

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON APPROVING A SECOND AMENDED AND RESTATED STRATEGIC PARTNERSHIP AGREEMENT BETWEEN THE CITY OF DENTON AND DENTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 16 PROVIDING FOR LIMITED PURPOSE ANNEXATION AND THE TERMS FOR EVENTUAL FULL-PURPOSE ANNEXATION OF PROPERTY LOCATED IN THE CITY'S EXTRATERRITORIAL JURISDICTION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on August 18, 2020, the City Council of the City adopted Resolution No. 20-1379, consenting to the creation of Denton County Municipal Utility District No. 16 (the "District") and Resolution No. 20-1496 approving a Development and Consent Agreement (the "Original Development Agreement") between the City, VS Development, LLC (the "Developer") and the District, a condition of which was the execution of a Strategic Partnership Agreement by the City and the District; and

WHEREAS, on January 27, 2022, pursuant to Ordinance No. 22-244, the City, the Developer, and the District amended the Original Development Agreement by executing the First Amendment to Development and Consent Agreement; and

WHEREAS, on June 18, 2024, pursuant to Ordinance No. 24-1103, the City and the District entered a Strategic Partnership Agreement in the form agreed-upon in the Original Development Agreement, which provided for the limited-purpose annexation of commercial property inside the District, and for the full-purpose annexation of the entire District upon certain conditions specified in the Strategic Partnership Agreement; and

WHEREAS, on January 7, 2025, pursuant to Ordinance No. 24-2355, the City, the Developer, and the District further amended the Original Development Agreement by executing an Amended and Restated Development and Consent Agreement; and

WHEREAS, on January 7, 2025, by Ordinances No. 24-2356 and 24-2634, the City consented to the annexation of approximately 356.425 acres and 96.921 acres, respectively, of additional land into the District; and

WHEREAS, on February 18, 2025, by Ordinance number 25-171, the City of Denton approved an Amended and Restated Strategic Partnership Agreement reflecting the addition of land into the District and setting forth the terms and conditions for annexation of the entire District for the sole and exclusive purpose of imposing and collecting sales and use taxes within the District and for the full-purpose annexation of all of the District upon conditions and based on terms specified in the Amended Strategic Partnership Agreement, and which contains the District's consent to such annexation, which Strategic Partnership Agreement is authorized pursuant to the authority of Section 43.0751 of the Texas Local Government Code; and

WHEREAS, on October 14, 2025, by Resolution number 25-1217, the City consented to the annexation of approximately 19.62 acres of additional land into the District, and approved, by Ordinance 25-1218, a first amendment to the Amended and Restated Development Agreement, a

condition of which is the execution by the City and the District of a Second Amended and Restated Strategic Partnership Agreement substantially in the form attached hereto as **Exhibit A** (the “Second Amended Strategic Partnership Agreement”); and

WHEREAS, in compliance with Texas Local Government Code Section 43.0751, notices were published in the Denton Record Chronicle, a newspaper of general circulation in Denton, Denton County, Texas, on October 11, 2025 and November 22, 2025, giving notice of public hearings to be held at Denton City Hall, 215 E. McKinney Street, Denton, Texas on October 21, 2025, and December 2, 2025; and

WHEREAS, the City Council finds that it is in the public interest to approve the Second Amended Strategic Partnership Agreement and to authorize and direct the City Manager to execute the Second Amended Strategic Partnership Agreement; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The above recitals are found to be true and incorporated in the body of this Ordinance by reference.

SECTION 2. The City Manager, or their designee, is hereby authorized to and directed to execute the Second Amended and Restated Strategic Partnership Agreement (a copy of which is incorporated by reference herein and attached hereto as Exhibit A) between the City of Denton, Texas, and Denton County Municipal Utility District No. 16 covering the property more particularly described in the Second Amended and Restated Strategic Partnership Agreement and the owners of the Property subject to the agreement.

SECTION 3. The City Manager, or their designee, is hereby authorized to carry out the duties of the City as provided in the Second Amended and Restated Strategic Partnership Agreement.

SECTION 4. If any portion of this Ordinance shall be determined to be invalid, the invalidity does not affect the effectiveness of this Ordinance.

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:	_____	_____	_____	_____

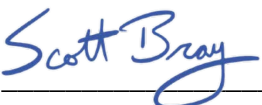
PASSED AND APPROVED this the _____ day of _____, 2025.

GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY:  _____
Scott Bray
Deputy City Attorney

**SECOND 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 Second 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, the District and the City thereafter amended and restated the Original SPA pursuant to that certain Amended and Restated Strategic Partnership Agreement on February 20, 2025 and recorded as Instrument No. 27735 in the Real Property Records of Denton County (the “First Amended SPA”); and

WHEREAS, since the adoption of the Original SPA and the First Amendment, 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, as amended, 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 1,025.96 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 1,025.96 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 the Original SPA on June 18, 2024 and recorded as Instrument No. 2024-73355 in the Real Property Records of Denton County; and amended and restated the Original SPA pursuant to that certain First Amended SPA on February 20, 2025 and recorded as Instrument No. 27735 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 July 31, 2025, at 12:00 p.m. at 1213 Country Club Road, Argyle, Texas 76226, and on September 11, 2025, at 12:00 p.m. at 1213 Country Club Road, Argyle, Texas 76226.

G. The Board of Directors of the District adopted and approved this Agreement on September 11, 2025, 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 October 21, 2025, at 6:30 p.m. at the City Council Chambers, and on December 2, 2025, at 6:30 p.m. at the City Council Chambers.

J. The City Council adopted and approved this Agreement on December 2, 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. 20-1379 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 January 7, 2025, as amended pursuant to that First Amendment to Amended and Restated Development Agreement Concerning the District, effective October 14, 2025, regarding development of the Property, and any subsequent amendments and/or restatements thereto.

“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 1,025.96 acres located within the District and partially or wholly 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 and the First Amended 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 (10th) 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

With a copy to: City of Denton
Attn: City Attorney
215 E. McKinney St.
Denton, TX 76201
Email: 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

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

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; however, the defined term "Property" shall be automatically amended, without any further action required by either Party, to include any property that is (i) within the City's ETJ and (ii) annexed into or otherwise included within the District after the Effective Date of this Agreement (the "Additional Property"), and the Parties hereby agree that the terms of this Agreement shall automatically apply to any Additional

Property upon annexation of Additional Property into the District, without any further action required by either Party.

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.

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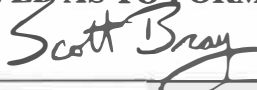
CITY OF DENTON

By: _____
Sara Hensley, City Manager

ATTEST:

Ingrid Rex, City Secretary

APPROVED AS TO FORM:

 Scott Bray
Deputy City Attorney

Mack Reinwand, City Attorney

DISTRICT

By: *Benjamin Raf*
President, Board of Directors

ATTEST:

Phil Webb
Secretary, Board of Directors

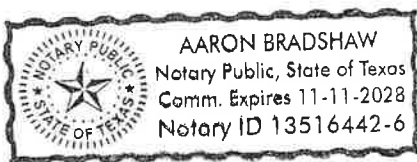
APPROVED AS TO FORM:

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

THE STATE OF TEXAS §

COUNTY OF Denton §
§

This instrument was acknowledged before me on the 11 day of September, 2025, by Benjamin Raf, President of the Board of Directors of Denton County Municipal Utility District No. 16, a municipal utility district, on behalf of said municipal utility district.



Aaron Bradshaw

Notary Public, State of Texas

EXHIBIT "A"
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°08'00", a radius of 5659.58 feet, a chord bearing and distance of South 21°13'35" West, 1490.50 feet, from said point, a wooden right of way marker bears South 13°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°03' West, 1.20 feet;

THENCE South 28°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°04'40" West, a distance of 679.63 feet to an aluminum TXDOT right of way disk found for corner;

South 78°35'46" West, a distance of 296.07 feet to an aluminum TXDOT right of way disk found for corner;

South 38°16'12" West, a distance of 548.81 feet to an aluminum TXDOT right of way disk found for corner;

South 62°08'29" West, a distance of 218.57 feet to an aluminum TXDOT right of way disk found for corner;

South 86°00'46" West, a distance of 322.43 feet to an aluminum TXDOT right of way disk found for corner;

North 90°00'00" West, a distance of 469.04 feet to an aluminum TXDOT right of way disk found for corner;

North 87°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.

PARCEL NO. 4 (1 TRACT): 19.62 ACRES

Being a 19.620 acre tract of land within the A.P. Vaughan Survey, Abstract Number 1316, with Denton County, being all of a tract of land described to Nancy Kay Jones by deed recorded in Instrument Number 2010-57685, Official Public Records, Denton County, Texas and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch rebar capped "ARTHUR" found for the northeast corner of said Jones tract, same being the northwest corner of Lot 1, Block A of Myers Farm, an addition to Denton County, as recorded in Instrument Number 2011-77, Official Public Records, Denton County, Texas also being a point lying on the south right-of-way line of Jackson Road (Variable Width right-of-way);

THENCE South 00 degrees 14 minutes 08 seconds West, departing the south right-of-way line of said Jackson Road, with the west line of said Lot 1, a distance of 856.13 feet to a 1/2 inch rebar capped "ARTHUR" found for the southwest corner of said Lot 1, same being a point on the north line of the north line of a tract of land described to Tri Pointe Homes DFW, LLC and First Texas Homes, Inc. by deed recorded in Instrument Number 2022-41071, Official Public Records, Denton County, Texas;

THENCE South 89 degrees 54 minutes 58 seconds West, with the north line of said Tri Pointe Homes tract, a distance of 1002.44 feet to a point for the southeastern most corner of a tract of land described to Amanda Noles Nelson by deed recorded in Instrument Number 2013-92845, Official Public Records, Denton County, Texas from which a PK nail on a post found bears North 08 degrees 47 minutes 43 seconds East, a distance of 2.1 feet;

THENCE North 00 degrees 03 minutes 32 seconds West, departing the north line of said Tri Pointe Homes tract, with the east line of said Nelson tract, a distance of 845.31 feet to a 1/2 inch rebar with an illegible cap found for the northeast corner of said Nelson tract, same being a point on the south right-of-way line of said Jackson Road;

THENCE North 89 degrees 18 minutes 05 seconds East, with the south right-of-way line of said Jackson Road, a distance of 1006.90 feet to THE POINT OF BEGINNING and containing 845,644 square feet or 19.620 acres of land, more or less.

