

PUBLIC SEWER AND WASTEWATER IMPROVEMENTS
OVERSIZE COST PARTICIPATION AGREEMENT
BETWEEN
THE CITY OF SINTON AND DEVELOPER
FOR THE INSTALLATION OF LIFT STATION, FORCE MAIN,
AND ELECTRICAL COMPONENTS

This Public Sewer and Wastewater Improvements Oversize Cost Participation Agreement (this "Agreement"), is made and entered into this ____ day of December, 2025 (the "Effective Date"), by and between the City of Sinton, a Texas Home-Rule Municipal Corporation (hereinafter referred to as the "City"), with its offices located at 301 East Market Street, Sinton, Texas 78387, and CenterPoint Energy Resources Corp. (hereinafter referred to as "Developer"), whose corporate headquarters in Texas is located at 1111 Louisiana Street, Houston, Texas 77002.

RECITALS:

WHEREAS, Developer is the owner of certain real property located in the City of Sinton, Texas and being described in Exhibit A –Business Hwy 77 South/CenterPoint Energy Sinton, attached hereto and made a part hereof for all purposes (the "Property"); and

WHEREAS, Developer is in the process of developing and improving the Property and in connection with the same, must design, construct and install adequate sewer and wastewater facilities to service the Property (the "Required Facilities") as indicated in Exhibit B – Proposed Public Utility Extensions, attached hereto and incorporated herein for all purposes; and

WHEREAS, the City, in accordance with its ordinances and Subsection C, Section 212 of the Texas Local Government Code, wishes to participate in the cost of designing, constructing and installing said Required Facilities to provide for an "oversized" public lift station, force main, and electrical components to insure adequate sewer and wastewater services for future development, wherein the oversized lift station and force main are generally described as 4-foot diameter by 15-foot depth Lift Station with 4-inch diameter Force Main and all necessary appurtenances thereto, and more particularly describe in Exhibit C – **Option 2 Public 4 inch Force Main and Lift Station (WGA Project #00134-133-04)**, attached hereto and incorporated herein for all purposes (the "Oversized Facilities"); and

WHEREAS, the City and Developer desire to enter into this Agreement pursuant to Subchapter C, Section 212 of the Texas Local Government Code, to provide for oversizing of improvements required to increase the capacity of improvements in anticipation of future development in the area; and

WHEREAS, the City and Developer desire to set forth, in writing, their understandings and agreement regarding the design, construction and installation of the Required Facilities as more fully set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein Developer and the City do hereby AGREE as follows:

1. Term

This Agreement becomes effective upon the Effective Date and shall remain in effect until the Required Facilities are completed, have been accepted by the City, and the City has reimbursed the Developer for the portion of the construction costs for the Required Facilities attributable to oversizing in accordance with the terms hereof, unless earlier terminated in a writing that is signed by both the City and Developer.

2. Scope of Work

Developer shall design, install, and construct the Oversized Facilities.

3. City and Developer Rights and Responsibilities

- A. Developer agrees that all City costs related to participation, in accordance with Section 212.072 of the Texas Local Government Code, shall not exceed thirty percent (30%) of the total contract price. The amount of the City's Participation shall be limited to an amount not to exceed one hundred percent (100%) of the total cost for any oversizing of improvements.
- B. Prior to the commencement of construction of the Required Facilities, the Developer shall execute a performance bond for the construction of the improvements in the amount of **\$1,629,948.00** to ensure completion of the project. The bond must be executed by a corporate surety in accordance with Chapter 2253 of the Texas Government Code. The performance bond shall be maintained by the Developer until the completion and acceptance of the Required Facilities. Developer shall repair and/or replace all defects due to faulty materials and workmanship that appear within a period of one (1) year from the date of final completion and final acceptance of the Required Facilities by City. Upon completion and acceptance of the Required Facilities, Developer shall provide a two-year maintenance bond in the amount of the cost of the Required Facilities.
- C. This Agreement is subject to and governed by applicable ordinances of the City of Sinton, Texas.
- D. Developer shall obtain, at Developer's sole cost and expense, all necessary permits, licenses, and easements, if any, to construct and install the Required Facilities. Any easements, deeds, or plats obtained by the Developer in connection with the construction and installation of the Required Facilities shall be reviewed and approved as to form and substance by the City, which approval shall not be unreasonably withheld. If the Developer is unable to acquire needed easements, the Developer shall provide the City with any reasonably requested documentation of efforts to obtain such easements, including evidence of negotiations and reasonable offers made to the affected property owners. Any easements for the Oversized Facilities obtained by the Developer shall be

assigned to the City, if not taken in the City's name, prior to acceptance of the Oversized Facilities, and the Developer warrants clear title to such easements from and against all lawful claims and demands of all persons claiming by, through, or under the Developer, subject however to all easements, covenants, conditions, reservations, restrictions and matters of record and any conditions that would be uncovered by an inspection of the easement area or an accurate survey of the same (collectively, the "Permitted Exceptions"), and will defend the City against any adverse claim made against such title, other than the Permitted Exceptions.

- E. Developer agrees to design, construct and install the Required Facilities and to fund One Million Three Hundred Fifteen Thousand Seventy-Seven and 00/100 Dollars (\$1,315,077.00) (the "Developer Share") of the construction cost for the Required Facilities. All costs to design, construct and install the Required Facilities in excess of the Developer Share are "Oversizing Costs." The City agrees to make payments to Developer for Oversizing Costs in an amount not to exceed Three Hundred Fourteen Thousand Eight Hundred Seventy One and 00/100 Dollars (\$314,871.00) subject to appropriation, or approximately 19.31785% of the \$1,629,948.00 shown as the total estimated costs to design, construct and install the Required Facilities as set forth on Exhibit D, attached hereto (the "City's Responsibility").
- F. The City Manager shall determine the appropriate level of cost participation by the City based upon the incremental cost between the Developer's Required Facilities and the City's requested Oversized Facilities. This cost determination shall be based upon recent bids for similar facilities and/or cost estimates prepared by the City's engineer. If the City cannot justify the costs involved in any such contract where City funds or pro-rata repayment are involved, the City shall have the option and right to submit the proposal for sealed bids, and the Developer shall pay its proportionate share of the acceptable low bid. Final approval of all oversize participation agreements between the City and the Developer shall come from the City Council unless the participation amount is less than the expenditure level authorized by the City Manager.
- G. The City shall not, in any case, be liable for any additional cost because of delays in beginning, continuing, or completing construction; changes in the price or cost of materials, supplies, or labor; unforeseen or unanticipated cost because of topography, soil, subsurface, or other site conditions; differences in the calculated and actual per linear feet of pipe or materials needed for the Oversized Facilities; the Developer's decision as to the contractors or subcontractors used to perform the work; or any other reason or cause, specified or unspecified, relating to the construction of the Oversized Facilities.
- H. The City shall reimburse Developer for the City Share of Oversizing Costs within sixty (60) days of the completion and acceptance of the construction of the Required Facilities.

- I. To confirm the actual cost of the Required Facilities, City shall have the right to inspect any and all records of the Developer, its agents, employees, contractors, or subcontractors, and shall have the right to require the Developer to submit any necessary information, documents, invoices, receipts, or other records to verify the actual cost of the Required Facilities. If the actual costs are lower than those noted on Exhibit C, the City's Responsibility in cost shall be reduced pro rata.
- J. All notices, payments, or communications to be given or made pursuant to this Agreement by the parties hereto, shall be sent to the Developer at the business address given above and to the City Manager for City at the address given above.
- K. THE DEVELOPER SHALL INDEMNIFY AND HOLD THE CITY HARMLESS FROM ANY AND ALL CLAIMS, DAMAGES, LOSS, OR LIABILITY OF ANY KIND WHATSOEVER (INCLUDING DEATH), BY REASON OF INJURY TO PROPERTY OR PERSON OCCASIONED BY ANY ACT OR OMISSION, NEGLECT, OR WRONGDOING OF THE DEVELOPER, ITS OFFICERS, AGENTS, EMPLOYEES, INVITEES, OR CONTRACTORS, OR OTHER PERSONS WITH REGARD TO THE PERFORMANCE OF THIS AGREEMENT; AND THE DEVELOPER SHALL, AT ITS OWN COST AND EXPENSE, DEFEND AND PROTECT THE CITY AGAINST ANY AND ALL SUCH CLAIMS AND DEMANDS. NOTWITHSTANDING THE FOREGOING TO THE CONTRARY, THE DEVELOPER'S INDEMNIFICATION OBLIGATIONS HEREUNDER SHALL NOT INCLUDE ANY CLAIMS, DAMAGES, LOSSES, OR LIABILITIES OF ANY KIND WHATSOEVER THAT ARE CAUSED BY THE CITY'S SOLE NEGLIGENCE. IN THE EVENT OF JOINT AND CONCURRENT NEGLIGENCE OR FAULT OF BOTH DEVELOPER AND THE CITY, RESPONSIBILITY AND INDEMNITY, IF ANY, SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS WITHOUT, HOWEVER, WAIVING ANY OF THE DEFENSES OF THE PARTIES UNDER TEXAS LAW. FURTHER, IN THE EVENT OF JOINT AND CONCURRENT NEGLIGENCE OR FAULT OF BOTH DEVELOPER AND THE CITY, RESPONSIBILITY FOR ALL COSTS OF DEFENSE SHALL BE APPORTIONED BETWEEN THE CITY AND DEVELOPER BASED UPON THE COMPARATIVE FAULT OF EACH.
- L. City may withhold funds, and, if necessary, may demand the return of some or all amounts previously paid to Developer for defective work, to protect City from loss or damage.
- M. Prior to the final payment by the City:

- i. The Required Facilities must be (i) completed by the Developer; (ii) reviewed and inspected by the City; and (iii) approved and accepted by the City. During the work on the Required Facilities, the City has the right to review all documents, maps, plats, records, photographs, reports and drawings affecting the construction and to inspect the work in progress; and
- ii. The City shall conduct a final inspection of the Required Facilities and any deficiencies noted by the City during such inspection shall have been addressed by the Developer to the City's satisfaction.

4. Legal Construction

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 of this Agreement, and this Agreement shall be considered as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

5. Counterparts

This Agreement may be executed, including electronically, in one or more counterparts, each of which when so executed shall be deemed to be an original and constitute one and the same instrument. If this Agreement is executed in counterparts, then it shall become fully executed only as of the execution of the last such counterpart called for by the terms of this Agreement to be executed.

6. Assignment

Developer shall not sell, assign, transfer or its interest or rights in the Agreement, or any claim or cause of action related thereto in whole or in part, without the prior written consent of the City, which consent shall not be unreasonably withheld. As an express condition of consent to any assignment, Developer shall remain liable for completion of the Required Facilities in the event of default by the successor contractor or assignee.

7. Venue

Any and all suits for any breach of this Agreement, or any other suit pertaining to or arising out of this Agreement, shall be brought in a court of competent jurisdiction in San Patricio County, Texas. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

8. Entire Agreement

This instrument embodies the entire agreement of the parties hereto and there are no promises, terms, conditions, or obligations other than those contained or incorporated

herein. This Agreement shall supersede all previous communications, representations, or agreements, whether verbal or written, between the parties hereto with respect to the subject matter of this Agreement.

9. Miscellaneous

- A. Pursuant to Section 2271.002, Texas Government Code, the Developer hereby (i) represents that it does not boycott Israel, and (ii) subject to or as otherwise required by applicable federal law, including without limitation 50 U.S.C. Section 4607, agrees it will not boycott Israel during the term of the Agreement. As used in the immediately preceding sentence, "boycott Israel" shall have the meaning given such term in Section 2271.001, Texas Government Code.
- B. The Developer hereby represents that (i) it does not engage in business with Iran, Sudan or any foreign terrorist organization and (ii) it is not listed by the Texas Comptroller under Section 2252.153, Texas Government Code, as a company known to have contracts with or provide supplies or services to a foreign terrorist organization. As used in the immediately preceding sentence, "foreign terrorist organization" shall have the meaning given such term in Section 2252.151, Texas Government Code.

10. Certification of Execution

The person or persons signing and executing this Agreement on behalf of Developer, or representing themselves as signing and executing this Agreement on behalf of Developer, do hereby warrant and certify that he, she or they have been duly authorized by Developer to execute this Agreement on behalf of Developer and to validly and legally bind Developer to all terms, performances and provisions herein set forth.

EXECUTED in duplicate original counterparts by the undersigned duly authorized officials and officers of the City and the Developer, on this the ____ day of December, 2025.

City of Sinton, Texas

By: _____
John Hobson, City Manager

ATTEST:
Cathy Duhart, City Secretary

By: _____

DEVELOPER:

CenterPoint Energy Resources Corporation
1111 Louisiana Street
Houston, Texas 77002

By: _____

Printed Name: _____

Title: _____

Date: _____

Exhibit A

Business Hwy 77 South/CenterPoint Energy Sinton

(Attached – Two Pages)

Exhibit B

Proposed Public Utility Extensions

(Attached - One Page)

Exhibit C

**Option 2 Public 4 inch Force Main and Lift Station (oversizing option)
(WGA Project #00134-133-04)**

(Attached – One Page)

Exhibit D

City's Responsibility
Under Option 2 – Oversizing

(Attached – One Page)