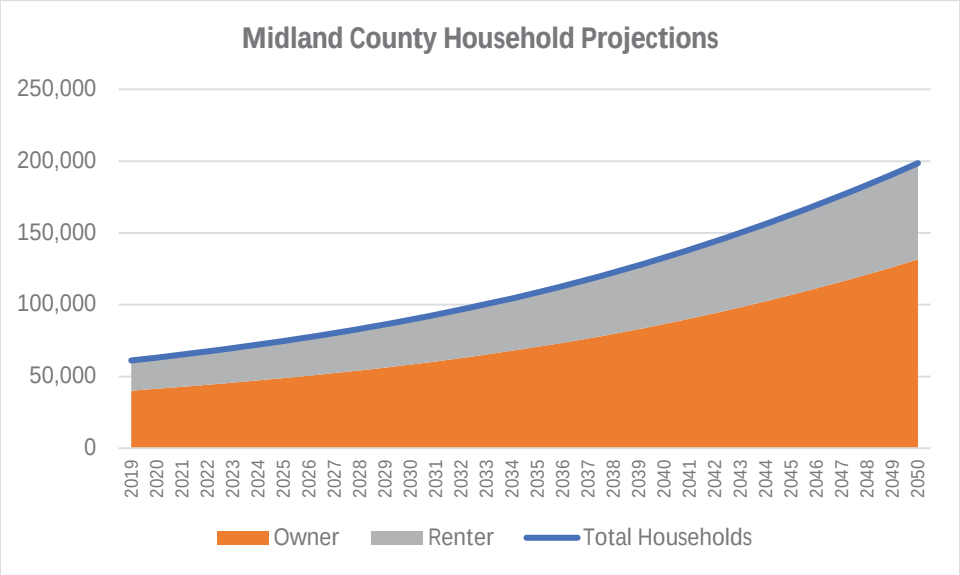

Figure 15: Midland County Household Projections[27]

Currently, the area has approximately 70,000 homes (with 1/3rd of those identified as rentals). The area then needs an addition 42,000 homes in 10 years (4,200 per year)[28], with 14,000 of those expected to be rental properties (1,400 per year).

CURRENT REAL ESTATE SITUATION

In response to continued pressure for housing, local, regional and national homebuilders have been increasing activity in the area, although availability remains low. Overall, the inventory of homes has increased over the past three years (Figure 16), and building activity, as represented by building permits, continues to be strong (Figure 17).

[26] The Texas Demographic Center estimates that the Midland County population will increase from 193,981 in 2021 to 231,707 in 2026 – an increase of approximately 38,000 people.
[27] https://demographics.texas.gov/Data/TPEPP/Projections/
[28] Texas Demographic Center forecasts the region will require 100,000 homes in 2032; that is 42,000 more than the current number, 58,000.

Figure 16: Midland, TX Real Estate Inventory[29]

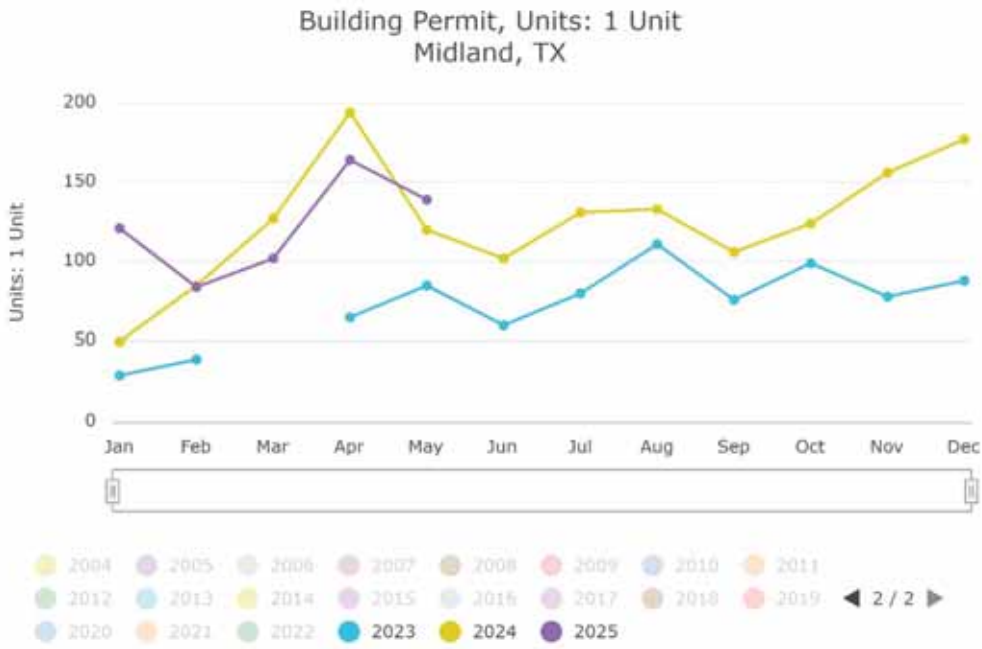

Figure 17: Midland, TX Single Family Building Permit Activity[30]

This represents continued pent-up demand for housing, which will beneficially affect the Greenwood region. The demand has also put increasing pressure on home prices, with the area realizing a 12% increase since 2020 (Figure 18).

[29] https://trerc.tamu.edu/data/housing-activity/?data-MSA=Midland
[30] ttps://www.recenter.tamu.edu/data/building-permits/#!/state/Texas/county/Midland

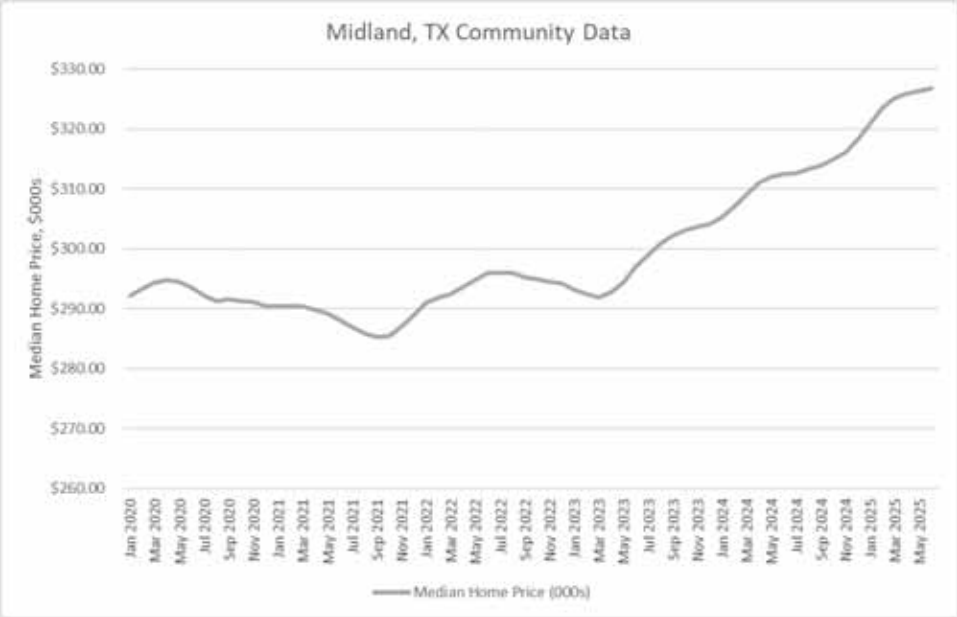

Figure 18: Median Home Prices, Midland TX (SFD)[31]

As home prices increase, and availability is constrained, the natural inclination for residents is to move to the rental market. The result is increased occupancy rates and increased rents (Figure 19), with rents in the order of $1.70/square foot.[32]

[31] https://www.zillow.com/home-values/19360/midland-tx/
[32] ALN Apartment Data

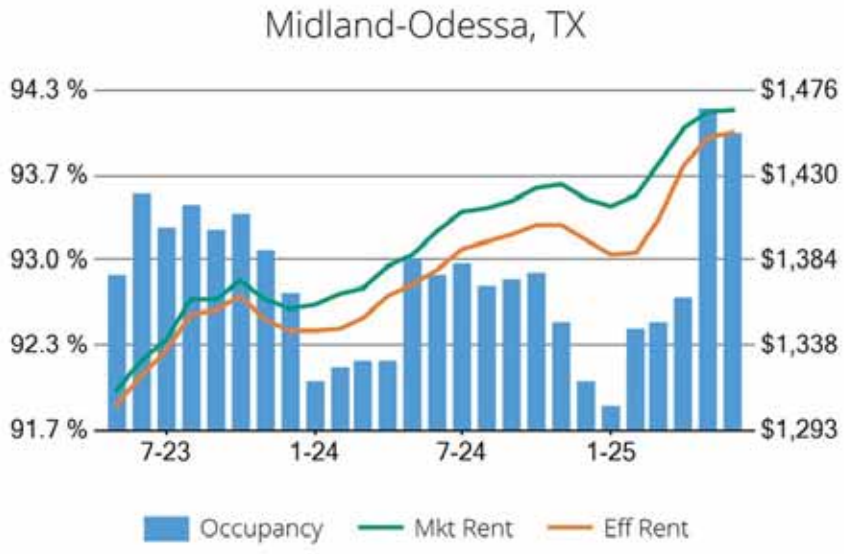

Figure 19: Midland, TX Occupancy Rates[33]

This market value coincides directly with the rental rates in the Vander Ranch rental market (Figure 20).

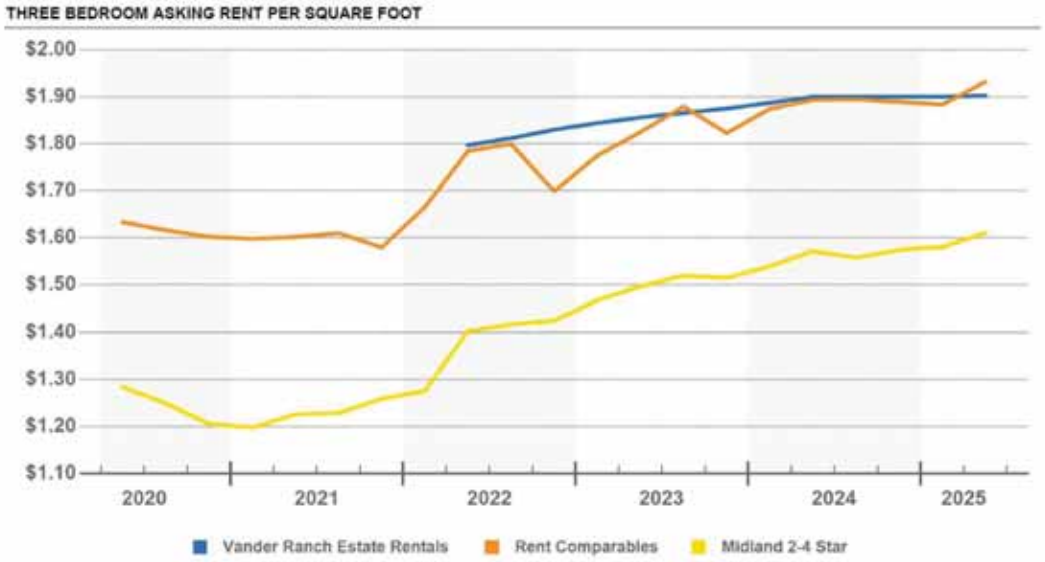

Figure 20: Vander Rach Rental Costs Comparisons[34]

Until recently, there has been a noted lack of affordable housing for current and prospective residents in the Greenwood region. Despite renters making up 33% of Midland residences (occupying a total of

[33] https://cdn.alndata.com/reports/newmarketreview/2025-06-df385a9a/MAF-ca337b.pdf
[34] See Appendix A

24,336 units, while homeowners live in 46,554 properties)[35] the availability of rental property in the vicinity of Greenwood is significantly lower (Figure 21). Due to Greenwood's proximity to Midland, the economic stability of resource extraction as a prime mover in the region suggests that this ratio is likely to be realized in the Greenwood region.

Figure 21: Available Rental Units (Realtor.com) – July 2025[36]

DRIVERS FOR CONTINUED DEVELOPMENT IN GREENWOOD

Greenwood Independent School District

The Greenwood Independent School District is a key driver for migration to and growth in the region. There are currently 2,836 students enrolled in the ISD facilities, and 99.4% of the students achieved their high school diploma on time – 9.1% higher than the state average and 9.7% higher than the Midland ISD.[37] This success in the investment in education is in direct opposition to the majority of Midland and Ector Counites where little of the value-added from the region's oil fields has been reinvested into local schools.[38]

[35] 2023 American Community Survey (https://data.census.gov/cedsci/table?q=Owner%2FRenter%20%28Householder%29%20Characteristics&g=0500000US48329&tid=ACSDP5Y2020.DP04)

[36] https://www.realtor.com/apartments/Greenwood_Midland_TX?view=map&pos=32.122912,-102.280576,31.889422,-101.662595,11&qdm=true

[37] https://schools.texastribune.org/districts/greenwood-isd/

[38] https://www.dallasfed.org/research/economics/2023/0509

Because of the performance of the school system in Greenwood, there is increasing demand for enrollment. The Greenwood ISD estimates that an additional 1,500 students annually will be enrolled in their facilities by 2029.[39]

As a result, the Greenwood ISD is planning a new school campus adjacent to Vander Ranch. The new facility will support the 1,500-student demand and construction is anticipated to commence in 2023, and be online for the 2025 school year and full by 2029 or sooner.

Water & Sewer Service

A key driver in enhancing potential development is the availability of water and wastewater services. Many in non-urban areas lack home access to water infrastructure (public or private wells), adequate septic or sewer access.[40]

Due to the nature of land in the Midland County area, subsurface disposal of wastewater (i.e., septic tanks and fields) limits the size of lots. The Texas Commission on Environmental Quality (TCEQ) regulates these limitations as minimum lot sizes for development in the Texas Administrative Code (TAC):

> §285.4. FACILITY PLANNING.
> (a)(1) Residential lot sizing.
> (A) Platted or unplatted subdivisions served by a public water system.
> Subdivisions of single-family dwellings platted or created after the effective date of this section, served by a public water supply and using individual On-Site Sewage Facilities (OSSFs) for sewage disposal, *shall have lots of at least 1/2 acre*. [emphasis added]
> (B) Platted or unplatted subdivisions not served by a public water system.
> Subdivisions of single-family dwellings platted or created after the effective date of this section, not served by a public water supply and using individual OSSFs, *shall have lots of at least one acre*. [emphasis added]

Compounding this limitation is that TCEQ also requires separation distances of wastewater disposal infrastructure to water supply wells. TAC §285.91(10) requires that any private well must be located a minimum of 50 feet from the septic tank and 100 feet from the drain field.

Outside the utility services provided by the City of Midland within their jurisdictional boundary, the Permian Basin Water Resources, LLC utilities are the only entities in the region that can offer the ability for increased density as a function of sewer service.

CONCLUSIONS

The economy of the Midland region has become consistently more stable – a function of diversification of the employment base and the sustained increase in demand. The region, however, lacks the necessary residential housing infrastructure necessary to feed Midland's economic engine. The leading indicators of employment and population growth all suggest that there will be, in the near-term, a visible and increasing demand for both owner and renter properties – particularly in the affordable range.

[39] https://greenwood2021bond.com/bond-q%26a, https://youtu.be/xFV0dK4VR1Q?t=133
[40] https://www.dallasfed.org/research/economics/2023/0509

The following conclusions can be drawn from this assessment:

1. The region has endured several major fluctuations in oil extraction, most recently the Covid-19 pandemic and the mini-recession of 2020, and has always rapidly emerged stronger and more stable.
2. Today, the area offers a significantly diversified economy, increasingly independent of the oil and gas business.
3. The region's residents maintain a high Median Household Income ($94,000 in 2024).
4. There is a systemic supply – demand imbalance in housing that is worsening.
5. There is limited affordable housing in the region – in both the owner-occupied and rental markets.
6. Greenwood, despite its proximity to the city of Midland, its exceptional schools and its desirable lifestyle, has historically been underserved by affordable housing.
7. The newly built utilities in Greenwood allow for high density development – both residential and commercial.
8. Access to affordable housing and rentals will drive growth in the Greenwood region.
9. The region has a need for 42,000 residential dwelling units over the next 10 years.
10. Fully one-third of newly constructed units will be for rental, generating a steady-state demand of 1,400 rental units per year, which could be increased as a percentage by trending higher.
11. Greenwood can expect to participate at a rate of 20-30% the regional demand as a function of affordability, newly created amenities and the Greenwood Independent School District.

APPENDICES

Appendix A – Vander Ranch Estates Rental Survey Reports

APPENDIX H

MIDLAND COUNTY, TEXAS DEMOGRAPHIC INFORMATION

The County

Midland County, Texas (the "County") was created and organized in 1885 from Tom Green County and is on the southern edge of the High Plains in West Texas, bounded on the east by Glasscock County, on the south by Upton County, on the West by Ector County, and on the north by Martin and Andrews Counties. The Center of the County lies approximately 120 miles south of Lubbock. The County was named for its location halfway between Fort Worth and El Paso on the Texas and Pacific Railway.

As of the 2020 U.S. Census, the County's population was 169,983 and the projected 2025 population is 188,766. The largest city in the County is Midland, which also serves as the county seat, and had an estimated 2024 census population of 143,687. Goods manufactured in the County include clothing, oilfield equipment, plastics, electronic calculators, and watches. Interstate Highway 20 cuts through the northeast corner of the County, coursing southwesterly, and State Highway 349 bisects the County north to south. The Missouri Pacific Railroad crosses the northwest corner of the County, connecting the City of Midland with Odessa, Abilene, and other points to the northeast and southwest.

Business and Industry.

Midland County is located in the Permian Basin region of West Texas and Eastern New Mexico. The Permian Basin is one of the United States greatest mineral reservoirs with exploration and drilling for additional reserves continuing.

Extensive mineral exploration, drilling, production and processing activities throughout the Permian Basin and the United States as well as world-wide, are directed from major and independent oil company offices in the City of Midland.

Other Midland County industrial and business operations include semi-conductor products, telecommunications, dairy products, plastics and household goods. The City of Midland is a financial, transportation and communication center.

Mineral Production

Midland County is a significant oil and gas producer:

County Statewide Onshore Oil/Gas Production
Annual Totals, 2019-2025

Date	Oil (BBL)	Casinghead (MCF)	GW Gas (MCF)	Condensate (BBL)
2019	189,278,963	437,526,339	4,035,789	87,391
2020	191,676,098	545,997,822	3,786,185	68,508
2021	199,144,057	627,571,849	3,385,441	69,577
2022	221,756,877	717,148,026	3,084,609	63,259
2023	234,548,975	826,329,745	2,859,384	59,219
2024	231,419,229	907,417,808	2,471,760	59,422
2025[1]	72,162,592	300,433,761	718,310	16,273

Source: Railroad Commission of Texas. MCF = thousand cubic feet. BBL – Oil Barrels, 42 U.S. Gallons.
(1) As of June 2025

Labor Force Estimates [1]

	Annual Averages					
	2025 [2]	2024	2023	2022	2021	2020
Midland County						
Civilian Labor Force	103,056	101,082	97,030	91,188	86,328	85,363
Total Employment	99,979	98,142	94,285	88,146	80,895	77,490
Unemployment	3,077	2,940	2,745	3,042	5,433	7,873
Percent Unemployment	3.0%	2.9%	2.8%	3.3%	6.3%	9.2%
State of Texas						
Civilian Labor Force	14,053,158	15,608,932	15,217,552	14,741,150	14,319,776	13,950,305
Total Employment	13,059,904	14,971,373	14,608,665	14,159,995	13,512,599	12,879,942
Unemployment	993,254	637,559	608,887	581,155	807,177	1,070,363
Percent Unemployment	7.1%	4.1%	4.0%	3.9%	5.6%	7.7%

(1) Source: Texas Workforce Commission
(2) Figures for 2025 are through May 30, 2025.

Major Employers

Major employers in the County include:

Company	Type of Business
Midland Independent School District	Education
Endeavor Energy	Energy
City of Midland	Municipal
Midland County	Municipal
Midland Health	Healthcare
Conoco Philips	Energy
Chevron	Energy
HEB	Retail
Wal-Mart	Retail
Halliburton	Energy
Occidental Petroleum	Energy
EOG Resources	Energy
Diamondback Energy	Energy
Schlumberger Oilfield	Energy
Warren Equipment	Energy

Source: Midland County

Population

Midland County	(1)	City of Midland	(2)
1960 Census	67,717	1960 Census	62,625
1970 Census	65,433	1970 Census	59,463
1980 Census	82,636	1980 Census	70,525
1990 Census	106,611	1990 Census	89,443
2000 Census	116,009	2000 Census	94,996
2010 Census	136,872	2010 Census	111,147
2020 Census	169,983	2020 Census	132,524
2024 Estimate	183,587	2024 Estimate	143,687

(1) Source: U.S. Census Bureau
(2) Source: U.S. Census Bureau

Education

The Midland Independent School District has an area of 765 square miles in Midland County. Enrollment as of March 3, 2025 is approximately 29,300. The District has over 3,500 employees and operates a total of 39 schools, which include four high schools, two high schools for grade 9, four junior high schools, 27 elementary schools and two special use campuses. (1)

The Midland Junior College District, with boundaries coterminous with the Midland Independent School District, owns and operates Midland College, a public, state-supported, accredited junior college with enrollment of approximately 6,059 students in the fall 2024 semester. [(2)] The University of Texas of the Permian Basin is located in Odessa, 20 miles southwest of Midland.

(1) Source: Midland Independent School District
(2) Source: Midland Community College

Greenwood Independent School District is a public school district located in West Texas, primarily serving the community of Greenwood, which is situated just east of Midland, Texas. The district is known for its commitment to providing quality education in a rural setting, with a focus on academic achievement and community involvement.

Greenwood ISD encompasses approximately 300 square miles and serves approximately 3,500 students. There are approximately 400 staff members and four schools total, including two elementary schools, one middle school and one high school.

Transportation

Aviation. Scheduled airline transportation at Midland International Airport is furnished by Southwest Airlines, American Airlines, Delta Airlines and United Airlines. The airport has over twenty daily departures with non-stop service to DFW, Dallas Love Field, Houston Intercontinental, Houston Hobby, Las Vegas, Phoenix and Denver. Passenger enplanements in calendar year 2024 were approximately 679,622. Extensive general aviation facilities are located at the Airport and at Airpark, a 500-acre airport located in North Midland.

Rail. Midland is served by a main east-west line of the Union Pacific Railroad with daily freight schedules.

Highways. Interstate 20 borders Midland on its Savannah, Georgia, to Los Angeles, California, route; Interstate 20 Business serves Midland local interests. State Highways 349 and 158 and a well-developed farm/ranch-to-market highway system serve Midland and Midland County. Greyhound Bus Lines provides bus service.

APPENDIX I:

FORM OF OPINION OF BOND COUNSEL

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FORM OF OPINION OF BOND COUNSEL

September ___, 2025

UMB Bank, N.A., as Trustee
6034 West Courtyard Drive, Suite 225
Austin, Texas 78730

Mission Economic Development Corporation
801 N. Bryan Road
Mission, Texas 78572

Re: Mission Economic Development Corporation $[_____] Utility Revenue Bonds (Permian Basin Water Resources Project) Series 2025A (the "***Series 2025A Bonds***") and Mission Economic Development Corporation $[_____] Utility Revenue Bonds (Permian Basin Water Resources Project), Taxable Series 2025B (the "***Series 2025B Bonds***," and together with the Series 2025A Bonds, the "***Bonds***")

Ladies and Gentlemen:

We have acted as Bond Counsel to the Mission Economic Development Corporation (the "***Issuer***") in connection with the issuance and sale of the above-referenced Bonds, issued pursuant to the terms of a Trust Indenture and Security Agreement, dated as of September 1, 2025 (the "***Indenture***"), between the Issuer and UMB Bank, N.A., as trustee (the "***Trustee***"). Capitalized terms used herein and not otherwise defined have the meanings assigned to them in the Indenture or in the Loan Agreement, dated as of September 1, 2025 (the "***Agreement***"), between the Issuer and Permian Basin Water Resources, LLC, a Delaware limited liability company (the "***Borrower***").

In our capacity as Bond Counsel, we have examined a transcript containing certified copies of certain proceedings of the City Council of the City of Mission, Texas and the Board of Directors of the Issuer, and certain certificates and other documents of representatives of the City of Mission, Texas, the Issuer, the Trustee, the Borrower and of others. We also have analyzed such laws, regulations, guidance, documents and other materials as we have deemed necessary to render the opinions herein.

We have assumed, with your permission, and without independent verification, (i) the genuineness of certificates, records and other documents and the accuracy and completeness of the statements contained therein; (ii) the due authorization, execution and delivery of the Indenture by the Trustee, and the validity and binding effect of the Indenture on the Trustee; (iii) the due authorization, execution and delivery of the Agreement by the Borrower and the validity and binding effect of the Agreement on the Borrower; (iv) that all documents and certificates submitted to us as originals are accurate and complete; (v) that all documents and certificates submitted to us as copies are true and correct copies of the originals thereof; and (vi) that all information submitted to us was accurate and complete.

In providing the opinions set forth herein, we are relying on representations, covenants and warranties made by the Issuer, the Borrower, and other parties involved with the sale and issuance

of the Bonds, which we have not independently verified. In addition, we have assumed continuing compliance with the covenants in the Indenture, the Agreement and the Tax Certificate and Agreement (as defined below), including, but not limited to, covenants relating to the tax-exempt status of interest on the Series 2025A Bonds.

Based on the foregoing, and subject to the matters set forth below, we are of the opinion that:

1. The Indenture and the Agreement have each been duly authorized, executed and delivered by the Issuer, and each constitutes a legal, valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms. By the terms of the Indenture, the Issuer has assigned to the Trustee the Issuer's interest in the Trust Estate (as defined in the Indenture) and all of the right, title and interest of the Issuer in the Agreement.

2. The Bonds have been duly authorized, executed, issued and delivered by the Issuer, are the legal, valid and binding obligations of the Issuer and are entitled to the benefits and security of the Indenture. The Bonds are limited obligations of the Issuer payable solely from the Trust Estate, which has been pledged and assigned to the Trustee to secure payment of the Bonds. The Bonds are not obligations of the State of Texas (the "***State***"), the City of Mission, Texas, nor any political corporation, subdivision or agency of the State.

3. Interest on the Series 2025A Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "***Code***"), except with respect to the interest on any Series 2025A Bond for any period during which such Series 2025A Bond is held by a "substantial user" of the facilities financed with the proceeds of the Series 2025A Bonds or a "related person" to such a "substantial user," each within the meaning of section 147(a) of the Code. Interest on the Series 2025A Bonds is an item of tax preference for purposes of the alternative minimum tax on individuals. We observe that interest on the Series 2025A Bonds is taken into account in computing the alternative minimum tax on certain corporations.

4. Interest on the Series 2025B Bonds is not excludable from gross income for federal income tax purposes.

5. All conditions precedent provided in the Indenture relating to the authentication and delivery of the Series 2025 Bonds have occurred.

6. The Series 2025 Bonds and the offering or sale of the Series 2025 Bonds are not required to be registered under the Securities Act of 1933, as amended, and the Indenture is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

The Code establishes certain requirements that must be met subsequent to the issuance and delivery of the Series 2025A Bonds in order that, for federal income tax purposes, interest on the Series 2025A Bonds be not included in gross income pursuant to Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Series 2025A Bonds, restrictions on the investment of proceeds of the Series 2025A Bonds prior to expenditure and the requirement that certain earnings be rebated to the federal government. On the date of delivery of the Series 2025A Bonds, the Issuer and the Borrower will execute a Tax Certificate and Agreement (the "***Tax Certificate and Agreement***") containing

provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate and Agreement, the Issuer and the Borrower covenant that they will comply with the provisions and procedures set forth therein and that they will do and perform all acts and things necessary or desirable to assure that interest paid on the Series 2025A Bonds will, for federal income tax purposes, be excluded from gross income. In rendering the opinion in paragraph 3 hereof, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectation, and certifications of fact contained in the Tax Certificate and Agreement with respect to matters affecting the status of interest paid on the Series 2025A Bonds, and (ii) compliance by the Issuer and the Borrower with the procedures and covenants set forth in the Tax Certificate and Agreement as to such tax matters.

The opinions expressed herein are limited to the extent that (i) the performance and enforceability of the Indenture, the Bonds, and the Agreement may be subject to applicable bankruptcy, reorganization, moratorium or other similar laws affecting generally the enforcement of creditors' rights; (ii) general equitable principles may limit the availability of equitable remedies, including, but not limited to, the remedy of specific performance; and (iii) the enforceability of provisions relating to indemnification may be limited by public policy or applicable securities law.

We express no opinion as to the amount or timing of interest on the Bonds or, except as stated above, any federal, state or local tax consequences resulting from the receipt or accrual of, interest on, or the acquisition, ownership or disposition of the Bonds. This opinion is specifically limited to the laws of the State and, to the extent applicable, the laws of the United States of America. Further, in the event that the representations of the Issuer, the Borrower, or the other parties upon which we have relied are determined to be inaccurate or incomplete, or if the Issuer or the Borrower fails to comply with such covenants of the Indenture, the Agreement or the Tax Certificate and Agreement, interest on the Series 2025A Bonds could become includable in gross income for federal income tax purposes from the date of their original delivery, regardless of the date on which the event causing such includability occurs.

Our opinions are based on existing law and our knowledge of facts as of the date hereof and may be affected by certain actions that may be taken or omitted on a later date. We assume no duty to update or supplement our opinions, and this opinion letter may not be relied upon in connection with any changes to the law or facts, or actions taken or omitted, after the date hereof. The opinions set forth above speak only as of their date and only in connection with the Bonds and may not be applied to any other transaction. In addition, we express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Series 2025A Bonds.

Very truly yours,

Jackson Walker LLP

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APPENDIX J:

CONSOLIDATED FINANCIAL STATEMENTS

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Consolidated Financial Statements
December 31, 2024 and 2023

Permian Basin Water Resources LLC and Subsidiaries

Financial Statements

Consolidated Balance Sheets 4

Financial Statements

Consolidated Balance Sheets 5
Consolidated Statement of Operations 6
Consolidated Statement of Members' Deficit 7
Consolidated Statement of Cash Flows 8
Notes to Consolidated Financial Statements 10
Consolidating Balance Sheet – Assets 20
Consolidating Balance Sheet – Liabilities 21
Consolidating Statement of Operations 22

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Members
Permian Basin Water Resources LLC and Subsidiaries
Midland, Texas

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Permian Basin Water Resources LLC and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of operations, members' deficit, and cash flows for the year ended December 31, 2024, and the related notes to the consolidated financial statements (the financial statements).

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Permian Basin Water Resources LLC and Subsidiaries as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the year ended December 31, 2024 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Permian Basin Water Resources LLC and Subsidiaries and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

345 N. Reid Pl., Ste. 400 | P.O. Box 5125 | Sioux Falls, SD 57117-5125 | T 605.339.1999 | F 605.339.1306 | EOE

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Permian Basin Water Resources LLC and Subsidiaries' ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Permian Basin Water Resources LLC and Subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Permian Basin Water Resources LLC and Subsidiaries' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Eide Bailly LLP

Sioux Falls, South Dakota
August 5, 2025

Permian Basin Water Resources LLC and Subsidiaries
Consolidated Balance Sheets
December 31, 2024 and 2023

	2024	2023
Assets		
Current Assets		
Cash	$ 753,417	$ 21,354
Restricted cash	1,023,139	-
Receivables		
Trade, net of allowance for credit losses of $1,231 in 2024 and $-0- in 2023	350,547	127,343
Other	76,291	17,592
Inventories	567	4,826
Prepaid expenses	70,982	35,106
Total current assets	2,274,943	206,221
Utility Plant, Net	19,525,846	17,016,319
Other Assets		
Due from members	253,101	253,101
Goodwill	844,325	844,325
Deferred debits	34,311	24,674
Total other assets	1,131,737	1,122,100
	$ 22,932,526	$ 18,344,640

	2024	2023
Liabilities and Member's Deficit		
Current Liabilities		
Accounts payable	$ 470,537	$ 3,705,702
Accrued liabilities	478,846	201,127
Deferred revenue	77,941	28,712
Accrued interest	100,500	173,526
Current maturities of long-term debt	-	8,722,521
Total current liabilities	1,127,824	12,831,588
Long-term Liabilities		
Long-term debt, less current maturities and unamortized debt issuance costs of $138,286 in 2024 and $146,356 in 2023	15,474,672	1,222,998
Due to land companies	6,191,463	3,500,113
Notes payable to members	1,005,582	-
Due to members	9,564,993	7,525,018
Total liabilities	32,236,710	12,248,129
Member's Deficit	(10,432,008)	(6,735,077)
	$ 22,932,526	$ 18,344,640

Permian Basin Water Resources LLC and Subsidiaries
Consolidated Statement of Operations
Year Ended December 31, 2024

Revenue	
Water	$ 1,391,881
Wastewater	628,063
Other	41,319
Total revenue	2,061,263
Operating Expenses	
Payroll and benefits	107,322
Contract labor	102,119
Chemicals	76,681
Testing	43,907
Utilities	111,273
Repairs and maintenance	71,331
Sales and marketing	799
Total operating expenses	513,432
General and Administrative Expenses	
Payroll and related benefits	194,641
Management bonuses	440,689
Accounting	15,665
Contract labor	109,588
Insurance	54,800
Customer service and billing	48,418
Depreciation	786,626
Amortization	18,972
Services agreements	500,000
Legal	52,357
Other	133,531
Credit loss	582
Total general and administrative expenses	2,355,869
Operating Loss	(808,038)
Other Income (Expense)	
Interest income	6,546
Interest expense	(2,774,357)
Other	(121,082)
Total other expense	(2,888,893)
Net Loss	$ (3,696,931)

Permian Basin Water Resources LLC and Subsidiaries

Consolidated Statement of Members' Deficit

Year Ended December 31, 2024

Balance, January 1, 2024	$ (6,735,077)
Net loss	(3,696,931)
Balance, December 31, 2024	$ (10,432,008)

Permian Basin Water Resources LLC and Subsidiaries

Consolidated Statement of Cash Flows

Year Ended December 31, 2024

Operating Activities	
Net loss	$ (3,696,931)
Adjustments to reconcile net loss to net cash used for operating activities	
Depreciation	786,626
Amortization	18,972
Interest expense attributable to amortization of debt issuance costs	116,408
Credit losses	582
Write-off of unamortized debt issuance costs	42,520
Accrued interest and management fees	2,284,056
Changes in assets and liabilities	
Trade receivables	(223,786)
Other receivables	(58,699)
Change in inventories	4,259
Prepaid expenses	(35,876)
Deferred debits	(9,637)
Accounts payable	(2,229,583)
Accrued liabilities	277,719
Deferred revenue	49,229
Accrued interest	(73,026)
Net Cash used for Operating Activities	(2,747,167)
Investing Activities	
Purchase of utility plant	(1,417,270)
Net Cash used for Investing Activities	(1,417,270)
Financing Activities	
Proceeds from issuance of long-term debt	13,500,000
Principal payments on long-term debt	(8,222,998)
Payment for debt issuance costs	(150,858)
Advances received on due to land companies	2,267,016
Repayments of due to land companies	(1,473,521)
Net Cash from Financing Activities	5,919,639
Net Change in Cash and Restricted Cash	1,755,202
Cash and Restricted Cash, Beginning of Year	21,354
Cash and Restricted Cash, End of Year	$ 1,776,556

Cash	$	753,417
Restricted Cash		1,023,139
Total cash and restricted cash	$	1,776,556
Supplemental Disclosure of Cash Flow Information		
Cash payments for interest	$	999,086
Supplemental Disclosure of Non-cash Investing and Financing Activities		
Utility plant contributed through due to land companies	$	1,897,855
Accounts payble refinanced to note payable		1,005,582
Interest and fees accrued to due to members		2,039,975
Interest accrued to principal of long-term debt		244,081

Note 1 - Principal Business Activity and Significant Accounting Policies

Principal Business Activity

Permian Basin Water Resources LLC (a Delaware Limited Liability Company) is a water and wastewater provider that operates through its subsidiaries (Greenwood Water Corporation, a Texas Corporation, and Park Water Company, a Texas Corporation) in the Midland, Texas area. Greenwood Water Corporation is a water provider and Park Water Company is a water and wastewater provider.

Principles of Consolidation

The consolidated financial statements include the accounts of Permian Basin Water Resources, LLC and its wholly owned subsidiaries Greenwood Water Corporation and Park Water Company (collectively "the Company"). All significant intercompany accounts and transactions have been eliminated in consolidation.

Concentration of Credit Risk

The Company maintains its cash in bank deposit accounts which exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per depositor, per insured bank, for each account ownership category. At December 31, 2024 and 2023, the Company had approximately $1,513,000 and $-0- respectively, in excess of FDIC-insured limits.

Restricted Cash

Amounts included in restricted cash represent funds required to be set aside by a contractual agreement with a lender for interest payments.

Receivables and Allowance for Credit Losses

Trade receivables due from customers are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from the invoice date. Payments of trade receivables are allocated to the specific invoices identified on the customer's remittance advise or, if unspecified, are applied to the earliest unpaid invoices. The Company has tracked historical loss information for its trade receivables and compiled historical credit loss percentages for different aging categories (current, 1–30 days past due, 31–60 days past due, 61–90 days past due, and more than 90 days past due).

Management believes that the historical loss information it has compiled is a reasonable base on which to determine expected credit losses for trade receivables held at December 31, 2024 and 2023 because the composition of the receivables at those dates are consistent with that used in developing the historical credit-loss percentages (i.e., the similar risk characteristics of its customers and its lending practices have not changed significantly over time). Additionally, management has determined that the current and reasonable and supportable forecasted economic conditions are consistent with the economic conditions included in the historical information. As a result, the historical loss rates have not been adjusted for differences in current conditions or forecasted changes. Accordingly, the allowance for credit losses at December 31, 2024 and 2023 totaled $1,231 and $-0-, respectively.

Inventories

Inventories are stated at the lower of cost, determined on a first-in, first-out basis, or net realizable value.

Utility Plant

Utility plant is recorded at cost. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to expense. When equipment is retired or sold, the cost and related accumulated depreciation are eliminated from the accounts and the resultant gain or loss is reflected in income.

Depreciation is provided using the straight-line method, based on useful lives of the assets which range from five to fifty years.

The Company reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors. Based on this assessment there was no impairment at December 31, 2024 and 2023.

Goodwill

Goodwill represents costs in excess of purchase price over the fair value of the assets of businesses acquired, including other identifiable intangible assets.

Goodwill is not amortized, rather potential impairment is considered on an annual basis, or more frequently upon the occurrence of an event or when circumstances indicate that the amount of goodwill is greater than its fair value. As of December 31, 2024, the carrying value of the Company’s goodwill was not considered impaired.

Entities Under Common Control

Management has elected an accounting policy alternative such that, when certain conditions exist, management does not apply variable interest entity guidance for assessing whether it should consolidate legal entities under common control. The Company has adopted this standard as management believes the presentation of the Company-only financial information is more relevant to the users of the financial statements.

Income Taxes

As a limited liability company, Permian Basin Water Resources, LLC's taxable income or loss is allocated to members in accordance with their respective percentage ownership. Therefore, no provision for income taxes has been included in the financial statements for Permian Basin Water Resources, LLC.

Park Water Company and Greenwood Water Company are taxed as C-corporations for federal income taxes. Income taxes are provided for the tax effects of transactions reporting in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the basis of property and equipment for financial and income tax reporting. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company evaluates its tax positions that have been taken or are expected to be taken on income tax returns to determine if an accrual is necessary for uncertain tax positions. As of December 31, 2024 and 2023, the unrecognized tax benefits accrual was zero. The Company will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred.

Revenue Recognition

The Company provides water and wastewater services to its customers based on monthly meter readings of the customer's usage plus a base fee. The performance obligation is satisfied over time through the continuous provision of service through a stand-ready obligation to perform and the transfer of water or the collection of wastewater through a series of distinct transactions that are identical in nature and have the same pattern of transfer to the customer. The Company reads customer meters at the end of each month and bills the customer for their usage during the month.

The Company uses an output method to recognize the utility service revenue over time based on the transfer of water or the collection of wastewater. This method is used because management considers these outputs to be the best available measure of progress on these contracts. The stand-ready obligation is recognized through the passage of time in the form of a fixed charge and the transfer of water or the collection of wastewater is recognized at a per unit rate based on the actual or estimated flow through the meter.

The Company also receives revenue from taps fees. A tap constitutes a customer's right to connect to the water and wastewater systems through a service line. Once connected to the water and wastewater systems, the customer has live service and the ability to receive metered water deliveries and send wastewater into the system. Thus, once the connection right is granted, the customer has full control of the connection as it can obtain all the benefits from this right. Management has determined that tap fees are separate and distinct performance obligations that are recognized at a point in time.

Sales Taxes

The State of Texas imposes a sales tax on the Company's sales to non-exempt customers. The Company collects the sales tax from customers and remits the entire amount to the state. The Company's accounting policy is to exclude the tax collected and remitted to the states from revenues and cost of sales.

Debt Issuance Costs

Debt issuance costs are amortized over the period the related obligation is outstanding using the straight-line method which is a reasonable estimate of the effective interest method. Debt issuance costs are included within long-term debt on the balance sheets. Amortization of debt issuance costs is included in interest expense in the accompanying financial statements.

Advertising Costs

Advertising costs are expensed as incurred. Such costs were $799 for the year ended December 31, 2024.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Company has evaluated subsequent events through August 5, 2025, the date which the financial statements were available to be issued.

Note 2 - Revenue

The following table disaggregates the Company's revenue based on the timing of satisfaction of performance obligations for the year ended December 31, 2024:

Revenue recognized at a point in time	$ 294,270
Revenue recognized over time	1,766,993
Total revenue from contracts with customers	$ 2,061,263

Revenue from performance obligations satisfied at a point in time consist of tap fees and other non-recurring fees. Revenue from performance obligations satisfied over time are the result of fees charged for water and wastewater services.

Deferred revenues are contract liabilities for billings in excess of or customer payments in excess of revenue recognized. The beginning and ending balances for trade receivables and deferred revenues were as follows for the years ended December 31, 2024 and 2023:

	December 31, 2024	December 31, 2023	January 1, 2023
Trade receivables, net	$ 350,547	$ 127,343	$ 127,343
Deferred revenue	$ 77,941	$ 28,712	$ 28,712

Note 3 - Utility Plant

Utility plant at December 31, 2024 and 2023, consists of the following:

	2024	2023
Land	$ 426,207	$ 426,207
Land improvements	71,257	21,830
General plant	180,510	159,355
Vehicles	88,798	88,800
Water and wastewater plant	19,811,757	16,716,290
Construction work in progress	2,072,525	1,924,113
Total utility plant	22,651,054	19,336,595
Less accumulated depreciation	(3,125,208)	(2,320,276)
	$ 19,525,846	$ 17,016,319

Note 4 - Goodwill

Changes in the carrying amount of goodwill during the year ended December 31, 2024, were as follows:

Goodwill, Beginning of Year	$ 844,325
Goodwill acquired	-
Goodwill impairment	-
Balance, End of Year	$ 844,325

Note 5 - Long-Term Debt

Long-term debt consists of:

	2024	2023
5% note payable, due in quarterly installments of $35,670, including interest, paid in full in 2024	$ -	$ 1,222,998
14% note payable, due in monthly interest only installments, paid in full in 2024	-	7,000,000
Variable rate (8.5% at December 31, 2024) note payable, due in a balloon payment in September 2026	2,112,958	1,868,877
Variable rate (8.9% at December 31, 2024) note payable, effective interest rate of 9.1%, due in monthly interest only installments, balloon payment due in September 2027	13,500,000	-
Unamortized debt issuance costs	(138,286)	(146,356)
	15,474,672	9,945,519
Less current maturities	-	(8,722,521)
Long-term debt, less current maturities and unamortized debt issuance costs	$ 15,474,672	$ 1,222,998

Future maturities of long-term debt are as follows:

Years Ending December 31,	Amount
2025	$ -
2026	2,112,958
2027	13,500,000
Less unamortized debt issuance costs	(138,286)
	$ 15,474,672

The Company is subject to certain financial and nonfinancial debt covenants. Management has determined that at December 31, 2024 and 2023 the Company was in compliance with all debt covenants or obtained waivers from the lenders.

Note 6 - Membership Units

The Company has issued three classes of membership units: First Priority Membership Units, Second Priority Membership Units, and Common Units.

First Priority Membership Units
First Priority Membership Units are voting units which have liquidation preference over the Second Priority Membership Units and Common Units. Holders of First Priority Membership Units are entitled to a cumulative preferred return of the greater of 15% per annum or 250 basis points greater than the most expensive debt held by the Company, compounded annually, on their unreturned capital contributions. These units do not have mandatory redemption features and do not obligate the Company to make distributions unless declared by the Manager and subject to available net cash flows. The preferred return is cumulative, and unpaid amounts accrue until paid or otherwise settled.

Second Priority Membership Units
Second Priority Membership Units have liquidation preference over the Common Units. Holders of Second Priority Membership Units are entitled to a cumulative preferred return of 8% per annum, compounded annually, on their unreturned capital contributions. These units do not have mandatory redemption features and do not obligate the Company to make distributions unless declared by the Manager and subject to available net cash flows. The preferred return is cumulative, and unpaid amounts accrue until paid or otherwise settled.

Common Units
Common Units are non-voting units.

As of December 31, 2024, no distributions have been made on the preferred returns. The Company has determined that the preferred returns are cumulative and probable of being paid upon liquidation or other liquidity events. Accordingly, the Company has accreted the cumulative preferred returns to the carrying amount of the respective preferred equity classes totaling $3,407,932 at December 31, 2024.

Note 7 - Income Taxes

Deferred tax assets and liabilities consist of the following components as of December 31, 2024 and 2023:

	2024	2023
Deferred tax assets (liabilities)		
Property and equipment	$ (3,256,582)	$ (2,998,870)
Net operating loss	3,312,841	3,059,678
Net deferred tax asset before valuation allowance	56,259	60,808
Less valuation allowance	(56,259)	(60,808)
Net deferred tax asset	$ -	$ -

The Company's effective income tax rate may be higher or lower than what would be expected if the federal statutory rate were applied to income from operations primarily because of expenses deductible for financial reporting purposes that are not deductible for tax purposes.

As of December 31, 2024 and 2023, the Company had approximately $15,775,000 and $14,570,000, respectively, of federal net operating loss carryforwards available to offset future taxable income. The federal net operating losses do not expire and may be carried forward indefinitely.

Note 8 - Retirement Plan

The Company has a defined contribution plan covering substantially all employees. The company matches 100% of the employee's contributions up to 3% of their earnings and 50% of the employee's contributions for the next 2% of their earnings. Total expense related to the plan for the year ended December 31, 2024, was $7,897.

Note 9 - Entities Under Common Control

The Company has related party transactions with land companies that are under common control as the Company. The land companies develop the land and infrastructure by grading the land and installing streets, curbs, landscape, and onsite water and wastewater infrastructure. The water and wastewater infrastructure is sold to the Company which maintains the infrastructure and provides services to the customers.

Outstanding amounts due to the land companies at December 31, 2024 and 2023 are summarized as follows:

	2024	2023
Land companies		
Due to land companies	$ 6,191,463	$ 3,500,113

The Company does not believe that it has exposure to losses resulting from the involvement with the entities under common control beyond the amounts due from them at December 31, 2024 and 2023.

Note 10 - Related Party Transactions

The Company has related party transactions with companies that have membership interests in the Company and other entities that are affiliated with those members. The Company incurs service agreement fees with the members related to various executive and other services that the members perform for the Company. Additionally, the Company has amounts due to the members for reimbursement of costs incurred by the members, accrued interest on unpaid service agreement fees, and accounts payable for construction.

Related party balances with these entities at December 31, 2024 and 2023 are summarized as follows:

	2024	2023
Members of Permian Basin Water Resources		
Due from members	$ 253,101	$ 253,101
Due to members		
First preferred expenses	1,775,554	1,769,019
First preferred interest	3,642,626	2,359,187
Services agreements	4,146,813	3,396,812
Total due to members	9,564,993	7,525,018
Accounts payable to members	52,745	1,850,296
Notes payable to members	1,005,582	-

During 2024, the Company incurred interest expense of $1,283,438 related to the amounts due to the members and incurred service agreement fees to certain members totaling $750,000.

Additionally, during 2024, the Company agreed to a long-term unsecured promissory note payable with a member to refinance balances that were previously included in accounts payable. The note matures in September 2029 and does not accrue interest.

Supplementary Information
December 31, 2024

Permian Basin Water Resources LLC and Subsidiaries

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Supplementary Information

To the Members
Permian Basin Water Resources LLC and Subsidiaries
Midland, Texas

We have audited the consolidated financial statements (the financial statements) of Permian Basin Water Resources LLC and Subsidiaries, which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of operations for the year ended December 31, 2024, and have issued our report thereon dated August 5, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole.

The consolidating balance sheet – assets, consolidating balance sheet – liabilities, and consolidating statement of operations are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Eide Bailly LLP

Sioux Falls, South Dakota
August 5, 2025

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Permian Basin Water Resources LLC and Subsidiaries

Consolidating Balance Sheet – Assets

December 31, 2024

	PBWR	GWC	PWC	Eliminations	Total
Assets					
Current Assets					
Cash	$ 733,186	$ 9,680	$ 10,551	$ -	$ 753,417
Restricted cash	1,023,139	-	-	-	1,023,139
Receivables					
Trade, net	3,620	50,074	296,853	-	350,547
Other	-	35,935	40,356	-	76,291
Inventories	-	-	567	-	567
Prepaid expenses	17,021	40,972	12,989	-	70,982
Total current assets	1,776,966	136,661	361,316	-	2,274,943
Utility Plant, Net	-	1,207,250	18,318,596	-	19,525,846
Other Assets					
Due from members	253,101	-	-	-	253,101
Goodwill	-	844,325	-	-	844,325
Deferred debits	-	3,630	30,681	-	34,311
Investments in subsidiaries	19,379,067	-	-	(19,379,067)	-
Total other assets	19,632,168	847,955	30,681	(19,379,067)	1,131,737
	$ 21,409,134	$ 2,191,866	$ 18,710,593	$ (19,379,067)	$ 22,932,526

Permian Basin Water Resources LLC and Subsidiaries

Consolidating Balance Sheet – Liabilities

December 31, 2024

	PBWR	GWC	PWC	Eliminations	Total
Liabilities and Member's (Deficit) Equity					
Current Liabilities					
Accounts payable	$ 60,965	$ 8,473	$ 401,099	$ -	$ 470,537
Accrued liabilities	448,549	13,963	16,334	-	478,846
Deferred revenue	-	-	77,941	-	77,941
Accrued interest	100,500	-	-	-	100,500
Current maturities of long-term debt	-	-	-	-	-
Total current liabilities	610,014	22,436	495,374	-	1,127,824
Long-term Liabilities					
Long-term debt, less current maturities	15,474,672	-	-	-	15,474,672
Due to land companies	6,191,463	-	-	-	6,191,463
Notes payable to members	-	-	1,005,582	-	1,005,582
Due to members	9,564,993	-	-	-	9,564,993
Total liabilities	31,231,128	-	1,005,582	-	32,236,710
Member's (Deficit) Equity	(10,432,008)	2,169,430	17,209,637	(19,379,067)	(10,432,008)
	$ 21,409,134	$ 2,191,866	$ 18,710,593	$ (19,379,067)	$ 22,932,526

Permian Basin Water Resources LLC and Subsidiaries

Consolidating Statement of Operations

Year Ended December 31, 2024

	PBWR	GWC	PWC	Eliminations	Total
Revenue					
Water	$ 8,373	$ 459,967	$ 923,541	$ -	$ 1,391,881
Wastewater	-	-	628,063	-	628,063
Management fee	300,000	-	-	(300,000)	-
Other	21,664	11,996	29,323	(21,664)	41,319
Total revenue	330,037	471,963	1,580,927	(321,664)	2,061,263
Operating Expenses					
Payroll and benefits	-	77,263	30,059	-	107,322
Contract labor	-	-	102,119	-	102,119
Chemicals	-	27,695	48,986	-	76,681
Testing	-	4,290	39,617	-	43,907
Utilities	969	44,939	65,365	-	111,273
Repairs and maintenance	-	24,152	47,179	-	71,331
Sales and marketing	240	559	-	-	799
Total operating expenses	1,209	178,898	333,325	-	513,432
General and Administrative Expenses					
Payroll and related benefits	119,884	35,075	39,682	-	194,641
Management bonuses	440,689	-	-	-	440,689
Accounting	7,990	3,675	4,000	-	15,665
Contract labor	-	54,794	54,794	-	109,588
Insurance	68	18,354	36,378	-	54,800
Customer service and billing	-	21,023	27,395	-	48,418
Depreciation	-	119,525	667,101	-	786,626
Amortization	-	667	18,305	-	18,972
Services agreements	500,000	-	-	-	500,000
Legal	52,357	-	-	-	52,357
Other	15,003	30,467	88,061	-	133,531
Credit loss	582	-	-	-	582
Management fee	-	100,000	200,000	(300,000)	-
Total general and administrative expenses	1,136,573	383,580	1,135,716	(300,000)	2,355,869
Operating (Loss) Income	(807,745)	(90,515)	111,886	(21,664)	(808,038)
Other Income (Expense)					
Interest income	6,253	293	-	-	6,546
Interest expense	(2,774,357)	-	-	-	(2,774,357)
Other	(121,082)	-	-	-	(121,082)
Total other income (expense)	(2,889,186)	293	-	-	(2,888,893)
Net (Loss) Income	$ (3,696,931)	$ (90,222)	$ 111,886	$ (21,664)	$ (3,696,931)

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