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, lightening, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, 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 inabilities 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 of 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 in the judgment of the party having the difficulty. Notwithstanding any term to the contrary in this section, "force majeure" does not apply to the failure of a party to timely make any payments required by this contract.

6.1 Warranties and Representations.

CADG and Pulte both acknowledge, represent and agree that:

- A.. CADG and Pulte have not created or permitted any third person to create any liens, leases, options, claims, encumbrances or any other adverse rights, claims or interests with respect to the Water System or the Property, that will prevent or hinder their respective abilities to transfer good and warrantable title in same to Mustang;
- B.. Upon acceptance of the Water System, Mustang will be the true and lawful owner of the Water System to be conveyed hereunder and, no other third person or entity, public or private, will possess a right or interest, legal or equitable, nor any lien, encumbrance or other adverse claim, present or contingent, in or to the Water System;
- C.. Execution of this Agreement and the consummation of the transactions contemplated hereunder will not constitute an event of default under any contract, covenant or agreement binding upon it;
- D. Except as provided herein, it has not previously entered into any agreement or caused or otherwise authorized any action that would diminish, eliminate or adversely affect Mustang's contemplated ownership or use of the System or the value of same.

7.1 Notices.

Any notice to be given hereunder by either party to the other party shall be in writing and may be by delivery in person or by facsimile, or by sending said notices by certified mail, return

ATTACHMENT 2.B.4

receipt requested, to the address set forth below. Notice shall be deemed given by mail when deposited with the United States Postal Service with sufficient postage affixed.

To Mustang: Mustang Special Utility District

Attn: General Manager

7985 FM 2931

Aubrey, Texas 76227 Fax: 940-440-7686

To CADG: CADG

Attn. Mehrdad Moayedi, Manager 1800 Valley View Lane, Suite 300 Farmers Branch, Texas 75234 Phone: (469) 892 - 7200

Email: Travis@CenturionAmerican.com

Fax: (469) 892 - 7202

To PULTE: PULTE Homes of Texas, L.P.

4800 Regent Blvd., Suite 100

Irving, Texas 75063 Attention: Bryan Swindell Telephone: (972) 304-2800 Facsimile: (972) 304-2801

Email: bryan.swindell@pultegroup.com

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

8.1 Breach of Contract and Remedies.

If any Party breaches any term or condition of this Contract, the non-breaching party shall provide the breaching party with notice of the breach within sixty (60) days of discovery of the breach by the non-breaching party. Upon its receipt of a notice of breach, the breaching party shall have sixty (60) days to cure the breach. If the breaching party does not cure the breach within the sixty (60) days, the non-breaching party shall have all rights and remedies at law and in equity including, without limitation, the right to enforce specific performance of this Contract by the breaching party and the right to perform the obligation in question and to seek restitution for all damages incurred in connection therewith. Notwithstanding the preceding, neither party shall have the right to terminate this Contract. The rights and remedies granted in this Contract to the parties in the event of default are cumulative, and the exercise of such rights shall be without prejudice to the enforcement of any other right or remedy authorized by law or this Contract.

9.1 Indemnity.

To the extent permitted by law, Mustang, CADG and Pulte shall indemnify and save harmless the other and its officers, agents, representatives and employees from all suits, actions,

losses, damages, claims or liability of any character, type or description, including without limiting the generality of the foregoing all expenses of litigation, court costs and attorney's fees, for injury or death to any person, or injury to any property, received or sustained by any person or persons or property, arising out of, or occasioned by, the acts of it or its agents, representatives or employees in connection with or related to the Development, the construction of the Water System or its execution or performance of this Contract.

10.1 Waiver of Sovereign Immunity.

Mustang, CADG and Pulte agree that this Contract constitutes an agreement for providing goods and services to Mustang and is subject to the provisions of the Subchapter I of Chapter 271, Texas Local Government Code, as amended, and any successor statute(s), as and if in effect. In accordance with Sections 271.152 and 271.153 thereof, to the extent limited, however, by the provisions thereof, Mustang hereby waives any constitutional, statutory or common law right to sovereign or governmental immunity from liability or suit and expressly consents to be sued and liable to the extent necessary for the other party hereto to enforce this Contract, but only as to the parties hereto and this Agreement. This waiver shall not extend to any third party or non-signatory. Notwithstanding the forgoing, this Section is not intended by the Parties to expand or increase the liability or the measure of damages that Mustang or CADG or Pulte may have for a breach of this Agreement pursuant to §271.151 through §271.160 of the Texas Local Government Code.

11.1 No Third Party Beneficiaries.

This Contract is solely for the benefit of the parties hereto, and no other person or entity shall have any right, interest or claim whatsoever under this Contract. Should a third party seek to either enforce or invalidate this Contract for any reason whatsoever, the Parties, collectively and individually, agree to defend the validity of this Contract, and will seek to enforce all its provisions, as well as the Parties CCNs, in any action brought by any third party.

12.1 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 singular and plural.

13.1 Litigation Expenses.

Either party to this Contract who is the prevailing party in any legal proceeding against the other party, brought in relation to this Contract, shall be entitled to recover court costs, expenses and reasonable attorneys' fees from the non-prevailing party.

14.1 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 Contract. In particular, in the event a court of competent

jurisdiction should ever rule all or any provision of the contract to be unconstitutional or otherwise unenforceable to parties agree to negotiate in good faith to otherwise accomplish the intent of the invalid provisions.

15.1 Authority.

The signatories hereto represent and affirm that they have authority to execute this Contract on behalf of the respective parties hereto.

16.1 Severability.

The provisions of this Contract are severable, and if any word, phrase, clause, sentence, paragraph, section, or other part of this Contract 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 Contract and the application of such word, phrase, clause, sentence, paragraph, section, or other party of this Contract to other persons or circumstances shall not be affected thereby and this Contract shall be construed as if such invalid or unconstitutional portion had never been contained therein.

17.1 Entire Agreement.

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

18.1 Amendment.

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

19.1 Governing Law.

This Contract shall be construed under and in accordance with the laws of the State of Texas and all obligations of the parties are expressly deemed performable in Denton County, Texas.

20.1 Venue.

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

21.1 Successors and Assigns.

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

22.1 Assignability.

The rights and obligations of CADG and/or Pulte and/or Mustang hereunder may not be assigned without the prior written consent of the other, which consent shall not unreasonably be withheld. Absent the express written consent of Mustang, CADG and Pulte shall not assign this Agreement, in part or whole, or any right or obligation hereunder to any entity or municipality or other water service provider who could alter, lessen, affect, diminish or decertify Mustang's CCN's, rights or interests hereunder or in the Water System. Each assignment shall be in writing executed by CADG and Pulte, and the Assignee, and each such assignment shall obligate the Assignee to be fully bound by this Agreement to the extent this Agreement applies or relates to the obligations, rights, title, or interests being assigned. A copy of each assignment shall be provided to all Parties within 15 days after execution. From and after such assignment, Mustang agrees to look solely to the Assignee for the performance of all obligations assigned to the Assignee and agrees that CADG and Pulte shall be released from subsequently performing the assigned obligations and from any liability that results from the Assignee's failure to perform the assigned obligations.

23.1 Effective Date.

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

24.1 Compliance with Laws.

The Parties are of the understanding that this Contract complies with all federal and state statutes and constitutions, local law and common law which may govern the validity of this Contract at the time of execution.

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

/signatures below/

ATTACHMENT 2.B.4

EXECUTED on this the _	28 ^{tt} da	ay of, 2017.					
CADG Aubrey 107, LLC, a Texas limited liability company							
Ву:	a Texa	CADG Holdings, LLC, a Texas limited liability company Its Sole Member					
	Ву:	MMM Ventures, LLC, a Texas limited liability company Its Manager					
		By: 2M Ventures, LLC, a Delaware limited liability company Its Manager					
		By:					
STATE OF TEXAS	S S						
COUNTY OF DALLAS	y	S					
This instrument was acknowledged before me on the 28 day of							
am txpi si u	OORT pto 70 to 16 35 12 2017 1222551	Notary Public, State of Texas					

(SEAL)

EXECUTED on this the 2	8 da	ay of	Jone, 2017.					
		nche 248 d liabili	B, LLC, ty company					
Ву:	a Texa	s limite	gs, LLC, d liability company, ging Member					
	Ву:		Ventures, LLC, s limited liability company, nager					
		Ву:	2M Ventures, LLC, a Delaware limited liability company, Its Manager					
			By: http://www.name.com/doi/10/10/10/10/10/10/10/10/10/10/10/10/10/					
STATE OF TEXAS	\$							
COUNTY OF DALLAS	\$	\$						
This instrument was acknowledged before me on the 28 day of, 2017, by Mehrdad Moayedi, Manager of 2M Ventures, LLC, as Manager of MMM Ventures, LLC, as Manager of CADG Holdings, LLC, as Sole Managing Member of CADG Comanche 248, LLC, a Texas limited liability company on behalf of said company.								
COSE MOO	of Tokas 12 page		Notary Public, State of Texas					

(SEAL)

ATTACHMENT 2.B.4

PULTE HOMES OF TEXAS, L.P., a Texas limited partnership By: Pulte Nevada I LLC, a Delaware limited liability company its General Partner							
By: Bryan Swindell, Division President							
STATE OF TEXAS §							
COUNTY OF DALLAS §							
Before me on this day personally appeared Bryan Swindell, Division President of Pulte Nevada I LLC, a Delaware limited liability company, General Partner of Pulte Homes of Texas, L.P., a Texas limited partnership, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes therein expressed and on behalf of said company.							
Given under my hand and seal of office this May of, 2017.							
Notary Public In and for the State of Texas							

EXECUTED on this the 17 day of JWY

MUSTANG SPECIAL UTILITY DISTRICT

STATE OF TEXAS

COUNTY OF DENTON

Before me the undersigned notary public appeared Dean Jameson, President of Mustang Special Utility District, a political subdivision of the State of Texas, on behalf of such District for

the consideration therein expressed.

Notary Public for the State of Texas

(SEAL)

STATE OF TORIS

EXHIBIT A

PROPERTY DESCRIPTION

WINN RIDGE

DESCRIPTION - 421.777 ACRES

BEING all of that certain tract of land situated in the WILLIAM LUMPKIN SURVEY Abstract No. 730, Denton County, Texas, said tract being part of a called 248.670 acre tract as described in deed to CADG Comanche 248, LLC, recorded in Document Number 2013-71194, of the Real Property Records of Denton County, Texas (RPRDCT), and also being part of a called 145.00 acre tract as described in deed to CADG Comanche 248, LLC, recorded in Document Number 2014-20673, RPRDCT, and part of a called 52.613 acre tract described in deed to Comanche Ridge 52 Partners, LTD., recorded in Document Number 2007-108877 RPRDCT, and being more particularly described by metes and bounds as follows:

BEGINNING at a 5/8-inch iron rod found for the northeast corner of Lot 3X of Comanche Ridge Elevated Storage Tank, an addition to Denton County Texas according to the plat thereof recorded in Cabinet X, Page 264, of said Real Property Records, and the southeast corner of that certain tract of land described in deed to C.M. Jackson and wife Oro Jackson recorded in Volume 546, Page 12 RPRDCT;

THENCE North 88 degrees 29 minutes 23 seconds West, along the approximate center of Bryan Road and the north line of said Lot 3X at 20.00 feet passing the common Northeast corner of Lot 2X of said Comanche Ridge Elevated Storage Tank and northwest corner of said Lot 3X, in all a distance of 1090.27 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" found for corner;

THENCE North 88 degrees 29 minutes 23 seconds West, along the approximate center of Bryan Road and the north line of said Lot 2X, a distance of 1169.73 feet to a point for the northwest corner of said Lot 2X and the northeast corner of a called 13.400 acre tract of land described in a deed to Denton County Fresh Water Supply District recorded as County Clerk Document Number 2012-42405 of said Real Property Records;

THENCE North 88 degrees 25 minutes 41 seconds West, continuing along the approximate center of Bryan Road, a distance of 1022.80 to a point for the southwest corner of said 145.00 acre tract and the most easterly southeast corner of said 248.670 acre tract;

THENCE North 88 degrees 32 minutes 05 seconds West, continuing along the approximate center of Bryan Road, and with the north line of that certain tract of land described in deed to Development Solutions, recorded in Document Number 2013-144483, a distance of 1267.40 feet to a point for corner;

THENCE South 01 degree 45 minutes 09 seconds West, along the approximate center of Bryan Road, and with the west line of said Development Solutions tract, a distance of 528.88 feet to a point for corner, said point also being the northeast corner of said Comanche Ridge 52 Partners,

LTD. tract;

THENCE South 01 degree 39 minutes 05 seconds West, continuing along the approximate center of Bryan Road, and with the common east line of said Comanche Ridge 52 Partners, LTD. tract, and the west line of said Development Solutions tract, a distance of 616.63 feet to a point for corner located at the southeast corner of said Comanche Ridge 52 Partners, LTD. tract;

THENCE North 89 degrees 47 minutes 55 seconds West, with the south line of said Comanche Ridge 52 Partners, LTD. tract, a distance of 3950.80 feet to a point for the southwest corner of said Comanche Ridge 52 Partners, LTD. tract;

THENCE North 40 degrees 04 minutes 05 seconds East, with the westerly line of said Comanche Ridge 52 Partners, LTD. tract, a distance of 299.74 feet to a point for corner;

THENCE North 40 degrees 00 minutes 03 seconds East, continuing with said westerly line, a distance of 299.71 feet to a point for corner;

THENCE North 01 degree 48 minutes 15 seconds East, continuing with said westerly line a distance of 156.12 feet to a point for corner, said point also being the northwest corner of said Comanche Ridge 52 Partners, LTD. tract;

THENCE North 01 degree 46 minutes 51 seconds East, with the westerly line of said CADG Comanche 284, LLC tract, recorded in Document Number 2013-71194 RPRDCT, a distance of 243.39 feet to a point for corner;

THENCE North 01 degree 50 minutes 22 seconds East, continuing with said westerly line, a distance of 349.96 feet to a point for corner;

THENCE North 37 degree 10 minutes 36 seconds West, continuing with said westerly line, a distance of 396.06 feet to a point for corner;

THENCE South 89 degrees 41 minutes 03 seconds East, a distance of 201.16 feet to a point for corner located in a creek;

THENCE up said creek the following calls:

N 00°18'57" E 131.81' N 06'53'50" E 176.40 N 71°39'01" E 37.14 S 63°05'56" E 103.05' S 88°19'39" E 52.52' N 04°13'19" E 21.33' N 11°19'26" W 59.51' N 18°42'11" E 87.30' N 17°43'03" W 81.64' N 74°51'43" E 136.16'

ATTACHMENT 2.B.4

N 31°30'01" E 64.83' S 88°00'53" E 66.68' S 35°42'40" E 58.03' S 82°36'34" E 31.64' N 17°26'44" E 95.82' S 42°05'36" E 150.73' N 83°20'18" E 36.07' N 05°26'09" E 107.43' N 31°37'22" W 51.38' N 20°57'03" E 66.43' N 28°51'15" W 102.21' N 71°19'55" E 53.49' S 53°48'09" E 44.26' N 85°29'09" E 65.70' N 40°30'41,E 86.41' N 78°32'11" E 40.09' N 24°32'25" E 53.98' N 77°19'49" E 92.67' N 58°04'48" E 80.57' S 32°29'24" E 38.45' N 48°05'23" E 47.84' N 25°13'19" E 47.92' S 89°41'30" E 57.89' S 78°26'24" E 91.22' N 67°15'30" E 29.70' S 23°35'53" E 132.38' S 87°07'12" E 40.32' N 00°43'32" W 44.48' N 56°26'03" E 92.01' S 51°37'41" E 87.66' S 01°35'49" W 42.96' S 59°48'32" E 8.73' N 60°27'41" E 125.92' N 44°01'02" E 75.88' N 01°26'58" E 82.39' N 73°27'50" E 73.60' N 54°29'34" E 46.92' N 81°58'33" E 46.29' N 49°14'37" E 44.19' N 53°45'54" W 113.00' N 18°22'20" W 130.69' N 29°43'26" E 28.51' N 50°28'25" W 43.10' N 17°32'30" W 68.50' N 88°47'34" E 108.29' S 55°53'19" E 47.42'

```
S 45°21'21" E 32.24'
N 52°55'59" E 49.96'
S 35°25'53" E 72.10'
N 24°00'28" E 43.50'
N 49°35'12" W 52.21'
N 07°23'52" E 54.05'
N 01°09'32" E 45.90'
N 84°16'29" E 94.67'
N 86°33'49" E 67.50'
S 74°49'52" E 56.94'
N 51°27'10" E 21.10'
N 21°28'46" W 35.20'
N 67°07'22" E 44.39'
S 30°10'20" E 49.02'
S 85°45'43" E 39.09'
N 18°14'15" E 39.69'
N 69°16'16" E 39.39'
S 49°20'27" E 59.65'
N 55°13'09" E 41.34'
N 40°35'34" W 70.10'
N 33°06'50" E 69.98'
N 66°20'41" E 42.96'
N 01°12'16" E 3.53'
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THENCE North 86 degrees 41 minutes 34 seconds East, leaving said creek, a distance of 401.38 feet to a point for corner;

THENCE South 89 degrees 24 minutes 06 seconds East, along the north line of said CADG Comanche 248, LLC tract, a distance of 2092.50 feet to a 1/2-inch iron rod found, said iron rod located at the northwest corner of said 145.00 acre CADG Comanche 248, LLC tract;

THENCE South 88 degrees 34 minutes 59 seconds East, along the north line of said 145.00 acre tract, a distance of 3286.08 feet to a point for corner located on the westerly right-of-way line of F.M. No. 1385 (variable width R.O.W.);

THENCE South 01 degree 29 minutes 13 seconds West, with said westerly right-of-way line of F.M. No. 1385, a distance of 439.48 feet to a point for corner located at the northeast corner of that certain tract of land described in deed to Oliver Hernandez Flores recorded in Document No. 2007-49335, RPRDCT;

THENCE North 88 degrees 34 minutes 59 seconds West, leaving said westerly right-of-way line of F.M. No. 1385, and with the north lines of said Flores tract, a distance of 261.52 feet to a point for corner;

THENCE South 01 degrees 25 minutes 02 seconds West, with the west line of said Flores tract, a distance of 250.00 feet to a point for corner;

THENCE South 88 degrees 34 minutes 59 seconds East, with the south line of said Flores tract, a distance of 261.52 feet to a point for corner located on said westerly right-of-way line of F.M. No. 1385;

THENCE South 01 degrees 32 minutes 05 seconds West, with said westerly right-of-way line of F.M. No. 1385, a distance of 1538.31 feet to the POINT OF BEGINNING and containing a calculated area 466.054 acres of land, more or less, save and except the following described 21.275 acre tract of land, and 23.002 acre tract of land, leaving a calculated net area of 421.777 acres of land, more or less.

SAVE AND EXCEPT TRACT

BEING a tract of land situated in the WILLIAM LUMPKIN SURVEY, ABSTRACT NO. 730, in Denton County, Texas, and being a portion of a called 162.638 acre tract of land described in a deed to C.M. Jackson and wife Oro Jackson, recorded in Volume 546, Page 12 of the Real Property Records of Denton County, Texas, and being more particularly described as follows:

BEGINNING at a 5/8-inch iron rod found for the northeast corner of Lot 3X of Comanche Ridge Elevated Storage Tank, an addition to Denton County Texas according to the plat thereof recorded in Cabinet X, Page 264, of said Real Property Records, and the southeast corner of a tract of land described in a deed to C.M. Jackson and wife Oro Jackson recorded in Volume 546, Page 12 of said Real Property Records;

THENCE North 88 degrees 29 minutes 23 seconds West, along the approximate center of Bryan Road and the north line of said Lot 3X at 20.00 feet pass the common Northeast corner of Lot 2X of said Comanche Ridge Elevated Storage Tank and northwest corner of said Lot 3X, in all a distance of 1090.27 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE North 01 degrees 32 minutes 05 seconds East, a distance of 850.00 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner;

THENCE South 88 degrees 29 minutes 23 seconds East, a distance of 1090.27 feet to a 5/8-inch iron rod with cap marked "PETITT-RPLS 4087" set for corner, said iron rod lying in the west line of F.M. 1385;

THENCE South 01 degrees 32 minutes 05 seconds West, along the said west line of F.M. 1385, a distance of 850.00 feet to the POINT OF BEGINNING and containing 21.275 acres of land, more or less.

SAVE AND EXCEPT TRACT

BEING a tract of land situated in the William Lumpkin Survey Abstract No. 730, Denton County, Texas, also being part of a called 75.125-acre tract as described in deed recorded in Volume 4895, Page 1900, of the Deed Records of Denton County, Texas (DRDCT), and also being part of a

called 173.545 acre tract as recorded in Volume 5347, Page 4702, DRDCT, and being more particularly described by metes and bounds as follows:

COMMENCING at a found ½ inch rebar, said rebar being the Southeast corner of said 75.125 acre tract, and being on the West line of a called 166.48 acre tract as described in deed to Jos. A. I. Worsham, Trustee, filed 24 December 2003, and recorded in County Clerk's Number 2003-205831 of said deed records, said rebar also being in Bryan Road;

THENCE North 89 degrees 19 minutes 31 seconds West, with the south line of said 75.125 acre tract, a distance of 2559.49 feet to the POINT OF BEGINNING of herein described tract;

THENCE North 89 degrees 19 minutes 31 seconds West, continuing with the south line of said 75.125 acre tract, a distance of 1001.00 feet to a point for corner;

THENCE North 00 degrees 40 minutes 29 seconds East, leaving the south line of said 75.125 acre tract, a distance of 1001.00 feet to a point for corner;

THENCE South 89 degrees 19 minutes 31 seconds East, a distance of 1001.00 feet to a point for corner;

THENCE South 00 degrees 40 minutes 29 seconds West, a distance of 1001.00 feet to the POINT OF BEGINNING and containing 23.002 acres of land more or less.

NOTES:

THIS DOCUMENT WAS PREPARED UNDER 22 TAC §663.21, 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 BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED.

LEGAL DESCRIPTION – 107.567 ACRES

BEING that certain tract of land situated in the William Lumpkin Survey, Abstract No. 730, in Denton County, Texas, and being a portion of that certain called 139.76 acre tract of land described in deed to Fred P Hayward, Trustee, as recorded in Volume 144, Page 275 of the Real Property Records of Denton County, Texas (RPRDCT), and being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch iron rod found for the northeast corner of said Hayward tract and the southeast corner of that certain tract of land described in deed to Comanche Ridge 52 Partners, Ltd. recorded in Document No 2007-108877, RPRDCT, said iron rod also being located in the approximate center of Byran Road (a partially dedicated public road), and also being located in the west line of that certain tract of land described in deed to Development Solutions CR, LLC,

recorded in Document No 2013-144483, RPRDCT;

THENCE South 01 degree 25 minutes 43 seconds West, with the east line of said Hayward tract, the west line of said Development Solutions tract and along said approximate center of Byran Road, a distance of 1266.67 feet to a 5/8 inch iron rod with cap marked "Petitt-RPLS 4087" set for the southeast corner of said Hayward tract and the northeast corner of that certain tract of land described in deed to Wood, Thacker and Weatherly, P.C. recorded in Instrument No. 2010-43760, RPRDCT;

THENCE North 88 degrees 42 minutes 38 seconds West, leaving the west line of said Development Solutions tract and the approximate center of Byran Road, and with the south line of said Hayward tract and the north line of said Wood, Thacker and Weatherly, P.C. tract, a distance of 3792.84 feet to a Corps of Engineers steel post marked "L1034 B" found at the southeast corner of that certain tract of land described in deed to the United States of America recorded in Volume 2504, Page 265, RPRDCT;

THENCE North 32 degrees 45 minutes 32 seconds East, with the easterly line of said United States of America tract, a distance of 56.66 feet to a Corps of Engineers steel post marked "L1034 1-A" found for corner;

THENCE North 65 degrees 11 minutes 29 seconds West, continuing with the easterly line of said United States of America tract, a distance of 188.55 feet to a Corps of Engineers steel post marked "L1034 1-B" found for corner;

THENCE North 24 degrees 46 minutes 13 seconds East, continuing with the easterly line of said United States of America tract, a distance of 436.44 feet to a Corps of Engineers steel post marked "L1034 1-C" found for corner;

THENCE North 84 degrees 20 minutes 05 seconds East, continuing with the easterly line of said United States of America tract, a distance of 150.99 feet to a Corps of Engineers steel post marked "L1034 1-D" found for corner;

THENCE North 30 degrees 36 minutes 23 seconds East, continuing with the easterly line of said United States of America tract, a distance of 417.12 feet to a Corps of Engineers steel post marked "L1034 1-E" found for corner at the northeast corner of said United States of America tract;

THENCE North 88 degrees 12 minutes 59 seconds West, with the north line of said United States of America tract, a distance of 770.90 feet to Corps of Engineers steel post marked "L1034 1-F" found for corner at the northwest corner of said United States of America tract, and being located in the easterly line of that certain tract of land described in deed to the United States of America recorded in Volume 2585, Page 305, RPRDCT;

THENCE North 40 degrees 01 minutes 42 seconds East, with the east line of said United States of America tract recorded in Volume 2585, Page 305, RPRDCT, a distance of 369.55 feet to a Corps of Engineers monument (1033-1) found for corner;

ATTACHMENT 2.B.4

THENCE South 89 degrees 39 minutes 59 seconds East, leaving said east line of said United States of America tract recorded in Volume 2585, Page 305, RPRDCT, and with a line set forth in Boundary Agreement recorded in Volume 1640, Page 779, RPRDCT, a distance of 3951.38 feet to the POINT OF BEGINNING of herein described tract, containing 107.567 acres of land.

ATTACHMENT 2.B.4

EXHIBIT B

GROUND WATER DEED

ATTACHMENT 2.C.

Denton County Juli Luke County Clerk



Instrument Number: 40009

ERecordings-RP

AGREEMENT

Recorded On: April 06, 2017 12:56 PM Number of Pages: 31

"Examined and Charged as Follows: "

Total Recording: \$146.00

********** THIS PAGE IS PART OF THE INSTRUMENT **********

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

Record and Return To:

File Information:

Document Number: 40009

20170406000373

Recorded Date/Time: April 06, 2017 12:56 PM

User: Sunny P
Station: Station 8



Receipt Number:

STATE OF TEXAS COUNTY OF DENTON

I hereby certify that this Instrument was FILED In the File Number sequence on the date/time printed hereon, and was duly RECORDED in the Official Records of Denton County, Texas.

Juli Luke County Clerk Denton County, TX

CERTIFICATION OF CITY SECRETARY

STATE OF TEXAS			
)		
COUNTY OF DENTON)	

THIS IS TO CERTIFY that I, Jenny Huckabee, am the City Secretary of the City of Aubrey, Texas, and am competent and capable of making this certification in that capacity.

Attached hereto are 29 pages, constituting a Transfer and Service Agreement ("Agreement") by and between the City of Aubrey, Texas, Mustang Special Utility District, CADG Comanche 248, LLC, and Pulte Homes of Texas, LP. The Agreement attached hereto is an original or a true and correct copy of the original, which is kept and maintained by me as an official document of the City in my capacity as the City Secretary for the City of Aubrey, Texas.

The Agreement was duly and lawfully approved by the City Council (the City's governing body) on March 21, 2017, at a formal meeting which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout. The approval was conditioned on approval as to form by the City Attorney, who approved the form on March 29, 2017. The Agreement was placed in my office on March 29, 2017, and has not been returned to the governing body by the mayor with a statement of objections. The Agreement is in effect as an obligation of the City and all conditions precedent to its validity have been met and satisfied, notwithstanding the refusal of the Mayor to sign the agreement on the City's behalf pursuant to section 52.003(b) of the Texas Local Government Code.

ATTESTED AND EXECUTED by the City Secretary of the City of Aubrey, Texas, on this the 5th day of 4pril 2017.

SEAL SEAL

Jenny Huckabee, City Secretary City of Aubrey, Texas

Nuchabel

TRANSFER AND SERVICE AGREEMENT

This Transfer and Service Agreement (this "Agreement") is entered into by the City of Aubrey, a Type A General-Law municipality located in Denton County, Texas, acting by and through its duly authorized mayor ("Aubrey"); Mustang Special Utility District, a conservation and reclamation district created and operated as a special utility district pursuant to Article 16, Section 59 of the Texas Constitution and Chapters 49 and 65 of the Texas Water Code, acting by and through its duly authorized President ("Mustang"); CADG Comanche 248 LLC, a Texas limited liability company ("CADG"); and Pulte Homes of Texas, L.P., a Texas limited partnership ("Pulte"). The mutual consideration for this Agreement is set forth below.

DEFINITIONS

All references to "Aubrey" shall mean and refer to the "City of Aubrey, Texas", a Texas general law municipality which is located in Denton County, Texas, and all of its officers, agents, representatives, elected officials, successors, and assignees, if any.

All references to "Aubrey Creek Estates" shall mean and refer to the area comprised of approximately 172 acres located within the City of Aubrey, Texas and being depicted in Exhibit "A", attached hereto and made a part hereof.

All references to "CADG" shall mean and refer to CADG Comanche 248, LLC.

All references to "CCN", "CCNs", or "Certificate of Convenience and Necessity" shall refer to and mean any Certificate of Convenience and Necessity issued by the Public Utility Commission of Texas ("PUC"), or its predecessor/successor agency as prescribed by the Texas Water Code, to any Party hereto, relating to Jackson Ridge.

All references to "Decertification" shall mean and refer to either a decertification permitted by either Section 13.254 and/or Section 13.255 of the Texas Water Code and/or any other means by which a CCN of a holder may be decertified.

All references to "Jackson Ridge" shall mean and refer to the subdivisions known as Jackson Ridge and Winn Ridge comprised of approximately 393.77 acres and 52.613 acres, respectively, more particularly described in <u>Exhibit "B"</u>, attached hereto and made a part hereof, which were the subject of Cause No. D-1-GN-15-004299 and Cause No. D-1-GN-15-004311 formerly pending in the 98th Judicial District Court in Travis County identified below as a PUC Proceeding.

All references to "Mustang" shall mean and refer to "Mustang Special Utility District," which is located in Denton County, Texas, and all of its officers, directors, agents, representatives, elected officials, successors, and assignees if any.

All references to "Party" or "Parties" shall mean and refer collectively to Mustang, Aubrey, CADG, and Pulte.

All references to "PUC Proceedings" or "PUC Action" shall mean and collectively refer to any and all of the following:

- Docket No. 44581 entitled "Petition of CADG Comanche 248, LLC, to Amend Mustang Special Utility District's Certificate of Convenience and Necessity in Denton County by Expedited Release" filed originally with the PUC and on appeal in Cause No. D-1-GN-15-004299 entitled "Mustang Special Utility District, Plaintiff, v. Public Utility Commission of Texas, Defendant", pending in the 98th Judicial District Court of Travis County, Texas;
- 2. Docket No. 44580 entitled "Petition of Comanche 52 Ridge Partners, Ltd., to Amend Mustang Special Utility District's Certificate of Convenience and Necessity in Denton County by Expedited Release" filed originally with the PUC and on appeal in Cause No. D-1-GN-15-004311 entitled "Mustang Special Utility District, Plaintiff, v. Public Utility Commission of Texas, Defendant", pending in the 98th Judicial District Court of Travis County, Texas;

- 3. Any "Notice of Intent to Serve" issued, filed or later withdrawn by Aubrey expressing an intent to serve or provide retail water or retail wastewater service in Jackson Ridge;
- 4. Any Application filed by Aubrey to acquire or secure a CCN or to provide retail water or retail wastewater service in Jackson Ridge;
- 5. Any and all boundary disputes regarding water and wastewater service areas that may exist between the Parties;

All references to "Pulte" shall mean and refer to Pulte Homes of Texas, L.P.

All references to "Water and Wastewater Infrastructure" shall mean and refer to all water and wastewater facilities constructed and/or financed by PID Bonds for the Jackson Ridge Public Improvement District.

All references to "Venable Ranch" shall mean and refer to the area comprised of approximately 1,551 acres, being a portion of the land commonly known as the Venable Ranch development and being depicted in Exhibit "C".

RECITALS

WHEREAS, in 2015, the CCNs to provide retail water and retail wastewater service to Jackson Ridge were decertified from Mustang in favor of Aubrey in PUC docket Nos. 44581 and 44580:

WHEREAS, the Parties desire, agree and intend that Mustang is to be the sole certified provider of retail water and retail wastewater service to Jackson Ridge provided the terms and conditions set out herein are satisfied in full by Mustang;

WHEREAS, the Parties desire to establish the ownership or transfer of certain water and wastewater utility and right of way facilities serving Jackson Ridge located both within Jackson Ridge and offsite for the benefit of Jackson Ridge; and

WHEREAS, the Parties desire, agree, and intend that any improvements constructed by the Jackson Ridge Public Improvement District and subsequently conveyed to Mustang should be conveyed to Aubrey in the event Mustang ceases providing service to Jackson Ridge; and

WHEREAS, the Parties desire, intend and agree that Aubrey is to eventually become the sole certified provider of retail water and retail wastewater service to the Venable Ranch and Aubrey Creek Estates providing the terms and conditions set out herein are satisfied in full by Aubrey;

WHEREAS, the Parties desire that to better provide for retail water and retail wastewater service to the areas affected herein, this Agreement shall be executed;

NOW, THEREFORE, FOR AND IN CONSIDERATION of the contractual terms and conditions, recitals, the warranties and representations, acknowledgements and agreements set out herein, and other good and valuable consideration the Parties agree as follows:

Consideration

 Sufficiency of Consideration. The Parties expressly acknowledge and confess the adequacy and sufficiency of the consideration provided herein.

Jackson Ridge

2. Transfer or Certification of Jackson Ridge CCNs to Mustang. Aubrey agrees that the right to provide retail water and retail wastewater service Jackson Ridge shall be transferred or certified to Mustang under CCNs pursuant to applicable PUC requirements. In addition, Aubrey intends for Mustang to be the sole retail water and retail wastewater provider in Jackson Ridge and expressly acknowledges that all current or future water customers or properties located within Jackson Ridge will be exclusively the retail water and retail wastewater customers of Mustang. The Parties

agree that, to the extent allowed by PUC rules, Mustang may file a Notice of Intent to Serve Jackson Ridge, and may also, at its option, initiate retail water and retail wastewater services to Jackson Ridge prior to the filing for or receiving certification from the PUC. Subject to Mustang's compliance with the terms and conditions of this Agreement, Aubrey, CADG and Pulte agree to not oppose or object to: 1.) any Notice of Intent to Serve filed by Mustang; 2.) Mustang's initiation of any water service undertaken prior to any certification or issuance of a CCN for Jackson Ridge; or 3.) any application or request for Certification filed by Mustang with the PUC to obtain exclusive retail water and retail wastewater certification or the issuance of CCN's for Jackson Ridge.

- 3. Service Area Agreement and Decertification Prohibition. Upon execution of this Agreement, Aubrey intends and agrees that the area shown in Exhibit "B", attached hereto and made a part hereof, shall be serviced by Mustang under Mustang's CCN. Aubrey, CADG and Pulte agree, warrant and represent that Aubrey, CADG, and Pulte will not directly seek to decertify Mustang's CCNs for Jackson Ridge once certificated, nor indirectly encourage, cooperate with, require, sponsor or facilitate another in decertifying Mustang's CCNs for Jackson Ridge once certificated. In exchange for such transfer and the covenant not to seek decertification in the future, Mustang shall pay to Aubrey a total of Five Hundred Seventy-Nine Thousand Four Hundred And No/100 Dollars (\$579,400.00) within thirty (30) days of the execution of this Agreement.
- 4. <u>Cooperation in Transfer or Certifications of CCNs</u>. The Parties agree to proceed with and cooperate in any PUC processes or proceedings necessary to effectuate the

issuance of the CCNs covering Jackson Ridge to Mustang. Aubrey, CADG, and Pulte agree to not object to any application or amendment filed by Mustang with the PUC to obtain exclusive water and sewer certification for Jackson Ridge. Aubrey, CADG, and Pulte will fully cooperate with Mustang and the PUC in taking whatever actions are required under PUC rules or the Travis County District Court to confirm Mustang's water and wastewater CCNs for Jackson Ridge.

- 5. Reimbursement of Monies to CADG and Pulte by Mustang for Jackson Ridge.

 Within thirty (30) days after the execution of this Agreement, Mustang shall pay to

 CADG a total of \$322,780.95 and to Pulte a total of \$219,708.05 for reimbursement

 of costs expended by CADG and Pulte in connection with the acquisition by

 Mustang of the CCNs covering Jackson Ridge.
- 6. Lot Fee for Jackson Ridge. Mustang shall pay to Aubrey a total of Five Hundred and No/100 Dollars (\$500.00) per lot in Jackson Ridge for each lot which is now and which is later connected to the Water and Wastewater Infrastructure served by water and wastewater upon builder payment of connection fees to Mustang for each respective lot in Jackson Ridge.
- 7. Franchise Fee. Mustang agrees to charge Aubrey's franchise fee of eight percent (8%) on behalf of Aubrey for water and wastewater customers located in Jackson Ridge that are located within Aubrey's corporate limits and transfer the collected franchise fees to Aubrey on a quarterly basis.
- 8. Payment of Development Costs. Mustang agrees to pay Aubrey for specific costs related to the permanent improvements made for development of Jackson Ridge in an amount to be determined and agreed upon by the Parties. Specifically, but in no

way limiting the foregoing, Mustang agrees to reimburse Aubrey for (i) Aubrey's costs, including but not limited to engineering soft costs, relating to the offsite sewer line providing service to Jackson Ridge, currently estimated to be \$2,794,820, according to the payment schedule attached hereto as "Exhibit D"; and (ii) all payments previously made by Aubrey to Upper Trinity Regional Water District ("Upper Trinity") to reserve capacity for service to Jackson Ridge, currently estimated to be \$1,182,500, all of which shall be payable from Mustang to Aubrey within thirty (30) days of the execution of this Agreement.

- 9." Assignment of Upper Trinity Agreements. Upon the occurrence and as consideration for the payments in Section 8, Aubrey agrees to transfer and assign to Mustang all of its right, title, and interest to any and all agreements it has with Upper Trinity that pertain to the provision of wastewater treatment and water service to Jackson Ridge ("Upper Trinity Agreements"). Mustang agrees to assume all the rights and obligations of Aubrey in and to all such Upper Trinity Agreements as of the date of issuance of the Jackson Ridge CCNs to Mustang and to release Aubrey from any and all liability or payments arising from or related to the Upper Trinity Agreements after the date of transfer. Mustang agrees to indemnify Aubrey from and against any claims of losses or liability relating to the Upper Trinity Agreements arising after the date of issuance of the Jackson Ridge CCNs to Mustang. In all events, Mustang agrees that wastewater treatment and water service to Jackson Ridge will be served by Mustang through one or more separate agreements between Mustang and Upper Trinity.
- 10. Interim Pump and Haul Responsibilities. Mustang agrees to perform or pay to be

performed all necessary "pump and haul" services at Jackson Ridge for a period of four (4) months from June 8, 2017. At the termination of Mustang's pump and haul service period, CADG and/or Pulte shall be allowed to "pump and haul" until the off-site sewer is completed at CADG and/or Pulte's expense

11. Ownership of Facilities:

Road Rights of Way. Aubrey and Mustang agree that ownership of the public roadway and storm water improvements within Jackson Ridge is and will continue to be held by Aubrey.

Ownership of the Utility Rights of Way and Easements. Aubrey shall grant Mustang the easements and rights of way necessary for the operation and maintenance of the Water and Wastewater Infrastructure for Jackson Ridge and service to Jackson Ridge pursuant to this Agreement. Aubrey and Mustang agree to amend the development plats or provide other conveyance documentation evidencing the easements in favor of Mustang within thirty (30) days of the execution of this Agreement.

Ownership of the Water and Wastewater Infrastructure. Ownership of the Water and Wastewater Infrastructure serving Jackson Ridge shall be transferred by Aubrey to Mustang upon payment under Section 8 of this Agreement or, if construction of such infrastructure is not completed by such time, upon completion of construction of such infrastructure by Aubrey, CADG, and/or Pulte. For Water and Wastewater Infrastructure which will be constructed after the execution of this Agreement and subsequently conveyed to Mustang, Mustang shall have the right to inspect all plans and facilities and both Mustang and Aubrey must approve all

contract awards and change orders for Water and Wastewater Infrastructure. The Parties agree that the Water and Wastewater Infrastructure will continue to benefit Jackson Ridge and will be utilized to provide water and wastewater service to Jackson Ridge. As consideration for the financing and transfer of the Water and Wastewater Infrastructure to serve Jackson Ridge, Mustang agrees not to charge a capital recovery fee (excluding other fees charged under Mustang's Rate Order including but not limited to connection fees, meter set fees, and tap fees) within Jackson Ridge and to charge water and wastewater service rates to Jackson Ridge that are the same as similarly situated developments in Mustang's other service Upon inspection, approval and acceptance of the Water and Wastewater areas. Infrastructure serving Jackson Ridge, Mustang shall maintain and operate such Water and Wastewater Infrastructure in good condition and working order in compliance with all applicable laws and ordinances and all applicable regulations, rules, policies, standards and orders of any governmental entity with jurisdiction over same. Should Mustang cease providing service to Jackson Ridge, any Water and Wastewater Infrastructure improvements constructed by the Jackson Ridge Public Improvement District and subsequently conveyed to Mustang shall immediately and automatically revert back to Aubrey.

Venable Ranch and Aubrey Creek Estates

12. Service Area Agreement and Decertification Prohibition. Mustang agrees that the right to provide retail water and retail wastewater service to Aubrey Creek Estates and Venable Ranch shall be transferred or certified to Aubrey under CCNs pursuant to applicable PUC requirements. In addition, Mustang intends for Aubrey to be the

Venable Ranch and expressly acknowledges that all current or future water customers or properties located within Aubrey Creek Estates or Venable Ranch will be exclusively the retail water and retail wastewater customers of Aubrey. The Parties agree that, to the extent allowed by PUC rules, Aubrey may file a Notice of Intent to Serve Aubrey Creek Estates and Venable Ranch, and may also, at its option, initiate retail water and retail wastewater services to Aubrey Creek Estates and Venable Ranch prior to the filing for or receiving certification from the PUC. Subject to Aubrey's compliance with the terms and conditions of this Agreement, Mustang, CADG and Pulte agree to not oppose or object to: 1.) any Notice of Intent to Serve filed by Aubrey; 2.) Aubrey's initiation of any water service undertaken prior to any certification or issuance of CCNs for Aubrey Creek Estates and Venable Ranch; or 3.) any application or request for Certification filed by Aubrey with the PUC to obtain exclusive retail water and retail wastewater certification or the issuance of CCNs for Aubrey Creek Estates and Venable Ranch.

23. Cooperation in Transfer or Certifications of CCNs. The Parties agree to proceed with and cooperate in any PUC processes or proceedings necessary to effectuate the issuance of the CCNs covering Aubrey Creek Estates and Venable Ranch to Aubrey. Mustang, CADG, and Pulte agree to not object to any application or amendment filed by Mustang with the PUC to obtain exclusive water and sewer certification for Aubrey Creek Estates and Venable Ranch. Mustang, CADG, and Pulte will fully cooperate with Aubrey and the PUC in taking whatever actions are required under PUC rules to confirm Aubrey's water and wastewater CCNs for

Aubrey Creek Estates and Venable Ranch. The Parties acknowledge that Pulte does not own any portion of Aubrey Creek Estates or Venable Ranch and any cooperation required of Pulte under this Section 13 shall be at no cost to Pulte.

Miscellaneous

14.

Non-Disparagement. The Parties agree that professional and personal reputations are important and should not be impaired or disparaged. Aubrey and Mustang acknowledge and confess the importance of each other's corporate reputations, and the reputations of their respective officers, directors, agents, employees, staff, administration, legal counsel, and/or elected officials. For purposes of this section "Disparagement" shall mean any negative or defamatory statement or comment, whether written or oral, private or public, about the other or the other's respective officers, directors, agents, employees, staff, administration, legal counsel, and/or elected officials in connection with the matters addressed in this Agreement. Therefore, after the date of execution of this Agreement, Aubrey and Mustang expressly agree to not disparage or defame the professional or personal reputation of one another or any of their respective officers, directors, agents, employees, staff, administration, legal counsel, and/or elected officials in connection with any matter addressed in this Agreement. Further, Aubrey and Mustang agree to take no action, or issue no statement or publication or other announcement, in any form of media, public or social, which would reasonably be expected to lead to unwanted or unfavorable or negative publicity to the other or cast the other in a negative light in connection with any matter addressed in this Agreement. The Parties agree that the following shall be an appropriate response and provided to any questions by a third

party about the Litigation or the settlement herein: "The issues between Aubrey and

Mustang have been amicably resolved to the mutual satisfaction of both parties."

15. Other Documents. The Parties covenant and agree to 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.

16. Notices. Any notices or communications required to be given by one Party to

another under this Agreement ("Notice") shall be given in writing addressed to the

Party to be notified at the address set out below and shall be deemed given when:

a.) personally delivered to the Party representative set out below; b.) when received

if transmitted by facsimile or by certified mail return receipt requested, postage

paid; or c.) delivered by FedEx, UPS or other nationally recognized delivery

service. For purpose of giving Notice, the addresses of the Parties are set out below.

To the City of Aubrey:

City of Aubrey Attn: Mayor

107 South Main Street

Aubrey, Texas 76227

Fax: ____

To Mustang Special Utility District:

Mustang Special Utility District

Attn: General Manager

Aubrey, Texas 76227

Fax: 940-440-9686

To CADG Comanche, 248 LLC:

Attn: Mehrdad Moayed

1800 Valley View Lane, Suite 360

Farmers Branch, Texas 75234

With a copy to: Miklos Law, PLLC

Attn: Prabha Cinclair 1800 Valley View Lane, Suite 360 Farmers Branch, Texas 75234

To Pulte Homes of Texas, L.P.:

Attn: Bryan Swindell 4800 Regent Blvd., Suite 100 Irving, Texas 75063

With a copy to: Pulte Homes of Texas, L.P.

Attn: Scott V. Williams, Area General Counsel 2727 N. Harwood St., 3rd Floor Dallas, Texas 75201

And a copy to: Bellinger & Suberg, L.L.P.

Attn: Walter A. Suberg 10,000 North Central Expressway, Ste. 900 Dallas, Texas 75231

17. Warranties and Representations.

The Parties also understand, warrant and agree:

- a. Nature of Terms. The terms hereof are contractual and not mere recitals.
- b. Remedies. In the event of material default by any Party(ies) of any of its obligations enumerated in this Agreement, the other Party(ies) shall have the right to pursue all remedies available at law or equity, including, but not limited to, injunctive relief or specific performance or mandamus requiring performance of all obligations set forth herein. Notwithstanding anything contained in this Agreement to the contrary, any default by a Party under this Agreement with respect to any rights and obligations relating to Aubrey Creek Estates or Venable Ranch shall not

reduce or impair in any manner the rights and obligations of the Parties under this Agreement with respect to Jackson Ridge.

- c. <u>Integration</u>. This Agreement contains the sole and entire agreement between the Parties and supersedes all prior agreements, arrangements, or understandings between the Parties. No oral understandings, statements, promises, or inducements contrary to the terms of this Agreement exist, and this Agreement cannot be changed or terminated orally.
- d. <u>Construction</u>. Each Party acknowledges that each Party and its counsel have had the opportunity to independently review and revise this Agreement and that the normal rules of construction that any vagueness or ambiguity are to be resolved against the drafting party shall not be employed in any interpretation of this Agreement or the Exhibits hereto.
- e. Governing Law. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Texas, as applied to contracts performable in the state of Texas irrespective or without regard to any choice of law or principles to the contrary. The Parties hereby submit to the jurisdiction of the State District Court located in Denton County, Texas and any action being necessary to enforce or construe any of the terms or provisions of this Agreement must be filed solely in the State District Court located in Denton, Denton County, Texas, and no other.
- f. <u>Severability</u>. If any term, provision or condition of this Agreement is held by a court of competent jurisdiction to be unconstitutional, invalid, void or unenforceable, the remaining provisions shall not be impaired or invalidated, but

shall remain in full force and effect, and the Parties agree to negotiate in good faith to otherwise accomplish the intent of the invalid provisions.

- g. No Waiver. Should one Party fail to insist upon strict or complete performance of a material term of this Agreement, such failure shall not be deemed to prevent the Party from subsequently demanding strict compliance of that term, or be deemed a waiver of any other term(s) contained in the Agreement. No provision herein may be waived except by a writing signed by the Party with the authority to waive such provision.
- h. Reliance on Counsel. The Parties sign this Agreement after consultation with and upon advice of their own legal counsel, and no other.
- i. <u>No Assignments</u>. The Parties expressly warrant that no claims, demands, controversies, actions, causes of action, contracts, liabilities, damages, injuries, losses, or other rights which are mentioned in or released by this Agreement have been assigned, conveyed, or in any manner whatsoever, transferred to any other person or entity. No Party may assign its obligations under this Agreement without prior written consent of the other Parties, which shall not be unreasonably withheld.
- j. Authority. The Signatories below warrant and represent that each has the requisite authority, both individually and in all their representative capacities, to execute this Agreement for and on behalf of their respective entities in all respects. Further, each Signatory warrants and represents that the settlement herein has been approved by a duly constituted quorum of the requisite governing body of Aubrey or Mustang, at a meeting duly and properly noticed as required by law.

- k. <u>Successors and Assigns</u>. This Agreement shall be binding on and shall inure to the benefit of the successors and assigns of the Parties.
- 1. <u>Compliance with Laws</u>. The Parties are of the understanding and agree that this Agreement complies with all federal and state statutes and constitutions, local law and common law which may govern the validity of this Agreement at the time of execution.
- m. <u>Revisions and Changes</u>. This Agreement may not be changed, revised, or otherwise amended except by a writing signed by all the Parties hereto.
- n. <u>Evidentiary Value</u>. It is the intent of the Parties that this Agreement have no precedential or evidentiary value in any administrative or judicial proceeding whatsoever, save and except (i) in a PUC proceeding to issue water or wastewater CCNs to Mustang as contemplated herein, and (ii) in an action to enforce the terms of this Agreement.
- o. <u>Admissions</u>. Nothing in this Agreement shall be deemed to be an admission, concession, acknowledgment, interpretation or construction of alleged liability by any of the Parties to this Agreement.
- p. <u>Originals and Counterparts</u>. This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes.
- q. <u>Effective Date</u>. The Effective Date of this Agreement is the latest of the dates of execution by the Signatories hereto.

17. Events of Default and Remedies.

The Parties also understand, warrant and agree:

a. No Party shall be in default under this Agreement until notice of the alleged JACKSON RIDGE TRANSFER AND SERVICE AGREEMENT—Page 16

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 (such reasonable time to be determined based on the nature of the alleged failure, but in no event more than thirty (30) days (or any longer time period to the extent expressly stated in this Agreement as relates to a specific failure to perform) after written notice of the alleged failure has been given except as relates to a type of default for which a different time period is expressly set forth in this Agreement). 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. Notwithstanding the foregoing, however, a Party shall be in default of its obligation to make any payment required under this Agreement if such payment is not made within five (5) business days after it is due.

b. As compensation for the party's default, an aggrieved Party is limited to seeking specific performance of the other party's obligations under this Agreement. However, the Parties agree that the Developer will not be required to specifically perform under this Agreement in the event that the Developer satisfies all of its obligations under this Agreement and the City does not issue PID Bonds within one (1) year of the date of this Agreement.

WHEREFORE, the Parties hereto have executed this Agreement on the dates shown above the signature of the Party.

JACKSON RIDGE TRANSFER AND SERVICE AGREEMENT -- Page 17

			.11	
EXECUTED on this the	2/	day of	MAR	. 2017.

MUSTANG SPECIAL UTILITY DISTRICT

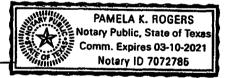
THE STATE OF TEXAS §

COUNTY OF DENTON §

BEFORE ME, the undersigned, a Notary Public in and for the State of Texas, on this day personally appeared Mile Frazie, President of Mustang Special Utility District, a political subdivision of the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same on behalf of such District.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 4 day of April

PAMELA K. ROGERS
Notary Public, State of Texas
Comm. Expires 03-10-2021 2017.



Notary Public in and for the State of Texas

(NOTARY SEAL)

	CITY OF AUBREY
	By: Name: Janet Meyers Title: Mayor
ATTEST:	
Ву:	
Jenny Huckabee, City	Secretary
APPROVED AS TO FORM	
Name: David M. Berman Title: Attorney for the City	
STATE OF TEXAS	§
COUNTY OF DENTON	§
Before me the unders Aubrey, a political subdivisi consideration therein expres	signed notary public appeared Janet Meyers, Mayor of the City of on of the State of Texas, on behalf of the City of Aubrey for the sed.
	Notary Public-State of Texas
(SEAL)	
Notary Public for the	State of Texas

JACKSON RIDGE TRANSFER AND SERVICE AGREEMENT -- Page 19

COMANCHE 248, LLC

CADG Comanche 248, LLC, a Texas limited liability company

By: CADG Holdings, LLC, a Texas limited liability company,

Its Sole Member

By: MMM Ventures, LLC,

a Texas limited liability company,

Its Manager

By: 2M Ventures, LLC,

a Delaware limited liability company,

Its Manager

Name: Mehrdad Moayedi

Its: Manager

STATE OF TEXAS

COUNTY OF DALLAS

This instrument was acknowledged before me on the 21st day of War 2017, by Mehrdad Moayedi, Manager of 2M Ventures, LLC, as Manager of MMM Ventures, LLC, as Manager of CADG Holdings, LLC, as Sole Member of CADG Comanche 248, LLC, a Texas limited liability company on behalf of said company.

Notary Public, State of Texas

KELLY BALCHUS Notary Public, State of Texas Comm. Expires 04-03-2018 Notary ID 129773985

PULTE HOMES OF TEXAS, L.P.

PULTE HOMES OF TEXAS, L.P., a Texas limited partnership

By: Pulte Nevada I LLC,

Notary Public of the State of

Title:

By: Bryan Swinger

DIVISION DESCRIPENT

a Delaware limited liability company,

THE STATE OF TOXAS S
COUNTY OF DAllas

The foregoing instrument was acknowledged before me this 31 day of MWW.

2017, by Kryan Swinder , Division President of Pulte Nevada

I LLC, a Delaware limited liability company, the general partner of PULTE HOMES OF TEXAS,

L.P., a Texas limited partnership, on behalf of said limited liability company and limited partnership.

JESSICA HERNANDEZ
Hotary Public, State of Texas
My Commission Expires
April 18, 2018

(SEAL)

EXHIBIT "A" DESCRIPTION OF AUBREY CREEK ESTATES



ATTACHMENT 2.C.

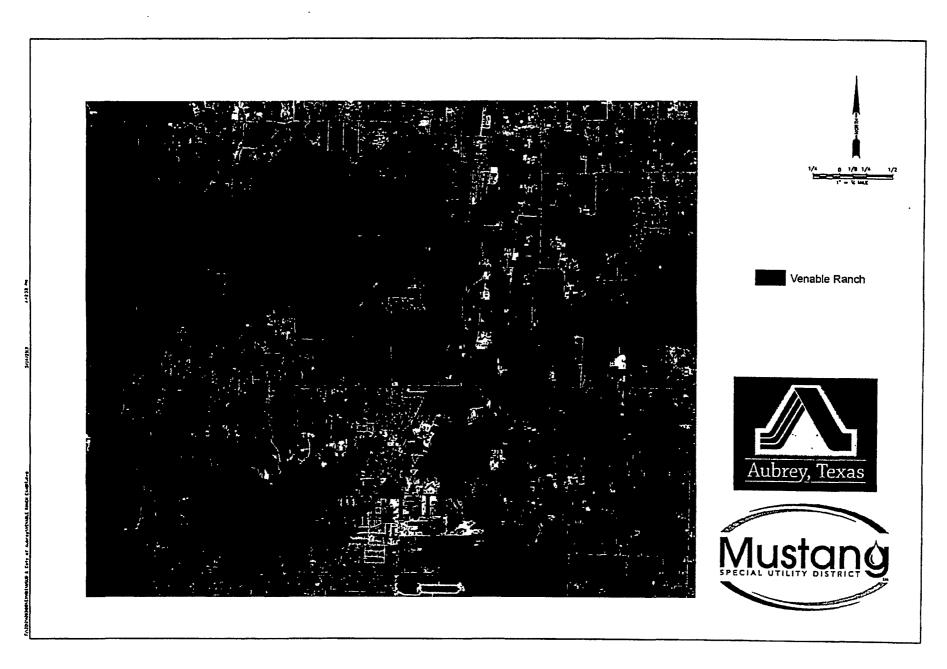
EXHIBIT "B" DESCRIPTION OF JACKSON RIDGE



ATTACHMENT 2.C.

EXHIBIT "C"

DESCRIPTION OF VENABLE RANCH



42

ATTACHMENT 2.C.

EXHIBIT "D" PAYMENT SCHEDULE

Breakdown of Bond Debt Service Payments City Major Improvements Portion

	^
VI	-11

	Sereis 2015 MI Bonds Sereis 2015 Phase 1 Bonds				Prorated Debt Service Amounts for \$2,794,820				
	City Major Improvements		Estimated	Total					
			TIRZ Admin		Combined		i		
Year	Principal ¹	Interest ¹	Principal ²	Interest ²	Expenses	Obligations	Principal (142)	Interest (142)	Total
1	\$0	\$581,114	\$0	\$231,735	\$0	\$812,850	\$0	\$172,316	\$172,316
2	\$0	\$795,442	\$0	\$317,204	\$15,000	\$1,127,646	\$0	\$235,870	\$235,870
3	\$0	\$ 795,442	\$48,653	\$317,204	\$15,000	\$1,176,299	\$10,314	\$235,870	\$246,184
4	\$159,565	\$ 795,442	\$ 51,694	\$313,434	\$ 15 ,0 00	\$1,335,134	\$44,785	\$235,071	\$279,856
5	\$172,862	\$781,480	\$ 56,255	\$309,427	\$ 15,000	\$1,335,024	\$48,571	\$231,262	\$279,832
6	\$186,159	\$766,354	\$60,817	\$305,068	\$15,000	\$1,333,398	\$52,356	\$227,131	\$279,487
7	\$203,888	\$750,066	\$63,857	\$300,354	\$15,000	\$1,333,166	\$56,760	\$222,679	\$279,438
8	\$ 217,185	\$ 732 ,2 25	\$69,939	\$295,405	\$15,000	\$ 1,329,755	\$60,868	\$ 217,848	\$278,715
9	\$234,915	\$713,222	\$74,500	\$289,985	\$15,000	\$1,327,622	\$65,593	\$212,670	\$278,263
10	\$257,077	\$692,666	\$79,062	\$284,211	\$15,000	\$1,328,016	\$71,258	\$207,089	\$278,347
11	\$274,806	\$670,172	\$85,143	\$278,084	\$15,000	\$1,323,206	\$76,306	\$201,021	\$277,327
12	\$301,400	\$646,127	\$91,225	\$271,485	\$15,000	\$1,325,237	\$83,233	\$194,525	\$277,757
13	\$323,562	\$619,754	\$98,827	\$264,415	\$15,000	\$1,321,559	\$89,542	\$187,435	\$276,978
14	\$350,156	\$591,443	\$104,909	\$ 256,756	\$15,000	\$1,318,264	\$96,469	\$179,810	\$276,279
15	\$381,183	\$560,804	\$112,511	\$248,626	\$15,000	\$1,318,123	\$104,658	\$171,591	\$276,249
16	\$412,209	\$527,450	\$121,633	\$239,906	\$15,000	\$1,316,199	\$113,169	\$162,672	\$275,841
17	\$443,236	\$491,382	\$129,235	\$230,480	\$15,000	\$1,309,333	\$121,358	\$153,028	\$274,386
18	\$483,127	\$452,599	\$138,358	\$220,464	\$15,000	\$1,309,548	\$131,749	\$142,683	\$274,431
19	\$523,018	\$410,325	\$149,001	\$209,741	\$15,000	\$1,307,085	\$142,461	\$131,448	\$273,909
20	\$562,909	\$364,561	\$159,644	\$198,194	\$15,000	\$1,300,308	\$153,174	\$119,299	\$272,473
21	\$611,665	\$315,307	\$171,807	\$185,821	\$15,000	\$1,299,600	\$166,088	\$106,234	\$272,323
22	\$660,421	\$261,786	\$183,970	\$172,506	\$15,000	\$1,293,684	\$179,003	\$92,066	\$271,068
23	\$718,042	\$203,999	\$197,654	\$158,249	\$15,000	\$1,292,944	\$194,119	\$76,793	\$270,912
24	\$775,662	\$141,171	\$211,338	\$142,930	\$15,000	\$1,286,101	\$209,234	\$60,227	\$269,461
25	\$837,715	\$73,300	\$226,542	\$126,552	\$15,000	\$1,279,109	\$225,612	\$42,367	\$267,979
26	\$0	\$0	\$243,266	\$108,995	\$15,000	\$367,261	\$51,570	\$23,106	\$74,676
27	\$0	\$0	\$261,511	\$90,142	\$15,000	\$366,653	\$55,438	\$19,109	\$74,547
28	\$0	\$0	\$279,756	\$69,874	\$15,000	\$364,631	\$59,306	\$14,813	\$74,118
29	\$0	\$0	\$299,522	\$48,193	\$15,000	\$362,715	\$63,496	\$10,217	\$73,712
30	\$0	\$0	\$322,328	\$24,980	\$15,000	\$362,308	\$68,330	\$5,296	\$73,626
31	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$9,090,763	\$13,733,633	\$4,092,958	\$6,510,424	\$435,000	\$33,862,778	\$2,794,820	\$4,291,542	\$7,086,362

^{1 -} The principal and interest shares of the City Major improvements are calculated as 88.59% based on the prorated estimated costs and Par amounts shown in Section IV, Table IV-A.

The principal and interest amounts are based on the underwriter's final cashflows dated as of 11-16-15. The interest amounts include the 0.5% additional interest amount for prepayment and delinquency reserves.

¹⁻The principal and interest shares of the City Major Improvements are calculated as 30.41% based on the provated estimated costs and Par amounts shown in Section IV, Table IV-C.

The principal and interest amounts are based on the underwriter's final band cashflows dated as of 11-16-15. The interest amounts include 0.5% for propayment and delinquency reserves.

CERTIFICATION OF CITY SECRETARY

STATE OF TEXAS)
)		
COUNTY OF DENTON)	

THIS IS TO CERTIFY that I, Jenny Huckabee, am the City Secretary of the City of Aubrey, Texas, and am competent and capable of making this certification in that capacity.

Attached hereto are 29 pages, constituting a Transfer and Service Agreement ("Agreement") by and between the City of Aubrey, Texas, Mustang Special Utility District, CADG Comanche 248, LLC, and Pulte Homes of Texas, LP. The Agreement attached hereto is an original or a true and correct copy of the original, which is kept and maintained by me as an official document of the City in my capacity as the City Secretary for the City of Aubrey, Texas.

The Agreement was duly and lawfully approved by the City Council (the City's governing body) on March 21, 2017, at a formal meeting which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout. The approval was conditioned on approval as to form by the City Attorney, who approved the form on March 29, 2017. The Agreement was placed in my office on March 29, 2017, and has not been returned to the governing body by the mayor with a statement of objections. The Agreement is in effect as an obligation of the City and all conditions precedent to its validity have been met and satisfied, notwithstanding the refusal of the Mayor to sign the agreement on the City's behalf pursuant to section 52.003(b) of the Texas Local Government Code.

ATTESTED AND EXECUTED by the City Secretary of the City of Aubrey, Texas, on this the 5th day of April , 2017.

[SEAL]

Jenny Huckabee, City Secretary City of Aubrey, Texas

TRANSFER AND SERVICE AGREEMENT

This Transfer and Service Agreement (this "Agreement") is entered into by the City of Aubrey, a Type A General-Law municipality located in Denton County, Texas, acting by and through its duly authorized mayor ("Aubrey"); Mustang Special Utility District, a conservation and reclamation district created and operated as a special utility district pursuant to Article 16, Section 59 of the Texas Constitution and Chapters 49 and 65 of the Texas Water Code, acting by and through its duly authorized President ("Mustang"); CADG Comanche 248 LLC, a Texas limited liability company ("CADG"); and Pulte Homes of Texas, L.P., a Texas limited partnership ("Pulte"). The mutual consideration for this Agreement is set forth below.

DEFINITIONS

All references to "Aubrey" shall mean and refer to the "City of Aubrey, Texas", a Texas general law municipality which is located in Denton County, Texas, and all of its officers, agents, representatives, elected officials, successors, and assignees, if any.

All references to "Aubrey Creek Estates" shall mean and refer to the area comprised of approximately 172 acres located within the City of Aubrey, Texas and being depicted in Exhibit "A", attached hereto and made a part hereof.

All references to "CADG" shall mean and refer to CADG Comanche 248, LLC.

All references to "CCN", "CCNs", or "Certificate of Convenience and Necessity" shall refer to and mean any Certificate of Convenience and Necessity issued by the Public Utility Commission of Texas ("PUC"), or its predecessor/successor agency as prescribed by the Texas Water Code, to any Party hereto, relating to Jackson Ridge.

JACKSON RIDGE TRANSFER AND SERVICE AGREEMENT-- Page 1

All references to "Decertification" shall mean and refer to either a decertification permitted by either Section 13.254 and/or Section 13.255 of the Texas Water Code and/or any other means by which a CCN of a holder may be decertified.

All references to "Jackson Ridge" shall mean and refer to the subdivisions known as Jackson Ridge and Winn Ridge comprised of approximately 393.77 acres and 52.613 acres, respectively, more particularly described in Exhibit "B", attached hereto and made a part hereof, which were the subject of Cause No. D-1-GN-15-004299 and Cause No. D-1-GN-15-004311 formerly pending in the 98th Judicial District Court in Travis County identified below as a PUC Proceeding.

All references to "Mustang" shall mean and refer to "Mustang Special Utility District," which is located in Denton County, Texas, and all of its officers, directors, agents, representatives, elected officials, successors, and assignees if any.

All references to "Party" or "Parties" shall mean and refer collectively to Mustang, Aubrey, CADG, and Pulte.

All references to "PUC Proceedings" or "PUC Action" shall mean and collectively refer to any and all of the following:

- 1. Docket No. 44581 entitled "Petition of CADG Comanche 248, LLC, to Amend Mustang Special Utility District's Certificate of Convenience and Necessity in Denton County by Expedited Release" filed originally with the PUC and on appeal in Cause No. D-1-GN-15-004299 entitled "Mustang Special Utility District, Plaintiff, v. Public Utility Commission of Texas, Defendant", pending in the 98th Judicial District Court of Travis County, Texas;
- 2. Docket No. 44580 entitled "Petition of Comanche 52 Ridge Partners, Ltd., to Amend Mustang Special Utility District's Certificate of Convenience and Necessity in Denton County by Expedited Release" filed originally with the PUC and on appeal in Cause No. D-1-GN-15-004311 entitled "Mustang Special Utility District, Plaintiff, v. Public Utility Commission of Texas, Defendant", pending in the 98th Judicial District Court of Travis County, Texas;

JACKSON RIDGE TRANSFER AND SERVICE AGREEMENT-- Page 2

- 3. Any "Notice of Intent to Serve" issued, filed or later withdrawn by Aubrey expressing an intent to serve or provide retail water or retail wastewater service in Jackson Ridge;
- 4. Any Application filed by Aubrey to acquire or secure a CCN or to provide retail water or retail wastewater service in Jackson Ridge;
- 5. Any and all boundary disputes regarding water and wastewater service areas that may exist between the Parties;

All references to "Pulte" shall mean and refer to Pulte Homes of Texas, L.P.

All references to "Water and Wastewater Infrastructure" shall mean and refer to all water and wastewater facilities constructed and/or financed by PID Bonds for the Jackson Ridge Public Improvement District.

All references to "Venable Ranch" shall mean and refer to the area comprised of approximately 1,551 acres, being a portion of the land commonly known as the Venable Ranch development and being depicted in Exhibit "C".

RECITALS

WHEREAS, in 2015, the CCNs to provide retail water and retail wastewater service to Jackson Ridge were decertified from Mustang in favor of Aubrey in PUC docket Nos. 44581 and 44580;

WHEREAS, the Parties desire, agree and intend that Mustang is to be the sole certified provider of retail water and retail wastewater service to Jackson Ridge provided the terms and conditions set out herein are satisfied in full by Mustang;

WHEREAS, the Parties desire to establish the ownership or transfer of certain water and wastewater utility and right of way facilities serving Jackson Ridge located both within Jackson Ridge and offsite for the benefit of Jackson Ridge; and

JACKSON RIDGE TRANSFER AND SERVICE AGREEMENT -- Page 3

WHEREAS, the Parties desire, agree, and intend that any improvements constructed by the Jackson Ridge Public Improvement District and subsequently conveyed to Mustang should be conveyed to Aubrey in the event Mustang ceases providing service to Jackson Ridge; and

WHEREAS, the Parties desire, intend and agree that Aubrey is to eventually become the sole certified provider of retail water and retail wastewater service to the Venable Ranch and Aubrey Creek Estates providing the terms and conditions set out herein are satisfied in full by Aubrey;

WHEREAS, the Parties desire that to better provide for retail water and retail wastewater service to the areas affected herein, this Agreement shall be executed;

NOW, THEREFORE, FOR AND IN CONSIDERATION of the contractual terms and conditions, recitals, the warranties and representations, acknowledgements and agreements set out herein, and other good and valuable consideration the Parties agree as follows:

Consideration

 Sufficiency of Consideration. The Parties expressly acknowledge and confess the adequacy and sufficiency of the consideration provided herein.

Jackson Ridge

2. Transfer or Certification of Jackson Ridge CCNs to Mustang. Aubrey agrees that the right to provide retail water and retail wastewater service Jackson Ridge shall be transferred or certified to Mustang under CCNs pursuant to applicable PUC requirements. In addition, Aubrey intends for Mustang to be the sole retail water and retail wastewater provider in Jackson Ridge and expressly acknowledges that all current or future water customers or properties located within Jackson Ridge will be exclusively the retail water and retail wastewater customers of Mustang. The Parties

JACKSON RIDGE TRANSFER AND SERVICE AGREEMENT - Page 4

agree that, to the extent allowed by PUC rules, Mustang may file a Notice of Intent to Serve Jackson Ridge, and may also, at its option, initiate retail water and retail wastewater services to Jackson Ridge prior to the filing for or receiving certification from the PUC. Subject to Mustang's compliance with the terms and conditions of this Agreement, Aubrey, CADG and Pulte agree to not oppose or object to: 1.) any Notice of Intent to Serve filed by Mustang; 2.) Mustang's initiation of any water service undertaken prior to any certification or issuance of a CCN for Jackson Ridge; or 3.) any application or request for Certification filed by Mustang with the PUC to obtain exclusive retail water and retail wastewater certification or the issuance of CCN's for Jackson Ridge.

- 3. Service Area Agreement and Decertification Prohibition. Upon execution of this Agreement, Aubrey intends and agrees that the area shown in Exhibit "B", attached hereto and made a part hereof, shall be serviced by Mustang under Mustang's CCN. Aubrey, CADG and Pulte agree, warrant and represent that Aubrey, CADG, and Pulte will not directly seek to decertify Mustang's CCNs for Jackson Ridge once certificated, nor indirectly encourage, cooperate with, require, sponsor or facilitate another in decertifying Mustang's CCNs for Jackson Ridge once certificated. In exchange for such transfer and the covenant not to seek decertification in the future, Mustang shall pay to Aubrey a total of Five Hundred Seventy-Nine Thousand Four Hundred And No/100 Dollars (\$579,400.00) within thirty (30) days of the execution of this Agreement.
- 4. <u>Cooperation in Transfer or Certifications of CCNs</u>. The Parties agree to proceed with and cooperate in any PUC processes or proceedings necessary to effectuate the

JACKSON RIDGE TRANSFER AND SERVICE AGREEMENT - Page 5

issuance of the CCNs covering Jackson Ridge to Mustang. Aubrey, CADG, and Pulte agree to not object to any application or amendment filed by Mustang with the PUC to obtain exclusive water and sewer certification for Jackson Ridge. Aubrey, CADG, and Pulte will fully cooperate with Mustang and the PUC in taking whatever actions are required under PUC rules or the Travis County District Court to confirm Mustang's water and wastewater CCNs for Jackson Ridge.

- Note: No Pulte Seement of Monies to CADG and Pulte by Mustang for Jackson Ridge.

 Within thirty (30) days after the execution of this Agreement, Mustang shall pay to CADG a total of \$322,780.95 and to Pulte a total of \$219,708.05 for reimbursement of costs expended by CADG and Pulte in connection with the acquisition by Mustang of the CCNs covering Jackson Ridge.
- 6. Lot Fee for Jackson Ridge. Mustang shall pay to Aubrey a total of Five Hundred and No/100 Dollars (\$500.00) per lot in Jackson Ridge for each lot which is now and which is later connected to the Water and Wastewater Infrastructure served by water and wastewater upon builder payment of connection fees to Mustang for each respective lot in Jackson Ridge.
- 7. Franchise Fee. Mustang agrees to charge Aubrey's franchise fee of eight percent (8%) on behalf of Aubrey for water and wastewater customers located in Jackson Ridge that are located within Aubrey's corporate limits and transfer the collected franchise fees to Aubrey on a quarterly basis.
- 8. Payment of Development Costs. Mustang agrees to pay Aubrey for specific costs related to the permanent improvements made for development of Jackson Ridge in an amount to be determined and agreed upon by the Parties. Specifically, but in no

JACKSON RIDGE TRANSFER AND SERVICE AGREEMENT -- Page 6

way limiting the foregoing, Mustang agrees to reimburse Aubrey for (i) Aubrey's costs, including but not limited to engineering soft costs, relating to the offsite sewer line providing service to Jackson Ridge, currently estimated to be \$2,794,820, according to the payment schedule attached hereto as "Exhibit D"; and (ii) all payments previously made by Aubrey to Upper Trinity Regional Water District ("Upper Trinity") to reserve capacity for service to Jackson Ridge, currently estimated to be \$1,182,500, all of which shall be payable from Mustang to Aubrey within thirty (30) days of the execution of this Agreement.

- 9." Assignment of Upper Trinity Agreements. Upon the occurrence and as consideration for the payments in Section 8. Aubrey agrees to transfer and assign to Mustang all of its right, title, and interest to any and all agreements it has with Upper Trinity that pertain to the provision of wastewater treatment and water service to Jackson Ridge ("Upper Trinity Agreements"). Mustang agrees to assume all the rights and obligations of Aubrey in and to all such Upper Trinity Agreements as of the date of issuance of the Jackson Ridge CCNs to Mustang and to release Aubrey from any and all liability or payments arising from or related to the Upper Trinity Agreements after the date of transfer. Mustang agrees to indemnify Aubrey from and against any claims of losses or liability relating to the Upper Trinity Agreements arising after the date of issuance of the Jackson Ridge CCNs to Mustang. In all events. Mustang agrees that wastewater treatment and water service to Jackson Ridge will be served by Mustang through one or more separate agreements between Mustang and Upper Trinity.
- 10. Interim Pump and Haul Responsibilities. Mustang agrees to perform or pay to be

JACKSON RIDGE TRANSFER AND SERVICE AGREEMENT-Page 7

performed all necessary "pump and haul" services at Jackson Ridge for a period of four (4) months from June 8, 2017. At the termination of Mustang's pump and haul service period, CADG and/or Pulte shall be allowed to "pump and haul" until the off-site sewer is completed at CADG and/or Pulte's expense

11. Ownership of Facilities:

Road Rights of Way. Aubrey and Mustang agree that ownership of the public roadway and storm water improvements within Jackson Ridge is and will continue to be held by Aubrey.

Ownership of the Utility Rights of Way and Easements. Aubrey shall grant Mustang the easements and rights of way necessary for the operation and maintenance of the Water and Wastewater Infrastructure for Jackson Ridge and service to Jackson Ridge pursuant to this Agreement. Aubrey and Mustang agree to amend the development plats or provide other conveyance documentation evidencing the easements in favor of Mustang within thirty (30) days of the execution of this Agreement.

Ownership of the Water and Wastewater Infrastructure. Ownership of the Water and Wastewater Infrastructure serving Jackson Ridge shall be transferred by Aubrey to Mustang upon payment under Section 8 of this Agreement or, if construction of such infrastructure is not completed by such time, upon completion of construction of such infrastructure by Aubrey, CADG, and/or Pulte. For Water and Wastewater Infrastructure which will be constructed after the execution of this Agreement and subsequently conveyed to Mustang, Mustang shall have the right to inspect all plans and facilities and both Mustang and Aubrey must approve all

JACKSON RIDGE TRANSFER AND SERVICE AGREEMENT-Page 8

contract awards and change orders for Water and Wastewater Infrastructure. The Parties agree that the Water and Wastewater Infrastructure will continue to benefit Jackson Ridge and will be utilized to provide water and wastewater service to Jackson Ridge. As consideration for the financing and transfer of the Water and Wastewater Infrastructure to serve Jackson Ridge, Mustang agrees not to charge a capital recovery fee (excluding other fees charged under Mustang's Rate Order including but not limited to connection fees, meter set fees, and tap fees) within Jackson Ridge and to charge water and wastewater service rates to Jackson Ridge that are the same as similarly situated developments in Mustang's other service Upon inspection, approval and acceptance of the Water and Wastewater areas. Infrastructure serving Jackson Ridge, Mustang shall maintain and operate such Water and Wastewater Infrastructure in good condition and working order in compliance with all applicable laws and ordinances and all applicable regulations. rules, policies, standards and orders of any governmental entity with jurisdiction over same. Should Mustang cease providing service to Jackson Ridge, any Water and Wastewater Infrastructure improvements constructed by the Jackson Ridge Public Improvement District and subsequently conveyed to Mustang shall immediately and automatically revert back to Aubrey.

Venable Ranch and Aubrey Creek Estates

12. Service Area Agreement and Decertification Prohibition. Mustang agrees that the right to provide retail water and retail wastewater service to Aubrey Creek Estates and Venable Ranch shall be transferred or certified to Aubrey under CCNs pursuant to applicable PUC requirements. In addition, Mustang intends for Aubrey to be the

JACKSON RIDGE TRANSFER AND SERVICE AGREEMENT-- Page 9

Venable Ranch and expressly acknowledges that all current or future water customers or properties located within Aubrey Creek Estates or Venable Ranch will be exclusively the retail water and retail wastewater customers of Aubrey. The Parties agree that, to the extent allowed by PUC rules, Aubrey may file a Notice of Intent to Serve Aubrey Creek Estates and Venable Ranch, and may also, at its option, initiate retail water and retail wastewater services to Aubrey Creek Estates and Venable Ranch prior to the filing for or receiving certification from the PUC. Subject to Aubrey's compliance with the terms and conditions of this Agreement, Mustang, CADG and Pulte agree to not oppose or object to: 1.) any Notice of Intent to Serve filed by Aubrey; 2.) Aubrey's initiation of any water service undertaken prior to any certification or issuance of CCNs for Aubrey Creek Estates and Venable Ranch; or 3.) any application or request for Certification filed by Aubrey with the PUC to obtain exclusive retail water and retail wastewater certification or the issuance of CCNs for Aubrey Creek Estates and Venable Ranch.

13. Cooperation in Transfer or Certifications of CCNs. The Parties agree to proceed with and cooperate in any PUC processes or proceedings necessary to effectuate the issuance of the CCNs covering Aubrey Creek Estates and Venable Ranch to Aubrey. Mustang, CADG, and Pulte agree to not object to any application or amendment filed by Mustang with the PUC to obtain exclusive water and sewer certification for Aubrey Creek Estates and Venable Ranch. Mustang, CADG, and Pulte will fully cooperate with Aubrey and the PUC in taking whatever actions are required under PUC rules to confirm Aubrey's water and wastewater CCNs for

JACKSON RIDGE TRANSFER AND SERVICE AGREEMENT-Page 10

Aubrey Creek Estates and Venable Ranch. The Parties acknowledge that Pulte does not own any portion of Aubrey Creek Estates or Venable Ranch and any cooperation required of Pulte under this <u>Section 13</u> shall be at no cost to Pulte.

Miscellaneous

14. Non-Disparagement. The Parties agree that professional and personal reputations are important and should not be impaired or disparaged. Aubrey and Mustang acknowledge and confess the importance of each other's corporate reputations, and the reputations of their respective officers, directors, agents, employees, staff, administration, legal counsel, and/or elected officials. For purposes of this section "Disparagement" shall mean any negative or defamatory statement or comment, whether written or oral, private or public, about the other or the other's respective officers, directors, agents, employees, staff, administration, legal counsel, and/or elected officials in connection with the matters addressed in this Agreement. Therefore, after the date of execution of this Agreement, Aubrey and Mustang expressly agree to not disparage or defame the professional or personal reputation of one another or any of their respective officers, directors, agents, employees, staff, administration, legal counsel, and/or elected officials in connection with any matter addressed in this Agreement. Further, Aubrey and Mustang agree to take no action, or issue no statement or publication or other announcement, in any form of media, public or social, which would reasonably be expected to lead to unwanted or unfavorable or negative publicity to the other or cast the other in a negative light in connection with any matter addressed in this Agreement. The Parties agree that the following shall be an appropriate response and provided to any questions by a third

JACKSON RIDGE TRANSFER AND SERVICE AGREEMENT-Page 11

party about the Litigation or the settlement herein: "The issues between Aubrey and

Mustang have been amicably resolved to the mutual satisfaction of both parties."

15. Other Documents. The Parties covenant and agree to 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.

16. Notices. Any notices or communications required to be given by one Party to

another under this Agreement ("Notice") shall be given in writing addressed to the

Party to be notified at the address set out below and shall be deemed given when:

a.) personally delivered to the Party representative set out below; b.) when received

if transmitted by facsimile or by certified mail return receipt requested, postage

paid; or c.) delivered by FedEx, UPS or other nationally recognized delivery

service. For purpose of giving Notice, the addresses of the Parties are set out below.

To the City of Aubrey:

City of Aubrey

Attn: Mayor

107 South Main Street

Aubrey, Texas 76227

Fax: _

To Mustang Special Utility District:

Mustang Special Utility District

Attn: General Manager

Aubrey, Texas 76227

Fax: 940-440-9686

To CADG Comanche, 248 LLC:

Attn: Mehrdad Moayed

1800 Valley View Lane, Suite 360

Farmers Branch, Texas 75234

JACKSON RIDGE TRANSFER AND SERVICE AGREEMENT-- Page 12

With a copy to: Miklos Law, PLLC

Attn: Prabha Cinclair 1800 Valley View Lane, Suite 360 Farmers Branch, Texas 75234

To Pulte Homes of Texas, L.P.:

Attn: Bryan Swindell 4800 Regent Blvd., Suite 100 Irving, Texas 75063

With a copy to: Pulte Homes of Texas, L.P.

Attn: Scott V. Williams, Area General Counsel 2727 N. Harwood St., 3rd Floor Dallas, Texas 75201

And a copy to: Bellinger & Suberg, L.L.P.

Attn: Walter A. Suberg 10,000 North Central Expressway, Ste. 900 Dallas, Texas 75231

17. Warranties and Representations.

The Parties also understand, warrant and agree:

- a. Nature of Terms. The terms hereof are contractual and not mere recitals.
- b. Remedies. In the event of material default by any Party(ies) of any of its obligations enumerated in this Agreement, the other Party(ies) shall have the right to pursue all remedies available at law or equity, including, but not limited to, injunctive relief or specific performance or mandamus requiring performance of all obligations set forth herein. Notwithstanding anything contained in this Agreement to the contrary, any default by a Party under this Agreement with respect to any rights and obligations relating to Aubrey Creek Estates or Venable Ranch shall not

JACKSON RIDGE TRANSFER AND SERVICE AGREEMENT-Page 13

reduce or impair in any manner the rights and obligations of the Parties under this Agreement with respect to Jackson Ridge.

- c. <u>Integration</u>. This Agreement contains the sole and entire agreement between the Parties and supersedes all prior agreements, arrangements, or understandings between the Parties. No oral understandings, statements, promises, or inducements contrary to the terms of this Agreement exist, and this Agreement cannot be changed or terminated orally.
- d. <u>Construction</u>. Each Party acknowledges that each Party and its counsel have had the opportunity to independently review and revise this Agreement and that the normal rules of construction that any vagueness or ambiguity are to be resolved against the drafting party shall not be employed in any interpretation of this Agreement or the Exhibits hereto.
- e. Governing Law. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Texas, as applied to contracts performable in the state of Texas irrespective or without regard to any choice of law or principles to the contrary. The Parties hereby submit to the jurisdiction of the State District Court located in Denton County, Texas and any action being necessary to enforce or construe any of the terms or provisions of this Agreement must be filed solely in the State District Court located in Denton, Denton County, Texas, and no other.
- f. <u>Severability</u>. If any term, provision or condition of this Agreement is held by a court of competent jurisdiction to be unconstitutional, invalid, void or unenforceable, the remaining provisions shall not be impaired or invalidated, but

shall remain in full force and effect, and the Parties agree to negotiate in good faith to otherwise accomplish the intent of the invalid provisions.

- g. No Waiver. Should one Party fail to insist upon strict or complete performance of a material term of this Agreement, such failure shall not be deemed to prevent the Party from subsequently demanding strict compliance of that term, or be deemed a waiver of any other term(s) contained in the Agreement. No provision herein may be waived except by a writing signed by the Party with the authority to waive such provision.
- h. Reliance on Counsel. The Parties sign this Agreement after consultation with and upon advice of their own legal counsel, and no other.
- i. No Assignments. The Parties expressly warrant that no claims, demands, controversies, actions, causes of action, contracts, liabilities, damages, injuries, losses, or other rights which are mentioned in or released by this Agreement have been assigned, conveyed, or in any manner whatsoever, transferred to any other person or entity. No Party may assign its obligations under this Agreement without prior written consent of the other Parties, which shall not be unreasonably withheld.
- j. <u>Authority</u>. The Signatories below warrant and represent that each has the requisite authority, both individually and in all their representative capacities, to execute this Agreement for and on behalf of their respective entities in all respects. Further, each Signatory warrants and represents that the settlement herein has been approved by a duly constituted quorum of the requisite governing body of Aubrey or Mustang, at a meeting duly and properly noticed as required by law.

JACKSON RIDGE TRANSFER AND SERVICE AGREEMENT-- Page 15

- k. <u>Successors and Assigns</u>. This Agreement shall be binding on and shall inure to the benefit of the successors and assigns of the Parties.
- 1. <u>Compliance with Laws</u>. The Parties are of the understanding and agree that this Agreement complies with all federal and state statutes and constitutions, local law and common law which may govern the validity of this Agreement at the time of execution.
- m. Revisions and Changes. This Agreement may not be changed, revised, or otherwise amended except by a writing signed by all the Parties hereto.
- n. <u>Evidentiary Value</u>. It is the intent of the Parties that this Agreement have no precedential or evidentiary value in any administrative or judicial proceeding whatsoever, save and except (i) in a PUC proceeding to issue water or wastewater CCNs to Mustang as contemplated herein, and (ii) in an action to enforce the terms of this Agreement.
- o. <u>Admissions</u>. Nothing in this Agreement shall be deemed to be an admission, concession, acknowledgment, interpretation or construction of alleged liability by any of the Parties to this Agreement.
- p. <u>Originals and Counterparts</u>. This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes.
- q. <u>Effective Date</u>. The Effective Date of this Agreement is the latest of the dates of execution by the Signatories hereto.
- 17. Events of Default and Remedies.

The Parties also understand, warrant and agree:

a. No Party shall be in default under this Agreement until notice of the alleged JACKSON RIDGE TRANSFER AND SERVICE AGREEMENT-Page 16

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 (such reasonable time to be determined based on the nature of the alleged failure, but in no event more than thirty (30) days (or any longer time period to the extent expressly stated in this Agreement as relates to a specific failure to perform) after written notice of the alleged failure has been given except as relates to a type of default for which a different time period is expressly set forth in this Agreement). 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. Notwithstanding the foregoing, however, a Party shall be in default of its obligation to make any payment required under this Agreement if such payment is not made within five (5) business days after it is due.

b. As compensation for the party's default, an aggrieved Party is limited to seeking specific performance of the other party's obligations under this Agreement. However, the Parties agree that the Developer will not be required to specifically perform under this Agreement in the event that the Developer satisfies all of its obligations under this Agreement and the City does not issue PID Bonds within one (1) year of the date of this Agreement.

WHEREFORE, the Parties hereto have executed this Agreement on the dates shown above the signature of the Party.

JACKSON RIDGE TRANSFER AND SERVICE AGREEMENT -- Page 17

	27		MAR	
EXECUTED on this the	1	day of	MAK	, 2017.

MUSTANG SPECIAL UTILITY DISTRICT

THE STATE OF TEXAS §

COUNTY OF DENTON §

BEFORE ME, the undersigned, a Notary Public in and for the State of Texas, on this day personally appeared Mile Frazie, President of Mustang Special Utility District, a political subdivision of the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same on behalf of such District.

PAMELA K. ROGERS
Notary Public, State of Texas
Comm. Expires 03-10-2021

PAMELA K. ROGERS
PAMELA K. ROGERS
ROGERS
Comm. Expires 03-10-2021 2017.

Comm. Expires 03-10-2021 Notary ID 7072785

Notary Public in and for the State of Texas

(NOTARY SEAL)

	CITY OF AUBREY
	By: Name: Janet Meyers Title: Mayor
ATTEST:	
Ву:	
Jenny Huckabee, City	Secretary
APPROVED AS TO FORM	
Name: David M. Berman Title: Attorney for the City	-
STATE OF TEXAS	§
COUNTY OF DENTON	§
Before me the unders Aubrey, a political subdivisi consideration therein expres	signed notary public appeared Janet Meyers, Mayor of the City of ion of the State of Texas, on behalf of the City of Aubrey for the sed.
	Notary Public-State of Texas
(SEAL)	
Notary Public for the	State of Texas

COMANCHE 248, LLC

CADG Comanche 248, LLC, a Texas limited liability company

By: CADG Holdings, LLC, a Texas limited liability company, Its Sole Member

> By: MMM Ventures, LLC, a Texas limited liability company, Its Manager

> > By: 2M Ventures, LLC, a Delaware limited liability company, Its Manager

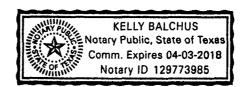
By: Name: Mehrdad Moavedi

Its: Manager

STATE OF TEXAS
COUNTY OF DALLAS

This instrument was acknowledged before me on the Alst day of Manch, 2017, by Mehrdad Moayedi, Manager of 2M Ventures, LLC, as Manager of MMM Ventures, LLC, as Manager of CADG Holdings, LLC, as Sole Member of CADG Comanche 248, LLC, a Texas limited liability company on behalf of said company.

Notary Public, State of Texas



PULTE HOMES OF TEXAS, L.P.

PULTE HOMES OF TEXAS, L.P., a Texas limited partnership

By: Pulte Nevada I LLC, a Delaware limited liability company, its General Partner

Name: Bryan Swinder
Title: Division President

THE STATE OF TEXAS S
COUNTY OF DAMAS

The foregoing instrument was acknowledged before me this 31 day of MWW1, 2017, by RIVAN SWINDELL, DINISION PRESIDENT OF PULTE HOMES OF TEXAS, L.P., a Texas limited partnership, on behalf of said limited liability company and limited partnership.

Notary Public of the State of

JESSICA HERNANDEZ
Hotary Public, State of Texas
14, Commission Expires
April 18, 2018

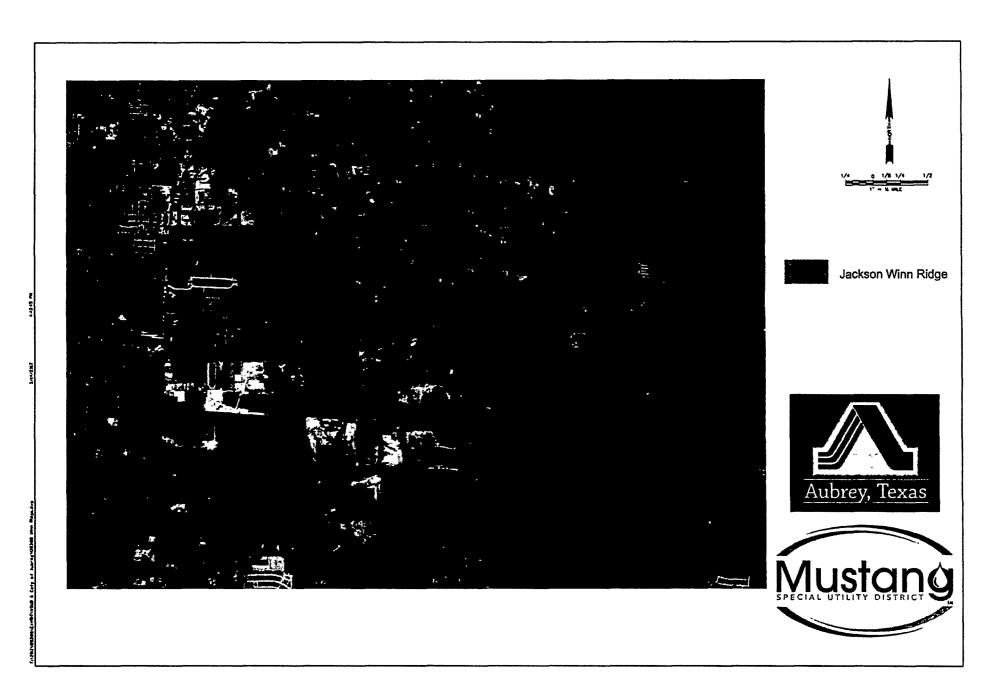
(SEAL)

ATTACHMENT 2.C.

EXHIBIT "A" DESCRIPTION OF AUBREY CREEK ESTATES

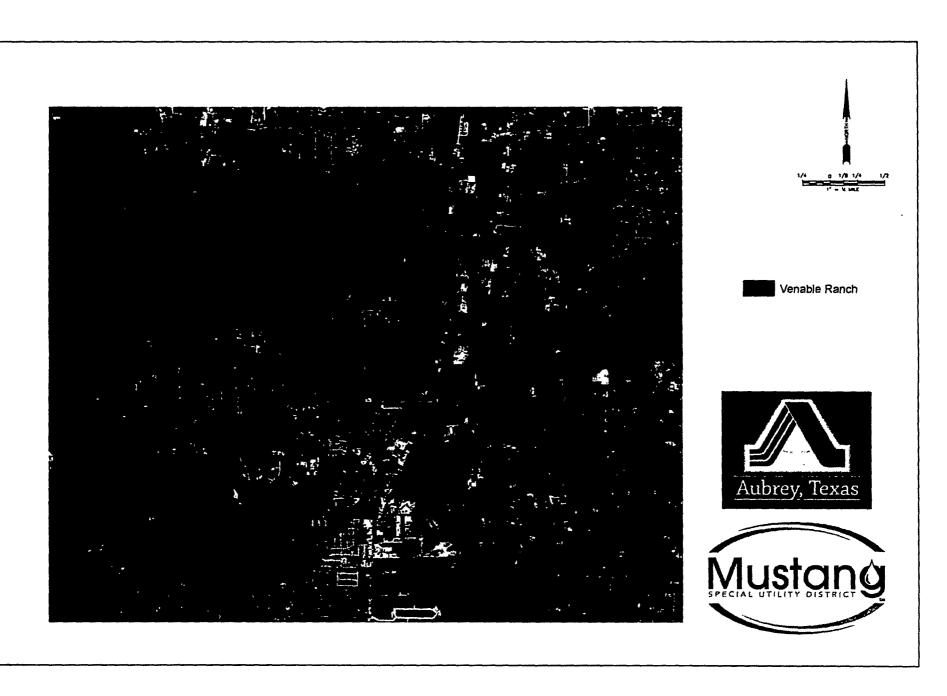


EXHIBIT "B" DESCRIPTION OF JACKSON RIDGE



ATTACHMENT 2.C.

EXHIBIT "C" DESCRIPTION OF VENABLE RANCH



ATTACHMENT 2.C.

EXHIBIT "D"

PAYMENT SCHEDULE

v1.0

Breakdown of Bond Debt Service Payments City Major Improvements Portion

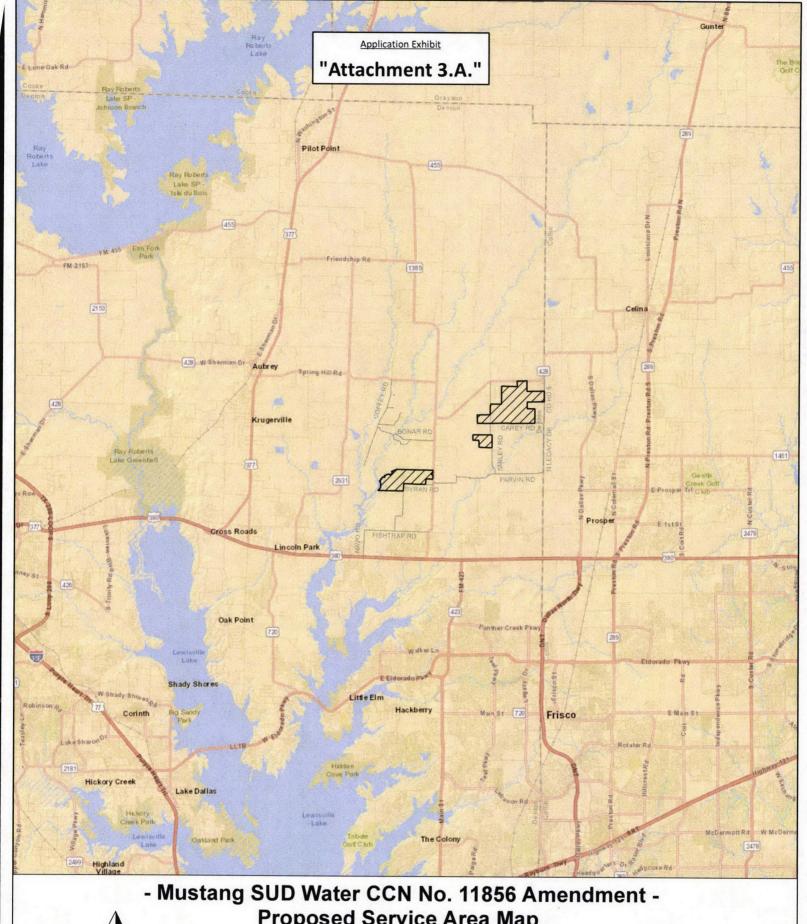
	Sereis 2015 MI Bonds		Sereis 2015 Phase I Bonds				Prorated Debt Service Amounts for \$2,794,820		
	City Major Improvements				Estimated	Total			
	····			TIRZ Admin	Combined				
Year	Principal ¹	Interest ¹	Principal ²	Interest ²	Expenses	Obligations	Principal (1&2)	Interest (1&2)	Total
1	\$0	\$581,114	\$0	\$231,735	\$0	\$812,850	\$0	\$172,316	\$172,316
2	\$0	\$795,442	\$0	\$317,204	\$15,000	\$1,127,646	\$0	\$235,870	\$235,870
3	\$0	\$795,442	\$48,653	\$317,204	\$15,000	\$1,176,299	\$10,314	\$235,870	\$246,184
4	\$159,565	\$795,442	\$ 51,694	\$ 313 , 434	\$15,000	\$1,335,134	\$44,785	\$235,071	\$279,856
5	\$172,862	\$781,480	\$56,255	\$ 309,427	\$15,000	\$1,335,024	\$48,571	\$231,262	\$279,832
6	\$186,159	\$766,354	\$60,817	\$305,068	\$15,000	\$1,333,398	\$52,356	\$227,131	\$279,487
7	\$203,888	\$750,066	\$63,857	\$300,354	\$15,000	\$1,333,166	\$56,760	\$222,679	\$279,438
8	\$ 217,185	\$732,225	\$69,939	\$295,405	\$15,000	\$1,329,755	\$60,868	\$217,848	\$278,715
9	\$234,915	\$713,222	\$74,500	\$289,985	\$15,000	\$1,327,622	\$65,593	\$212,670	\$278,263
10	\$257,077	\$692,666	\$79,062	\$284,211	\$15,000	\$1,328,016	\$71,258	\$207,089	\$278,347
11	\$274,806	\$670,172	\$85,143	\$278,084	\$15,000	\$1,323,206	\$76,306	\$201,021	\$277,327
12	\$301,400	\$646,127	\$91,225	\$271,485	\$15,000	\$1,325,237	\$83,233	\$194,525	\$277,757
13	\$323,562	\$619,754	\$98,827	\$264,415	\$15,000	\$1,321,559	\$89,542	\$187,435	\$276,978
14	\$350,156	\$591,443	\$104,909	\$256,756	\$15,000	\$1,318,264	\$96,469	\$179,810	\$276,279
15	\$381,183	\$560,804	\$112,511	\$248,626	\$15,000	\$1,318,123	\$104,658	\$171,591	\$276,249
16	\$412,209	\$ 527,450	\$121,633	\$239,906	\$ 15,000	\$1,316,199	\$113,169	\$162,672	\$275,841
17	\$443,236	\$491,382	\$129,235	\$230,480	\$15,000	\$1,309,333	\$121,358	\$153,028	\$274,386
18	\$483,127	\$452,599	\$138,358	\$220,464	\$15,000	\$1,309,548	\$131,749	\$142,683	\$274,431
19	\$523,018	\$410,325	\$149,001	\$209,741	\$15,000	\$1,307,085	\$142,461	\$131,448	\$273,909
20	\$562,909	\$364,561	\$159,644	\$198,194	\$15,000	\$1,300,308	\$153,174	\$119,299	\$272,473
21	\$611,665	\$315,307	\$171,807	\$185,821	\$15,000	\$1,299,600	\$166,088	\$106,234	\$272,323
22	\$660,421	\$261,786	\$183,970	\$172,506	\$15,000	\$1,293,684	\$179,003	\$92,066	\$271,068
23	\$718,042	\$203,999	\$197,654	\$158,249	\$15,000	\$1,292,944	\$194,119	\$76,793	\$270,912
24	\$775,662	\$141,171	\$211,338	\$142,930	\$15,000	\$1,286,101	\$209,234	\$60,227	\$269,461
25	\$837,715	\$73,300	\$226,542	\$126,552	\$15,000	\$1,279,109	\$225,612	\$42,367	\$267,979
26	\$0	\$0	\$243,266	\$108,995	\$15,000	\$367,261	\$51,570	\$23,106	\$74,676
27	\$0	\$0	\$261,511	\$90,142	\$15,000	\$366,653	\$55,438	\$19,109	\$74,547
28	\$0	\$0	\$279,756	\$69,874	\$15,000	\$364,631	\$59,306	\$14,813	\$74,118
29	\$0	\$0	\$299,522	\$48,193	\$15,000	\$362,715	\$63,496	\$10,217	\$73,712
30	\$0	\$0	\$322,328	\$24,980	\$15,000	\$362,308	\$68,330	\$5,296	\$73,626
31	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$9,090,763	\$13,733,633	\$4,092,958	\$6,510,424	\$435,000	\$33,862,778	\$2,794,820	\$4,291,542	\$7,086,362

^{1 -} The principal and interest shares of the City Major Improvements are calculated as 88.59% based on the prorated estimated costs and Par amounts shown in Section IV, Table IV-A.

The principal and interest amounts are based on the underwriter's final cashflows dated as of 11-16-15. The interest amounts include the 0.5% additional interest amount for prepayment and delinquency reserves.

^{1 -} The principal and interest shares of the City Major Improvements are calculated as 30.41% based on the prorated estimated costs and Par amounts shown in Section IV, Table IV-C.

The principal and interest amounts are based on the underwriter's final bond cashflows dated as of 11-16-15. The interest amounts include 0.5% for prepayment and delinquency reserves.



Proposed Service Area Map

Miles

June 23, 2017

Tract 2 & 3 - South of FM 428 and along

Tract 1 - Located south of Bonar Rd,

west of FM 1385, and north of Byran Rd

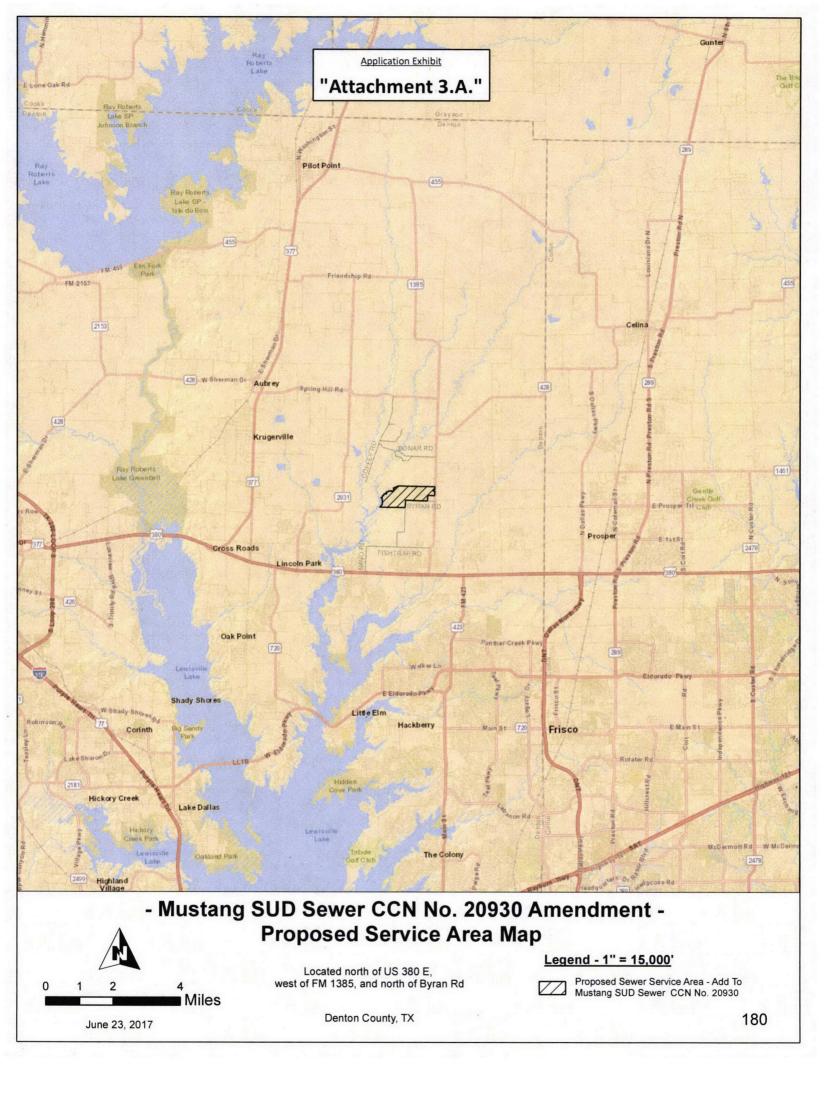
Smiley Rd

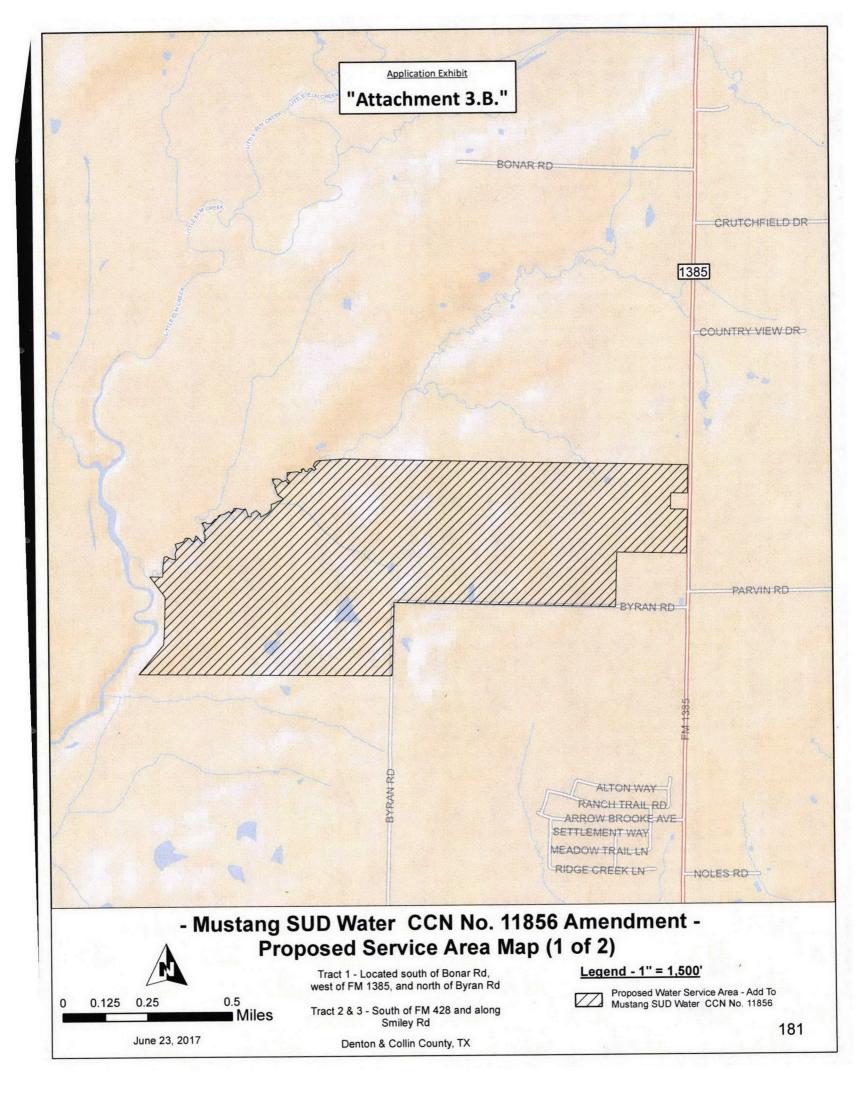
Denton & Collin County, TX

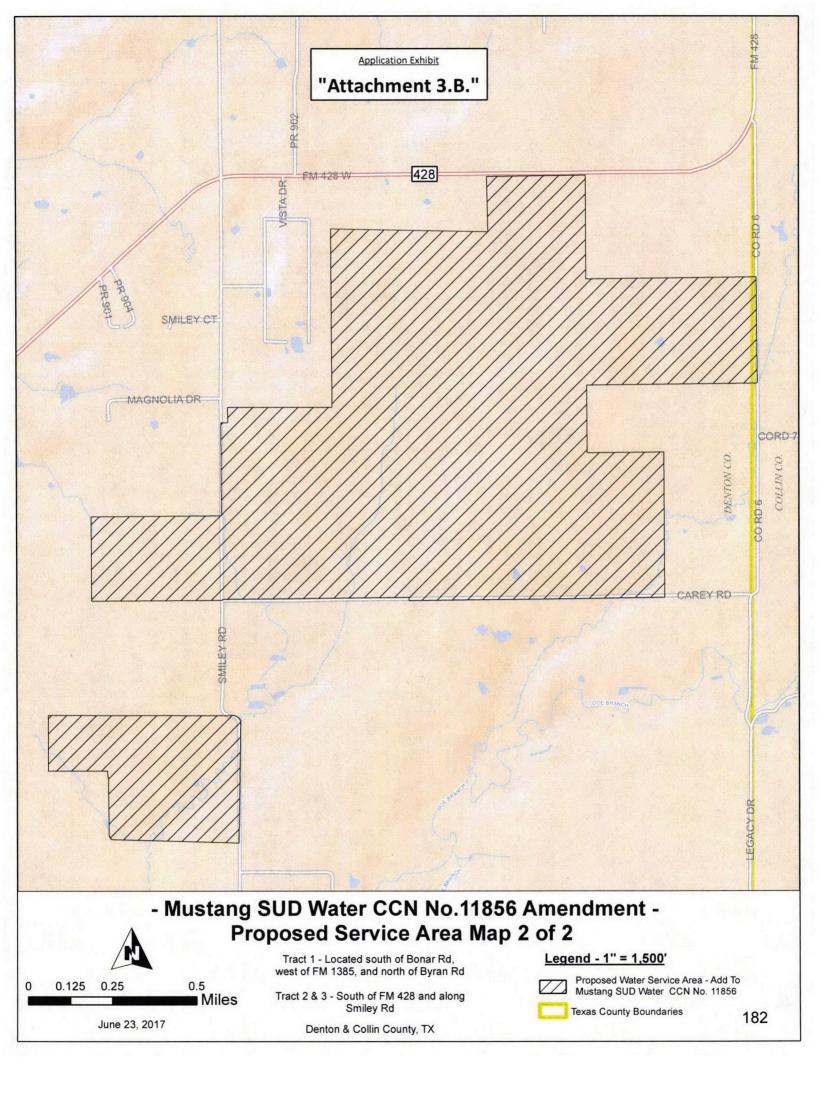
Legend - 1" = 15,000'

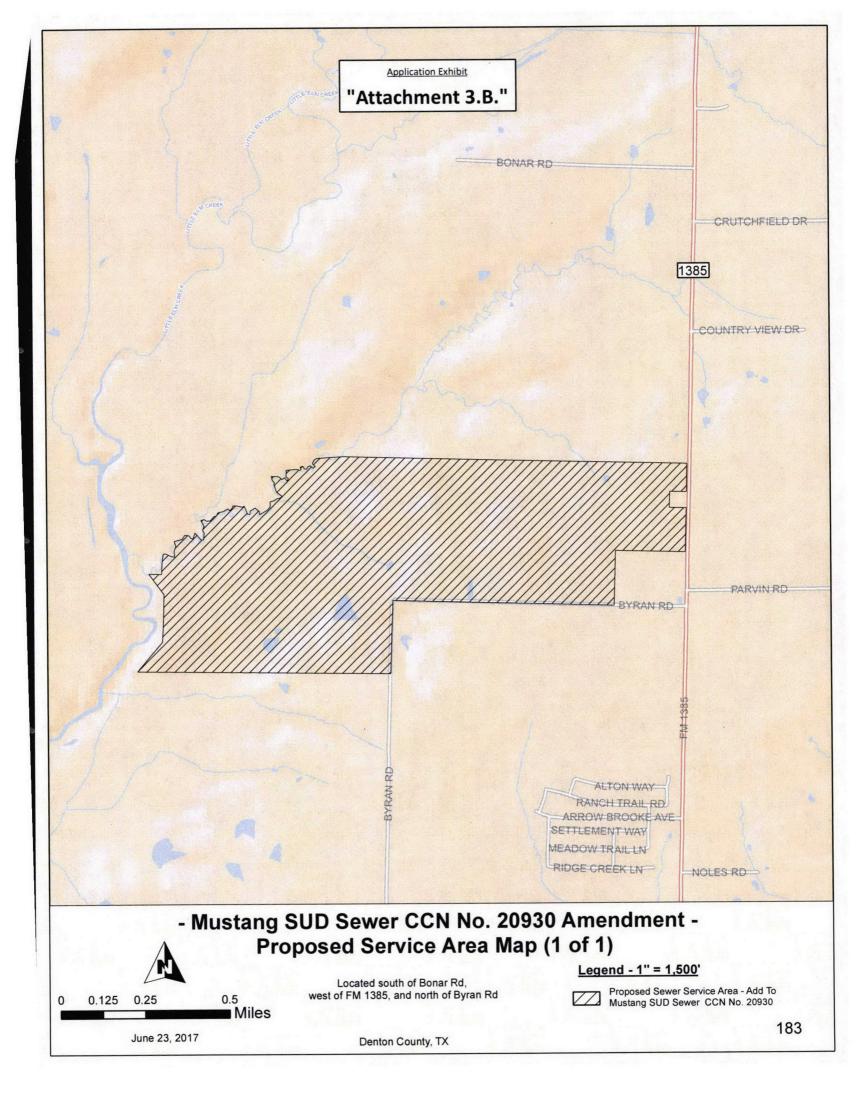


Proposed Water Service Area - Add To Mustang SUD Water CCN No. 11856









ATTACHMENT 3.B.ii. CD OF DIGITAL OF MAPPING DATA



"Attachment 3.C."

(1 of 3)

General Description of Proposed Service Areas:

Winn Ridge, Tract 1 - Water and Sewer Proposed Service Area

Beginning approximately 610' north of the intersection of Parvin Rd and FM 1385, and in the approximate western right-of-way (ROW) of FM 1385, in Denton County, Texas. Tract 1 of the proposed service boundary begins and heads in northerly direction, along the approximate western ROW, of FM 1385 for approximately 688'.

Thence, the boundary turns and heads due west for approximately 262' before heading due north for approximately 250'. From this point, Tract 1 heads due east 262' to the approximate western ROW of FM 1385. Thence, Tract 1 follows the FM 1385 approximate western ROW north for approximately 439', to the northeastern corner of Tract 1. Thence, Tract 1 heads due west for approximately 5,280' before heading in a slight southwesterly direction an additional 500'.

The proposed service boundary thence follows an unnamed Elm Fork Trinity River tributary centerline, in a meandering southwesterly direction, for a total of 5,007' before turning and heading due south for approximately 145'. From this point, Tract 1 of the proposed service boundary heads due west approximately 201' before turning and heading in a southeasterly direction for approximately 396'.

Thence, Tract 1 heads due south for approximately 750' before turning and heading in a southwesterly direction for approximately 600' to the southwestern corner of Tract 1. Tract 1 thence heads due east approximately 3,950', following fence lines, to the center of Byran Rd.

Thence, Tract 1 follows Byran Rd centerline north for approximately 1,146' before turning and following Byran Rd centerline due east for approximately 3,462', and then turning and heading due north for approximately 850'. Tract 1 of the proposed service area heads due east approximately 1,090' to the Point of Beginning in the approximate western ROW of FM 1385.

Green Meadows, Tract 2 – Water Proposed Service Area Only

Beginning approximately 15' east of the road centerline intersection of Smiley Rd and Carey Rd, on Carey Rd, Denton County, Texas. Tract 2 of the proposed sewer service area heads west approximately 2,050' before turning and heading due north approximately 1,325', and then turning and heading due east approximately 2,040' to the approximate centerline of Smiley Rd.

"Attachment 3.C."

(2 of 3)

Tract 2 - Continued

Thence, Tract 2 of the proposed service boundary follows the centerline of Smiley Rd approximately 1,451' due north before turning and heading east approximately 109', and then turning and heading due north for approximately 241'.

Thence, Tract 2 heads due east for approximately 1,633' to a point in a tree line before turning and heading due north approximately 2,780', and then turning and heading in a slight, southeasterly direction following a tree line, for approximately 2,457'.

The proposed service boundary heads due north approximately 862' to the approximate southern right-of-way (ROW) of CR 428. The proposed boundary turns and follows the southern ROW of CR 428 for approximately 1,542' before turning and heading due south for approximately 1,612'.

Thence, Tract 2 turns and heads due east 2,664' to the approximate centerline of Legacy Dr (CR 6 – Collin County), before turning and heading south following Legacy Dr (CR 6 – Collin County) south 1,654', before turning and heading due west for approximately 2,670'.

From this point, the proposed service area then heads due south for 1,058' before turning and heading due east approximately 1,200', and then turning and heading due south for approximately 2,275' to the approximate southern ROW of Carey Rd.

Thence, Tract 2 follows the southern ROW of Carey Rd west for approximately 4,000' before turning and heading due north approximately 48', crossing Carey Rd, to the approximate northern edge of pavement of Carey Rd.

The proposed service area heads due west, following the northern edge of pavement of Carey Rd, for approximately 2,920' before turning and heading due south approximately 13' to the Point of Beginning.

Green Meadows, Tract 3 – Water Proposed Service Area Only

Beginning in the approximate western right-of-way (ROW) of Smiley Rd, 455' north of the intersection of Old Dairy Farm Rd and Smiley Rd in Denton County, Texas.

"Attachment 3.C."

(3 of 3)

Tract 3 - Continued

Thence, Tract 3 of the proposed service area heads due north for approximately 1,910', following the western ROW of Smiley Rd and eventually crossing to the eastern side of Smiley Rd, before arcing 127' to the northwest.

Thence, Tract 3 turns and heads due west, crossing Smiley Rd, approximately 2,918' before turning and heading in a slight, southwesterly direction for approximately 870', before turning and heading due east for approximately 933',

From this point, the proposed service area heads due south for approximately 91' before slightly arcing to the southeast for approximately 46', and then heading due south for approximately 855'. Tract 3 then arcs in a southeasterly direction for 105' before heading in a slight, southeasterly direction for 1,984' to the Point of Beginning in the western ROW of Smiley Rd.

"Attachment 4.A."

(1 of 2)

LIST OF UTILITIES AND CITIES LOCATED WITHIN A TWO (2) MILE RADIUS OF THE PROPOSED <u>WATER</u> CCN AREA:

County within Two (2) Mile Radius -

- Denton County
- Colin County

Cities in Two (2) Mile Radius -

- City of Aubrey
- City of Celina
- City of Little Elm
- City of Prosper

Existing CCN's in Two (2) Mile Radius -

- Aqua Texas Inc.
- City of Celina
- City of Prosper
- Denton County FWSD 8A
- Denton County FWSD 8B
- Denton County FWSD 10
- Marilee SUD
- Mustang SUD
- Water Assn of North Lake Inc.

TCEQ Districts in Two (2) Mile Radius -

- Collin County MUD 1
- Denton County FWSD 10
- Denton County FWSD 11-C
- Denton County FWSD 8-A
- Denton County FWSD 8-B
- Denton County MUD 6
- Denton County MUD 7
- Highway 380 MUD 1
- Mobberly MUD
- Prosper Management District 1
- Smiley Road WCID
- Talley Ranch WCID 1 of Denton County
- The Lakes FWSD of Denton County
- Upper Trinity Regional Water District

Groundwater Districts -

• North Texas Groundwater Conservation District

"Attachment 4.A."

(2 of 2)

LIST OF UTILITIES AND CITIES LOCATED WITHIN A TWO (2) MILE RADIUS OF THE PROPOSED <u>SEWER</u> CCN AREA:

County within Two (2) Mile Radius -

• Denton County

Cities in Two (2) Mile Radius -

- City of Aubrey
- City of Celina
- City of Little Elm
- City of Prosper

Existing CCN's in Two (2) Mile Radius -

- Aqua Texas Inc.
- City of Celina
- City of Prosper
- Denton County FWSD 8A
- Denton County FWSD 8B
- Denton County FWSD 10
- Mustang SUD

TCEQ Districts in Two (2) Mile Radius -

- Denton County FWSD 8-A
- Denton County FWSD 8-B
- Denton County FWSD 10
- Denton County FWSD 11-C
- Denton County MUD 6
- Highway 380 MUD 1
- Prosper Management District 1
- Smiley Road WCID
- The Lakes FWSD of Denton County
- Upper Trinity Regional Water District

Groundwater Districts -

• North Texas Groundwater Conservation District

Bryan W. Shaw, Ph.D., P.E., Chairman Toby Baker, Commissioner Jon Niermann, Commissioner Richard A. Hyde, P.E., Executive Director



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

April 10, 2017

E SIGNATURE CONFIRMATION # 9134 9690 0935 0017 9669 78

Mr. Mike Frazier, President Mustang Special Utility District 7985 FM 2931 Aubrey, Texas 76227

Re:

Notice of Violation for Public Water Supply Comprehensive Compliance Investigation at:

Mustang SUD, 7985 FM 2931, Aubrey, Denton County, Texas RN101457414, PWS ID No. 0610036, Investigation No. 1402420

Dear Mr. Frazier:

On January 30 and 31, 2017, Ms. Crystal Watkins of the Texas Commission on Environmental Quality (TCEQ) Dallas/Fort Worth (D/FW) Regional Office conducted an investigation of the above-referenced regulated entity to evaluate compliance with applicable requirements for public water supply. Enclosed is a summary which lists the investigation findings. During the investigation, certain outstanding alleged violations were identified for which compliance documentation is required. Please submit to this office by June 10, 2017, a written description of corrective action taken and the required documentation demonstrating that compliance has been achieved for each of the outstanding alleged violations. Corrective action must be completed so your public water supply may be operated and maintained in accordance with the requirements for a "Superior" system.

In the listing of the alleged violations, we have cited applicable requirements, including TCEQ rules. Please note that both the rules themselves and the agency brochure entitled *Obtaining TCEQ Rules* (GI 032) are located on our agency website at http://www.tceq.state.tx.us for your reference. If you would like a hard copy of this brochure mailed to you, you may call and request one from either the D/FW Regional Office at (817) 588-5800 or the Central Office Publications Ordering Team at 512-239-0028.

The TCEQ appreciates your assistance in this matter. Please note that the Legislature has granted TCEQ enforcement powers which we may exercise to ensure compliance with environmental regulatory requirements. We anticipate that you will resolve the alleged violations as required in order to protect the State's environment. If you have additional information that we are unaware of, you have the opportunity to contest the violations documented in this notice. Should you choose to do so, you must notify the D/FW Regional Office within 10 days from the date of this letter. At that time, Mr. Jeff Tate, Water Section Manager, will schedule a violation review meeting to be conducted within 21 days from the date of this letter.

ATTACHMENT 5.A.

Mr. Mike Frazier, President Page 2 April 10, 2017

However, please be advised that if you decide to participate in the violation review process, the TCEQ may still require you to adhere to the compliance schedule included in the attached Summary of Investigation Findings until an official decision is made regarding the status of any or all of the contested violations.

If you or members of your staff have any questions, please feel free to contact Ms. Watkins in the D/FW Regional Office at (817) 588-5804.

Sincerei

Charles Marshall

Team Leader, Public Water Supply Program

D/FW Regional Office

Texas Commission on Environmental Quality

CM/cdw

Enclosure: Summary of Investigation Findings

Summary of Investigation Findings

MUSTANG SUD

Investigation #

7985 FM 2931

1402420 Investigation Date: 01/30/2017

AUBREY, DENTON COUNTY, TX 76227

Additional ID(s): 0610036

OUTSTANDING ALLEGED VIOLATION(S)

Track No: 636055

Compliance Due Date: 06/10/2017

30 TAC Chapter 290.46(f)(3)(A)(ii)(II)

Alleged Violation:

Investigation: 1402420

Comment Date: 03/26/2017

Failure to record the volume of water distributed each day.

30 TAC 290.46(f)(3)(A)(ii)(II) states that systems that serve 250 or more connections or serve 750 or more people shall maintain a record of the amount of water distributed each day.

During the investigation, it was noted that there was not a meter to document the amount of water from UTRWD to Mustang SUD only. According to the water system, Mustang SUD is on a deduct system and any water not used by the FWSDs is charged to Mustang SUD. The water system is unable to document the daily amount of water distributed that reflects all of the water used by Mustang SUD.

Recommended Corrective Action: Begin recording the volume of water distributed to the Mustang SUD distribution system only on a daily basis. Provide records of the volume of water distributed each day for a period of two months' to the regional office to resolve the alleged violation.

Track No: 636056

Compliance Due Date: 06/10/2017

30 TAC Chapter 290.45(f)(4)

Alleged Violation:

Investigation: 1402420

Comment Date: 03/26/2017

Failure to provide a production capacity of at least 0.6 gallons per minute (gpm) per connection.

30 TAC 290.45(f)(4) states that the maximum authorized daily purchase rate specified in the contract, or a uniform purchase rate in the absence of a specified daily purchase rate, plus the actual production capacity of the system must be at least 0.6 gpm per connection.

On the day of the investigation, the water system was 29% deficient in production capacity. The contract with UTRWD provides 2,014 gpm when the water system is required to provide 2,853 gpm.

Recommended Corrective Action: Submit documentation to the regional office that the water system has increased the production capacity of the water system to meet the production capacity requirement of 0.6 gpm per connection. The water system may request an alternative capacity requirement by writing to the Technical Review and Oversight Team, Public Drinking Water Section, MC-159, Texas Commission on Environmental Quality, P.O. Box 13087, Austin, TX 78711-3087.

ADDITIONAL ISSUES

Description

Additional Comments

ATTACHMENT 5.A.

MUSTANG SUD	Investigation # 1402420				
Item 3	During the comprehensive compliance investigation on January 30-31, 2017, it was noted that the water system collects ten microbiological samples per month. Due to an increase in population, the water system should start collecting twenty microbiological samples per month as required by 30 TAC 290.109(c)(2)(A)(iii).				
Item 4	Al- During the comprehensive compliance investigation, it was noted that the water system was operating at approximately 90% of its minimum required production capacity in Pressure Plane #1.				
	A retail public utility that possesses a certificate of public convenience and necessity that has reached 85% of its capacity as compared to the most restrictive criteria of the commission's minimum capacity requirements in 30 TAC Chapter 290 shall submit to the executive director a planning report that clearly explains how the retail public utility will provide the expected service demands to the remaining areas within the boundaries of its certified area. Please submit an adequate planning report to the TCEQ Utilities and Districts Section within 90 days.				



May 19, 2017

Mr. Charles Marshall Texas Commission on Environmental Quality D/FW Regional Office, TCEQ Region 4 Team Leader, Public Water Supply Program 2309 Gravel Road Fort Worth, Texas 76118

Re: Response to Violations noted by Ms. Crystal Watkins
Mustang Special Utility District Water System

Dear Mr. Marshall:

On January 30 and 31, 2017, Crystal Watkins of the D/FW Regional Office performed a compliance investigation of the Mustang Special Utility District Water System. The investigation resulted in two alleged violations that have not yet been resolved. The purpose of this letter is to respond to these violations along with the actions that have been conducted to address the violations and bring the Mustang SUD water system into full compliance. A due date of June 10, 2017 was given in the letter as the date to describe the corrective action taken and documentation demonstrating that compliance has been achieved. The alleged violations and Mustang SUD's responses are listed below:

Failure to record the volume of water distributed each day. 30 TAC 290.46 (1) (3) (A) (ii) (II) states that systems that serve 250 or more connections or serve 750 or more people shall maintain a record of the amount of water distributed each day. During the investigation, it was noted that there was not a meter to document the amount of water from UTRWD to Mustang SUD only. According to the water system, Mustang SUD is on a deduct system and any water not used by the FWSDs is charged to Mustang SUD. The water system is unable to document the daily amount of water distributed that reflects all of the water used by Mustang SUD.

The Temple Dane pump station that is claimed to violate this rule does in fact have a meter that is read daily. This data is recorded and was reviewed by the inspector. The claim by the inspector that the water for FWSD customers must be metered separately from the water for the Mustang SUD customers is not possible, nor is it required by the rule. The rule states "that systems ... shall maintain a record of the <u>amount of water distributed</u> each day." This recordation is occurring on a daily basis in compliance with this rule. The rule does not state that separate metering is required for multiple wholesale customers.

ATTACHMENT 5.A.

Failure to provide a production capacity of at least 0.6 gallons per minute (gpm) per connection. 30 TAC 290.45 (1) (4) states that the maximum authorized daily purchase rate specified in the contract, or a uniform purchase rate in the absence of a specified daily purchase rate, plus the actual production capacity of the system must be at least 0.6 gpm per connection. On the day of the investigation, the water system was 29% deficient in production capacity. The contract with UTRWD provides 2,014 gpm when the water system is required to provide 2,853 gpm.

Mustang SUD has already taken several steps to address their water production capacity issues. Mustang SUD recently completed drilling of a groundwater well, Riley Well, near the intersection of US 380 and US 377. Preliminary pumping results indicate that this well is capable of producing 775 gallons per minute. The well pump installation and yard piping is expected to be completed within the next 180 to 210 days to allow for the lead time required for the pumps to be purchased and installed. In addition to the Riley Well, Mustang SUD provided notice to proceed to the general contractor on a second new well, Silverado Well, near the intersection of Liberty Road and Farm Road 2931. The anticipated production rate for this well is approximately 1,000 gpm and it will be completed in January of 2018. Once both wells are operational, Mustang SUD will have sufficient capacity to provide at least 0.6 gpm per connection. Mustang SUD will provide an update to the TCEQ on the status of their production capacity after these steps are implemented. If these steps do not bring Mustang SUD into full compliance, Mustang SUD will need to request an exemption to allow more time to explore other options for increasing production capacity.

We respectfully request that the first alleged violation be released without any further action. We also request additional time to complete the drilling of the second well and installation of well pumps and yard piping for both wells.

If you have any further questions regarding this correspondence, please feel free to contact me or Curtis Steger with Steger Bizzell Engineers at (512) 930-9412.

Sincerely,

Aldo Zamora

Operations Manager

Mustang Special Utility District

ATTACHMENT 5.A.v.



May 19, 2017

Mr. Charles Marshall
Texas Commission on Environmental Quality
D/FW Regional Office, TCEQ Region 4
Team Leader, Public Water Supply Program
2309 Gravel Dr.
Fort Worth, Texas 76118

Re: Response to Violations noted by Ms. Crystal Watkins
Mustang Special Utility District Water System

Dear Mr. Marshail:

On January 30 and 31, 2017, Crystal Watkins of the D/FW Regional Office performed a compliance investigation of the Mustang Special Utility District Water System. The investigation resulted in two alleged violations that have not yet been resolved. The purpose of this letter is to respond to these violations along with the actions that have been conducted to address the violations and bring the Mustang SUD water system into full compliance. A due date of June 10, 2017 was given in the letter as the date to describe the corrective action taken and documentation demonstrating that compliance has been achieved. The alleged violations and Mustang SUD's responses are listed below:

Failure to record the volume of water distributed each day. 30 TAC 290.46 (1) (3) (A) (ii) (II) states that systems that serve 250 or more connections or serve 750 or more people shall maintain a record of the amount of water distributed each day. During the investigation, it was noted that there was not a meter to document the amount of water from UTRWD to Mustang SUD only. According to the water system, Mustang SUD is on a deduct system and any water not used by the FWSDs is charged to Mustang SUD. The water system is unable to document the daily amount of water distributed that reflects all of the water used by Mustang SUD.

The Temple Dane pump station that is claimed to violate this rule does in fact have a meter that is read daily. This data is recorded and was reviewed by the inspector. The claim by the inspector that the water for FWSD customers must be metered separately from the water for the Mustang SUD customers is not possible, nor is it required by the rule. The rule states "that systems ... shall maintain a record of the <u>amount of water distributed</u> each day." This recordation is occurring on a daily basis in compliance with this rule. The rule does not state that separate metering is required for multiple wholesale customers.

ATTACHMENT 5.A.v.

Failure to provide a production capacity of at least 0.6 gallons per minute (gpm) per connection. 30 TAC 290.45 (1) (4) states that the maximum authorized daily purchase rate specified in the contract, or a uniform purchase rate in the absence of a specified daily purchase rate, plus the actual production capacity of the system must be at least 0.6 gpm per connection. On the day of the investigation, the water system was 29% deficient in production capacity. The contract with UTRWD provides 2,014 gpm when the water system is required to provide 2,853 gpm.

Mustang SUD has already taken several steps to address their water production capacity issues. Mustang SUD recently completed drilling of a groundwater well, Riley Well, near the intersection of US 380 and US 377. Preliminary pumping results indicate that this well is capable of producing 775 gallons per minute. The well pump installation and yard piping is expected to be completed within the next 180 to 210 days to allow for the lead time required for the pumps to be purchased and installed. In addition to the Riley Well, Mustang SUD provided notice to proceed to the general contractor on a second new well, Silverado Well, near the intersection of Liberty Road and Farm Road 2931. The anticipated production rate for this well is approximately 1,000 gpm and it will be completed in January of 2018. Once both wells are operational, Mustang SUD will have sufficient capacity to provide at least 0.6 gpm per connection. Mustang SUD will provide an update to the TCEQ on the status of their production capacity after these steps are implemented. If these steps do not bring Mustang SUD into full compliance, Mustang SUD will need to request an exemption to allow more time to explore other options for increasing production capacity.

We respectfully request that the first alleged violation be released without any further action. We also request additional time to complete the drilling of the second well and installation of well pumps and yard piping for both wells.

If you have any further questions regarding this correspondence, please feel free to contact me or Curtis Steger with Steger Bizzell Engineers at (512) 930-9412.

Sincerely,

Aldo Zamora

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Operations Manager

Mustang Special Utility District

5.G. Effect of Granting a Certificate Amendment

i. Effect on Applicant:

Granting this amendment will have a positive effect on Mustang SUD, and its customers, by allowing Mustang to increase its customer base and improving its ability to provide high quality and cost effective water and sewer service. Mustang already provides water and sewer service to customers on properties adjacent to the proposed area.

ii. Effect on retail public utility of the same kind already serving the proximate area: Pursuant to the Transfer and Service Agreement signed by Mustang Special Utility District, the City of Aubrey, CADG Comanche 248 LLC and Pulte Homes of Texas, L.P., attached as Attachment 2.C., the parties have agreed that Mustang SUD shall be the sole provider of water and sewer service to the areas covered in PUC Docket No. 44581 and No. 44580 (sometimes known as Winn Ridge). As to the area known as Green Meadows/Smiley Road, the PUC has already authorized Mustang SUD to provide service, so no other utility can serve the area.

iii. Effect on any landowner(s) in the requested area:

Approving this application will have positive impacts on landowners in the requested area, as it will all the construction of new residential developments to proceed, which is the desire of the landowners. As a regional service provider, Mustang SUD will be able to provide the landowners cost effective water and sewer service, and high quality continuous and adequate water and sewer service.