

Corporation as well as the personal property of the Corporation necessary to operate the Corporation's water supply system.

Under the Loan Agreements between the Corporation, and the TWDB, and Conditions No. 20 in TWDB Resolution 05-84 and No. 31 in TWDB Resolution No. 13-103, the Corporation may not impair its title to the land used for the water and wastewater system or the improvements and facilities of the system without prior TWDB approval. Consequently, the Corporation needs the partial release of lien to be able to transfer clear title to the property to a willing buyer.

RECOMMENDATION

As the unimproved property does not contribute to the operation of the Corporation's facilities, the Executive Administrator recommends a release of lien be granted on the six lots, numbers 23-28 of Block 16, Pollard Resubdivision as described in the attached Warranty Deed.

Attachment(s): TWDB Resolution No. 18-____
Request for Partial Release of Lien
Warranty Deed and Property Description

A RESOLUTION OF
THE TEXAS WATER DEVELOPMENT BOARD
APPROVING A REQUEST OF
EAST RIO HONDO WATER SUPPLY CORPORATION
FOR PARTIAL RELEASE OF LIEN

(18-)

WHEREAS, the Texas Water Development Board (TWDB) currently owns the following debt obligations of the East Rio Hondo Water Supply Corporation (Corporation): L060011 in the amount of \$1,590,971.11, L080002 in the amount of \$1,671,467.79, and L1000198 in the amount of \$1,162,900.00 (the Loan Agreements); and

WHEREAS, the Corporation's debt to the TWDB is secured by a Deed of Trust and Security Agreement dated October 26, 2007 and July 21, 2014, on the Corporation's water system assets including real and personal property; and

WHEREAS, TWDB Resolutions 05-84 and 13-103 and the Loan Agreements between the Corporation and the TWDB prohibit the Corporation from placing an encumbrance, pledge or any other impairment to title used for its Water System without prior TWDB approval; and

WHEREAS, the Corporation now desires to sell a vacant, unimproved portion of its land in Cameron County, Texas, covered under the Deed of Trust, and more specifically identified in Attachment A to this resolution; and

WHEREAS, the Corporation has demonstrated that the sale of this property will not impair the ability of the Corporation to maintain the operations of its water and wastewater system and will not affect the Corporation's ability to pay its current debt to the TWDB; and

WHEREAS, the TWDB finds that the security pledged by the Corporation will be sufficient to meet the debt obligations of the Corporation, and that a limited release of this property from the Deed of Trust will not compromise the security offered by the Corporation nor impair the Corporation's ability to meet its obligations under the Loan Agreements; and

WHEREAS, the Board further finds that it is in the public interest for the Board to grant a partial release of lien and to permit the Corporation to convey the tract of land.

NOW THEREFORE, based on said considerations and findings, the Texas Water Development Board resolves as follows:

The Board approves a partial release from its lien of the tract of land identified in Attachment A as recorded on June 24, 1988 on Pages 195-196 of Volume 487 of the Official Records of Cameron County, Texas.

This approval is conditioned as follows:

1. The Corporation will pay all costs of documentation and filing of the release of lien.
2. The Corporation must provide to the Board all relevant documents regarding the conveyance.
3. The Board authorizes the Executive Administrator to execute any documents necessary to give effect to this Resolution.
4. All other terms of TWDB Resolutions 05-84 and 13-103 shall remain in full force and effect.

APPROVED and ordered of record this the 13th day of December, 2018.

TEXAS WATER DEVELOPMENT BOARD

Peter M. Lake, Chairman

DATE SIGNED: _____

ATTEST:

Jeff Walker, Executive Administrator

East Rio Hondo Water Supply Corporation

P.O. Box 621 * 206 Industrial Parkway * Rio Hondo, Texas 78583

Phone (956)-748-3633 * Fax (956)-748-3179 * www.erhwsc.com

"This Institution is an Equal Opportunity Employer and Provider"

July 17, 2018

Texas Water Development Board
Joe P. Reynolds
Assistant General Counsel
1700 N. Congress Ave.
Austin, Texas 78701

Re: Release of Lien

Dear Mr. Reynolds:

East Rio Hondo Water Supply Corporation (ERHWSC) is in the process of selling a vacant/unimproved piece of property for a sale price of \$28,000. The property includes Lots 23-28, of Block 16, Pollard Resubdivision, and is further described on the enclosed Warranty Deed. The sale of these lots will not impair the ability of ERHWSC to maintain the operation of the ERHWSC water and wastewater system and will not affect ERHWSC's ability to pay its current debt to the Texas Water Development Board (TWDB).

ERHWSC kindly requests for TWDB to release the property specified above from any and all liens associated with ERHWSC's debt. If you have any questions or concerns regarding the enclosed document, please contact ERHWSC's General Manager, Brian E. Macmanus, P.E. at (956) 247-7815.

Sincerely,

A handwritten signature in black ink, appearing to read 'Minerva Martinez', with a large, stylized flourish at the end.

Minerva Martinez
President

Enclosure: Warranty Deed Vol. 487, Pages 195-196

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 Revised 10-85.
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WARRANTY DEED

Date: June 15, 1988

Grantor: B. J. SIMPSON and M. H. WILSON doing business as SIMPSON & WILSON
 HARVESTING CO.

Grantor's Mailing Address (including county): P. O. Box 390, Rio Hondo, Cameron County, Texas,
 78583

Grantee: EAST RIO HONDO WATER SUPPLY CORPORATION

Grantee's Mailing Address (including county): 202 S. Robertson, Rio Hondo, Cameron County,
 Texas, 78583

Consideration: TEN AND NO/100 ----- (\$10.00) ----- DOLLARS
 and other good and valuable consideration, cash in hand paid, the receipt
 and sufficiency of which is hereby acknowledged and confessed;

Property (including any improvements):

Lots Number Twenty-three (23) through Number Twenty-Eight
 (28), of Block Number Sixteen (16), POLLARD RESUBDIVISION of
 Blocks Number Twenty-seven (27) and Twenty-eight (28), and
 the South 1/2 of Blocks Fifteen (15) and Sixteen (16) of the
 Original Townsite of Rio Hondo, Cameron County, Texas, according
 to Map Records Volume 8, page 72 of the Records of Cameron
 County, Texas;

Reservations from and Exceptions to Conveyance and Warranty:

SUBJECT TO:

Easements, reservations, restrictions, exceptions and dedications
 of record.

Grantor, for the consideration and subject to the reservations from and exceptions to conveyance and warranty, grants, sells, and conveys to Grantee the property, together with all and singular the rights and appurtenances thereto in any wise belonging, to have and hold it to Grantee, Grantee's heirs, executors, administrators, successors, or assigns forever. Grantor binds Grantor and Grantor's heirs, executors, administrators, and successors to warrant and forever defend all and singular the property to Grantee and Grantee's heirs, executors, administrators, successors, and assigns against every person whomsoever lawfully claiming or to claim the same or any part thereof, except as to the reservations from and exceptions to conveyance and warranty.

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

