



**AGREEMENT REGARDING  
WHOLESALE WASTEWATER TREATMENT  
FOR THE MONTGOMERY FARMS SUBDIVISION**

This AGREEMENT REGARDING WHOLESALE WASTEWATER TREATMENT FOR THE MONTGOMERY FARMS SUBDIVISION (this "Agreement") is entered into as of November 1, 2021 (the "Effective Date"), by and between the **CITY OF FARMERSVILLE, TEXAS**, a Type-A General Law municipal corporation of the State of Texas (the "City"), and **LGI HOMES-TEXAS, LLC** a Texas limited liability company ("Landowner"), and **COPEVILLE SPECIAL UTILITY DISTRICT**, a political subdivision of the State of Texas ("Copeville SUD"). Landowner, Copeville SUD, and the City may each be referred to individually as a "Party" or collectively as the "Parties."

RECITALS

WHEREAS, Landowner has contracted to purchase approximately 211.83 acres of land (the "Property") for the development of a residential subdivision tentatively proposed to be known as the Montgomery Farms Addition (the "Development") which Property is described by metes and bounds in Exhibit "A" attached hereto and depicted by the boundary map attached hereto as Exhibit "B"; and

WHEREAS, the Property is located generally in eastern Collin County (the "County"), outside the corporate limits and extraterritorial jurisdiction of the City; and

WHEREAS, Landowner has entered into a Non-standard Service Contract for Water and Sewer Utility Service with Copeville SUD, a special utility district created under Article 16, Section 59, of the Texas Constitution and Chapter 65 of the Texas Water Code, dated August 19, 2021, and recorded at Clerk's Document No. 20210826001728830, Official Public Records, Collin County, Texas (the "Copeville SUD Contract"); and

WHEREAS, the Copeville SUD Contract provides that Copeville SUD shall be the retail water and sanitary sewer provider to the Property; and

WHEREAS, following execution of this Agreement by the Parties, Copeville SUD will file an application with the Public Utility Commission of Texas to obtain a sewer certificate of convenience and necessity authorizing it to own and operate a wastewater collection system on the Property; and

WHEREAS, Copeville SUD does not have sufficient wastewater treatment capacity to treat wastewater generated from the Property and agrees to transport wastewater from the Property to the connection site for the City's "Plant Site," defined below, for treatment as provided in this Agreement; and

WHEREAS, Landowner has created the East Collin County Municipal Utility District of Collin County, a political subdivision of the State of Texas created under the authority of Chapters

49 and 54, Texas Water Code, and Section 59, Article XVI, of the Texas Constitution (the "District"); and

WHEREAS, Landowner created the District to collect taxes from future landowners within the District to reimburse developers within the Development for the cost of constructing public infrastructure necessary to serve the Property, including wastewater treatment capacity; and

WHEREAS, Landowner intends that all rights, benefits, and obligations pursuant to this Agreement shall ultimately be assigned to the District after the District's confirmation election; and

WHEREAS, the City previously entered into that certain First Amended and Restated Agreement relating to Creation and Operation of Lakehaven Municipal Utility District with Lakehaven Farmersville, LLC, and Lakehaven Municipal Utility District of Collin County, recorded at Clerk's Document No. 20210525001054780, Official Public Records, Collin County, Texas to provide wastewater treatment services for a combination of approximately 1,917 single-family and multi-family residential units within a development to be known as the Lake Haven Addition; and

WHEREAS, the Parties desire to enter into this Agreement to set forth the terms and conditions for securing wastewater treatment capacity to serve the Property; and

WHEREAS, each Party is authorized to enter into this Agreement pursuant to applicable law, including but not by way of limitation, Section 51.014 of the Texas Local Government Code, as amended, and the Interlocal Cooperation Act (Texas Government Code, Chapter 791), as amended.

### AGREEMENT

FOR AND IN CONSIDERATION of the mutual promises, covenants, benefits, and obligations hereinafter set forth, the Parties hereby agree, and contract as follows:

#### ARTICLE I DEVELOPMENT OF THE PROPERTY

1.1 The Landowner proposes to develop a residential project on the Property. The Landowner envisions that the Development on the Property will occur in multiple phases and will ultimately contain approximately 1,100 single-family residential units.

1.2 The Landowner anticipates that construction of the public improvements required to serve the Development on the Property will commence on or about the 1st day of July, 2022. Pursuant to the Copeville SUD Contract, Landowner has agreed to construct a minimum 12-inch internal diameter (ID) force main to convey wastewater from the Property to the connection point at the City's Plant Site that will be completed no earlier than the 30th day of September, 2023.

1.3 Landowner further projects that the first phase of the Development will generate no more than 0.065 million gallons per day ("GPD") (calculated as approximately 260 GPD for 250 single-family homes) of wastewater. Landowner also projects that no wastewater will be conveyed to the City's wastewater treatment facilities prior to the 31st day of December, 2023.

1.4 Landowner projects that upon final build-out of the Development, the Property will generate no more than 0.286 million GPD of wastewater.

## ARTICLE II WASTEWATER TREATMENT PLANT

2.1 Wastewater Treatment Discharge Permit and Plant Site. The Parties acknowledge the City holds TPDES Permit No. WQ0014778001 (the "Discharge Permit") authorizing the City to discharge treated domestic wastewater from the treatment plant to be constructed on a ten-acre tract within the Lake Haven Addition (the "Plant Site").

2.2 The Temporary Wastewater Treatment Plant. City has previously contracted with Lakehaven Farmersville, LLC, a Texas limited liability company, and Lakehaven Municipal Utility District of Collin County (collectively the "Lakehaven District") for the construction of a temporary wastewater treatment plant to serve the first phases of development of the Lake Haven Addition by initially constructing the permanent wastewater treatment plant ("WWTP") headworks to the 500,000 GPD volume for the Discharge Permit (the "Headworks") and by leasing and installing, and thereafter operating a series of third-party package treatment plants (a/k/a "Package Plants") on the Plant Site (collectively the "Temporary WWTP") until the WWTP is constructed.

(a) The Parties agree that the Temporary WWTP may be used to serve the first phases of the Development until the WWTP is constructed and operating. At least 365 days before the earlier of the anticipated date on which Landowner plans to have its sewer main tied into the metering station, described hereinbelow, and the Development's first single-family home completed and ready to connect to the Temporary WWTP the Landowner will notify City of such anticipated event (the "Commencement Notice").

(1) Upon City's receipt of the Commencement Notice the City will immediately begin to design and then seek bids to construct the Headworks.

(2) Within 60 days of receipt of the Commencement Notice, the City shall solicit bids from contractors for installation of the Headworks. The City shall select the most qualified low-cost contractor to perform the work.

(3) Prior to the City awarding the Headworks construction contract, Landowner shall remit to the City, as Landowner's "Initial Investment" for the payment of City's projected construction cost, an amount equal to:

(i) \$3.5 Million if the Lakehaven District is not yet participating in the construction of the Headworks; or

(ii) Landowner's pro-rated share of such \$3.5 Million payment based upon the percentage of treatment capacity reserved by Landowner out of the WWTP's ultimate capacity if the Lakehaven District is also participating in the construction of the Headworks.

If the Lakehaven District does not participate at the time the Headworks construction contract is awarded, the City will refund to Landowner the Lakehaven District's pro-rated share of the \$3.5 Million within thirty (30) days after the date on which the City receives payment from the Lakehaven District.

(4) Within 60 days of receipt of the Commencement Notice, the City shall also solicit bids from vendors to lease and maintain the first phase of the Package Plants, the costs of which shall be paid:

(i) if the Lakehaven District is also participating in the Temporary WWTP, on a pro-rated basis by Landowner based on the percentage of treatment capacity reserved by Landowner out of the WWTP's ultimate capacity; or

(ii) if the Lakehaven District is not participating in the Temporary WWTP by the Landowner alone until such time as the Lakehaven District or other participants request treatment capacity from Temporary WWTP, at which time Landowner shall pay a pro rata share of existing and future Package Plant leases.

(5) The City shall require City's contractor to complete construction of the Headworks and installation of the initial Package Plants within 365 days of receipt of the Commencement Notice.

(6) The City will install Package Plants of sufficient size and in sufficient numbers to ensure the Temporary WWTP maintains adequate capacity to satisfy the treatment demands of the initial phases of the Development.

(7) In no event shall a moratorium be placed on the ability of Landowner to develop lots or to construct and sell homes within the Property based on insufficient wastewater treatment capacity that arises solely as a result of City failing to maintain sufficient Temporary WWTP treatment capacity. In such event, Landowner will be permitted to utilize pump and haul services at Landowner's sole cost to ensure that the Property has functional wastewater service.

(b) The Landowner will notify the City at least ninety (90) days in advance of the date on which Landowner plans to open up its next phase in the Development that may

require the expansion of the Temporary WWTP to serve the Development on the Property; and, at such time the City will immediately begin design and construction of the expansion of the Temporary WWTP required to serve the new phase in the Development on the Property.

(c) The City will be solely responsible for operating and maintaining, or for contracting with a qualified third party to operate and maintain, the Temporary WWTP and will also be responsible for all operating expenses including labor costs for wastewater operators and administrative personnel, chemicals, supplies and consumables, repairs and replacement parts, and equipment used in such operations save and except as otherwise specifically provided in this Agreement. The City will apply the monthly treatment service fees paid by Copeville SUD and other entities receiving wastewater treatment services to pay the operating expenses of the Temporary WWTP as needed.

(d) The capital costs associated with the design, lease, installation, disposal, repair, removal, and any necessary remediation of all or part of the Package Plants comprising the Temporary WWTP (the "Temporary WWTP Costs") shall be the responsibility of all parties contributing wastewater to the Temporary WWTP on a pro rata basis, including but not limited to any wastewater being treated for the Lakehaven District, the Parties to this Agreement, and any other parties utilizing the Temporary WWTP.

(e) The City shall submit invoices to Landowner, with a copy to Copeville SUD, for its pro-rata share of the Temporary WWTP Costs no more frequently than once per month, and Landowner shall remit payment to the City within 30 days of receipt of any invoice. The Landowner's pro-rata share of the Temporary WWTP Costs shall be defined as the number of single-family equivalent units being contributed by the Landowner at the time of connection to the Temporary WWTP divided by the total number of single-family equivalent units being contributed to the Temporary WWTP at the time of connection to the Temporary WWTP.

### 2.3 The Permanent Wastewater Plant.

(a) The City plans to construct the WWTP on the Plant Site to treat wastewater flows generated by the Development and Lake Haven Addition (collectively the "Lakehaven/Development Capacity") and also to treat wastewater flows generated by the City and other regional wastewater service providers with which the City may contract to provide treatment capacity (collectively the "City Capacity").

(b) The City will use its best efforts to coordinate the planning and construction of the WWTP to align with the projected date at which the combined wastewater flows of the Lakehaven District, the Development, and all other contributing entities reach 500,000 GPD need date matches the predicted planning and construction start date for the WWTP. At the time the City makes the decision to proceed forward with the WWTP, the City shall obtain an Official Opinion of Probable Construction Cost based on the actual contract value for the construction of a WWTP with an initial capacity of 500,000 GPD and including the

cost of the Headworks and engineering expenses incurred to date but excluding any contingency (the "OPCC"). The City shall assume construction management duties for the WWTP construction; and shall advertise for bids and award a contract for the construction of a WWTP with an initial capacity of 500,000 GPD including the Headworks, if not previously constructed, to the most qualified low-cost contractor subject to approval by the Landowner which approval Landowner shall not unreasonably withhold or delay. Prior to City's award of the WWTP contract to the selected contractor, Landowner shall pay to City the District's pro-rata share of the amount equal to the OPCC less the sum of the Initial Investment and the "Wastewater Capital Recovery Fees," defined below (collectively the "Balloon Payment").

(c) Prior to City's award of the WWTP contract to the selected contractor, Landowner shall remit to the City, the Landowner's pro-rata share of the cost to construct the WWTP which pro-rata share determined by multiplying the contract amount by the total number of single-family equivalent units contributed by the Landowner to the WWTP divided by the total number of single-family equivalent units being contributed to the WWTP by all parties at the time of WWTP construction (the "Landowner WWTP Pro-Rata Share"). Upon City's final acceptance of the WWTP, a true-up of the final cost accounting shall be required. City shall refund any excess payment of the Landowner WWTP Pro-Rata Share to Landowner within thirty (30) days after such true-up or Landowner will pay City for any shortfall in the payment of the Landowner WWTP Pro-Rata Share to City within thirty (30) days after such true-up.

(d) The City reserves the right to expand the WWTP to adequately meet the collective treatment demand from the Property, Lake Haven Addition, the City, and other regional wastewater service providers with which the City may contract to provide wastewater treatment services. The Landowner will participate in any additional expansion of the WWTP using the process described herein-above until the Landowner's ultimate capacity is achieved. The City agrees that Landowner and Copeville SUD have no obligation to contribute funds to expand the WWTP beyond the Landowner's ultimate capacity except upon Copeville SUD expanding its certificated sewer service area and requesting treatment capacity to serve additional single-family residential units not contemplated under this Agreement that are being developed by Landowner. Upon such an occurrence, the Landowner WWTP Pro-Rata Share will be recalculated by City to accurately reflect the additional capacity required by Landowner compared to the capacity required by other participating parties in the then expansion of the WWTP and any subsequent expansions until Landowner's ultimate capacity for the additional property is achieved. Upon payment of the Landowner's ultimate capacity for the Property, the Landowner shall have no additional responsibility for the cost of capacity in the WWTP or expansions thereof, but capacity in the WWTP shall always be reserved for the Property. If Copeville SUD expands its certificated sewer service area and requests treatment capacity to serve additional single-family residential units being developed by some other person or party not contemplated under this Agreement a separate agreement will first be required.

(e) It is specifically agreed and understood that the design and construction costs referred to herein shall also mean and include: the clearing, grading and preparation of the Plant Site for construction; access to and from the Plant Site; the extension of necessary utilities to the Plant Site; any conditions imposed upon the Plant Site and WWTP by, through and under the Discharge Permit; and any and all other appurtenances to or arising out of or from any of the foregoing, provided that the City agrees the foregoing described costs shall be the responsibility of all parties contributing wastewater to the WWTP and shall be pro-rated among such parties based upon each party's ultimate reserved capacity in the permanent WWTP.

(f) The City will be solely responsible for operating and maintaining, or for contracting with a qualified third party to operate and maintain, the WWTP and will also be responsible for all operating expenses including labor costs for wastewater operators and administrative personnel, chemicals, supplies and consumables, repairs and replacement parts, and equipment used in such operations. The City will apply the monthly treatment service fees paid by Copeville SUD and other entities receiving wastewater treatment services to pay the operating expenses of the WWTP as needed.

2.4 Landowner's Wastewater Improvements. Landowner, by itself or through Copeville SUD, shall also obtain or acquire and pay for all required easements and rights-of-ways necessary to extend a minimum 12-inch ID force main from the Property to the connection point for the City's treatment Plant Site. Under the Copeville SUD Contract, Landowner has agreed to install and convey to Copeville SUD, at Landowner's expense, the foregoing force main together with a lift station and wastewater collection system on the Property sufficient to serve the Development at full build-out (collectively, the "Wastewater Improvements").

2.5 Wastewater Capital Recovery Fees. No capital recovery fees shall be charged by the City against the Property other than the wastewater capital recovery fees (the "Wastewater Capital Recovery Fees") detailed in this Section 2.5. The Wastewater Capital Recovery Fees payable to the City shall be Two Thousand Eight Hundred Dollars (\$2,800) per single-family residential connection within the Development or on the Property. The Wastewater Capital Recovery Fee for an individual single-family residential lot is due and payable at the time Copeville SUD installs the water meter. Copeville SUD will collect and remit the Wastewater Capital Recovery Fees collected during each month on or before the 25th day of the following month. The Wastewater Capital Recovery Fees are ultimately applied to the Landowner's benefit and included in the Balloon Payment described in Section 2.3(b), above.

2.6 Capacity Limits. Landowner is only entitled to that amount of capacity for which Landowner has paid City to design and construct in advance. However, if requested by and at the expense of Landowner or Copeville SUD, the City may convey available WWTP treatment capacity in addition to the Landowner Capacity at ultimate build-out. It is the City's obligation, regarding the Discharge Permit, to seek and obtain such further and additional permits as may be required by the Texas Commission on Environmental Quality to expand the WWTP capacity beyond the currently permitted 500,000 GPD average daily flow as may be required to serve the demand of the Landowner's Capacity.

## 2.7 Miscellaneous.

(a) The City shall enter into contracts in accordance with the requirements of Texas law, for the design and construction of all phases of the Temporary WWTP and the WWTP on the Plant Site. The contracts will allow the Temporary WWTP and the WWTP to be designed and constructed in phases, or as may otherwise be required, to provide and maintain sufficient capacity to treat the City Capacity and the Lakehaven/Development Capacity at all times.

(b) Pursuant to the Copeville SUD Contract, Landowner has agreed to convey and dedicate the Wastewater Improvements to Copeville SUD following completion and acceptance by Copeville SUD. The conveyance of the Wastewater Improvements from Landowner to Copeville SUD is further consideration for Copeville SUD's consent to and execution of this Agreement and City's acceptance of the responsibility to operate and maintain the Wastewater Facilities for the benefit of the Property.

(c) At no time shall Landowner be entitled to any payment or compensation arising out of or related to the City's operation and maintenance of and/or possible future expansion of the Temporary WWTP or the WWTP on and about the Plant Site.

(d) The City shall at all times have the sole right to establish the wholesale rates for wastewater treatment services provided through the Temporary WWTP and the WWTP in such amounts as may be determined necessary by the City's governing body from time to time as provided in more detail below in Section 4.3.

## ARTICLE III IMPACT FEES

3.1 Impact Fees. In lieu of impact fees, development of the Property will be subject to the payment to the City of the Landowner WWTP Payment, together with any required adjustments thereto, and Wastewater Capital Recovery Fees necessitated by and attributable to the design, development and installation of the WWTP for the Property, as agreed upon and provided for in this Agreement, which fees and charges Landowner and City agree are adopted and applied to the WWTP in compliance with Chapter 395, Texas Local Government Code, and subject to the provisions set forth elsewhere in this Section 3.1. With the exception of the Landowner WWTP Payment, together with any required adjustments thereto, and Wastewater Capital Recovery Fees, the City may not require the payment of any other impact fees or similar capital recovery fees, charges, or assessments of any kind in connection with the Development of the Property unless authorized by the State and Federal Requirements or agreed to by the Parties in writing.

3.2 Fees. Except for the Landowner WWTP Payment (together with any required adjustments thereto), and Wastewater Capital Recovery Fees, no other fees or charges of any kind are due and payable to the City in connection with the Development on the Property.



ARTICLE IV  
WASTEWATER WHOLESALE UTILITY SERVICE

4.1 Wastewater Service Extension. The Parties agree that the City shall be the wholesale provider of wastewater treatment service to Copeville SUD and that Copeville SUD shall be the sole retail provider of sewer service to the Property. Pursuant to the terms of the Copeville SUD Contract, Landowner will construct a force main and lift station as described in Exhibit "C" attached hereto (the "Off-Site Sewer Improvements").

4.2 Wastewater Interconnection and Metering. Landowner shall, at its sole cost and expense, design and install a meter vault, meter, and appurtenances on the Plant Site to measure the flow of wastewater from the Property to the Plant Site (the "Metering Station"). Plans for the Metering Station must be approved by the City. Following construction and final acceptance of the Metering Station by the City, the City shall own, operate and maintain the Metering Station. The City shall connect the Metering Station to the City's Temporary WWTP and WWTP at Landowner's expense.

(a) Landowner shall ensure the Metering Station plans provide for a power supply with a ground fault interrupter receptacle, an emergency backup generator, and integration with the City's SCADA system, if any.

(b) The City will read the Metering Station monthly to prepare and deliver a monthly bill for treatment services to Copeville SUD. Copeville SUD may inspect the Metering Station during the City's usual business hours after giving reasonable advance written request to the City.

(c) The City must calibrate the Metering Station annually and as otherwise reasonably requested by Copeville SUD.

(d) The Parties agree that all costs incurred by the City to operate the WWTP shall be covered by wastewater treatment payments to the City based on the wholesale wastewater treatment rate described in Section 4.3.

4.3 Wholesale Wastewater Treatment Rate. The City is the wholesale sewer provider to Copeville SUD for the Property to provide sufficient capacity in an amount equal to at least 0.286 million GPD provided Landowner constructs adequate sewer Public Infrastructure under this Agreement. The City shall at all times have the sole right to establish the wholesale rates for wastewater treatment services provided through the Temporary WWTP and the WWTP to Copeville SUD.

(a) The wholesale rates for wastewater treatment services provided through the Temporary WWTP and the WWTP to Copeville SUD shall be billed by City to Copeville SUD at a rate based on the operating costs of the Plant Site plus fifteen percent (15%). The operating costs of the Plant Site shall include, by way of illustration and not limitation, the following:

(1) Monthly Operating Costs for the following general categories of expenses:

- (i) Insurance;
- (ii) Labor;
- (iii) Equipment;
- (iv) Water;
- (v) Electricity;
- (vi) Chemicals;
- (vii) Maintenance; and
- (viii) Minor Repairs;

(2) Establishment and maintenance of a 180-Day Operational Reserve Fund to cover cost fluctuations and unanticipated expenses;

(3) Renewal, replacement, and upgrade fund for the Plant facilities;

(4) Debt service, if any; and

(5) Administrative costs.

(b) City proposes an initial wholesale rate for wastewater treatment services provided through the Temporary WWTP in the amount of Six Dollars and Ninety Cents per One Thousand Gallons (\$6.90/1,000 gallons) plus fifteen percent (15%).

(c) As noted in Section 2.7(d), above, the City has the right at all times to modify the wholesale rate for wastewater treatment services provided through the Temporary WWTP and the WWTP in such amounts as may be determined necessary by the City's governing body from time to time with the general goal being that the Temporary WWTP and the WWTP shall be self-supporting.

(1) The City shall perform or retain a third-party to perform an analysis of the costs and expenses associated with the operation of the Plant Site in establishing or modifying the wholesale rate for wastewater treatment services provided through the Temporary WWTP and the WWTP.

(2) The City shall provide Copeville SUD at least thirty (30) days' advance written notice of any change in the wholesale rate for wastewater treatment services provided through the Temporary WWTP and the WWTP.

(d) Landowner and Copeville SUD will have the right to examine the City's financial records regarding or related to the wholesale rate for wastewater treatment services provided through the Temporary WWTP and the WWTP during the City's normal business hours upon seven (7) days' advance written request.

(e) Copeville SUD shall collect retail rates sufficient to cover City's wholesale rates for customers within the Property and pay the applicable wholesale sewer rates for its customers within the Property to the City.

(f) The City agrees to take, and to cooperate with Copeville SUD in taking, such actions as may be necessary or desirable to Landowner and Copeville SUD to ensure uninterrupted, equitable and uniform sewer service by the City as the wholesale sewer provider to Copeville SUD. The City agrees not to take any action or to permit any action to be taken which would have a material adverse effect on uninterrupted, equitable and uniform wholesale sewer service by the City as the wholesale sewer provider to Copeville SUD for the Property.

(g) The City covenants, represents and warrants to Copeville SUD and the District that: the Sewer Contract is in full force and effect; the City is not in default nor are there circumstances in which, with the giving of Notice or passage of time, the City would be in default under the Sewer Contract; and with respect to the Property, the City will take no action with respect to the Sewer Contract to terminate, amend or modify same without the consent of Landowner and Copeville SUD.

#### ARTICLE V TERM OF AGREEMENT

This Agreement shall remain in full force and effect for a term of thirty (30) years from the Effective Date.

#### ARTICLE VI ASSIGNMENT OF AGREEMENT

6.1 No Party hereto shall, without the prior written consent of the other Parties hereto, assign this Agreement or any interest herein except that, upon advance written notice to the City and Copeville SUD, Landowner may: (i) assign all or any portion of its rights and obligations to an "affiliate" of Landowner or to the District, or (ii) assign all or any portion of its rights and obligations hereunder regarding a portion of the Property to a party ("Purchaser") purchasing such land ("Purchaser's Land") upon Purchaser's written acknowledgment of its duty to be bound by the terms of this Agreement as it relates to the development of Purchaser's Land and releasing Landowner from its obligations hereunder.

6.2 The Parties hereto assume that this Agreement will be assigned by the Landowner to the District upon confirmation of the District. Any reference to Landowner in this Agreement shall include Landowner's assignees, whether one or more.

ARTICLE VII  
MISCELLANEOUS PROVISIONS

7.1 Default; Remedies. No Party shall be in default under this Agreement until (i) written notice of the alleged failure of such Party to perform any of its obligations hereunder has been given by the other Party(ies) and (ii) the noticed Party has had a reasonable period of time to cure the alleged failure (taking into consideration the nature and extent of the alleged failure, but in no event less than thirty (30) days after the notice is given). If a Party is in default under this Agreement, the exclusive remedies of the non-defaulting Party(ies) shall be injunctive relief, mandamus, or specific performance specifying the actions to be taken by or prohibited of the defaulting Party and the actions, if any, permitted to be taken by the non-defaulting Party(ies) to remedy the default. Such relief shall be directed solely to the failed obligation and the defaulting Party shall not address or include any activity or actions not directly related to the failed obligation.

7.2 Approvals and Consents. Approvals or consents required or permitted to be given under this Agreement by the City shall be evidenced by an ordinance or resolution adopted by the governing body or by a certificate executed by a person, firm or entity previously authorized to give such approval or consent on behalf of the City. Approvals and consents shall be effective without regard to whether given before or after the time required for giving such approvals or consents.

7.3 Notice. All notices required under this Agreement shall be in writing, shall be signed by or on behalf of the Party giving the notice, and shall be effective as follows: (a) on or after the 3<sup>rd</sup> business day after being deposited with the United States mail service, certified mail, return receipt requested with a confirming copy sent by e-mail within 5 days after the date the notice was deposited with the United States mail service; (b) on the day delivered by a private delivery or private messenger service (such as FedEx or UPS) as evidenced by a receipt signed by any person at the delivery address (whether or not such person is the person to whom the notice is addressed); or (c) otherwise on the day actually received by the person to whom the notice is addressed when delivered by e-mail. All notices given pursuant to this section shall be addressed as follows:

To the Landowner:                   LGI Homes-Texas, LLC  
Attn: Pat Vedra  
1450 Lake Robbins Drive, Suite 430  
The Woodlands, TX 77380  
Email: pat.vedra@lgihomes.com

With copy to:                           LGI Homes-Texas, LLC  
Attn: Tyler Shoop  
1450 Lake Robbins Drive, Suite 430  
The Woodlands, TX 77380  
Email: tyler.shoop@lgihomes.com

To Copeville SUD: Copeville Special Utility District  
Attn: James Rice  
P.O. Box 135  
Copeville, TX 75121  
Email: jrice@consultrice

With copy to: The Law Office of James W. Wilson  
Attn: James W. Wilson  
103 W Main Street  
Allen, TX 75013  
Email: jwilson@jww-law.com

To the City: Mr. Benjamin L. White, P.E.  
City Manager  
City of Farmersville, Texas  
205 S. Main St.  
Farmersville, TX 75442  
Email: ben.white@ci.farmersville.tx.us

With a copy to: Alan Lathrom  
Brown & Hofmeister, L.L.P.  
740 E. Campbell Road, Suite 800  
Richardson, Texas 75082  
Email: alathrom@bhlaw.net

The Parties will have the right from time to time to change their respective addresses upon written notice to the other Parties given as provided above. If any date or notice period described in this Agreement ends on a Saturday, Sunday or legal holiday, the applicable period for calculating the notice will be extended to the first business day following such Saturday, Sunday, or legal holiday.

7.4 Force Majeure. In the event any Party is rendered unable, wholly or in part, by "force majeure" (as hereinafter defined) to carry out its obligations under this Agreement, then the obligations of such Party to the extent affected by such force majeure, to the extent due diligence is being used to resume performance at the earliest practical time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period of time. As soon as reasonably possible after the occurrence of the force majeure relied upon, the Party whose contractual obligations are affected shall give written notice of such force majeure to the other Parties. If possible to remedy, such cause shall be remedied with all reasonable dispatch. The term "force majeure" as used herein shall mean acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, orders of the United States or the State of Texas or other military authority with jurisdiction over the City and/or the Property, insurrections, riots, epidemics, landslides, earthquakes, fires, hurricanes, arrests, civil disturbances, widespread pestilence, explosions, breakage or accidents to machinery, pipelines or canals, and significant variations from normal weather conditions reasonably expected during the period in question, and any other events or circumstances that are not within the control of the Party whose performance

is suspended and that could not have been avoided by such Party with the exercise of good faith, due diligence and reasonable care. "Force majeure" shall not mean or refer to (i) governmental regulations or acts of any governmental entity, board, commission or council over which a Party may reasonably exert influence in order to meet its obligations pursuant to this Agreement or, (ii) any change in market conditions or the economy that slows down or impairs development of the Property (unless such change is a direct result of one of the conditions listed above as being an event of "force majeure"). Notwithstanding the occurrence of any force majeure events the term of this Agreement shall not be extended beyond thirty (30) years.

7.5 Entire Agreement. This Agreement constitutes the entire Agreement between the Parties relative to the subject matter hereof. There have not been and are no agreements, covenants, representations, or warranties among the parties, either oral or written, relative to such subject matter other than those expressly stated or provided for herein.

7.6 Parties Bound/Property Benefited. This Agreement shall be binding upon and inure to the benefit of the Parties and the authorized successors and/or assigns of the Parties. The Parties hereto acknowledge that each has entered into this Agreement willingly and that each Party has equal bargaining powers. No Party has been coerced or has acted under duress.

7.7 Time of Essence. Time is of the essence in the exercise of each Party's duties and obligations pursuant to this Agreement.

7.8 Amendment. This Agreement may be amended or modified only by written instrument executed by all Parties.

7.9 Applicable Law; Venue. This Agreement is entered into pursuant to, and is to be construed and enforced in accordance with, the laws of the State of Texas, and all obligations of the Parties are performable in Collin County. Exclusive venue for any action to enforce or construe this Agreement shall be in the Collin County District Court.

7.10 Invalid Provision. Any clause, sentence, provision, paragraph, or article of this Agreement held by a court of competent jurisdiction to be invalid, illegal, or ineffective shall not impair, invalidate, or nullify the remainder of this Agreement, and the remainder of this Agreement shall be construed as if such invalid, illegal or ineffective provision had never been contained herein.

7.11 Other Instruments and Approvals. The Parties agree to execute and deliver all such instruments and documents as are or may become reasonably necessary or convenient to effectuate and carry out the purposes of this Agreement.

7.12 Exhibits. All recitals and all schedules and exhibits referred to in this Agreement are incorporated herein by reference and shall be deemed part of this Agreement for all purposes as if set forth at length herein.

7.13 No Waiver. No consent or waiver, expressed or implied, by any Party to this Agreement to or of any default of any covenant or provision hereof by any Party shall be construed as a consent or waiver to or any other default of the same or any other covenant or provision.

7.14 Enforceability. This Agreement is intended to be specifically enforceable.

(a) In the event of any judicial determination that one or more provisions of this Agreement are beyond the scope of authority of any Party or are in violation or contradiction of any applicable law or regulation in effect upon the effective date hereof, each Party agrees to proceed to enter into discussions to amend this Agreement immediately.

(b) In the event it is necessary for any Party to retain an attorney or attorneys to enforce any term or condition of this Agreement against another Party, said defaulting Party shall pay all costs or expenses, including reasonable attorneys' fees incurred in connection therewith upon final settlement, by agreement, or upon a judgment.

7.15 Counterpart Originals. This Agreement may be executed in multiple counterpart originals, each of which shall have equal dignity and effect.

7.16 No Third-Party Beneficiaries. This Agreement only inures to the benefit of, and may only be enforced by, the Parties. No other person or entity shall have any right, title, or interest under this Agreement or otherwise be deemed to be a third-party beneficiary of this Agreement.

7.17 Ambiguities Not to Be Construed against Party Who Drafted Agreement. The rule of construction that ambiguities in a document will be construed against the party who drafted it will not be applied in interpreting this Agreement.

7.18 Merger. This Agreement embodies the entire understanding between the Parties and there are no representations, warranties, or agreements between the Parties covering the subject matter of this Agreement.


7.19 Captions. The captions of each section of this Agreement are inserted solely for convenience and shall never be given effect in construing the duties, obligations, or liabilities of the Parties hereto or any provisions hereof, or in ascertaining the intent of the Parties, with respect to the provisions hereof.

7.20 Governmental Powers; Waivers of Immunity. By its execution of this Agreement, the City and Copeville SUD do not waive or surrender any of its governmental powers, immunities, or rights.


*[Signature pages to follow]*

IN WITNESS WHEREOF, the City and Landowner and Copeville SUD have executed this Agreement Regarding Wholesale Wastewater Treatment for the Montgomery Farms Subdivision as of the date and year first listed above.

CITY OF FARMERSVILLE, TEXAS

By:   
BRYON WIEBOLD  
Mayor

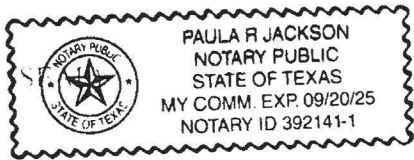
ATTEST:

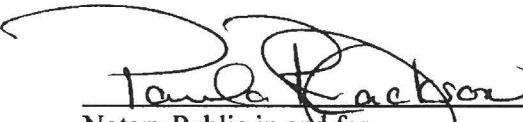
By:   
PAULA JACKSON  
Interim City Secretary

[CITY SEAL]

THE STATE OF TEXAS           §  
COUNTY OF COLLIN           §.

This instrument was acknowledged before me on this the 18<sup>th</sup> day of January, 2021, by BRYON WIEBOLD, in his capacity as the Mayor of the City of Farmersville, Texas, on behalf of the City.



  
Notary Public in and for  
the State of Texas



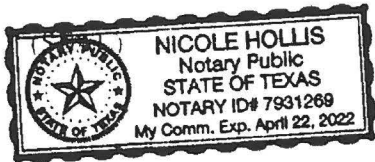
**LGI HOMES-TEXAS, LLC**  
a Texas limited liability company

By its Owner: LGI Homes, Inc., a Delaware corporation

By: *Patrick A. Vedra*  
Name: PATRICK A. VEDRA  
Title: AUTHORIZED SIGNATORY

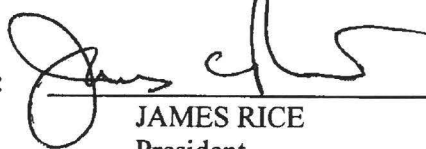
STATE OF Texas §  
COUNTY OF Montgomery §  
§

This instrument was acknowledged before me on this the 5 day of November, 2021, by Patrick A. Vedra, in his/her capacity as Authorized Signatory of LGI Homes, Inc., a Delaware corporation, known to me as the person whose name is subscribed to the foregoing instrument, and acknowledged to me that LGI Homes, Inc., is the Owner of LGI Homes-Texas, LLC, a Texas limited liability company, and that he/she executed the same on behalf of and as the act of the limited liability company.



*Nicole Hollis*  
Notary Public in and for  
the State of \_\_\_\_\_

COPEVILLE SPECIAL UTILITY DISTRICT, a  
political subdivision of the State of Texas

By:   
JAMES RICE  
President

ATTEST:

By:   
WINDELL RICE  
Board Secretary

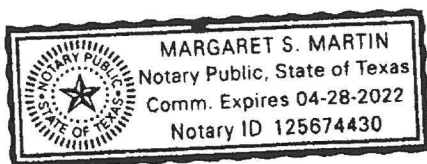
STATE OF TEXAS           §  
COUNTY OF COLLIN       §

Before me, the undersigned authority, on this day personally appeared JAMES RICE, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act of Copeville Special Utility District, a political subdivision of the State of Texas, as its President, for the purposes and consideration therein expressed.

Given under my hand and seal of office on this the 10<sup>th</sup> day of November, 2021.

(SEAL)

  
Notary Public in and for the State of Texas



**EXHIBIT "A"**

**Metes and Bounds Description of the Approximately 211.83 Acre Tract**

*(Comprised of the following 3 pages.)*

**BEING** 211.83 acres of land situated in the H. Walters Survey, Abstract No. 958, Collin County, Texas and being all of a 183.753 acre tract of land described in a Deed of Trust executed by Carl Raymond Montgomery and wife, Rheda Beth Montgomery to Paul Bennett or James Blakey, trustees, recorded in Volume 2292, Page 279, of the Deed Records of Collin County, Texas (DRCCT) and being all of a 43.635 acre tract of land described in a Deed to Raymon Webb Montgomery and Christa Carol Montgomery, recorded as Instrument No. 20131125001578440 (DRCCT), and also being all of that called 2.00 acre tract described in an Owelty Deed to Raymon W. Montgomery, recorded in Volume 2990, Page 495, (DRCCT) and this tract being more particularly described as follows:

**BEGINNING** at a point for corner in a Bois D'Arc tree in the south line of a 73.279 acre tract described in a Deed to Marilyn Rice, recorded in Volume 1732, Page 369 (DRCCT), at the northwest corner of said 183.753 acre tract common to the northeast corner of said 43.635 acre tract, from which a steel fence post found for reference bears South 02°54'15" East a distance of 3.23 feet;

**THENCE** South 89°54'18" East, along the north line of said 183.753 acre tract common to the south line of said 73.279 acre tract, a distance of 372.95 feet, to a 5/8" iron rod with a yellow cap, stamped "RPLS 3963", set at an angle point thereof;

**THENCE** South 89°57'56" East, along the north line of said 183.753 acre tract common to the south lines of said 73.279 acre tract and the south line of a 33.279 acre tract of land described in a Deed to Amy Warren, recorded as Instrument No. 20080812000981780 (DRCCT), a distance of 1003.73 feet, to a 5/8" iron rod found for corner near the center of a creek at an exterior ell corner of said 183.753 acre tract common to an interior ell corner of said 33.279 acre tract;

**THENCE** Southeasterly, along the common lines of said 183.753 acre tract and 33.279 acre tract, the following courses:

South 00°09'50" West, a distance of 65.91 feet, to a 5/8" iron rod found for corner;

South 75°09'08" East, a distance of 718.73 feet, to a point for corner in a west line of a 36.1891 acre tract described in a Deed to Gene Doc Sohn and Sun Young Choi, husband and wife, and Kyoungjoon Cho and Eun Young Choi, husband and wife, recorded as Instrument No. 20141113001243240 (DRCCT) at the northeast corner of said 183.753 acre tract common to a south corner of said 33.279 acre tract, from which a 60D Nail, set for reference bears South 15°38'28" East a distance of 26.03 feet;

**THENCE** along the common lines of said 183.753 acre tract and said 36.1891 acre tract, the following courses:

South 00°53'07" West, a distance of 32.60 feet, to a 5/8" iron rod found for corner;

South 82°38'52" West, a distance of 22.40 feet, to a 5/8" iron rod found for corner;

**THENCE** South 00°12'03" West, along an east line of said 183.753 acre tract common to the west lines of said 36.1891 acre tract, a 50.001 acre tract described in a Deed to David Reeder and wife, Becky Reeder, recorded as Instrument No. 92-0071701 (DRCCT), and partly with Spencers Estates Addition, an Addition to Collin County, Texas, recorded in Cabinet H, Slide 622 of the Plat Records of Collin County, Texas (PRCCT), respectively, for a total distance of 2571.88 feet, to a 5/8" iron rod with a yellow cap, stamped "RPLS 3963", set for corner;

**THENCE** North 89°47'57" West, a distance of 784.88 feet to a 5/8" iron rod with a yellow cap, stamped "RPLS 3963", set for corner;

**THENCE** South 00°12'03" West, a distance of 1013.93 feet to a 5/8" iron rod with a yellow cap, stamped "RPLS 3963", set for corner in the south line of said 183.753 acre tract common to the north right-of-way line of FM 1778, (a 90' right-of-way at this point);

**THENCE** continuing along the common lines of said 183.753 acre tract and north right-of-way lines of said FM 1778, the following courses:

South 85°09'47" West, a distance of 164.66 feet, to a 5/8" iron rod found for corner at the beginning of a curve to the right, having a radius of 2819.79 feet, and a chord which bears South 87°45'46" West a distance of 255.85 feet;

Southwesterly, along said curve to the right, having a central angle of 05°12' 02", an arc distance of 255.94 feet, to a 5/8" iron rod with a yellow cap, stamped "RPLS 3963", set for corner;

North 89°38'11" West, a distance of 76.11 feet, to a 5/8" iron rod found for corner at the southeast corner of a tract of land described in a Deed to First Baptist Church of Copeville, recorded in Volume 900, Page 353 (DRCCT);

**THENCE** along the common lines of said 183.753 acre tract and said First Baptist Church of Copeville tract, the following courses:

North 02°55'02" East, a distance of 307.96 feet, to a 5/8" iron rod with a yellow plastic cap, stamped "RPLS 3963", set for corner;

North 89°45'11" West, a distance of 517.40 feet, to a wooden fence post found for corner at the most eastern southeast corner of said 43.635 acre tract common to the northwest corner of said First Baptist Church of Copeville tract;

**THENCE** South 02°37'47" West, along an east line of said 43.635 acre tract common to the west line of said First Baptist Church of Copeville tract, a distance of 321.86 feet, to a point for corner near the base of a wood highway marker in the north right-of-way line of FM 1778 (a 60' right-of-way at this point going west), at the most southern southeast corner of said 43.635 acre tract;

**THENCE** North 89°38'13" West, along a south line of said 43.635 acre tract common to the north right-of-way line of said FM 1778, a distance of 282.00 feet, to a point for corner at a south corner of said 43.635 acre tract common to the southeast corner of a 8.22 acre tract of land described in a

Deed to Susan Annie Potter and Jon Trace Hailey, recorded as Instrument No. 20101102001194000 (DRCCT), from which a 1/2" iron rod found for reference bears North 20°20'21" West a distance of 1.42 feet;

**THENCE** North 20°20'21" West, along a southwest line of said 43.635 acre tract common to the northeast line of said 8.22 acre tract, a distance of 860.95 feet, to a wood fence post found at a common corner thereof;

**THENCE** South 89°34'33" West, along a south line of said 43.635 acre tract common to the north line of said 8.22 acre tract, a distance of 617.61 feet, to a 5/8" iron rod found for corner at a common west corner thereof and being in the east right-of-way line of said Burlington Northern & SF Rail Road, said point being in a curve to the left, having a radius of 1960.08 feet and a chord which bears North 15°08'31" East a distance of 671.75 feet;

**THENCE** Northeasterly, along the west lines of said 43.635 acre tract common to the east right-of-way lines of said Burlington Northern & SF Railroad, the following courses:

Northeasterly with said curve to the left, having a central angle of 19°44'01", an arc distance of 675.09 feet, to the point of tangent;

North 05°16'30" East, a distance of 2468.30 feet to a 3/8" iron rod found at the northwest corner of said 43.635 acre tract common to the southwest corner of said 73.279 acre tract;

**THENCE** South 89°23'59" East, along the north line of said 43.635 acre tract common to the south line of said 73.279 acre tract, a distance of 557.73 feet, to a **THE POINT OF BEGINNING** and containing 9,227,310 square feet, or 211.830 acres of land.

**DUNAWAY IDBI**

118 McKinney St. • P.O. Box 406 • Farmersville, Texas 75442  
Tel: 972.784.7777  
(TXENG PRM F-1114)

PROPOSED 12"  
FORCE MAIN

CR 550

CR 550

CR 566

CITY OF  
FARMERSVILLE  
PROPOSED WWTP

FORCE MAIN ROUTE IS  
APPROXIMATE. ACTUAL  
FORCE MAIN ROUTE WILL  
BE DETERMINED BY FINAL  
DESIGN PLANS AND  
APPROVED USACE  
EASEMENT LOCATION

ST. HWY. 78

PROPOSED 12"  
FORCE MAIN

PROPOSED LIFT STATION

PR 5220

CR 5

Business 78

Morning Mist

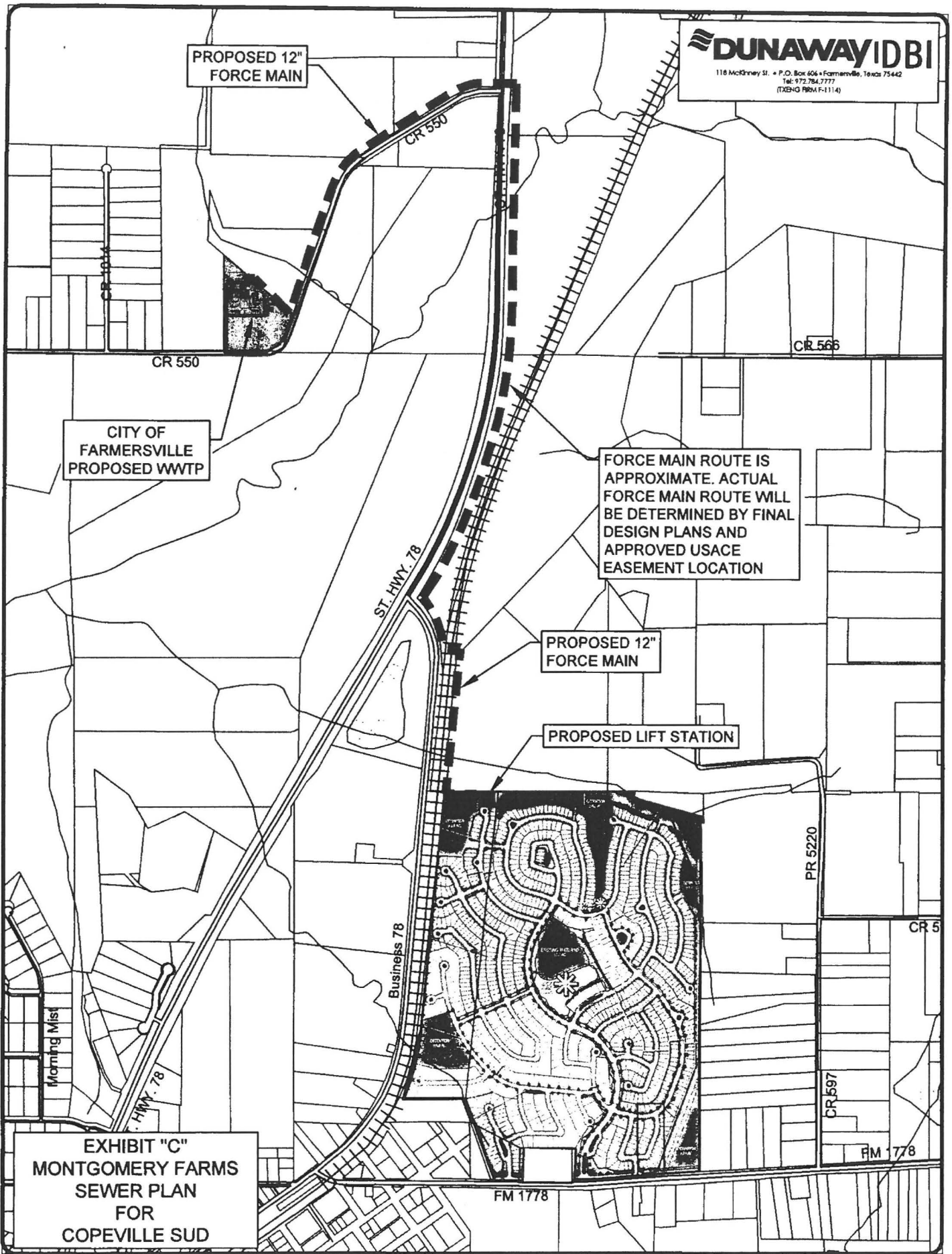
HWY 78

CR 597

FM 1778

FM 1778

EXHIBIT "C"  
MONTGOMERY FARMS  
SEWER PLAN  
FOR  
COPEVILLE SUD



Filed and Recorded  
Official Public Records  
Stacey Kemp, County Clerk  
Collin County, TEXAS  
02/09/2022 10:58:25 AM  
\$122.00 DKITZMILLER  
2022020900223070



*Stacey Kemp*