

WATER SUPPLY AGREEMENT

THE STATE OF TEXAS §

COUNTY OF KAUFMAN §

THIS WATER SUPPLY AGREEMENT (“Agreement”) is made and entered into by and between BELLAGIO 443 LLC, a Wyoming limited liability company (“Developer”) and the City of Mesquite, Texas (“City”), a home-rule city and municipal corporation, acting by and through its duly authorized representative, effective as of hereinafter defined Effective Date.

RECITALS

WHEREAS, Developer owns and is intending to develop that certain 443 acres, described in the attached Exhibit “A” (“the Property”); and

WHEREAS, all of the Property is located outside the corporate limits of the City and in the extra-territorial jurisdiction of the City; and

WHEREAS, City owns and operates a water treatment and distribution system which supplies potable water for human consumption and other domestic uses to customers within its service area; and

WHEREAS, City has contracted with the North Texas Municipal Water District (“NTMWD”) for NTMWD’s wholesale providing of water to the City; and

WHEREAS, the Property is located wholly within the City’s Certificate of Convenience and Necessity No. 10060 for water service (“CCN”); and

WHEREAS, Developer has requested the City provide, in phases, water service to the Property for up to 1,200 single family homes through an extension, in phases, of the City’s water treatment and distribution system; and

WHEREAS, in order for the City to provide water service to the Property, Developer will be required to construct the water transmission facilities extending

from the City's existing water distribution system to and into the Property, as described in Exhibit "B" (the "Water System Extension"); and

WHEREAS, it will also be desirable to the parties for Developer to construct water lines to distribute water throughout the Property (the "Internal Distribution System"); and

WHEREAS, the City does not have any funds available either to construct the Water System Extension or the Internal Distribution System or to reimburse Developer, if Developer constructs such facilities and conveys them to the City; and

WHEREAS, Developer has advised the City that it is creating a conservation and reclamation district ("District") to, among other things, construct the water facilities necessary to serve the Property; and

WHEREAS, Developer or the District, after the District is created and this Agreement is assigned to the District, will construct those facilities, convey them to the City and then issue its ad valorem tax bonds to reimburse Developer for such water facilities constructed by Developer; and

WHEREAS, the parties acknowledge and agree that but for the creation of the District and its ability to reimburse Developer for the water facilities with its ad valorem tax bonds, development of the Property would not be feasible and the City would not be able to provide retail water service to customers located within the Property.

AGREEMENT

NOW, for and in consideration of the mutual promises hereinafter expressed, and other good and valuable consideration, the sufficiency of which is hereby acknowledged by the parties, Developer and City agree and contract as follows:

1. Engineering and Design of the Water System Extension and Internal Distribution System.

(a) Any Water System Extension necessary to serve development of the Property shall be designed by Developer's consulting engineers, at Developer's sole expense, in accordance with the applicable specifications of the City which have been published or provided to Developer by the City in writing, and all other governmental agencies having jurisdiction (collectively, "Design Standards"). All such plans and specifications shall be subject to

review and approval by the City, which approval shall not be unreasonably delayed, conditioned or withheld and must be given if the plans and specifications comply with the Design Standards. If the City reasonably determines the plans and specifications for any phase do not meet the Design Standards, then the City will state with specificity why the Design Standards are not met within 30 calendar days after submittal so that Developer may make modifications accordingly and resubmit modified plans and specifications to the City for approval. After completion and approval of such plans and specifications, such plans and specifications shall become part of this Agreement and shall more particularly be included as part of the "Water System Extension."

(b) The plans and specifications for the Water System Extension shall be designed to provide continuous and adequate water service for the full development of the Property, based upon plans for the development of the Property provided to City by Developer. At the request of the City communicated in writing to Developer prior to the City's approval of the plans for the Water System Extension, the City may require such facilities be oversized to serve land outside the Property, provided (i) the City shall pay 100% of the cost of such oversizing (engineering and construction), and (ii) the City shall escrow its share of the oversizing with an agreed upon third party prior to the Developer letting the contract to construct such facilities.

(c) The Internal Distribution System shall be designed by Developer's consulting engineers in phases, at Developer's sole expense, in accordance with the Design Standards. All such plans and specifications for any phase shall be subject to review and approval by the City, which approval shall not be unreasonably delayed, conditioned or withheld and must be given if the plans and specifications comply with the Design Standards. If the City reasonably determines that plans and specifications for any phase do not meet the Design Standards, then the City will state with specificity why the Design Standards are not met within 30 calendar days after submittal so that Developer may make modifications accordingly and resubmit modified plans and specifications to the City for approval. After completion and approval of the plans and specification, the plans and specifications shall become part of the "Internal Distribution System".

2. **Required Sites, Easements or Rights-of-Way.**

(a) Developer shall be responsible for dedicating or acquiring any easements across privately owned land or sites (including off-site) which are necessary for the construction or operation of the Water System Extension. If Developer is unable to acquire such sites or easements for the Water System Extension, City acknowledges that the District may acquire such real property interests by use of its power of eminent domain. Developer agrees to exercise good faith to obtain easements on private property, but if Developer is unable to obtain easements through good faith negotiations prior to when the District is created, then the City agrees to exercise its power of eminent domain to acquire such easements for the Water Conveyance System Extension. Developer agrees to reimburse the City for all costs associated with the acquisition of such easements, including but not limited to the price of the easement, court costs, expert witness fees, and attorneys' fees. Developer shall be responsible for dedicating or acquiring any easements across privately owned land or public right-of-way for the Internal Distribution System.

(b) Any easements acquired by the Developer shall be in a form approved by the City Attorney, which shall be in the form attached hereto as Exhibit "C", and such approval shall not be unreasonably delayed, conditioned or withheld. Upon completion of the construction of the Water System Extension or any phase of the Internal Distribution System such easements shall be assigned to the City.

3. **Construction of the Water System Extension.**

(a) Developer's consulting engineers, at Developer's expense, shall advertise for bids for the construction of each phase of the Water System Extension in accordance with bidding laws for conservation and reclamation districts, including Texas Water Code 49.273. Developer may reject any bid, contractor or subcontractor pursuant to the relevant statutes or because the bids came in over the estimated cost.

(b) Developer shall construct the Water System Extension, at Developer's sole expense, substantially in accordance with the approved plans and specifications. The Water System Extension shall be sized and located as reflected in the attached Exhibit "B". The City may inspect such construction. At least five (5) business days before construction is scheduled to begin,

Developer must give the City written notice of the date on which construction is scheduled to begin.

4. **Construction of the Internal Distribution System.**

(a) Developer's consulting engineers, at Developer's expense, shall advertise for bids for the construction of any phase of the Internal Distribution System in accordance with bidding laws for conservation and reclamation districts, including Texas Water Code 49.273. Developer may reject any bid, contractor or subcontractor pursuant to the relevant statutes or because the bids came in over the estimated cost.

(b) Developer shall construct any phase of the Internal Distribution System, at Developer's sole cost, substantially in accordance with the approved plans and specifications. The City may inspect construction of all phases of the Internal Distribution System. At least five (5) business days before construction is scheduled to begin, Developer must give the City written notice of the date on which construction is scheduled to begin.

5. **Dedication of Water System Extension.**

Upon completion of construction of the Water System Extension and final inspection and acceptance thereof by the City, the Water System Extension shall be dedicated by Developer to the City by an appropriate legal instrument approved by the City's Attorney, which shall be substantially in the form attached as Exhibit "D", and which approval shall not be unreasonably delayed, conditioned or withheld. If the City reasonably determines that the Water System Extension was not constructed substantially in compliance with the approved plans and specifications, then the City will state with specificity why the construction was not in such substantial compliance within 30 calendar days after Developer notifies the City that the construction of the Water System Extension is complete and ready for dedication to the City. Such Water System Extension shall thereafter be owned and maintained by the City, at its sole cost; however, Developer shall cause the contractor who constructed such facilities to warrant the construction and suitability of the same for a period of one (1) calendar year after completion and acceptance by the City and such contractor shall bear all costs of repairs and improvements during this warranty period.

6. Dedication of Internal Distribution Facilities.

Upon completion of construction of any phase of the Internal Distribution System and final inspection and acceptance thereof by the City, the Internal Distribution System shall be dedicated by Developer to the City by an appropriate legal instrument approved by the City's Attorney, which shall be substantially in the form attached hereto as Exhibit "D", and which approval shall not be unreasonably delayed, conditioned or withheld. If the City reasonably determines that the any phase of the Internal Distribution System was not constructed substantially in compliance with the approved plans and specifications, then the City will state with specificity why the construction was not in such substantial compliance within 30 calendar days after Developer notifies the City that the construction of such phase of the Internal Distribution System is complete and ready for dedication to the City. Thereafter such phase of the Internal Distribution System shall be owned and maintained by the City, at its sole cost; however, Developer shall cause the contractor who constructed the facilities to warrant the construction and suitability of the same for a period of one (1) calendar year after completion and the contractor shall bear all costs of repairs and improvements during this warranty period.

7. Service From the Water System Extension and Internal Distribution System.

After proper completion and dedication of a phase of the Water System Extension and/or any phase of the Internal Distribution System to the City, the City shall provide continuous and adequate water service to such phase of the Property under the requirements of the City's CCN, the regulations of the Texas Commission on Environmental Quality ("TCEQ") and all duly adopted rules and regulations of the City generally applicable to water customers of the City and payment of the following:

- 1) Retail customers of the City shall pay all standard rates, fees (excluding impact fees) and charges as reflected in the City's Ordinance applicable to retail water service in effect at the time payment is made. Such rates, fees and charges shall be the same as the City charges similar customers located within the corporate limits of the City.

- 2) Neither Developer nor any water customer located within the Property shall be required to pay any impact or similar purposed fees related to obtaining water service from the City.

8. **Service Commitment.**

(a) It is hereby expressly agreed between the City and Developer that the total retail water service to the Property which is provided under this Agreement shall not exceed one thousand two hundred (1,200) single-family residential connections, plus the water connections for irrigation. Developer agrees that only those residential lots developed within the Property shall be provided retail water service pursuant to the terms of this Agreement, and that the City is under no obligation to provide retail water service to any other lots located outside the Property.

(b) Retail water service to the Property shall include adequate water supply capacity required to provide firefighting service to the Property; provided that all facilities necessary to provide such capacity shall be built by Developer and conveyed to the City under the terms of this Agreement.

9. **Effect of Force Majeure.**

In the event either party is rendered unable by force majeure to carry out any of its obligations under this Agreement, in whole or in part, then the obligations of that party, to the extent affected by the force majeure shall be suspended during the continuance of the inability, provided however, that due diligence is exercised to resume performance at the earliest practical time. As soon as reasonably possible after the occurrence of the force majeure relied upon to suspend performance, the party whose contractual obligations are affected thereby shall give notice and full particulars of the force majeure to the other party.

The cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure" includes acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, orders of the government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and civil disturbances, explosions, breakage, or accidents to equipment, pipelines, or canals, partial or complete failure of water supply, and any other inability's of either party, whether similar to those enumerated

or otherwise, that are not within the control of the party claiming the inability and that could not have been avoided by the exercise of due diligence and care. It is understood and agreed that the settlement or strikes and lockouts shall be entirely within the discretion of the party having the difficulty and that the requirement that any force majeure be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party if the settlement is unfavorable to it in the judgment of the party having the difficulty.

10. **Notices.**

Any notice to be given hereunder ("Notice") by either party to the other party shall be in writing and may be effected by certified mail, return receipt requested, to the address set forth below. Notice shall be deemed given when received by the addressee. Any notice mailed to the City shall be addressed:

CITY OF MESQUITE

City of Mesquite
Attn: City Manager
1515 N. Galloway
Mesquite, TX 75149

And

City of Mesquite
Attn: City Attorney
1515 N. Galloway
Mesquite, TX 75149

Any notice mailed to Developer shall be addressed:

Bellagio 443 LLC
c/o Megatel Homes
Attn: Zach Ipour
2101 Cedar Springs Rd., Suite 700
Dallas, Texas 75201

With a copy to:

Coats Rose, P.C.
Attn: Timothy G. Green

16000 North Dallas Parkway, Suite 350
Dallas, Texas 75248

With a copy to:

Sidney Bazzi
Megatel Homes
2101 Cedar Springs Rd., Suite 700
Dallas, Texas 75201

Either party may change the address for notice to it by giving written notice of such change in accordance with the provisions of this paragraph.

11. **Breach of Agreement and Remedies.**

(a) No party shall be in default under this Agreement until Notice of the alleged failure of such party to perform has been given in writing (which Notice shall set forth in reasonable detail the nature of the alleged failure) and until such party has been given a reasonable time to cure the alleged failure. Notwithstanding the foregoing, no party shall be in default under this Agreement if, within the applicable cure period, the party to whom the Notice was given begins performance and thereafter diligently and continuously pursues performance until the alleged failure has been cured.

(b) Upon the occurrence of any event of default by the City or Developer, the non-defaulting party may pursue the following remedies:

(i) So long as the non-defaulting party has complied with the terms and provisions of this Agreement, it may pursue any equitable or other remedies, including, without limitation, mandamus, specific performance, actual damages, (excluding punitive, special and consequential damages), injunctive relief or other available remedies.

(ii) No remedy herein conferred or reserved is intended to be inclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder now or hereafter existing.

(iii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(iv) In no event shall the non-defaulting party be entitled to terminate this Agreement.

12. **Third Parties.**

It is the express intention of the parties that the terms and conditions of this Agreement may be enforced by either party but not by any third party or alleged third party beneficiary.

13. **Captions.**

Captions are included solely for convenience of reference and if there is any conflict between captions and the text of the Agreement, the text shall control.

14. **Context.**

Whenever the context requires, the gender of all words herein shall include the masculine, feminine, and neuter, and the number of all words shall include the singular and the plural.

15. **Mediation.**

Prior to the institution of legal action by either party related to any dispute arising under this Agreement, said dispute shall be referred to mediation by an independent mediator mutually agreed upon by both parties, if both parties agree to mediation. The cost of the mediator shall be shared equally by both parties.

16. **Litigation Expenses.**

In any legal proceeding brought in relation to this Agreement, neither party shall be entitled to recover from the other party court costs, attorneys' fees, or consequential, punitive, exemplary, or speculative damages of any kind including, but not limited to, lost profits.

17. **Intent.**

The parties hereto covenant and agree that they shall execute and deliver such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the intent of this Agreement.

18. **Authority.**

The signatories hereto represent and affirm that they are authorized to execute this Agreement on behalf of the respective parties hereto.

19. **Severability.**

The provisions of this Agreement are severable, and if any word, phrase, clause, sentence, paragraph, section, or other part of this Agreement or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Agreement to other persons or circumstances shall not be affected thereby and this Agreement shall be construed as if such invalid or unconstitutional portion had never been contained therein.

20. **Entire Agreement.**

This Agreement, including any exhibits attached hereto and made a part hereof, constitutes the entire agreement between the parties relative to the subject matter of this Agreement. All prior agreements, covenants, representations, or warranties, whether oral or in writing, between the parties are merged herein.

21. **Amendment.**

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

22. **Governing Law.**

This Agreement shall be construed under and in accordance with the laws of the State of Texas.

23. **Venue**

Any action at law or in equity brought to enforce or interpret any provision of this Agreement shall be brought in a state court of competent jurisdiction with venue in Kaufman County, Texas.

24. **Successors and Assigns.**

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

25. **Assignability.**

The rights and obligations of the Developer hereunder may not be assigned without the prior written consent of the City. Notwithstanding the preceding, the City hereby (i) acknowledges that it is not opposed to the creation of the District and agrees that it will not oppose creation of the District, and (ii) consents to this Agreement being assigned to the District, upon notice thereof to the City and the District providing written acknowledgement of its obligation to assume all of the rights and obligations of Developer hereunder.

26. **Limited Waiver of Sovereign Immunity.**

Sections 1, 2(a), 3, 4, 5, 6, 7, 8 and 11 of this Agreement are for the provision of goods or services to the City under Section 212.171 and Section 271.151 et seq. of the Texas Local Government Code. By its execution of this Agreement, the City does not waive or surrender any of its governmental powers, immunities, or rights except as provided in this section. The parties are entering into this Agreement in reliance upon its enforceability subject to the limitations provided herein.

27. **Statutory Verifications.**

The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. Statutory Verifications. The Developer makes the following representation and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Developer within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Notwithstanding anything contained herein, the

representations and covenants contained in this Section 27 shall survive termination of this Agreement until the statute of limitations has run.

(a) No Boycott of Israel. The Developer hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code. Notwithstanding anything contained herein, the representations and covenants contained in this Section 27 shall survive termination of this Agreement until the statute of limitations has run.

(b) Iran, Sudan and Foreign Terrorist Organizations. The Developer represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code. The foregoing representation is made pursuant to Section 2252.152, Texas Government Code, and excludes the Developer and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Developer understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit. Notwithstanding anything contained herein, the representations and covenants contained in this Section 27 shall survive termination of the Agreement until the statute of limitations has run.

(c) Verifications Pursuant to Chapter 2276, Texas Government Code. The Developer hereby verifies that it and its parent companies, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. The foregoing verification is made pursuant to Section 2276.002, Texas Government Code, as amended. As used in the foregoing verification, “boycott energy companies” shall have the meaning assigned to the term “boycott energy company” in Section 809.001, Texas Government Code. The Developer understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit. Notwithstanding anything contained herein, the representations

and covenants contained in this Section 27 shall survive termination of the Agreement until the statute of limitations has run.

(d) Verification Pursuant to Chapter 2274, Texas Government Code. The Developer hereby verifies that it and its parent companies, wholly- or majority- owned subsidiaries, and other affiliates, if any,

- (1) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and
- (2) will not discriminate during the term of this Agreement against a firearm entity or firearm trade association during the term of this Agreement.

The foregoing verification is made pursuant to Section 2274.002, Texas Government Code, as amended. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” shall have the meaning assigned to such term in Section 2274.001(3), Texas Government Code, “firearm entity” shall have the meaning assigned to such term in Section 2274.001(6), Texas Government Code, and “firearm trade association” shall have the meaning assigned to such term in Section 2274.001(7), Texas Government Code. The Developer understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Developer and exists to make a profit. Notwithstanding anything contained herein, the representations and covenants contained in this Section 27 shall survive termination of the Agreement until the statute of limitations has run.

28. **Form 1295.**

Submitted herewith is a completed Form 1295 in connection with the Developer’s participation in the execution of this Agreement generated by the Texas Ethics Commission’s (the “TEC”) electronic filing application in accordance with the provisions of Section 2252.908 of the Texas Government Code and the rules promulgated by the TEC (the “Form 1295”). The City hereby confirms receipt of the Form 1295 from the Developer, and the City agrees to acknowledge such form with the TEC through its electronic filing application not later than the 30th day after the receipt of such form. The Developer and the City understand and agree that, with the exception of information identifying the City and the contract identification number,

neither the City nor its consultants are responsible for the information contained in the Form 1295; that the information contained in the Form 1295 has been provided solely by the Developer; and, neither the City nor its consultants have verified such information.

29. **Actions of the District.**

Developer may at Developer's sole discretion coordinate with the District in meeting Developer's obligations pursuant to this Agreement. Any action taken by the District in direct coordination with Developer will suffice to meet Developer's obligations. However, nothing in this Agreement is intended to confer any legal or equitable right, privilege, benefit, or remedy by reason of this Agreement on any persons other than the parties

30. **Effective Date.**

This Agreement shall be effective from and after the date of due execution by both parties.

IN WITNESS WHEREOF each of the parties has caused this Agreement to be executed by its duly authorized representative in multiple copies, each of equal dignity, on the date or dates indicated below.

CITY OF MESQUITE

By: _____

Name: _____

Title: _____

Date: _____

DEVELOPER:

Bellagio 443 LLC, a Wyoming limited liability company

By: _____ 

Name: Zach pour

Title: Co-President

Date: 8-28-25

EXHIBIT "A"

THE PROPERTY

445.993 ACRES
KAUFMAN COUNTY, TEXAS
July 25, 2022

District No. 15
445.993 Acres

James S. Ramsey Survey, Abstract Number 414

A METES AND BOUNDS description of a 445.993 acre tract of land situated in the J.S. Ramsey Survey, Abstract No. 414, Kaufman County, Texas, being more particularly described as follows:

BEING a 445.993 acre tract of land situated in the James S. Ramsey Survey, Abstract No. 414 Kaufman County, Texas, being all of that 225.725 acre tract of land conveyed to Dennis W. and Nancy Inman Pierce, as recorded in Volume 1051, Page 347 and all of that 219.28 acre tract of land conveyed to Dennis W. and Nancy I. Pierce, as recorded in Volume 1354, Page 347, of the Official Public Records, Kaufman County, Texas, and being more particularly described as follows;

BEGINNING at a Mag Nail set at the intersection of the center of County Road No. 202 (an undedicated right-of-way) with the center of Markout Central (an undedicated right-of-way) of the southeast corner of said 219.28 acre tract, said point being the southwest corner of a 4.79 acre tract of land conveyed to Christopher and Kathy Zmolik, as recorded in Volume 1565, Page 127, of the Official Public Records, Kaufman County, Texas, said point also being in the north line of that tract of land conveyed to Matthew T. and Carlabeth Rooney as recorded in Volume 1209, Page 453 of said Official Public Records, Kaufman County, Texas;

THENCE North 64 degrees 22 minutes 47 seconds West, along the center of said Markout Central and the southerly line of said 219.28 acre tract, a distance of 434.47 feet to a Mag Nail set for corner, said point being the northwest corner of that tract of land conveyed to Noah's Ark Early Development Center, Inc., as recorded in Volume 1278, Page 235 and the northeast corner of that tract of land conveyed to Brent J. Strugell as recorded in Volume 6409, Page 519, of said Official Public Records, Kaufman County, Texas, from which a 1/2 inch iron rod (control monument) found for reference bears North 42 degrees 39 minutes 43 seconds East, a distance of 25.19 feet;

THENCE South 89 degrees 36 minutes 52 seconds West, continuing along the center of said Markout Central and the southerly line of said 219.28 acre tract, passing at a distance of 552.44 feet a point for the southwest corner of said 219.28 acre tract and the southeast corner of said 225.725 acre tract, from which a 1 inch iron pipe found (control monument) for reference bears North 43 degrees 06 minutes 21 seconds West, a distance of 28.35 feet, continuing in all a total distance of 2,400.91 feet to Mag Nail set for the southwest corner of said 225.725 acre tract and the most easterly corner of that 11.19 acre tract of land conveyed to Daniel J. and Miroslava Sulc, as recorded in Volume 3692, Page 135, of said Official Public Records, Kaufman County, Texas, said point also being in the north line of a 2.78 acre tract of land conveyed to W.E. Wilson, as recorded in Volume 714, Page 248 of said Official Public Records, Kaufman County, Texas;

THENCE North 45 degrees 23 minutes 09 seconds West, along the southwest of said 225.725 acre tract and the northeast line of said Sulc tract, passing at a distance of 29.00 feet a 1/2 inch iron rod (control monument) found (bent) for reference, passing at a distance of 1,545.97 feet a 5/8 inch iron rod (control monument) found for the most northerly corner of said Sulc tract, said point being in the east line of a 1,532.20 acre tract conveyed to Barrel Ranch, LLC., as recorded in Volume 4324, Page 203 of said Official Public Records, Kaufman County, Texas, continuing in all a total distance of 2,590.64 feet to a feet to a 1/2 inch rod with cap "USA INC." set for corner;

THENCE North 27 degrees 30 minutes 09 seconds East, along the west line of said 225.725 acre tract and the east line of said Barrel Ranch tract, a distance of 439.04 feet to a 1/2 inch iron rod with cap "USA INC." set for corner;

THENCE North 04 degrees 32 minutes 34 seconds West, continuing along the west line of said 225.725 acre tract and the east line of said Barrel Ranch tract, a distance of 343.99 feet to a 1/2 inch iron rod with cap "USA INC." set for corner;

THENCE North 45 degrees 26 minutes 50 seconds West, continuing along the west line of said 225.725 acre tract and the east line of said Barrel Ranch tract, a distance of 1,777.31 feet to a 1/2 inch iron rod with cap "USA INC." set for the most westerly corner of said 225.725 acre tract and an ell corner of said Barrell Ranch tract;

THENCE North 44 degrees 22 minutes 23 seconds East, continuing along the west line of said 225.725 acre tract and the east line of said Barrel Ranch tract, a distance of 1,348.06 feet to a 1/2 inch iron rod with cap "USA INC." set for corner;

THENCE North 43 degree 32 minutes 58 seconds East, continuing along the west line of said 225.725 acre tract and the east line of said Barrel Ranch tract, a distance of 1,433.93 feet to a 1/2 inch rod with cap "USA INC." set for the most northerly corner of said 225.725 acre tract and an ell corner of a 147.584 acre tract of land conveyed to Donald A. and Nancy S. Sloan, as recorded in Volume 3817, Page 172 of said Official Public Records, Kaufman County, Texas;

THENCE South 45 degrees 20 minutes 29 seconds East along the north line of said 225.725 acre land tract and the south line of said Sloan tract, a distance of 2,061.13 feet to a 1/2 inch iron rod with cap "USA INC." set for the most easterly northeast corner of said 225.725 acre tract and the north corner of said 219.28 acre tract, said point being the southeast corner of said Sloan tract and the west corner of an 81.622 acre tract conveyed to Kenneth J. and Melissa R. McGee, as recorded in Volume 634, Page 478 of said Official Public Records, Kaufman County, Texas;

THENCE South 45 degrees 33 minutes 47 seconds East, along the north line of said 219.28 acre tract and the south line of said McGee tract, a distance of 4,005.81 feet to a Mag Nail set in the center of said County Road No. 202 for the most easterly northeast corner of said 219.28 acre tract, said point in being the south corner of a 45.38 acre tract conveyed to Steve Silver, as recorded in Volume 3129, Page 173 of said Official Public Records, Kaufman County, Texas, said point also being in the west line of an 81.39 acre tract conveyed to Steve Silver, as recorded in Volume 3129, Page 173 of said Official Public Records, Kaufman County, Texas, said point also being in the west line of an 81.39 acre tract conveyed to SLJ/GA LLC., as recorded in Volume 6261, Page 439 of said Official Public Records, Kaufman County, Texas;

THENCE South 17 degrees 07 minutes 23 seconds West, continuing along the center of said County Road No. 202, along the east line of said 219.28 acre tract and the west line of said SLJ/GA LLC tract, a distance of 1,256.55 feet to a Mag Nail set for corner, said point being in the west line of an 8.88 acre tract of land conveyed to Chad L. and Delaine D. Riley, as recorded in Volume 4301, Page 361 of said Official Public Records, Kaufman County, Texas;

THENCE South 17 degrees 03 minutes 20 seconds West, continuing along the center of said County Road No. 202 and the west line of said Riley tract, a distance of 543.04 feet to the **POINT OF BEGINNING** and containing 445.993 acres of land more or less.

NOTE: "This document was prepared under 22 Texas Administrative Code 138.95, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the political subdivision for which it was prepared".



Eduardo Martinez

Registered Professional Land Surveyor No. 5274



QUIDDITY

Telephone 972-488-3880 Ext. 7177

Texas Board of Engineers and Land Surveyors

Engineer Registration No. F-23290

Survey Registration No. 10046100



EXHIBIT "B"

THE WATER SYSTEM EXTENSION

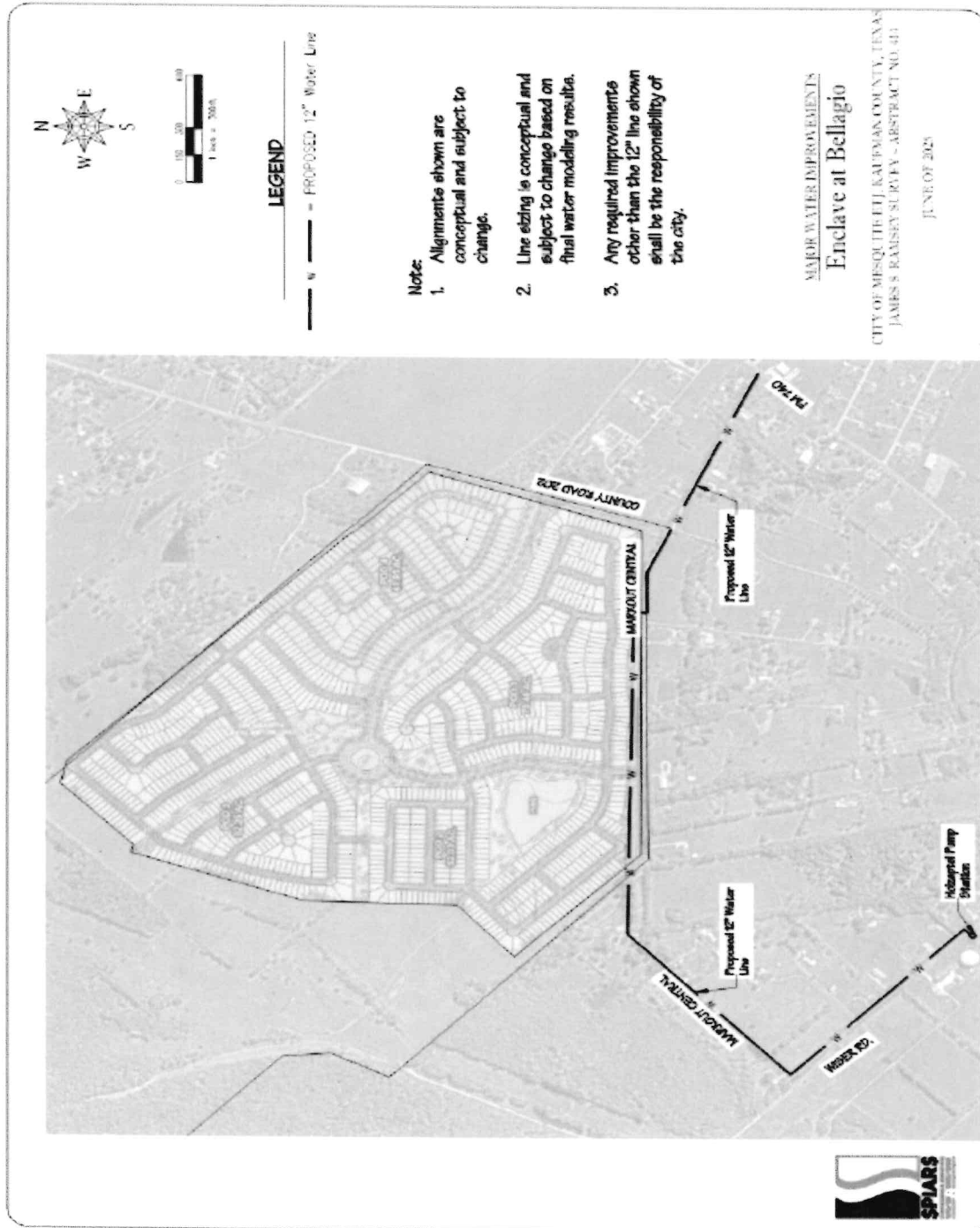


EXHIBIT "C"
EASEMENT FORM

WATER LINE EASEMENT
(_____ Acre)

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS THAT:
COUNTY OF KAUFMAN §

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL ESTATE BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER

_____ (hereinafter referred to as "Grantor"), for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby grant unto the **CITY OF MESQUITE, TEXAS**, a municipal corporation, whose address is _____ ("Grantee"), a non-exclusive, perpetual easement over, across, under and through that certain tract of land situated in Kaufman County, Texas, owned by Grantor, and more particularly described on Exhibit "A" attached hereto (the "Easement Tract").

The easement hereby granted shall be used only for the purposes of placing, constructing, operating, clearing, repairing, maintaining, rebuilding, replacing and relocating water and wastewater lines and related appurtenances and facilities (the "Facilities"). Subject to the further provisions hereof, Grantee, its agents, employees, workmen and representatives, shall have the right and privilege of ingress and egress across the Easement Tract as may be necessary to maintain, repair, reconstruct, replace and operate such facilities.

It is expressly understood and agreed by and between the parties that this Easement shall be subject to and governed by the following provisions:

(1) The easement, rights and privileges granted herein are non-exclusive and the Grantor reserves and retains the right to use the Easement Tract for all purposes which do not unreasonably interfere with the rights hereby granted.

(2) The easement, rights and privileges herein granted shall be perpetual or for so long as Grantee shall utilize the easement for the purposes intended. The easement, rights and privileges granted herein shall terminate when, or at such time, as the purposes hereof cease to exist, are abandoned by Grantee, or become impossible of performance.

(3) During or immediately after any work on the Easement Tract pursuant to the rights granted hereby, the party performing such activities, at its sole cost and expense, shall take all reasonable measures to restore the grounds, surfacing materials, and other facilities of the owner of the Easement Tract, including landscaping, fences and pavement situated on the Easement Tract, to the condition which existed prior to such operations.

(4) The easement, rights and privileges herein granted shall be subject to all valid and subsisting encumbrances, conditions, covenants, restrictions, reservations, exceptions, rights-of-way and easements of record, including all laws, regulations, and restrictions by municipal or other governmental authority applicable to and enforceable against the Easement Tract.

TO HAVE AND TO HOLD the above described easement for the said purposes, together with all and singular, the rights, privileges, and appurtenances thereto as described above in anywise belonging to the said Grantee, its successors and assigns forever, subject to the limitations, conditions and restrictions set forth hereinabove.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, this instrument is executed this _____ day of _____,
_____.

GRANTOR:

By: _____

Name: _____

Title: _____

ACKNOWLEDGEMENT

STATE OF TEXAS §

§

COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, _____, by
_____, _____ of _____, on behalf said
entity.

(SEAL)

Notary Public in and for the State of Texas

After recording return to:

EXHIBIT "D"

DEDICATION FORM

**CONVEYANCE OF EXISTING FACILITIES
AND ASSIGNMENT OF CONTRACT**

THE STATE OF TEXAS

§

§

COUNTY OF KAUFMAN

§

THIS Conveyance of Existing Facilities and Assignment of Contract (this "Conveyance") is made and entered into by _____, a _____ (the "Developer") and the City of Mesquite, Texas, a municipal corporation (the "City").

WITNESSETH:

WHEREAS, the City and the Developer entered into that certain _____ Service Agreement, dated _____, 2025 (the "Agreement"); and

WHEREAS, pursuant to the Agreement, upon completion of a phase of _____ facilities and acceptance thereof by the City, Developer is required to convey to the City the facilities; and

WHEREAS, Developer has completed the hereinafter defined Facilities and is prepared to convey them to the City.

NOW, THEREFORE, for and in consideration of good and valuable consideration paid by the City to the Developer, the receipt and adequacy of which is hereby acknowledged, the Developer agrees as follows:

1. Developer has completed construction of the _____ facilities ("Facilities") referenced in the _____ ("Contract"). The Developer conveys, transfers, and delivers the Facilities to the City, together with all and singular the rights and appurtenances thereto in any way belonging, to have and to hold it to the City and the City's successors and assigns forever. Developer binds Developer and Developer's heirs and successors to warrant and forever defend all and singular the Facilities to the City and the City's successors and assigns against every person

whomsoever lawfully claiming or to claim the same or any part thereof when the claim is by, through, or under Developer but not otherwise.

2. The Developer, in addition to the other representations and warranties herein specifically makes the following representations and warranties:

a. The Developer has full legal right and authority to execute this Conveyance.

b. Developer has not assigned any of its rights to the Facilities or the Contract.

c. The person executing this Conveyance on behalf of Developer has full authority to do so, and no further official action need be taken by Developer to validate this Conveyance.

3. The Developer represents that it has not used any agent or broker to bring about this Conveyance and agrees that no fee is due any agent or broker by reason hereof.

4. City does hereby accept conveyance of the Facilities and the assigned rights under the Contract.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Developer has caused its name to be hereunto subscribed.

EXECUTED to be EFFECTIVE as of the _____, _____.

“DEVELOPER”

By: _____

Name: _____

Title: _____

Accepted and Agreed:

CITY OF MESQUITE

By: _____

Name: _____

Its: _____

THE STATE OF TEXAS

§

§

COUNTY OF _____ §

This instrument was acknowledged before me on _____, _____, by _____
_____, _____ of _____, a, _____
_____ on behalf of said _____.

Notary Public, State of Texas

(NOTARY SEAL)