

**LIMITED PURPOSE ASSIGNMENT OF AN INTEREST IN
CAPITAL IMPROVEMENT AGREEMENT FOR SANITARY SEWER SERVICE**

THE STATE OF TEXAS §
 §
COUNTY OF GUADALUPE §

This Limited Purpose Assignment of an Interest in Capital Improvement Agreement for Sanitary Sewer Service (this “Assignment”) is executed to be effective as of the last date of execution below (the “Effective Date”), between **LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD.**, a Texas limited partnership (“Assignor”), and **LONE OAK FARM MUNICIPAL UTILITY DISTRICT**, a Texas conservation and reclamation district (“Assignee” or “District”). In this Assignment, the Assignor and Assignee are sometimes referred to individually as a “Party” and collectively as the “Parties”.

RECITALS

A. Assignor and the City of Seguin (“City”) are parties to that certain “Capital Improvement Agreement for Sanitary Sewer Service” dated effective as of July 19, 2019 (the “Service Agreement”) setting forth the terms and conditions pursuant to which Assignor agreed to construct certain capital improvements to the City’s organized wastewater system required for the provision of retail wastewater service to the lands described therein, and the City agreed to reserve capacity in City’s wastewater system for the provision of retail wastewater service by City to future customers within the lands. A true and correct copy of the Service Agreement is attached as Exhibit “A” hereto;

B. The lands that are the subject of the Service Agreement are located within the boundaries of the District, and the District had not yet been created at the time of execution of the Service Agreement.

C. Section 552.014(b) of the Texas Local Government Code authorizes a municipality to enter into a contract with a water district under which the district will acquire for the benefit of and convey to the municipality, either separately or together, one or more projects. The statute provides that in connection with the acquisition, the district shall improve, enlarge, or extend the existing municipal facilities as provided by the contract.

D. Assignor desires to assign an interest in the Service Agreement to Assignee so that the Service Agreement will qualify as an agreement between the Assignee and City for purposes of Section 552.014(b) of the Texas Local Government Code to facilitate the issuance of bonds by Assignee to reimburse Assignor’s eligible costs and expenses with bond proceeds (the “Limited Purpose”);

Therefore, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

1. Statement of Intent. It is the intent of the Parties in entering into this Assignment that the Service Agreement qualify as an agreement between Assignee and City for purposes of Section 552.014(b) of the Texas Local Government Code to facilitate the issuance of bonds by Assignee to reimburse eligible costs and expenses funded by Assignor under the Service Agreement. Assignor will retain all rights to the reservation of wastewater capacity and retail wastewater service from City under the terms and conditions set forth in the Service Agreement, and shall remain responsible for performance of all duties and obligations of Assignor under the Service Agreement. This Assignment is intended to make clear that in connection with the performance of its duties under the Service Agreement, Assignor is doing so for and on behalf of Assignee so that the facilities may be conveyed to City by or on behalf of Assignee pursuant

to Section 552.014(b) of the Texas Local Government Code. Nothing in this Assignment shall be construed to authorize Assignee to exercise any rights, or to impair Assignor's rights to receive wastewater service from City under the Service Agreement.

2. Assignment. Subject to the terms of this Assignment, Assignor hereby transfers and assigns an interest in the Service Agreement to Assignee making Assignee a party to the Service Agreement for the Limited Purpose and Assignor shall continue to retain its rights, and shall continue to be obligated to perform all duties and obligations, under the Service Agreement on behalf of the District.

3. Responsibility for Performance. Assignor shall remain responsible for the performance of all duties and obligations of "Developer" under the Service Agreement, it being the intention of the Parties that Assignor shall exercise such duties and obligations on behalf of the District including, without limitation, the following:

(a) Assignor shall be solely responsible and liable for the payment of all fees, charges and costs of the "Developer" to City under the Service Agreement, and such payment shall be made on behalf of Assignee;

(b) Assignor shall be solely responsible for the funding, design and construction, and warranty obligations, of the "Developer" for all facilities constructed under the Service Agreement on behalf of Assignee;

(c) Assignor shall be responsible for the conveyance of all real property interests to City that "Developer" is obligated to convey under the Service Agreement, and shall provide such conveyances on behalf of Assignee; and

(d) Assignor shall be responsible for any all "Developer" payments arising under and in connection with the Service Agreement, which payments shall be made on behalf of Assignee.

Assignee is not assuming any duties or obligations under the Service Agreement under this Assignment, and Assignor shall continue to perform all such duties and obligations on behalf of the Assignor.

4. Conveyance of Facilities. All off-site and on-site wastewater facilities constructed by Assignor under the Service Agreement shall be conveyed to City in accordance with the terms of Paragraph 11 of the Service Agreement. The Parties agree that the facilities constructed by Assignor may be conveyed to Assignee, which must immediately convey the facilities to City, or may be conveyed directly by Assignor to City on behalf of Assignee. The Parties agree that any conveyance of facilities by Assignor directly to City (either prior to or after the effective date of this Assignment) are made by Assignor to City on behalf of Assignee for purposes of Section 552.014(b) of the Texas Local Government Code, and that Assignee's obligation to reimburse Assignor for all eligible costs and expenses funded by Assignor shall survive each conveyance.

5. Execution. To facilitate execution, this Assignment may be executed in any number of counterparts, and it will not be necessary that the signatures of all Parties be contained on any one counterpart. Additionally, for purposes of facilitating the execution of this Assignment, the signature pages taken from separate, individually executed counterparts of this Assignment may be combined to form multiple fully executed counterparts and a facsimile signature will be deemed to be an original signature for all purposes. All executed counterparts of this Assignment will be deemed to be originals, but such counterparts, when taken together, will constitute one and the same instrument.

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EXECUTED on the date or dates set forth below.

ASSIGNOR:

**LENNAR HOMES OF TEXAS LAND AND
CONSTRUCTION, LTD.,**

a Texas limited partnership

By: U.S. Home LLC, a Delaware limited liability
company (as successor-in-interest by conversion
from U.S. Home Corporation, a Delaware
corporation), its General Partner

By: _____

Name: _____

Title: _____

ASSIGNEE:

**LONE OAK FARM MUNICIPAL UTILITY
DISTRICT**

By: _____

Name: _____

Title: _____

ATTEST:

By: _____

Name: _____

Title: _____

Exhibit “A”
Capital Improvement Agreement for Sanitary Sewer Service