

BLUFF DALE WATER SUPPLY CORP
Zoom Meeting – Groundwater Rights Purchase
March 26, 2024

Recitation of Authority

The Bluff Dale Water Supply Corporation board met in a Zoom meeting with attorneys Josh and Tony from McLean & Howard LLP regarding questions on the groundwater rights purchase from Don Wright. The meeting was held on March 26, 2024, at 4:30 pm at the Bluff Dale Community Center at 175 Holt St. Bluff Dale.

The Officers present at such meeting were:

DENNIS MCNAUGHTEN – PRESIDENT
FRANK MADDY – VICE PRESIDENT
DEBORAH MORRIS – SEC/TREASURER
TONY CORBETT – MCLEAN & HOWARD LLP
JOSH BROWN – MCLEAN & HOWARD LLP

Tony: Some title companies are willing to give title insurance on minerals and groundwater rights, but Lowell hasn't found anyone. Title insurance is the same as with purchasing a house, to protect from matters of ownership. You must mitigate the risk of not having title insurance on the purchase. You could do it on the real property itself to see if rights could be in question.

Dennis: Lowell said if there was a 99-year lease the underwriters would insure.

Tony: With a 99-year lease you get the best of both worlds. At the end of the lease terms could state you acquire ownership. If a lease purchase was in place any adverse claims, you would know before the 99-year lease was up. The title would be vested in Bluff Dale at the end of the lease. Need to ask Lowell. This is a better question for the title company if they give the option to acquire fee ownership.

Dennis: The Title company insured the current lease and there hasn't been any adverse problem.

Tony: It's good that you acquired title insurance. May ask Stewart Title if they have underwriters who would give title insurance for groundwater rights. We can

ask Erath County officials for any knowledge of Title companies that offer title insurance on groundwater rights purchases.

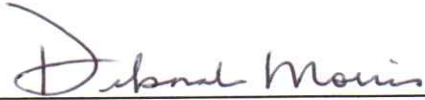
Josh: I will call Independence Title and Stewart Title.

Dennis: Can you use a Title company outside the county where the purchase is located?

Josh: It is best to close in the same county due to access to documents needed but necessarily not willing to close outside the county.

Tony: You want to include in the paperwork a permanent easement statement for the pipelines, access, and lines. Will want a permanent real property easement for the 5 acres. If Ben has one already with the documents please send a copy to Josh and I.

DATED: March 26, 2024



Deborah Morris – Secretary/Treasurer

APPROVED:



DENNIS MCNAUGHTEN, President