

WATER CCN SERVICE AREA TRANSFER AGREEMENT

STATE OF TEXAS §

§

COUNTY OF DENTON §

This WATER CCN SERVICE AREA TRANSFER AGREEMENT (this "*Agreement*") is entered into by and between Bolivar Water Supply Corporation, a Texas non-profit water supply corporation ("*Bolivar WSC*") and the City of Sanger, Texas, a home rule municipality organized and existing under the laws of the State of Texas (the "*City*") to be effective as of the date this Agreement is fully executed (the "*Effective Date*") Bolivar WSC and the City are each referred to herein as a "*Party*" and are collectively referred to herein as the "*Parties*".

RECITALS

WHEREAS, Bolivar WSC is the holder of water Certificate of Convenience and Necessity ("CCN") No 11257 (the "**Bolivar WSC's Water CCN**"), the boundaries of which are partially within Denton County, Texas,

WHEREAS, the City is the holder of water CCN No 10196, the boundaries of which are entirely within Denton County, Texas (the "**City's Water CCN**"),

WHEREAS, Texas Water Code ("TWC") § 13.248 authorizes contracts between retail public utilities designating areas and customers to be served by those retail public utilities, when approved by the Public Utility Commission of Texas (the "**PUC**"),

WHEREAS, Bolivar WSC and the City are "retail public utilities", as such term is defined in TWC § 13 002(19), and their water CCN service area boundaries are adjacent to each other in certain locations,

WHEREAS, Meritage Homes of Texas, LLC, an Arizona limited liability company ("**Meritage**") is the developer of that certain approximate 306.36 acres of land in the municipal boundaries of the City in Denton County, Texas (the "**Meritage Property**"),

WHEREAS, approximately 63 acres of the Meritage Property are located within Bolivar WSC's Water CCN (the "**Meritage Transfer Tract**") which are more specifically depicted in Exhibit A, attached hereto and incorporated herein for all purposes,

WHEREAS, Meritage desires to obtain retail water service from the City for the Meritage Property and the City desires to provide retail water service to the Meritage Property,

WHEREAS, Bolivar WSC has never provided retail water service to the Meritage Property and Bolivar WSC is agreeable to the City providing retail water service to the Meritage Property, and

WHEREAS, the Parties desire to transfer the portion of Bolivar WSC's Water CCN service area that overlaps with the Meritage Transfer Tract to the City's Water CCN service area in accordance with the terms of this Agreement.

AGREEMENT

NOW THEREFORE, for and in consideration of the mutual promises and covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the Parties, it is agreed as follows:

1. **Purpose.** This Agreement shall be a "contract" designating areas and customers to be served by the Parties in accordance with TWC § 13.248, as more specifically described in Section 2 of this Agreement, and the intent of the Parties is in part to fully remove the Meritage Transfer Tract from the Bolivar WSC CCN service area, without leaving any strips or other pieces.
2. **Transfer.** Bolivar WSC agrees to transfer and convey to the City, and the City accepts from Bolivar WSC, the portion of the Bolivar WSC's Water CCN that overlaps with the Meritage Transfer Tract as shown in Exhibit A, and the Parties hereby agree to the modifications of the service area boundaries of their respective water CCNs, accordingly. The City, at its sole cost, shall prepare, file, and prosecute an application at the PUC under TWC § 13.248 to secure the PUC's approval of this Agreement and the transfer of the portion of Bolivar WSC's Water CCN service area that overlaps with the Meritage Transfer Tract to the boundaries of the City's Water CCN service area (the "*Application*"). Bolivar WSC agrees to cooperate in a timely manner with the City in advancing the Application, should the need arise, and the City agrees to keep Bolivar WSC apprised of the status of the Application. If the PUC denies the Application in whole or in part, or is unwilling to process the Application, then the Parties agree to implement an alternate approach in a reasonable amount of time that is substantially similar to and accomplishes the purposes of this Agreement.
3. **Compensation.** The Parties agree that each Party shall pay for its own costs in the preparation and implementation of this Agreement, except as provided in Section 2, herein. The Parties agree that no other compensation is due under this Agreement.
4. **Termination.** This Agreement shall only be terminated upon the mutual written agreement of all Parties.
5. **Applicable Law.** This Agreement shall be governed by, and construed in accordance with, the Constitution and laws of the State of Texas.
6. **Entire Agreement.** This Agreement reflects the entire agreement between the Parties, and supersedes all prior and contemporaneous agreements and understanding, both written and oral, between the Parties with respect to the subject matter hereof.

7. **Notices.** All notices and correspondence pertaining to the Agreement shall be in writing delivered by hand or certified mail, return receipt requested and postage prepaid, or by nationally recognized courier service, and shall be addressed as follows, unless a Party notifies the other in accordance with this Section of a change of address or other information provided herein.

If to Bolivar WSC

Bolivar Water Supply Corporation
Attn: General Manager
P O Box 1006
Sanger, Texas 76266
Telephone (512) 990-4400 Ext 103
CC Polly J Kruger, Registered Agent
4551 FM 455 West, PO Box 1789
Sanger, Texas 76266

If to City

City of Sanger, Texas
Attn John Noblitt
P O Box 1729
Sanger, Texas
Telephone (940) 458-2059
CC Ramie Hamonds, Director of Development Services/Building Official
P O Box 1729
Sanger, Texas 76266
Telephone (940) 458-2059

Notice shall be effective only upon receipt by the Party being served, except notice shall be deemed and delivered and received seventy-two (72) hours after posting by the United States Post Office, by the method described above.

8. **Successors and Assigns.** This Agreement shall bind the Parties and their legal successors, but shall not otherwise be assignable by any Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld.
9. **Venue.** Actions taken by either Party in connection with this Agreement shall be deemed to have occurred in Denton County, Texas, and venue, either administrative or judicial, shall be proper and be exclusively in the state courts of Denton County.
10. **Recitals.** The above recitals are true and correct and are incorporated into this Agreement for all intents and purposes.
11. **Multiple Originals.** This Agreement may be executed in any number of counterparts, each of which shall be, for all purposes, deemed to be an original, and all such counterparts shall together constitute and be one and the same instrument.

12. **Authority.** The Parties represent that the individuals named below are duly authorized to execute this Agreement on behalf of their respective Party.
13. **Enforceability.** The Parties agree that this Agreement constitutes the legal, valid, and binding obligation of each Party hereto, enforceable in accordance with its terms, and that each Party is entering into this Agreement in reliance upon the enforceability of this Agreement.
14. **Exhibits.** All exhibits attached to this Agreement are hereby incorporated in this Agreement as if the same were set forth in the full body of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement effective as of the Effective Date.

BOLIVAR WATER SUPPLY CORPORATION,
a Texas non-profit water supply corporation

By: B. Boaggs

Name: Brandi Boaggs

Title: General Manager

Date: 9-17-25

CITY OF SANGER, TEXAS,
a Texas home rule city

By: _____

Name: _____

Title: _____

Date: _____

ATTEST:

By: _____

Name: _____

Title: _____

Date: _____

Exhibit A

LEGAL DESCRIPTION

Being a 30.24 acre tract of land out of the H. Tierwester Survey, Abstract No. 1241, situated in the City of Sanger, Denton County, Texas, being a portion of a called 246.024 acre tract of land conveyed to PAC Group, Ltd. by deed of record in Document Number 2004-150424 of the Official Records of Denton County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch iron rod found at the intersection of Belz Road and Metz Road, being the southwest corner of said 246.024 acre tract;

THENCE, N00°47'46"E, along Metz Road and the west line of said 246.024 acre tract, a distance of 1,891.40 feet to a 1/2 inch iron rod found at the southwest corner of a called 10.00 acre tract of land conveyed to Geromino Polanco Jr. and Rosemarie Polanco by deed of record in Document Number 2015-127213 of said Official Records, being an exterior ell corner of said 246.024 acre tract;

THENCE, S89°04'37"E, leaving Metz Road, along the south line of said 10.00 acre tract and the common interior north line of said 246.024 acre tract, a distance of 694.92 feet to a 1/2 inch iron rod with green plastic cap stamped "EAGLE SURVEYING" set;

THENCE, S00°47'10"W, leaving the south line of said 10.00 acre tract, over and across said 246.024 acre tract, a distance of 1,899.27 feet to a mag nail set in Belz Road;

THENCE, N88°25'43"W, along Belz Road and the south line of said 246.024 acre tract, a distance of 695.31 feet to the **POINT OF BEGINNING**, and containing an area of 30.24 acres (1,317,405 square feet) of land, more or less.

Bearings are based on GPS observations utilizing the AllTerra RTK Network, North American Datum of 1983 (Adjustment Realization 2011).

PAGE 1 OF 2

I hereby certify that this survey, plan or report was prepared by me or under my direct supervision and that I am a Registered Professional Land Surveyor under the laws of the State of Texas



EAGLE SURVEYING, LLC
222 S. ELM STREET
SUITE: 200
DENTON, TX 76201
(940) 222-3009
TX FIRM # 10194177

JOB NUMBER	DRAWN BY	DATE
2405.021-04	CHM	08-27-2025

Caleb McCanlies
R.P.L.S. # 7036



8-27-2025
Date

PARCEL 1
CALLED 8.71 ACRES
JOE EDWARD SPRATT
DOC. NO. 2024-44297
O.R.D.C.T.

CALLED 10.00 ACRES
GEROMINO POLANCO JR.
AND ROSEMARIE POLANCO
DOC. NO. 2015-127213, O.R.D.C.T.

ANTHONY M. BOWLAND, ET UX
VOL. 841, PG. 340, R.P.R.D.C.T.

KIMMY KEY
DOC. NO. 2012-146856, O.R.D.C.T.

J. L. CULP
VOL. 2502, PG. 524, R.P.R.D.C.T.

ELIZABETH G. ROGUE
DOC. NO. 2016-25647, O.R.D.C.T.

STEVEN R. RICHTER, ET UX
DOC. NO. 2008-41763, O.R.D.C.T.

LOT 2

LOT 1

BLOCK A
DUCK CREEK FARMS ADDITION
CABINET G, PG. 122, P.R.D.C.T.

LOT 12

LOT 13

STEPHANIE LOUISE
DEACON
DOC. NO. 2010-64016
O.R.D.C.T.

LOT 1
BLOCK A
RITA'S RANCH
DOC. NO. 2015-252
P.R.D.C.T.

TOMMY GARLAND, ET UX
VOL. 1214, PG. 90, R.P.R.D.C.T.

JOSHUA MICHAEL McCLURKAN, ET UX
DOC. NO. 2022-64447, O.R.D.C.T.

1/2" IRF

S 89°04'37" E 694.92'

CIRS

H. TIERWESTER SURVEY,
ABSTRACT NO. 1241

30.24 ACRES
(1,317,405 SQ. FT.)

CALLED 246.024 ACRES
PAC GROUP, LTD.
DOC. NO. 2004-150424
O.R.D.C.T.

CALLED 246.024 ACRES
PAC GROUP, LTD.
DOC. NO. 2004-150424
O.R.D.C.T.

N 00°47'46" E 1891.40'

S 00°47'10" W 1899.27'

METZ ROAD

POB
1/2" IRF

BELZ ROAD

N 88°25'43" W 695.31'

CIRS

LOT 1

BLOCK A
INDIAN CREEK ADDITION
DOC. NO. 2018-75, P.R.D.C.T.

LOT 2

LOT 3

LOT 4

LOT 5

NOTE: Bearings are based on GPS observations utilizing the AllTerra RTK Network, North American Datum of 1983 (Adjustment Realization 2011).

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1" = 300'

0 150 300

LEGEND

○	BOUNDARY MONUMENT
IRF	IRON ROD FOUND
CIRS	1/2" CAPPED IRON ROD SET
POB	POINT OF BEGINNING
VOL.	VOLUME
PG.	PAGE
DOC. NO.	DOCUMENT NUMBER
O.R.D.C.T.	OFFICIAL RECORDS, DENTON COUNTY, TEXAS
P.R.D.C.T.	PLAT RECORDS, DENTON COUNTY, TEXAS

JOB NUMBER

DRAWN BY

DATE

2405.021-04

CHM

08-27-2025

LEGAL DESCRIPTION

Being a 33.60 acre tract of land out of the H. Tierwester Survey, Abstract No. 1241, situated in the City of Sanger, Denton County, Texas, being a portion of a called 246.024 acre tract of land conveyed to PAC Group, Ltd. by deed of record in Document Number 2004-150424 of the Official Records of Denton County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch iron rod found within Metz Road, being the northwest corner of a tract of land conveyed to Daniel Johnson by deed of record in Document Number 2019-95739 of said Official Records, and being an exterior ell corner of said 246.024 acre tract;

THENCE, N00°49'48"E, along Metz Road and the west line of said 246.024 acre tract, a distance of 2,103.65 feet to a mag nail found at the southwest corner of a called 37.329 acre tract of land conveyed to Mango Estates, LLC by deed of record in Document Number 2021-142267 of said Official Records, being the northwest corner of said 246.024 acre tract;

THENCE, S89°56'29"E, leaving Metz Road, along the north line of said 246.024 acre tract, being the common south line of said 37.329 acre tract, a distance of 693.26 feet to a 1/2 inch iron rod with green plastic cap stamped "EAGLE SURVEYING" set;

THENCE, S00°47'10"W, leaving the south line of said 37.329 acre tract, over and across said 246.024 acre tract, a distance of 2,114.12 feet to a 1/2 inch iron rod with green plastic cap stamped "EAGLE SURVEYING" set in the north line of said Johnson tract;

THENCE, N89°04'37"W, along the north line of said Johnson tract and the common interior south line of said 246.024 acre tract, a distance of 694.82 feet to the **POINT OF BEGINNING**, and containing an area of 33.60 acres (1,463,584 square feet) of land, more or less.

Bearings are based on GPS observations utilizing the AllTerra RTK Network, North American Datum of 1983 (Adjustment Realization 2011).

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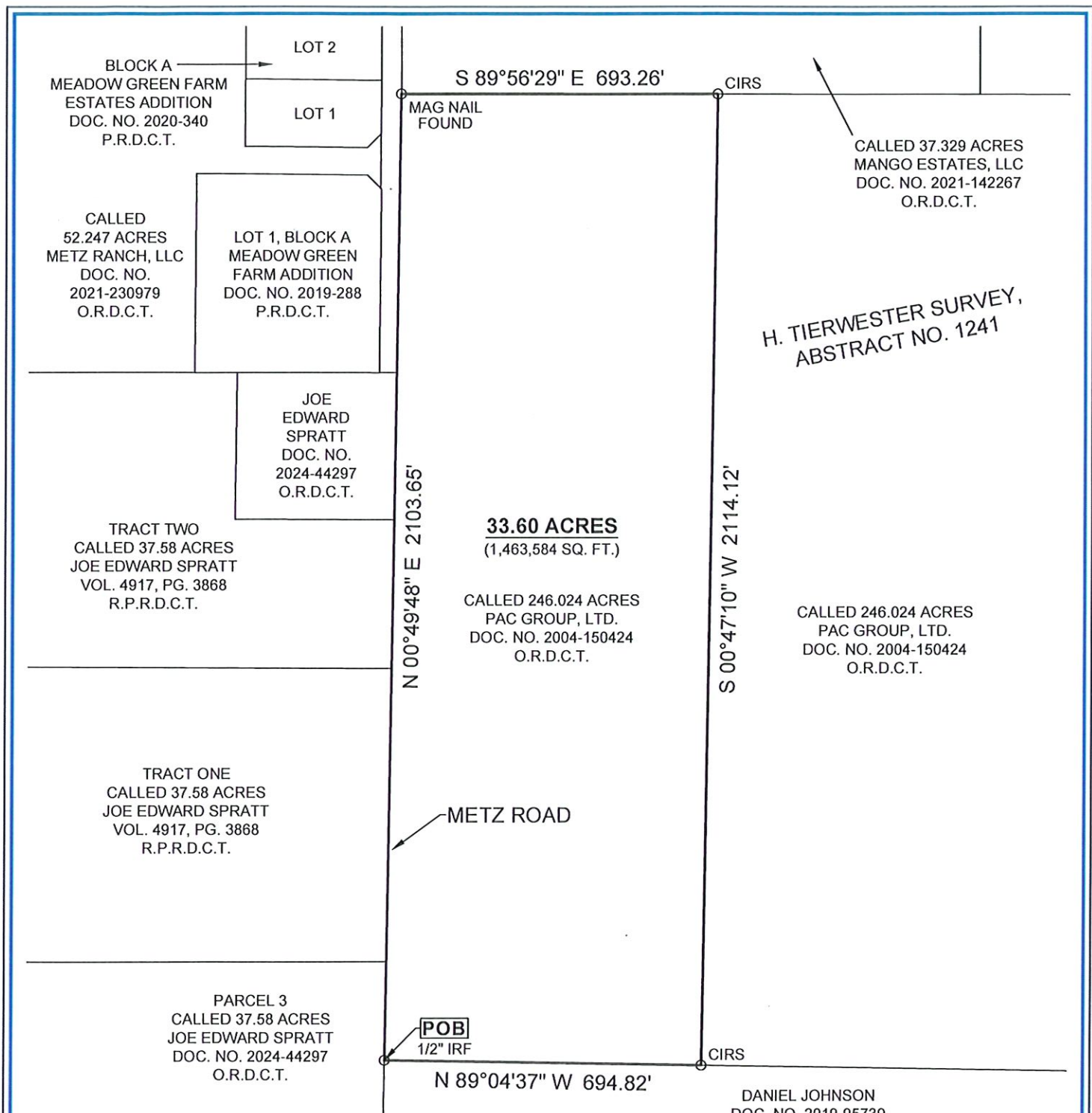
I hereby certify that this survey, plan or report was prepared by me or under my direct supervision and that I am a Registered Professional Land Surveyor under the laws of the State of Texas

Caleb McCanlies
R.P.L.S. # 7036



8-27-2025
Date

JOB NUMBER	DRAWN BY	DATE
2405.021-03	CHM	08-27-2025



NOTE: Bearings are based on GPS observations utilizing the AllTerra RTK Network, North American Datum of 1983 (Adjustment Realization 2011).

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1" = 300'



LEGEND

○	BOUNDARY MONUMENT
IRF	IRON ROD FOUND
CIRS	1/2" CAPPED IRON ROD SET
POB	POINT OF BEGINNING
VOL.	VOLUME
PG.	PAGE
DOC. NO.	DOCUMENT NUMBER
O.R.D.C.T.	OFFICIAL RECORDS, DENTON COUNTY, TEXAS
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2405.021-03	CHM	08-27-2025