

ORDINANCE NO. OPA25-0001

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER TO EXECUTE AN INTERLOCAL AGREEMENT WITH PONDER FARMS MUNICIPAL UTILITY DISTRICT OF DENTON COUNTY FOR THE OVERSIZING COSTS RELATED TO THE DESIGN AND CONSTRUCTION OF A THIRTY (30”) INCH WATER LINE FOR DENTON WATER UTILITIES; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR IN AN AMOUNT NOT-TO-EXCEED \$2,261,212; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, D.R. HORTON - TEXAS, LTD. (the “Developer”) is the owner of certain real property located in Denton County, Texas and being described in **Exhibit A** of the Interlocal Agreement (the “**Property**”); and

WHEREAS, the City, TCCI Ponder Farms 2021 LLC, and Ponder Farms Municipal Utility District of Denton County (the “District”) executed a Utility Service Agreement with an effective date of November 19, 2024 (the “**Utility Service Agreement**”); and

WHEREAS the Utility Service Agreement provides for the oversizing of water facilities pursuant to the terms and conditions of an oversize participation agreement; and

WHEREAS, District and the Developer are in the process of developing and improving the Property and must design, construct, and install a water main consisting of approximately 1,354 linear feet of twenty inch (“20”) water line on Florence Road and 7,826 linear feet of twenty-four inch (“24”) water line on H. Lively Road and all necessary appurtenances thereto to serve the Property (the “**Required Facilities**”); and

WHEREAS, the City, in accordance with the Code of the City of Denton, Texas, the Utility Service Agreement, and Chapter 791 of the Texas Government Code, wishes to participate in oversizing costs associated with design, construction, and installation of certain facilities through an interlocal agreement (the “Interlocal Agreement”); and

WHEREAS, the City and the District are authorized to enter into the Interlocal Agreement pursuant to Texas Government Code Chapter 791 and other applicable laws; and

WHEREAS, in accordance with Texas Government Code § 791.011(c), City and District individually have the authority to perform as set forth in the Interlocal Agreement; and

WHEREAS, the City’s cost participation in the Interlocal Agreement will be limited to Oversizing Costs associated with oversizing the Required Facilities; and

WHEREAS, the City will cost participate in difference between the Required Facilities and the costs involving the design, construction, and installation of a water main consisting of approximately 9,180 linear feet of thirty inch (30”) water line and all necessary appurtenances thereto, as shown in **Exhibit B** of the Interlocal Agreement (the “**Oversized Facilities**”); and

WHEREAS; the City’s cost participation is intended to increase capacity in the City’s water system and ensure adequate utility service to its customers located outside of the Property; and

WHEREAS, the costs for the Oversized Facilities are provided in **Exhibit C** to the Interlocal Agreement; and

NOW, THEREFORE, THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The recitals contained in the preamble of this ordinance are hereby incorporated into the body of this ordinance and are true and correct.

SECTION 2. The City Manager, or their designee, is hereby authorized to execute the Interlocal Agreement, attached hereto and incorporated herein as Exhibit 1.

SECTION 3. The City Council hereby expressly delegates the authority to take any actions that may be required or permitted to be performed by the City of Denton under the Interlocal Agreement and this ordinance to the City Manager or their designee.

SECTION 4. The City Council hereby authorizes the expenditure of funds in the amount authorized by the Interlocal Agreement.

SECTION 5. 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 [___ - ___]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumohr, 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 _____, 2026.

GERARD HUDSPETH, MAYOR

ATTEST:

INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:

MACK REINWAND, CITY ATTORNEY

BY: *Marcella Lunn*

WHEREAS, the City will cost participate in difference between the Required Facilities and the costs involving the design, construction, and installation of a water main consisting of approximately 9,180 linear feet of thirty inch (30”) water line and all necessary appurtenances thereto, as shown in **Exhibit B** attached hereto and incorporated herein by reference (the “**Oversized Facilities**”); and

WHEREAS; the City’s cost participation is intended to increase capacity in the City’s water system and ensure adequate utility service to its customers located outside of the Property; and

WHEREAS, the costs for the Oversized Facilities are provided in **Exhibit C**, attached hereto and incorporated for all purposes; and

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

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

1. Term

This Agreement becomes effective upon the Effective Date and shall remain in effect, unless terminated pursuant to the terms of this Agreement or in a writing that is signed by both the City and District, until the Oversized Facilities are completed and have been accepted by the City and the City has reimbursed the District for the Oversizing Costs in accordance with the terms hereof.

2. Scope of Work

District shall design, install, and construct the Oversized Facilities or cause the Oversized Facilities to be designed, installed, and constructed.

3. City and District Rights and Responsibilities

- A. Construction of the Oversized Facilities must commence within one year of the Effective Date of this Agreement. If construction of the Oversized Facilities does not commence within one year of the Effective Date of this Agreement, this Agreement shall immediately terminate without any further action or obligation being required of the City for such termination to be effective, unless an extension thereof is approved by both parties in writing prior to the date of termination. Extension of this Agreement pursuant to this subsection shall require approval by City Council.
- B. The amount of the City’s participation shall be limited to an amount not to exceed one hundred percent (100%) of the Oversizing Costs for the Oversized Facilities subject to Sections 3.F and 3.G.
- C. Before construction begins on the Oversized Facilities, the District shall obtain from the contractor performing the construction of the Oversized

Facilities a performance bond for the construction of the Oversized Facilities in the amount of at least Eight Million Six Hundred Twenty-Eight Thousand Three Hundred Eighty-Five Dollars (\$8,628,385) to ensure completion of the project. The bond must be executed by a corporate surety in accordance with Chapter 2253 of the Texas Government Code. The performance bond shall be maintained by the contractor until the completion and acceptance by the City of the Oversized Facilities. The contractor shall repair and/or replace all defects due to faulty materials and workmanship that appear within a period of one (1) year from the date of final completion and final acceptance of the Oversized Facilities by City. Upon completion and acceptance of the Oversized Facilities, the District shall obtain from the contractor, for the benefit of the City, a two-year maintenance bond in the amount of the cost of the Oversized Facilities. The Developer and District shall be co-principals on such payment bond and performance bond. The District shall cause the contractor to provide for insurance in form and in substance in accordance with the City's standard insurance requirements for public works projects (the "**Standard Insurance Requirements**"). The Standard Insurance Requirements are incorporated herein by reference, are on file with the City, and may be amended from time to time. The certificate of insurance once provided hereunder shall be valid for the period of construction with the City listed as certificate holder and additionally insured but must meet the Standard Insurance Requirements in effect at that time.

- D. District and Developer shall comply with all applicable federal, state, and local laws, regulations, policies, and ordinances, including the Denton Development Code and City of Denton Criteria Manuals in performance of this Agreement and in the construction of the Oversized Facilities.
- E. The District shall obtain, at the District's sole cost and expense, all necessary permits, licenses, and easements to construct and install the Oversized Facilities. The easements, deeds, and plats therefor obtained by the District in connection with the construction and installation of the Oversized Facilities shall be reviewed and approved as to form and substance by the City, which approval shall not be unreasonably withheld. If the District is unable to acquire needed easements, the District shall provide the City with any reasonably requested documentation of efforts to obtain such easements, including evidence of negotiations and reasonable offers made to the affected property owners. Any easements for the Oversized Facilities obtained by the District shall be assigned to the City, if not taken in the City's name, prior to acceptance of the Oversized Facilities, and the **DISTRICT WARRANTS CLEAR TITLE TO SUCH EASEMENTS FROM AND AGAINST ALL LAWFUL CLAIMS AND DEMANDS OF ALL PERSONS CLAIMING BY, THROUGH, OR UNDER THE DISTRICT, SUBJECT HOWEVER TO ALL EASEMENTS, COVENANTS, CONDITIONS, RESERVATIONS, RESTRICTIONS, AND MATTERS OF RECORD AND ANY CONDITIONS THAT WOULD BE UNCOVERED BY AN INSPECTION OF THE EASEMENT AREA OR AN ACCURATE SURVEY OF THE SAME (COLLECTIVELY, THE "PERMITTED EXCEPTIONS"), AND**

WILL DEFEND THE CITY AGAINST ANY ADVERSE CLAIM MADE AGAINST SUCH TITLE, OTHER THAN THE PERMITTED EXCEPTIONS.

- F. District agrees to design, construct, and install the Oversized Facilities, or cause the design, construction, and installation of the Oversized Facilities, and to fund, or cause to be funded, Six Million Three Hundred Sixty-Seven Thousand One Hundred Seventy-Three Dollars (\$6,367,173), representing 73.79% (the “**District Share**”) of the cost of the Oversized Facilities. All costs to design, construct, and install the Oversized Facilities in excess of the District Share are “**Oversizing Costs.**” The City agrees to fund the Oversizing Costs in an amount not to exceed Two Million Two Hundred Sixty-One Thousand Two Hundred Twelve Dollars (\$2,261,212), representing 26.21% of the cost of the Oversized Facilities, subject to appropriation (the “**City Share**”). The City Share is approximately 26.21% of the Eight Million Six Hundred Twenty-Eight Thousand Three Hundred Eighty-Five Dollars (\$8,628,385) shown as the total estimated cost to design, construct, and install the Oversized Facilities as set forth on **Exhibit C** attached hereto. Any payments made by the City and the District hereunder shall be from current revenues.
- G. If the actual cost of the Oversized Facilities is greater than the estimated cost, including if there are future change orders that would increase the costs, the General Manager of Water Utilities and Street Operations or their designee shall determine the appropriate level of cost participation by City based upon the incremental cost between the Required Facilities and City’s requested Oversized Facilities. This cost determination shall be based upon recent bids for similar facilities and/or cost estimates prepared by City’s engineering staff. If City cannot justify the costs involved in any such change order or contract where City funds or pro-rata repayment is involved, the City shall provide a notice to the District with the City’s proposed participation with support documentation (“**Dispute Notice**”). If, after the Dispute Notice, the Parties cannot agree to each party’s share then the Parties will enter into a mediation process to settle the Parties’ appropriate shares within sixty (60) days of the Dispute Notice. Final approval of all oversize participation agreements and any subsequent cost increases from change orders between City and District shall come from the City Council after recommendation from the Public Utilities Board, unless the participation amount is less than the expenditure level authorized by City Council to the City Manager. The Parties hereby agree that if the actual cost of the Oversized Facilities is less than the estimated cost of \$8,628,385.00, the actual amount of the District Share and City Share shall each be proportionally reduced in accordance with the percentages stated in Section 3.F. herein.
- H. City shall not, in any case, be liable for any additional cost because of delays in beginning, continuing, or completing construction; changes in the price or cost of materials, supplies, or labor; unforeseen or unanticipated cost because of topography, soil, subsurface, or other site conditions; differences in the calculated and actual per linear feet of pipe or materials needed for the Oversized Facilities; District’s decision as to the contractors or

subcontractors used to perform the work; or any other reason or cause, specified or unspecified, relating to the construction of the Oversized Facilities.

- I. The City shall reimburse District for the Oversizing Costs within sixty (60) days of the completion and acceptance of the construction of the Oversized Facilities.
- J. To confirm the actual cost of the Oversized Facilities, City shall have the right to inspect any and all records of the District and its agents, including Developer, its, or its agents', employees, its, or its agents', contractors, or its, or its agents', subcontractors, and shall have the right to require the District to submit any necessary information, documents, invoices, receipts, or other records to verify the actual cost of the Oversized Facilities.
- K. All notices, payments, or communications (collectively, "Notice") to be given or made pursuant to this Agreement by the parties hereto, shall be sent to the District at the address given above and to the City Manager for the City at the address given above. Notice provided or permitted to be given, made, or accepted by any party to any other party must be in writing and must be given or made by depositing the same in the United States mail postpaid and registered or certified and addressed to the party to be notified, with return receipt requested. Notice deposited in the mail in the manner described above shall be conclusively deemed to be effective, unless otherwise stated herein, upon receipt
- L. **THE DISTRICT AND THE DEVELOPER SHALL INDEMNIFY AND HOLD THE CITY HARMLESS FROM ANY AND ALL CLAIMS, DAMAGES, LOSS, OR LIABILITY OF ANY KIND WHATSOEVER (INCLUDING DEATH), BY REASON OF INJURY TO PROPERTY OR PERSON OCCASIONED BY ANY ACT OR OMISSION, NEGLIGENCE, OR WRONGDOING OF THE DISTRICT OR DEVELOPER, AND THEIR RESPECTIVE OFFICERS, AGENTS, EMPLOYEES, INVITEES, OR CONTRACTORS, OR OTHER PERSONS WITH REGARD TO THE PERFORMANCE OF THIS AGREEMENT OR CONSTRUCTION OF ANY FACILITIES; AND THE DISTRICT OR DEVELOPER SHALL, AT ITS OWN COST AND EXPENSE, DEFEND AND PROTECT THE CITY AGAINST ANY AND ALL SUCH CLAIMS AND DEMANDS. NOTWITHSTANDING THE FOREGOING TO THE CONTRARY, THE DISTRICT'S AND DEVELOPER'S INDEMNIFICATION OBLIGATIONS HEREUNDER SHALL NOT INCLUDE ANY CLAIMS, DAMAGES, LOSSES, OR LIABILITIES OF ANY KIND WHATSOEVER THAT ARE CAUSED BY THE CITY'S SOLE NEGLIGENCE. IN THE EVENT OF JOINT AND CONCURRENT NEGLIGENCE OR FAULT OF ALL PARTIES, RESPONSIBILITY AND INDEMNITY, IF ANY, SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS WITHOUT, HOWEVER, WAIVING ANY OF THE DEFENSES OF THE PARTIES UNDER TEXAS LAW. FURTHER, IN THE EVENT OF JOINT AND CONCURRENT**

NEGLIGENCE OR FAULT OF ALL PARTIES, RESPONSIBILITY FOR ALL COSTS OF DEFENSE SHALL BE APPORTIONED BETWEEN EACH PARTY BASED UPON THE COMPARATIVE FAULT OF EACH.

- M. City may withhold funds, and, if necessary, may demand the return of some or all amounts previously paid to District for defective work, to protect City from loss or damage.
- N. The City may require the District to remove and replace any work done, or materials used, without suitable inspection by the City at District's expense, or cause such work to be removed and replaced.
 - i. The City shall perform:
 - 1. Periodic inspections of the work and shall perform a final inspection prior to final acceptance by the City; and
 - 2. Inspections at 30 and 400 days from the date of final completion and acceptance of the Oversized Facilities by the City.
 - ii. Upon failure of the District or their agents, including Developer, to allow an inspection; to provide safe access for inspections; to test materials furnished; to satisfactorily repair, remove or replace, if so directed, rejected, unauthorized or condemned work or materials; or to follow any other request or order of the City, the City shall notify the District of such failure and may suspend inspections of such work, and issue a stop work order, until such failure is remedied. If such failure is not remedied to the satisfaction of the City, the City shall have no obligation under this agreement to approve or accept the Oversized Facilities and the City may withhold, suspend, or revoke any permits or other approvals for the District until such matter is remedied to the satisfaction of the City.
 - iii. Although the Oversized Facilities described herein may be accepted by the City, the City may recover damages against the District and/or Developer and upon the bonds if it is discovered that the Oversized Facilities were not built in accordance with the plans and specifications. Notwithstanding the foregoing, after inspection and acceptance by the City and upon the expiration of any bonds associated with the Oversized Facilities, the District and/or Developer shall not be liable for any such damages associated with the Oversized Facilities; provided, however, if a latent defect is discovered that was present prior to the end of the maintenance bond period, this provision shall not relieve District or Developer of any claims for damages or obligations related thereto.
- O. Prior to the final payment by the City:
 - i. The Oversized Facilities must be (i) completed or caused to be completed by the District, (ii) reviewed and inspected by the City, and (iii) approved

and accepted by the City; and

- ii. The City shall conduct a final inspection of the Oversized Facilities and any deficiencies noted by the City during such inspection must be addressed by the District to the City's satisfaction.
- P. All parties agree that during work on the Oversized Facilities, the City has the right to review all documents, maps, plats, records, photographs, reports, and drawings affecting the construction and to inspect the work in progress.

4. Legal Construction

In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be considered as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement. The parties agree that they have equally participated in the drafting of this Agreement with the assistance of legal counsel, and that neither party shall receive any benefit of interpretation of its terms on the basis of relative contribution to the drafting process.

5. Captions

The captions of the various sections and paragraphs herein are intended for the convenience or reference only and shall not define or limit any of the terms or provisions hereof.

6. Counterparts

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

7. Assignment

District shall not sell, assign, or transfer its interest or rights in this Agreement, or any claim or cause of action related thereto in whole or in part, without the prior written consent of the City, which consent shall not be unreasonably withheld. As an express condition of consent to any assignment, District shall remain liable for completion of the Oversized Facilities in the event of default by the successor contractor or assignee.

8. Amendments

No amendment of this Agreement shall be effective unless and until it is duly approved by each party and reduced to a writing signed by the authorized representatives of the City and the District, which amendment shall incorporate this Agreement in every particular not

otherwise changed by the amendment.

9. Relationship of the Parties

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

10. Business Days.

If any date on which a party is required to make payment or delivery pursuant to the terms hereof is a City holiday, then such party shall make such payment or delivery on the next succeeding regular city business day.

11. Time of the Essence.

Time shall be of the essence in this Agreement.

12. Appropriations

This Agreement is contingent upon the continued availability of lawful appropriations by the City Council.

13. Venue and Governing Law

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

14. Incorporation

The recitals in the preamble above are hereby incorporated in their entirety as if fully set out herein.

15. Entire Agreement

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

16. Nonwaiver

A party's right in the future to demand strict compliance and performance under this

Agreement is not diminished because, whether through decision or oversight, that party has not enforced a provision of this Agreement or has not enforced default, breach, or nonperformance in the past, whether periodically or for long duration. Also, a party's right in the future to demand strict compliance and performance with this Agreement is not diminished because, whether through decision or oversight, the other party has not enforced the same or a similar provision of this Agreement or does not enforce the same or a similar breach or nonperformance, whether periodically or for long duration. To the extent a right or benefit in this Agreement is expressly waived by a party such waiver will not be applied other than strictly in accordance with the conditions expressed in such express waiver and will not be implied to be continuing in nature. Failure by City to promptly enforce any termination right does not constitute a waiver of that right or any other right under this Agreement.

17. Governmental Immunity Not Waived

City and District do not waive, nor shall be deemed hereby to waive, any immunity or defense that would otherwise be available to it against claims made or arising from any act or omission resulting from the Agreement.

18. Successors and Assigns

This Agreement shall be binding on and shall inure to the benefit of the parties and their successors and assigns.

19. No Third Party Beneficiaries

This Agreement is solely intended for the benefit of the Parties and Developer hereto and is not intended to and shall not be construed to be for the benefit of any individuals or create any duty on behalf of City, Developer, or District to any third party.

20. Survival of Certain Rights and Obligations.

Notwithstanding any provision of this Agreement to the contrary and without limitation of any other provisions of this Agreement that specify survival of rights and obligations, all rights and obligations of the parties under this Agreement related to payment obligations, liability, indemnification, and which by their nature are intended to survive shall survive.

21. Miscellaneous State Law Contract Representations and Provisions

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

Iran, Sudan, or any foreign terrorist organization and (ii) it is not listed by the Texas Comptroller under Section 2252.153 of the Texas Government Code as a company known to have contracts with or to provide supplies or services to a foreign terrorist organization. As used in the immediately preceding sentence, “foreign terrorist organization” shall have the meaning given such term in Section 2252.151 of the Texas Government Code.

- C. Developer acknowledges that, in accordance with Chapter 2276 of the Texas Government Code, City is prohibited from entering into a contract with a company for goods or services unless the contract contains written verification from the company that it (1) does not boycott energy companies and (2) will not boycott energy companies during the term of the contract. The terms “boycott energy company” and “company” shall have the meanings ascribed to those terms in Section 809.001 of the Texas Government Code. By signing this Agreement, Developer certifies that Developer’s signature provides written verification to the City that Developer (1) does not boycott energy companies and (2) will not boycott energy companies during the term of this Agreement. Failure to meet or maintain the requirements under this provision will be considered a material breach.
- D. Developer acknowledges that in accordance with Chapter 2274 of the Texas Government Code, City is prohibited from entering into a contract with a company for goods or services unless the contract contains written verification from the company that it (1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and (2) will not discriminate during the term of the Agreement against a firearm entity or firearm trade association. The terms “discriminate against a firearm entity or firearm trade association,” “firearm entity” and “firearm trade association” shall have the meanings ascribed to those terms in Chapter 2274 of the Texas Government Code. By signing this Agreement, Developer certifies that Developer’s signature provides written verification to the City that Developer (1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and (2) will not discriminate during the term of the Agreement against a firearm entity or firearm trade association. Failure to meet or maintain the requirements under this provision will be considered a material breach.
- E. The City of Denton may terminate this Agreement immediately without any further liability if the City of Denton determines, in its sole judgment, that this Agreement meets the requirements under Chapter 2275 of the Texas Government Code and Developer is, or will be in the future, (i) owned by or the majority of stock or other ownership interest of the company is held or controlled by individuals who are citizens of China, Iran, North Korea, Russia, or any other designated country; (ii) directly controlled by the Government of China, Iran, North Korea, Russia, or any other designated country; or (iii) is headquartered in China, Iran, North Korea, Russia, or any

other designated country.

22. Certification of Execution

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

[Signature pages follow]

EXECUTED by the undersigned duly authorized officials and officers of the City and the District, on this the ____ day of _____, 20__.

CITY OF DENTON
A Texas Municipal Corporation

By: _____
SARA HENSLEY, CITY MANAGER

ATTEST:
INGRID REX, CITY SECRETARY

By: _____

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



Signature
Interim Director

Title
Development Services

Department

Date Signed: 2-24-2026

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

By: _____

DISTRICT:

PONDER FARMS MUNICIPAL UTILITY DISTRICT OF DENTON COUNTY

By: _____
Name: _____
Title: _____

The Developer is signing on to this Agreement as to Sections 3.C, 3.D, 3.L, and 21 exclusively.

DEVELOPER:

D.R. HORTON - TEXAS, LTD.,
a Texas limited partnership

By: D.R. Horton, Inc.,
a Delaware corporation
its Authorized Agent

By: _____
Name: _____
Title: _____

Exhibit A
Property Description

EXHIBIT A

THE PROPERTY

TRACT 1

BEING a tract of land situated in the Fields Davis Survey, Abstract No. 371, Denton County, Texas, and being the remainder of a called 154.219 acre tract of land described in a deed to TCCI Ponder Farms 2021 LLC, as recorded in Instrument No. 2023-2430 of the Official Records of Denton County, Texas, and being more particularly described as follows:

BEGINNING at a mag nail set for the southwest corner of said 154.219 acre tract, being on the northerly line of a called 4.537 acre tract of land described in a deed to Haley Ann Wallace and Nathan Haugen, as recorded in Instrument No. 2022-133154 of the Official Records of Denton County, Texas, and in Robinson Road, a variable width right of way, no record found;

THENCE North 00°12'30" West, departing the northerly line of said 4.537 acre tract, along the westerly line of said 154.219 acre tract and said Robinson Road, a distance of 1,010.74 feet to a mag nail set for the southwest corner of a called 1.264 acre tract of land described in a deed to Joshua A. Bethke, as recorded in Instrument No. 2023-10773 of the Official Records of Denton County, Texas, in a deed to Donald Lane, as recorded in Instrument No. 2023-40898 of the Official Records of Denton County, Texas, in a deed to Ryan Hughes, as recorded in Instrument No. 2023-40899 of the Official Records of Denton County, Texas, and in a deed to George Campbell, as recorded in Instrument No. 2023-40900 of the Official Records of Denton County, Texas;

THENCE North 89°47'20" East, departing the westerly line of said 154.219 acre tract and said Robinson Road, along the southerly line of said 1.264 acre tract and crossing said 154.219 acre tract, a distance of 208.71 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for the southeast corner of said 1.264 acre tract;

THENCE North 00°12'30" West, along the easterly line of said 1.264 acre tract and continuing across said 154.219 acre tract, a distance of 263.71 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for the northeast corner of said 1.264 acre tract;

THENCE South 89°47'20" West, along the northerly line of said 1.264 acre tract and continuing across said 154.219 acre tract, a distance of 208.71 feet to a mag nail set for the northwest corner of said 1.264 acre tract, being on the westerly line of said 154.219 acre tract and in said Robinson Road;

THENCE North 00°12'30" West, along the westerly line of said 154.219 acre tract and said Robinson Road, a distance of 661.74 feet to a mag nail set for the westerly northwest corner of said 154.219 acre tract, common to the southwest corner of J.B. Place, according to the plat thereof recorded in Cabinet E, Page 58 of the Plat Records of Denton County, Texas;

THENCE North 89°49'56" East, departing said Robinson Road, along the northerly line of said 154.219 acre tract and the southerly line of said J.B. Place, a distance of 588.19 feet to a 1/2 inch iron rod with plastic cap (illegible) found for the southeast corner of said J.B. Place, common to an ell corner of said 154.219 acre tract;

THENCE North 00°10'05" West, along the westerly line of said 154.219 acre tract and the easterly line of said J.B. Place, a distance of 280.19 feet to a 1/2 inch iron rod with plastic cap (illegible) found for the northerly northwest corner of said 154.219 acre tract, common to the northeast corner of said J.B. Place, being on the southerly line of a tract of land described as Tract 8 in a deed to J. Young Land & Cattle, Ltd., as recorded in Instrument No. 2003-203076 of the Official Records of Denton County, Texas;

THENCE North 89°17'16" East, along the northerly line of said 154.219 acre tract and the southerly line of said Tract 8, a distance of 2,470.04 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for the northerly northeast corner of said 154.219 acre tract, common to the northwest corner of Block A of Bella Vista, according to the plat thereof recorded in Cabinet H, Page 25 of the Plat Records of Denton County, Texas;

THENCE South 00°08'39" East, departing the southerly line of said Tract 8, along the easterly line of said 154.219 acre tract and the westerly line of said Block A, a distance of 554.20 feet to a 1/2 inch iron rod with plastic cap (illegible) found for the southwest corner of said Block A, common to an ell corner of said 154.219 acre tract;

THENCE North 89°51'21" East, along the northerly line of said 154.219 acre tract and the southerly line of said Block A, passing at a distance of 430.60 feet the southeast corner of said Block A, common to the southwest corner of a right of way dedicated in said Bella Vista, and continuing along the same course and along the southerly line of said right of way dedication, for a total distance of 453.66 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for a northeast corner of said 154.219 acre tract, common to the southeast corner of said right of way dedication, same being in Florence Road, a variable width right of way, no record found;

THENCE South 00°08'39" East, along the easterly line of said 154.219 acre tract and said Florence Road, a distance of 60.00 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for a southeast corner of said 154.219 acre tract, common to the northeast corner of a right of way dedicated in said Bella Vista;

THENCE South 89°51'21" West, departing said Florence Road, along the southerly line of said 154.219 acre tract and the northerly line of said right of way dedication, passing at a distance of 23.06 feet the northwest corner of said right of way dedication, common to the northeast corner of Block B of said Bella Vista, and continuing along the same course and along the northerly line of said Block B, for a total distance of 453.66 feet to a 1/2 inch iron rod found for the northwest corner of said Block B, common to an ell corner of said 154.219 acre tract;

THENCE South 00°08'39" East, along the easterly line of said 154.219 acre tract and the westerly line of said Block B, a distance of 1,056.00 feet to a 1/2 inch iron rod with plastic cap (illegible) found for an ell corner of said 154.219 acre tract, common to the southwest corner of said Block B;

THENCE North 89°51'21" East, along the northerly line of said 154.219 acre tract and the southerly line of said Block B, passing at a distance of 430.60 feet a 1/2 inch iron rod with plastic cap (illegible) found for the southeast corner of said Block B, common to the southwest corner of right of way dedication, and continuing along the same course and along the southerly line of said right of way dedication, for a total distance of 453.66 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for a northeast corner of said 154.219 acre tract, common to the southeast corner of said right of way dedication, same being in said Florence Road;

THENCE South 00°08'39" East, along the easterly line of said 154.219 acre tract and said Florence Road, a distance of 60.00 feet to a 5/8 inch iron rod with plastic cap (illegible) found for a southeast corner of said 154.219 acre tract, common to the northeast corner of a right of way dedicated in said Bella Vista;

THENCE South 89°51'21" West, departing said Bella Vista, along the southerly line of said 154.219 acre tract and the northerly line of said right of way dedication, passing at a distance of 23.06 feet a 1/2 inch iron rod with plastic cap (illegible) found for the northwest corner of said right of way dedication, common to the northeast corner of Block C of said Bella Vista, and continuing along the same course, for a total distance of 453.66 feet to a 1/2 inch iron rod with plastic cap (illegible) found for an ell corner of said 154.219 acre tract, common to the northwest corner of said Block C;

THENCE South 00°08'39" East, along the easterly line of said 154.219 acre tract and the westerly line of said Block C, a distance of 530.93 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for the southerly southeast corner of said 154.219 acre tract, common to the southwest corner of said Block C, same being on the northerly line of a called 3.710 acre tract of land described in a deed to Melissa Chavez and Jose Olvera and Antonio Chavez and Luz Chaves, as recorded in Instrument No. 2021-230020 of the Official Records of Denton County, Texas;

THENCE North 89°46'08" West (North 89°38'58" West), along the southerly line of said 154.219 acre tract, the northerly line of said 3.710 acre tract, the northerly line of a called 1.566 acre tract of land described as Tract 1 to C&C Residential Properties, Inc., as recorded in Instrument No. 2023-57200 of the Official Records of Denton County, Texas, the northerly line of a called 1.00 acre tract of land described in a deed to Jeronimo Silva and Rhonda S. Silva, as recorded in Instrument No. 2007-24770 of the Official Records of Denton County, Texas, the northerly line of a called 10.090 acre tract of land described in a deed to Leslie A. Gustafson and Deborah S. Gustafson, as recorded in Instrument No. 95-0041077 of the Official Records of Denton County, Texas, the northerly line of a called 20.13 acre tract of land described in a deed to James Wallis and Debra Wallis, as recorded in Instrument No. 2017-93327 of the Official Records of Denton County, Texas, the northerly line of a called 24.522 acre tract of land described in a deed to Alva Glendon Montya and Joann Montya, as recorded in Volume 2507, Page 293 of the Deed Records of Denton County, Texas, the northerly line of a called 10.098 acre tract of land described in a deed to Ricky W. Perry and Sherry E. Perry, as recorded in Volume 2820, Page 35 of the Deed Records of Denton County, Texas, and the northerly line of aforesaid 4.537 acre tract, a distance of 3,055.89 feet (3,055.94 feet) to the **POINT OF BEGINNING** and containing 153.161 acres (6,671,699 square feet) of land, more or less.

TRACT 2

BEING a tract of land situated in the Fields Davis Survey, Abstract No. 371, Denton County, Texas, and being all of a called 1.264 acre tract of land described in a deed to Joshua A. Bethke, as recorded in Instrument No. 2023-10773 of the Official Records of Denton County, Texas, in a deed to Donald Lane, as recorded in Instrument No. 2023-40898 of the Official Records of Denton County, Texas, in a deed to Ryan Hughes, as recorded in Instrument No. 2023-40899 of the Official Records of Denton County, Texas, and in a deed to George Campbell, as recorded in Instrument No. 2023-40900 of the Official Records of Denton County, Texas, and being more particularly described as follows:

BEGINNING at a mag nail set for the southwest corner of said 1.264 acre tract, same being in Robinson Road, a variable width right of way, no record found;

THENCE North 00°12'30" West, along the westerly line of said 1.264 acre tract and said Robinson Road, a distance of 263.71 feet to a mag nail set for the northwest corner of said 1.264 acre tract;

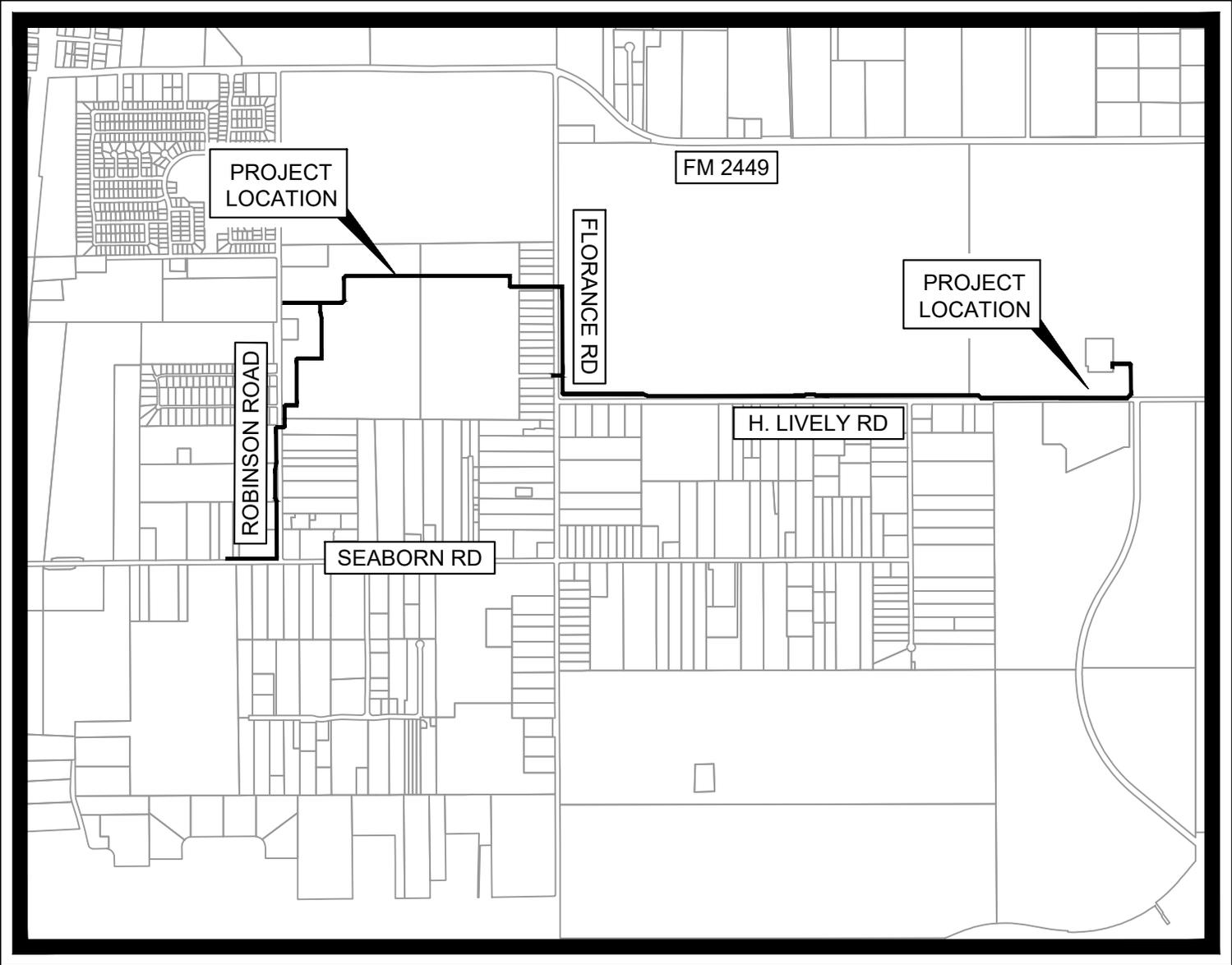
THENCE North 89°47'20" East, departing said Robinson Road and along the northerly line of said 1.264 acre tract, a distance of 208.71 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for the northeast corner of said 1.264 acre tract;

THENCE South 00°12'30" East, along the easterly line of said 1.264 acre tract, a distance of 263.71 feet to a 5/8 inch iron rod with plastic cap stamped "KHA" set for the southeast corner of said 1.264 acre tract;

THENCE South 89°47'20" West, along the southerly line of said 1.264 acre tract, a distance of 208.71 feet to the **POINT OF BEGINNING** and containing 1.264 acres (55,039 square feet) of land, more or less.

Exhibit B
Oversized Facilities

EXHIBIT B - OVERSIZED FACILITIES



VICINITY MAP

SCALE: 1" = 2,000'

Exhibit C
Estimated Cost of Oversized Facilities

EXHIBIT C - Ponder Farms MUD Major Infrastructure "Phase 1"
Overall Major Water Construction Costs

January 12, 2026
 Denton County, TX



Unit Price (3S Contracting Bid) 20" to 30" Waterlines
 Ponder Farms Major Infrastructure

8" PVC WATERLINE	LF	\$ 63.09	208	\$ 13,122.72
12" PVC WATERLINE	LF	\$ 94.60	4,598	\$ 434,970.80
20" DUCTILE IRON WATERLINE	LF	\$ 248.38	4,012	\$ 996,500.56
24" DUCTILE IRON WATERLINE	LF	\$ 306.00	21	\$ 6,426.00
30" DUCTILE IRON WATERLINE	LF	\$ 465.42	8,930	\$ 4,156,200.60
8" GATE VALVE & BOX	EA	\$ 2,629.23	5	\$ 13,146.15
12" GATE VALVE & BOX	EA	\$ 4,615.38	10	\$ 46,153.80
20" GATE VALVE & BOX	EA	\$ 23,902.20	7	\$ 167,315.40
24" GATE VALVE & BOX	EA	\$ 47,930.40	1	\$ 47,930.40
30" GATE VALVE & BOX	EA	\$ 88,124.40	10	\$ 881,244.00
1" AIR RELEASE VALVE AND VAULT	EA	\$ 6,285.32	2	\$ 12,570.64
2" AIR RELEASE VALVE AND VAULT	EA	\$ 13,658.40	1	\$ 13,658.40
3" AIR RELEASE VALVE AND VAULT	EA	\$ 43,488.90	2	\$ 86,977.80
CONCRETE ENCASEMENT	LF	\$ 181.83	140	\$ 25,456.20
FIRE HYDRANT ASSEMBLY	EA	\$ 10,634.40	11	\$ 116,978.40
CONNECT TO EXISTING 30" WATER LINE	EA	\$ 17,709.30	1	\$ 17,709.30
8" WATERLINE BORE & 20" STEEL CASING PIPE	LF	\$ 786.40	72	\$ 56,620.80
12" WATERLINE BORE & 24" STEEL CASING PIPE	LF	\$ 1,234.80	165	\$ 203,742.00
24" WATERLINE BORE & 42" STEEL CASING PIPE	LF	\$ 1,349.01	99	\$ 133,551.99
30" WATERLINE BORE & 48" STEEL CASING PIPE	LF	\$ 1,680.30	668	\$ 1,122,440.40
1" WATER SERVICE STUB (FUTURE PH 2 LOTS)	EA	\$ 875.70	30	\$ 26,271.00
TRENCH SAFETY	LF	\$ 1.08	17,769	\$ 19,190.52
PRESSURE TEST AND CHLORINATION	LF	\$ 1.70	17,769	\$ 30,207.30
TOTALS				\$ 8,628,385

NOTES

1. Provided pricing is based on the contracted values between the Ponder Farms Municipal Utility District of Denton County and 3S Contracting.
2. Provided quantities are based on the Ponder Farms Major Infrastructure Plans (CEP25-0011) construction plans dated May 21st, 2025 which were publicly bid.
3. Providing pricing does not include costs for easement acquisition, engineering, contingency, etc.

**EXHIBIT C - Ponder Farms MUD Major Infrastructure "Phase 1"
Oversizing Analysis 20" & 24" to 30" Water**

January 12, 2026
Denton County, TX



		Unit Price (from 3S Contracting)	20" & 24" Waterlines	30" Waterline	
20" DUCTILE IRON WATERLINE	LF	\$248.38	1,354	\$ 336,306.52	
20" GATE VALVE & BOX	EA	\$23,902.20	3	\$ 71,706.60	
24" DUCTILE IRON WATERLINE	LF	\$306.00	7,826	\$ 2,394,756.00	
24" WATERLINE BORE & 42" STEEL CASING PIPE	LF	\$1,349.01	135	\$ 182,116.35	
24" GATE VALVE & BOX	EA	\$47,930.40	12	\$ 575,164.80	
30" DUCTILE IRON WATERLINE	LF	\$465.42		9,180 \$ 4,272,555.60	
30" WATERLINE BORE & 48" STEEL CASING PIPE	LF	\$1,680.30		135 \$ 226,840.50	
30" GATE VALVE & BOX	EA	\$88,124.40		15 \$ 1,321,866.00	
TOTALS				\$ 3,560,050	\$ 5,821,262

UPSIZING COST DIFFERENCE:	\$ 2,261,212
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NOTES

1. Provided pricing is based on contracted values between the Ponder Farms Municipal Utility District of Denton County and 3S Contracting.
2. Provided quantities are based on the Ponder Farms Major Infrastructure Plans (CEP25-0011) approved by the City of Denton on December 3rd, 2025.
3. Providing pricing does not include costs for easement acquisition, engineering, contingency, etc.
4. The 20" and 24" water lines are the sizes determined to be necessary to serve the Ponder Farms MUD developments in the "West Denton County Area Water Analysis" water study prepared by Kimley-Horn and dated February 2nd, 2024.