

Term Sheet: Water Service Agreement

This Term Sheet ("Term Sheet") sets forth the principal terms and conditions for a proposed agreement between **LanZola Reserves LLC** ("LanZola") and the **City of Manor, Texas** ("City") regarding the provision of potable water service and related matters for the property located on Sparks Road, Manor, Texas (Property ID 259142) (the "Property").

This Term Sheet is non-binding and intended solely as a basis for the preparation of an amendment to the Development Agreement at which stage will become legally binding and enforceable.

1. Property Description

Location: Sparks Road, Manor, Texas

Property ID: 259142

Developer: LanZola Reserves LLC and/or assignees

2. Potable Water Service Commitment

The City shall provide potable water service to the Property by the time that the planned watermain extension is completed, with the objective of service being available by December 2026 at latest. Impact Fees will be discussed with the City Council to support an official request. If the commercial site and school site are sold or donated, the impact fees will not be paid by the City for that third-party.

3. Water Capacity Reservation

The City acknowledges and agrees to reserve sufficient water capacity for the Property to support:

- 550 Living Unit Equivalents (LUEs), including fire flow requirements;
- 4 acres of commercial development (approximately 100 LUEs); and
- A future school site (approximately 55 LUEs).

This capacity shall be reserved exclusively for the Property until the completion of the construction of the whole development in the Property.

4. Easement Acquisition

The City shall be responsible for the cost and responsibility of acquiring all easements required to enable construction of the watermain extension. LanZola will provide the City with the relevant easements through its property to enable the City to own, operate and maintain the watermain through the Property.

5. Construction Access and Use of Easements

The City shall grant LanZola the right to construct the required watermain extension across the acquired easements.

6. Design and Construction Responsibilities

LanZola shall be responsible for:

- Completing the detailed design of the watermain;
- Coordinating with its preferred, qualified contractor to construct the watermain at LanZola's sole cost and expense, except as provided below.

The City shall:

- Pay LanZola for the cost of pipework and materials used for the watermain construction, on the agreed terms and conditions that will be detailed out in the Development Agreement;
- Review LanZola's watermain design in an expeditious and cooperative manner; and
- Support the approval process for the design and construction plans.

7. Certificate of Convenience and Necessity (CCN) Transfer

The City agrees to support LanZola in negotiating and obtaining from Aqua WSC a CCN transfer agreement to the City of Manor for the Property (and surrounding areas as needed). Subject to the terms and conditions of such agreement, LanZola will aim to pay for the costs of entering such agreement.

8. Annexation

LanZola shall agree to annex the Property into the City's limits after site plan, platting, and construction plans for the residential development are approved, and before the City is required to begin retail water service to the development.

9. Land Reservation for School and Community Use

LanZola shall reserve a 14-acre portion of the Property (as depicted on the attached plan) for future school and community use.

10. Land Donation Commitment

LanZola shall use commercially reasonable efforts to donate the 14-acre reserved land, in whole or in part, to the City of Manor and/or Manor ISD, subject to further confirmation and provided such donation:

- Is financially viable for the project;
- Does not materially impair the feasibility of the development.

11. Development Agreement Amendment

The City agrees to support an amendment to the previously signed Development Agreement in accordance with the terms of this Term Sheet and will recommend its approval to City Council. The amendment between the parties is to:

- Reflect the provisions of this Term Sheet; and
- Make other mutually agreed, reasonable adjustments to facilitate the proposed development.

12. Development Agreement Amendment

This Term Sheet is intended as the basis for drafting an amendment to the Development Agreement. Except for this Section 12 and any other provisions specifically noted as binding, the contents of this Term Sheet are non-binding and subject to further negotiation and execution of the Definitive Agreement by both parties.

Signatures (for acknowledgement only):

LanZola Reserves LLC

By: _____

Name:

Title:

Date:

City of Manor, Texas

By: Sam Moore

Name: Scott Moore

Title: City Manager

Date: October 13, 2025

Attachment: Site plan indicating 14-acre school/community area

