

**AGREEMENT REGARDING WASTEWATER SERVICE AND  
WITHDRAWAL OF OBJECTIONS TO CREATION OF DISTRICT**

This agreement (“Agreement”) shall set forth the terms between the **CITY OF SANGER, TEXAS** (“Sanger”) and **DENTON 1000 LAND, LP** (“Denton 1000”) regarding wastewater service and the creation of a municipal utility district for an approximately 1,018.43 acre tract commonly known as the “Denton 1000 Tract”, as more particularly described in Exhibit “A” attached hereto. This Agreement is dated effective as of the date upon which all Parties have fully executed and delivered this Agreement (the “Effective Date”). Sanger and Denton 1000 are each a (“Party”) and collectively (the “Parties”).

**RECITALS**

WHEREAS, Denton 1000 filed an application with the Texas Commission on Environmental Quality (“TCEQ”) for the creation of Denton County Municipal Utility District No. 12 (the “District”) on June 24, 2022 and Sanger filed a request for a contested case hearing with TCEQ on December 6, 2022; and

WHEREAS, Denton 1000 filed a streamlined expedited release petition with the Public Utility Commission of Texas (“PUC”) on May 31, 2023, to be released from Sanger’s sewer certificate of convenience and necessity (“CCN”) and the petition was assigned Docket No. 55070; and

WHEREAS, the Parties wish to memorialize their mutual understanding of the obligations of the Parties pertaining to the creation of the District and the provision of retail wastewater service to the District; and

WHEREAS, the Parties wish to withdraw their respective petitions regarding the retail wastewater decertification and the contested case hearing for the creation of the District and avoid further costs incurred by the Parties and in doing so each Party agrees to proceed with the items described in detail below.

**AGREEMENT**

1. Agreements. The Parties hereby agrees as follows:

A. Sanger desires to conduct a wastewater study to determine the facilities and capacity requirements in order for Sanger to provide retail wastewater service to the District. Sanger will engage an appropriate consultant and upon the consent of Denton 1000 proceed to procure the wastewater study. Sanger agrees to share the details and scope of the agreement with Denton 1000; and

B. Within five (5) days of the Effective Date, Sanger agrees to file any necessary documentation to withdraw its opposition to the creation of the District and request for a contested case hearing, by filing any documents required by the TCEQ and the State Office of Administrative Hearings to evidence such withdrawal. Sanger further agrees to not submit any further opposition to the creation of the District; and

C. Within five (5) days of the Effective Date, Denton 1000 agrees to file a withdrawal of the streamlined expedited release petition that was filed with the PUC and assigned Docket No. 55070; and

D. Within thirty (30) days of the completion of the wastewater study, Sanger will provide an affirmative decision to Denton 1000 on the feasibility of Sanger providing wastewater service to the District. If Sanger determines that service is feasible for the District, Sanger shall provide a response to the wastewater service agreement previously submitted by Denton 1000 within fifteen (15) days after communication of such determination; and

E. Denton 1000 will reimburse Sanger for the cost of the wastewater study up to a cap of \$100,000 if (i) Sanger communicates during the time frame above that after consideration of the results of the study they deem service to the District is not feasible, or (ii) after negotiating in good faith toward a wastewater service agreement, either Party communicates to the other that they are unwilling to enter into such agreement. The reimbursement for the wastewater study shall be paid within thirty (30) days after communication of either (i) or (ii) above. In either case, Sanger will not oppose Denton 1000 filing a streamlined expedited release decertification if Sanger does not wish to proceed with wastewater service and Sanger agrees that Denton 1000's costs associated with the wastewater study reimbursement will be considered the adequate compensation to Sanger for the decertification application. Sanger will provide any documentation that is needed in order to demonstrate to the Public Utility Commission of Texas that there is no further compensation owed to Sanger for the decertification.

2. Term. This Agreement shall be effective against all Parties from the Effective Date and until the District is receiving wastewater service.

3. Applicable Law; Venue. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Texas, and all obligations of the Parties are performable in Denton County. Exclusive venue for any action to enforce or construe this Agreement shall be in Denton County.

4. Amendments. Any amendments to this Agreement may be agreed to by all Parties in writing.

5. Events of Default. No Party shall be in default under this Agreement until notice of the alleged failure of such Party to perform has been given in writing (which notice shall set forth in reasonable detail the nature of the alleged failure) and until such Party has been given a reasonable time to cure the alleged failure (such reasonable time to be determined based on the nature of the alleged failure, but in no event more than thirty (30) days after written notice of the alleged failure has been given). 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 and within such 30-day period gives written notice to the non-defaulting Party of the details of why the cure will take longer than thirty (30) days with a statement of how many days are needed to cure.

6. Remedies. If a Party is in default, the aggrieved Party may, at its option and without prejudice to any other right or remedy under this Agreement, seek any relief available at law or in equity, including, but not limited to, an action under the Uniform Declaratory Judgment Act, or actions for specific performance, mandamus, or injunctive relief. NOTWITHSTANDING THE FOREGOING, HOWEVER, NO DEFAULT UNDER THIS AGREEMENT SHALL ENTITLE THE AGGRIEVED PARTY TO TERMINATE THIS AGREEMENT OR LIMIT THE TERM OF THIS AGREEMENT. Failure to file the withdrawals required by this Agreement may be used as evidence to request the withdrawal in any state proceedings if a Party remains in default of this Agreement.

7. Successors and Assigns. This Agreement shall be binding upon the Parties hereto and upon any of the Parties' respective successors and assigns.

8. No Third Party Beneficiaries. This Agreement does not create any third-party benefits to any person or entity other than the named Parties hereto, and is solely for the consideration and purposes herein expressed.

9. Authority; Governmental Immunity. The undersigned representatives covenant that they are fully authorized to sign this Agreement on behalf of their respective Party. This Agreement is executed by the Parties hereto without coercion or duress and for substantial consideration, the sufficiency of which is hereby acknowledged. By its execution of this Agreement, Sanger does not waive or surrender any of its respective governmental powers, immunities, or rights.

10. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable for any reason, then: (a) such unenforceable provision shall be deleted from this Agreement; (b) the unenforceable provision shall, to the extent possible and upon mutual agreement of the Parties, be rewritten to be enforceable and to give effect to the intent of the Parties; and (c) the remainder of this Agreement shall remain in full force and effect and shall be interpreted to give effect to the intent of the Parties.

[signatures on following pages]

Entered into as of the Effective Date.

**DENTON 1000 LAND, LP,**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**CITY OF SANGER, TEXAS**

By: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT A**  
**Metes & Bounds**

**FIELD NOTE DESCRIPTION**

**1018.4296 ACRES**

**BEING** a tract of land situated in the Y. Sanchez Survey, Abstract Number 1136 and the T. Toby Survey, Abstract Number 1287, Denton County, Texas and being all that tract of land conveyed to Eagle Farms, Inc. according to the document field of record in 2005-723315 and being a portion of that tract of land conveyed to John Porter Auto Sales, Inc. according to the document filed of record in Volume 667, Page 572 Real Property Records Denton County, Texas (R.P.R.D.C.T.), said tract of land being more particularly described as follows:

**BEGINNING** at a PK Nail set near the intersection of Miller Road and Hawkeye Road for the northeast corner of said Eagle Farms tract, same being common with the northwest corner of that tract of land conveyed to the Hanna Khraish Family Trust, according to the document filed of record in Instrument Number 2012-147817 (R.P.R.D.C.T.) and being the most northerly northeast corner of this tract;

**THENCE** South 0°48'00" West, leaving said intersection and with the common line of said Eagle Farms and Hanna Khraish tracts, along a fence, passing by a "T" fence intersection at a distance of 2628.6 feet, continuing in all a distance of 3030.04 feet to a metal pipe corner post found at the "T" intersection of fences, for the most northerly northwest corner of the above mentioned John Porter tract and being common with the southwest corner of said Hanna Khraish tract, for an interior "ell" corner of this tract;

**THENCE** South 89°12'17" East, leaving said common corner, along a fence, with the common line of said Porter and Khraish tracts, passing by a "T" fence intersection at a distance of 1578.8 feet, continuing in all a distance of 2642.81 feet to a wooden fence corner post found for a southerly corner of said Hanna Khraish tract, same being common with an interior "ell" corner of said Porter tract and this tract;

**THENCE** North 1°07'48" East, leaving said common corner, along a fence, with the common line of said tracts, a distance of 326.17 feet to a wooden fence corner post found for an interior "ell" corner of said Hanna Khraish tract, same being common with the most westerly northeast corner of said Porter tract and this tract;

**THENCE** South 89°10'37" East, leaving said common corner, with a portion of the south line of said Hanna Khraish tract, same being common with the north line of said Porter tract and this tract, a distance of 649.68 feet to a wooden fence corner post found for the northwest corner of that tract of land conveyed to Mark and Dione Mahan, according to the document filed of record in Instrument Number 2011-34060 Official Public Record Denton County, Texas (O.P.R.D.C.T.) same being common with the most easterly northeast corner of said Porter tract and this tract;

**THENCE** South 0°38'17" East, along a fence and with the east line of said Porter tract and this tract, same being common with the west line of said Mahan tract, the west line

of Whitson Ranch, an addition to Denton County Texas according to the plat filed of record in Instrument Number 99-R0013801 (O.P.R.D.C.T.), the west lines of those tracts of land conveyed to Michael Ellis according to the documents filed of record in Instrument Number 2005-11653 and 2004-75244 (O.P.R.D.C.T.) and the west line of that tract of land conveyed to Deborah Ruth Jernigan, according to the document filed of record in Instrument Number 93-R0036124 (O.P.R.D.C.T.) a distance of 2639.31 feet, passing the end of said fence by 1.3 feet, to a 5/8" iron rod with plastic cap stamped "KHA" set in the north line of that tract of land conveyed to Enderby Gas, Inc. according to the document filed of record in Instrument Number 2002-142529 (O.P.R.D.C.T.) for the southwest corner of said Jernigan tract and being common with an easterly corner of said Porter and this tract;

**THENCE** North 89°32'19" West, leaving said common corner, with said north line, a distance of 153.06 feet to a 1/2" iron rod found for the northwest corner of said Enderby Gas tract and being common with an interior easterly corner of said Porter tract and this tract, from which an "ell" fence corner bears North 89°32'19" West, 1.2 feet;

**THENCE** South 0°02'40" West, with east line of said Porter tract and this tract, same being common with the west line of said Enderby Gas tract, the west line of Lot 1, Block A, H&L Johnson Addition, an addition to Denton County, Texas according to the plat filed of record in Instrument Number 2017-254, (O.P.R.D.C.T.), the west line of that tract of land conveyed to Donald Johnson, according to the document filed of record in Volume 912, Page 685 (R.P.R.D.C.T.) and the west line of that tract of land conveyed to Riley, Ronald Edmon, Inv. Trust & Milton W. Riley Inv. Trust, according to the document filed of record in Instrument Number 2012-1444, (O.P.R.D.C.T.) a distance of 3918.20 feet to a 5/8" iron rod with plastic cap stamped "KHA" set in said common line for the northeast corner of that tract of land conveyed to Jefferey & Danya Pope, according to the document filed of record in Instrument Number 2013-89759 (O.P.R.D.C.T.) for the most easterly southeast corner of this tract;

**THENCE** South 87°02'21" West, with the north line of said Pope tract, same being common with the south line of this tract, a distance of 266.86 feet to a 5/8" iron rod with plastic cap stamped "KHA" set for common corner of said Pope Tract and this tract;

**THENCE** North 71°47'01" West, continuing with said common line, a distance of 327.37 feet to a 5/8" iron rod with plastic cap stamped "KHA" set for the northwest corner of said Pope tract, the most northerly northeast corner of that tract of land conveyed to Elizabeth & Jefferey Anderson according to the document filed of record in Instrument Number 2020-105704 (O.P.R.D.C.T.) and common corner of this tract;

**THENCE** North 71°23'45" West, with the north line of said Anderson tract, same being common with the south line of this tract, a distance of 136.60 feet to a 1/2" iron rod with plastic cap stamped "ALLIANCE" found for the most northerly northwest corner of said Anderson tract, the northeast corner of that tract of land conveyed to Daphine & Tobey Teague according to the document filed of record in Instrument Number 2012-105937 (O.P.R.D.C.T.) and common corner of this tract;

**THENCE** North 67°44'08" West, with the north line of said Teague tract, same being common with the south line of this tract, a distance of 553.58 feet to a 5/8" iron rod with plastic cap stamped "KHA" set for a common corner of said tract;

**THENCE** North 67°34'19" West, a distance of 144.89 feet to a 5/8" iron rod with plastic cap stamped "KHA" set in said common line for a corner of this tract;

**THENCE** leaving said common line, over and across the above mentioned Porter tract the following three (3) courses and distances:

North 0°56'39" East, a distance of 878.89 feet to a 5/8" iron rod with plastic cap stamped "KHA" set for an interior "ell" corner of this tract;

South 89°43'21" West, a distance of 1091.03 feet to a to a 5/8" iron rod with plastic cap stamped "KHA" set for an interior "ell" corner of this tract;

South 0°08'20" East, a distance of 756.22 feet to a to a 5/8" iron rod with plastic cap stamped "KHA" set in the north line of F.M. Highway 1173, same being common with the south line of the above mentioned Porter tract, for an exterior "ell" corner of this tract;

**THENCE** North 61°07'34" West, with said common line, same being common with the south line of this tract, along a fence, a distance of 3209.35 feet to a to a 5/8" iron rod with plastic cap stamped "KHA" set for a southwesterly corner said Porter tract and this tract;

**THENCE** North 35°06'03" West, with the common line of said Porter tract and this tract, a distance of 571.78 feet to a to a 5/8" iron rod with plastic cap stamped "KHA" set in the east line of that tract of land conveyed to Richard Hartin according to the document filed of record in Instrument Number 2006-56778 (O.P.R.D.C.T.) for a southwesterly corner said Porter tract and this tract;

**THENCE** North 0°25'09" West, with a portion of the east line of said Hartin tract, the east line of that tract of land conveyed to Triangle Trust according to the document filed of record in Volume 2434, Page 147 (R.P.R.D.C.T. ), same being common with a west line of said Porter tract and this tract, a distance of 2366.65 feet to a wooden fence corner post found in the south line of the above mentioned Eagle Farms tract, at a point of intersection in a fence, for the northeast corner of said Triangle Trust tract, same being common with the northwest corner of said Porter tract, and being an interior "ell" corner of this tract;

**THENCE** North 89°11'46" West, with a north line of said Triangle Trust tract, same being common with a south line of said Eagle Farms tract and this tract, a distance of 1609.17 feet to a wooden fence corner post found for the southwest corner of said Eagle Farms tract and this tract and being a common interior "ell" corner of said Triangle trust tract;

**THENCE** North 1°36'47" West, with the east line of said Triangle Trust tract, same being the west line of said Eagle Farms tract and this tract, along a fence, a distance of 4449.10 feet to a 60-D Nail set in the above mentioned Hawkeye Road for the northwest corner of said Eagle Farms tract and this tract, from which a wooden fence corner post found on the south side of said road for reference to said corner bears South 1°36'47" East, 16.7 feet;

**THENCE** South 89°08'33" East, along said road, a distance of 4189.46 feet to the **POINT OF BEGINNING** and containing 1,018.4296 acres or 44,362,794 square feet of land, more or less.



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