

**COST SHARING AGREEMENT**  
**Kings Ridge Community – Denton County, Texas**

This COST SHARING AGREEMENT (the "**Agreement**") is entered into to be effective as of \_\_\_\_\_, 2021 (the "**Effective Date**"), by and among LENNAR HOMES OF TEXAS LAND AND CONSTRUCTION, LTD., a Texas limited partnership ("**Lennar**"), Meritage Homes of Texas, LLC, an Arizona limited liability company ("**Meritage**"), and DENTON INDEPENDENT SCHOOL DISTRICT, an independent school district and political subdivision of the state of Texas (the "**District**"); Lennar and Meritage are herein referred to together as the "**Developer**" of Kings Ridge.

WITNESSETH:

WHEREAS, Lennar and Meritage are parties to that certain Cost Sharing and Development Agreement dated as of March 5, 2020 (as amended and/or assigned, the "**Development Agreement**") that sets forth the terms and conditions for the development and construction of the required infrastructure for the Kings Ridge single-family residential community ("**Kings Ridge**");

WHEREAS, the District owns land situated across the proposed thoroughfare from Kings Ridge as more particularly shown on **Exhibit A** attached hereto and made a part hereof for all purposes (the "**Bronco Way Depiction**"), for which the Developer and the District share equal responsibility; and

WHEREAS, the District has requested, and the Developer has agreed to construct, at its expense, the paving and utilities and the asphalt transition (the "**Improvements**") shown on the Bronco Way Depiction. In exchange, the District will reimburse the Developer 100% of the costs associated with the paving and utilities and 50% of the costs for the asphalt transition;

NOW, THEREFORE, for and in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Developer and District covenant and agree as follows:

**ARTICLE I**  
**COVENANTS WITH RESPECT TO DEVELOPMENT AND CONSTRUCTION**

Section 1.01 Construction.

(a) The Developer covenants and agrees, as part of the consideration for this Agreement to design, construct and install or cause to be designed, constructed and installed, the Improvements, pursuant to the engineering plans dated \_\_\_\_\_ prepared by Corwin Engineering, which have been reviewed and approved by District and Developer.

(b) The Developer will, subject to Force Majeure, complete the development and construction of the Improvements on or before \_\_\_\_\_, 2021 ("**Completion Deadline**"). The Improvements shall be deemed complete when (i) it has been inspected and accepted in writing by the appropriate governmental authority or utility having jurisdiction over the Improvements and (ii) if applicable, documents evidencing dedication to the required public

entities for purposes or maintenance and repair have been delivered to the District.

(c) The Developer shall bear the cost of the Improvements and will be reimbursed by the District for one hundred percent (100%) of the paving and utilities expenditure and fifty percent (50%) of the asphalt transition expenditure in accordance with Section 1.02 below. Developer shall adhere to the budget (“Budget”) attached hereto as Exhibit B and incorporated herein by reference, which shall serve as the Budget of actual costs of the construction of the Improvements.

(d) The construction of the Improvements shall be completed lien-free and in compliance with all applicable federal, state and local laws, rules, regulations and safety standards.

Section 1.02 Reimbursement. Within fifteen (15) days of acceptance of the Improvements as set forth in Section 1.01(b)(i) above, Developer shall submit a request for reimbursement to the District in accordance with the notice provision set forth in Section 3.03 hereof. The request for reimbursement shall be accompanied by paid invoices and an acceptance letter by the governmental authority with jurisdiction over the construction of the Improvements. Within fifteen (15) days from receipt of the request for reimbursement, the District shall submit payment to Lennar, who serves as the project manager of Kings Ridge.

## **ARTICLE II DEFAULTS AND REMEDIES**

### **Section 2.01 Default by Developer.**

(a) If Developer fails to achieve completion of the Improvements on or before the Completion Deadline, Developer shall notify District in writing, and if Developer fails to complete the Improvements within a reasonable period (not to exceed sixty (60) days subject to Force Majeure) after receipt of such notice, the District shall be entitled to complete the Improvements in accordance with the plans described in Section 1.01(a), and exercise a limited temporary power of appointment to exercise such rights and powers of the Developer arising pursuant any and all contracts associated with the Improvements and seek specific performance of Developer’s obligations hereunder, and/or pursue any remedies available at law or equity.

(b) Notwithstanding the foregoing, if the Improvements are more than seventy-five percent (75%) complete as evidenced by evaluation from Corwin Engineering, and Developer continues to work diligently to complete the final portions of the Improvements, District agrees to work with Developer to jointly finish the Improvements within a reasonable period of time.

Section 2.02 Default by District. In the event that District fails to perform its obligations hereunder, Developer shall have the right to (a) seek specific performance of District’s obligations hereunder, or (b) pursue any remedies available at law or equity. Nothing herein contained shall entitle Developer to consequential or extraordinary damages.

Section 2.03 Force Majeure. In the event that any Force Majeure Event occurs which results in one party being substantially frustrated from performing its obligations hereunder, then such party may suspend performance of this Agreement until such Force Majeure Event terminates and all obligations and deadlines set forth herein shall be extended for the duration of the Force

Majeure Event. In the event such Force Majeure Event results in material damage or destruction of the Improvements or exceeds ninety (90) days, then the parties shall cooperate with each other to determine the new completion and/or deadline date(s). "**Force Majeure Event**" means any act of God, labor dispute (where the same is not directly caused by the Party whose performance is sought to be excused), material shortage of labor or materials, earthquake, hurricane, flood, fire or other casualty, taking, civil commotion, riot, mob violence, insurrection, malicious mischief, sabotage, rebellion, act of public enemy, terrorism, war, invasion, embargo, infectious disease, material disruption in airline or other transportation systems, act of a governmental authority in its sovereign capacity, local, regional or world threats or outbreak of epidemic or pandemic disease(s), declarations of a disaster or emergency by any applicable governmental authority, travel advisories or alerts issued by any governmental authority or any international agency or body, or other event beyond the reasonable control of the party claiming the benefit of the event, but excluding the inability of a party to meet its financial obligations or events resulting from an economic downturn or downturn in the market that is unrelated to a Force Majeure Event.

Section 2.04 No Consequential Damages. Neither party shall in any event seek or be entitled to claim or receive lost profits or any other consequential or special damages respecting this Agreement.

### **ARTICLE III MISCELLANEOUS**

Section 3.01 Binding Effect. This Agreement contains the entire understanding among the parties hereto, and shall be binding upon and inure to the benefit of such parties, and subject to their terms, their respective successors, heirs, assigns, and legal representatives.

Section 3.02 GOVERNING LAW. THIS AGREEMENT IS BEING EXECUTED AND DELIVERED IN AND SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS.

Section 3.03 Notices. All written communications shall be deemed to be delivered when actually received, or if notice is sent by mail, whether actually received or not, two (2) calendar days after the date of the deposit of both the original and the copy in a regularly maintained receptacle for the United States mail, registered or certified, return receipt requested, postage prepaid, addressed as follows:

If to District:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If to Developer:

Lennar Homes of Texas Land and Construction, Ltd,  
Project Manager  
1707 Market Place Blvd, Suite 100  
Irving, Texas 75063  
Attention: Elizabeth Bentley  
Telephone: 214-577-1056

Email: [elizabeth.bentley@lennar.com](mailto:elizabeth.bentley@lennar.com)

With a copy to:

Lennar Homes of Texas Land and Construction, Ltd,  
Regional Counsel  
1707 Market Place Blvd, Suite 100  
Irving, Texas 75063  
Attention: Herman Randow  
Telephone: 469-587-5520  
Email: [herman.randow@lennar.com](mailto:herman.randow@lennar.com)

With a copy to:

Meritage Homes of Texas, LLC  
8840 Cypress Waters Blvd, Suite 100  
Dallas, Texas 75019  
Attention: Steven M. Cook  
Phone: (972) 580-6357  
Facsimile: (972) 580-6488  
E-mail: [steven.com@meritagehomes.com](mailto:steven.com@meritagehomes.com)

Section 3.04 Entirety and Amendments. This Agreement embodies the entire agreement between the parties and supersede all prior agreements and understandings, if any, specifically relating to the subject matter hereof.

Section 3.05 Multiple Counterparts. This Agreement may be executed in a number of identical counterparts. If so executed, each of the counterparts shall be deemed to be an original for all purposes, and all the counterparts shall, collectively, constitute but one agreement. In making proof of this Agreement it shall not be necessary to produce or account for more than one counterpart.

Section 3.06 Time of the Essence. Time is of the essence with respect to this Agreement; provided, however, in the event the deadline date for performance of an obligation or delivery of any notice hereunder falls on a Saturday, Sunday or a federal holiday, the date for such performance or delivery of such notice shall be postponed until the next ensuing business day.

Section 3.07 Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

Section 3.08 Terminology. The captions beside the section numbers of this Agreement are for reference only and shall not modify or affect this Agreement in any manner whatsoever. Wherever required by the context, any gender shall include any other gender, the singular shall include the plural, and the plural shall include the singular.

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**LENNAR:**

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

a Texas limited partnership

By: U.S. Home Corporation,  
a Delaware corporation,  
its General Partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**MERITAGE:**

**MERITAGE HOMES OF TEXAS, LLC,**

an Arizona limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**DISTRICT:**

\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**  
**BRONCO WAY DEPICTION**

**EXHIBIT B**

**BUDGET**