

**PURCHASE AGREEMENT FOR
EDWARDS AQUIFER GROUNDWATER RIGHTS**
(43.0 ac. ft.)

This Purchase Agreement for Groundwater Rights (“Contract”) is made and entered into on this ____ day of _____, 2023 between **Uptmore Family Limited Partnership**, a Texas limited partnership, whose address is 103 S. Winston Ln, San Antonio, Texas, 78213 (“Seller”), and City of Castroville, a Texas municipality, whose address is 1209 Fiorella Street, Castroville, Texas 78009 (“Buyer”).

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller agrees to convey to Buyer, and Buyer agrees to purchase from Seller, the following described water rights upon the following terms and conditions:

1. Water Rights. Seller’s groundwater rights and Seller’s permit rights from the Edwards Aquifer Authority (“EAA”) to withdraw 43.00 acre-feet of unrestricted Edwards Aquifer groundwater per calendar year (the “Water Rights”), derived from EAA Permit Number P100-498(BE00206) recorded as document no. 20080221556 in the Official Public Records of Bexar County, Texas (the “Groundwater Withdrawal Permit”), including all successor rights of or relating to the Groundwater Withdrawal Permit or the groundwater withdrawal rights and all other real or personal property rights appurtenant to the Groundwater Withdrawal Permit and groundwater withdrawal rights. The term “Groundwater Withdrawal Permit” has the meaning given to it under EAA Rules 702.1(84), as amended. This sale does not include (i) any right, title, interest, or claim in or to the real property (“Real Property”) or well or point of withdrawal described in any EAA permit from which the Groundwater Withdrawal Permit is derived, or (ii) any right to use the surface of the Real Property for any purpose.

2. Earnest Money. Within three (3) business days after this Contract is fully executed and deposited with Mission Title, LP, 16500 San Pedro Ave #212, San Antonio, Texas 78232 (“Title Company”), Buyer shall deposit with the Title Company cash in the amount of \$2,500.00 as earnest money (“Earnest Money”) to bind this sale.

3. Purchase Price. The purchase price to be paid by Buyer to Seller for the Water Rights is \$450,000.00 (the “Total Purchase Price”), which shall be paid as a lump sum in cash to Seller at Closing.

4. Feasibility Period. For a period of thirty (30) days beginning on the Effective Date of this Contract (“Feasibility Period”) and for the payment of a \$100.00 feasibility fee (“Feasibility Fee”) to be credited against the Purchase Price should the Contract close, Buyer will have the right, at its cost, to investigate all aspects of the Water Rights, including without limitation Seller’s title to the Water Rights and the existence of any encumbrances or clouds on Seller’s title to the Water Rights. During the Feasibility Period, if Buyer determines in Buyer’s sole discretion that it is not in the best interest of Buyer to purchase the Water Rights, Buyer may terminate this Contract by written notice to Seller delivered before the end of the Feasibility Period and receive back its Earnest Money, less the Feasibility Fee.

5. **Title Policy.** Buyer will purchase at Buyer's Expense an Owner's Policy of Title Insurance ("Title Policy") issued by the Title Company in the amount of the sales price, dated at or after closing, insuring Buyer against loss under the Title Policy, subject only to: (a) those title exceptions permitted by this Contract or as may approved by Buyer in writing; and (b) the standard printed exceptions contained in the promulgated form of title policy.

6. **Title Commitment.** Within thirty (30) days after the Effective Date, Seller will furnish Buyer a commitment for title insurance ("Title Commitment") and legible copies of the instruments referenced in the Title Commitment.

7. **Buyer's Title Objections.** Buyer will have ten (10) days following receipt of the Title Commitment ("Title Objection Deadline") to review the Title Commitment and legible copies of the title instruments referenced in them and notify Seller of Buyer's objections to any of them ("Title Objections"). Buyer will be deemed to have approved all matters reflected by the Title Commitment to which Buyer has made no Title Objection by the Title Objection Deadline. The matters that Buyer either approves or is deemed to have approved are "Permitted Exceptions." If Buyer notifies Seller of any Title Objections, Seller has fifteen (15) days from receipt of Buyer's notice to notify Buyer whether Seller agrees to cure the Title Objections before Closing ("Cure Notice"). If Seller does not timely give its Cure Notice or timely gives its Cure Notice but does not agree to cure all the Title Objections before Closing, Buyer may, within five (5) days after the deadline for the giving of Seller's Cure Notice, notify Seller that either this Contract is terminated or Buyer will proceed to close, subject to Seller's obligations to remove all liquidated liens, remove all exceptions that arise by, through, or under Seller after the Effective Date, and cure only the Title Objections that Seller has agreed to cure in the Cure Notice. At or before Closing, Seller must remove all liquidated liens, remove all exceptions that arise by, through, or under Seller after the Effective Date of this Contract, and cure the Title Objections that Seller has agreed to cure.

8. **Information Provided to Buyer.** Within five (5) days after the Effective Date of this Contract, Seller shall deliver to Buyer true, correct, and complete copies of the following documents: (a) Seller's current EAA Groundwater Withdrawal Permit; (b) a signed consent, on a form provided by Buyer (attached hereto as Exhibit "A"), granting Buyer access to information maintained by the EAA relating to Seller's Groundwater Withdrawal Permit and to Seller's compliance and/or noncompliance with the EAA Act and Rules; and (c) copies of all contracts and agreements affecting the Water Rights, including without limitation leases, options to buy, rights of first refusal, and all amendments, modifications, and supplements thereto. Up to and through the Closing Date, Seller shall promptly advise Buyer in writing of any changes, deletions, or modifications to any of the documents or materials to be provided by Seller under this paragraph, and provide Buyer true, correct, and complete copies of such changes, deletions or modifications.

9. **Closing.** Provided that all of the conditions of this Contract have been satisfied, this transaction shall close at the offices of the Title Company on October 10, 2025 ("Closing Date"). Seller will pay Seller's attorney's fees associated with this transaction, and other expenses stipulated to be paid by Seller under other provisions of this Contract. Buyer will pay Buyer's attorney's fees associated with this transaction and other expenses stipulated to be paid by Buyer under other provisions of this Contract. All escrow fees, recording fees for the conveyance, EAA filing fees, and other expenses shall be split by the Buyer and Seller. At Closing, Buyer shall receive credit towards the Total Purchase Price for the amount of the Earnest Money.

10. Documents to be delivered at Closing. At Closing, Buyer shall deliver to Seller the Total Purchase Price, and Seller shall deliver to Buyer the following documents executed and acknowledged by Seller: (a) a special warranty water deed, assignment and bill of sale for the Water Rights conveying good and indefeasible title, free and clear of all restrictions, conditions, liens, and other encumbrances of title, except for encumbrances waived by Buyer in writing, in substantially the same form as the form attached hereto as Exhibit "B"; (b) an EAA Application to Transfer-Sale, or such other form required by the EAA to fully vest title to the Water Rights in Buyer; (c) such other documents, including a HUD settlement statement, as are customarily required by the Title Company.

11. Further Assurances. Seller shall cooperate with Buyer while under this Contract and after the Closing Date and take any and all action necessary to fully vest title to the Water Rights in Buyer, including, without limitation, providing additional information to the EAA, executing and delivering any documents or instruments necessary to effectuate this transaction, and paying any EAA fees, fines, or charges attributable to Seller, which obligations will terminate one year after Closing. Seller does not have any obligations to Buyer with regard to Buyer's future efforts to change the place or purpose of use of the Water Rights.

12. Prorations. Current EAA fees, if any, on the Water Rights shall be prorated to the Closing Date.

13. Seller's and Buyer's Representations and Warranties. Seller and Buyer represent and warrant to one another, that as of the Effective Date, and by closing the transaction contemplated by this Contract represent and warrant to one another as of the Closing Date, each of the following, which representations and warranties will survive the Closing:

13.1 *Seller's Authority.* Seller is the sole owner of the Water Rights and has all requisite power and authority to enter into this Contract and the other agreements or instruments to be executed and delivered by Seller hereunder (collectively, the "***Seller Transaction Documents***") and to perform Seller's obligations under Seller Transaction Documents. The execution and delivery by Seller of the Seller Transaction Documents and the consummation by Seller of the transactions contemplated hereby and thereby do not and will not violate, conflict with, require the consent, waiver, or approval of, result in a breach or default under, or give to others any rights of termination, cancellation, or acceleration with respect to, any organizational document, agreement, instrument, or obligation, including any conditional or special use permit, applicable to Seller. The Seller Transaction Documents to which Seller is a party constitute the legal, valid, and binding obligations of Seller, enforceable in accordance with their terms.

13.2 *No Unlawful Condition.* To the best of Seller's knowledge, no condition exists with respect to the Water Rights that violates any law or any rule of EAA.

13.3 *Title.* Seller owns good and indefeasible title to the Water Rights and the Water Rights are not, subject to liens, liabilities, or encumbrances that will not be discharged at Closing. There are no options, first refusal rights, or other agreements (except for this Contract)

affecting or involving the Water Rights, and no other person has a preemptive right to acquire the Water Rights or any portion thereof.

13.4 *No Litigation.* There is no litigation, action, claim, proceeding, or governmental investigation pending or, to the current actual knowledge of Seller, threatened against Seller which might affect Seller's ability to perform Seller's obligations under this Contract, and to the knowledge of Seller, there is no basis for any such action.

13.5 *Buyer's Authority.* Buyer has all requisite power and authority to enter into this Contract and the other agreements or instruments to be executed and delivered by Buyer hereunder (collectively, the "***Buyer Transaction Documents***") and to perform Buyer's obligations under the Buyer Transaction Documents. The execution and delivery by Buyer of the Buyer Transaction Documents and the consummation by Buyer of the transactions contemplated hereby and thereby do not and will not violate, conflict with, require the consent, waiver, or approval of, result in a breach or default under, or give to others any rights of termination, cancellation, or acceleration with respect to, any organizational document, agreement, instrument, or obligation, including any conditional or special use permit, applicable to Buyer. The Buyer Transaction Documents to which Buyer is a party constitute the legal, valid, and binding obligations of Buyer, enforceable in accordance with their terms.

14. Obligations and Default. Buyer's obligation to perform under this Contract is expressly conditioned on Buyer's option to terminate this Contract pursuant to the Feasibility Period provision set out in Paragraph 4 of this Contract. If the Closing is not completed by reason of Buyer's breach or other failure to perform all obligations and conditions to be performed by Buyer, Seller's sole remedy will be the payment by the Title Company to Seller of the Earnest Money. The parties agree it is difficult to determine the loss to Seller in the event Buyer does not perform and both agree that the Earnest Money is sufficient liquidated damages. If Seller fails to perform Seller's obligations under this Contract for any reason other than Buyer's failure to perform, Buyer may seek such remedies as may be provided by law, including, without limitation, specific performance and termination of this Contract.

15. Commissions. Buyer or Seller (as the case may be) shall pay any brokerage commission or finder's fee arising out of the conveyance of the Water Rights as such party may have incurred. In the event that any right to a commission or finder's fee is asserted by any party then the Party alleged to have agreed to the payment of such a fee or commission shall have the sole liability and responsibility to defend any such claim and shall indemnify the other party hereto against any fees, costs, damages or attorney's fees incurred in the defense of any action or claim so asserted.

16. Notices. Any notice required or permitted under this Contract must be in writing. Any notice required by this Contract will be deemed to be delivered (whether actually received or not) when deposited with the United States Postal Service, postage prepaid, certified mail, return receipt requested, and addressed to the intended recipient at the address shown in this Contract. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile transmission, electronic mail, or other commercially reasonable means and will be effective when

actually received. Any address for notice may be changed by written notice delivered as provided herein.

SELLER: Uptmore Family Limited Partnership
Attn: Jack Uptmore
103 S. Winston Ln,
San Antonio, Texas, 78213

BUYER: City of Castroville, a Texas municipality
Attn: R, Scott Dixon, MPA
1209 Fiorella Street
Castroville, Texas 78009

17. Miscellaneous.

- a. This Contract incorporates by reference Exhibits A and B attached hereto;
- b. This Contract contains the entire agreement between Buyer and Seller and any agreement not contained herein shall be of no force and effect between the parties;
- c. This Contract shall be governed by Texas law and is performable in Bexar County, Texas;
- d. This Contract shall be binding on and inure to the benefit of the parties and their respective successors and assigns, it being expressly understood that Buyer may assign this Contract to an undisclosed third party or parties after execution;
- e. This Contract may be executed in multiple counterparts;
- f. This Contract shall be binding and effective as of the date the Title Company receives a fully executed Contract (the “Effective Date”);
- g. The provisions of this Contract are severable. If a court of competent jurisdiction finds that any provision of this Contract is unenforceable, the remaining provisions shall remain in effect without the unenforceable parts.
- h. Time is of the essence of this Contract.
- i. Whenever any determination is to be made or action taken on a date specified in this Contract, if such date falls upon a Saturday, Sunday, federal holiday, or other day that is not a business day the date for such determination or action shall be extended to the first business day immediately thereafter.

18. No Presumption Against Drafter. Buyer and Seller, agree, and acknowledge that: (i) this Contract has been freely negotiated by both parties; and (ii) that, in the event of any controversy, dispute, or contest over the meaning, interpretation, validity, or enforceability of this

Contract, or any of its terms or conditions, there shall be no inference, presumption, or conclusion drawn whatsoever against either party by virtue of that party having drafted this

19. Disclosures. Buyer and Seller are hereby advised Buck Benson of Barton Benson Jones will be performing title research for Mission Title for which service Buck Benson will receive a part of the title premium for the Owner Title Policy.

[Signature Page Follows]

SELLER:

Uptmore Family Limited Partnership,
a Texas limited partnership

By: JHU, LLC, a Texas limited liability company,
its General Partner

By: _____
Jack Gerard Uptmore as attorney in fact
for Janice Adele Uptmore, sole manager

BUYER:

City of Castroville, a Texas municipality

By: _____
Name: _____
Title: _____

RECEIPT OF CONTRACT

Receipt of the foregoing fully executed Contract is hereby acknowledged on the following date:
_____, 2025.

Mission Title, LP

BY: _____

NAME PRINTED: _____

TITLE: _____

RECEIPT OF EARNEST MONEY

Receipt of the Earnest Money in the amount of \$_____ on _____,
2025 is hereby acknowledged. The undersigned shall hold the Earnest Money in accordance with
the terms of this Contract.

Mission Title, LP

BY: _____

NAME PRINTED: _____

TITLE: _____

EXHIBIT “A”

CONSENT TO REVIEW OF EDWARD AQUIFER AUTHORITY (“EAA”) RECORDS

The undersigned, as the owner or representative acting on behalf of the owner of certain water rights (“Consenting Party”), has entered into a Purchase Agreement for Edwards Aquifer Groundwater Rights with City of Castroville, a Texas municipality (“Buyer”) for the sale of those water rights to the Buyer. In conjunction with the sale, Consenting Party hereby consents to and agrees to allow the review and copying by Buyer of any and all EAA records relating to Consenting Party and the Consenting Party’s EAA Initial Regular Permit No. P100-498(BE00206) as contained in the files of the Edwards Aquifer Authority (“EAA”) at any location of the EAA. The right granted hereby to Buyer includes but is not limited to files relating to permit issuance, amendment, revocation, application, adjudication, or other action affecting such permit or permits, all files relating to compliance or noncompliance with the terms of such permit(s), compliance with EAA enabling legislation, rules and regulations, any and all correspondence by and between Consenting Party and the EAA or involving any third party, all materials relating to fees assessed, paid, adjudicated, or protested with respect to such permit(s), all information relating to water pumped, water measurement, critical period/demand management withdrawal allocation schedules, water usage or non-usage, all files relating to transfers of water rights into and/or out of Consenting Party’s EAA Regular Permit No. P100-502(BE00207B) identified on the attached Exhibit A and any other data or information affecting such permit(s) as contained in the files of the EAA. Consenting Party in addition hereby requests the EAA to allow access to all such files by Buyer and its representatives without further consent or approval from Consenting Party.

This consent is effective until written notice revoking this consent is provided by Consenting Party to both Buyer and to the EAA.

Executed this the ____ day of _____, 2025.

CONSENTING PARTY:

Uptmore Family Limited Partnership,
a Texas limited partnership

By: JHU, LLC, a Texas limited liability company,
its General Partner

By: _____
Jack Gerard Uptmore as attorney in fact
for Janice Adele Uptmore, sole manager

EXHIBIT “B”

Form of Special Warranty Water Deed, Bill of Sale and Partial Assignment of Permit

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE

Special Warranty Water Deed, Bill of Sale and Partial Assignment of Permit

Date: _____ (“Effective Date”)

Grantor (whether one or more): Uptmore Family Limited Partnership, a Texas limited partnership

Grantor's Mailing Address: 103 S. Winston Ln, San Antonio, Texas, 78213

Grantee: City of Castroville, a Texas municipality

Grantee's Mailing Address: 1209 Fiorella Street, Castroville, Texas 78009

Consideration: Ten Dollars (\$10.00) cash, and other good valuable consideration in hand paid by the Grantee to Grantor, the receipt and sufficiency of which Grantor acknowledges.

Groundwater Rights: Grantor's groundwater rights and permit rights from the Edwards Aquifer Authority (“EAA”) to withdraw 43.00 acre-feet per calendar year of unrestricted Edwards Aquifer groundwater per year derived from EAA Permit No. P100-498(BE00206) recorded as document no. 20080221556 in the Official Public Records of Bexar County, Texas as Document No. 20080221556 (“Permit”), including all successor rights of or relating to the Permit or the groundwater withdrawal rights and all other real or personal property rights appurtenant to the Permit and groundwater withdrawal rights (all such rights referred to herein as “Water Rights”).

Reservations from Conveyance: Notwithstanding anything herein contained to the contrary, it is understood and agreed that Grantee, its successors or assigns, shall not enter upon nor use the surface of any of Grantor's land for conducting any surface or drilling operations for groundwater. Any beneficial use of the Water Rights shall be by way of transfer of the permitted withdrawal rights to withdrawal points on lands which do not belong to Grantor.

Exceptions to Conveyance and Warranty:

1. The Water Rights conveyed herein are subject to any existing limitations, restrictions, applicable rules or other conditions now in effect or which may be adopted or imposed by the EAA, including but not limited to the limitations and conditions to the rights to withdraw and

beneficially use Edwards Aquifer water as recited in the Permit.

2. All groundwater rights from any formations or aquifers other than the Edwards Aquifer formation. This conveyance is limited to Groundwater Rights from the Edwards Aquifer formation.
3. Any physical aspect of the water including but not limited to: availability, existence, utility, recoverability, source, quality, condition, potability, chemistry, or other characteristics of water, if any, lying on, under, or over the land or lands or that may be produced or used from the land or lands.
4. Lack of a right of access and use of the well or wells and place of use under the Permit.
5. Any subsequent decrease in the amount of water available for withdrawal under the Permit or the portion conveyed to Grantee that is the result of any pro-rata reduction applied to all holders of permits for withdrawal of Groundwater Rights by the EAA or any governmental entity with authority to restrict Groundwater Rights withdrawals.
6. The terms and conditions of the Permit as recorded in the Official Public Records of Real Property of Bexar County, Texas.
7. The terms and conditions of the "Conditions for Initial Regular Permits" as recorded in Document #20040010963 in the Official Public Records of Real Property of Bexar County, Texas.

Grantor, for the Consideration and subject to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty, grants, sells, assigns and conveys to Grantee the Water Rights, together with all and singular the rights, whether real or personal, and appurtenances thereto in any way belonging, to have and to hold it to Grantee and Grantee's successors and assigns forever. Grantor binds Grantor and Grantor's successors and assigns to warrant and forever defend all and singular the Property to Grantee and Grantee's successors and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof when the claim is by, through, or under Grantor but not otherwise, except as to the Reservations from Conveyance and the Exceptions to Conveyance and Warranty.

EAA fees on the use of the Water Rights (including groundwater withdrawn under the Permit) prior to the Effective Date will be paid by Grantor and EAA fees for the use of the Water Rights (including groundwater withdrawn under the Permit) after the Effective Date are the responsibility of Grantee.

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

[Signature Page Follows]

GRANTOR:

Uptmore Family Limited Partnership,
a Texas limited partnership

By: JHU, LLC, a Texas limited liability company,
its General Partner

By: _____
Jack Gerard Uptmore as attorney in fact
for Janice Adele Uptmore, sole manager

STATE OF TEXAS	§
	§
COUNTY OF BEXAR	§

This instrument was acknowledged before me on this _____ day of _____, 2025 by Jack Gerard Uptmore as attorney in fact for Janice Adele Uptmore, sole manager of JHU, LLC, a Texas limited liability company, General Partner of Uptmore Family Limited Partnership, a Texas limited partnership.

Notary Public, State of Texas