

**FIRST AMENDMENT TO CAPITAL IMPROVEMENT AGREEMENT
FOR SANITARY SEWER SERVICE**

This First Amendment to Capital Improvement Agreement for Sanitary Service (this “Amendment”) is entered into by and between the CITY OF SEGUIN, TEXAS (the “City”) and LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD., a Texas limited partnership, (the “Developer”), and is dated effective March 17, 2025 (the “Effective Date”). Developer and City also referred to individually as a “Party” and collectively, as the “Parties”).

WHEREAS, Developer desires to add an additional approximate _____ acre tract of land located in Guadalupe County, Texas (the “Navarro Ranch Addition (Kohlenberg Tract)”) on the attached Exhibit 1, upon which the Developer intends to build an additional 364 single family residential structures and other facilities that would require access to sanitary sewer.

WHEREAS, City and Developer desire to provide a mechanism to ensure that City sanitary sewer services are made to the Navarro Ranch Addition (Kohlenberg Tract) along with the original Developer Property as previously described in the Agreement, as well as, further added to the description for the overall Project.

WHEREAS, City owns a Wastewater Utility that is capable of serving the Navarro Ranch Addition (Kohlenberg Tract) as well as the surrounding area, including without limitation, the original Developer Property previously described in the Agreement as further described in Navarro Ranch Lift Sta - FM Expansion Exhibit-overall Exhibit 2.

WHEREAS, the Parties have agreed to make certain modifications to that certain Capital Improvement Agreement for Sanitary Sewer Service, dated July 19, 2019 Resolution No. 2019R - 064 (the “Agreement”) and have agreed to memorialize the same in this Amendment. Capitalized terms used herein and not defined shall have the same definitions ascribed to such terms in the Agreement.

WHEREAS, the “Offsite Project” contemplated by this Amendment to the Agreement shall consist of a sanitary sewer improvement as detailed on the attached Exhibit 2. Improvements shall include expansion of the Navarro Ranch Lift Station by adding a third 1,939 gpm pump in the available slot and addition of a new 12-inch force main parallel to the existing 12-inch force main. Said improvements shall not be constructed in phases. Because the City is requesting upgrades in excess of the Development’s need, Developer will be entitled to be reimbursed for the actual incurred cost for the upsizing required by the City. Reimbursement shall be made from impact fees charged at the time plats are recorded for each unit within the development.

NOW, THEREFORE, NOTWITHSTANDING anything to the contrary contained in the Agreement, City and Developer, in consideration of the mutual promises, covenants and agreements set forth in this Agreement, hereby agree as follows:

1. 1. Engagement of Engineer. Developer agrees to contract for and pay for all third-party engineering services needed for construction of the Offsite Project including, without limitation, the preliminary design, final design, bidding, the surveying, construction administration, and warranty inspection phases for the Onsite Project and Offsite Project.

The engineer engaged by Developer (the “Project Engineer”) must be a professional engineer registered in the State of Texas.

2. Oversizing and System Upgrades.

- a. The City has directed that the existing Navarro Ranch Lift Station be expanded by adding a third 1,939 mgp pump in an available slot and the addition of a new 12-inch force main parallel to the existing 12-inch force main for the purpose of facilitating the City’s provision of services in the sewer shed area (and not for the purpose of providing additional capacity to Developer’s tracts). The preliminary estimated cost of Offsite Project constructed to serve the Navarro Ranch Addition (Kohlenberg Tract) is \$1,081,908 and the preliminary estimated cost for oversizing the Offsite Project as determined by the Project Engineer is \$1,566,728. Both estimated costs are shown on the attached Exhibit 3.
 - i. This cost will be validated at design completion prior to construction and again at project completion with acceptance.
 - ii. The cost of reimbursement will be determined based on the actual accrued construction costs of the upsized line. The cost for the theoretical development need line used for reimbursement will be determined via contractor estimate and signed and sealed Engineer’s Opinion of Probable Costs.

3. Engineer’s Services. Developer will ensure that all construction work on the Offsite Project is performed under the supervision and oversight of the Project Engineer, including the following:

- a. The Project Engineer will coordinate the design and construction of the Offsite Project with the City.
- b. The Project Engineer shall be responsible for a survey of the proposed alignment, along with obtaining a metes and bounds description to be used for easement purchase(s).
- c. The Project Engineer will prepare plans and specifications for the Offsite Project in accordance with City design and construction standards and with applicable laws and regulations and submit them to the City for review. The Project Engineer will assist Developer in obtaining all necessary permits for the Offsite Project from authorities having jurisdiction over the work.
- d. The Project Engineer will perform periodic inspections of work on the Offsite Project in progress at least monthly throughout the construction period and will coordinate the inspections with the City. The Project Engineer shall also be responsible for ensuring compliance with all required testing and inspections pursuant to the Texas Commission on Environmental Quality design criteria as amended.
- e. The City’s Engineer or delegate will conduct inspections to determine the dates of substantial completion and final completion for the Offsite Project and make a written recommendation to the City regarding the acceptance of the Offsite Project.

4. Plans and Plan Approval.
 - a. Upon completion of the plans for the Offsite Project, prior to seeking a construction contractor, Developer shall provide the City Engineer a copy of the plans for the Offsite Project.
 - b. The City Engineer shall review the initial plans for the Offsite Project and submit comments to the Project Engineer.
 - c. The Project Engineer shall address the City Engineer's comments and submit the revised plans to the City Engineer for final approval.
5. Construction. Developer will ensure that the construction of the Onsite Project and Offsite Project is performed in accordance with the following:
 - a. Developer will obtain bids from at least three contractors and then submit all bids, indicating the bid selected by the Developer to the City Engineer prior to approval of the contractor.
 - b. Developer will require the contractor to obtain a performance bond and a payment bond in the full amount of the construction contract from the contractor, naming Developer and the City as obligees.
 - c. Developer will require the contractor to maintain commercial general liability insurance coverage for all of its operations and those of its subcontractors, and all persons engaged in work on the site must be covered by workers' compensation insurance as set forth in the attached Exhibit 6.
 - d. Developer will cause all necessary licenses and permits for the Offsite Project to be obtained from authorities having jurisdiction over the work and pay all fees related to such permits.
 - e. Developer will require the contractor to construct the Offsite Project in a good and workmanlike manner and in accordance with the plans and specifications for the facilities prepared by the Project Engineer and approved by the City Engineer.
6. Additional Developer Property. Developer hereby agrees to add the Additional Developer Property, as described and shown on Exhibit 1, which shall provide for an additional 364 single family residential structures and other facilities that would need access to the sanitary sewer services as described in the Agreement, as amended hereby.
7. Reservation of Wastewater Capacity. Section 9 of the Agreement is hereby amended to provide that an additional 364 LUEs are added to the total number reserved by Developer under the original Agreement to accommodate the Additional Developer Property.
8. Developer Expansion of Existing Wastewater Facilities/Reimbursement to Developer. To accommodate the additional capacity needed to provide the expanded service for the additional LUEs and 364 residential structures, Developer shall expand, upsize and improve the existing Navarro Ranch wastewater facilities by installing the additional wastewater improvements recommended by the City, as further depicted in Exhibit 2, attached hereto ("Work"). Per the calculations on Engineer's Opinion of Probable Construction Costs in Exhibit 3, upon completion of the Work by Developer and acceptance of the Work by the City, Developer and City shall share in the cost of the Work with the City being responsible for upsize cost of the Work and Developer being responsible the cost of minimum need to service the Development. Accordingly, the City agrees to reimburse the Developer via impact fees as per Section 10 "Reimbursement".

9. Dedication to Seguin. Developer agrees to dedicate, grant, and convey to the City all rights, title and interest of Developer in both the offsite and onsite utility infrastructure that Developer constructs under this Agreement, and to dedicate, grant, and convey to the City easements for such utility infrastructure on the Developer Property. Upon written acceptance of offsite and onsite utility infrastructure by the City, the infrastructure shall be owned, operated, and maintained by the City.
10. Reimbursement of Cost of Project. Developer shall be reimbursed for Offsite Project expenses for size of utility required to serve the Developer Property through impact fee credits and payment of impact fee collected by other users of the Offsite Project on Developer Property. Developer understands and agrees that impact fee credits may not fully compensate Developer for this portion of the costs of the Offsite Project. Impact fee credits will be based upon Section 102-364 of the City's Ordinance and the impact fee assessed at the time a final plat is recorded. The City shall, pay said collected fees to Developer until full reimbursement per this Agreement has occurred after the Project Engineer has submitted to the City an itemization of the actual construction costs due to the oversizing for the Offsite Project.
11. Connection Fee. The City has established a connection fee, separate from the wastewater impact fee, for connections to all of the City sanitary sewers, including the Projects. This fee shall not be waived by the City.
12. Contingencies. The Developer Property intended to be served by the Reserved Capacity in the Project is subject to subdivision platting and zoning approvals by the City that will affect the use of the Developer Property and the need for utility facilities. Developer shall file all required applications for such approvals and shall pursue the approval of the applications. In the event that a (i) platting or zoning approval requested by Developer or a subsequent owner of the Developer Property is not approved or is finally denied prior to the completion of the Offsite Project or (ii) Developer does not acquire the Developer Property and Developer has not yet executed the construction contracts for the Offsite Project, Developer or the then owner of the Developer Property may terminate this Agreement by giving written notice to the City. The termination of this Agreement will take effect ten (10) days after the date Developer delivers the notice to the City.
13. Applicable Laws; Impact Fees. This Agreement and the provision of wastewater service through the Project are subject to all valid and applicable ordinances, fees (including City wastewater impact fees), rules, regulations, and laws of all governmental agencies having lawful jurisdiction over them.
14. Entire Agreement; Assignment. This Agreement constitutes the entire agreement between the Parties hereto with respect to the Offsite Project and may be amended only by a written document signed by the Parties. This Agreement shall be binding upon the successors and permitted assigns of the Parties. Developer may assign all or part of its rights and/or obligations under this Agreement to a purchaser of all or part of the Developer Property, or to a lender providing financing for all or part of the Offsite Project costs, without the consent of the City; however, such an assignment is not valid unless Developer delivers

written notice of the assignment to the City. Any other assignment by a Party of rights or obligations under this Agreement will require the written approval of the other Party.

15. Authority of Signatories. Each of the persons executing this Agreement represents that he or she has full power and authority to execute this Agreement on behalf of the Party that person represents.
16. Notice. Notices required by this Agreement will be provided by the Parties to one another by certified mail, return receipt requested, or by confirmed facsimile transmission, to the following addresses:

To the City: City Manager
City of Seguin
205 N. River Street
Seguin, TX 78155

To: Developer: LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD., d/b/a
Friendswood Development Company, a Texas limited partnership
100 NE Loop 410, Suite 1155,
San Antonio, TX 78216

If a Party changes its address or facsimile number for notice purposes, it will provide written notice of the new address to the other Parties within ten (10) days of the change.

17. Venue; Governing Law. This Agreement shall be construed and enforced according to the laws of the State of Texas; and exclusive venue for any legal action arising under this Agreement shall lie in Guadalupe County, Texas.
18. Third Parties. It is the express intention of the Parties that the terms and conditions of this Agreement may be enforced by either Party to the Agreement but not by any third party or alleged third-party beneficiary.

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

19. Dispute Resolution. Except as otherwise specifically set forth herein, the Parties shall work together in good faith to resolve any controversy, dispute or claim between them which arises out of or relates to this Agreement, whether stated in tort, contract, statute, claim for benefits, bad faith, professional liability or otherwise ("Claim"). If the Parties are unable to resolve the Claim within thirty (30) days following the date in which one party sent written notice of the Claim to the other party, and if a party wishes to pursue the Claim, such Claim shall be addressed through non-binding mediation. A single mediator engaged in the practice of law, who is knowledgeable about subject matter of this Contract, shall be selected by agreement of the parties and serve as the mediator.

Any mediation under this Contract shall be conducted in Guadalupe County, Texas. The mediator's fees shall be borne equally between the parties. Such non-binding mediation is a

condition precedent to seeking redress in a court of competent jurisdiction, but this provision shall not preclude either party from filing a lawsuit in a court of competent jurisdiction prior to completing a mediation if necessary to preserve the statute of limitations, in which case such lawsuit shall be stayed pending completion of the mediation process contemplated herein. This provision shall survive the termination of the Contract.

20. Severability. The provisions of this Agreement are severable, and if any word, phrase, clause, sentence, paragraph, section, or other part of this Agreement or the application thereof to any person or circumstance is ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Agreement to other persons or circumstances will not be affected thereby and this Agreement will be construed as if such invalid or unconstitutional portion had never been contained therein.
21. Entire Agreement. This Amendment together with the Agreement represents the entire agreement of the parties. There are no oral agreements.
22. Ratification. Except as amended hereby, the Agreement, remains in full force and effect. Seller and Purchaser acknowledge that this Amendment and the Agreement together evidence their agreement with respect to the sale and purchase of the Property, and they ratify and confirm the terms and conditions of the Agreement, as amended hereby.
23. Conflict. In the event of a conflict between the provisions of this Amendment and the Agreement, the former controls over the latter. All defined terms in the Agreement have the same meaning in this Amendment.

EXECUTED, effective as of the Effective Date first set forth above.

CITY:

CITY OF SEGUIN, TEXAS

By: _____
_____, City Manager

Dated: _____

DEVELOPER:

LENNAR HOMES OF TEXAS LAND AND
CONSTRUCTION, LTD., d/b/a Friendswood

Development Company, a Texas limited
partnership

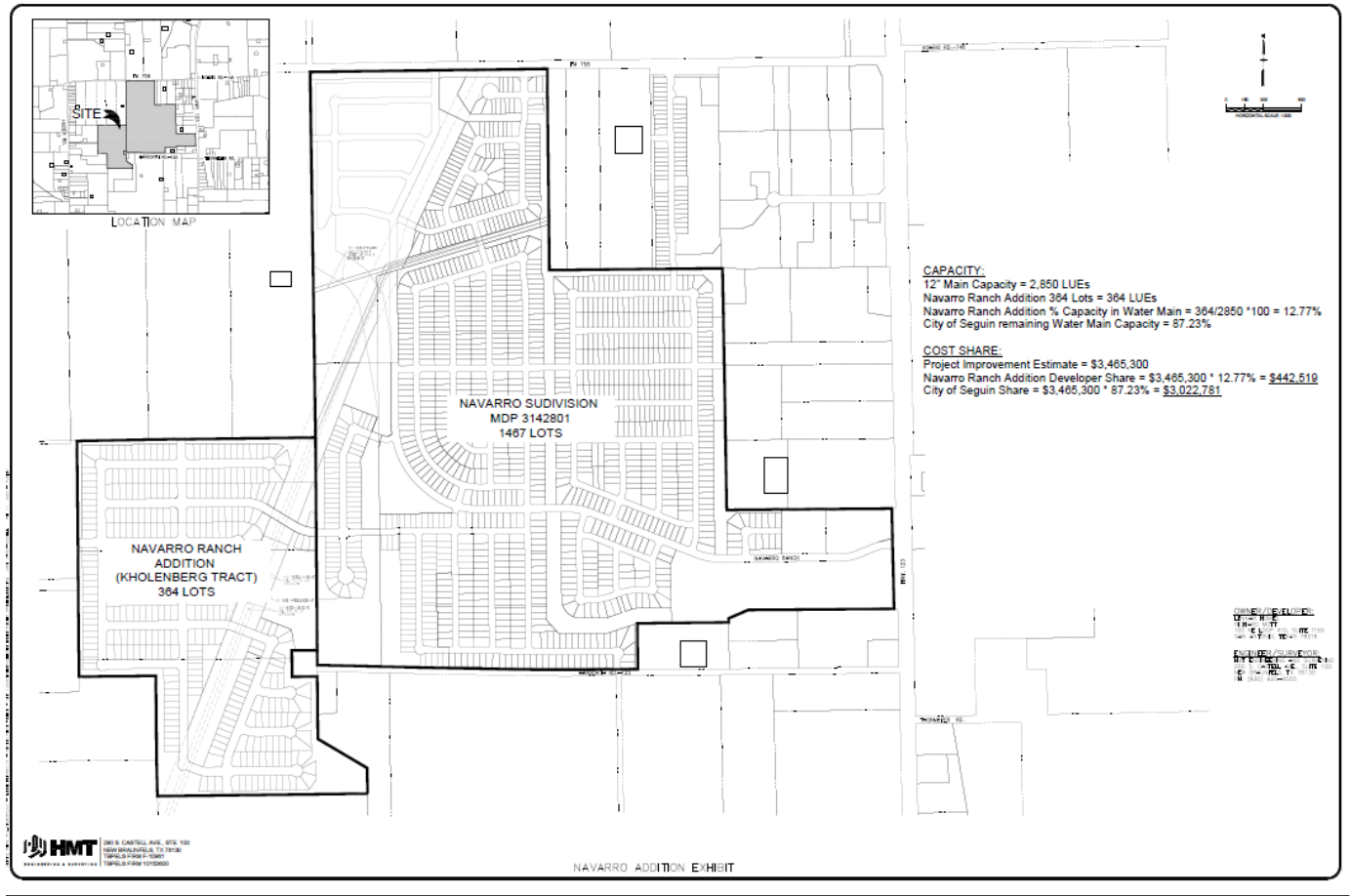
By: U.S. Home LLC, a Delaware limited liability
company, its General Partner

By: _____
Brian Barron, Vice President

Dated: _____

EXHIBIT 1

Legal Description of the Additional Developer Property



**First Amendment to Capital Improvement
Agreement for Sanitary Sewer Service – Navarro
Ranch Addition (Kohlenberg Tract)**

City of Seguin Lift Station – FM Expansion Exhibit



EXHIBIT 3 Engineer's Opinion of Probable Construction Costs

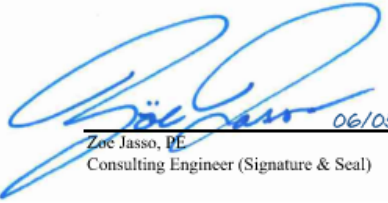
Opinion of Probable Cost **Kohlenberg Tract Sewer Service Improvements Comparison**

6/2/2025
0% Design

Summary	6" Force Main Subtotal	12" Force Main Subtotal	Δ
SW3P & Sitework	\$ 190,354.50	\$ 190,354.50	\$ -
Force Main	\$ 632,340.00	\$ 1,015,653.00	\$ 383,313.00
Lift Station/Pump	\$ 75,000.00	\$ 160,000.00	\$ 85,000.00
Electrical Instrumentation and Control	\$ 163,000.00	\$ 170,000.00	\$ 7,000.00
Bonds, Mobilization, Insurance	\$ 21,213.89	\$ 30,720.15	\$ 9,506.26
TOTAL	\$ 1,081,908	\$ 1,566,728	\$ 484,819


Exclusions

Impact Fees
Boring
Street Repair



06/05/2025

Zoe Jasso, PE
Consulting Engineer (Signature & Seal)



First Amendment to Capital Improvement
Agreement for Sanitary Sewer Service – Navarro
Ranch Addition (Kohlenberg Tract)

**0% Design OPC
Kohlenberg Tract 6" Force Main and Pump**

05.30.2025
Job No. 337,116

NO.	DESCRIPTION	UNIT OF MEASURE	APPROX. QUANTITIES	UNIT PRICES	COST
SWSP & Sitework					
1	Clearing & Grubbing	SY	48,416	\$ 2.00	\$ 96,832.00
2	Stabilized Construction Entrance	EA	3	\$ 2,000.00	\$ 6,000.00
3	Revegetation	SY	48,416	\$ 1.25	\$ 60,522.50
4	Silt Fence	LF	9,000	\$ 3.00	\$ 27,000.00
SUBTOTAL					\$ 190,354.50
NO.	DESCRIPTION	UNIT OF MEASURE	APPROX. QUANTITIES	UNIT PRICE	COST
Force Main					
1	6" DR 18 Force Main	LF	8715	\$ 37.40	\$ 325,941.00
2	6" Plug Valve W/ Box	EA	18	\$ 1,400.00	\$ 25,200.00
3	Pipe Fittings	TON	0.6	\$ 6,870.00	\$ 4,122.00
4	Air Release Valve	EA	9	\$ 5,600.00	\$ 50,400.00
5	Connect to Existing Lift Station	EA	1	\$ 2,500.00	\$ 2,500.00
6	TV Inspection of Sewer Main	LF	8715	\$ 2.00	\$ 17,430.00
7	Mandrel and Vacuum Testing	LF	8715	\$ 4.80	\$ 41,832.00
8	Trench Excavation & Protection	LF	8715	\$ 1.00	\$ 8,715.00
9	Force Main Testing	LS	1	\$ 50,000.00	\$ 50,000.00
10	Tie Into Existing Manhole	EA	1	\$ 5,000.00	\$ 5,000.00
11	Discharge Manifold & Appurtenances	LS	1	\$ 101,200.00	\$ 101,200.00
SUBTOTAL					\$ 632,340.00
NO.	DESCRIPTION	UNIT OF MEASURE	APPROX. QUANTITIES	UNIT PRICES	COST
Lift Station/Pump					
1	Single 350 GPM Pump	EA	1	\$ 70,000.00	\$ 70,000.00
2	Exfiltration Testing	LS	1	\$ 5,000.00	\$ 5,000.00
SUBTOTAL					\$ 75,000.00
NO.	DESCRIPTION	UNIT OF MEASURE	APPROX. QUANTITIES	UNIT PRICES	COST
Electrical Instrumentation and Control					
1	Electrical Instrumentation and Controls	LS	1	\$ 57,000.00	\$ 57,000.00
2	Generator Upgrade	EA	1	\$ 75,000.00	\$ 75,000.00
3	Grounding	LS	1	\$ 11,000.00	\$ 11,000.00
4	Pump Communications	LS	1	\$ 20,000.00	\$ 20,000.00
SUBTOTAL					\$ 163,000.00
NO.	DESCRIPTION	UNIT OF MEASURE	APPROX. QUANTITIES	UNIT PRICES	COST
Bonds, Mobilization, Insurance					
1	Bonds, Mobilization, Insurance	%	2.00%	\$ 1,060,694.50	\$ 21,213.89
SUBTOTAL					\$ 21,213.89

First Amendment to Capital Improvement
Agreement for Sanitary Sewer Service – Navarro
Ranch Addition (Kohlenberg Tract)

0% Design OPC
Kohlenberg Tract 12" Force Main and Pump

Job No. 05.30.2025
337.116

NO.	DESCRIPTION	UNIT OF MEASURE	APPROX. QUANTITIES	UNIT PRICES	COST
SWIP & Sitework					
1	Clearing & Grubbing	SY	48,416	\$ 2.00	\$ 96,832.00
2	Stabilized Construction Entrance	EA	3	\$ 2,000.00	\$ 6,000.00
3	Revegetation	SY	48,418	\$ 1.25	\$ 60,522.50
4	Silt Fence	LF	9,000	\$ 3.00	\$ 27,000.00
SUBTOTAL					\$ 190,354.50
NO.	DESCRIPTION	UNIT OF MEASURE	APPROX. QUANTITIES	UNIT PRICE	COST
Force Main					
1	12" DR 18 Force Main	LF	8715	\$ 78.00	\$ 679,770.00
2	12" Plug Valve W/ Box	EA	18	\$ 2,580.00	\$ 46,440.00
3	Pipe Fittings	TON	1.8	\$ 6,870.00	\$ 12,366.00
4	Air Release Valve	EA	9	\$ 5,600.00	\$ 50,400.00
5	Connect to Existing Lift Station	EA	1	\$ 2,500.00	\$ 2,500.00
6	TV Inspection of Sewer Main	LF	8715	\$ 2.00	\$ 17,430.00
7	Mandrel and Vacuum Testing	LF	8715	\$ 4.80	\$ 41,832.00
8	Trench Excavation & Protection	LF	8715	\$ 1.00	\$ 8,715.00
9	Force Main Testing	LS	1	\$ 50,000.00	\$ 50,000.00
10	Tie Into Existing Manhole	EA	1	\$ 5,000.00	\$ 5,000.00
11	Discharge Manifold & Appurtenances	LS	1	\$ 101,200.00	\$ 101,200.00
SUBTOTAL					\$ 1,015,653.00
NO.	DESCRIPTION	UNIT OF MEASURE	APPROX. QUANTITIES	UNIT PRICES	COST
Lift Station/Pump					
1	Single 1939 GPM Pump	EA	1	\$ 155,000.00	\$ 155,000.00
2	Exfiltration Testing	LS	1	\$ 5,000.00	\$ 5,000.00
SUBTOTAL					\$ 160,000.00
NO.	DESCRIPTION	UNIT OF MEASURE	APPROX. QUANTITIES	UNIT PRICES	COST
Electrical Instrumentation and Control					
1	Electrical Instrumentation and Controls	LS	1	\$ 64,000.00	\$ 64,000.00
2	Generator Upgrade	EA	1	\$ 75,000.00	\$ 75,000.00
3	Grounding	LS	1	\$ 11,000.00	\$ 11,000.00
4	Pump Communications	LS	1	\$ 20,000.00	\$ 20,000.00
SUBTOTAL					\$ 170,000.00
NO.	DESCRIPTION	UNIT OF MEASURE	APPROX. QUANTITIES	UNIT PRICES	COST
Bonds, Mobilization, Insurance					
1	Bonds, Mobilization, Insurance	%	2.00%	\$ 1,536,007.50	\$ 30,720.15
SUBTOTAL					\$ 30,720.15

First Amendment to Capital Improvement
Agreement for Sanitary Sewer Service – Navarro
Ranch Addition (Kohlenberg Tract)