

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF  
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE  
HELD ON THE 12TH DAY OF MAY, 1970 AT 11:00 A.M.

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The call of the roll disclosed the presence or absence  
of Directors as follows:

<u>PRESENT</u>	<u>ABSENT</u>
Joe B. Hogsett	Lacy Boggess
Wayne E. Newton	
Clyde A. Penry	
Edward R. Hudson	

Also present were Messrs. John M. Scott, General Counsel for the  
District and Ben Hickey, General Manager of the District.

Director Hogsett acted in his capacity as President, and  
Director Newton acted in his capacity as Secretary, whereupon pro-  
ceedings were had and done as follows:

1.

On motion duly made and seconded, the minutes of the  
meeting held May 4, 1970 were read and approved by the Directors  
and it was accordingly ordered that such minutes be placed in the  
permanent files of the District.

2.

On motion of Director Hudson, seconded by Director Penry,  
voucher-checks #2551 thru #2565 inclusive, Construction Fund; voucher-  
checks #8478 thru #8542 inclusive, Maintenance Fund and voucher-checks  
#2140 thru #2162 inclusive, Revenue Fund were approved and ordered  
paid. All Directors present voted aye thereon.

3.

President Hogsett stated that a claim had been made by

Mr. Henry Exall, Jr. relating to certain Oil and Gas royalty payments heretofore made to the District from production of oil and gas from "Well No. 9" - Wise County, Texas, a portion of the unitization of "Well No. 9" being from land claimed by him or his predecessors, and called upon Mr. John M. Scott, General Counsel for the District, for his finds of the matter.

Mr. Scott gave a thorough review of the circumstances relating to the matter and presented the following letter in his summation, to wit:

*Mr. Henry Exall, Jr.  
P. O. Box 11097  
Dallas, Texas 75223*

*RE: Tarrant County Water District  
Well 9, Wise County, Texas  
Exall Trust*

*Dear Mr. Exall:*

*I did not receive a copy of the letter you addressed to Mr. Blanton on December 11, although the original shows that you intended to send me one, until yesterday when Mr. Hickey asked me about my reply to your letter.*

*By way of explanation, the Water Board requires me, as its attorney, to prepare a memorandum concerning the merits and advisability of compromising any claims asserted against the Water Board. The memorandums must reflect, either a disputed question of fact upon which the merits depend, or a doubtful question of law.*

*The reason for this requirement is found in the Constitution which prohibits the Legislature, and of course any creature thereof as is the Water Board, from giving away public property.*

*In reviewing the situation, I find that there is no title or claim of title in the Exall Trust upon which a compromise can be based. Originally, Mr. Hickey had believed that the deed to the Water Board omitted a tract to which the Exall Trust had title, and it was his position that the Water Board did not wish to acquire title of a third person solely by limitation. It was on that basis that Mr. Hickey has endeavored to reach a settlement.*

However, the facts are that the Water Board acquired the 124 acres in question from Mrs. H. J. Lisenby and her adult children who conveyed a 3/4 interest in the property to the Board in December of 1929. They acquired the remaining 1/4 interest from R. R. Robinson and wife and the deed recited that the whole of the title was thereby conveyed to the Water Board.

An affidavit was furnished to the Water Board reciting in substance that the Lisenbys had exclusive adverse possession to the property for some 18 years prior to the conveyance to the Water Board.

The Water Board held possession of the property and has held possession through the leases of surface and mineral estates for some 40 years.

Insofar as I can determine the Exall Trust has no title to this property, and had none at the time the Water Board purchased it, because whatever claim the Exalls might have had was cut off by the Statute of Limitations pertaining to land before the Water Board acquired title. While I agree with Mr. Hickey that we can settle the case if in fact the 124 acres had been omitted from the deed, the fact that it was included in the deed puts an entirely different situation before me for the case is not one where the Water Board has by error occupied a tract of land belonging to another. Rather, the Water Board bought and paid for the land at market price and a purely technical attack is made on the Water Board title based upon occurrences in the year 1910.

All of the documents are in my possession and I will be glad for you to see the deeds, affidavits and other documents which fully establishe the perfect title now held by the Water Board.

Under these circumstances I simply cannot make a recommendation of compromise.

I regret very much the long period of correspondence and effort that has gone into the matter. Mr. Hickey and the Water Board intend to be as fair as possible with all of those with whom they deal. But there simply is nothing to compromise in this case and as a matter of responsible professional handling of public affairs I see no way for me to join in recommending settlement.

It goes without saying that the period of negotiation with you to see whether a settlement is possible will not be claimed by the Water Board to prejudice you. If you wish to take the matter to court we will waive citation, make the documents available without formality, and cooperate to secure an adjudi-

ation at the earliest time.

Yours very truly,

Original signed by  
for John M. Scott  
BROWN, HERMAN, SCOTT, YOUNG & DEAN

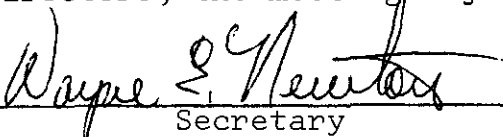
Following the presentation of the above letter, and a thorough discussion, Director Hudson made a motion, seconded by Director Penry, that inasmuch as the District had furnished an Indemnity Bond to George Mitchell & Associates, Inc., as Agents for the working interest owners of the District lease - "Well No. 9", collects all proceeds attributable to the oil and gas proceeds from District lease, or land pooled therewith, and distributes the proceeds to the owners as shown in title opinions furnished by its Attorneys; that a compromise payment not to exceed \$2,000.00 be made to Mr. Exall in exchange for a Warranty Deed executed by Exall et al thereby releasing the District from any claim as to oil and gas or mineral interests, or claim to any of the land in question. Upon a vote taken all Directors voted aye and it was so ordered.


4.

President Hogsett presented to the Directors the Monthly Financial Report regarding receipts and Disbursements for Program "A", "B" and "D" and Cedar Creek Project, for the month of April, 1970 from the Auditor of the District, which was ordered accepted and placed in the District's Records.

5.

There being no further business before the Board of Directors, the meeting adjourned.

  
Secretary

  
President