

THE STATE OF TEXAS §
 §
COUNTY OF DENTON §

**AMENDED AND RESTATED
WATER & WASTEWATER UTILITIES OVERSIZE COST PARTICIPATION
AGREEMENT BETWEEN THE CITY OF DENTON AND DEVELOPER
FOR THE DESIGN AND INSTALLATION OF 30" WASTEWATER MAIN, 1.9 MGD
LIFT STATION, WASTEWATER FORCE MAIN, GRAVITY WASTEWATER MAIN,
AND 12" POTABLE WATER MAIN**

This Amended and Restated Water and Wastewater Utilities Oversize Cost Participation Agreement (this “**Agreement**”) is made and entered into this 16th day of June, 2026 (the “**Effective Date**”) by and between the City of Denton, a Texas Home-Rule Municipal Corporation (hereinafter referred to as the “**City**”), and Meritage Homes of Texas, LLC, an Arizona limited liability company (“**Developer**”) (each individually, a “**Party**,” and collectively, the “**Parties**”).

RECITALS:

WHEREAS, on March 5, 2024 (the “Original Agreement Date”), the City and Allied Development, LLC, a Texas limited liability company, entered into a Water and Wastewater Utilities Oversize Cost Participation Agreement (the “Original Agreement”); and

WHEREAS, Allied Development, LLC, assigned its rights, obligations, and interest in the Original Agreement to the Developer in that certain Assignment of Water and Wastewater Utilities Oversize Cost Participation Agreement dated 21st day of March, 2024 and

WHEREAS, the Parties desire to amend certain provisions of the Original Agreement and desire to restate such Original Agreement in its entirety, except as specifically provided for herein, such that the terms and provisions of this Agreement shall apply to the development of the Property (hereinafter defined); and

WHEREAS, Developer is the owner of certain real property for development located in the City of Denton, Texas and being described on **Exhibit A**, attached hereto and made a part hereof for all purposes (the “**Property**”); and

WHEREAS, Developer is in the process of developing and improving the Property and in connection with the same, must design, construct and install adequate water and wastewater facilities to service the Property (the “**Required Facilities**”); and

WHEREAS, the City, in accordance with its ordinances, wishes for Developer to oversize the Required Facilities, and City wishes to participate in the cost of designing, constructing and installing said Required Facilities to provide for oversized water and wastewater facilities to expand its utility system and ensure adequate utility service to other customers, as shown on **Exhibit B-1**, attached hereto and incorporated herein by reference (the “**Oversized Facilities**”); and

WHEREAS, the size, capacity, and scope of the Required Facilities and Oversized Facilities have been determined based on final design, and the costs reflected in **Exhibit C-1** represent actual, final costs for Phase 1 and awarded contractual amounts for Phase 2; and

WHEREAS, the City and Developer desire to enter into this Agreement under Subchapter C, Section 212 of the Texas Local Government Code, to provide for oversizing of improvements required to increase the capacity of improvements in anticipation of future development in the area; and

WHEREAS, the City and Developer desire to set forth, in writing, their understandings and agreement regarding the design, construction, and installation of the Required Facilities as more fully set forth herein; and

WHEREAS, the Phase 1 facilities described in **Exhibit D-1** have been fully designed, constructed, bid in accordance with applicable law, and inspected; and

WHEREAS, portions of the Phase 1 facilities described in **Exhibit D-1** have been completed and formally accepted by the City; and

WHEREAS, the actual costs of Phase 1 facilities in **Exhibit D-1** are now known and reflected in revised **Exhibit C-1** attached hereto; and

WHEREAS, the Phase 2 facilities have been competitively bid and awarded, and the costs reflected in **Exhibit C-1** represent current contractual amounts rather than preliminary estimates, but do not include any change order costs that may be approved in the future; and

WHEREAS, this Agreement amends and restates the Original Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, Developer and the City do hereby AGREE as follows:

1. Term. This Agreement becomes effective upon the Effective Date and shall remain in effect until the Required Facilities are completed, have been accepted by the City, and the City has reimbursed the Developer for the portion of the costs for the Required Facilities attributable to oversizing in accordance with the terms hereof, unless earlier terminated in a writing that is signed by both the City and Developer. The Parties acknowledge that construction of the Oversized Facilities commenced within one year of the date of the Original Agreement, as set forth in and required by the Original Agreement.

2. Scope of Work

Developer shall design, install, and construct the Oversized Facilities.

3. City and Developer Rights and Responsibilities.

A. Developer agrees that City will cost participate only for City's proportionate share of the Oversized Facilities, and in accordance with Section 212.072 of the Texas Local Government Code, the City will reimburse Developer in an overall

total amount not to exceed \$8,988,869.36, or one hundred percent (100%) of the total cost for any oversizing of the Required Facilities, whichever is less.

B. The Developer shall execute a performance bond for the construction of the improvements in the not-to-exceed amount of \$8,988,869.36, to ensure completion of the project. The bond must be executed by a corporate surety in accordance with Chapter 2253 of the Texas Government Code. The performance bond shall be maintained by the Developer until the completion of the Required Facilities and Oversized Facilities. Upon completion and acceptance of the Required Facilities and Oversized Facilities, Developer shall cause General Contractor to provide a two-year maintenance bond in the amount of the total cost of the Oversized Facilities. Upon providing such maintenance bond to the City, the Developer shall have no further obligation with respect to the Required Facilities or Oversized Facilities. Upon the expiration of said two-year period, the maintenance bond shall be terminated and released.

C. This Agreement is subject to and governed by the Denton Development Code and any other applicable ordinances of the City of Denton, Texas.

D. Developer shall obtain, at Developer's sole cost and expense, all necessary permits and licenses to construct and install the Required Facilities and Oversized Facilities. **ANY EASEMENTS OBTAINED BY THE DEVELOPER FOR THE REQUIRED FACILITIES AND OVERSIZED FACILITIES OBTAINED BY THE DEVELOPER SHALL BE ASSIGNED TO THE CITY, IF NOT TAKEN IN THE CITY'S NAME, PRIOR TO ACCEPTANCE OF THE REQUIRED FACILITIES AND OVERSIZED FACILITIES, AND THE DEVELOPER WARRANTS CLEAR TITLE TO SUCH EASEMENTS FROM AND AGAINST ALL LAWFUL CLAIMS AND DEMANDS OF ALL PERSONS CLAIMING BY, THROUGH, OR UNDER THE DEVELOPER, SUBJECT HOWEVER TO ALL EASEMENTS, COVENANTS, CONDITIONS, RESERVATIONS, RESTRICTIONS AND MATTERS OF RECORD AND ANY CONDITIONS THAT WOULD BE UNCOVERED BY AN INSPECTION OF THE EASEMENT AREA OR AN ACCURATE SURVEY OF THE SAME (COLLECTIVELY, THE "PERMITTED EXCEPTIONS"), AND WILL DEFEND THE CITY AGAINST ANY ADVERSE CLAIM MADE AGAINST SUCH TITLE, OTHER THAN THE PERMITTED EXCEPTIONS. THE CITY HAS OBTAINED, OR WILL OBTAIN, AND WILL MAKE AVAILABLE TO THE DEVELOPER ANY EASEMENTS FOR THE OVERSIZED FACILITIES LYING OUTSIDE THE DEVELOPER'S PROPERTY.**

To the extent any Required Facilities or Oversized Facilities need to be constructed in lands not owned by the City or Developer, the Developer shall use commercially reasonable efforts to obtain the easements. If the Developer is unable to obtain the easements required for the Oversized Facilities, after making an offer in writing, based on fair market value of the property interest to the property owner from whom the property interest is being acquired within 120 days, the City agrees to consider acquiring easements required for the Oversized Facilities. The Developer must provide the City with a survey and metes and bounds description of the property to be acquired and pay the City for all costs of obtaining the easements. The Developer must reimburse the City in full for any costs incurred to acquire the easements,

including but not limited to, City staff time, appraisals, title surveys, acquisition costs, relocation costs, and City resources.

E. The City agrees and acknowledges that the facilities contemplated in this Agreement will be completed in phases. The Developer shall complete the various facilities contemplated herein based upon the timeframes in **Exhibit D-1**, attached hereto and made a part hereof. The Parties further acknowledge that the Developer has begun construction of all Phase 1 facilities described in **Exhibit D-1** and that portions of Phase 1 have been completed and formally accepted by the City. Accordingly, reimbursement for the City Share attributable to Phase 1 various Required Facilities shall be processed in accordance with this Agreement.

F. The actual cost of Phase 1 Required Facilities and Oversized Facilities and the awarded contractual cost of Phase 2 Required Facilities and Oversized Facilities are set forth in revised **Exhibit C-1** attached hereto. Developer has funded the full cost of the Required Facilities (the "Developer Share"). All costs in excess of the Developer Share constitute Oversizing Costs. The City agrees to reimburse Developer for Oversizing Costs in an amount not to exceed \$8,988,869.36, or one hundred percent (100%) of the total cost for any oversizing of the Required Facilities, whichever is less (the "City Share").

G. The Director of Water Utilities or their designee shall determine the appropriate level of cost participation for the City Share based upon the incremental cost between the Developer's Required Facilities and the City's requested Oversized Facilities. For Phase 1, such determination shall be based upon actual completed construction costs. For Phase 2, such determination shall be based upon competitively bid and awarded contractual amounts reflected in **Exhibit C-1**. Final approval of all oversize participation agreements between the City and the Developer shall come from the City Council after recommendation from the Public Utilities Board unless the participation amount is less than the expenditure level authorized by the City Manager.

H. The City shall not, in any case, be liable for any additional cost because of delays in beginning, continuing, or completing construction; changes in the price or cost of materials, supplies, or labor; unforeseen or unanticipated cost because of topography, soil, subsurface, or other site conditions; differences in the calculated and actual per linear feet of pipe or materials needed for the Oversized Facilities; the Developer's decision as to the contractors or subcontractors used to perform the work; or any other reason or cause, specified or unspecified, relating to the construction of the Oversized Facilities.

I. The City shall reimburse Developer, on a phase-by-phase basis, for the City Share of the various Required Facilities provided in **Exhibit D-1** within sixty (60) days of their acceptance by the City. The Parties acknowledge that portions of Phase 1 have been completed and formally accepted by the City, with the remaining Phase 1 facilities having been commenced.

J. To confirm the actual cost of the Required Facilities and Oversized Facilities, City shall have the right to inspect any and all records of the Developer, (and, to the extent available to the Developer, its agents, employees, contractors, or subcontractors) directly related to this Agreement and shall have the right to require the Developer to submit any necessary information, documents, invoices, receipts, or other records to verify the actual cost of the Required Facilities and Oversized Facilities. If the actual costs are lower than those noted on **Exhibit C-1**, the City Share shall be reduced pro rata; however, any cost underrun in the first phase of improvements shall not serve, by itself, to reduce the City's pro rata share, rather, such underruns shall be made available for application to any cost overruns in the second phase of construction, such that the City Share will apply to the complete construction of the Required Facilities and Oversized Facilities as a whole.

K. All notices, payments, or communications to be given or made pursuant to this Agreement by the Parties hereto, shall be sent to the Developer at the business address given below and to the City Manager for City at the address given below. Unless otherwise provided herein, any notice, notification, communication, request, reply, or advice (herein severally and collectively, for convenience, called "Notice") herein provided or permitted to be given, made or accepted by any party to any other party must be in writing and may be given or be served by depositing the same in the United States mail, registered or certified, and addressed to the party to be notified, with return receipt requested. Notice deposited in the mail in the manner described above shall be conclusively deemed to be effective upon receipt, unless otherwise stated herein. Requests for payment may also be made by the Developer to the City Manager via electronic mail using the address provided below.

If to Denton, to:

City Manager
City of Denton
215 E McKinney Street
Denton, Texas 76201
cmo@cityofdenton.com

If to the Developer to:

Collin Elton
Director of Land Development
8840 Cypress Waters Blvd., Suite 100
Coppell, TX 75019
Collin.Elton@meritagehomes.com

The Parties hereto shall have the right from time to time and at any time to change their respective addresses and each shall have the right to specify as its address any other address by at least fifteen (15) days' prior written notice to the other parties hereto.

L. THE DEVELOPER SHALL INDEMNIFY AND HOLD THE CITY HARMLESS FROM ANY AND ALL CLAIMS, DAMAGES, LOSS, OR LIABILITY OF ANY KIND WHATSOEVER (INCLUDING DEATH), BY REASON OF INJURY TO PROPERTY OR PERSON OCCASIONED BY ANY ACT OR OMISSION, NEGLIGENCE, OR WRONGDOING OF THE DEVELOPER, ITS OFFICERS, AGENTS, EMPLOYEES, INVITEES, OR CONTRACTORS, OR OTHER PERSONS WITH REGARD TO THE PERFORMANCE OF THIS AGREEMENT; AND THE DEVELOPER SHALL, AT ITS OWN COST AND EXPENSE, DEFEND AND PROTECT THE CITY AGAINST ANY AND ALL SUCH CLAIMS AND DEMANDS. NOTWITHSTANDING THE FOREGOING TO THE CONTRARY, THE DEVELOPER'S INDEMNIFICATION OBLIGATIONS HEREUNDER SHALL NOT INCLUDE ANY CLAIMS, DAMAGES, LOSSES, OR LIABILITIES OF ANY KIND WHATSOEVER THAT ARE CAUSED BY THE CITY'S SOLE NEGLIGENCE. IN THE EVENT OF JOINT AND CONCURRENT NEGLIGENCE OR FAULT OF BOTH DEVELOPER AND THE CITY, RESPONSIBILITY AND INDEMNITY, IF ANY, SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS WITHOUT, HOWEVER, WAIVING ANY OF THE DEFENSES OF THE PARTIES UNDER TEXAS LAW. FURTHER, IN THE EVENT OF JOINT AND CONCURRENT NEGLIGENCE OR FAULT OF BOTH DEVELOPER AND THE CITY, RESPONSIBILITY FOR ALL COSTS OF DEFENSE SHALL BE APPORTIONED BETWEEN THE CITY AND DEVELOPER BASED UPON THE COMPARATIVE FAULT OF EACH.

M. Prior to the final payment by the City:

i. The Required Facilities and Oversized Facilities must be (i) completed by the Developer; (ii) reviewed and inspected by the City; and (iii) approved and accepted by the City, such acceptance not to be unreasonably withheld, conditioned, delayed, or denied. During the work on the Required Facilities and Oversized Facilities, the City has the right to review all documents, maps, plats, records, photographs, reports and drawings affecting the construction and to inspect the work in progress; and

ii. The City shall conduct a final inspection of the Required Facilities and Oversized Facilities and any deficiencies noted by the City during such inspection shall have been addressed by the Developer.

N. At the time of execution of this Agreement, the City represents and warrants that it has, and will continue to have, full water and wastewater capacity, available and unencumbered, to provide continuous, adequate water and wastewater services to the Property at full buildout. The City shall not withhold water or wastewater service to the Property on the premise that the City has insufficient water or wastewater capacity to provide same.

4. Capacity and Service Obligations. Any requirement or obligation for the City to provide capacity, water service, or wastewater service under this Agreement, whether expressly stated or implied, is subject to applicable state laws and regulations governing service and all applicable City ordinances, rules, and regulations including, without limitation, those related to

curtailment or service interruptions needed to address emergencies caused by lack of supply or infrastructure repair or failure.

5. Legal Construction. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be considered as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

6. Counterparts. This Agreement may be executed, including electronically, in one or more counterparts, each of which when so executed shall be deemed to be an original and constitute one and the same instrument. If this Agreement is executed in counterparts, then it shall become fully executed only as of the execution of the last such counterpart called for by the terms of this Agreement to be executed.

7. Assignment. Developer shall maintain the right to sell, assign, or transfer its interest or rights in the Agreement, or any claim or cause of action related thereto in whole or in part, without the prior written consent of the City. In the event such assignment contains an assumption of obligations by the assignee, Developer shall no longer be liable for completion of the Required Facilities or Oversized Facilities in the event of default by the successor contractor or assignee.

8. Venue. Any and all suits for any breach of this Agreement, or any other suit pertaining to or arising out of this Agreement, shall be brought in a court of competent jurisdiction in Denton County, Texas. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

9. Entire Agreement. This instrument embodies the entire agreement of the parties hereto and there are no promises, terms, conditions, or obligations other than those contained or incorporated herein. This Agreement shall supersede all previous communications, representations, or agreements, whether verbal or written, between the parties hereto with respect to the subject matter of this Agreement.

10. Miscellaneous.

A. Pursuant to Section 2270.002 of the Texas Government Code, the Developer hereby (i) represents that it does not boycott Israel, and (ii) subject to or as otherwise required by applicable federal law, including without limitation 50 U.S.C. Section 4607, agrees it will not boycott Israel during the term of this Agreement. As used in the immediately preceding sentence, "boycott Israel" shall have the meaning given such term in Section 2270.001 of the Texas Government Code.

B. The Developer hereby represents that (i) it does not engage in business with Iran, Sudan, or any foreign terrorist organization and (ii) it is not listed by the Texas Comptroller under Section 2252.153 of the Texas Government Code, as a company known to have contracts with or to provide supplies or services to a foreign terrorist organization. As used in the immediately preceding sentence, "foreign terrorist

organization" shall have the meaning given such term in Section 2252.151 of the Texas Government Code.

- C. Developer acknowledges that, in accordance with Chapter 2274 of the Texas Government Code, City is prohibited from entering into a contract with a company for goods or services unless the contract contains written verification from the company that it (1) does not boycott energy companies and (2) will not boycott energy companies during the term of the contract. The terms "boycott energy company" and "company" shall have the meanings ascribed to those terms in Section 809.001 of the Texas Government Code. By signing this Agreement, Developer certifies that Developer's signature provides written verification to the City that Developer (1) does not boycott energy companies and (2) will not boycott energy companies during the term of this Agreement. Failure to meet or maintain the requirements under this provision will be considered a material breach.

- D. Developer acknowledges that in accordance with Chapter 2274 of the Texas Government Code, City is prohibited from entering into a contract with a company for goods or services unless the contract contains written verification from the company that it (1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and (2) will not discriminate during the term of the contract against a firearm entity or firearm trade association. The terms "discriminate against a firearm entity or firearm trade association," "firearm entity" and "firearm trade association" shall have the meanings ascribed to those terms in Chapter 2274 of the Texas Government Code. By signing this Agreement, Developer certifies that Developer's signature provides written verification to the City that Developer (1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and (2) will not discriminate during the term of the contract against a firearm entity or firearm trade association. Failure to meet or maintain the requirements under this provision will be considered a material breach.

- E. Notwithstanding any provision of this Agreement to contrary, the City of Denton may terminate this Contract immediately without any further liability if the City of Denton determines, in its sole judgment, that this Contract meets the requirements under Chapter 2274 of the Texas Government Code and Developer is, or will be in the future, (i) owned by or the majority of stock or other ownership interest of the company is held or controlled by individuals who are citizens of China, Iran, North Korea, Russia, or any other designated country; (ii) directly controlled by the Government of China, Iran, North Korea, Russia, or any other designated country; or (iii) is headquartered in China, Iran, North Korea, Russia, or any other designated country.

11. Relationship of the Parties. Nothing herein shall be construed to create a joint venture or partnership between the parties hereto or an employer/employee or agency relationship. Developer shall be an independent contractor pursuant to this Agreement. Developer does not have any express or implied right or authority to assume or create any obligations on behalf of the City or to bind the City to any contract, agreement, or undertaking with any third party.

12. Certification of Execution. The person or persons signing and executing this Agreement on behalf of Developer, or representing themselves as signing and executing this Agreement on behalf of Developer, do hereby warrant and certify that he, she or they have been duly authorized by Developer to execute this Agreement on behalf of Developer and to validly and legally bind Developer to all terms, performances and provisions herein set forth.

[Signature pages follow]

EXECUTED in duplicate original counterparts by the undersigned duly-authorized officials and officers of the City and the Developer, on this the ___ day of _____, 2026.

CITY OF DENTON
A Texas Home-Rule Municipality

By: _____
CASSEY OGDEN, INTERIM CITY
MANAGER

ATTEST:
KRISTI FOGLE, INTERIM CITY SECRETARY

By: _____

THIS AGREEMENT HAS BEEN
BOTH REVIEWED AND APPROVED
as to financial and operational obligations and business terms.

Signature

Title

Date Singed: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

By: _____

DEVELOPER:

MERITAGE HOMES OF TEXAS, LLC
an Arizona limited liability company

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
§
COUNTY OF _____ §

BEFORE ME, a Notary Public in and for the State of Texas, duly authorized to take acknowledgments, on _____, 2026, personally appeared _____, _____ of Meritage Homes of Texas, LLC, an Arizona limited liability company and acknowledged that he executed the foregoing document on behalf of said limited liability company.

Notary Public in and for the State of Texas

Exhibit A

Property Description

BEING an 81.5532 acre tract of land situated in the Gideon Walker Survey, Abstract No. 1330, Denton County, Texas, said 81.5532 being a portion of a called 0.565 acre tract of land conveyed to Michael G. Laney by deed recorded in Denton County Clerk's Instrument Number (D.C.C.I. No.) 1986-77231, Official Public Records, Denton County, Texas (D.R.D.C.T.), said 81.5532 acre tract being all of a called 7.83 acre tract of land identified as "Tract-1", all of a called 51.53 acre tract of land identified as "Tract-2", all of a called 1.21 acre tract of land identified as "Tract-11" and all of a called 4.11 acre tract of land identified as "Tract-12" conveyed to David H Laney, Trustee of the David H. Laney Trust, and as beneficiary of the Estate of Betty Curry Laney, Cause No. IE-99-290, as filed in the Denton County Probate Court, Denton County, Texas, by Special Warranty Deed recorded in D.C.C.I. No. 2002-141489, O.P.R.D.C.T., said 81.5532 being a portion of a called 0.6074 acre tract identified as "Tract-1", all of a called 6.65 acre tract of land identified as "Tract-3", a portion of a called 1.91 acre tract of land identified as "Tract-4", all of a called 1.34 acre tract of land identified as "Tract-5", all of a called 3.40 acre tract identified as "Tract-7", all of a called 2.50 acre tract of land identified as "Tract-8", all of a called 1.23 acre tract of land identified as "Tract-9", all of a called 1.29 acre tract of land identified as "Tract-10" conveyed to David Hart Laney, Trustee of the David Hart Laney Trust by Special Warranty Deed recorded in

D.C.C.I. No. 2010-65312, O.P.R.D.C.T., said 81.5532 acre tract being a portion of a called 0.746 acre tract of land conveyed to David Hart Laney, Trustee of the David Hart Laney Trust by Warranty Deed recorded in D.C.C.I. No. 2015-108591, O.P.R.D.C.T., said 81.5532 acre tract of land being more particularly described by metes and bounds as follows:

BEGINNING, at a "X" scribed in concrete set at the northwest property corner of the said 7.83 acre tract, same being the northeast property corner of a called 80.695 acre tract of land conveyed to Pulte Homes of Texas, L.P., said beginning point being on the southwest right-of-way line of McKinney Street, being a variable width public right-of-way;

THENCE along the northeast property lines of the said 7.83 acre tract and along the said southwest right-of-way line of McKinney Street the following courses and distances; South 62°13'30" East,

137.55 feet to a 1/2" iron rod found; South 67°26'15" East, 128.27 feet to a 1/2" iron rod with a red illegible cap found; South 70°01'55" East, 232.42 feet to a 1/2" iron rod with a yellow illegible cap found at the northeast property corner of the said 7.83 acre tract, same being the most northerly northwest property corner of the said 51.53 acre tract;

THENCE along the northeast property lines of the said 51.53 acre tract and along the said southwest right-of-way line of McKinney Street the following courses and distances; South 70°06'50" East, 83.66 feet to a 5/8" iron rod with cap stamped "SPOONER 5922" set, hereinafter referred to as an iron rod set; South 70°54'41" East, 405.54 feet to a 1/2" iron rod found at the most northerly northeast property corner of the said 51.53 acre tract, same being the northwest property corner of a called 3.054 acre tract of land conveyed to Self Pet Kennel, Inc. by deed recorded in

D.C.C.I. No. 2011-56758, O.P.R.D.C.T.;

THENCE, South 03°33'59" West, along the east property line of the said 51.53 acre tract and along the west property line of the said 3.054 acre tract, 704.43 feet to a 1/2" iron rod found at the southwest property corner of the said 3.054 acre tract, same being the northwest property corner of the said 6.65 acre tract;

THENCE, South 86°39'55" East, along the north property line of the said 6.65 acre tract and along the south property line of the said 3.054 acre tract, 199.81 feet to a bolt found at the southeast property corner of the said 3.054 acre tract, same being the southwest property corner of a called 4.7362 acre tract of land conveyed to Joy Longville by deed recorded in D.C.C.I. No. 2006-6946, O.P.R.D.C.T.;

THENCE, South 86°32'00" East, continuing along the said north property line of the 6.65 acre tract and along the south property line of the said 4.7362 acre tract, 433.36 feet to a 1/2" iron rod found at the northeast property corner of the said 6.65 acre tract of land, same being the southeast property corner of the said 4.7362 acre tract, said 1/2"iron rod found being on the west property line of a called 47.267 tract of land identified as "Tract 6"conveyed to FSA & S Collin County, LLC by deed recorded in D.C.C.I. No. 2015-129157,D.R.D.C.T.;

THENCE, South 03°26'21" West, along the east property line of the said 6.65 acre tract and along the said west property line of the 47.267 acre tract, 345.44 feet to an iron rod set from which a 1/2" iron rod found at the most easterly southeast property corner of the said 6.65 acre tract, same being the northeast property corner of the said 1.91 acre tract, bears South 03°26'21" West 13.14 feet;

THENCE over and across the said 6.65 acre tract, 1.91 acre tract, the said 1.34 acre tract, the said 0.746 acre tract, the said 0.565 acre and the said 0.6074 acre tract the following courses and distances; North 85°40'37" West, a distance of 262.32 feet to an iron rod set; South 04°19'23" West, a distance of 243.74 feet to an iron rod set at the beginning of a curve to the left having a radius of 172.50 feet; Along said curve to the left, an arc length of 20.20 feet, and across a chord which bears South 00°58'04" West, a chord length of 20.19 feet to an iron rod set; South 02°23'16" East, a distance of 291.04 feet to an iron rod set at the beginning of a curve to the left having a radius of 272.50 feet; Along said curve to the left, an arc length of 48.88 feet, and across a chord which bears South 07°31'35" East, a chord length of 48.81 feet to an iron rod set; North 77°20'06" East, a distance of 235.59 feet to an iron rod set on the east property line of the said 0.6074 acre tract, same being the said west property line of the 47.267 acre tract;

THENCE South 03°26'21" West, along the east property lines of the said 0.6074 acre tract, the said 0.565 acre tract, the said 3.40 acre tract, the said 1.23 acre tract, the said 1.29 acre tract, the said 1.21 acre tract, and along the said west property line of the 47.567 acre tract, 799.58 feet to a 1/2"iron rod with yellow cap stamped "4158"found at the southeast property corner of the called

1.21 acre tract, same being the most easterly northeast property corner of the said 4.11 acre tract;

THENCE, South 04°48'50" West, along the east property line of the said 4.11 acre tract and along the said west property line of the 47.267 acre tract, 156.87 feet to USA Army Corps of Engineers Concrete Monument with Brass Disc (COE MON) stamped "P250W" found at the southwest property corner of the said 47.267 acre tract, same being a north property corner of a called

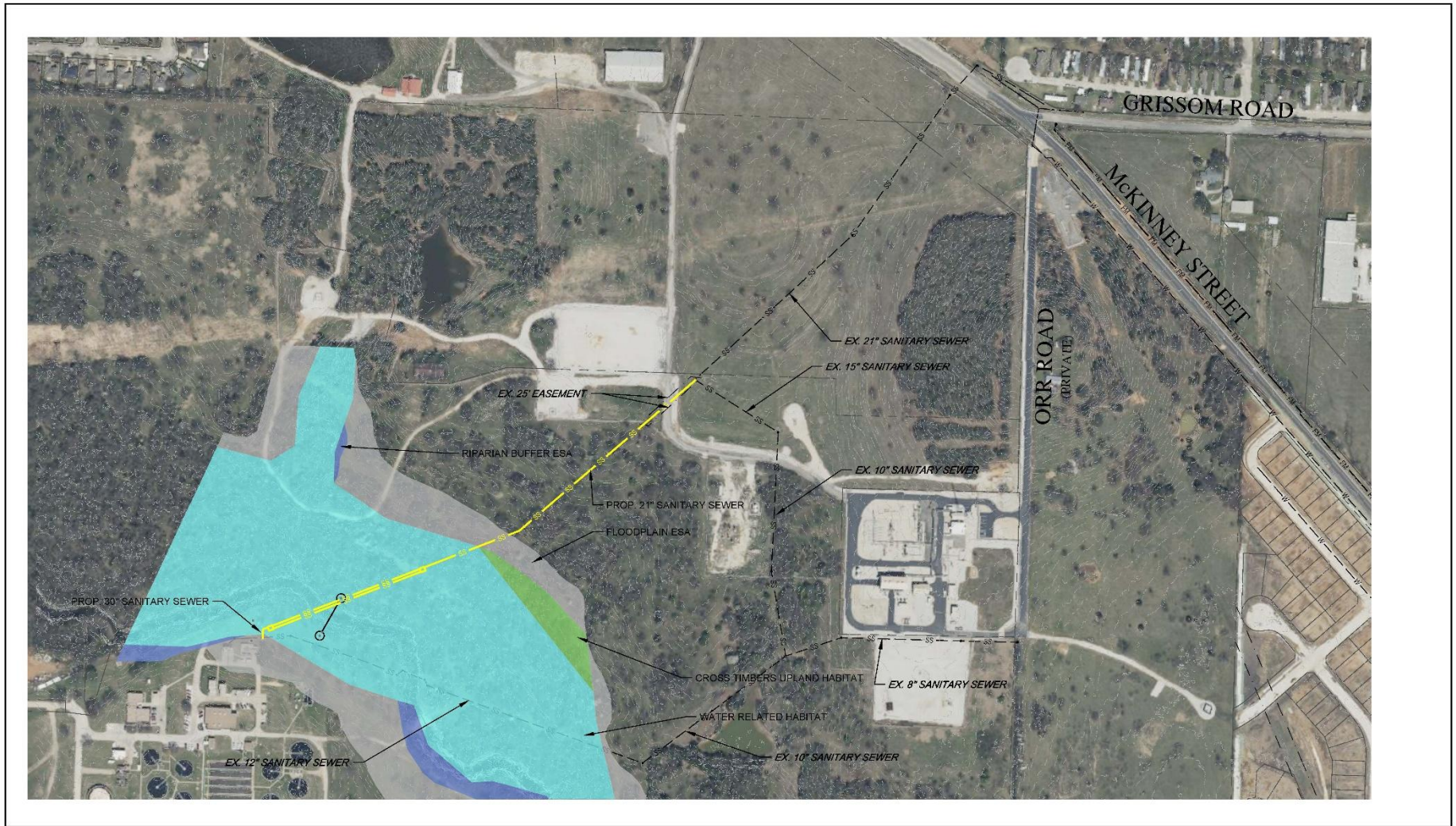
14,709.96 acre tract of land conveyed to the United States of America by deed recorded in Volume 411, Page 194, D.R.D.C.T.;

THENCE, along the southerly property lines of the said 4.11 acre tract and the said 51.53 acre tract, same being the northerly property lines of the said 14,709.96 acre tract the following courses and distances: South 01°14'01" East, 45.85 feet to a COE MON stamped "P249W" found at the southeast property corner of the said 4.11 acre tract; South 89°08'34" West, 1,483.41 feet to a COEMON stamped "P248W" found at the southwest property corner of the said 51.53 acre tract, same being on the east property line of the said 80.695 acre;

THENCE, North 01°40'14" East, along the west property line of the said 51.53 acre tract, along the west property line of the said 7.83 acre tract, and along the said east property line of the 80.695 acre tract, 2,994.22 feet to the Point of Beginning containing 81.5532 acres (3,552,459 square feet) of land more or less.

Exhibit B-1

Oversized Facilities



FORESITE
group

FORESITE GROUP, L.P.
11114997131
8525 Greenbriar Avenue
Suite 407
Dallas, TX 75230
©2018 Foresite Group, a subsidiary of Terra, L.P.

Exhibit B
Oversized Facilities

REVISION	DATE

PROJECT:
STELLA HILLS
DENTON, TX

TITLE:
LAKE RANCH INTERCEPTOR

SHEET NUMBER:
1 OF 5

PROJECT NUMBER:	SJ
DRAWN BY:	PD
JURISDICTION:	DENTON, TX
DATE:	7/20/23
COMMENTS:	
SCALE:	AS SHOWN
DATE PLOTTED:	7/20/23
PROJECT NUMBER:	1932.001



FORESITE
group

1987 Firm No. 1-12018
 Foresite Group, LLC
 4520 Greenbriar Avenue
 Suite 400
 Dallas, TX 75236
 P 214.836.7123
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Exhibit B
Oversized Facilities

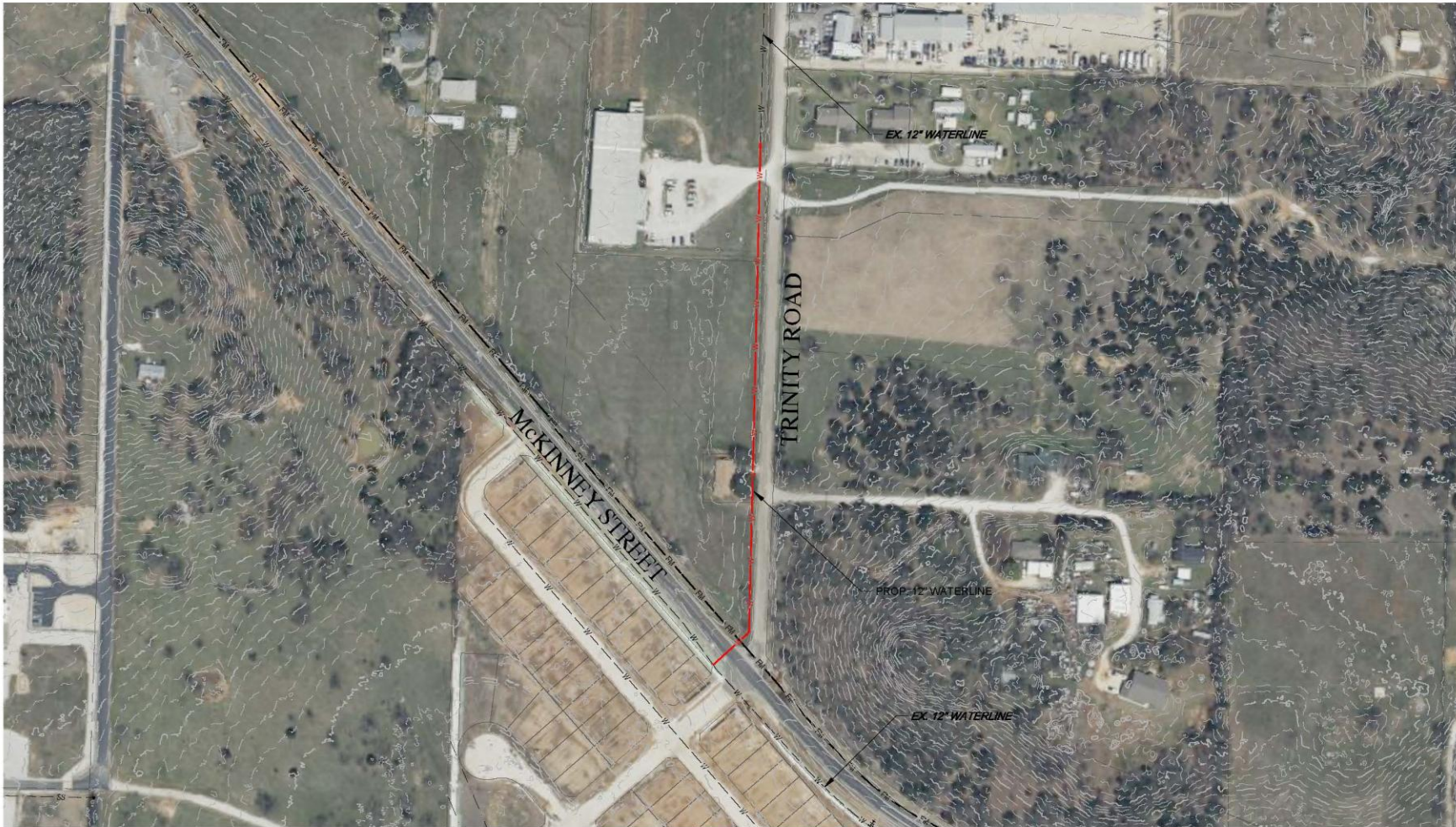
REVISION	DATE

PROJECT:
STELLA HILLS
 DENTON, TX

TITLE:
TOWNSEND GREEN BYPASS SEWER

PROJECT MANAGER: SLF
 DRAWING BY: FG
 JURISDICTION: DENTON, TX
 DATE: 11/29/23
 COMMENTS: FOR EXHIBIT PURPOSES ONLY

SHEET NUMBER: **2 OF 5**
 SHEET NUMBER: 1932.001



FORESITE
group

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Exhibit B
Oversized Facilities

REVISION	DATE

PROJECT:
STELLA HILLS
DENTON, TX

TITLE:
OFFSITE WATER IMPROVEMENTS
SHEET NUMBER:
3 OF 5

PROJECT MANAGER	SJF
DRAWING BY	FS
JURISDICTION	DENTON, TX
DATE	7/20/20
COMMENTS	FOR EXHIBIT PURPOSES ONLY
JOB FILE NUMBER	1932.001



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Exhibit B
Oversized Facilities

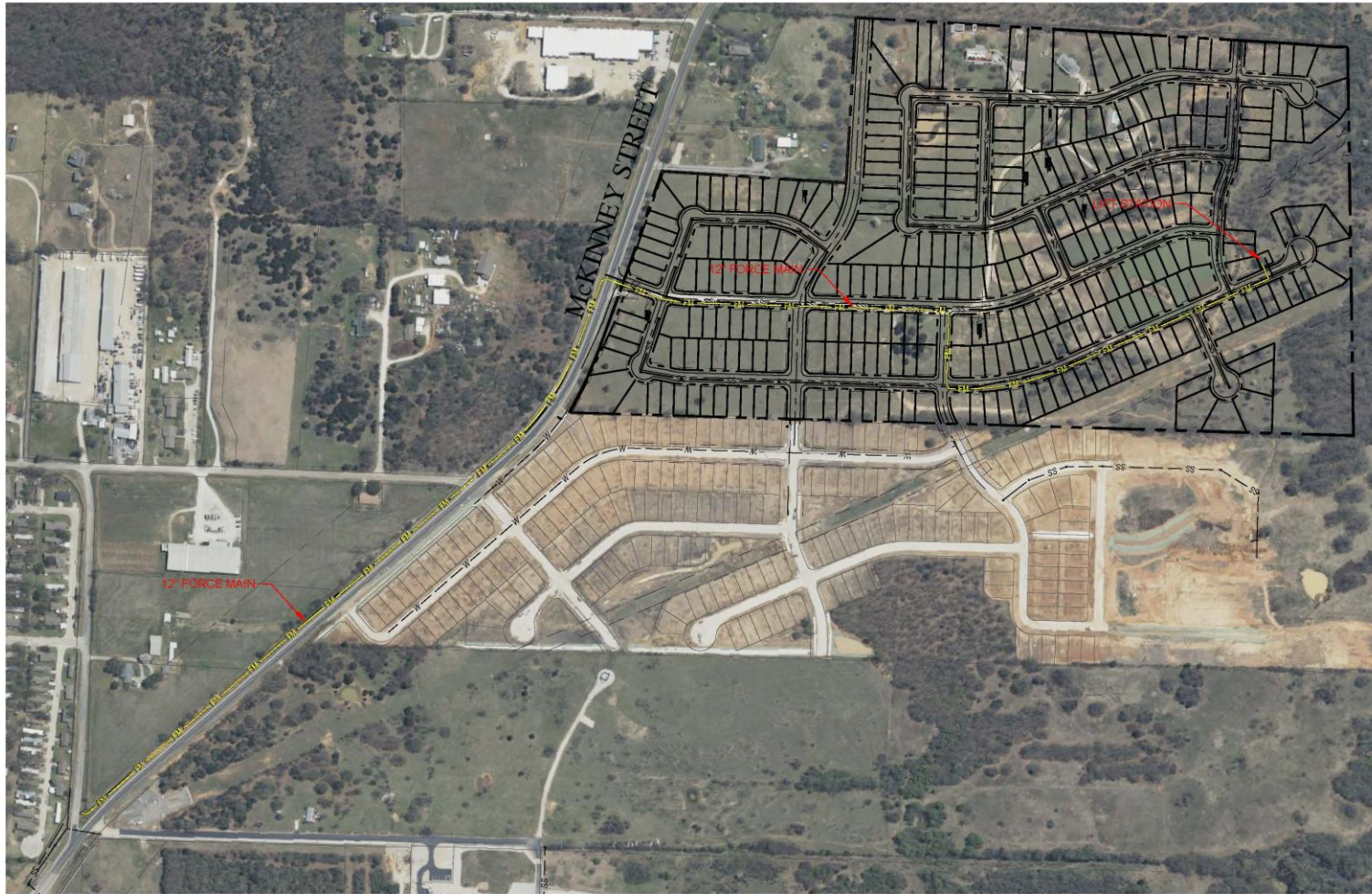
REVISION	DATE

PROJECT: **STELLA HILLS**
DENTON, TX

TITLE: **ONSITE OVERSIZING**

SHEET NUMBER: **4 OF 5**

PROJECT MANAGER	JSF
DRAWING BY	FS
JURISDICTION	DENTON, TX
DATE	7/20/23
COMMENTS	FOR EXHIBIT PURPOSES ONLY
JOBFILE NUMBER	1932.001



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Exhibit B
Oversized Facilities

REVISIONS	DATE

PROJECT:
STELLA HILLS
 DENTON, TX

TITLE:
PHASING PLAN
 SHEET NUMBER:
5 OF 5

PROJECT MANAGER:	SJF
DRAWING BY:	FG
APPROVED BY:	GENOAL, TX
DATE:	TBD/2022
COMMENTS:	FOR EXHIBIT PURPOSES ONLY
ASSET NUMBER:	1932.001

Exhibit C-1
Actual and Contractual Cost of Required Facilities and Oversized Facilities

Stella Hills Phase 1 Offsite Improvements

PROJECT COSTS

January 26, 2026

Item	Quantity	Unit	Unit Price	TOTAL
TOWNSEND GREEN BYPASS				
12" SDR-26 PVC Pipe	294	LF	\$ 168.50	\$ 49,539.00
5' Diameter Manhole	1	EA	\$ 9,750.00	\$ 9,750.00
Cleanout	1	EA	\$ 1,100.00	\$ 1,100.00
Trench Safety	294	LF	\$ 0.10	\$ 29.40
TV, Air, Mandrel Testing (Excluding Geotech Testing)	294	LF	\$ 6.60	\$ 1,940.40
Maintenance Bond	1	LS	\$ 1,500.00	\$ 1,500.00
			Sub-Total	\$ 63,858.80
			Developer Cost (% of Flow)	\$ -
			City Cost (% of Flow)	\$ 63,858.80
LIFT STATION & FORCEMAIN				
Lift Station	1	EA	\$ 3,265,525.00	\$ 3,265,525.00
12" Force Main (Phase 1)	3018	LF	\$ 98.70	\$ 297,876.60
24" Encasement by Bore	65	LF	\$ 860.00	\$ 55,900.00
Trench Safety (Phase 1)	3,018	LF	\$ 0.10	\$ 301.80
Hydrostatic Testing (Phase 1)	3,018	LF	\$ 6.60	\$ 19,918.80
12" Force Main (Phase 2)	2,921	LF	\$ 200.00	\$ 584,200.00
2" Air Release Valve in Vault	2	EA	\$ 33,000.00	\$ 66,000.00
12" Gate Valve in Manhole	1	EA	\$ 44,000.00	\$ 44,000.00
6' Diameter Manhole Over Existing SS	1	EA	\$ 56,000.00	\$ 56,000.00
Remove/Replace Asphalt Pavement	60	SY	\$ 370.00	\$ 22,200.00
Trench Safety (Phase 2)	2,921	LF	\$ 4.60	\$ 13,436.60
Testing (Phase 2)	2,921	LF	\$ 9.30	\$ 27,165.30
Bonds	1	LS	\$ 75,328.68	\$ 75,328.68
			Sub-Total	\$ 4,527,852.78
			Developer Cost (% of Flow)	\$ 984,592.90
			City Cost (% of Flow)	\$ 3,543,259.88

ONSITE UPSIZING

8" SDR-26 PVC Pipe (Phase 1)	248	LF	\$	99.50	\$	24,676.00
8" SDR-26 PVC Pipe (Phase 2)	150	LF	\$	81.25	\$	12,187.50
10" SDR-26 PVC Pipe in lieu of 8" SDR-26 PVC Pipe	597	LF	\$	5.50	\$	3,283.50
12" SDR-26 PVC Pipe in lieu of 8" SDR-26 PVC Pipe	927	LF	\$	68.50	\$	63,499.50
15" SDR-26 PVC Pipe in lieu of 8" SDR-26 PVC Pipe	301	LF	\$	70.50	\$	21,220.50
5' Diameter Manhole in lieu of 4' Diameter Manhole	1	EA	\$	4,175.00	\$	4,175.00
Cleanout (Phase 1)	1	EA	\$	1,100.00	\$	1,100.00
Cleanout (Phase 2)	1	EA	\$	1,078.07	\$	1,078.07
16" Encasement by Bore	65	LF	\$	675.00	\$	43,875.00
				Sub-Total	\$	175,095.07
				Developer Cost	\$	-
				City Cost	\$	175,095.07

TRINITY ROAD WATERLINE

12" AWWA C900 PVC Pipe	1,120	LF	\$	200.00	\$	224,000.00
12" Gate Valve	3	EA	\$	6,000.00	\$	18,000.00
Fire Hydrant Assembly	2	EA	\$	15,000.00	\$	30,000.00
18" Encasement by Bore	200	LF	\$	950.00	\$	190,000.00
Connect to Existing Water Line	1	EA	\$	21,000.00	\$	21,000.00
12"x12" Tapping Sleeve and Valve	1	EA	\$	27,000.00	\$	27,000.00
Remove and Replace Asphalt	45	SY	\$	220.00	\$	9,900.00
Traffic Control	1	LS	\$	13,000.00	\$	13,000.00
Trench Safety	920	LF	\$	4.00	\$	3,680.00
Hydrostatic & Chlorination Testing (Excluding Geo. Test)	1,120	LF	\$	10.00	\$	11,200.00
Bonds	1	LS	\$	14,985.95	\$	14,985.95
				Sub-Total	\$	562,765.95
				Developer Cost	\$	-
				City Cost	\$	562,765.95

Stella Hills Phase 2 Offsite Improvements

PROJECT COSTS

January 26, 2026

Item	Quantity	Unit	Unit Price	TOTAL
LAKEVIEW RANCH INTERCEPTOR				
21" F679 PS115 PVC Pipe	1,143	LF	\$ 323.57	\$ 369,840.51
30" F679 PS115 PVC Pipe	49	LF	\$ 551.07	\$ 27,002.43
16" HDPE	600	LF	\$ 107.05	\$ 64,230.00
24" HDPE	600	LF	\$ 164.55	\$ 98,730.00
HDD Mobilization	1	LS	\$ 227,771.55	\$ 227,771.55
HDD 16" HDPE	530	LF	\$ 380.15	\$ 201,479.50
HDD 24" HDPE	530	LF	\$ 475.60	\$ 252,068.00
6' Diameter Manhole	3	EA	\$ 46,000.00	\$ 138,000.00
Siphon Box	2	EA	\$ 593,016.33	\$ 1,186,032.66
R&R Asphalt Drive	350	SY	\$ 220.00	\$ 77,000.00
Connect to Existing Manhole	1	EA	\$ 80,000.00	\$ 80,000.00
Connect to Existing Grit Box	1	EA	\$ 146,630.45	\$ 146,630.45
Trench Safety	1,192	LF	\$ 28.00	\$ 33,376.00
TV, Air, Mandrel Testing	1,192	LF	\$ 9.00	\$ 10,728.00
Bonds	1	LS	\$ 211,275.25	\$ 211,275.25
R&R Rip-Rap	1	LS	\$ 33,350.00	\$ 33,350.00
Bypass Pumping	1	LS	\$ 365,964.11	\$ 365,964.11
All Weather Drive	1	LS	\$ 56,350.00	\$ 56,350.00
Remove/Replace Temporary Fence	1	LS	\$ 4,025.00	\$ 4,025.00
			Sub-Total	\$ 3,583,853.46
			Developer Cost (% of Flow)	\$ 157,625.05
			City Cost (% of Flow)	\$ 3,426,228.41
TOWNSEND GREEN BYPASS				
8" SDR-26 PVC Pipe	9	LF	\$ 200.00	\$ 1,800.00
12" SDR-26 PVC Pipe	454	LF	\$ 290.00	\$ 131,660.00
18" Steel Casing By Bore	20	LF	\$ 2,100.00	\$ 42,000.00
4' Diameter Manhole	2	EA	\$ 23,000.00	\$ 46,000.00
4' Diameter Drop Manhole	1	EA	\$ 37,000.00	\$ 37,000.00
Connect to Existing Manhole	1	EA	\$ 50,000.00	\$ 50,000.00
Remove Cleanout and Connect to Ex. Sewer	1	EA	\$ 50,000.00	\$ 50,000.00
Trench Safety	443	LF	\$ 15.00	\$ 6,645.00
TV, Air, Mandrel Testing	463	LF	\$ 20.00	\$ 9,260.00
Bonds	1	LS	\$ 35,511.54	\$ 35,511.54
			Sub-Total	\$ 409,876.54
			Developer Cost (% of Flow)	\$ -
			City Cost (% of Flow)	\$ 409,876.54

Stella Hills Offsite Improvements

PROJECT COSTS

January 26, 2026

	Cost per Construction Contracts				
	City Cost		Developer Cost	Total Cost	
Townsend Green Bypass	\$ 473,735.34	(100.0%)	\$ -	(0.0%)	\$ 473,735.34
Lift Station & Force Main	\$ 3,543,259.88	(78.3%)	\$ 984,592.90	(21.7%)	\$ 4,527,852.78
Onsite Upsizing	\$ 175,095.07	(100.0%)	\$ -	(0.0%)	\$ 175,095.07
Offsite Water	\$ 562,765.95	(100.0%)	\$ -	(0.0%)	\$ 562,765.95
Lake Ranch Interceptor	\$ 3,426,228.41	(95.6%)	\$ 157,625.05	(4.4%)	\$ 3,583,853.46
Sub-Total	\$ 8,181,084.65	(87.7%)	\$ 1,142,217.95	(12.3%)	\$ 9,323,302.60
Engineering & Surveying	\$ 398,730.47	(87.7%)	\$ 55,669.53	(12.3%)	\$ 454,400.00
Contingencies (5%)	\$ 409,054.23	(87.7%)	\$ 57,110.90	(12.3%)	\$ 466,165.13
Total Construction Cost	\$ 8,988,869.36	(87.7%)	\$ 1,254,998.37	(12.3%)	\$ 10,243,867.73

NOTES

Cost includes engineering/surveying/environmental contracts, and received construction bids. Final costs to be determined at time of final acceptance.

Exhibit D-1

Phasing of Facilities

Phase 1 - Items that must be completed prior to issuance of a building permit in Developer's first phase of development.:

- (1) Onsite Lift Station with pumps and facilities to support flows from Stella Hills Phase 1 and 2 and Townsend Green development;
- (2) 12" force main through development to discharge point at intersection of McKinney Street and Grissom Road;
- (3) Construct Townsend Green Bypass to common property line;
- (4) Offsite Trinity Road Waterline; and
- (5) Onsite Upsizing of Sanitary Sewer System

If items above are incomplete but Developer is otherwise able to acquire a certificate of occupancy from the City, the City will allow the Developer to provide, at Developer's expense, pump and haul services in order to receive certificates of occupancy.

Phase 2 - Items that must be completed prior to issuance of a certificate of occupancy in Developer's second phase of development:

- (1) Construct Lakeview Ranch Interceptor; and
- (2) Construct remainder of Townsend Bypass from common property line to Townsend Green lift station, then decommission Townsend Green lift station

If items above are incomplete but Developer is otherwise able to acquire a certificate of occupancy from the City, the City will allow the Developer to provide, at Developer's expense, pump and haul services in order to receive certificates of occupancy.

If pump and haul services are used by the Developer during either Phase 1 or Phase 2, the Developer agrees to follow all applicable local, state, and federal regulations; to accept all liability related to pump and haul services; and to indemnify, defend, and hold the City harmless, consistent with Section 3.L., regarding all claims and demands related to pump and haul services. The Developer will deliver the liquid waste to a location chosen by the City's Water Reclamation Superintendent and submit manifests each week to the City's Water Reclamation Superintendent.