

ORDINANCE NO. 24-\_\_\_\_\_

AN ORDINANCE OF THE CITY OF DENTON AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDED AND RESTATED DEVELOPMENT AGREEMENT WITH VS DEVELOPMENT, LLC AND DENTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 16 TO REMOVE TERMS FOR FIRE SERVICE; CONSENT TO ANNEXATION OF PROPERTY INTO THE DISTRICT; ADD TERMS FOR ADDITIONAL SERVICES; AND AMEND THE STRATEGIC PARTNERSHIP AGREEMENT WITH DENTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 16; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, VS Development, LLC, Olex (United States), Inc., and the City previously entered into that certain Development Agreement, dated August 18, 2020 (the “Original Development Agreement”) relating to the development of the Denton County Municipal Utility District No. 16 (the “District”); and

WHEREAS, Olex sold the property to Developer on September 13, 2021 via the instrument recorded as Instrument No. 2021-167738 in the Real Property Records of Denton County; and

WHEREAS, the City and the Developer amended the Original Development Agreement by the First Amendment to Development and Consent Agreement Concerning Denton County Municipal Utility District No. 16 on January 25, 2022, to provide terms under which the City would provide fire protection services to the District; and

WHEREAS, the Original Development Agreement provided for the development of approximately 552.958 acre tract of land (the “Property”) located wholly within the extraterritorial jurisdiction of the City (the “Development”) for single-family residential, multifamily and commercial uses; and

WHEREAS, the Developer has submitted petitions to the City to obtain the City’s consent to the annexation of two tracts into the District (the “Consent Petitions”), the first tract comprising approximately 356.425 acres (the "Hickey Tract") and the second tract comprising approximately 96.921 acres (the “Jean Tract”, and collectively with the Hickey Tract the “Annexation Tracts”), both of which are located in Denton County, Texas and are wholly within the extraterritorial jurisdiction of the City, in accordance with Texas Local Government Code Section 42.042; and

WHEREAS, the City and the District approved a Strategic Partnership Agreement in which the City is guaranteed fifty percent (50%) of the sales and use tax collected for commercial uses adjacent and abutting U.S. Highway 380 on June 18, 2024 (the “Strategic Partnership Agreement”); and

WHEREAS, the City, the Developer, and the District desire to further amend the Original Development Agreement, as amended, to: (i) remove the terms under which the City would provide Fire Protection Services to the District; (ii) revise the provisions in the Original Agreement regarding solid waste, water, and wastewater services; (iii) provide for the execution of an amended and restated Strategic Partnership Agreement (the “Amended Strategic Partnership

Agreement”); (iv) provide the terms under which the City will consent to the annexation of the Annexation Property into the District; and (v) make other modifications necessary due to the annexation of the Annexation Property into the District, in the form attached hereto as Exhibit “A” (the “Amended Development Agreement”); and

WHEREAS, the City and the District have agreed to modify the Strategic Partnership Agreement to allow for limited purpose annexation of the Property and the Annexation Tracts and for full purpose annexation of the Property and the Annexation Tracts at the completion of the agreement; and

WHEREAS, the Amended Development Agreement includes as exhibits consent resolutions consenting to the annexation of the Hickey Tract and the Jean Tract into the District subject to the terms and conditions set forth in the Amended Development Agreement; and

WHEREAS, the Amended Development Agreement shall amend and restate the Original Development Agreement and the previous amendment thereto in full, and shall supersede any prior version of the Original Development Agreement as previously amended, and any amendments thereto; and

WHEREAS, the Parties intend that the Property will be developed in accordance with the agreed concept plan and the development standards set forth in the Amended Development Agreement; and

WHEREAS, the City Council of the City hereby finds that amending and restating the Development Agreement as provided herein is in the public interest; NOW THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The recitations contained in the preamble of this Ordinance are found to be true and are incorporated herein by reference.

SECTION 2. The City Manager or their designee is hereby authorized to execute the Amended Development Agreement attached hereto as Exhibit “A” and to carry out the duties and responsibilities of the City under the Amended Development Agreement.

SECTION 3. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this Ordinance was made by \_\_\_\_\_ and seconded by \_\_\_\_\_. The Ordinance was passed and approved by the following vote [\_\_\_ - \_\_\_]:

	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>	<b>Absent</b>
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Paul Meltzer, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the \_\_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
GERARD HUDSPETH, MAYOR

ATTEST:  
LAUREN THODEN, CITY SECRETARY

BY: \_\_\_\_\_

APPROVED AS TO LEGAL FORM:  
MACK REINWAND, CITY ATTORNEY

BY: Scott Bray Scott Bray  
Deputy City Attorney

**EXHIBIT "A"**

**AMENDED AND RESTATED DEVELOPMENT  
AND CONSENT AGREEMENT**

**AMENDED AND RESTATED DEVELOPMENT AND CONSENT AGREEMENT  
CONCERNING DENTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 16**

This Amended and Restated Development and Consent Agreement Concerning Denton County Municipal Utility District No. 16 (this "Agreement") is entered into by and among the City of Denton, Texas, a Texas home rule municipality (the "City"), VS Development, LLC (the "Developer"), and Denton County Municipal Utility District No. 16, a municipal utility district proposed pursuant to Article XVI, Section 59, of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code (the "District"). The City, the Developer, and the District are each a "Party" and collectively the "Parties" to this Agreement. This Agreement shall become effective on January 7, 2025 (the "Effective Date").

**ARTICLE I  
RECITALS**

**WHEREAS**, VS Development, LLC, Olex (United States), Inc. ("Olex") and the City previously entered into a Development and Consent Agreement, dated August 18, 2020 (the "Original Development Agreement"); and

**WHEREAS**, on August 9, 2021, the Texas Commission on Environmental Quality (the "TCEQ") issued an Order Granting the Petition for Creation of the District; and

**WHEREAS**, Olex sold the property to Developer on September 13, 2021 via the instrument recorded as Instrument No. 2021-167738 in the Real Property Records of Denton County; and

**WHEREAS**, the City and the Developer amended the Original Development Agreement by the First Amendment to Development and Consent Agreement Concerning Denton County Municipal Utility District No. 16 on January 25, 2022, to provide terms under which the City would provide fire protection services to the District; and

**WHEREAS**, the District encompasses approximately 552.985 acres in Denton County, Texas (the "District Property"); and

**WHEREAS**, the Developer is the owner of approximately 356.425 acres in Denton County, Texas (the "Hickey Tract"), and approximately 96.921 acres in Denton County, Texas (the "Jean Tract" and, collectively with the Hickey Tract, the "Annexation Property," with the Annexation Property and the District Property collectively referred to as the "Property;" and

**WHEREAS**, the entirety of the Annexation Property is located outside of the District and the Developer desires to annex the entirety of the Annexation Property into the District; and

**WHEREAS**, all of the Property is located in the City's extraterritorial jurisdiction

("ETJ") and contiguous to the City's corporate boundaries; and

**WHEREAS**, the Property is planned for residential, commercial, and recreational development in accordance with the proposed plats attached as **Exhibit B**, which have been approved by Denton County; and

**WHEREAS**, the Developer has submitted petitions to the City to obtain the City's consent to the annexation of the Annexation Property into the District (the "**Consent Petitions**") in accordance with Texas Local Government Code Section 42.042; and

**WHEREAS**, upon the annexation by the District of the Annexation Property, the District will consist of approximately 1,006.304 acres, as described in **Exhibit A**; and

**WHEREAS**, this Agreement is entered into pursuant to Texas Local Government Code Section 212.172 to set out the mutually agreeable terms and conditions relating to the development of the Property, which are the provisions under which the City has adopted its resolution consenting to the creation of the District consistent with Texas Local Government Code Section 42.042 and Texas Water Code Section 54.016; and

**WHEREAS**, the City and the District approved a Strategic Partnership Agreement in which the City is guaranteed fifty percent (50%) of the sales and use tax collected for commercial uses adjacent and abutting U.S. Highway 380 on June 18, 2024 (the "**Strategic Partnership Agreement**"); and

**WHEREAS**, the City, the Developer, and the District desire to further amend the Original Development Agreement, as amended, to: (i) remove the terms under which the City would provide Fire Protection Services to the District; (ii) revise the provisions in the Original Agreement regarding solid waste and water/wastewater services, respectively; (iii) provide for the execution of an amended and restated Strategic Partnership Agreement (the "**Amended Strategic Partnership Agreement**"); (iv) to provide the terms under which the City will consent to the annexation of the Annexation Property into the District; and (v) make other modifications necessary due to the annexation of the Annexation Property into the District; and

**WHEREAS**, the City and the District have agreed to modify the Strategic Partnership Agreement to allow for limited purpose annexation of the Property and full purpose annexation at the completion of the agreement; and

**WHEREAS**, the City Council of the City of Denton adopted Resolution No. \_\_\_\_\_ and Resolution No. \_\_\_\_\_, both on January 7, 2025, conditionally consenting to the annexation of the Hickey Tract and the Jean Tract, respectively, into the District (the "**Consent Resolutions**") subject to the terms and conditions set forth in this Agreement, copies of which are shown in the attached **Exhibits D-1** and **D-2**; and

**WHEREAS**, this Agreement shall amend and restate the Original Development Agreement and the previous amendment thereto in full, and shall supersede any prior version

of the Original Development Agreement as previously amended, and any amendments thereto; and

**WHEREAS**, it is an essential element of the granting of the City's consent to the annexation of the Annexation Property into the District that the District and the City execute this Agreement and the Amended Strategic Partnership Agreement.

**NOW THEREFORE**, for and in consideration of the mutual agreements, covenants, and conditions hereinafter set forth, the Parties contract and agree as follows:

**ARTICLE II**  
**CITY CONSENT TO ANNEXATION INTO THE DISTRICT AND**  
**RELATED MATTERS**

2.1 **City Consent.** In accordance with the terms of this Agreement, the City conditionally consents to the annexation of the Additional Property into the District, as described in the Consent Petitions, pursuant to the authority of Article III, Section 52 and Article XVI, Section 59 of the Texas Constitution and Chapters 49 and 54, Texas Water Code, as amended, contingent upon the District's subsequent approval of the Amended Strategic Partnership Agreement providing for the collection of fifty percent (50%) of the sales and uses taxes in the District and future full purpose annexation. The City reserves the right to rescind approval of this Agreement if the Amended Strategic Partnership Agreement fails to materialize or exist, and such rescission is not subject to Section 5.4 of this Agreement. The District shall not convert to another type of district; consolidate with another district; divide into two or more districts; or seek additional governmental powers beyond those granted to the District by the TCEQ in the creation process without prior City Council approval.

2.2 **Amendment to Strategic Partnership Agreement.** By this Agreement and the Consent Resolution, the Parties have committed to amend the Strategic Partnership Agreement for the City to collect fifty percent (50%) of the sales and use taxes on the commercial uses in the area subject to the limited purposes annexation and have approved the concept of the Amended Strategic Partnership Agreement. The City is authorized to adopt the Amended Strategic Partnership Agreement only after such agreement has been adopted by the District's Board of Directors, pursuant to Texas Local Government Code Section 43.0751(e).

2.3 **Execution of Agreements by District.** The District has approved this Agreement and the District will approve, execute and deliver the Amended Strategic Partnership Agreement to the City within ninety (90) days after date on which the District's Board of Directors effectively annexes the Annexation Property into the District as contemplated by the Consent Petitions.

2.4 **Fire Protection Plan.** An agreement regarding fire protection services between the District and Denton County or another fire service provider shall be approved and executed prior to recording of a final plat of the Annexation Property.

2.5 Storm Water. The Developer will submit to the City Engineer a courtesy copy of the downstream assessment and conditional letter of map revision (a “CLOMR”) after it is submitted to Denton County and before it is submitted to the Federal Emergency Management Agency (“FEMA”).

2.6 Floodplain. The Developer will comply with all US Army Corps of Engineers permitting requirements for floodplains.

2.7 Roadways.

- (a) The Developer will submit to the City Engineer a courtesy copy of any traffic impact analysis (TIA), drive connection study or traffic signal warrant study after it is submitted to Denton County and before it is submitted to the Texas Department of Transportation (“TxDOT”).
- (b) All local residential streets shall have fifty-five (55) feet of right-of-way, with mountable curbs thirty-one (31) feet from back-of-curb to back-of-curb.
- (c) All roadways within the District shall be constructed with concrete or bituminous pavement consistent with the City of Denton Transportation Design Criteria Manual or as determined by a geotechnical pavement design for a 20-year life span specific to this project and its soil conditions.

2.8 Gas Well Setbacks. Single family lots shall be setback a minimum of two hundred feet (200’) from gas wells, measured in a straight line from the well head to the nearest single family property line (an increase of one hundred feet (100’) from the current minimum standard established by the International Fire Code that governs in the City's ETJ). If a gas well is capped, the minimum setback will be reduced from two hundred feet (200’) to twenty feet (20’). The plat attached as Exhibit B demonstrates compliance with the minimum two hundred foot (200’) setback.

2.9 Multifamily and Non-Residential Properties Along US 380.

- (a) Each platted lot located adjacent to US 380 that will be developed with multi-family or nonresidential uses must comply with the Denton Development Code regulations, in effect on the Effective Date, that are applicable to parcels zoned Highway Commercial (HC) including, but not limited to, the following:
  - Section 3.4 Corridor Districts
  - Section 3.7 Measurements and Exceptions
  - Subchapter 5 Use Regulations. Any uses identified as requiring a Specific Use Permit (SUP), would be deemed as a permitted use by right, however any use specific standards would apply.

- Section 7.7 Landscaping, Screening Buffering, and Fences
  - Section 7.8 Access and Circulation
  - Section 7.9 Parking and Loading
  - Section 7.10 Site and Building Design
  - Section 7.11 Exterior Lighting
- (b) For each platted lot located adjacent to US 380 that will be developed with multi-family or nonresidential uses, the Developer must submit to the City an application for a Zoning Compliance Plan for approval consistent with those sections or subchapters listed above and build the project in compliance with the approved plan.

2.10 Parks/Trails. The Developer will coordinate with the Parks Department Director to ensure that the termination of the District's trail network is connected to the City's citywide trail network.

2.11 Ownership of Wastewater.

- (a) The following definitions apply to section 2.12 of this Agreement:
- “Permit” means Texas Pollution Discharge Elimination System (“TPDES”) Permit No. WQ0015920001 (“Permit”), as amended, granted by TCEQ to the Developer or as assigned by the Developer to any other person or entity, including, but not limited to, the District. “Permit” shall also mean any future TPDES permit granted to the Developer or District by TCEQ.
  - “Wastewater” or “Effluent” means all water-carried or liquid waste products from whatever source derived that enter the Developer and/or District’s Wastewater System for treatment and discharge pursuant to the terms of the Permit and state and federal law. The words “Wastewater” and “Effluent” are interchangeable.
  - “Wastewater System” means all facilities, structures, improvements, and other property of any nature whatsoever, now or hereafter owned by the Developer or District, in connection with diverting, pumping, collecting, storing, transporting, treating, and discharging wastewater.
- (b) Wastewater Title, Ownership, and Liability. Ownership and title to all Wastewater passes to the City upon discharge into a natural watercourse pursuant to the Permit and state and federal law. District and Developer agree they are solely responsible for the collection, delivery, and treatment of Wastewater while they have title to such Wastewater and that liability for damages arising from the transportation,

reception, treatment, or disposal of all Wastewater hereunder shall remain with the Developer and/or District.

- (c) City Permits and Regulatory Authorizations. District and Developer will support and coordinate with the City in all its efforts to obtain permits and/or regulatory authorizations related to this Agreement from State and Federal agencies having jurisdiction including, without limitation, efforts by the City involving reuse and bed and banks permitting. Developer and District agree to provide the City with documents and information requested by the City as may be reasonably required by the City for such purposes. District and Developer hereby waive any objection or right of protest to the City's permitting and/or authorization applications for such purposes.
- (d) Liability. The City shall have no liability for the Developer's and/or District's operation of its Wastewater System or the design, construction, modification, maintenance, repair, operation, or use of such facilities.
- (e) Operations. The Parties agree that, at a minimum, one hundred twenty (120) days prior to the end of the term of the operation agreement with the District's current wastewater operations provider, before the District enters into an agreement with another operations provider or extends the existing agreement, the District and/or the Developer must provide the City with the opportunity, but not the obligation, to submit an offer to operate the District's Wastewater System. If it so chooses, the City shall have sixty (60) business days to provide an offer to operate the District's Wastewater System. The Parties agree that if the City's offer is substantially similar to the most cost-effective offer received by the Developer and/or the District from another provider that can legally provide such service to the District, the District must obtain operation services from the City. The term "substantially similar," as used in this Section 2.12(e), means that the terms of the offer provide approximately the same level of service at approximately the same costs to Developer and/or the District. Rates for operation of the wastewater treatment facilities located within the District will be as approved by the City Council and published in the City's Utility Rate Ordinance.

2.12 Water. The District currently has an established plan for water service to customers within the District through another provider. If at a point in the future, the District finds it beneficial to seek out other water service providers, the City would be willing to enter into negotiations to provide water services to customers within the District.

2.13 Solid Waste. The Parties agree that the City shall provide trash collection and recycling services to the Property, commencing with the execution of this Agreement and continuing thereafter, with the same level of services, and in a manner consistent with such services, as provided by the City to customers outside the City's corporate limits. The Parties further agree that (i) trash collection and recycling services shall be provided at a rate based on the City of Denton Fee Schedule, provided that such fees may be increased by a reasonable amount from time to time due to an increase in the cost to the City of providing such services; and (ii) an initial, one-time startup fee of \$50.00 per customer

shall be paid to the City. The Parties further agree to work in good faith to enter into and execute separate agreements for the provision of trash collection and recycling services to the Property.

### **ARTICLE III** **ANNEXATION**

3.1 Immunity From Full Purpose Annexation. Except as provided in the Amended Strategic Partnership Agreement, the form of which is attached hereto as **Exhibit C**, the Property shall remain in the ETJ of the City and be immune from full purpose annexation by the City until such time that Developer has received from the District on hundred percent (100%) of all reimbursables due to Developer by the District. The City and the District shall enter into an Amended Strategic Partnership Agreement in a form substantially the same as the form attached as **Exhibit C** within ninety (90) days after the approval of this Agreement; failing such creation, any party may rescind this Agreement, along with any consent to the District's annexation of the Annexation Property. Such rescission is not subject to Paragraph 4.4. Developer hereby consents to the full purpose annexation of the Property by the City upon the occurrence of Developer's receipt of one hundred percent (100%) of all reimbursables due to Developer by the District.

3.2 Consent to Annexation. **SUBJECT TO SECTION 3.1 OF THIS AGREEMENT, DEVELOPER AND ALL FUTURE OWNERS OF THE PROPERTY (INCLUDING END-BUYERS) AND FUTURE DEVELOPERS IRREVOCABLY AND UNCONDITIONALLY CONSENT TO THE FULL PURPOSE ANNEXATION UNDER STATE LAW OF THE PROPERTY INTO THE CORPORATE LIMITS OF THE CITY IN ACCORDANCE WITH THIS AGREEMENT AND WAIVE ALL OBJECTIONS, ELECTIONS AND PROTESTS TO SUCH ANNEXATION. THIS AGREEMENT SHALL SERVE AS THE PETITION OF DEVELOPER AND ALL FUTURE OWNERS AND FUTURE DEVELOPERS FOR FULL PURPOSE ANNEXATION OF THE PROPERTY IN ACCORDANCE WITH THIS AGREEMENT AND SPECIFICALLY THE RESTRICTIONS SET FORTH IN SECTION 3.1 OF THIS AGREEMENT.**

3.3 Limited Purpose Annexation. The Parties agree that the City shall have the right to annex all or a portion of the District for the sole and limited purposes for the City to impose its sales and use tax within the boundaries of that portion of the District, pursuant to Texas Local Government Code Section 43.0751, and to enable contiguity for continued annexation to the west of the Property, should City elect to do so in the future. The terms and conditions upon which such limited purpose and full purpose annexations may occur shall be set forth in the Amended Strategic Partnership Agreement.

### **ARTICLE IV** **FIRE PROTECTION SERVICES**

4.1 Removal of Prior Fire Protection Terms. The parties acknowledge and agree that the terms incorporated into this Agreement by that First Amendment to Development

and Consent Agreement Concerning Denton County Municipal Utility District No. 16 dated January 25, 2022 (the "Fire Services Amendment") are stricken in their entirety from this Agreement, including the obligations of the City to provide fire protection services to the District and the obligations of the District to provide payment to the City for fire protection services. Within sixty (60) days of the effective date of this Agreement, the City shall return to the District any payment received from the District for fire protection services under the Fire Services Amendment. Except as otherwise expressly provided, nothing contained herein shall relieve the District from its obligations to compensate the City or any other fire service provider for services rendered to the District under federal, state, or local laws or regulations or pursuant to a separate contract with a fire service provider.

## **ARTICLE V** **ADDITIONAL PROVISIONS**

5.1 Incorporation of Recitals. The recitals contained in this Agreement: (a) are true and correct as of the Effective Date; (b) form the basis upon which the Parties negotiated and entered into this Agreement; (c) are legislative findings of the City Council, and (d) reflect the final intent of the Parties with regard to the subject matter of this Agreement. In the event it becomes necessary to interpret any provision of this Agreement, the intent of the Parties, as evidenced by the recitals, shall be taken into consideration and, to the maximum extent possible, given full effect. The Parties have relied upon the recitals as part of the consideration for entering into this Agreement and, but for the intent of the Parties reflected by the recitals, would not have entered into this Agreement.

5.2 Term. This Agreement shall be effective from the Effective Date and shall continue in effect until terminated in writing by mutual agreement of the City and the District.

5.3 Events of Default. No Party shall be in default under this Agreement until notice of the alleged failure of such Party to perform has been given notice (which notice shall set forth in reasonable detail the nature of the alleged failure) and until such Party has been given a reasonable time to cure the alleged failure (such reasonable time determined based on the nature of the alleged failure, but in no event less than thirty (30) days after written notice of the alleged failure has been given). In addition, no Party shall be in default under this Agreement if, within the applicable cure period, the Party to whom the notice was given begins performance and thereafter diligently and continuously pursues performance until the alleged failure has been cured.

5.4 REMEDIES. IF A PARTY IS IN DEFAULT, THE AGGRIEVED PARTY MAY, AT ITS OPTION AND WITHOUT PREJUDICE TO ANY OTHER RIGHT OR REMEDY UNDER THIS AGREEMENT, SEEK ANY RELIEF AVAILABLE AT LAW OR IN EQUITY, INCLUDING, BUT NOT LIMITED TO, AN ACTION UNDER THE UNIFORM DECLARATORY JUDGMENT ACT, SPECIFIC PERFORMANCE, MANDAMUS, AND INJUNCTIVE RELIEF. NOTWITHSTANDING THE FOREGOING, HOWEVER, NO DEFAULT UNDER THIS AGREEMENT SHALL:

- (a) entitle the aggrieved Party to terminate this Agreement; or
- (b) adversely affect or impair the effectiveness or validity of any consents given by the City in this Agreement or in the Consent Resolution to the creation of the District; or
- (c) adversely affect or impair the current or future rights, powers or authority of the District or the day-to-day administration of any of such districts; or
- (d) limit the term of this Agreement.

5.5 Assignment. The Developer has the right (from time to time without the consent of the City, but upon written notice to the City) to assign this Agreement, in whole or in part, and including any obligation, right, title, or interest of the Developer under this Agreement, to any person or entity (an "Assignee") that is or will become an owner of any portion of the Property or that is an entity that is controlled by or under common control with Developer. Each assignment shall be in writing executed by the Developer and the Assignee and shall obligate the Assignee to be bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned. A copy of each assignment shall be provided to all Parties within fifteen (15) days after execution. From and after such assignment, the City agrees to look solely to the Assignee for the performance of all obligations assigned to the Assignee and agrees that the Developer shall be released from subsequently performing the assigned obligations and from any liability that results from the Assignee's failure to perform the assigned obligations. No assignment by the Developer shall release the Developer from any liability that resulted from an act or omission by the Developer that occurred prior to the effective date of the assignment unless the City approves the release in writing. The Developer shall maintain written records of all assignments made by the Developer to Assignees, including a copy of each executed assignment and the Assignee's notice information as required by this Agreement, and, upon written request from any Party or Assignee, shall provide a copy of such records to the requesting person or entity. An Assignee shall be considered a "Party" and the "Developer" for the purposes of the rights, title, interest, and obligations assigned to the Assignee.

5.6 Binding Obligations. This Agreement shall be recorded in the deed records of Denton County. This Agreement, when recorded, shall be binding upon the Parties and their successors and assigns permitted by this Agreement and upon the Property.

5.7 Notice of Known Deficiencies. From time to time upon written request of the Developer or the District, the City Manager will execute a written notice of known deficiencies identifying any obligations of the Developer under this Agreement that are in default or, with the giving of notice or passage of time, would be in default; and stating, to the extent true, that to the best knowledge and belief of the City, the Developer is otherwise in compliance with its duties and obligations under this Agreement.

5.8 Notices. All notices required or contemplated by this Agreement (or

otherwise given in connection with this Agreement) shall be in writing, shall be signed by or on behalf of the Party giving the Notice, and shall be effective as follows: (a) on or after the tenth (10<sup>th</sup>) business day after being deposited with the United States mail service, Certified Mail, Return Receipt Requested with a confirming copy sent by E-mail; (b) on the day delivered by a private delivery or private messenger service (such as FedEx or UPS) as evidenced by a receipt signed by any person at the delivery address (whether or not such person is the person to whom the notice is addressed); or (c) otherwise on the day actually received by the person to whom the Notice is addressed, including, but not limited to, delivery in person and delivery by regular mail (with a confirming copy sent by E-mail). Notices given pursuant to this section shall be addressed as follows:

To the City: City of Denton  
Attn: City Manager  
215 E. McKinney St.  
Denton, Texas 76201  
Fax: (940) 382-7923  
Email: [Sara.Hensley@cityofdenton.com](mailto:Sara.Hensley@cityofdenton.com)

With a copy to: City of Denton  
Attn: City Attorney  
215 E. McKinney St.  
Denton, TX 76201  
Email: [legal@cityofdenton.com](mailto:legal@cityofdenton.com)

To the District: Denton County Municipal Utility District No. 16  
Attn: President, Board of Directors  
c/o Coats Rose, P.C.  
16000 N. Dallas Parkway, Suite 350  
Dallas, Texas 75248  
Email: [mkoehne@coatsrose.com](mailto:mkoehne@coatsrose.com)

With a copy to: Attn: Mindy L. Koehne  
Coats Rose, P.C.  
16000 N. Dallas Parkway, Suite 350  
Dallas, Texas 75248  
Email: [mkoehne@coatsrose.com](mailto:mkoehne@coatsrose.com)

To the Developer: Attn: Charles Vose  
VS Development, LLC  
4514 Cole Ave, Suite 1650  
Dallas, Texas 75205  
Email: [chadvose@swfed.com](mailto:chadvose@swfed.com)

5.9 Interpretation. The Parties acknowledge that each of them has been actively involved in negotiating this Agreement. Accordingly, the rule of construction that any

ambiguities are to be resolved against the drafting Party will not apply to interpreting this Agreement. In the event of any dispute over the meaning or application of any provision of this Agreement, the provision will be interpreted fairly and reasonably and neither more strongly for or against any Party, regardless of which Party originally drafted the provision.

5.10 Authority. The City represents and warrants that this Agreement has been approved by ordinance duly adopted by the City Council in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Agreement on behalf of the City has been duly authorized to do so. The Developer represents and warrants that this Agreement has been approved by appropriate action of the Developer, and that the individual executing this Agreement on behalf of the Developer has been duly authorized to do so. The District represents and warrants that this Agreement has been approved and duly adopted by the Board in accordance with all applicable public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Agreement on behalf of the District has been duly authorized to do so.

5.11 Entire Agreement; Amendment. This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements or amendments thereto, whether oral or written, covering the subject matter of this Agreement. This Agreement shall not be modified or amended except in writing signed by the Parties.

5.12 Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then (a) such unenforceable provision shall be deleted from this Agreement; (b) the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the Parties; and (c) the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties as reflected in the recitals.

5.13 Applicable Law; Venue. This Agreement is entered into under and pursuant to, and is to be construed and enforceable in accordance with, the laws of the State of Texas, and all obligations of the Parties are performable in Denton County. Venue for any action to enforce or construe this Agreement shall be in Denton County.

5.14 Non Waiver. Any failure by a Party to insist upon strict performance by another Party of any material provision of this Agreement shall not be deemed a waiver thereof, and the Party shall have the right at any time thereafter to insist upon strict performance of any and all provisions of this Agreement. No provision of this Agreement may be waived except by writing signed by the Party waiving such provision. Any waiver shall be limited to the specific purposes for which it is given. No waiver by any Party of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

5.15 No Third Party Beneficiaries. This Agreement only inures to the benefit of, and may only be enforced by, the Parties.

5.16 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

5.17 Further Documents. Each Party shall, upon request of the other Party, execute and deliver such further documents and perform such further acts as may reasonably be requested to effectuate the terms of this Agreement and achieve the intent of the Parties.

5.18 Exhibits. The following Exhibits are attached to this Agreement and are incorporated herein for all purposes:

- Exhibit A: Metes and Bounds Description of the Property
- Exhibit B: Plats
- Exhibit C: Amended Strategic Partnership Agreement Form
- Exhibit D-1: Consent Resolution for the Hickey Tract
- Exhibit D-2: Consent Resolution for the Jean Tract

5.19 Required Certifications. Developer hereby makes the following certifications:

(a) Pursuant to Texas Government Code Chapter 2271, as amended, Developer verifies that at the time of execution and delivery of this Agreement and for the term of this Agreement, neither Developer, its parent companies, nor its common-control affiliates currently boycott or will boycott Israel. The term “boycott Israel” as used in this paragraph has the meaning assigned to the term “boycott Israel” in Section 808.001 of the Texas Government Code, as amended.

(b) Pursuant to Texas Government Code, Chapter 2252, as amended, Developer represents and verifies that at the time of execution and delivery of this Agreement and for the term of this Agreement, neither Developer, its parent companies, nor its common-control affiliates (i) engage in business with Iran, Sudan, or any foreign terrorist organization as described in Chapters 806 or 807 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) is a company listed by the Texas Comptroller of Public Accounts under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code.

(c) Pursuant to Chapter 2276 of the Texas Government Code (as added by Senate Bill 13, 87<sup>th</sup> Texas Legislature, Regular Session and redesignated by House Bill 4595, 88<sup>th</sup> Texas Legislature, Regular Session), Developer certifies that it is not a Company that boycotts energy companies and agrees it will not boycott energy companies during the term of this Agreement. The terms “boycotts energy companies” and “boycott energy companies” have the meaning assigned to the term “boycott energy company” in Section 809.001, Texas Government Code. For purposes of this paragraph, “Company” means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or

affiliate of those entities or business associations, that exists to make a profit, but does not include a sole proprietorship.

(d) Pursuant to Chapter 2274 of the Texas Government Code (as added by Senate Bill 19, 87<sup>th</sup> Texas Legislature, Regular Session, "SB 19"), Developer certifies that it is not a Company that has a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and agrees it will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. The terms "discriminates against a firearm entity or firearm trade association" and "discriminate against a firearm entity or firearm trade association" have the meaning assigned to the term "discriminate against a firearm entity or firearm trade association" in Section 2274.001(3), Texas Government Code (as added by SB 19). For purposes of this paragraph, "Company" means a for-profit organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations, that exists to make a profit, but does not mean a sole proprietorship.

(e) Developer further certifies that, notwithstanding anything contained in this Agreement, the representations and covenants contained in this Section 6.03 shall survive termination of the Agreement until the statute of limitations has run. The liability for breach of the representations and covenants contained in this Section 6.03 during the term of the Agreement shall survive until barred by the statute of limitations, and shall not be liquidated or otherwise limited by any provision of the Agreement, notwithstanding anything in the Agreement to the contrary.

5.20 Form 1295 Certificate of Interested Parties. Prior to the execution of this Agreement, Developer agrees to file with the District, pursuant to Texas Government Code Section 2252.908, a signed and completed Texas Ethics Commission ("TEC") Form 1295 and a certification of filing with the TEC

[signatures on following pages]

**CITY OF DENTON, TEXAS:**

By: \_\_\_\_\_  
Sara Hensley, City Manager

**ATTEST:**

\_\_\_\_\_  
Lauren Thoden, City Secretary

**APPROVED AS TO FORM:**

 Scott Bray  
Deputy City Attorney  
\_\_\_\_\_  
Mack Reinwand, City Attorney

**DISTRICT**

By: Benjamin Paul  
President, Board of Directors

**ATTEST:**

Philip V. Hill  
Secretary, Board of Directors

**APPROVED AS TO FORM: \_**

Mindy L. Koehne  
Mindy L. Koehne, Attorney for the District

**DEVELOPER:**

**VS DEVELOPMENT, LLC,**  
a Texas limited liability company

By: Southwest Federated North Texas Limited Partnership,  
a Texas limited partnership,  
its manager

By: Southwest Federated, Inc. – Dallas,  
a Texas corporation,  
its general partner

By:   
Name: Charles A. Vose, III, President

**EXHIBIT "A"**  
Metes and Bounds Description of the Property

**PARCEL NO. 1 (2 TRACTS) – 552.985 ACRES**

**EXHIBIT "A"**

**TRACT 1:**

**BEING** a tract of land situated in the Uberto Allen Survey, Abstract No. 14, William Stonham Survey, Abstract No. 1145 and the Harris Young Survey, Abstract No. 1450, Denton County, Texas and being the remaining portion of a called Tract One (153.488-acres) described in a General Warranty Deed to Olex (United States), Inc., f/k/a Olex Corporation N. V., recorded in Volume 1129, Page 185, Deed Records of Denton County, Texas, and being more particularly described by metes and bounds as follows:

**BEGINNING** at an aluminum TXDOT right of way disk found on the westerly line of said Tract One (153.488-acres), for the northwest corner of a called Parcel 17, described in an Agreed Judgment to the State of Texas, recoded in Instrument No. 2012-80554, Official Records of Denton County, Texas, same being the northeast corner of a called Parcel 16, described in a Deed to the State of Texas, recorded in Instrument No. 2009-71718, Official Records of Denton County, Texas, same also being the current northerly right of way line of U. S. Highway 380, a variable width right of way;

**THENCE** North 00°02'22" West, departing the northerly right of way line of said U. S. Highway 380, along the westerly line of said Tract One (153.488-acres) and generally along a barbed wire fence, a distance of 2,236.16 feet to a metal fence corner post found for the northwest corner of said Tract One (153.488-acres), same being the southwest corner of a called 1.931-acre tract of land, described in a Special Warranty Deed to Vanguard Wireless, LP, recorded in Instrument No. 2005-79339, Official Records of Denton County, Texas;

**THENCE** South 89°58'24" East, along the northerly line of said Tract One (153.488-acres), the southerly line of said 1.931-acre tract, the southerly line of a called 5.00-acre tract of land, described in a Warranty Deed to Amanda Noles Nelson, recorded in Instrument No. 2013-92845, Official Records of Denton County, Texas, the southerly line of a called 19.6390-acre tract of land, described in a Special Warranty Deed to Nancy Kay Jones, recorded in Instrument No. 2010-57685, Official Records of Denton County, Texas, the southerly line of Lot 1 and Lot 2, Block A of Myers Farm, an addition to the City of Denton, according to the final plat, recorded in Document No. 2011-77, Plat Records of Denton County, Texas, and generally along a barbed wire fence, a distance of 2091.05 feet to a 1/2-inch iron rod with a yellow plastic cap found for the southeast corner of said Lot 2, same being the southeast corner of Lot 3, Block A of said Myers Farm;

**THENCE** South 89°53'09" East, continuing along the northerly line of said Tract One (153.488-acres), the southerly line of said Lot 3 and the southerly line of a called 21.1455-acre tract of land described in a Special Warranty Deed to Janis June Myers, recorded in Instrument No. 2010-57683, Official Records of Denton County, Texas, and generally along a barbed wire fence, a distance of 1368.48 feet to a 1/2-inch iron rod found for the northeast corner of said Tract One (153.488-acres) and the southeast corner of said 21.1455-acre tract, same being on the westerly right of way line of F. M. 156, a variable width right of way;

**THENCE** South 17°28'47" West, along the easterly line of said Tract One (153.488-acres) and the westerly right of way line of said F. M. 156, a distance of 94.26 feet to a 5/8-inch iron rod with

a red plastic cap, stamped "KHA" set at the beginning of a non-tangent curve to the right having a central angle of  $15^{\circ}08'00''$ , a radius of 5659.58 feet, a chord bearing and distance of South  $21^{\circ}13'35''$  West, 1490.50 feet, from said point, a wooden right of way marker bears South  $13^{\circ}42'$  West, 3.93 feet;

**THENCE** in a southwesterly direction, continuing along the easterly line of said Tract One (153.488-acres) and the westerly right of way line of said F. M. 156, along said curve to the right, an arc distance of 1494.85 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for corner, from which, a wooden right of way marker bears South  $03^{\circ}03'$  West, 1.20 feet;

**THENCE** South  $28^{\circ}47'35''$  West, continuing along the easterly line of said Tract One (153.488-acres) and the westerly right of way line of said F. M. 156, a distance of 556.36 feet to an aluminum TXDOT right of way disk found for the northeast corner of aforesaid Parcel 17, same being the intersection of the westerly right of way line of said F. M. 156 with the northerly right of way line of aforesaid U. S. Highway 380;

**THENCE** in a westerly direction, departing the westerly right of way line of said F. M. 156, along the northerly line of said Parcel 17 and the northerly right of way line of said U. S. Highway 380, the following:

North  $61^{\circ}04'40''$  West, a distance of 679.63 feet to an aluminum TXDOT right of way disk found for corner;

South  $78^{\circ}35'46''$  West, a distance of 296.07 feet to an aluminum TXDOT right of way disk found for corner;

South  $38^{\circ}16'12''$  West, a distance of 548.81 feet to an aluminum TXDOT right of way disk found for corner;

South  $62^{\circ}08'29''$  West, a distance of 218.57 feet to an aluminum TXDOT right of way disk found for corner;

South  $86^{\circ}00'46''$  West, a distance of 322.43 feet to an aluminum TXDOT right of way disk found for corner;

North  $90^{\circ}00'00''$  West, a distance of 469.04 feet to an aluminum TXDOT right of way disk found for corner;

North  $87^{\circ}16'23''$  West, a distance of 413.60 feet to the **POINT OF BEGINNING** and containing 144.086 acres (6,276,387 square feet) of land, more or less.

**TRACT 2:**

**BEING** a tract of land situated in the George W. Anderson Survey, Abstract No. 12, Uberto Allen Survey, Abstract No. 14, Edward F. Anderson Survey, Abstract No. 16, B. B. B & C. RR. Co. Survey, Abstract No. 168, B. B. B & C. RR. Co. Survey, Abstract No. 188, William Stonham Survey, Abstract No. 1145 and the Harris Young Survey, Abstract No. 1450, Denton County, Texas and being a portion of a called Tract Three (425.898-acres) described in a General Warranty Deed to Olex (United States), Inc., f/k/a Olex Corporation N. V., recorded in Volume 1129, Page 185, Deed Records of Denton County, Texas, and being more particularly described by metes and bounds as follows:

**BEGINNING** at an aluminum TXDOT right of way disk found on the easterly line of said Tract Three (425.898-acres), for the southeast corner of a called Parcel 15, described in an Agreed Judgment to the State of Texas, recoded in Instrument No. 2012-80554, Official Records of Denton County, Texas, same being the intersection of the current southerly right of way line of U. S. Highway 380, a variable width right of way with the westerly right of way line of F. M. 156, a variable width right of way;

**THENCE** in a southerly direction, departing the southerly right of way line of said U. S. Highway 380, along the easterly line of said Tract Three (425.898-acres) and the westerly right of way line of said F. M. 156, the following:

South 28°45'02" West, a distance of 581.24 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set at the beginning of a tangent curve to the right having a central angle of 03°49'00", a radius of 5659.58 feet, a chord bearing and distance of South 30°39'32" West, 376.93 feet;

in a southwesterly direction, along said curve to the right, an arc distance of 377.00 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for corner;

South 27°44'04" West, a distance of 118.70 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for corner, from which, a wooden right of way marker bears South 44°02' West, 3.82 feet;

South 32°34'02" West, a distance of 1000.02 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for corner, from which, a wooden right of way marker bears South 42°17' West, 2.01 feet;

South 38°16'40" West, a distance of 100.50 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for corner, from which, a wooden right of way marker bears South 44°22' West, 2.44 feet;

South 32°34'02" West, a distance of 1900.00 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for corner, from which, a wooden right of way marker bears South 27°02' West, 8.82 feet;

South 26°51'24" West, a distance of 100.50 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for corner;

South 32°34'02" West, a distance of 924.50 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for the beginning of a tangent curve to the left having a central

angle of 6°27'51", a radius of 2924.79 feet, a chord bearing and distance of South 29°20'06" West, 329.80 feet;

in a southwesterly direction, with said curve to the left, an arc distance of 329.97 feet to a PK nail with a washer, stamped "KHA" set in an asphalt road, known as Old Stoney Road, an apparent public use roadway, no record found, for the southeast corner of said Tract Three (425.898-acres);

**THENCE** South 89°39'42" West, departing the westerly right of way line of said F. M. 156, along the southerly line of said Tract Three (425.898-acres) and along said Old Stoney Road, a distance of 1706.19 feet to a 1/2-inch iron rod found for the southwest corner of said Tract Three (425.898-acres);

**THENCE** North 00°02'12" West, departing said Old Stoney Road and along the westerly line of said Tract Three (425.898-acres), a distance of 5443.65 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set on the southerly line of a called Parcel 14, described in a Deed to the State of Texas, recorded in Instrument No. 2008-19039, Official Records of Denton County, Texas, same being the current southerly right of way line of aforesaid U. S. Highway 380;

**THENCE** in an easterly direction, departing the westerly line of said Tract Three (425.898-acres) and along the southerly right of way line of said U. S. Highway 380, the following:

**THENCE** South 87°16'23" East, departing the westerly line of said Tract Three (425.898-acres) and along the southerly right of way line of said U. S. Highway 380, passing at a distance of 8.26 feet, an aluminum TXDOT right of way disk found for the south common corner of said Parcel 14 and aforesaid Parcel 15, continuing for a total distance of 1274.95 feet to a point for corner;

**THENCE** North 63°54'58" East, continuing along the southerly right of way line of said U. S. Highway 380, a distance of 37.31 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for corner;

**THENCE** South 00°02'12" East, departing the southerly right of way line of said U. S. Highway 380 and crossing said Tract Three (425.898-acres), a distance of 472.87 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for corner;

**THENCE** North 89°57'48" East, continuing across said Tract Three (425.898-acres), a distance of 654.35 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set at the beginning of a non-tangent curve to the right having a central angle of 49°55'24", a radius of 78.50 feet, a chord bearing and distance of North 21°16'23" East, 66.26 feet;

**THENCE** in a northeasterly direction, continuing across said Tract Three (425.898-acres), with said curve to the right, an arc distance of 68.40 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set at the beginning of a reverse curve to the left having a central angle of 46°16'17", a radius of 30.00 feet, a chord bearing and distance of North 23°05'56" East, 23.57 feet;

**THENCE** in a northeasterly direction, continuing across said Tract Three (425.898-acres), with said curve to the left, an arc distance of 24.23 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for corner;

**THENCE** North 00°02'12" West, continuing across said Tract Three (425.898-acres), a distance of 381.71 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for corner;

**THENCE** North 45°35'01" West, continuing across said Tract Three (425.898-acres), a distance of 28.01 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for corner on the southerly right of way line of said U. S. Highway 380 and the southerly line of aforesaid Parcel 15;

**THENCE** North 88°52'11" East, along the southerly right of way line of said U. S. Highway 380, a distance of 130.02 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for corner;

**THENCE** South 44°24'59" West, departing the southerly right of way line of said U. S. Highway 380 and crossing said Tract Three (425.898-acres), a distance of 28.55 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for corner;

**THENCE** South 00°02'12" East, continuing across said Tract Three (425.898-acres), a distance of 379.33 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for corner;

**THENCE** South 45°02'12" East, continuing across said Tract Three (425.898-acres), a distance of 70.71 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for corner;

**THENCE** North 89°57'48" East, continuing across said Tract Three (425.898-acres), a distance of 700.88 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set at the beginning of a tangent curve to the right having a central angle of 10°06'19", a radius of 782.50 feet, a chord bearing and distance of South 84°59'03" East, 137.83 feet;

**THENCE** in a southeasterly direction, continuing across said Tract Three (425.898-acres), with said curve to the right, an arc distance of 138.01 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for corner;

**THENCE** South 79°55'53" East, continuing across said Tract Three (425.898-acres), a distance of 162.37 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set at the beginning of a tangent curve to the right having a central angle of 21°10'04", a radius of 1422.50 feet, a chord bearing and distance of South 69°20'51" East, 522.55 feet;

**THENCE** in a southeasterly direction, continuing across said Tract Three (425.898-acres), with said curve to the right, an arc distance of 525.54 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for corner;

**THENCE** South 58°45'49" East, continuing across said Tract Three (425.898-acres), a distance of 457.65 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for corner;

**THENCE** North 31°14'11" East, continuing across said Tract Three (425.898-acres), a distance of 386.56 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for corner on the southerly right of way line of said U. S. Highway 380 and the southerly line of aforesaid Parcel 15, from said corner, a found aluminum TXDOT right of way disk bears North 61°21'38" West, 25.03 feet;

**THENCE** South 61°21'38" East, along the southerly right of way line of said U. S. Highway 380, a distance of 214.91 feet to a 5/8-inch iron rod with a red plastic cap, stamped "KHA" set for corner;

**THENCE** South 54°31'02" East, continuing along the southerly right of way line of said U. S. Highway 380, a distance of 100.71 feet to an aluminum TXDOT right of way disk found for corner;

**THENCE** South 61°21'39" East, continuing along the southerly right of way line of said U. S. Highway 380, a distance of 91.38 feet to the **POINT OF BEGINNING** and containing 408.899 acres (17,811,656 square feet) of land, more or less.

## PARCEL NO. 2 (2 TRACTS) – 356.425 ACRES

4. Legal description of land:

**TRACT 1:**

All that certain lot, tract or parcel of land lying and being situated in the SARAH WINFREY SURVEY, ABSTRACT No. 1319, County of Denton, State of Texas, and being all of Tracts One, Two, Three and Five as conveyed by deed dated September 8, 1971, from Jerry A. Garrett, et al, to Don E. Hickey, as shown on record in Volume 628, Page 596, of the Deed Records of Denton County, Texas, and being more particularly described as follows:

**BEGINNING** at a fence corner post in the South boundary line of a public road and being the Northwest corner of Tract One of said Don E. Hickey property;

**THENCE** South 89° 07' 21" East, along the South boundary line of public road, 2970.74 feet to a concrete monument for the Northeast corner of Tract Three;

**THENCE** South 00° 33' West, with fence 2760.4 feet to a concrete monument for the Southeast corner of Tract Five, and being in the North boundary line of U.S. Highway No. 380;

**THENCE** North 88° 09' West, along the North boundary line of said Highway No. 380, 2052.11 feet to a concrete monument for corner;

**THENCE** South 01° 51' West, 10.00 feet to a concrete monument for corner and being in the North boundary line of U.S. Highway No. 380;

**THENCE** North 88° 09' West, 893.00 feet to a concrete monument for corner in the North boundary line of the past mentioned highway, and being the Southwest corner of Tract Two of the Don E. Hickey property;

**THENCE** North along fence line, 2629.7 feet to the POINT OF BEGINNING and containing 182.827 acres of land, more or less.

**NOTE:** The Company is prohibited from insuring the area or quantity of the land described herein. Any statement in the above legal description of the area or quantity of land is not a representation that such area or quantity is correct, but is made only for information and/or identification purposes and does not override Item 2 of Schedule B hereof.

**TRACT 2:**

All that certain 173.598 acre tract or parcel of land situated in the SARAH WINFREY SURVEY, ABSTRACT No. 1319, being part of a called 285.91 acre tract conveyed to Henry A. Hudson, III, and recorded in Volume 994, Page 621, Deed Records, Denton County, Texas; said 173.598 acre tract being more particularly described as follows:

**BEGINNING** at the most westerly-northwest corner of said 285.91 acre tract at a set 1/2" rebar in a North line of said Winfrey Survey, same being a South line of the BBB & CRR Company Survey, Abstract No. 157, same being in Jackson Road;

**THENCE** North 89° 34' 09" East with said survey line, a distance of 1247.89 feet to a set 1/2" rebar for the Southeast corner of said BBB & CRR Company Survey; same being the Southeast corner of a tract conveyed to C. W. Buckley and recorded in Volume 364, Page 567, Deed Records, Denton County, Texas;

**THENCE** North 00° 35' 48" East with a common line between the Winfrey and BBB & CRR Surveys, a distance of 413.69 feet, passing across Jackson Road to a set 1/2" rebar for the Southwest corner of the I & GMRY Company Survey, Abstract No. 1498;

**THENCE** South 89° 36' 04" East with the South line of said I & GMRY Survey, a distance of 68.11 feet to a set 1/2" rebar at the Northwest corner of the Hutchens Addition, an Addition to Denton County, Texas, as shown by Plat recorded in Cabinet E, Slide 18, Plat Records, Denton County, Texas;

**THENCE** South 00° 23' 56" West, crossing said Jackson Road with the West line of said Hutchens Addition, a distance of 464.24 feet to a found 1/2" rebar for the Southwest corner of said Hutchens Addition;

**THENCE North 88° 43' 58" East with the South line of said Hutchens Addition, a distance of 1328.43 feet to the Southeast corner of said Addition; said point being in the East line of said Winfrey Survey;**

**THENCE South 00° 09' 56" West with said survey line generally with a fence and crossing South Hickory Creek, continuing a total distance of 2873.66 feet to a set 1/2" rebar in the North Right-of-Way line of U.S. 380; and being in the North boundary line of a tract conveyed to the State of Texas for highway purposes, as shown of record in Volume 11, Page 327 of the Civil Minutes of County Court, Denton County, Texas;**

**THENCE North 87° 05' 26" West with said Right-of-Way, a distance of 1336.33 feet to a concrete Right-of-Way Monument on the South bank of South Hickory Creek;**

**THENCE South 06° 44' 17" West with said Right-of-Way, a distance of 39.52 feet to a concrete Right-of-Way Monument;**

**THENCE North 87° 05' 26" West with said Right-of-Way, a distance of 1347.10 feet to a concrete monument at the Southeast corner of a called Tract Five conveyed to Don E. Hickey and recorded in Volume 628, Page 596, Deed Records, Denton County, Texas;**

**THENCE North 00° 58' 53" East, passing concrete monuments at 587.94 feet and 2759.16 feet also crossing over South Hickory Creek, continuing a total distance of 2789.16 feet to the POINT OF BEGINNING, containing in all 173.598 acres of land, more or less.**

**NOTE: The Company is prohibited from insuring the area or quantity of the land described herein. Any statement in the above legal description of the area or quantity of land is not a representation that such area or quantity is correct, but is made only for information and/or identification purposes and does not override Item 2 of Schedule B hereof.**

**PARCEL NO. 3 (1 TRACT): 96.921 ACRES**

Being a tract of land situated in the Sarah Winfrey Survey, Abstract No. 1319, Denton County, Texas, and being all of the remainder of a called 34.9125 acres tract of land described in Deed to Billy and Jean Family Partners, LTD as recorded in Vol. 4389, Pg. 2315, Real Property Records, Denton County, Texas and being all the remainder of a tract of land described in Deed to Billy and Jean Family Partners, LTD. as recorded in Vol. 4389, Pg. 2311, said Real Property Records, and being more particularly described herein as follows;

BEGINNING at a TXDOT right-of-way concrete monument found in the North Right-of-Way line of U.S. Highway 380 (a public road) for the Southeast corner of said 34.9125 acres remainder tract common to the Southwest corner of a called 71.556 acres tract of land (Tract Two) described in Deed to Don Hickey as recorded in Vol. 628, Pg. 596, Deed Records, Denton County, Texas;

THENCE North 87 degrees 17 minutes 07 seconds West. with the South line of said 34.9125 acres remainder tract common to the North line of said Highway 380, passing the Southwest corner thereof common to the Southeast corner of said Family Partners remainder tract (4389/2311), and continuing along said course, with the South line thereof, a distance of 2781.11 feet to a "Mag" nail set in George Owens Road (a public road) for the Southwest corner of said Family Partners remainder tract (4389/2311);

THENCE North 00 degrees 10 minutes 56 seconds East, with the West line of said Family Partners remainder tract (4389/2311), along said George Owens Road, a distance of 1545.96 feet to a 'Mag' nail set for the Northwest corner of said Family Partners remainder tract (4389/2311) common to the Southwest corner of a called 47.452 acres tract of land described in Deed to Terry Bagley and Jerry Bagley as recorded in Inst. No. 2018-29869, Official Records, Denton County, Texas;

THENCE North 87 degrees 58 minutes 01 seconds East, with the North line of said Family Partners remainder tract (4389/2311) common to the South line of said 47.452 acres tract, passing at a distance of 20.83 feet a steel fence corner post found for reference, and continuing along said course, passing the Northeast corner of said Family Partners remainder tract (4389/2311) common to the Northwest corner of said 34.9125 acres remainder tract, and continuing along said course, with the North line thereof, a total distance of 2054.93 feet to a 1/2 inch capped iron rod stamped (COLEMAN-4001) found for the Northeast corner of said 34.9125 acres remainder tract common to the most Westerly Northwest corner of a called 18.589 acres tract of land described in Deed to Terry Bagley and Jerry Bagley as recorded in Inst. No. 2024-28247, said Official Records, from which a 1/2 inch capped iron rod found at the Southeast corner of said 47.452 acres tract bears North 87 degrees 58 minutes 03 seconds East, a distance of 225.13 feet;

THENCE South 00 degrees 03 minutes 48 seconds East, with an East line of said 34.9125 acres remainder tract common to the West line of said 18.589 acres tract, a distance of 545.62 feet to a 3 inch steel fence corner post found for and interior corner of said 34.9125 acres remainder tract common to the Southwest corner of said 18.589 acres tract;

THENCE North 87 degrees 43 minutes 26 seconds East, with a North line of said 34.9125

acres remainder tract common to the South line of said 18.589 acres tract, along and near a fence, a distance of 724.04 feet to a 5/8 inch capped iron rod stamped "VAUGHNS SURVEY CO." (typical) set near a steel fence corner post in the West line of said 71.556 acres tract for the most Easterly Northeast corner of said 34.9125 acres remainder tract common to the Southeast corner of said 18.589 acres tract, from which a concrete monument found at the Northwest corner of said 71.556 acres tract bears North 00 degrees 12 minutes 55 seconds East. a distance of 707.18 feet;

THENCE South 00 degrees 12 minutes 55 seconds West, with the East line of said 34.9125 acres remainder tract common to the West line of said 71.556 acres tract, along and near a fence, a distance of 1233.72 feet to the POINT OF BEGINNING and containing, within the metes and bounds herein recited 96.921 acres of land, more or less.

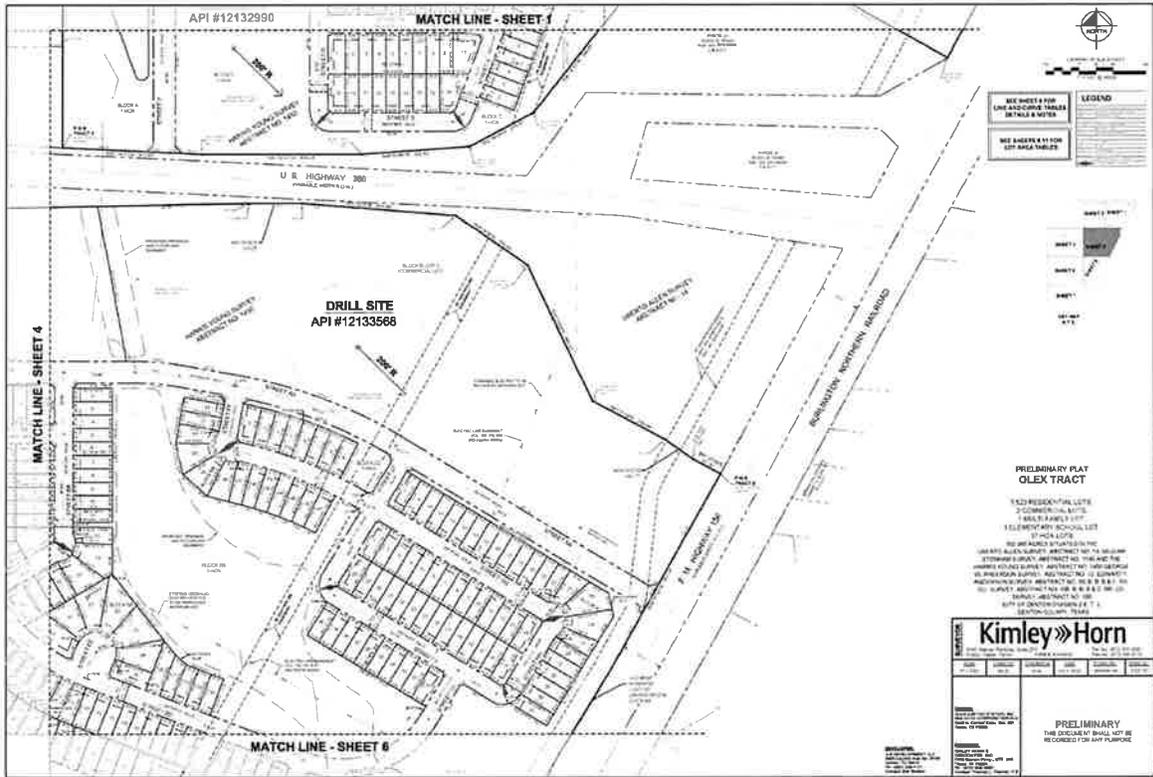




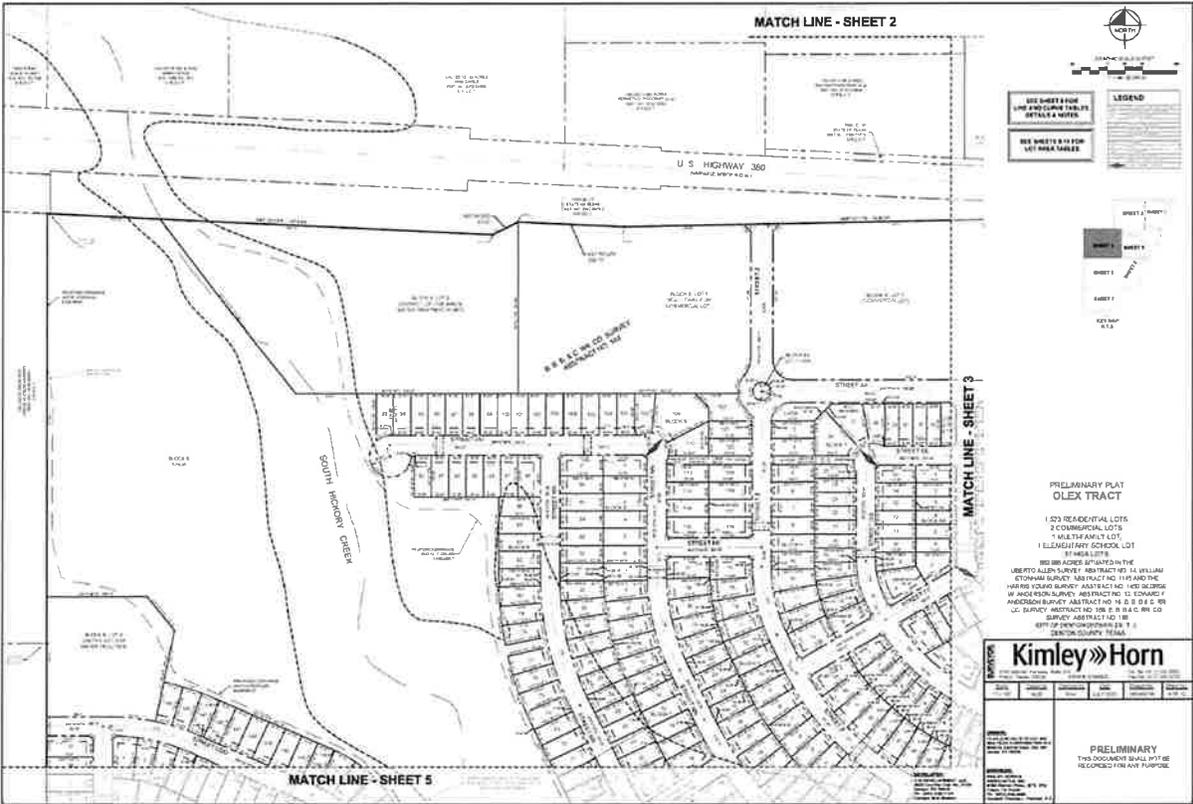
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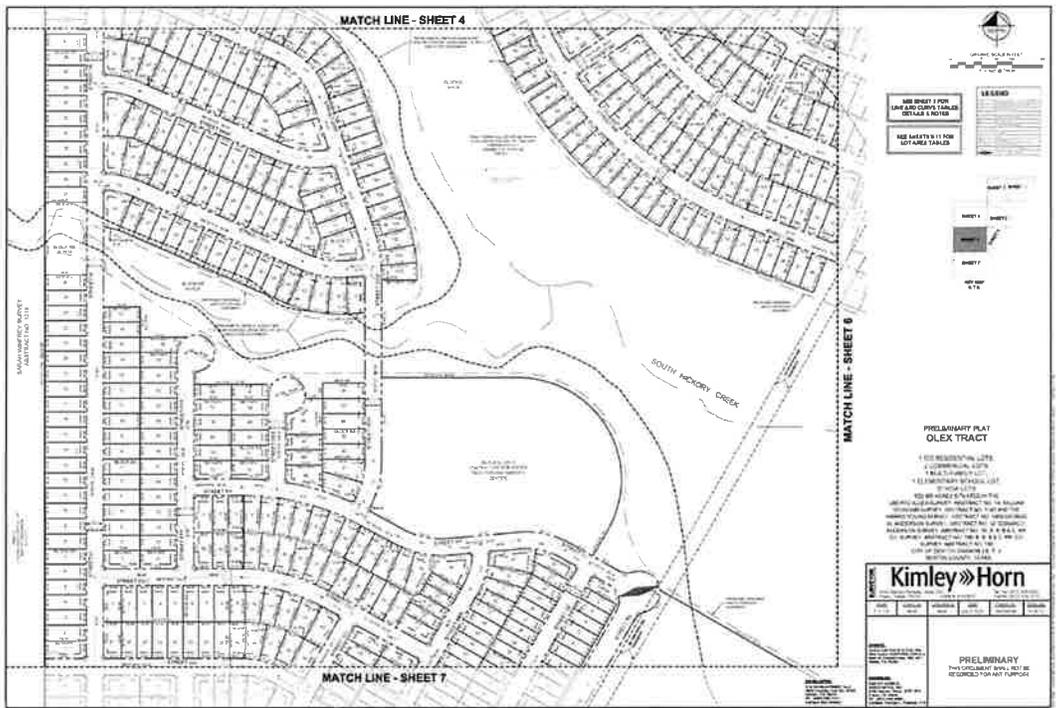
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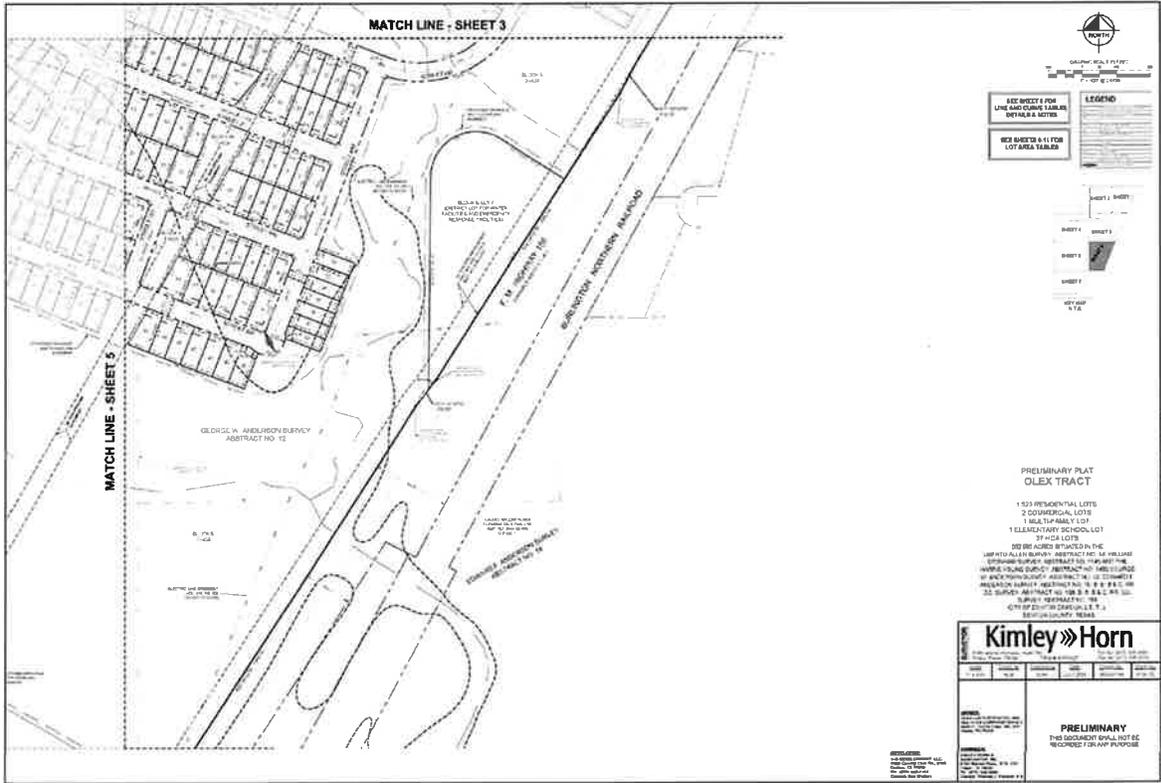
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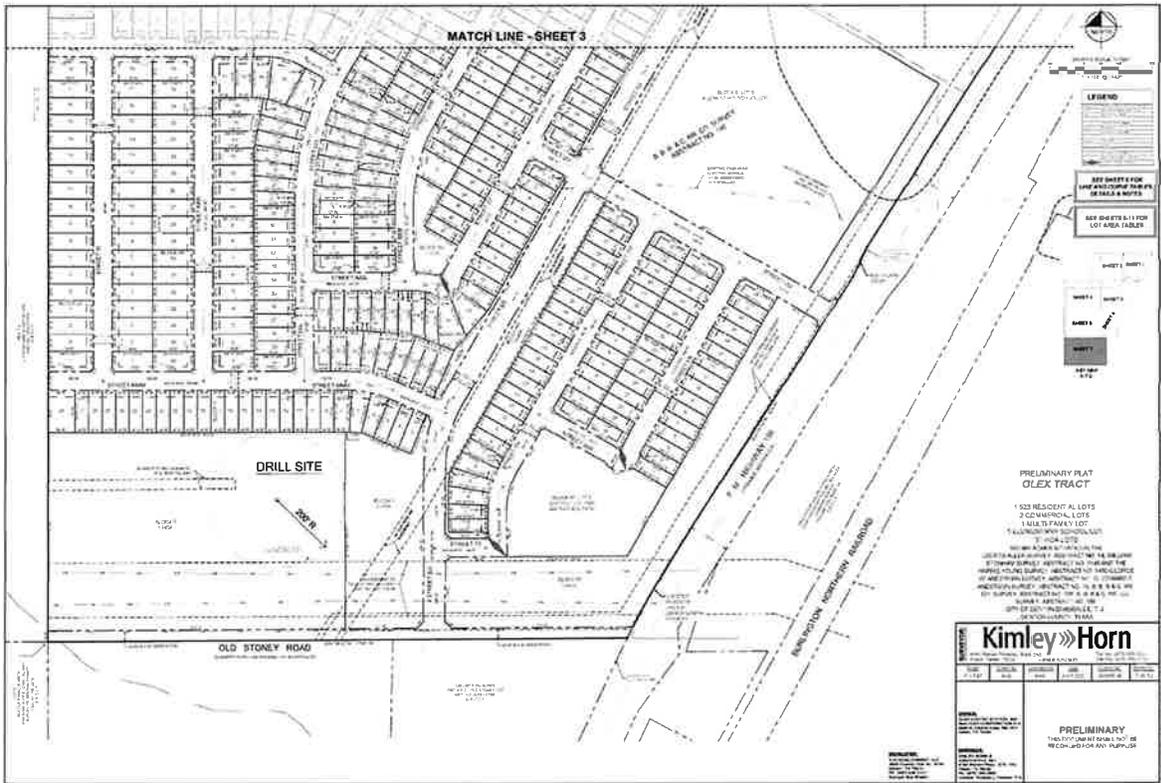
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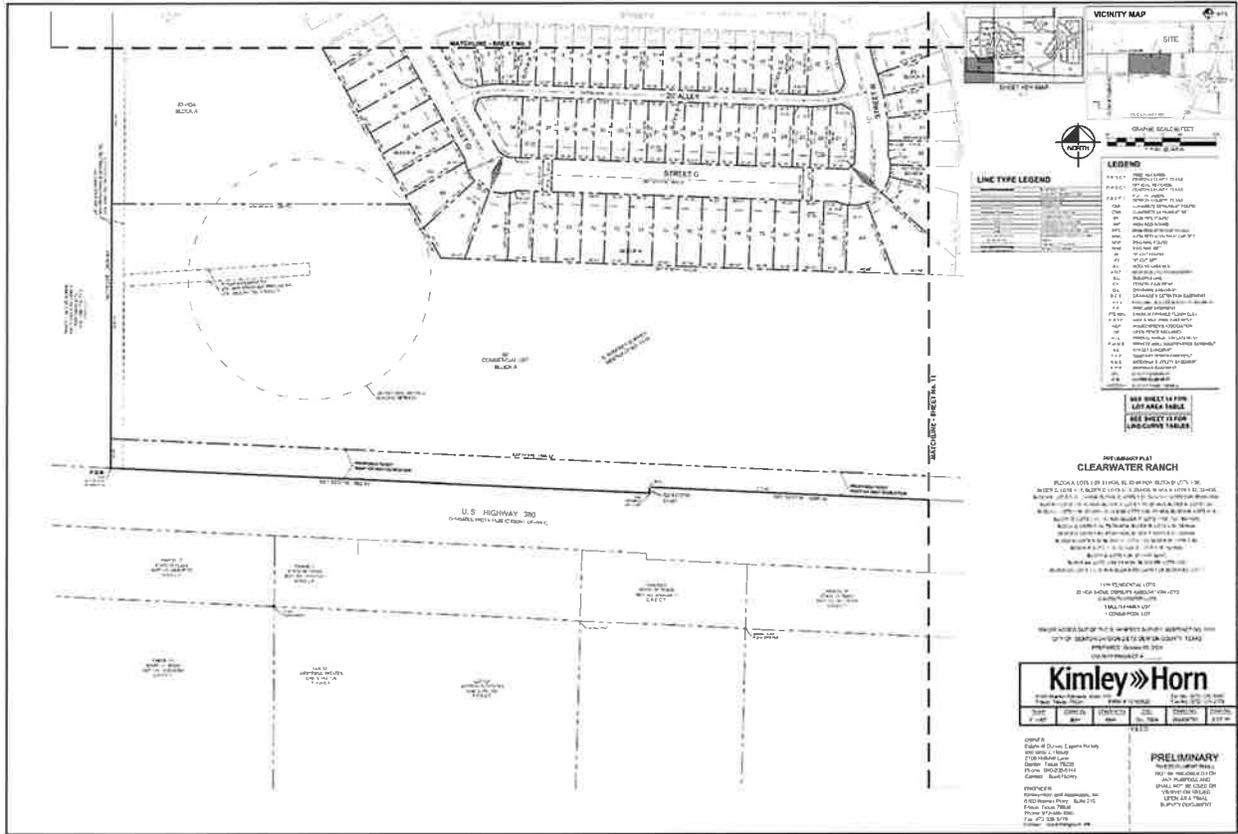


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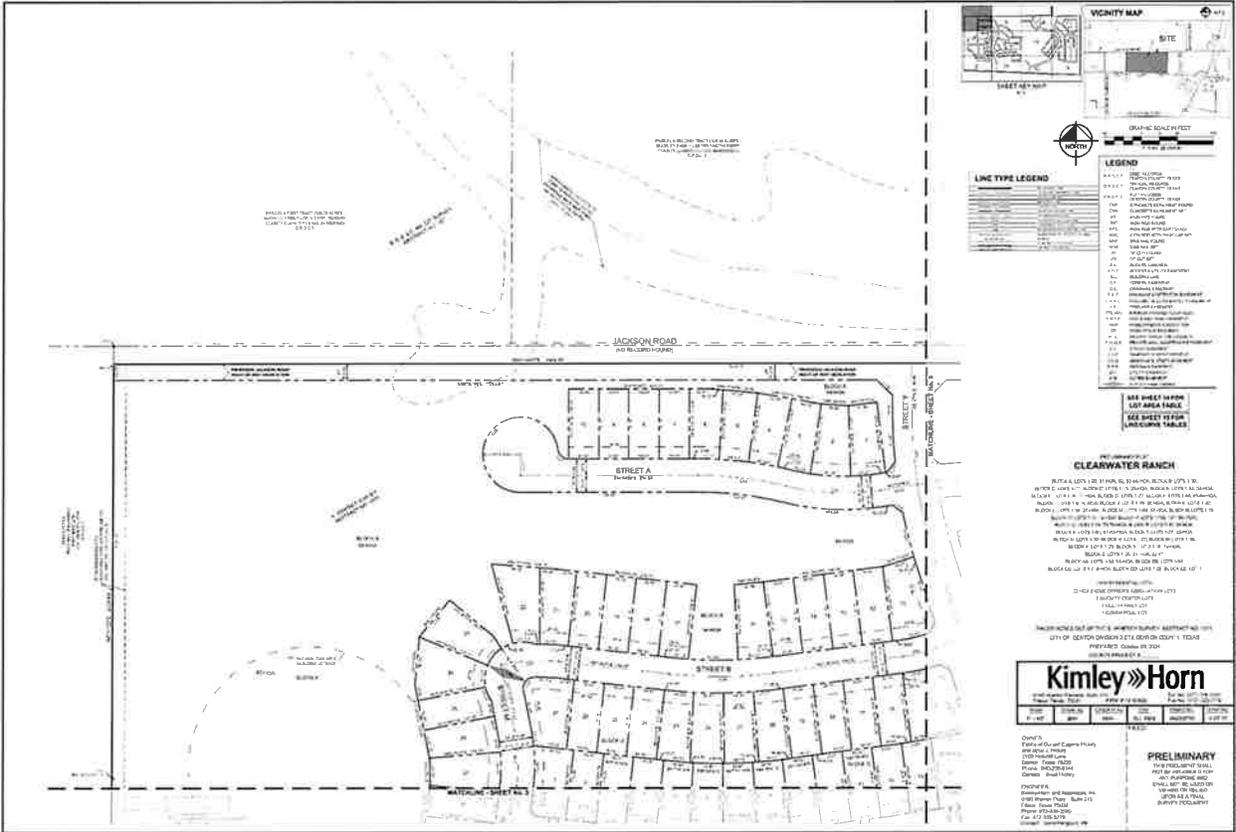
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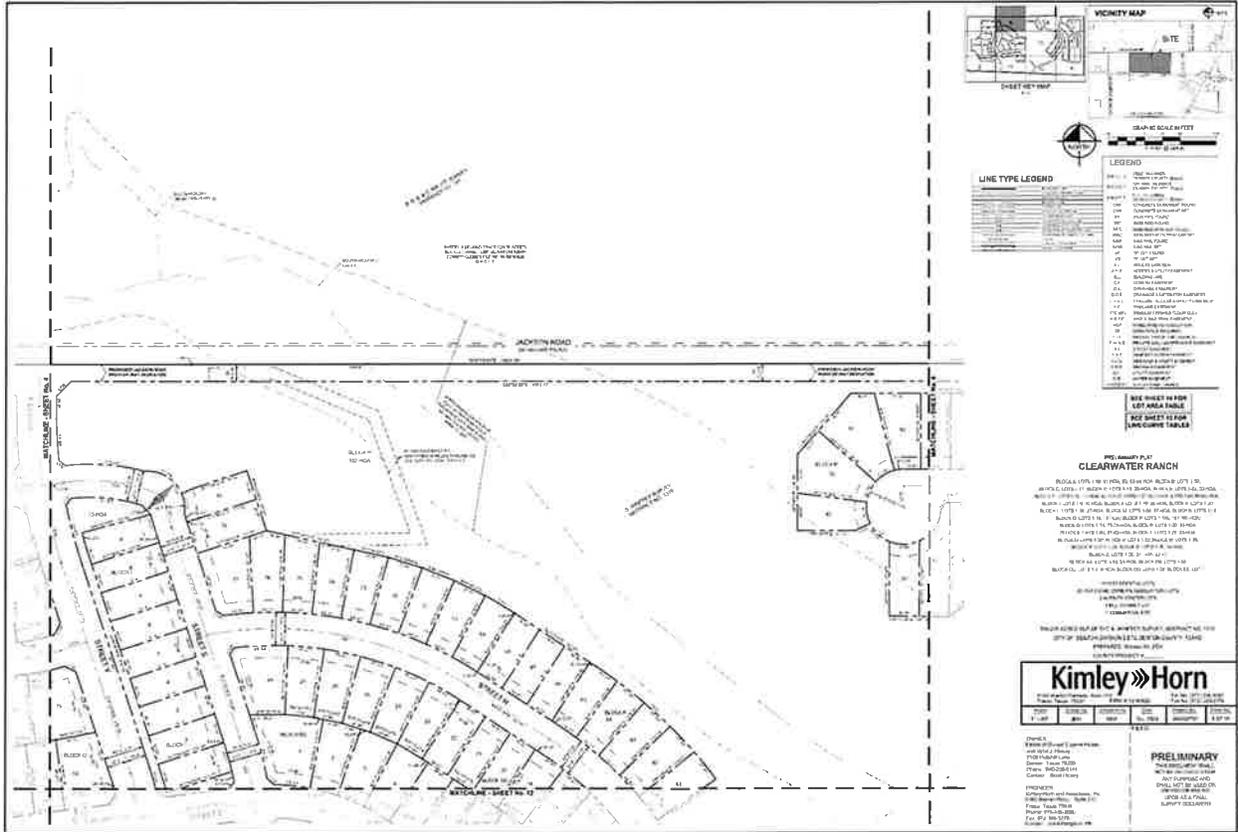




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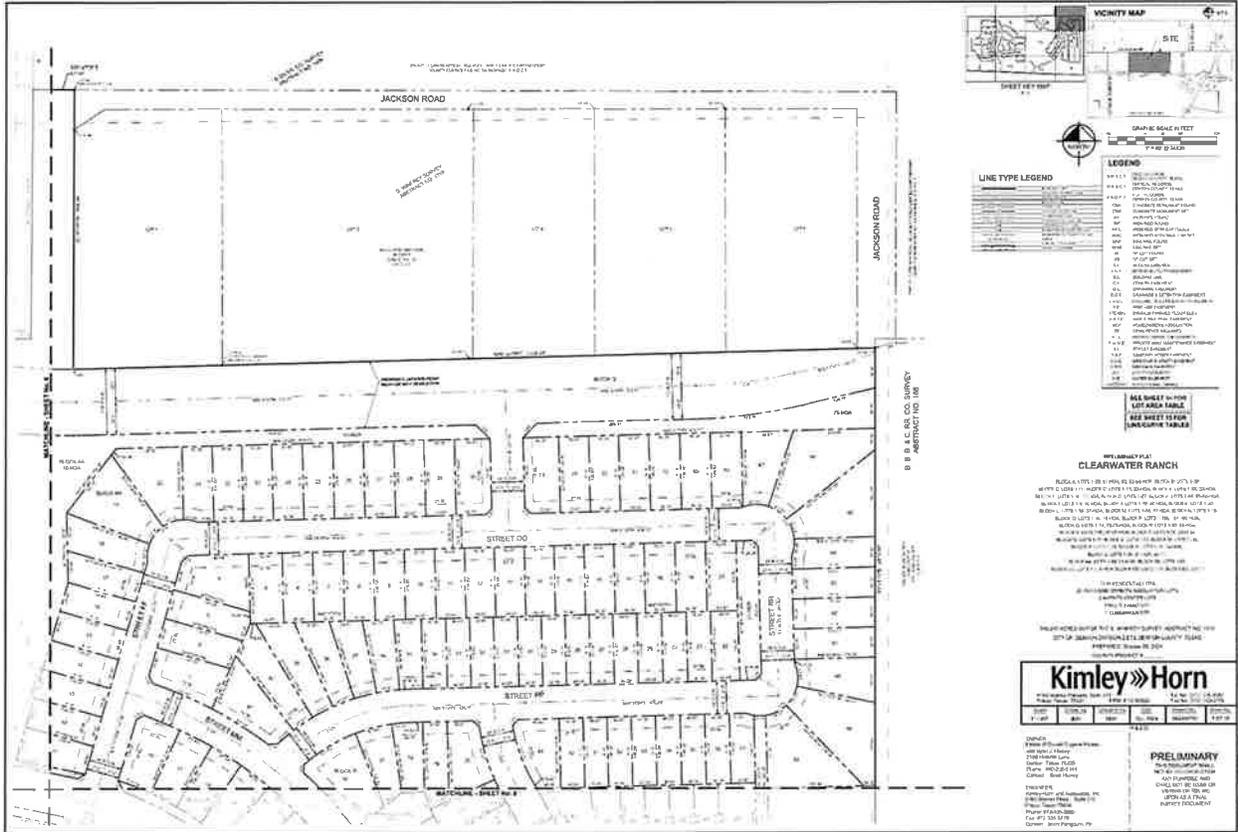






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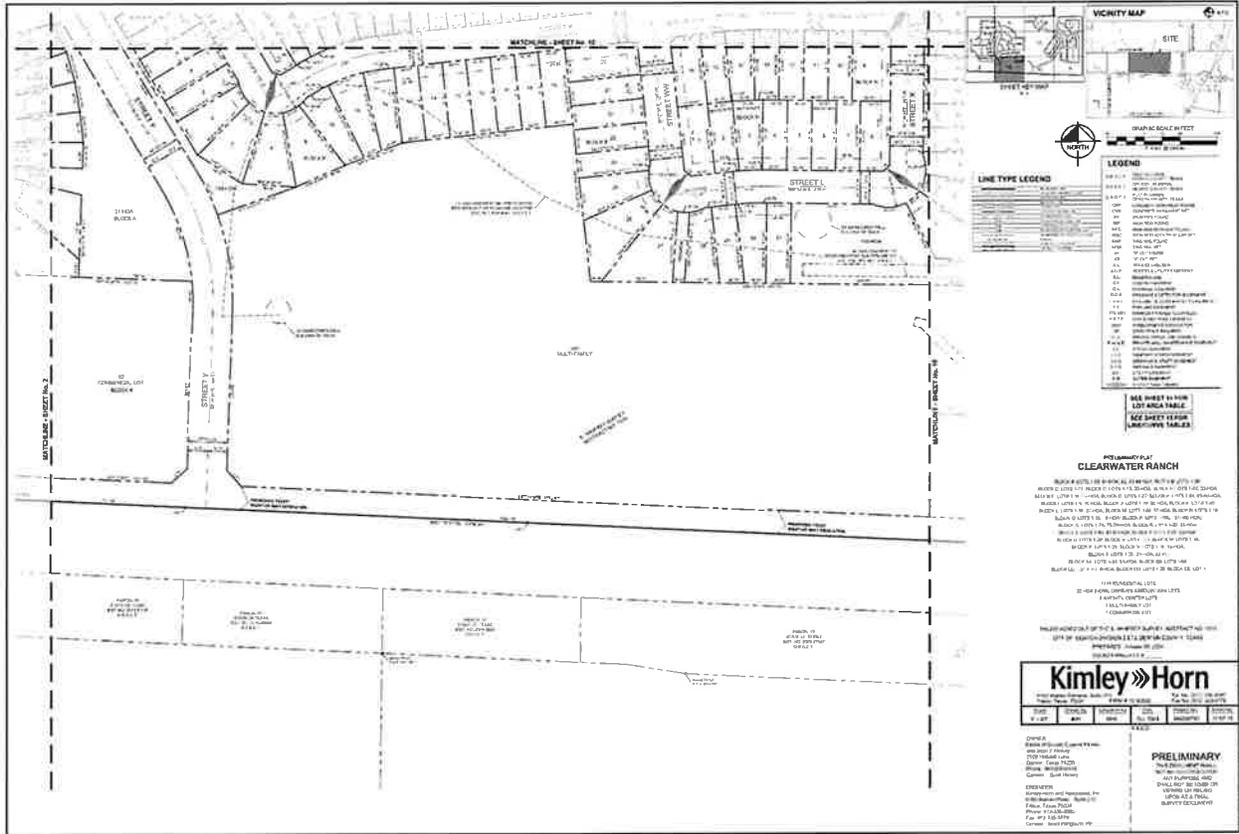


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**STATEMENT OF  
CLEARWATER RANCH**

RECEIVED FROM THE STATE OF TEXAS  
FOR THE YEAR ENDING DECEMBER 31, 2011  
AMOUNT PAID TO THE STATE OF TEXAS  
FOR THE YEAR ENDING DECEMBER 31, 2011

STATE OF TEXAS  
COMPTROLLER GENERAL

RECEIVED FROM THE STATE OF TEXAS  
FOR THE YEAR ENDING DECEMBER 31, 2011  
AMOUNT PAID TO THE STATE OF TEXAS  
FOR THE YEAR ENDING DECEMBER 31, 2011

STATE OF TEXAS  
COMPTROLLER GENERAL

**Kimley»Horn**

10000 North Loop West  
Suite 1000  
Houston, Texas 77057  
Phone: 281.462.1000  
Fax: 281.462.1001  
www.kimleyhorn.com

**PRELIMINARY**

THIS STATEMENT IS PRELIMINARY AND SUBJECT TO THE FINAL AUDIT REPORT TO BE ISSUED BY THE STATE OF TEXAS COMPTROLLER GENERAL.



**EXHIBIT C**

**AMENDED AND RESTATED STRATEGIC PARTNERSHIP  
AGREEMENT BY AND BETWEEN  
THE CITY OF DENTON, TEXAS AND  
DENTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 16**

STATE OF TEXAS                   §  
   §  
COUNTY OF DENTON           §

This Amended and Restated Strategic Partnership Agreement (this “Agreement”) is entered into by the City of Denton, Texas, a home rule municipality situated in Denton County, Texas (the “City”), and Denton County Municipal Utility District No. 16, a political subdivision of the State of Texas, acting by and through its duly authorized Board of Directors (the “District”), under the authority of Section 43.0751 of the Texas Local Government Code (the “Local Government Code”).

**RECITALS**

**WHEREAS**, Local Government Code Section 43.0751 (the “Act”) authorizes the City and the District to negotiate and enter into a strategic partnership agreement by mutual consent; and

**WHEREAS**, the District and the City entered into a previous strategic partnership agreement on June 18, 2024 and recorded as Instrument No. 2024-73355 in the Real Property Records of Denton County (the “Original SPA”); and

**WHEREAS**, since the adoption of the Original SPA, the District has expanded its boundaries within the extraterritorial jurisdiction of the City; and

**WHEREAS**, the City and the District, by executing this Agreement, wish to amend and restate the Original SPA to reflect the new boundaries of the District and to expand that portion of the District subject to limited purpose annexation by the City; and

**WHEREAS**, the District encompasses approximately 1,006.34 acres, all of which is within the City’s extraterritorial jurisdiction and contiguous to the City’s corporate boundaries, described by metes and bounds and depicted on Exhibit “A” (the “Property”); and

**WHEREAS**, this Agreement authorizes the City to annex all or certain portions of the Property for limited purposes for the purpose of collecting Sales and Use Tax Revenues (hereinafter defined) within such tracts designated for commercial use and to annex all of the Property for full purposes upon the terms contained herein; and

**WHEREAS**, pursuant to this Agreement, the City will remit to the District fifty percent (50%) of all Sales and Use Tax Revenues (hereinafter defined); and

**WHEREAS**, the City and the District acknowledge that this Agreement provides benefits to each party, including revenue, services and regulatory benefits.

**NOW, THEREFORE**, for and in consideration of the mutual agreements, covenants and conditions contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the District agree as follows:

**ARTICLE I**  
**FINDINGS**

A. The District is a municipal utility district encompassing approximately 1,006.34 acres that are within the City’s extraterritorial jurisdiction.

B. The District was created by the Texas Commission on Environmental Quality (the “TCEQ”), pursuant to Article XVI, Section 59, and Article III, Section 52(b)(3), of the Texas Constitution, and Chapters 49 and 54 of the Texas Water Code, as amended.

C. On August 18, 2020, the City Council adopted Resolution No. 20-1379 consenting to the creation of the District (the “Consent Resolution”).

D. The Parties entered into a previous Strategic Partnership Agreement on June 18, 2024 and recorded as Instrument No. 2024-73355 in the Real Property Records of Denton County.

E. The District provided notice of two public hearings concerning the adoption of this Agreement following the District’s notification procedures for other matters of public importance, in accordance with the procedural requirements of the Act.

F. The Board of Directors of the District conducted two public hearings regarding this Agreement, at which members of the public who wished to present testimony or evidence regarding this Agreement and the proposed limited purpose annexation were given the opportunity to do so, in accordance with the procedural requirements of the Act, on December 12, 2024, at 12:00 p.m. at 1213 Country Club Road, Argyle, Texas 76226, and on \_\_\_\_\_, 2025, at \_\_\_\_\_ p.m. at \_\_\_\_\_.

G. The Board of Directors of the District adopted and approved this Agreement on \_\_\_\_\_, 202\_, in open session at a meeting held in accordance with Chapter 551 of the Texas Government Code.

H. The City provided notice of two public hearings concerning the adoption of this Agreement by publishing said notices in a newspaper of general circulation in the City and in the District, in accordance with the procedural requirements of the Act.

I. The City Council conducted two public hearings regarding this Agreement, at which members of the public who wished to present testimony or evidence regarding this Agreement and the proposed limited purpose annexation were given the opportunity to do so, in accordance with the procedural requirements of the Act, on \_\_\_\_\_, 2025, at \_\_\_\_\_ p.m. at the City Council Chambers, and on \_\_\_\_\_, 2025, at \_\_\_\_\_ p.m. at the City Council Chambers.

J. The City Council adopted and approved this Agreement on \_\_\_\_\_, 2025, in open session at a meeting held in accordance with Chapter 551 of the Texas Government Code, which approval occurred after the Board of Directors of the District approved this Agreement.

K. All procedural requirements imposed by law for the adoption of this Agreement have been met.

L. In accordance with the requirements of Subsection (p)(2) of the Act, this Agreement provides benefits to the City and the District, including revenue, services and regulatory benefits which are reasonable and equitable with regard to the benefits provided to the other.

M. The Act authorizes the City and the District to enter into this Agreement to define the terms under which services, if any, will be provided to City and the District and under which the District will continue to exist after the Property is annexed for limited purposes pursuant to this Agreement.

N. This Agreement does not require the District to provide revenue to the City solely for the purpose of an agreement with the City to forgo annexation of the District.

O. All the terms contained in this Agreement are lawful and appropriate to provide for the provision of municipal services.

P. The City and the District negotiated this Agreement by mutual consent; the terms of the Agreement are not a result of the City's annexation plan or any arbitration between the City and District.

## **ARTICLE II** **DEFINITIONS**

Terms used in this Agreement shall have the following meanings:

“Act” means the Texas Local Government Code, Section 43.0751, and any amendments thereto.

“Agreement” means this Strategic Partnership Agreement between the City and the District.

“Board of Directors” means the Board of Directors of the District.

“City” means the City of Denton, Texas, a home rule municipality of the State of Texas.

“City Manager” means the chief administrative employee of the City, or his or her authorized designee.

“City Council” means the City Council of the City.

“City Share” means the City's share of the Sales and Use Tax Revenues as defined by Section 4.2 of this Agreement.

“Comptroller” means the Comptroller of Public Accounts for the State of Texas. “Consent Resolution” means the City's Resolution No. \_\_\_\_\_ consenting to the

creation of the District.

“Development Agreement” means the Amended and Restated Development Agreement by and among the City, the District, and VS Development, LLC, a Texas limited liability company, effective \_\_\_\_\_, 2024, regarding development of the Property.

“District” means Denton County Municipal Utility District No. 16.

“District Share” means the District’s share of the Sales and Use Tax Revenues as defined by Section 4.2 of this Agreement.

“ETJ” means the extraterritorial jurisdiction of a city as defined by the Local Government Code, as amended.

“Effective Date” means the date on which the City adopts this Agreement, after it has been approved, adopted, and executed by the District.

“Government Code” means the Texas Government Code, as amended.

“Implementation Date” means the date the limited-purpose annexation ordinance is passed by City Council pursuant to Section 3.4.

“Limited Purpose Annexation Period” means the period commencing on the effective date of the limited purpose annexation and ending upon the full purpose annexation or disannexation of such property.

“Limited Purpose Property ” means the property in the District that is within the City’s ETJ and is annexed pursuant to Section 3.4.

“Local Government Code” means the Texas Local Government Code, as amended. “Notice” means notice as defined in Section 9.1 of this Agreement.

“Party” means, individually, the City or the District, their successors and assigns as permitted by Section 8.8 of this Agreement.

“Property” means the approximately 1,006.34 acres located partially within the City’s extraterritorial jurisdiction, described by metes and bounds and depicted on Exhibit “A.”

“Sales and Use Tax Revenues” means those revenues received by the City from the sales and use tax authorized to be imposed by the City on sales consummated at locations within the District pursuant to the Act and Chapter 321 of the Tax Code and whose use is not otherwise controlled or regulated, in whole or in part, by another governmental entity, authority or applicable law, ordinance, rule or regulation.

“Tax Code” means the Texas Tax Code, as amended.

### **ARTICLE III**

**ADOPTION OF AGREEMENT AND  
LIMITED PURPOSE ANNEXATION**

3.1 **Public Hearings.** The District and the City acknowledge and agree that prior to the execution of this Agreement, the governing bodies of the District and the City have conducted two public hearings for the purpose of considering the adoption of this Agreement and that such hearings were noticed and conducted in accordance with the terms of the Act, this Agreement and Chapter 551 of the Government Code. The District shall pay fees related to noticing required by the Act.

3.2 **Effective Date; Amendment to Original Agreement.** Pursuant to Subsection (c) of the Act, this Agreement is effective on the date of adoption of this Agreement by the City. The District and the City agree and acknowledge that, as of the effective date, this Agreement shall supersede and control over all previous strategic partnership agreements regarding the District between the City and the District, including the Original SPA.

3.3 **Filing in Property Records.** The District shall file this Agreement in the Real Property Records of Denton County, Texas. This Agreement binds each owner and future owner of land included within the District's boundaries in accordance with Subsection (c) of the Act.

3.4 **Limited Purpose Annexation.** The District and the City agree that the City may annex all or any portion of the District for the limited purpose of collecting Sales and Use Tax Revenues within the District pursuant to Subsection (k) of the Act. The District acknowledges that the City Council may adopt one or more limited purpose annexation ordinances at one or more meetings conducted in accordance with Chapter 551 of the Government Code and further acknowledges that no additional notices, hearings or other procedures are required by law in order to approve such limited purpose annexations. The City may annex for limited purposes any portion of the District at any time.

3.5 **Limited Purpose Property and Sales and Use Tax Revenues.** For purposes of this Agreement, any property the City annexes for the limited purpose of collecting sales tax shall collectively be referred to as the "Limited Purpose Property"; and the sales and use taxes collected within the Limited Purpose Property shall be referred to as the "Sales and Use Tax Revenue".

3.6 **Consent to Limited Purpose Annexation.** The District, on behalf of itself and all present and future owners of land within the District, hereby requests that the City annex the Limited Purposes Property for limited purposes as provided in this Agreement. The District expressly consents to annexation, from time to time, and to the collection of Sales and Use Tax Revenues by the City within such Limited Purpose Property. Such consent shall bind the District and all current and future owners of land within the District.

**ARTICLE IV  
TAXATION AND PROVISIONS OF SERVICES**

4.1 **Collection of Sales and Use Tax Revenues.** The City may impose a sales and use tax within the District pursuant to Subsection (k) of the Act. The sales and use tax shall be imposed on all eligible commercial activities at the rate allowed under the Tax Code and imposed by the City. Collection of the Sales and Use Tax Revenues shall take effect on the date described in

Section 321.102 of the Tax Code.

4.2 Payment of Sales and Use Tax. In return for the benefits received by the City pursuant to this Agreement, the City shall pay to the District an amount equal to fifty percent (50%) of the Sales and Use Tax Revenues collected within the District commencing upon the effective date of the limited purpose annexation of the property within the District. All amounts payable to the District are hereafter referred to as the "District Share." The City shall pay the District Share within thirty (30) days after the City receives the sales tax report reflecting such Sales and Use Tax Revenues from the Comptroller. Any payment of the District Share not made within such thirty (30) day period shall bear interest calculated in accordance with Section 2251.025 of the Government Code. The City shall retain all Sales and Use Tax Revenues that do not constitute the District Share (the "City Share").

4.3 Use of the Sales and Use Tax Revenues. The District may use the District Share for any lawful purpose. The City may use the City Share for any lawful purpose.

4.4 Delivery of Sales Tax Reports to District. The City shall deliver to the District a condensed version of each monthly area sales tax report provided by the Comptroller, containing only the contents of the sales tax report relating to retail sales and retailers in the District within thirty (30) days of City's receipt of the sales tax report.

4.5 Notification of Comptroller. The City shall send notice of this Agreement, together with other required documentation, to the Comptroller in the manner provided by Section 321.102 of the Tax Code, after the City Council annexes any portion of the Limited Purpose Property for limited purposes.

4.6 Termination of Sales and Use Tax Sharing. Upon termination of this Agreement, the City shall have no further financial obligation to the District pursuant to this Agreement.

4.7 City Audit Rights. The District is required by law to prepare an annual audit within one hundred twenty (120) days after the close of the District's fiscal year, subject to the exemptions provided under Section 49.198 of the Texas Water Code allowing for the District to file annual financial reports with the executive director of the TCEQ in lieu of conducting an annual audit if it meets certain criteria. The District shall provide a copy of its annual audit or annual financial report to City within thirty (30) days after the audit or financial report is completed. City may audit the District's expenditures made with the Sales and Use Tax revenue paid under Section 4.2, solely to determine whether the expenditures have been made by the District in accordance with Section 4.3. Any audit shall be made at City's sole cost and expense and may be performed at any time during regular business hours by City's internal auditors or an independent auditing firm on thirty (30) days written notice to the District. For the purpose of any audits made by the City, the District shall maintain and make available to City or its representatives all books, records, documents and other evidence of accounting procedures or practices in whatever form maintained sufficient to reflect the expenditure of all Sales and Use Tax revenues that are subject to this Agreement.

## ARTICLE V

## **FULL PURPOSE ANNEXATION**

5.1 **Full Purpose Annexation and Conversion Date.** In accordance with the provisions of Section 43.0751(f)(5) of the Act, the District consents to the full purpose annexation of the District by the City at any time on or after one hundred percent (100%) of the land in the District capable of being developed has been developed with water, sanitary sewer, and drainage facilities and roads (collectively, "Facilities") and the District has issued its bonds to fully reimburse the developer of such Facilities to the fullest extent allowed under the then current rules of the Texas Commission on Environmental Quality. The City agrees not to annex the District for full municipal purposes prior to such time. At least one hundred eighty (180) days prior to the date the City intends to annex the District, the City shall provide the District with a written notice of intent to annex the District and the date planned for annexation, which date shall constitute the "Full Purpose Annexation Conversion Date" under the Act. The City further agrees that the full purpose annexation of the District by the City is further subject to the limitations contained in the Development Agreement.

5.2 **Assumption of District Duties.** Prior to the Full Purpose Annexation Conversion Date, the District remains authorized to exercise all powers and functions of a municipal utility district provided by existing law or any amendments or additions thereto. The District's assets, liabilities, indebtedness, and obligations will remain the responsibility of the District during the period preceding full-purpose annexation and conversion. The District agrees that beginning on the Effective Date and until the Full Purpose Annexation Conversion Date, the District shall maintain all of its roadway, property and utility infrastructure in good condition and repair. Upon the Full Purpose Annexation Conversion Date, Sections 43.075(c) and (d) of the Act shall apply, and: (i) the City shall succeed to the powers, duties, assets, and obligations of the District; and (ii) the City shall take over all the Property and other assets of the District, assume all the debts, liabilities, and obligations of the District, and perform all the functions of the District. The City and the District agree to fully comply with all requirements in Section 43.075 of the Texas Local Government Code.

## **ARTICLE VI** **TERM**

This Agreement commences and binds the Parties on the Effective Date and continues until (i) the Full Purpose Annexation Conversion Date or (ii) the date that the City disannexes the Limited Purpose Property. Any rights or privileges of the Parties and their successors or assigns under this Agreement will terminate upon the expiration or termination of this Agreement. If the City elects to annex the Limited Purpose Property for full purposes or disannex the Limited Purpose Property, the City will provide written notice to the District at least one hundred eighty (180) days before such annexation or disannexation. If the District elects to dissolve, it shall provide written notice to the City at least one hundred eighty (180) days before the dissolution.

## **ARTICLE VIII** **BREACH, NOTICE AND REMEDIES**

8.1 **Notification of Breach.** If either Party commits an alleged breach of this Agreement, the non-breaching Party shall give Notice to the breaching Party that describes the alleged breach in reasonable detail. A Party receiving such Notice shall determine (i) whether a failure to comply with a provision has occurred; (ii) whether the failure is excusable; and (iii) whether the failure has been cured or will be cured by the purportedly breaching Party. The Parties shall make available

to each other such records, documents, or other information necessary to make these determinations upon reasonable written request.

8.2 Cure of Breach. The breaching Party shall commence curing such breach within fifteen (15) calendar days after receipt of Notice of the breach and shall complete the cure within thirty (30) calendar days from the date of commencement of the cure; however, if the breach is not reasonable susceptible to cure by the breaching Party within such thirty (30) day period, the non-breaching Party shall not bring any action so long as the breaching Party has commenced to cure the breach within such thirty (30) day period and diligently completes the cure within a reasonable time without unreasonable cessation. A Party providing Notice of a breach may provide for a longer period of time to cure the alleged failure within its written notice

8.3 Remedies for Breach. If the breaching Party does not cure such material breach within the stated period of time, the non-breaching Party may, in its sole discretion, and without prejudice to any other right under this Agreement, law, or equity, seek relief available at law or in equity, including, but not limited to, an action under the Uniform Declaratory Judgment Act, specific performance, mandamus and injunctive relief. Damages, if any, to which any non-breaching Party may be entitled shall be limited to actual damages and shall not include special or consequential damages. In addition, the prevailing party in any such action shall be entitled to reasonable attorney's fees and costs of litigation as determined in a final, non-appealable order in a court of competent jurisdiction.

**ARTICLE IX**  
**ADDITIONAL PROVISIONS**

9.1 Notices. All required notices under this Agreement ("Notice") shall be in writing and shall become effective as follows: (a) on the tenth (10<sup>th</sup>) business day after being deposited with the United States mail service, postage prepaid, Certified Mail, Return Receipt Requested, addressed to the Party to be notified; (b) on the day delivered by private delivery or private messenger service (such as FedEx or UPS) as evidenced by a receipt signed by any person at the delivery address (whether or not such person is the person to whom the Notice is addressed); or (c) otherwise on the day actually received by the person to whom the Notice is addressed, including, but not limited to, delivery in persona and delivery by regular mail. All Notices given pursuant to this section shall be addressed as follows:

To the City:           City of Denton Attn: City Manager  
                              215 E. McKinney St.  
                              Denton, Texas 76201  
                              Fax: (940) 382-7923  
                              Email: [Sara.Hensley@cityofdenton.com](mailto:Sara.Hensley@cityofdenton.com)

With a copy to:       City of Denton  
                              Attn: City Attorney  
                              215 E. McKinney St.  
                              Denton, TX 76201  
                              Email: [Mack.Reinwand@cityofdenton.com](mailto:Mack.Reinwand@cityofdenton.com)

If to the District:    Denton County Municipal Utility District No. 16

Attn: President, Board of Directors  
c/o Coats Rose, P.C.  
16000 N. Dallas Parkway, Suite 350  
Dallas, Texas 75248  
Email: [mkoehne@coatsrose.com](mailto:mkoehne@coatsrose.com)

With a copy to: Attn: Mindy L. Koehne  
c/o Coats Rose, P.C.  
16000 N. Dallas Parkway, Suite 350  
Dallas, Texas 75248  
Email: [mkoehne@coatsrose.com](mailto:mkoehne@coatsrose.com)

9.2 No Waiver. Any failure by a Party to insist upon strict performance by the other Party of any provision of this Agreement shall not be deemed a waiver thereof, and the Party shall have the right at any time thereafter to insist upon strict performance of any and all of the provisions of this Agreement. No provision of this Agreement may be waived except in writing signed by the Party waiving such provision. Any waiver shall be limited to the specific purpose for which it is given. No waiver by any Party hereto of any term or condition of this Agreement shall be deemed or construed to be a waiver of any other term or condition or subsequent waiver of the same term or condition.

9.3 Governing Law and Venue. This Agreement shall be construed and enforced in accordance with the laws of the State of Texas, as they apply to contracts performed within the State of Texas and without regard to any choice of law rules or principles to the contrary. The Parties acknowledge that this Agreement is performable in Denton County, Texas, and hereby submit to the jurisdiction of the courts of Denton County, Texas, and agree that any such court with proper jurisdiction shall be a proper forum for the determination of any dispute arising hereunder.

9.4 Authority to Execute. The City warrants that this Agreement has been approved by the City Council in accordance with all applicable public meeting and public notice requirements (including, but not limited to, notices required by the Texas Open Meetings Act) and that the individual executing this Agreement on behalf of the City has been authorized to do so. The District warrants that this Agreement has been approved by the Board in accordance with all applicable public meeting and public notice requirements (including, but not limited to, notices required by the Open Meetings Act) and the individual executing this Agreement on behalf of the District has been authorized to do so.

9.5 Entire Agreement; Severability. This Agreement constitutes the entire agreement between the Parties and supersedes all prior agreements, whether oral or written, covering the subject matter of this Agreement. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then (a) such unenforceable provision shall be deleted from this Agreement; (b) the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the Parties; and (c) the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties.

9.6 Changes in State or Federal Law. If any state or federal law changes so as to make

it impossible for the City or the District to perform its obligations under this Agreement, the Parties will cooperate to amend this Agreement in such a manner that is most consistent with the original intent of this Agreement and legally possible.

9.7 Additional Documents and Acts. The Parties agree that at any time after execution of this Agreement, they will, upon request of the other Party, execute and/or exchange any other documents necessary to effectuate the terms of this Agreement and perform any further acts as the other Party may reasonably request to effectuate the terms of this Agreement.

9.8 Assignability, Successors and Assigns. This Agreement shall not be assignable by any Party without the other Party's written consent. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective officers, directors, partners, employees, representatives, agents, vendors, grantees and/or trustees, heirs, executors, administrators, legal representatives, successors and assigns, as authorized herein. No assignment by a Party will be valid or enforceable unless all of the following conditions have been satisfied:

- a. The assignment of the Agreement must be evidenced by a recordable document (the "Assignment"), the form of which must be approved in writing by the Parties (such approval not to be unreasonably withheld);
- b. The Assignment must expressly contain, among other reasonable requirements and/or conditions of the Parties, an acknowledgment and agreement that all obligations, covenants, and/or conditions contained in the Agreement will be assumed solely and completely by the assignee, and also contain the name, address, phone number, and electronic mail address of the assignee;
- c. the Assignor must file any approved, executed Assignment in the Land Records of Denton County, Texas; and
- d. Assignor shall provide the other Party with a file-marked copy of the Assignment within ten (10) days of filing the same.

9.9 Amendment. This Agreement may be amended only by written agreement with approval of the governing bodies of both the City and the District.

9.10 Interpretation. The Parties acknowledge that each Party (and if it so chooses, its counsel) has reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement or any amendments or exhibits hereto. Unless otherwise specified, as used in this Agreement, the term "including" means "including, without limitation" and the term "days" means calendar days, not business days. Wherever required by the context, the singular shall include the plural, and the plural shall include the singular. Each defined term herein may be used in its singular or plural form whether or not so defined. Headings in this Agreement are for the convenience of the Parties are not intended to be used in construing this document.

9.11 No Third-Party Beneficiaries. This Agreement is solely for the benefit of the City and the District. Neither the City nor the District intends by any provision of this Agreement to

create any rights in any third-party beneficiaries or to confer any benefit or enforceable rights under this Agreement or otherwise upon anyone other than the City and the District.

9.12 Governmental Powers. By execution of this Agreement, neither the City nor the District waives or surrenders any of its respective governmental powers, immunities or rights, except as specifically waived pursuant to this section. The City and the District mutually waive their governmental immunity from suit and liability only as to any action brought by a Party to pursue the remedies available under this Agreement and only to the extent necessary to pursue such remedies. Nothing in this section shall waive any claims, defenses or immunities that the City or the District has with respect to suits against the City or the District by persons or entities not a party to this Agreement.

9.13 Incorporation of Exhibits by Reference. All exhibits attached to this Agreement are incorporated into this Agreement by reference for the purposes set forth herein, as follows:

Exhibit A      Legal Description and Map of Property

9.14 Counterpart Originals. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original.

9.15 Recitals. The recitals contained in this Agreement: (a) are true and correct as of the Effective Date; (b) form the basis upon which the Parties negotiated and entered into this Agreement; and (c) reflect the final intent of the Parties with regard to the subject matter of this Agreement. In the event it becomes necessary to interpret any provision of this Agreement, the intent of the Parties, as evidenced by the recitals, shall be taken into consideration and, to the maximum extent possible, given full effect. The Parties have relied upon the recitals as part of the consideration for entering into this Agreement and, but for the intent of the Parties reflected by the recitals, would not have entered into this Agreement, and the recitals are incorporated as part of the Agreement's terms.

9.16 Voting Rights in the District. Upon annexation of any portion of the District for limited purposes by City, any qualified voters within that portion of the District may vote in City elections, pursuant to Local Government Code §43.130(a). Voting rights are subject to all state and federal laws and regulations. City will comply with all the notice requirements as set forth in §43.130 of the Local Government Code, as it now exists or hereafter amended.

9.17 Reservation of Rights. To the extent not inconsistent with this Agreement, each Party reserves all rights, privileges, and immunities under applicable laws. By entering into and executing this Agreement, City does not in any way waive, limit, or surrender its sovereign immunity.

9.18 Authority for Execution. All signatories certify and represent that the execution of this Agreement is duly authorized and adopted in conformity with applicable law, and the signatory has been provided with all authority, consent, and/or permissions necessary to bind his/her respective principal to the terms set forth in this Agreement. The District certifies and represents that the execution of this Agreement is duly authorized and adopted by its Board of Directors.

**CITY OF DENTON**

By: \_\_\_\_\_  
Sara Hensley, City Manager

**ATTEST:**

\_\_\_\_\_  
Lauren Thoden, City Secretary

**APPROVED AS TO FORM: \_**

\_\_\_\_\_  
Mack Reinwand, City Attorney

**DISTRICT**

By: \_\_\_\_\_  
President, Board of Directors

**ATTEST:**

\_\_\_\_\_  
Secretary, Board of Directors

**APPROVED AS TO FORM: \_**

\_\_\_\_\_  
Mindy L. Koehne, Attorney for the District

**EXHIBIT "A" (to Strategic Partnership Agreement)**  
The Property

**EXHIBIT “D-1”**  
Annexation Consent Resolution – Hickey Tract

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DENTON, TEXAS  
CONSENTING TO THE ANNEXATION OF CERTAIN LAND INTO DENTON  
COUNTY MUNICIPAL UTILITY DISTRICT NO. 16; AND PROVIDING AN  
EFFECTIVE DATE.

WHEREAS, on the 4th day of October, 2024, the City of Denton, Texas (the “City”) received a Petition for Consent to Annexation of Land into Denton County Municipal Utility District No. 16 (the “Petition”) executed by H-XI 380 Family Limited Partnership, LP, a Texas limited partnership (the “Petitioner”), attached hereto as Exhibit “A”; and

WHEREAS, the Petition seeks to add those certain tracts of land containing approximately 356.425 acres of land described therein (the “Property”) to Denton County Municipal Utility District No. 16 (the “District”), the Property being located wholly or partially within the extraterritorial jurisdiction of the City and not within the extraterritorial jurisdiction or corporate limits of any other city, town or village; and

WHEREAS, Texas Water Code, Section 54.016, and Texas Local Government Code, Section 42.0425 provide that land within the corporate limits of a city may not be included in the District without the written consent of such city; and

WHEREAS, the City Council of the City desires to adopt a Resolution for the purpose of consenting to the inclusion of the Property in the District.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DENTON, TEXAS:

Section 1. That the facts set out in the preamble are true and correct and are incorporated herein for all purposes.

Section 2. That the City Council hereby gives written consent, pursuant to Section 54.016, Texas Water Code and Section 42.0425, Texas Local Government Code, to the annexation of the Property into the District.

Section 3. The City Council of the City officially finds, determines, recites, and declares that a sufficient written notice of the date, hour, place, and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall and on the official website of the City in the manner and for the time required by law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, and that this meeting was open to the public as required by law at all times during which this Resolution and the subject matter thereof was discussed, considered, and formally acted upon. The City Council further ratifies, approves, and confirms such written notice and the contents and posting thereof.

Section 4. This Resolution shall take effect immediately from and after its passage, and it is, accordingly, so resolved.

The motion to approve this ordinance was made by \_\_\_\_\_ and seconded by \_\_\_\_\_, the ordinance was passed and approved by the following vote [\_\_\_\_ - \_\_\_\_]:

	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>	<b>Absent</b>
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Paul Meltzer, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the \_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
GERARD HUDSPETH, MAYOR

ATTEST:  
LAUREN THODEN, CITY SECRETARY

By: \_\_\_\_\_

APPROVED AS TO LEGAL FORM:  
MACK REINWAND, CITY ATTORNEY

By: \_\_\_\_\_

**EXHIBIT "A" (to Consent Resolution)**  
Petition for Consent

**PETITION FOR CONSENT TO ANNEXATION OF LAND  
INTO DENTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 16**

THE STATE OF TEXAS           §  
  §  
COUNTY OF DENTON           §

TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF DENTON,  
TEXAS:

The undersigned, H-XI 380 Family Limited Partnership, LP, a Texas limited partnership, (the "Petitioner"), being the owner of the property described in Exhibit "A" attached hereto (the "Property"), respectfully petitions the City of Denton, Texas (the "City") for its consent to the annexation of the Property into Denton County Municipal Utility District No. 16 (the "District"). In support of this Petition, the Petitioner would show the following:

I.

The Property sought to be added to the District is described by the metes and bounds descriptions in Exhibit "A" attached hereto and made a part hereof for all purposes.

II.

The Property lies wholly within Denton County, Texas, and not within the boundaries of any incorporated city or town. The Property lies wholly within the exclusive extraterritorial jurisdiction of the City.

III.

The Petitioner is the holder of title to all of the Property as shown by the Denton County Tax Rolls and conveyances of record.

IV.

The District was organized, created and established by order of the Texas Commission on Environmental Quality ("TCEQ"), said order issued August 11, 2021, and operates pursuant to Chapters 49 and 54, Texas Water Code, as amended. The District is generally empowered and authorized to purchase, construct, acquire, own, operate, maintain, repair, improve, or extend inside and outside its boundaries any and all works, improvements, facilities, plants, equipment, and appliances necessary to accomplish the purposes of its creation.

V.

The general nature of the work to be done by and within the Property at the present time is the construction, maintenance and operation of a waterworks system for domestic purposes; the construction, maintenance and operation of a sanitary sewer collection system; the control,

4856-9516-3839.v2

abatement and amendment of the harmful excess of waters and the reclamation and drainage of overflowed lands within the lands to be included within the District; and the construction of roads and of such additional facilities, systems, plants and enterprises as shall be consistent with the purposes for which the District is organized.

VI.

There is a necessity for the improvements above described because the Property is located within an area that is experiencing substantial and sustained residential growth, is urban in nature and is not supplied with adequate water, sanitary sewer, and drainage facilities and roads. The health and welfare of the future inhabitants of the Property require the acquisition and installation of an adequate waterworks, sanitary sewer, and storm drainage system and roads. The purchase, construction, extension, improvement, maintenance and operation of such waterworks system and storm and sanitary sewer collection and disposal systems and roads will conserve and preserve the natural resources of this State by promoting and protecting the purity and sanitary condition of the State's waters and will promote and protect the public health and welfare of the community; therefore, a public necessity exists for the inclusion of the Property within the District.

VII.

Said proposed improvements are practicable and feasible, in that the terrain of the Property is of such a nature that a waterworks system and sanitary and storm sewer systems and roads can be constructed at a reasonable cost; and said land will be developed for residential purposes in the foreseeable future.

VIII.

A preliminary investigation has been instituted to determine the cost of the project attributable to the Property, and it is now estimated by those filing this Petition, from such information as they have at this time, that the ultimate cost of the development contemplated will be approximately \$95,000,000.

WHEREFORE, the undersigned respectfully pray that this Petition be granted in all respects and that the City Council of the City of Denton, Texas, adopt a resolution giving its written consent to the addition of the Property to the District.

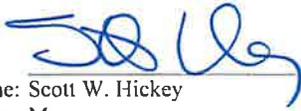
[SIGNATURES ON THE FOLLOWING PAGES]

RESPECTFULLY SUBMITTED THIS 13<sup>th</sup> day of September, 2024.

**PETITIONER:**

H-XI 380 FAMILY LIMITED PARTNERSHIP, LP,  
a Texas limited partnership

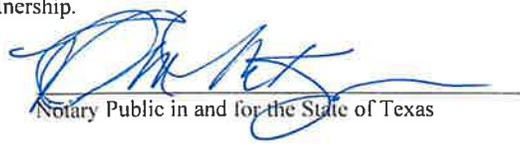
By: H-XI 380 Management, LLC,  
a Texas limited liability company,  
its General Partner

By:   
Name: Scott W. Hickey  
Title: Manager

THE STATE OF TEXAS                   §  
  §  
COUNTY OF Denton               §

This instrument was acknowledged before me on the 13<sup>th</sup> day of Sept, 2024, by Scott W. Hickey, as Manager of H-XI 380 Management, LLC, a Texas limited liability company, General Partner of H-XI 380 Family Limited Partnership, LP, a Texas limited partnership, on behalf of said limited partnership.



  
Notary Public in and for the State of Texas

**EXHIBIT "A"**  
**Property Description**

4. Legal description of land:

**TRACT 1:**

All that certain lot, tract or parcel of land lying and being situated in the SARAH WINFREY SURVEY, ABSTRACT No. 1319, County of Denton, State of Texas, and being all of Tracts One, Two, Three and Five as conveyed by deed dated September 8, 1971, from Jerry A. Garrett, et al, to Don E. Hickey, as shown on record in Volume 628, Page 596, of the Deed Records of Denton County, Texas, and being more particularly described as follows:

**BEGINNING** at a fence corner post in the South boundary line of a public road and being the Northwest corner of Tract One of said Don E. Hickey property;

**THENCE** South 89° 07' 21" East, along the South boundary line of public road, 2970.74 feet to a concrete monument for the Northeast corner of Tract Three;

**THENCE** South 00° 33' West, with fence 2760.4 feet to a concrete monument for the Southeast corner of Tract Five, and being in the North boundary line of U.S. Highway No. 380;

**THENCE** North 88° 09' West, along the North boundary line of said Highway No. 380, 2052.11 feet to a concrete monument for corner;

**THENCE** South 01° 51' West, 10.00 feet to a concrete monument for corner and being in the North boundary line of U.S. Highway No. 380;

**THENCE** North 88° 09' West, 893.00 feet to a concrete monument for corner in the North boundary line of the past mentioned highway, and being the Southwest corner of Tract Two of the Don E. Hickey property;

**THENCE** North along fence line, 2629.7 feet to the **POINT OF BEGINNING** and containing 182.827 acres of land, more or less.

**NOTE:** The Company is prohibited from insuring the area or quantity of the land described herein. Any statement in the above legal description of the area or quantity of land is not a representation that such area or quantity is correct, but is made only for information and/or identification purposes and does not override Item 2 of Schedule B hereof.

**TRACT 2:**

All that certain 173.598 acre tract or parcel of land situated in the SARAH WINFREY SURVEY, ABSTRACT No. 1319, being part of a called 285.91 acre tract conveyed to Henry A. Hudson, III, and recorded in Volume 994, Page 621, Deed Records, Denton County, Texas; said 173.598 acre tract being more particularly described as follows:

**BEGINNING** at the most westerly-northwest corner of said 285.91 acre tract at a set 1/2" rebar in a North line of said Winfrey Survey, same being a South line of the BBB & CRR Company Survey, Abstract No. 157, same being in Jackson Road;

**THENCE** North 89° 34' 09" East with said survey line, a distance of 1247.89 feet to a set 1/2" rebar for the Southeast corner of said BBB & CRR Company Survey; same being the Southeast corner of a tract conveyed to C. W. Buckley and recorded in Volume 364, Page 567, Deed Records, Denton County, Texas;

**THENCE** North 00° 35' 48" East with a common line between the Winfrey and BBB & CRR Surveys, a distance of 413.69 feet, passing across Jackson Road to a set 1/2" rebar for the Southwest corner of the I & GMRV Company Survey, Abstract No. 1498;

**THENCE** South 89° 36' 04" East with the South line of said I & GMRV Survey, a distance of 68.11 feet to a set 1/2" rebar at the Northwest corner of the Hutchens Addition, an Addition to Denton County, Texas, as shown by Plat recorded in Cabinet E, Slide 18, Plat Records, Denton County, Texas;

**THENCE** South 00° 23' 56" West, crossing said Jackson Road with the West line of said Hutchens Addition, a distance of 464.24 feet to a found 1/2" rebar for the Southwest corner of said Hutchens Addition;

THENCE North 88° 43' 58" East with the South line of said Hutchens Addition, a distance of 1328.43 feet to the Southeast corner of said Addition; said point being in the East line of said Winfrey Survey;

THENCE South 00° 09' 56" West with said survey line generally with a fence and crossing South Hickory Creek, continuing a total distance of 2873.66 feet to a set 1/2" rebar in the North Right-of-Way line of U.S. 380; and being in the North boundary line of a tract conveyed to the State of Texas for highway purposes, as shown of record in Volume 11, Page 327 of the Civil Minutes of County Court, Denton County, Texas;

THENCE North 87° 05' 26" West with said Right-of-Way, a distance of 1336.33 feet to a concrete Right-of-Way Monument on the South bank of South Hickory Creek;

THENCE South 06° 44' 17" West with said Right-of-Way, a distance of 39.52 feet to a concrete Right-of-Way Monument;

THENCE North 87° 05' 26" West with said Right-of-Way, a distance of 1347.10 feet to a concrete monument at the Southeast corner of a called Tract Five conveyed to Don E. Hickey and recorded in Volume 628, Page 596, Deed Records, Denton County, Texas;

THENCE North 00° 58' 53" East, passing concrete monuments at 587.54 feet and 2759.16 feet also crossing over South Hickory Creek, continuing a total distance of 2789.16 feet to the POINT OF BEGINNING, containing in all 173.598 acres of land, more or less.

NOTE: The Company is prohibited from insuring the area or quantity of the land described herein. Any statement in the above legal description of the area or quantity of land is not a representation that such area or quantity is correct, but is made only for information and/or identification purposes and does not override Item 2 of Schedule B hereof.

**EXHIBIT “D-2”**  
Annexation Consent Resolution – Jean Tract

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DENTON, TEXAS  
CONSENTING TO THE ANNEXATION OF CERTAIN LAND INTO DENTON  
COUNTY MUNICIPAL UTILITY DISTRICT NO. 16; AND PROVIDING AN  
EFFECTIVE DATE.

WHEREAS, on the 4th day of October, 2024, the City of Denton, Texas (the “City”) received a Petition for Consent to Annexation of Land into Denton County Municipal Utility District No. 16 (the “Petition”) executed by Billy and Jean Family Partners, Ltd., a Texas limited partnership (the “Petitioner”), attached hereto as Exhibit “A”; and

WHEREAS, the Petition seeks to add that certain approximately 96.921-acre tract of land described therein (the “Property”) to Denton County Municipal Utility District No. 16 (the “District”), the Property being located wholly or partially within the extraterritorial jurisdiction of the City and not within the extraterritorial jurisdiction or corporate limits of any other city, town or village; and

WHEREAS, Texas Water Code, Section 54.016, and Texas Local Government Code, Section 42.0425 provide that land within the corporate limits of a city may not be included in the District without the written consent of such city; and

WHEREAS, the City Council of the City desires to adopt a Resolution for the purpose of consenting to the inclusion of the Property in the District.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DENTON, TEXAS:

Section 1. That the facts set out in the preamble are true and correct and are incorporated herein for all purposes.

Section 2. That the City Council hereby gives written consent, pursuant to Section 54.016, Texas Water Code and Section 42.0425, Texas Local Government Code, to the annexation of the Property into the District.

Section 3. The City Council of the City officially finds, determines, recites, and declares that a sufficient written notice of the date, hour, place, and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall and on the official website of the City in the manner and for the time required by law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, and that this meeting was open to the public as required by law at all times during which this Resolution and the subject matter thereof was discussed, considered, and formally acted upon. The City Council further ratifies, approves, and confirms such written notice and the contents and posting thereof.

Section 4. This Resolution shall take effect immediately from and after its passage, and it is, accordingly, so resolved.

The motion to approve this ordinance was made by \_\_\_\_\_ and seconded by \_\_\_\_\_, the ordinance was passed and approved by the following vote [\_\_\_\_ - \_\_\_\_]:

	<b>Aye</b>	<b>Nay</b>	<b>Abstain</b>	<b>Absent</b>
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Paul Meltzer, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the \_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
GERARD HUDSPETH, MAYOR

ATTEST:  
LAUREN THODEN, CITY SECRETARY

By: \_\_\_\_\_

APPROVED AS TO LEGAL FORM:  
MACK REINWAND, CITY ATTORNEY

By: \_\_\_\_\_

**EXHIBIT "A" (to Consent Resolution)**  
Petition for Consent

**PETITION FOR CONSENT TO ANNEXATION OF LAND  
INTO DENTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 16**

THE STATE OF TEXAS           §  
  §  
COUNTY OF DENTON           §

TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF DENTON,  
TEXAS:

The undersigned, Billy and Jean Family Partners, Ltd., a Texas limited partnership (the "Petitioner"), being the owner of the property described in Exhibit "A" attached hereto (the "Property"), respectfully petitions the City of Denton, Texas (the "City") for its consent to the annexation of the Property into Denton County Municipal Utility District No. 16 (the "District"). In support of this Petition, the Petitioner would show the following:

I.

The Property sought to be added to the District is described by the metes and bounds descriptions in Exhibit "A" attached hereto and made a part hereof for all purposes.

II.

The Property lies wholly within Denton County, Texas, and not within the boundaries of any incorporated city or town. The Property lies wholly within the exclusive extraterritorial jurisdiction of the City.

III.

The Petitioner is the holder of title to all of the Property as shown by the Denton County Tax Rolls and conveyances of record.

IV.

The District was organized, created and established by order of the Texas Commission on Environmental Quality ("TCEQ"), said order issued August 11, 2021, and operates pursuant to Chapters 49 and 54, Texas Water Code, as amended. The District is generally empowered and authorized to purchase, construct, acquire, own, operate, maintain, repair, improve, or extend inside and outside its boundaries any and all works, improvements, facilities, plants, equipment, and appliances necessary to accomplish the purposes of its creation.

V.

The general nature of the work to be done by and within the Property at the present time is the construction, maintenance and operation of a waterworks system for domestic purposes; the construction, maintenance and operation of a sanitary sewer collection system; the control,

4889-0562-5045.v2

abatement and amendment of the harmful excess of waters and the reclamation and drainage of overflowed lands within the lands to be included within the District; and the construction of roads and of such additional facilities, systems, plants and enterprises as shall be consistent with the purposes for which the District is organized.

VI.

There is a necessity for the improvements above described because the Property is located within an area that is experiencing substantial and sustained residential growth, is urban in nature and is not supplied with adequate water, sanitary sewer, and drainage facilities and roads. The health and welfare of the future inhabitants of the Property require the acquisition and installation of an adequate waterworks, sanitary sewer, and storm drainage system and roads. The purchase, construction, extension, improvement, maintenance and operation of such waterworks system and storm and sanitary sewer collection and disposal systems and roads will conserve and preserve the natural resources of this State by promoting and protecting the purity and sanitary condition of the State's waters and will promote and protect the public health and welfare of the community; therefore, a public necessity exists for the inclusion of the Property within the District.

VII.

Said proposed improvements are practicable and feasible, in that the terrain of the Property is of such a nature that a waterworks system and sanitary and storm sewer systems and roads can be constructed at a reasonable cost; and said land will be developed for residential purposes in the foreseeable future.

VIII.

A preliminary investigation has been instituted to determine the cost of the project attributable to the Property, and it is now estimated by those filing this Petition, from such information as they have at this time, that the ultimate cost of the development contemplated will be approximately \$26,000,000.

WHEREFORE, the undersigned respectfully prays that this Petition be granted in all respects and that the City Council of the City of Denton, Texas, adopt a resolution giving its written consent to the addition of the Property to the District.

[SIGNATURES ON THE FOLLOWING PAGES]

RESPECTFULLY SUBMITTED THIS 11<sup>th</sup> day of Sept, 2024.

**PETITIONER:**

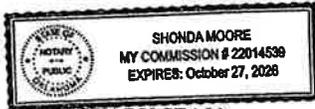
**BILLY AND JEAN FAMILY PARTNERS, LTD.,**  
a Texas limited partnership

By: **Billy Tindle Farms, Inc.,**  
a Texas corporation,  
its General Partner

By: Nancy Smith  
Name: Nancy Smith  
Title: President  
Phone: (580) 320-8318  
Email: [nancyks51@outlook.com](mailto:nancyks51@outlook.com)

THE STATE OF OKLAHOMA §  
COUNTY OF Pontotoc §  
§

This instrument was acknowledged before me on the 11<sup>th</sup> day of Sept, 2024, by Nancy Smith, as President of Billy Tindle Farms, Inc., a Texas corporation, General Partner of Billy and Jean Family Partners, Ltd., a Texas limited partnership, on behalf of the entities herein described.



(NOTARY SEAL)

Shonda Moore  
Notary Public in and for the State of Oklahoma

**EXHIBIT "A"**  
Property Description

Being a tract of land situated in the Sarah Winfrey Survey, Abstract No. 1319, Denton County, Texas, and being all of the remainder of a called 34.9125 acres tract of land described in Deed to Billy and Jean Family Partners, LTD as recorded in Vol. 4389, Pg. 2315, Real Property Records, Denton County, Texas and being all the remainder of a tract of land described in Deed to Billy and Jean Family Partners, LTD. as recorded in Vol. 4389, Pg. 2311, said Real Property Records, and being more particularly described herein as follows;

BEGINNING at a TXDOT right-of-way concrete monument found in the North Right-of-Way line of U.S. Highway 380 (a public road) for the Southeast corner of said 34.9125 acres remainder tract common to the Southwest corner of a called 71.556 acres tract of land (Tract Two) described in Deed to Don Hickey as recorded in Vol. 628, Pg. 596, Deed Records, Denton County, Texas;

THENCE North 87 degrees 17 minutes 07 seconds West, with the South line of said 34.9125 acres remainder tract common to the North line of said Highway 380, passing the Southwest corner thereof common to the Southeast corner of said Family Partners remainder tract (4389/2311), and continuing along said course, with the South line thereof, a distance of 2781.11 feet to a "Mag" nail set in George Owens Road (a public road) for the Southwest corner of said Family Partners remainder tract (4389/2311);

THENCE North 00 degrees 10 minutes 56 seconds East, with the West line of said Family Partners remainder tract (4389/2311), along said George Owens Road, a distance of 1545.96 feet to a "Mag" nail set for the Northwest corner of said Family Partners remainder tract (4389/2311) common to the Southwest corner of a called 47.452 acres tract of land described in Deed to Terry Bagley and Jerry Bagley as recorded in Inst. No. 2018-29869, Official Records, Denton County, Texas;

THENCE North 87 degrees 58 minutes 01 seconds East, with the North line of said Family Partners remainder tract (4389/2311) common to the South line of said 47.452 acres tract, passing at a distance of 20.83 feet a steel fence corner post found for reference, and continuing along said course, passing the Northeast corner of said Family Partners remainder tract (4389/2311) common to the Northwest corner of said 34.9125 acres remainder tract, and continuing along said course, with the North line thereof, a total distance of 2054.93 feet to a 1/2 inch capped iron rod stamped (COLEMAN-4001) found for the Northeast corner of said 34.9125 acres remainder tract common to the most Westerly Northwest corner of a called 18.589 acres tract of land described in Deed to Terry Bagley and Jerry Bagley as recorded in Inst. No. 2024-28247, said Official Records, from which a 1/2 inch capped iron rod found at the Southeast corner of said 47.452 acres tract bears North 87 degrees 58 minutes 03 seconds East, a distance of 225.13 feet;

THENCE South 00 degrees 03 minutes 48 seconds East, with an East line of said 34.9125 acres remainder tract common to the West line of said 18.589 acres tract, a distance of 545.62 feet to a 3 inch steel fence corner post found for and interior corner of said 34.9125 acres remainder tract common to the Southwest corner of said 18.589 acres tract;

THENCE North 87 degrees 43 minutes 26 seconds East, with a North line of said 34.9125 acres remainder tract common to the South line of said 18.589 acres tract, along and near a fence, a distance of 724.04 feet to a 5/8 inch capped iron rod stamped "VAUGHNS SURVEY CO." (typical) set near a steel fence corner post in the West line of said 71.556 acres tract for the most Easterly Northeast corner of said 34.9125 acres remainder tract common to the Southeast corner of said 18.589 acres tract, from which a concrete monument found at the Northwest corner of said 71.556 acres tract bears North 00 degrees 12 minutes 55 seconds East. a distance of 707.18 feet;

THENCE South 00 degrees 12 minutes 55 seconds West, with the East line of said 34.9125 acres remainder tract common to the West line of said 71.556 acres tract, along and near a fence, a distance of 1233.72 feet to the POINT OF BEGINNING and containing, within the metes and bounds herein recited 96.921 acres of land, more or less.