

RESOLUTION NO. 2022-05R

A RESOLUTION OF THE BOARD OF DIRECTORS OF WYLIE NORTHEAST SPECIAL UTILITY DISTRICT OF COLLIN COUNTY, TEXAS, REPEALING RESOLUTION NO. 2021-02R; APPROVING A THIRD AMENDMENT OF NON-STANDARD SERVICE CONTRACT FOR THE INSPIRATION SUBDIVISION; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Wylie Northeast Special Utility District (the "District") entered into a Non-standard Service Contract by and between and Hanover Property Company, LLC and Lavon 593 Land Investment Partners, L.P. (collectively the "Assignors") dated September 3, 2008 (the "Contract"), to provide water and sewer service to what is now the Inspiration residential subdivision; and

WHEREAS, the Assignors entered into an Assignment of Non-standard Service Contract with Collin County Water Control and Improvement District No. 3 (the "WCID"), effective March 29, 2013, whereby the Assignors sold, transferred, assigned and conveyed to the WCID all of the Assignors' rights, obligations, and duties under the Contract, and the WCID assumed the foregoing rights, obligations, and duties of the Assignors under the Contract; and

WHEREAS, the District approved the Contract assignment from Assignors to the WCID; and

WHEREAS, the District and WCID entered into a First Amendment of Non-standard Service Contract for Inspiration, dated October 14, 2014, adjusting certain payment obligations on the part of the WCID to give the District more flexibility in planning for and constructing certain water Infrastructure required to serve Inspiration; and

WHEREAS, the District and WCID entered into a Second Amendment of Non-standard Service Contract for Inspiration, dated April 12, 2016, related to the District providing solid waste pickup services to residents of Inspiration; and

WHEREAS, on March 22, 2021, the Board of Directors of the District passed Resolution No. 2021-02R approving a third amendment to the Contract that was never executed by the WCID; and

WHEREAS, the District and WCID desire to enter into the attached Third Amendment of Non-standard Service Contract for Inspiration to make further adjustments to certain WCID payment obligations and to increase the number of water service connections for which Water Connection Fees can be collected by Wylie Northeast from the WCID.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF WYLIE NORTHEAST SPECIAL UTILITY DISTRICT THAT:

SECTION 1. Recitals Incorporated. The findings and recitals stated above are incorporated into the body of this Resolution by this reference.

SECTION 2. Repeal Resolution No. 2021-02R. Resolution No. 2021-02R is hereby repealed in its entirety.

SECTION 3. Approval of Third Amendment. The attached Third Amendment of Non-standard Service Contract for Inspiration is hereby approved and the President of the Board is hereby authorized to execute said amendment for and on behalf of the District.

SECTION 4. Effective Date. This Resolution shall become effective from and after its passage by the Board of Directors of the District.

PASSED and ADOPTED on the 9th day of May, 2022, by the Board of Directors of Wylie Northeast Special Utility District.



ATTEST:

A handwritten signature in blue ink, appearing to read "Lance Ainsworth", is written over a horizontal line.

Lance Ainsworth, Secretary,
or Amanda Horst, Assistant Secretary

APPROVED:

A handwritten signature in blue ink, appearing to read "Jimmy C. Beach", is written over a horizontal line.

Jimmy C. Beach, President

APPROVED AS TO FORM:

A handwritten signature in blue ink, appearing to read "James W. Wilson", is written over a horizontal line.

James W. Wilson, Attorney

AFTER RECORDING RETURN TO:
Wylie Northeast SUD
745 Parker Road
Wylie, Texas 75098

THIRD AMENDMENT OF NON-STANDARD SERVICE CONTRACT FOR INSPIRATION

This Third Amendment of Non-standard Service Contract for Inspiration ("Third Amendment") is entered into as an amendment to the Non-Standard Service Contract for Inspiration by and between Wylie Northeast Special Utility District ("Wylie Northeast") and Hanover Property Company, LLC and Lavon 593 Land Investment Partners, L.P. (collectively the "Assignors"), dated September 3, 2008 (the "Contract"), setting forth terms and conditions for Wylie Northeast to provide water and sewer utility service to Inspiration, a residential development being developed on a 592.744 acre tract of land situated in the Leroy Farmer Survey, Abstract No. 334, the Mark Morris Survey, Abstract No. 561, the Orpha Shelby Survey, Abstract No. 799, and the Josiah Turnham Survey, Abstract No. 919, Collin County, Texas (the "Original Property").

WHEREAS, the Assignors entered into an Assignment of Non-Standard Service Contract with Collin County Water Control and Improvement District No. 3, a political subdivision of the State of Texas created under the authority of Article XVI, Section 59, Texas Constitution, and operating under Chapters 49 and 51 of the Texas Water Code (the "WCID"), effective March 29, 2013, whereby the Assignors assigned and conveyed to the WCID all of the Assignors' rights, obligations, and duties under the Contract, and the WCID assumed the foregoing rights, obligations, and duties of Assignors; and

WHEREAS, Wylie Northeast approved the Assignment of Non-Standard Service Contract between the Assignors and the WCID; and

WHEREAS, Wylie Northeast and the WCID entered into a First Amendment of Non-standard Service Contract for Inspiration, dated October 14, 2014 and recorded as Instrument No. 20141031001192090 in the Official Public Records of Collin County, Texas, which adjusted certain payment obligations on the part of the WCID to give Wylie Northeast more flexibility in planning for and constructing certain water Infrastructure required to serve the Property; and

WHEREAS, Wylie Northeast and the WCID entered into a Second Amendment of Non-standard Service Contract for Inspiration, dated April 12, 2016 and recorded as Instrument No. 20160823001107900 of the Official Public Records of Collin County, Texas, related to Wylie Northeast billing residents of Inspiration for solid waste pickup services provided by the WCID; and

WHEREAS, on May 14, 2019 the WCID issued an order adding a 38.693 acre tract of land, more or less, to the Original Property and redefining the WCID's boundaries, which order is recorded as Instrument No. 20190516000549330 in the Official Public Records of Collin County, Texas ("Order #1"); and

WHEREAS, on January 11, 2022 the WCID issued an order adding a 73.159 acre tract of land, more or less, to the Original Property and the land described in Order #1, and also redefining the WCID's boundaries, which order is recorded as Instrument No. 20220113000072740 in the Official Public Records of Collin County, Texas ("Order #2"); and

WHEREAS, the Original Property and the lands described in Order #1 and Order #2 will hereinafter be collectively referred to as the "Property"; and

WHEREAS, Paragraph 7.01 of the Contract authorizes the WCID to expand the Project by annexing land into the WCID (i) provided such land is located within Wylie Northeast's certificated water and sewer service areas or (ii) provided such land may legally be served by Wylie Northeast if located outside its certificated service areas; and

WHEREAS, the WCID acknowledges and agrees that Wylie Northeast may further modify previously approved water Infrastructure projects and related estimated costs as reasonably necessary to accommodate any increased service demands resulting from Project expansion; and

WHEREAS, Wylie Northeast and the WCID (hereinafter collectively referred to as the "parties") desire to enter into this Third Amendment to (i) to modify a previously agreed to water Infrastructure projects list to serve an expanded Project (defined in the Contract) on the Property and to adjust certain WCID payment obligations to better accommodate the pace of development, (ii) to increase in the number of water service connections for which Water Connection Fees may be collected by Wylie Northeast from the WCID, and (iii) to update party contact information for giving notice under the Contract.

NOW, THEREFORE, know all men by these presents, that for and in consideration of the premises, and other good and valuable consideration, the receipt of which is hereby acknowledged by the parties, Wylie Northeast and the WCID, agree as follows:

1. Modification of Proposed Water Infrastructure Projects and Costs. Attached hereto as Exhibit "A" is a modified and updated table of the proposed water Infrastructure projects and related estimated costs that Wylie Northeast's engineer has determined are reasonably necessary to provide the level of service required to serve the expanded Project. By executing this Third Amendment, the WCID acknowledges and agrees that the proposed water Infrastructure projects described in Exhibit "A" are reasonable and necessary to serve the Property and expanded Project.

2. Expanded Water Service Connections and Fees. Paragraph 1.06(a) of the Contract is hereby amended, replaced and restated in its entirety to read as follows:

"1.06 Connection Fees, Deposits, and Other Service Fees.

(a) Water Service. Wylie Northeast will charge the WCID a Water Connection Fee of \$4,100.00 per connection for the initial 1513 water service connections on the Property and then a Water Connection Fee of \$385.00 for each subsequent service connection until build-out or for a

period of twenty (20) years, whichever occurs first, which amounts include a standard residential meter to be installed by Wylie Northeast at each lot in the Project. The WCID will install a meter vault, tap, meter riser with appurtenances, and service line for all service connections during construction of the on-site distribution system portion of the water Infrastructure. In addition to Water Connection Fees, the WCID shall pay a Deposit to Wylie Northeast for each water service connection. Wylie Northeast will refund the Deposit, less outstanding charges for any water usage at standard rates, within a reasonable time after Wylie Northeast receives a completed application for permanent service and Deposit payment from the ultimate purchaser of each lot. For every water service connection on the Property, Developer shall be responsible for all water usage charges prior to the establishment of permanent service to the ultimate purchaser."

3. Updated Party Information for Notice. Paragraph 7.02 of the Contract is hereby amended, replaced and restated in its entirety to read as follows:

"7.02 Notice.

(a) Every notice to be given under this Contract must be in writing and may be delivered to the other party (i) by personal delivery with receipt, (ii) by commercial delivery service, (iii) by electronic mail, or (iv) by certified mail, return receipt requested, to the corresponding address below:

To Wylie Northeast:

*Wylie Northeast SUD
Attn: General Manager
745 Parker Road
Wylie, Texas 75098
Phone: (972) 442-2075
Email: chester@wylie-northeastwater.com*

with a copy to:

*The Law Office of James W. Wilson
Attn: James W. Wilson
103 W. Main Street
Allen, Texas 75013
Phone: (972) 727-9904
Email: jwilson@jww-law.com*

To the WCID:

*Collin County WCID No. 3
Attn: Coats Rose, P.C.
14755 Preston Road, Suite 600*

Dallas, Texas 75254
Attn: Mindy Koehne
Email: mkoehne@coatsrose.com

with a copy to:

Huffines Communities
Attn: Barry Jameson
724 Savannah Blvd.
Savannah, Texas 76227
Email: bjameson@huffinescommunties.com

(b) *Delivery by certified mail or commercial delivery service shall be complete upon deposit of the document, postpaid and properly addressed, in the mail or with a commercial delivery service. Delivery by other permissible means shall be complete upon receipt by the party being notified. Either party may change or add a delivery or mailing address, or electronic mail address for receiving notice by giving written notice of the changes to the other party in accordance with the provisions of this paragraph."*

4. Miscellaneous.

(a) Except as expressly modified by this Third Amendment, all terms and provisions of the Contract as previously amended are hereby ratified and confirmed and shall remain in full force and effect.

(b) All capitalized terms used in this Third Amendment shall have the same meanings given to them in the Agreement, unless otherwise expressly provided in this Third Amendment.

(c) This Third Amendment is solely for the benefit of the parties to this Third Amendment and their assignees.

(d) This Third Amendment may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall be deemed one and the same agreement. This Third Amendment is executed on the respective dates of acknowledgment set forth below and shall be effective as of the latest date of acknowledgment set forth below.

(e) All recitals in the preamble of this Third Amendment are incorporated herein as if set forth in full.

SIGNATURE PAGES TO FOLLOW

EXECUTED on this the _____ day of _____, 2022.

WYLIE NORTHEAST SPECIAL UTILITY DISTRICT,
a political subdivision of the State of Texas

By: _____
Jimmy C. Beach, President

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

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

Given under my hand and seal of office this _____ day of _____, 2022.

Notary Public, State of Texas

EXECUTED on this the _____ day of _____, 2022.

COLLIN COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NO. 3, a political
subdivision of the State of Texas

By: _____
Tommy Thomas, President

STATE OF TEXAS §
 §
COUNTY OF _____ §

BEFORE ME, the undersigned authority, on this day personally appeared Tommy Joe Thomas, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act of Collin County Water Control and Improvement District No. 3, as its President, for the purposes and consideration therein expressed.

Given under my hand and seal of office this _____ day of _____, 2022.

Notary Public, State of Texas