

**PRELIMINARY DEVELOPMENT AGREEMENT BETWEEN THE NORTH TEXAS
MUNICIPAL WATER DISTRICT AND BOIS D'ARC POINTE, LLC.**

This Preliminary Development Agreement (“Agreement”) is entered into this ____ day of January, 2025 (the “Effective Date”) by and between North Texas Municipal Water District (“NTMWD”), a wholesale water and wastewater provider that owns and operates Bois d’Arc Lake (the “Lake”) in Fannin County, Texas, and Bois d’Arc Pointe, LLC (“Developer”) seeking to develop approximately 180.248 acres for Bois d’Arc Pointe, LLC. of property adjacent to the Lake (the “Property”) (collectively “Party” or “Parties”).

RECITALS

WHEREAS, the Parties are authorized to enter into this Agreement pursuant to Chapter 62, Acts of the 52nd Legislature, 1951 (Article 8280-141, Vernon’s Texas Civil Statutes) and other applicable laws;

WHEREAS, Developer owns the Property and plans to construct facilities and enter into agreements affecting the Property before the Property is ultimately transferred to Bois d’Arc Pointe Property Owners Association, Inc., (the “Association”);

WHEREAS, Developer intends to develop the Property as a master-planned community for residential and recreational use (the “Development”);

WHEREAS, the Developer has obtained preliminary plat approval for the Development from Fannin County and will be selling lots to third parties;

WHEREAS, prior to the sale of lots within the Development, the Developer predetermined areas adjacent to certain lots where future owners may request a Lease and Use Agreement from NTMWD;

WHEREAS, the Developer disclosed those predetermined areas to lot owners at the time of sale and lot owners may not request a Lease and Use Agreement from NTMWD outside of those predetermined areas without prior approval from the Developer or Association.

WHEREAS, Developer plans to transfer the common areas of the Development identified in **Exhibit A** to the Association after the Developer has completed the construction of the improvements and facilities on the Property;

WHEREAS, the Association’s covenants, conditions, and restrictions for the Development are attached hereto as **Exhibit A** (“CC&Rs”);

WHEREAS, control of the Association will transfer to individual lot owners after the Control Transfer Date as stated in the CC&Rs; and all construction of the improvements and the Project (defined below) has been completed;

WHEREAS, the Development is adjacent to the Lake that is owned and operated by NTMWD;

WHEREAS, NTMWD owns the property below the 541 feet mean sea level (“MSL”) of the Lake and owns a Permanent Flowage and Flood Easement (the “Easement”) located between the 541 MSL and 545 MSL elevations across the Property (the “Shoreline”);

WHEREAS, as part of the Development, Developer seeks to make certain improvements to the Shoreline such as community docks and pathways as described in **Exhibit A** (the “Project”);

WHEREAS, before the Project proceeds, Developer must obtain authorization for the Project from NTMWD, as the owner and the Easement holder of the Shoreline; and

WHEREAS, the Parties seek to enter into an agreement to authorize the Project and effect the transfer of the Project to the Association.

THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, including the agreements set forth below, the Parties agree as follows:

AGREEMENT

1. **PURPOSE.** The purpose of the Agreement is to establish a preliminary development agreement for Developer to begin construction of the Project contingent upon the Association and Developer subsequently entering into a Shoreline Lease and Use Agreement with NTMWD, as further provided herein, and enforcing the CC&Rs.
2. **EFFECTIVE DATE.** This Agreement is effective as of the date first written above.
3. **PROJECT ACTIVITIES.** All Project activities identified in **Exhibit A** may not begin until the following conditions occur: (1) the Developer and its contractors meet with NTMWD to obtain approval to commence work on the Project activities in **Exhibit A**; and (2) NTMWD approves of the Project activities and issues Developer written authorization to work on the Project activities. Any deviations from the Project activities identified in **Exhibit A** require prior written approval by NTMWD after Developer submits a request to NTMWD for a deviation in writing. NTMWD has forty-five (45) days to review any deviation request and respond to the request from Developer. Anything not expressly authorized in writing by NTMWD as a Project activity or an approved deviation from a Project activity is expressly prohibited.
4. **PROJECT ABANDONMENT.** Abandonment of the Project occurs in either of the following situations: (1) failure to maintain the Project within the terms of the Agreement; or (2) failure to comply with Sections 6 and 7 of the Agreement (“Abandonment”). In the event of Abandonment of the Project, Developer shall be required to remove any improvements associated with the Project and restore the Shoreline to the satisfaction of NTMWD within thirty (30) days of receiving written notice from NTMWD requiring removal and restoration. In the event Developer shall fail to remove said improvements associated with the Project and restore the Shoreline, NTMWD shall have the option to take over the improvements without compensation to Developer, or to remove the

improvements and perform the restoration at the expense of Developer, and Developer shall have no claim against NTMWD or its officers or agents for such action and no refund by NTMWD of any fee theretofore paid shall be made. Developer shall reimburse NTMWD for any and all costs associated with NTMWD's removal of improvements and restoration within thirty (30) days of NTMWD's request for reimbursement.

5. **DEADLINE FOR COMPLETION.** The deadline for completion of the Project is one year from the latest date of NTMWD's notices to proceed to Developer as provided in Sections 3 and 4. If the Project is not complete by the one-year deadline, NTMWD has the authority to remove any improvements from the Property and terminate this Agreement effective immediately.
6. **EXTENSION OF DEADLINE FOR COMPLETION.** At NTMWD's sole discretion, the deadline for completion may be extended. For such an extension to be considered, Developer must submit a written extension request to NTMWD at least thirty (30) days before the expiration of the deadline for completion. NTMWD has thirty (30) days to grant or deny Developer's extension request.
7. **DREDGING, EXCAVATION, AND REGRADING ACTIVITIES.** Developer is responsible for notifying NTMWD and obtaining written authorization from NTMWD before every individual dredging, excavation, or regrading project commences on the Shoreline. Any activities are limited to those approved activities included in **Exhibit A**. Notification includes as follows: (1) written acknowledgement that Developer has complied with all applicable local, state, and federal laws and regulations; (2) the estimated start date and end date for the dredging, excavation, or regrading activity; (3) a point of contact and contact information for every dredging, excavation, or regrading activity; and (4) a description of the specifications and construction methods to be employed during the dredging, excavation, or regrading activity. NTMWD has the authority to reject any proposed construction methods proposed by Developer for the Project.
8. **ASSOCIATION TO SIGN SHORELINE LEASE AND USE AGREEMENT.** Developer agrees to include the Shoreline Lease and Use Agreement for the Association's signature during the transfer of assets, including but not limited to the transfer of all real property, personal property, fixtures and any other improvements on the Shoreline, from Developer to the Association (the "Transfer"). The Shoreline Lease and Use Agreement is attached as **Exhibit B**, which may be revised by NTMWD in its sole discretion. Any revised version of the Shoreline Lease and Use Agreement included in **Exhibit B** shall be substantially similar to the version included in **Exhibit B**. Developer agrees to include a provision in the agreement(s) regarding the Transfer from Developer to the Association that requires the Association and the Developer to execute the Shoreline Lease and Use Agreement simultaneously at the time of execution of the agreement(s) regarding the Transfer. Developer is solely responsible for paying any fees required under the Bois d'Arc Lake Shoreline Management Plan ("SMP"), including but not limited to application fees for the Shoreline Lease and Use Agreement.

9. **FINANCIAL ASSURANCES.** Developer, at its own expense, shall procure and maintain for the duration of the design and construction phase of the Project, a performance bond in an amount of not less than \$1,899,500 for construction of the Project (the "Performance Bond"). The amount covered must be sufficient to cover the entire cost of the Project, and cover the cost needed to remove any Project activities on the Shoreline and restore the Shoreline to its original condition in the event of Abandonment of the Project. Developer must maintain the Performance Bond until all construction of the improvements and the Project has been completed. The Performance Bond shall be on forms reasonably acceptable to NTMWD. The Performance Bond shall be executed by a surety company authorized to do business in the State of Texas and listed in the current Federal Department of Treasury Circular 570. Developer shall provide evidence of the Performance Bond within ten (10) days following the Effective Date.
10. **OPERATION, MAINTENANCE, REPAIR, & REPLACEMENT.** The operation, maintenance, repair, or replacement of the Project authorized by this Agreement shall be performed at no cost or expense to NTMWD and subject to the express written approval of NTMWD. Anything not expressly authorized in writing by NTMWD as a Project activity or an approved deviation from a Project activity is expressly prohibited. Upon the completion of any of such operation, maintenance, repair, or replacement, Developer shall immediately restore the Shoreline to the satisfaction of NTMWD. The use and occupation of the Shoreline for the purposes herein granted shall be subject to NTMWD's property ownership rights, the policies as set forth in the SMP, and to all applicable federal, state, and local laws and regulations. If the Project is removed for storage or extensive maintenance, NTMWD may require portions of the Project be removed from the Shoreline. Further, Developer agrees to operate and maintain the Project and/or use in a manner so as to provide safety, minimize any adverse impact on fish and wildlife habitat, and natural, environmental, or cultural resource values, and in a manner so as to minimize the degradation of water quality.
11. **IMPROVEMENT STANDARDS.** Unless otherwise authorized in Sections 3 and 4 of this Agreement, docks and other permitted improvements must conform to the standards found in the SMP and **Exhibit A**. These standards address electrical service and lighting, signage, improvement size and length, improvement location and spacing, orientation of the improvement to the Shoreline, improvement maintenance, and other features and amenities as described in the SMP. Any deviation from the SMP requirements will be considered a breach of this Agreement.
12. **FLOATS AND FLOTATION MATERIALS.** Floats and the flotation material for all docks shall be fabricated of materials manufactured for marine use and in accordance with the approved plans in **Exhibit A**. The float and its flotation material shall be one hundred (100) percent warranted for a minimum of eight (8) years against sinking, becoming waterlogged, cracking, peeling, fragmenting, or losing beads. All floats shall resist puncture and penetration and shall not be subject to damage by animals under normal conditions for the area. All floats and the flotation material used in them shall be fire resistant. The use of new or recycled plastic or metal drums or non-compartmentalized air containers for encasement or floats is prohibited.

13. **ANCHORING.** The gangways to boat docks, fishing piers, or any other overwater structure shall be securely attached to the shore in accordance with the approved plans by means of moorings that do not create tripping hazards along the shoreline or adversely affect the natural terrain or vegetation. Anchoring to vegetation is prohibited.
14. **AGREEMENT DISPLAY TAG.** The Agreement Display Tag shall be posted at the Project and/or on the land areas covered by the Agreement so that it can be visually checked with ease in accordance with instructions provided by NTMWD.
15. **CONSTRUCTION DISPLAY SIGN.** During the period in which Developer is building roads, docks, and amenities, including site preparation, Developer is required to post a construction display sign from NTMWD. This is required in addition to the required construction notification, and other notifications, permits, and authorizations required by local, state, and federal laws, including but not limited to, obtaining and posting notice of any required construction stormwater general permit.
16. **PROHIBITED ITEMS.** Treated landscape timbers or the storage, transfer, or use of hydrocarbons or other petrochemical products, paint, pesticides, herbicides, or any other toxic or hazardous materials are not allowed on the Shoreline or the Lake.
17. **ELECTRICAL SAFETY AND COMPLIANCE.** Developer shall comply with all applicable federal, state, county, municipal laws, ordinances, and regulations wherein the permitted facilities/activities are located, including, but not limited to, the provisions of the latest edition of the National Electrical Code (NEC). Failure to abide by these applicable laws and regulations may be cause for revocation of this Agreement.
18. **POLLUTION PREVENTION.** Within the limits of their respective legal powers, the Parties hereto shall protect the Shoreline against pollution of its air, ground, and water. Developer shall promptly comply with any laws, regulations, conditions, or instructions affecting the activity hereby authorized if and when issued by the Environmental Protection Agency (“EPA”), the United States Army Corps of Engineers (“USACE”), the Texas Commission on Environmental Quality (“TCEQ”), or any federal, state, or local governmental agency having jurisdiction to abate or prevent pollution. The disposal of any toxic or hazardous materials within the Shoreline is strictly prohibited. Such regulations, conditions, or instructions in effect or prescribed by the said EPA, USACE, TCEQ, or any federal, state, or local governmental agency are hereby made a condition of this Agreement. Developer shall not discharge waste or effluent from the Shoreline in such a manner that the discharge will contaminate streams or other bodies of water or otherwise become a public nuisance.
19. **PESTICIDES AND HERBICIDES.** The use of any pesticides or herbicides within the Shoreline and the Lake shall be in conformance with all applicable federal, state, and local laws and regulations. Developer must obtain approval in writing from NTMWD before any pesticides or herbicides are applied to the Shoreline and the Lake.

20. **ENVIRONMENTAL IMPACT.** Developer will use all reasonable means available to protect the environment and natural resources, and where damage nonetheless occurs arising from Developer's activities, Developer shall be required to restore the damaged resources.
21. **TIMBER CLEARING.** Unless expressly authorized under Sections 3 and 4 of this Agreement, no timber above the 534 MSL contour shall be cleared. Standing timber below the 534 MSL contour may be cleared only if approved through this Agreement after Developer submits a timber clearing proposal to NTMWD. Developer shall provide documentation of coordination with the USACE in accordance with the procedures described in the SMP. Such USACE coordination shall only occur after NTMWD has reviewed the timber clearing proposal and provided direction to engage in such coordination. Any timber clearing authorized under this Agreement must be in compliance with any required USACE approvals, authorizations, or permits. Timber clearing shall be approved by NTMWD in writing and shall be in accordance with the Clean Water Act Section 404 Permit for Bois d'Arc Lake as provided in the SMP. Timber clearing not approved by NTMWD in writing is prohibited and any prohibited timber clearing shall be considered a breach of this Agreement.
22. **AGREEMENT FEES.** Developer shall pay, in advance, to NTMWD, compensation in accordance with **Exhibit C**. Fees are subject to change upon renewal of the Agreement.
23. **DEVELOPER COMPLIANCE WITH LOCAL, STATE, AND FEDERAL LAWS AND REGULATIONS.** It is Developer's sole responsibility for ensuring its performance of this Agreement complies with all local, state, and federal regulations. NTMWD shall not be responsible for ensuring Developer's compliance with these laws and regulations.
24. **WAIVER OF ANY TAKINGS CLAIM.** Developer **WAIVES ANY CLAIM IT MAY NOW OR IN THE FUTURE HAVE AGAINST NTMWD FOR A STATE OR FEDERAL "TAKINGS" or "INVERSE CONDEMNATION"** of either the Project or the portion of the Shoreline on which the Project is located resulting from Lake levels being inconstant or from flooding, high water, drought, or similar occurrence, even if any of these occurrences is caused or alleged to be caused, in whole or in part, by NTMWD, whether through NTMWD's negligence or otherwise.
25. **INDEMNIFICATION.** NTMWD shall have no liability whatsoever, either to Developer, Developer's successors, assigns, guest invitees or any other third party, for property damage to Developer's Project or the contents thereof, caused by inundation or flooding of the property or the effects of drought, **EVEN IF CAUSED BY NTMWD'S NEGLIGENCE.** NTMWD shall not be liable to Developer or Developer's contractors, subcontractors, guests, visitors, invitees or to any other person whomsoever, for any injury to person or damage to property on or about the Property due to **ANY CAUSE WHATSOEVER, INCLUDING WITHOUT LIMITATION, INUNDATION OR FLOODING OF THE PROPERTY OR THE EFFECTS OF DROUGHT,** and Developer agrees to indemnify NTMWD and hold it harmless from any loss, expenses, or claims including attorney's fees, arising out of any such damage or injury, **INCLUDING**

INJURY TO PERSON OR DAMAGE TO PROPERTY THE SOLE OR CONTRIBUTING CAUSE OF WHICH IS THE NEGLIGENCE OF NTMWD. If any action or proceeding is brought against NTMWD by reason of any such claim, Developer, upon notice from NTMWD, will defend such action or proceeding with counsel acceptable to NTMWD.

26. **RELEASE & ASSUMPTION OF RISK.** Developer acknowledges that Bois d’Arc Lake is not a “constant level” or “controlled level” lake and is **SUBJECT TO DROUGHT OR FLOODING WITHOUT WARNING.** Developer acknowledges and agrees that the Property is being improved upon “**AS-IS, WHERE-IS,**” with all defects, whether known or unknown. Developer recognizes the risk inherent in constructing improvements in close proximity to, and over, the Lake because of the risks associated with flooding, high water, and drought conditions. These risks include, but are not limited to, lake level fluctuations resulting in improvements, such as docks, being completely unusable during flood or drought conditions, which can extend over months or years, as it relates to multi-year drought conditions. As a condition of, and in consideration for, NTMWD’s entering into this Agreement, as between NTMWD and Developer, Developer **AGREES TO ASSUME ALL RISK** of destruction of or damage to any improvements and the property of Developer or third parties located on the Property and to assume all risk of bodily injury or death to any person on the Property associated with the Project resulting from any cause. As part of the assumption of risk, Developer, for itself and its heirs and assigns, **EXPRESSLY RELEASES NTMWD FROM ALL LOSS, COSTS, AND LIABILITY FOR (1) DAMAGE OR DESTRUCTION TO ANY OF ITS PROPERTY LOCATED ON OR AT THE PROPERTY RESULTING FROM ANY CAUSE AND (2) BODILY INJURY OR DEATH TO DEVELOPER OR ANY CONTRACTOR OR SUBCONTRACTOR OR OTHER PERSON AT THE PROPERTY.**
27. **NO GOODS OR SERVICES PROVIDED TO NTMWD.** The Parties agree that pursuant to this Agreement Developer is not providing any “good or services” to NTMWD and this Agreement is not a contract subject to Chapter 271, Subchapter I of the Texas Local Government Code because no “goods or services,” as such terms have been interpreted by courts in the State of Texas, are provided by Developer to NTMWD pursuant to this Agreement.
28. **DAMAGE TO SHORELINE.** Developer shall be liable for any and all damage that may be caused to the Shoreline by the activities of Developer, or individual property owners of the Development, under this Agreement and shall exercise due diligence in the protection of all property located on the Property against fire or damage from any and all other causes. Any property of NTMWD damaged or destroyed by Developer, or individual property owners of the Development, incident to the exercise of the privileges herein granted shall be promptly repaired or replaced by Developer or the individual property owner of the Development to a condition satisfactory to NTMWD, or at the election of NTMWD, reimbursement made therefore by Developer in an amount necessary to restore or replace the property to a condition satisfactory to NTMWD.

29. **NTMWD's ACCESS TO SHORELINE.** The right is reserved to NTMWD, its officers, agents, and employees to enter upon the Shoreline at any time and for any purpose necessary or convenient in connection with NTMWD work, to make inspections, to remove any material, except property of Developer approved for use on the Shoreline, and/or to make any other use of the lands as may be necessary in connection with NTMWD purposes, and Developer shall have no claim for damages on account thereof against NTMWD or any officer, agent, or employee thereof. NTMWD's authorized representative shall be allowed to cross the Property, as necessary, to inspect the Project. NTMWD will notify Developer of any deficiencies noted and will establish a schedule for their correction. No deviation or changes from approved plans for the Project will be allowed without prior written approval of NTMWD. Any deviations from the Project must be approved in writing by NTMWD after Developer submits a request to NTMWD for a deviation in writing. NTMWD has forty-five (45) days to review and respond to the request from Developer. Notwithstanding the foregoing, if NTMWD determines during an inspection that a noncompliance issue concerns a significant imminent threat to the environment or public health, safety, and general welfare, NTMWD may take whatever action necessary within the authority of NTMWD to eliminate such threat, including but not limited to, requiring Developer to immediately address the noncompliance issue.
30. **LAKE AND SHORELINE ACCESS.** All watercraft must be launched from a NTMWD-approved ramp or a dock. This excludes non-motorized watercraft such as kayaks, canoes, and stand up paddle boards. Unless otherwise approved, neither Developer nor individual lot owner may build a boat ramp or use any of their property to launch a watercraft except as set forth herein.
31. **PROPERTY LINE AND SIDE YARD DELINEATION.** For this Agreement, Developer will delineate the boundary line between NTMWD-owned property and Developer's property in a visibly clear, but unobtrusive manner approved by NTMWD and in accordance with the SMP. Developer will also identify the intersection of the projected side yard line and the 534 MSL as depicted in the exhibit to this Agreement.
32. **SHORELINE MAINTENANCE.** NTMWD is under no obligation to Developer to maintain the Shoreline. Developer is responsible for maintaining the Shoreline in a clean and sanitary manner, including removing trash and other natural debris. Unless expressly authorized by this Agreement, Developer is responsible for acting in accordance with the SMP. Any materials and refuse from maintenance and repair activities are to be removed from the Shoreline and the Lake immediately upon completion of such activities.
33. **CULTURAL RESOURCES.** Developer shall not remove or disturb, or cause or permit to be removed or disturbed, any historical, archaeological, architectural, or other cultural artifacts, relics, remains, or objects of antiquity on NTMWD-owned property. In the event such items are discovered on NTMWD-owned property, Developer shall immediately notify NTMWD and protect the site and material from further disturbance until NTMWD authorizes any further activity.

34. **COMMERCIAL ACTIVITIES PROHIBITED.** No attempt shall be made by Developer to forbid the full and free use by the public of all waters adjacent to the Shoreline. No charge may be made for use by others of the Shoreline or the Lake nor shall commercial activities, including any form of advertising, be conducted thereon.
35. **COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS.** This Agreement is subject to all applicable federal and state laws and any applicable permits, ordinances, rules, orders, and regulations of any local, state or federal governmental authority having or asserting jurisdiction, including, but not limited to, the provisions of the latest edition of the National Electrical Code (NEC). Nothing contained herein shall be construed as a waiver of any right to question or contest any such law, ordinance, order, rule, or regulation in any forum, having jurisdiction. This Agreement does not authorize any injury to private property or invasion of private rights or any infringement of local, state or federal laws or regulations, nor does it obviate the necessity of obtaining local, state, or federal assent required by law for the operation, use, maintenance, or repair of the Improvement and/or use.
36. **RULES AND REGULATIONS.** The Property shall be expressly subject to all rules and regulations promulgated by NTMWD for the construction, use, maintenance, and enjoyment of the Property, including without limitation, all regulations and requirements of NTMWD, now or hereafter enacted. By signing this Agreement, Developer specifically acknowledges that it has read the applicable requirements of the Bois d'Arc Lake Rules and Regulations, the SMP, and the Fannin County Zoning Regulations and agrees that Developer's use of the Property shall at all times be in compliance with such plans and regulations.
37. **TERMINATION OF AGREEMENT.** Before NTMWD may terminate the Agreement, NTMWD must send a notification to Developer informing Developer of NTMWD's grounds for termination of the Agreement and giving Developer sixty (60) days to address and cure such grounds for termination. If the time period to cure has passed without Developer taking the required curative action, NTMWD may mail a notice to terminate to Developer by certified letter. The termination of the Agreement is effective as of the date of the termination letter. Unless terminated earlier, this Agreement shall terminate upon the Association's execution of the Shoreline Lease and Use Agreement.
38. **REMEDIES.** It is not intended hereby to specify (and this Agreement shall not be considered as specifying) an exclusive remedy for any default, but all such other remedies, including termination as provided in Section 39, existing at law or in equity may be availed of by any Party hereto and shall be cumulative.
39. **NOTICE.** Unless otherwise provided herein, any notice, communication, request, reply or advice (herein severally and collectively, for convenience, called "Notice") herein provided or permitted to be given, made or accepted by any Party to any other Party must be in writing and may be given or be served by depositing the same in the United States mail postpaid and registered or certified and addressed to the Party to be notified, with return receipt requested, or by delivering the same to an officer of such Party, or by electronic mail, addressed to the

Party to be notified at the email address provided below. Notice deposited in the mail in the manner described above shall be conclusively deemed to be effective, unless otherwise stated herein, from and after the expiration of three (3) days after it is so deposited. Notice given in any other manner shall be effective only if and when received by the Party to be notified. For the purposes of notice, the contact information of the Parties shall, until changed as hereinafter provided, be as follows:

If to Developer, to:

Bois d'Arc Pointe, LLC.
Marcus Smith, President
1430 Valwood Parkway, Suite 120
Carrollton, Texas 75006
214-974-9400
msmith@texaslandandlakes.com

If to NTMWD, to:

Jennafer P. Covington
Executive Director/General Manager
North Texas Municipal Water District
P.O. Box 2408
Wylie, Texas 75098
972-442-5405
jcovington@ntmwd.com

The Parties hereto shall have the right from time to time and at any time to change their respective contact information and each shall have the right to specify as its contact information any other contact information by at least fifteen (15) days' written notice to the other Party hereto.

40. **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 thereof and this Agreement shall be considered as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.
41. **NO JOINT VENTURE.** It is acknowledged and agreed by the Parties that the terms hereof are not intended to and shall not be deemed to create any partnership or joint venture among the Parties. NTMWD, its past, present, and future officers, elected officials, employees and agents of NTMWD, do not assume any responsibilities or liabilities to any third party in connection with the development of the Project or the design, construction or operation of any portion of the Project.
42. **REPRESENTATIONS AND WARRANTIES.** Each Party represents and warrants to the other Party that (i) the Party has full requisite power and authority to perform its obligations under this Agreement; (ii) the execution, delivery, and performance of this Agreement has been duly authorized by all necessary action of the board of directors or other applicable

governing body of the Party; (iii) this Agreement is a valid and binding obligation of the Party enforceable against the Party in accordance with its terms, except as the enforceability may be limited by applicable bankruptcy, insolvency or other law affecting creditors' rights generally, and by general equitable principles; and (iv) the execution, delivery, and performance of this Agreement by the Party does not, and will not: (A) violate the statute, charter, or other instrument pursuant to which the Party was created; (B) violate the Constitution of the State of Texas, or any other law, rule or regulation by which the Party is bound; (C) violate any judgment, writ, order, injunction, award, or decree of any court, arbitrator, administrative agency or other governmental authority which is binding upon the Party; or (D) result in a material breach, violation, or default under any indenture, mortgage, ordinance, bond resolution, contract, deed of trust, debenture, agreement, or other instrument to which the Party is a party.

43. **ENTIRE AGREEMENT – NO ORAL MODIFICATIONS.** This Agreement embodies the entire Agreement of the Parties, superseding all oral or written previous and contemporary agreements between the Parties relating to matters set forth in this Agreement. Except as otherwise provided elsewhere in this Agreement, this Agreement cannot be modified without a written supplemental agreement executed by both Parties.
44. **ASSIGNMENT.** Developer shall not assign this Agreement or any of its rights hereunder without first obtaining the express prior written agreement of NTMWD.
45. **NO THIRD-PARTY BENEFICIARIES.** Developer and NTMWD enter into this Agreement solely for the benefit of themselves and agree that nothing in this Agreement shall be construed to confer any right, privilege or benefit on any person or entity other than Developer and NTMWD.
46. **VENUE.** It is specifically agreed among the Parties to this Agreement that Fannin County, Texas, is the place of performance of this Agreement; and, in the event that any legal proceeding is brought to enforce this Agreement or any provision hereof, the same shall be brought in Fannin County, Texas.
47. **ADOPTION OF PREAMBLE AND EXHIBITS.** All of the statements in the preamble and all of the exhibits of this Agreement are true and correct and are hereby incorporated into the body of this Agreement as though fully set forth in their entirety herein.
48. **VIOLATIONS AND PENALTIES.** Developer will be held accountable to the conditions outlined herein. If a violation is identified, NTMWD will follow the steps outlined below:

First Notice: NTMWD will generally issue a written warning notifying Developer of the violation, outlining actions to correct the violation, and providing a resolution timeframe. Depending on the noncompliance issue (e.g. is the issue an imminent health or safety concern), the time provided for resolution and the degree to which NTMWD may step in and proactively correct an issue may vary. Some violations may immediately generate a fine. NTMWD may, at its discretion, waive fines to be imposed at the first notice. NTMWD will follow up within the specified timeframe to document resolution of the issue. Increased

frequency of monitoring and inspection may be warranted for a period of time following resolution.

Second Notice: A second notice may involve the same activity or conditions as the first notice, or it may be a new issue. Second notices for the same situation that triggered the first notice will also be linked to increased fines and shorter resolution timeframes. Developer will be required to reimburse NTMWD for costs associated with monitoring, inspection, and follow-up for second notice actions.

Third Notice: Three notices for the same or different instances of noncompliance with this Agreement within one year will trigger a notice to revoke or terminate this Agreement. Developer will have 30 days to remove improvements at its expense and restore the Shoreline to its condition prior to the construction of the improvements (if applicable). Developer may appeal a notice of termination to NTMWD within 15 days of receiving the notice. NTMWD will respond to Developer within 30 days.

Resolution timeframes and fines are dependent on the harm that may occur to people, property, and resources if the violation were to continue. Violations that are hazardous, or potentially hazardous, generally have shorter resolution timeframes and higher penalties than administrative violations. **Exhibit C** outlines resolution timeframes, remedies, and penalties for various violations.

49. **EFFECTIVE DATE AND TERM.** This Agreement becomes effective as of the Effective Date, set forth above, and unless terminated early as provided herein, will be valid for five (5) years following the Effective Date or until NTMWD enters into a Shoreline Lease and Use with the Association and Developer as provided in Section 9 of this Agreement.

IN WITNESS WHEREOF, the Parties hereto acting under authority of their respective governing bodies have caused this Agreement to be duly executed in several counterparts, each of which shall constitute an original.

[The remainder of this page is intentionally left blank. Signatures are on the following pages.]

BOIS D'ARC POINTE, LLC

By: _____
Marcus Smith, President

_____ Date

STATE OF _____ §
COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 2025, by
Marcus Smith, President.

Notary Public, State of _____
Printed Name of Notary:

My Commission Expires: _____

[signatures on following page]

NORTH TEXAS MUNICIPAL WATER DISTRICT

By: _____
Jennafer P. Covington, Executive Director/General Manager Date _____

STATE OF TEXAS §
 §
COUNTY OF COLLIN §

This instrument was acknowledged before me on this _____ day of _____, 2025,
by Jennafer P. Covington, Executive Director/General Manager of North Texas Municipal Water
District, a conservation and reclamation district and political subdivision of the State of Texas, on
behalf of said conservation and reclamation district.

Notary Public, State of Texas
Printed Name of Notary:

My Commission Expires: _____

EXHIBIT A

Developer Documents

DRAFT

EXHIBIT B

Shoreline Lease and Use Agreement

**SHORELINE LEASE AND USE AGREEMENT
BETWEEN NORTH TEXAS MUNICIPAL WATER DISTRICT and
BOIS D'ARC POINTE, LLC.**

This Shoreline Lease and Use Agreement (the "Agreement") is between North Texas Municipal Water District ("NTMWD" or "District"), a wholesale water and wastewater provider that owns and operates Bois d'Arc Lake (the "Lake") in Fannin County, Texas, and Bois d'Arc Pointe, LLC. ("Developer") and Bois d'Arc Pointe, LLC. (the "Association"), which serves Bois d'Arc Pointe, LLC. (Developer and Association may collectively be referred to as "Lessee"). NTMWD and Lessee may also be referred to individually as a "Party" or collectively as the "Parties."

Recitals

WHEREAS, NTMWD and Lessee are authorized to enter into this Agreement pursuant to Chapter 62, Acts of the 52nd Legislature, 1951 (Article 8280-141, Vernon's Texas Civil Statutes) and other applicable laws;

WHEREAS, NTMWD operates Bois d'Arc Lake (the "Lake") as a public drinking water supply reservoir and allows opportunities for public recreation on the Lake;

WHEREAS, Developer owns land adjacent to NTMWD-owned property at the Lake (the "Property") that is subject to the Five Points and The Harbor at Five Points covenants, conditions, and restrictions that are included herein as **Exhibit X**;

WHEREAS, Lessee seeks to lease and use the adjacent NTMWD-owned property (the "Leased Property") and maintain improvements on the Leased Property, including structures and facilities on or over the water surface of the Lake (the "Improvements") constructed by Developer pursuant to that certain Preliminary Development Agreement between the North Texas Municipal Water District and Bois d'Arc Lake Acquisitions, LLC. effective January __, 2025 (the "Development Agreement");

WHEREAS, the Association is the legal entity presiding over all shared Improvements within Five Points and the Bois d'Arc Pointe, LLC. communities and no other agreements will be allowed for shared Improvements on the Leased Property that were not part of the Development Agreement;

WHEREAS, Lessee acknowledges there is a Permanent Flowage and Flood Easement (the "Easement") associated with Property, on land located between the 541 feet mean sea level ("MSL") and 545 MSL contour elevations;

WHEREAS, Lessee is aware the conditions of the Easement are permanently in effect and are separate from the requirements and conditions of this Agreement and the Shoreline Management Plan ("SMP");

WHEREAS, this Agreement may authorize certain uses of the Easement, in addition to uses of the Leased Property, which shall not be inconsistent with conditions of the Easement, but may impose further restrictions on the Easement, for which Lessee agrees to comply with, in accordance with the terms of this Agreement;

WHEREAS, Developer completed construction of the Improvements on [REDACTED], 202 [REDACTED] (the "Project"); and

WHEREAS, pursuant to the Development Agreement, Lessee is required to enter into this Agreement, has reviewed this Agreement, and accepts its terms and conditions, including the general and special conditions described herein.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, NTMWD agrees to grant Lessee the right to lease and use the Leased Property, and Lessee agrees to pay for such lease and use, upon the terms and conditions and for the consideration hereinafter set forth, to wit:

Lessee Information

Name: Bois d'Arc Pointe, LLC.

Telephone: 214-974-9400

Email: msmith@texaslandandlakes.com

Address: 1430 Valwood Parkwood Parkway, Suite 120

City, State Zip Code: Carrollton, Texas 75006

Legal Description of Boundary Line with Leased Property (Survey attached)

XXXXXX, an addition to Fannin County, Texas according to the map and plat thereof recorded at XXXXXXXX Official Map and Plat Records of Fannin County, Texas

Improvements Description (Specific structures and facilities) including a Site Plan

Use Description (Specific use and activities authorized)

The following specific uses and activities are hereby authorized so long as such uses and activities are in compliance with the General Conditions of this Agreement and the SMP. Any uses or activities not authorized, such as a Special Event Authorization, must be separately authorized by NTMWD.

GENERAL CONDITIONS

1. **REFERENCES.** Except as otherwise specifically provided, any reference herein to NTMWD shall include its duly authorized representatives. Any reference to “Lessee” shall include their duly authorized representatives.
2. **AGREEMENT FEES.** Lessee shall pay, in advance, to NTMWD, compensation in accordance with **Exhibit X**. Fees are subject to change upon renewal of the Agreement.
3. **AGREEMENT SCOPE.** This Agreement is entered into solely with Lessee for the purpose described in this Agreement. The exercise of the privileges herein granted shall be:
 - a. without cost or expense to NTMWD;
 - b. subject to the right of NTMWD to improve, use, or maintain the Leased Property;
 - c. subject to other outgrants of NTMWD on the Leased Property except as otherwise provided herein;
 - d. this Agreement, or any interest therein, may not be transferred or assigned without the prior express written approval of NTMWD.
4. **TERM.** This Agreement shall be for a term of five (5) years with Lessee having the sole option to extend the Agreement for subsequent five-year terms subject to NTMWD revising the terms and conditions of the Agreement at the time of each renewal with such revisions being consistent with revisions made to other shoreline lease and use agreements, including but not limited to a current or updated fee/fine schedule. At least ninety (90) days prior to expiration of the Agreement, and any renewal thereof, Lessee may provide a Notice to Surrender its rights under the Agreement and elect to not renew the Agreement.
5. **RELEASE.** Upon the completion of Improvements as set forth herein and the transfer of Improvements to the Association, Developer may assign its rights and obligations under this Agreement to the Association and be released from Developer’s obligations and surrender any and all rights Developer may have under this Agreement to the Association with the prior express written approval of NTMWD.
6. **NOTICE.** Unless otherwise provided herein, any notice, communication, request, reply or advice (herein severally and collectively, for convenience, called “Notice”) herein provided or permitted to be given, made or accepted by any Party to any other Party must be in writing and may be given or be served by depositing the same in the United States mail postpaid and registered or certified and addressed to the Party to be notified, with return receipt requested, or by delivering the same to an officer of such Party, or by electronic mail, addressed to the Party to be notified at the email address provided below. Notice deposited in the mail in the manner described above shall be conclusively deemed to be effective, unless otherwise stated herein, from and after the expiration of three (3) days after it is so deposited. Notice given in any other manner shall be effective only if and when received by the Party to be notified. For the purposes of notice, the contact information of the Parties shall, until changed as hereinafter provided, be as follows:

If to Developer
or Association:

Marcus Smith, President
Bois d'Arc Pointe, LLC
1430 Valwood Parkway, Suite 120
Carrollton, Texas 75006
214-974-9400
msmith@texaslandandlakes.com

If to NTMWD, to:

Jennafer P. Covington
Executive Director/General Manager
North Texas Municipal Water District
P.O. Box 2408
Wylie, Texas 75098
972-442-5405
jcovington@ntmwd.com

The Parties hereto shall have the right from time to time and at any time to change their respective contact information and each shall have the right to specify as its contact information any other contact information by at least fifteen (15) days' written notice to the other Party hereto.

7. **OPERATION, MAINTENANCE REPAIR, & REPLACEMENT.** The operation, maintenance, repair, or replacement of Improvements authorized by this Agreement shall be performed at no cost or expense to NTMWD and subject to the express written approval of NTMWD. Anything not expressly authorized in writing by NTMWD as an Improvement activity or an approved deviation from an Improvement activity is expressly prohibited. Upon the completion of any of such operation, maintenance, repair or replacement, Lessee shall immediately restore the Leased Property to the satisfaction of NTMWD. The use and occupation of the Leased Property for the purposes herein granted shall be subject to NTMWD's property ownership rights, the policies as set forth in the SMP, and to all applicable federal, state, and local laws and regulations. If Improvements are removed for storage or extensive maintenance, NTMWD may require portions of the Improvements be removed from the Leased Property. Further, Lessee agrees to operate and maintain any Improvements and/or use in a manner so as to provide safety, minimize any adverse impact on fish and wildlife habitat, natural, environmental, or cultural resource values and in a manner so as to minimize the degradation of water quality.
8. **COMMUNITY FACILITY USE AND ACCESS.** NTMWD is not responsible for managing or maintaining access to, or use of, any Lessee community facilities located on the Leased Property. Lessee has sole responsibility of operation and maintenance of all Lessee community facilities located on the Leased Property. Lessee further has sole responsibility for interacting with individual property owners of the Association regarding access to, and use of, the Leased Property (including community facilities), and shall be solely responsible for ensuring property owners do not violate any terms of this Agreement. Any violation of this Agreement by an individual property owner shall be deemed a violation of this Agreement by Lessee and Lessee will be responsible for paying fines

imposed by NTMWD due to violations by individual property owners, unless and excepting any improvements made by individual property owners after obtaining an individual Shoreline Lease and Use Agreement from NTMWD. Association shall continue to enforce covenants and restrictions, but individual lessees shall be solely responsible for paying any fines imposed by NTMWD pursuant to the individual's Shoreline Lease and Use Agreement.

9. **LESSEE INSPECTION.** Lessee acknowledges it shall inspect the Improvements at reasonable intervals and immediately repair any defects found by such inspection or when required by NTMWD to repair any such defects.
10. **LESSEE'S REPRESENTATIONS.** Lessee represents that it will not be in violation of any regulations or restrictions imposed by Fannin County, Texas, or by any deed restrictions that may be attached to the Property, and that any required variance has been secured. Lessee further agrees to fully enforce the covenants, conditions, and restrictions of Association, as included in **Exhibit X** and as amended from time to time, against individual property owners of the Association. NTMWD assumes no responsibility for, and Lessee will hold NTMWD harmless from, disputes of title, rights, or liability for damages to persons or property arising from the construction, operation, maintenance, repair, or existence of any Improvements on the Leased Property. If at any time, the condition or presence of the Improvements interferes with the operation of the Lake or the safety of persons or property using the surface thereof, Lessee agrees to immediately make any and all changes or corrections necessary to make the Improvements comply with this Agreement or remove the Improvements from the Leased Property at Lessee's expense.
11. **RELEASE & ASSUMPTION OF RISK.** Lessee acknowledges that Bois d'Arc Lake is not a "constant level" or "controlled level" lake and is **SUBJECT TO DROUGHT OR FLOODING WITHOUT WARNING**. Lessee acknowledges and agrees that the Leased Property is accepted "**AS-IS, WHERE-IS,**" with all defects, whether known or unknown. Lessee recognizes the risk inherent in owning, operating, and maintaining Improvements in close proximity to, and over, the Lake because of the risks associated with flooding, high water, and drought conditions. These risks include, but are not limited to, lake level fluctuations resulting in Improvements, such as docks, being completely unusable during flood or drought conditions, which can extend over months or years, as it relates to multi-year drought conditions. As a condition of, and in consideration for, NTMWD's entering into this Agreement, as between NTMWD and Lessee, Lessee **AGREES TO ASSUME ALL RISK** of destruction of or damage to any Improvements and the property of Lessee or third parties located on the Property, Leased Property or Easement and to assume all risk of bodily injury or death to any person on the Property, Leased Property or Easement associated with the Improvements resulting from any cause. As part of the assumption of risk, Lessee, for itself and its heirs and assigns, **EXPRESSLY RELEASES NTMWD FROM ALL LOSS, COSTS, AND LIABILITY FOR (1) DAMAGE OR DESTRUCTION TO ANY OF ITS PROPERTY LOCATED ON OR AT THE PROPERTY, LEASED PROPERTY OR EASEMENT RESULTING FROM ANY CAUSE AND (2) BODILY INJURY OR DEATH TO LESSEE OR ANY FAMILY**

MEMBER OR OTHER PERSON AT THE PROPERTY, LEASED PROPERTY OR EASEMENT.

12. **INDEMNIFICATION.** NTMWD shall have no liability whatsoever, either to Lessee, Lessee's successors, assigns, guest invitees or any other third party, for property damage to Lessee's Improvements or the contents thereof, **EVEN IF CAUSED BY NTMWD'S NEGLIGENCE.** NTMWD shall not be liable to Lessee or Lessee's guests, visitors, invitees or to any other person whomsoever, for any injury to person or damage to property on or about the Property, Leased Property or Easement due to **ANY CAUSE WHATSOEVER, INCLUDING WITHOUT LIMITATION, INUNDATION OR FLOODING OF THE PROPERTY, LEASED PROPERTY OR EASEMENT OR THE EFFECTS OF DROUGHT,** and Lessee agrees to indemnify NTMWD and hold it harmless from any loss, expenses, or claims including attorney's fees, arising out of any such damage or injury, **INCLUDING INJURY TO PERSON OR DAMAGE TO PROPERTY THE SOLE OR CONTRIBUTING CAUSE OF WHICH IS THE NEGLIGENCE OF NTMWD.** If any action or proceeding is brought against NTMWD by reason of any such claim, Lessee, upon notice from NTMWD, will defend such action or proceeding with counsel acceptable to NTMWD.
13. **WAIVER OF ANY TAKINGS CLAIM.** Lessee **WAIVES ANY CLAIM IT MAY NOW OR IN THE FUTURE HAVE AGAINST NTMWD FOR A STATE OR FEDERAL "TAKINGS" or "INVERSE CONDEMNATION"** of either the Property or the Improvements or the portion of the Leased Property or Easement on which the Improvements are located resulting from Lake levels being inconstant or from flooding, high water, drought, or similar occurrence, even if any of these occurrences are caused or alleged to be caused, in whole or in part, by NTMWD, whether through NTMWD's negligence or otherwise.
14. **NO GOODS OR SERVICES PROVIDED TO NTMWD.** The Parties agree that pursuant to this Agreement Lessee is not providing any "good or services" to NTMWD and this Agreement is not a contract subject to Chapter 271, Subchapter I of the Texas Local Government Code because no "goods or services," as such terms have been interpreted by courts in the State of Texas, are provided by Lessee to NTMWD pursuant to this Agreement.
15. **DAMAGE TO LEASED PROPERTY.** Lessee shall be liable for any and all damage that may be caused to the Leased Property by the activities of Lessee, or individual property owners of Lessee, under this Agreement and shall exercise due diligence in the protection of all property located on the Leased Property against fire or damage from any and all other causes. Any property of NTMWD damaged or destroyed by Lessee, or individual property owners of Lessee, incident to the exercise of the privileges herein granted shall be promptly repaired or replaced by Lessee to a condition satisfactory to NTMWD, or at the election of NTMWD, reimbursement made therefore by Lessee in an amount necessary to restore or replace the property to a condition satisfactory to NTMWD.

- 16. NTMWD'S ACCESS TO LEASED PROPERTY.** The right is reserved to NTMWD, its officers, agents, and employees to enter upon the Leased Property at any time and for any purpose necessary or convenient in connection with NTMWD work, to make inspections, to remove any material, except property of Lessee approved for use on the Leased Property, and/or to make any other use of the lands as may be necessary in connection with NTMWD purposes, and Lessee shall have no claim for damages on account thereof against NTMWD or any officer, agent, or employee thereof. NTMWD's authorized representative shall be allowed to cross Lessee's property, excluding sold individual lots as shown on the recorded Plats unless such access is authorized by separate agreement, as necessary, to inspect Improvements. NTMWD will notify Lessee of any deficiencies noted and will establish a schedule for their correction. No deviation or changes from approved plans for Improvements will be allowed without prior written approval of NTMWD. Any deviations from the Improvements require prior written approval by NTMWD after Lessee submits a request to NTMWD for a deviation in writing. NTMWD has thirty (30) days to review and respond to the request from Lessee. Notwithstanding the foregoing, if NTMWD determines during an inspection that a noncompliance issue concerns a significant imminent threat to the environment or public health, safety, and general welfare, NTMWD may take whatever action necessary within the authority of NTMWD to eliminate such threat, including but not limited to, requiring Lessee to immediately address the noncompliance issue.
- 17. COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS.** This Agreement is subject to all applicable federal and state laws and any applicable permits, ordinances, rules, orders, and regulations of any local, state or federal governmental authority having or asserting jurisdiction, including, but not limited to, the provisions of the latest edition of the National Electrical Code (NEC). Nothing contained herein shall be construed as a waiver of any right to question or contest any such law, ordinance, order, rule, or regulation in any forum, having jurisdiction. This Agreement does not authorize any injury to private property or invasion of private rights or any infringement of local, state or federal laws or regulations, nor does it obviate the necessity of obtaining local, state, or federal assent required by law for the operation, use, maintenance, or repair of the Improvement and/or use.
- 18. RULES AND REGULATIONS.** The Leased Property shall be expressly subject to all rules and regulations promulgated by NTMWD for the construction, use, maintenance, and enjoyment of the Leased Property, including without limitation, all regulations and requirements of NTMWD, now or hereafter enacted. By signing this Agreement, Lessee specifically acknowledges that it has read the applicable requirements of the Bois d'Arc Lake Rules and Regulations, the SMP, and Fannin County Zoning Regulations and agrees that Lessee's use of the Leased Property shall at all times be in compliance with such plans and regulations.
- 19. COMPLIANCE WITH OTHER AGREEMENTS.** Lessee shall remain in compliance with all other agreements between Lessee and NTMWD including, but not limited to, compliance with other agreements related to shoreline activities and applicable Flowage

and Flood Easements. Non-compliance with any other NTMWD agreement, contract, lease, or easement shall be considered non-compliance with this Agreement.

20. **EROSION CONTROL STRUCTURES.** Lessee shall maintain, in a manner satisfactory to NTMWD, all soil and water conservation structures that may be in existence upon the Leased Property at the beginning of this Agreement, and Lessee shall take appropriate measures to prevent or control soil erosion within the right-of-way herein granted. Lessee agrees to allow any adjacent landowner that holds a lease with NTMWD to connect to shoreline erosion control structures constructed by Lessee in order to facilitate contiguous shoreline erosion control between adjacent leased properties, including maintenance thereof. Any soil erosion occurring outside the Leased Property resulting from the use of the Leased Property shall be corrected by Lessee as directed by NTMWD.
21. **BOAT DOCK FACILITY USE.** Boat dock facilities shall be limited to the mooring of Lessee's, or Lessee's individual property owner's, vessels or watercrafts and the storage of equipment essential to the operation of such vessels or watercrafts. Equipment must be stored in enclosed storage box facilities, such as lockers or equipment closets. Equipment may not be left unsecured or unattended. Chemical and petrochemical products shall not be stored on a boat dock facility at any time and shall not be considered "equipment."
22. **COMMERCIAL ACTIVITIES PROHIBITED.** No attempt shall be made by Lessee to forbid the full and free use by the public of all waters adjacent to the Improvements. No charge may be made for use by others, excepting the assessments to cover non-commercial costs such as property lease payments, insurance, upkeep and maintenance to lot owners, of the Improvement nor shall commercial activities, including any form of advertising, be conducted thereon.
23. **HABITATION PROHIBITED.** No habitation is authorized on the Leased Property or the Easement. No Improvements, camping equipment, temporary structures, recreation vehicles, nor any moored vessel shall be used as a place of habitation or as a full or part-time residence or in any manner that gives the appearance of human habitation, including habitation of any pets, on the Leased Property or the Easement. Household furnishings are not permitted on boat docks or other structures.
24. **TRANSFER OF INTEREST.** Improvements authorized under this Agreement will not be rented (whether short-term or long-term, directly or indirectly, or through an internet-based company like Airbnb, Inc.), sub-let or provided to others by any means of engaging in commercial activities by Lessee or his/her agent for monetary gain. This does not preclude Lessee from selling total ownership of the Improvements or sub-letting boat slips to lot owners to share in the cost of lease and maintenance of the shared dock. If ownership of the Improvements is sold or transferred, Lessee or new owner will notify NTMWD of the action prior to finalization. The new owner must apply for a new Shoreline Lease and Use Agreement within thirty (30) days or remove the Improvements and restore the Leased Property within sixty (60) days from the date of ownership transfer. The new owner is responsible for paying any recording or processing fees.

25. **RECORD OF AGREEMENT FILED IN OFFICIAL PUBLIC RECORDS.** NTMWD will file a record of this Agreement, referred to as the “Record of Agreement,” with the Fannin County Clerk in the Fannin County Official Public Records.
26. **FLOATS AND FLOTATION MATERIALS.** Floats and the flotation material for all docks shall be fabricated of materials manufactured for marine use and in accordance with the approved plans in **Exhibit X**. The float and its flotation material shall be one hundred (100) percent warranted for a minimum of eight (8) years against sinking, becoming waterlogged, cracking, peeling, fragmenting, or losing beads. All floats shall resist puncture and penetration and shall not be subject to damage by animals under normal conditions for the area. All floats and the flotation material used in them shall be fire resistant. The use of new or recycled plastic or metal drums or non-compartmentalized air containers for encasement or floats is prohibited.
27. **ANCHORING.** The gangways to boat docks, fishing piers, or any other overwater structure shall be securely attached to the shore in accordance with the approved plans by means of moorings that do not create tripping hazards along the shoreline or adversely affect the natural terrain or vegetation. Anchoring to vegetation is prohibited.
28. **DREDGING.** Unless authorized in writing by a special condition, this Agreement does not authorize lake dredging. Lake dredging requires an individualized analysis by the United States Army Corps of Engineers (“USACE”) to determine whether it must be approved by USACE. Lake dredging may be allowed for community docks, if the following conditions are met: 1) prior to dredging, the applicant must coordinate with NTMWD to obtain express written approval for the dredging activity; 2) if approval from NTMWD is obtained, the applicant must then obtain appropriate state or federal authorizations and/or permits, including a USACE Clean Water Act Section 404 permit, if required; 3) once any required state or federal authorizations and/or permits are obtained, the applicant must complete the NTMWD agreement process by providing NTMWD with copies of any such required authorizations and/or permits; and 4) Lessee must provide NTMWD with notification of the dredging activity that includes the estimated start date and end date for the dredging activity and a description of the specifications and construction methods to be employed during the dredging activity.
29. **IMPROVEMENT STANDARDS.** Docks and other permitted improvements must conform to the standards found in the SMP and **Exhibit X**. These standards address electrical service and lighting, signage, improvement size and length, improvement location and spacing, orientation of the improvement to the shoreline, improvement maintenance, and other features and amenities as described in the SMP. Any deviation from the SMP requirements will be considered a violation of this Agreement.
30. **PERSONAL PROPERTY.** Loose personal property that has the ability to float must be stored in a secure locker or removed from the Leased Property when not in use.

31. **AGREEMENT DISPLAY TAG.** The Agreement Display Tag shall be posted on the Improvements and/or on the land areas covered by the Agreement so that it can be visually checked with ease in accordance with instructions provided by NTMWD.
32. **VEGETATION.** No vegetation other than that prescribed in this Agreement will be damaged, destroyed, or removed. In no event will vegetation be disturbed to the extent the right-of-way will be subject to erosion or natural beauty destroyed. All disturbed areas shall be seeded, replanted, or given some type of equivalent protection against subsequent erosion. No change in landform such as grading, excavation or filling is authorized by this Agreement. No vegetation planting of any kind may be done, other than that specifically prescribed. Only native species are allowed. An approved native plant list is provided in the SMP.
33. **VEGETATION MODIFICATION.** When vegetation modification is approved to control or remove invasive plants and is authorized by chemical means, the modification will be in accordance with appropriate federal, state, and local laws, rules, and regulations.
34. **LAKE AND SHORELINE ACCESS PRIOR TO LAKE OPENING.** NTMWD will notify Lessee in writing when the Lake is officially open for use. Until NTMWD notifies Lessee, Lessee is not permitted to use the Lake for any purpose, including but not limited to, launching watercraft from the shoreline for recreational use.
35. **LAKE AND SHORELINE ACCESS AFTER LAKE OPENING.** After the Lake is open, all watercraft must be launched from a NTMWD-approved ramp or a dock. This excludes non-motorized watercraft such as kayaks, canoes, and stand up paddle boards. Unless otherwise approved, neither Lessee nor individual lot owner may build a boat ramp or use any of their property to launch a watercraft except as set forth herein.
36. **PROPERTY LINE AND SIDE YARD LINE DELINEATION.** For this Agreement, Lessee will delineate the boundary line between the NTMWD-owned property and Lessee's property in a visibly clear, but unobtrusive manner approved by NTMWD and in accordance with the SMP. Lessee will also identify the intersection of the projected side yard line and the 534 MSL as depicted in the exhibits to this Agreement.
37. **PROHIBITED ITEMS.** Treated landscape timbers or the storage, transfer or use of hydrocarbons or other petrochemical products, paint, pesticides, herbicides, or any other toxic or hazardous materials are not allowed on the Leased Property.
38. **ELECTRICAL SAFETY AND COMPLIANCE.** Lessee shall comply with all applicable federal, state, county, municipal laws, ordinances, and regulations wherein the permitted facilities/activities are located, including, but not limited to, the provisions of the latest edition of the National Electrical Code (NEC). Failure to abide by these applicable laws and regulations may be cause for revocation of this Agreement.
39. **POLLUTION PREVENTION.** Within the limits of their respective legal powers, the Parties hereto shall protect the Leased Property against pollution of its air, ground, and

water. Lessee shall promptly comply with any laws, regulations, conditions, or instructions affecting the activity hereby authorized if and when issued by the Environmental Protection Agency (“EPA”), USACE, Texas Commission on Environmental Quality (“TCEQ”), or any federal, state, or local governmental agency having jurisdiction to abate or prevent pollution. The disposal of any toxic or hazardous materials within the Leased Property is strictly prohibited. Such regulations, conditions, or instructions in effect or prescribed by the said EPA, USACE, TCEQ, or any federal, state, or local governmental agency are hereby made a condition of this Agreement. Lessee shall not discharge waste or effluent from the Leased Property in such a manner that the discharge will contaminate streams or other bodies of water or otherwise become a public nuisance.

40. **PESTICIDES AND HERBICIDES.** The use of any pesticides or herbicides within the Leased Property shall be in conformance with all applicable federal, state, and local laws and regulations. Lessee must obtain approval in writing from NTMWD before any pesticides or herbicides are applied to the Leased Property.
41. **ENVIRONMENTAL IMPACT.** Lessee will use all reasonable means available to protect the environment and natural resources, and where damage nonetheless occurs arising from Lessee’s activities, Lessee shall be liable to restore the damaged resources.
42. **TIMBER CLEARING.** No timber within the Leased Property above the 534 MSL contour shall be cleared. Standing timber below the 534 MSL contour may be cleared only if approved through this Shoreline Lease and Use Agreement. Lessee shall provide documentation of coordination with USACE in accordance with the procedures described in the SMP. Such USACE coordination shall only occur after NTMWD has reviewed the timber clearing proposal and provided direction to engage in such coordination. Any timber clearing authorized under this Agreement must be in compliance with any required USACE approvals, authorizations, or permits. Timber clearing shall be approved by NTMWD in writing and shall be in accordance with the Clean Water Act Section 404 Permit for Bois d’Arc Lake as provided in the SMP. Timber clearing not approved by NTMWD in writing is prohibited.
43. **CULTURAL RESOURCES.** Lessee shall not remove or disturb, or cause or permit to be removed or disturbed, any historical, archaeological, architectural, or other cultural artifacts, relics, remains, or objects of antiquity on NTMWD-owned property. In the event such items are discovered on the NTMWD-owned property, Lessee shall immediately notify NTMWD and protect the site and material from further disturbance until NTMWD authorizes any further activity.
44. **TERMINATION OF AGREEMENT.** Because the cost of the Improvements was made with the expectation that Lessee would have the benefit of the Leased Property for the full term of this Agreement, Lessee may only be terminated if the matters noticed in **Exhibit X** under the Violations and Penalty Provisions of this Agreement have not been cured in accordance with such provisions.

45. **IMPROVEMENT REMOVAL.** On or before the expiration or termination of this Agreement or if Lessee ceases to use, operate, or maintain an Improvement and/or use, Lessee shall, without expense to NTMWD, remove said Improvements and restore the waterway and lands to the satisfaction of NTMWD within thirty (30) days. In the event Lessee shall fail to remove said Improvements and restore the Leased Property, NTMWD shall have the option to take over said Improvements without compensation, or to remove said Improvements and perform the restoration at the expense of Lessee, and Lessee shall have no claim for damages against NTMWD or its officers or agents for such action and no refund by NTMWD of any fee theretofore paid shall be made. Lessee agrees that if subsequent operations by NTMWD require an alteration in the location of an Improvement and/or use and if in the opinion of NTMWD an Improvement and/or use shall cause unreasonable obstruction to NTMWD use of the land or water area where the Improvement or use is located, Lessee shall be required, upon written notice from NTMWD, to remove, alter, or relocate the Improvement without expense to NTMWD.
46. **OTHER PERMITS REQUIRED.** This Agreement is effective only insofar as the rights of NTMWD in the Leased Property and Easement are concerned, and Lessee shall obtain such permission as may be required on account of any other existing rights. It is understood that the granting of this Agreement does not eliminate the necessity of obtaining any other permit or license that may be required by federal, state, or local statute in connection with use of the Leased Property, including, but not limited to, any permits or authorization from USACE to ensure compliance with the Clean Water Act.
47. **SANITATION.** Lessee shall take all necessary action and provide all necessary Improvements to maintain the Leased Property in a clean and sanitary manner, removing promptly and regularly trash and garbage from the said area. Any materials and refuse from construction, maintenance and repair activities are to be removed from the Leased Property immediately upon completion of such activities.
48. **LICENSED PROFESSIONAL ENGINEER REQUIRED.** NTMWD may require that remedial measures other than minor repairs and maintenance, and plans for same, be reviewed, designed, and sealed by a Texas Licensed Professional Engineer and approved by NTMWD.
49. **FINAL PLAT MAPS.** In the event final plat maps were not provided by Developer to NTMWD prior to the Effective Date, Lessee shall be required to provide NTMWD with all final plat maps and specifications within thirty (30) days of such maps and specifications being finalized.
50. **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 thereof and this Agreement shall be considered as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

51. **NO JOINT VENTURE.** It is acknowledged and agreed by the Parties that the terms hereof are not intended to and shall not be deemed to create any partnership or joint venture among the Parties. NTMWD, its past, present, and future officers, elected officials, employees and agents of NTMWD, do not assume any responsibilities or liabilities to any third party in connection with the improvements to, or use of, the Leased Property.
52. **REPRESENTATIONS AND WARRANTIES.** Each Party represents and warrants to the other Party that (i) the Party has full requisite power and authority to perform its obligations under this Agreement; (ii) the execution, delivery, and performance of this Agreement has been duly authorized by all necessary action of the board of directors or other applicable governing body of the Party; (iii) this Agreement is a valid and binding obligation of the Party enforceable against the Party in accordance with its terms, except as the enforceability may be limited by applicable bankruptcy, insolvency or other law affecting creditors' rights generally, and by general equitable principles; and (iv) the execution, delivery, and performance of this Agreement by the Party does not, and will not: (A) violate the statute, charter, or other instrument pursuant to which the Party was created; (B) violate the Constitution of the State of Texas, or any other law, rule or regulation by which the Party is bound; (C) violate any judgment, writ, order, injunction, award, or decree of any court, arbitrator, administrative agency or other governmental authority which is binding upon the Party; or (D) result in a material breach, violation, or default under any indenture, mortgage, ordinance, bond resolution, contract, deed of trust, debenture, agreement, or other instrument to which the Party is a party.
53. **ENTIRE AGREEMENT – NO ORAL MODIFICATIONS.** This Agreement embodies the entire Agreement of the Parties, superseding all oral or written previous and contemporary agreements between the Parties relating to matters set forth in this Agreement. Except as otherwise provided elsewhere in this Agreement, this Agreement cannot be modified without a written agreement executed by both Parties.
54. **NO THIRD PARTY BENEFICIARIES.** Lessee and NTMWD enter into this Agreement solely for the benefit of themselves and agree that nothing in this Agreement shall be construed to confer any right, privilege or benefit on any person or entity other than Lessee and NTMWD.
55. **VENUE.** It is specifically agreed among the Parties to this Agreement that Fannin County, Texas, is the place of performance of this Agreement; and, in the event that any legal proceeding is brought to enforce this Agreement or any provision hereof, the same shall be brought in Fannin County, Texas.
56. **ADOPTION OF PREAMBLE AND EXHIBITS.** All of the statements in the preamble and all of the exhibits of this Agreement are true and correct and are hereby incorporated into the body of this Agreement as though fully set forth in their entirety herein.

SPECIAL CONDITIONS *(To be completed for each project)*

VIOLATIONS AND PENALTIES

1. Lessees will be held accountable to the conditions outlined herein. If a violation is identified, NTMWD will follow the steps outlined below:

First Notice: NTMWD will generally issue a written warning notifying Lessee of the violation, outlining actions to correct the violation, and providing a resolution timeframe. Depending on the non-compliance issue (e.g. is the issue an imminent health or safety concern), the time provided for resolution and the degree to which NTMWD may step in and proactively correct an issue may vary. Some violations may immediately generate a fine. NTMWD may, at its discretion, waive fines to be imposed at the first notice. NTMWD will follow up within the specified timeframe to document resolution of the issue. Increased frequency of monitoring and inspection may be warranted for a period of time following resolution.

Second Notice: A second notice may involve the same activity or conditions as the first notice, or it may be a new issue. Second notices for the same situation that triggered the first notice will also be linked to increased fines and shorter resolution timeframes. Lessees will be required to reimburse NTMWD for costs associated with monitoring, inspection, and follow-up for second notice actions.

Third Notice: Three notices for the same or different instances of non-compliance with this Agreement within one year will trigger a notice to revoke or terminate this Agreement. Lessee will have thirty (30) days to remove Improvements at his or her expense and restore the Leased Property to its condition prior to the construction of the Improvements (if applicable). Lessee may appeal a notice of termination to NTMWD within fifteen (15) days of receiving the notice. NTMWD will respond to Lessee within thirty (30) days.

2. Resolution timeframes and fines are dependent on the harm that may occur to people, property, and resources if the violation were to continue. Violations that are hazardous, or potentially hazardous, generally have shorter resolution timeframes and higher penalties than administrative violations. **Exhibit X** outlines resolution timeframes, remedies, and penalties for various violations.

EFFECTIVE DATE AND TERM

This Agreement becomes effective on the date this Agreement is signed by both Parties (the "Effective Date") and will be valid for five years after the date of the latest signature. This Agreement will expire on _____.

AUTHORIZATION

This Agreement authorizes the lease and use of NTMWD-owned property described herein. If Lessee implements a project that differs from the Project described herein, Lessee will be subject to penalties and fines, described in this Agreement, and potentially termination.

EXECUTION

The Parties hereto acting under authority of their respective governing bodies have caused this Agreement to be duly executed in several counterparts, each of which shall constitute an original.

[The remainder of this page is intentionally left blank. Signatures are on the following pages.]

DRAFT

LESSEE: BOIS D'ARC POINTE, LLC.

By: _____
MARCUS SMITH, PRESIDENT Date _____

STATE OF TEXAS §
 §
COUNTY OF FANNIN §

This instrument was acknowledged before me on this _____ day of _____, 202__,
by MARCUS SMITH, PRESIDENT.

Notary Public, State of Texas
Printed Name of Notary:

My Commission Expires: _____

LESSEE: ASSOCIATION

By: _____
MARCUS SMITH, PRESIDENT Date _____

STATE OF TEXAS §
 §
COUNTY OF FANNIN §

This instrument was acknowledged before me on this _____ day of _____, 202__,
by MARCUS SMITH, PRESIDENT.

Notary Public, State of Texas
Printed Name of Notary:

My Commission Expires: _____

NORTH TEXAS MUNICIPAL WATER DISTRICT

By: _____
Jennafer P. Covington
Executive Director/General Manager

_____ Date

STATE OF TEXAS §
 §
COUNTY OF FANNIN §

This instrument was acknowledged before me on this _____ day of _____, 2025__, by Jennafer P. Covington, Executive Director/General Manager of North Texas Municipal Water District, a conservation and reclamation district and political subdivision of the State of Texas, on behalf of said conservation and reclamation district.

Notary Public, State of Texas
Printed Name of Notary:

My Commission Expires: _____

EXHIBIT C

Agreement Fees and Remedies and Penalties for Violations

DRAFT

Agreement Fee Schedule

Agreement Type	Activity/Facility	Application Fee (\$)	Annual Fee	Incentives/Additional Information
Preliminary Development Agreement	Community and Shared Dock/Overwater Structures	Application/ First Year: \$xxxxx	For years 2 through 5 of a 5-year agreement: \$xxxx	All shoreline use activities/facilities will be combined on one permit. Only the higher fee identified will be assessed. If erosion control or stormwater runoff treatment BMPs are provided supplementary to any required erosion control; an incentive reduction of 50 percent of the annual fee may be applied.
Preliminary Development Agreement	Modification fee	25-100 percent of the original application fee	N/A	

Remedies and Penalties for Violations

Violation ¹	Violation Category ²	Remedy ²	Resolution Timeframe (days) <i>First Notice</i> ²	Resolution Timeframe (days) <i>Second Notice</i> ²	Fine (\$) <i>First Notice</i> ²	Fine (\$) <i>Second and Third Notices</i> ²
Unauthorized burning	Major	Immediately stop unauthorized burning and remove debris from NTMWD-owned property	1	N/A	\$200	N/A
Storage or placement of fuel, oil, treated landscape timbers, pesticides, or other hazardous materials on docks or NTMWD-owned property	Major	Remove hazardous materials from NTMWD-owned property and store in secure location on private property	5	1	N/A	\$200
Unauthorized use of pesticides/fertilizers on leased property	Major	Stop unauthorized use of pesticides and report changes in water quality (e.g., algal blooms and/or dead fish) to NTMWD	1	N/A	\$200	N/A

Violation ¹	Violation Category ²	Remedy ²	Resolution Timeframe (days) <i>First Notice</i> ²	Resolution Timeframe (days) <i>Second Notice</i> ²	Fine (\$) <i>First Notice</i> ²	Fine (\$) <i>Second and Third Notices</i> ²
Unauthorized placement or storage of personal property on NTMWD-owned property and/or water	Major	Remove personal property from NTMWD-owned property and store in a secure location on private property	5	1	N/A	\$200
Unauthorized use of private overwater facility (e.g., human habitation on boat dock, storing nonauthorized vessels or watercraft at an approved boat dock, subletting boat dock)	Major	Stop unauthorized use and restore facility to post-violation conditions (e.g., remove evidence of human habitation from boat dock)	15	3	200	\$200
Unauthorized dock structure or dock modification	Major	Stop construction (if applicable) and restore facility to pre-violation conditions	15	3	200	\$200
Unauthorized vegetation modification (e.g., removing vegetation outside of an authorized area, changing landform, planting unauthorized plants)	Major	Stop violation and restore to pre-violation conditions (e.g., replant with authorized native plant species)	30	5	200	\$200

Violation ¹	Violation Category ²	Remedy ²	Resolution Timeframe (days) First Notice ²	Resolution Timeframe (days) Second Notice ²	Fine (\$) First Notice ²	Fine (\$) Second and Third Notices ²
Deviation from approved dock construction plans (e.g., construction materials, anchoring methods, etc.)	Major	Reconstruct dock to conform to approved construction plans	30	5	N/A	\$200
Unauthorized access path construction	Major	Stop construction and restore area to pre-violation conditions	15	5	200	\$200
Emerging erosion issues (signs may include shoreline recession, increased water turbidity and discoloration in the surrounding area, bare soil, exposed plant roots, and unstable banks)	Major	Stop erosion producing activity and install erosion control devices and/or plant native vegetation	30	5	200	\$200
Unauthorized use of a mobility assistance vehicle	Major	Stop unauthorized use, restore area to pre-violation conditions (if applicable)	15	3	N/A	\$200
Failure to delineate the NTMWD boundary line	Moderate	Delineate and mark the NTMWD boundary line using methods approved in the Shoreline Management Plan	15	10	N/A	\$200

Violation ¹	Violation Category ²	Remedy ²	Resolution Timeframe (days) First Notice ²	Resolution Timeframe (days) Second Notice ²	Fine (\$) First Notice ²	Fine (\$) Second and Third Notices ²
Failure to restore the leased area after completion of a permitted activity or after the lessee damages the area	Moderate	Restore area to pre-lease conditions (e.g., restore vegetation, install erosion control measures such as water bars and vegetated swales)	30	15	N/A	\$85/day
Failure of POA or developer to apply for shoreline use agreement for existing uses within 30 days or to restore the use area within 60 days from the date of ownership transfer	Moderate	Apply for a new shoreline lease and use agreement or restore the use area	30	15	N/A	\$85/day
Failure to display agreement tags on authorized facilities	Minor	Display agreement tags according to agreement conditions and Shoreline Management Plan requirements	30	15	N/A	\$150/week
Failure to have a copy of the agreement with the mobility assistance vehicle during use on NTMWD-owned property	Minor	Carry agreement according to authorization conditions	1	1	N/A	\$150

Violation¹	Violation Category²	Remedy²	Resolution Timeframe (days) First Notice²	Resolution Timeframe (days) Second Notice²	Fine (\$) First Notice²	Fine (\$) Second and Third Notices²
Failure to pay agreement fees	Minor	Pay outstanding agreement fee	30	15	N/A	\$150/week
Failure to renew an agreement	Minor	Apply for a new agreement and pay associated application fees	30	15	N/A	\$150/week
Failure to complete construction within allowed time limit	Minor	Apply for new agreement and pay associated application fees	30	15	N/A	\$150/week
Noncompliance with applicable laws, ordinances, and regulations	NA	NTMWD reports violations to the appropriate authority for enforcement	Depends on law/regulation	Depends on law/regulation	Depends on law/regulation	Depends on law/regulation

¹Penalties may be assessed individually for discrete facilities and occurrences

²NTMWD = North Texas Municipal Water District; N/A = not applicable; SMP = Shoreline Management Plan