

**STRATEGIC PARTNERSHIP AGREEMENT BETWEEN
THE CITY OF ANGLETON TEXAS AND
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 82**

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF BRAZORIA §

This Strategic Partnership Agreement (“Agreement”) is made and entered into by and between the City of Angleton, Texas, a municipal corporation acting by and through its duly authorized City Council (“City”), and Brazoria County Municipal Utility District No. 82, acting by and through its duly authorized Board of Directors (“District”) under the authority of Section 43.0751 of the Texas Local Government Code (“Local Government Code”).

RECITALS

1. The District is a municipal utility district created by Article XVI, Section 59, Texas Constitution and generally operates under Chapters 49 and 54 of the Texas Water Code . A portion of the land to be included in the District is within the extra-territorial jurisdiction of the City, and a portion of the land to be included in the District is within the unincorporated area of Brazoria County, Texas.
2. The City is a home rule municipality organized and existing under the constitution and laws of the State of Texas.
3. The City and District are entering into this Strategic Partnership Agreement in accordance with Texas Local Government Code Section 43.0751 to plan for the future full–purpose annexation of the District by the City upon mutually acceptable terms.

The District encompasses approximately 512 acres, more or less, located within the extraterritorial jurisdiction of the City more fully described on Exhibit A and as depicted on Exhibit B attached to this Agreement (the “Development”); and Anchor Holdings MP, LLC (the “Owner”) has represented to the City and the District that it owns the Development.

4. The provisions of Tex. Local Gov’t Code Section 43.0751 state that the City and the District may enter into a strategic partnership agreement that provides for the terms and conditions which services will be provided and funded by the City and the District, the limited purpose annexation of a portion of the District Property, the eventual full purpose annexation of the District Property and such other lawful terms as the parties deem appropriate.
5. Certain areas within the Development may be developed for commercial uses and the City desires to annex the commercial use areas of the Development for the sole and exclusive purpose of imposing and collecting sales and use taxes within such areas. The District and the City desire that effective, efficient, and responsible local government be provided to citizens of the District and the City prior to, during, and after the City annexes the District for full purposes. To that end, the District and the City also desire to avoid any unnecessary

duplication of resources and taxes, and to provide for the orderly and seamless succession of the District as provided by a strategic partnership agreement; and

6. The District and the City each published notice of two public hearings concerning the adoption of this Agreement in accordance with the procedural requirements of the Act; and
7. The District conducted public hearings regarding this Agreement on December 14, 2023, and on December 20, 2023, and notice thereof having been given in accordance with the procedural requirements of Texas Local Government Code Section 43.0751.
8. The City conducted public hearings regarding this Agreement on October 10, 2023, and on October 24, 2023 and on April 23, 2024 which was a continuation of the second public hearing, in the City Council Chambers of the City Hall located at 121 S. Velasco Street in Angleton, Texas, notice thereof having been given in accordance with Texas Local Government Code Section 43.0751.
9. The District has, by formal action, after public hearings approved this Agreement on December 20, 2023, subject to final review and approval by the City and the District's Attorney, in open session at a meeting held in accordance with the Open Meetings Act.
10. The City has, by formal action, after public hearings approved this Agreement on April 23, 2024, in open session at a meeting held in accordance with the Open Meetings Act.
11. All procedural requirements imposed by state law for the adoption of this Agreement have been met.

NOW, THEREFORE, for and in consideration of the mutual agreements, covenants, and conditions contained in this Agreement, and other good and valuable consideration, the City and the District agree as follows:

ARTICLE I
DEFINITIONS, PURPOSE, AND LEGAL AUTHORITY

Section 1.01 Incorporation of Recitals.

The recitals to this Agreement are hereby agreed to and adopted by the Parties as findings of fact and are incorporated herein for all purposes.

Section 1.02 Terms Defined in this Agreement.

In this Agreement, each of the following terms shall have the meaning indicated:

- a. "Agreement" means this Strategic Partnership Agreement between the City of Angleton and Brazoria County Municipal Utility District No. 82.
- b. "City" means the City of Angleton, Texas.

- c. “Code” or “the Code” means the provisions of Chapter 43 of the Texas Local Government Code in effect on January 1, 2021.
- d. “Consent Conditions” means those conditions relative to the operation of the District contained in City Ordinance No. 20230627-006 dated June 27, 2023.
- e. “District” means Brazoria County Municipal Utility District No. 82 in Brazoria County, Texas.
- f. “District Boundaries” means the boundaries of the District as they currently exist, including property heretofore annexed, as well as property that may hereafter be annexed by the District with the City's consent, such current boundaries being more particularly described in **Exhibit “A”** and depicted on **Exhibit “B”** attached to this Agreement.
- g. “District Facilities” means the water, wastewater, drainage, detention, recreational and road facilities, as well as such additional facilities which the District may now or in the future be authorized by law to construct, own, operate and maintain, which are necessary to serve development within the boundaries of the District, including those necessary facilities located outside the boundaries of the District.
- h. “Full Purpose Annexation Conversion Date” means the date on which the territory of the District becomes subject to the full jurisdiction of the City of Conroe.
- i. “Limited District” or “limited district” means the District after it is converted to a limited District pursuant to Section 3.02 below. For the avoidance of doubt, the conversion of the District into a Limited District as provided herein is a full purpose annexation.
- j. “Notice” means any formal notice or communication required or authorized to be given by one Party to another by this Agreement.
- k. “Parties” means the City and the District.
- l. “Party” means the City, or the District, as the case may be.
- m. “Period of Limited Purpose Annexation” means that period commencing on the effective date of the limited purpose annexation of the District, and ending upon the Full Purpose Annexation Conversion Date.
- n. “Utility Facilities” means the water and wastewater facilities necessary to serve development within the District Boundaries.
- o. “75% Developed” means that (i) 75% of the total projected number of residential lots at full build out within the District have been developed and delivered to homebuilders for home construction, and (ii) 75% of the commercial tracts within the District have been developed and conveyed to their respective end users.

- p. “95% Build Out” means that the District Facilities necessary to serve 95% of the developable land in the District have been constructed and the District has fully reimbursed the Developer, whether one or more, for such infrastructure.
- q. “100% Build Out” means that the District Facilities necessary to serve 100% of the developable land in the District have been constructed and the District has fully reimbursed the Developer, whether one or more, for such infrastructure.

Section 1.03 Purpose of the Agreement.

The purpose of this Agreement is to define and clarify, through contractual agreement, the terms and conditions of the annexation of the District by the City and the relationship between the City and the District, including taxation and the provision of services by the City and matters related to the issuance of debt by the District.

Section 1.04 General Location and Description of the District.

The District is a municipal utility district created by Acts 2021, 87th Leg., R.S., Ch. 113 (S.B. 2147), Sec. 1, effective May 23, 2021 and generally operates under Chapters 49 and 54 of the Texas Water Code. A portion of the land to be included in the District is within the extra-territorial jurisdiction of the City, and a portion of the land to be included in the District is within the unincorporated area of Brazoria County, Texas. Its current boundaries are described by metes and bounds in Exhibit “A” and depicted in Exhibit “B” attached to this Agreement.

Section 1.05 Effective Date of Agreement.

Under the provisions of Section 43.0751(c) of the Local Government Code, this Agreement becomes effective on the date of adoption by the City. Upon adoption, the Agreement shall be filed by the District in the Real Property Records of Brazoria County, Texas.

ARTICLE II **ANNEXATION OF THE DISTRICT**

Section 2.01 Annexation Procedure.

- a. Pursuant to Section 43.0751(s) of the Code the City and the District have agreed that the annexation procedure established by this Agreement shall control over any other law and shall be the exclusive procedure applicable to the annexation of the District. The procedure established by this section shall apply to both limited purpose and full purpose annexation unless otherwise expressly provided.to
- b. The City shall annex the District by ordinance. Notice of a proposed annexation shall be given by City to the governing body of the District in writing not less than 180 days prior to the effective date of a proposed limited purpose annexation and not later than June 30 of any year prior to the year in which the proposed full purpose annexation will become effective. In addition the City shall conduct two public hearings on the proposed annexation. The hearings must be conducted on or after the 40th day but before the 20th day

before the adoption of the annexation ordinance. Notice of the public hearings shall be published in a newspaper of general circulation within the boundaries of the City and the District. Notice of the hearings must be published at least once on or after the 20th day but before the 10th day before the date of each public hearing. A single publication giving notice of both public hearings is sufficient provided that the date of publication falls within the notice period applicable to each hearing. Notice of the hearings must also be posted on the City's Internet website not later than the 10th day before the first public hearing and such notice must remain on the website through the completion of both public hearings. No additional notice of annexation shall be required. The notice and hearing requirements of this paragraph do not limit or qualify the District's consent to annexation as provided by this Agreement and the City shall not be required to obtain the additional consent of any other party.

- c. A limited purpose annexation ordinance may designate a date on which the status of the territory shall automatically be converted to full – purpose annexation, or the ordinance may provide for the continuation of the limited purpose annexation status for an indefinite period. A service plan is not required for a limited purpose annexation.
- d. If a limited purpose annexation ordinance provides for conversion to full – purpose annexation on a date certain, then at least ninety (90) days prior to the conversion date the City shall submit to the governing body of the District a proposed service plan for the delivery of full municipal services to the District following its conversion to full purpose annexation status. The service plan shall be adopted by ordinance prior to the conversion date. The notice and public hearing procedures applicable to the adoption of the annexation ordinance shall also be applicable to the adoption of the service plan ordinance. A copy of the proposed service plan shall be placed on the City's website at the same time that notice of the public hearing on the plan is posted on the website. Failure to timely adopt the service plan does not prevent conversion to full – purpose annexation but the date of conversion shall be automatically extended to the date that is thirty (30) days following the date of adoption of the service plan ordinance.
- e. If a limited purpose annexation ordinance does not specify a full – purpose annexation conversion date then prior to the adoption of a full purpose annexation ordinance the City shall comply with notice and hearing provisions of this section and shall include a proposed service plan with the written notice provided to the governing body of the District prior to publication of the public hearing notice or notices. A copy of the proposed service plan shall be posted on the City's website at the same time as the public hearing notice and the service plan will be presented at the public hearings.

Section 2.02 Limited Purpose Annexation.

- a. The City may at any time annex the territory of the District for limited purposes as provided by Section 43.0751 of the Code and may by ordinance impose within the District any sales and use tax imposed by City within its full – purpose boundaries. The territory of the District shall not be subject to property taxation by the City prior to the date of full – purpose annexation and except as provided by the District Consent Conditions or otherwise provided herein, the territory of the District shall not be subject to ordinances, rules, or regulations of the City that are not ordinarily applied within the extraterritorial jurisdiction

of the City, nor shall the City be required to provide any service within the District that is not ordinarily provided by City within the City's extraterritorial jurisdiction.

- b. From and after the date of limited purpose annexation the residents of the District shall be entitled to vote in municipal elections as provided in Section 43.130 of the Code and such residents shall be entitled to use the park and recreational facilities of the City on the same basis as residents within the full purpose annexation limits of the City.
- c. District territory that is located within the extraterritorial jurisdiction of the City need not be contiguous to City in order to be annexed for limited purposes and the District expressly consents to such discontinuous limited purpose annexation as authorized by Section 43.0751(r) of the Code. To the extent not prohibited by law such consent also extends to the full purpose annexation of the discontinuous territory on a full – purpose annexation conversion date specified in the limited purpose annexation ordinance or by a separate full – purpose annexation ordinance if no automatic conversion date is established by the limited purpose annexation ordinance.

Section 2.03 Full – Purpose Annexation.

- a. Except as provided by 2.03(b), the District consents to full purpose annexation of the District by the City at any time on or after (i) the time the District's has achieved 95% Build Out, or (ii) January 1, 2054, whichever occurs first, and City agrees not to annex the District for full municipal purposes prior to such date. A Full Purpose Annexation Conversion Date specified in an ordinance providing for limited purpose annexation may not specify a Full Purpose Annexation Conversion Date earlier than the date provided by this paragraph.
- b. If the District is not at least 75% Developed as of the later of (i) _ January 1, 2054, or (ii) two-hundred ten (210) days prior to the Full Purpose Annexation Conversion Date, the District's Board of Directors may elect to exercise a one-time (5) year extension of the date determined for full purpose annexation under Section 2.03(a) or the Full Purpose Annexation Conversion Date, as applicable. Written notice of an election pursuant to this section 2.03(b) shall be delivered to the City at least one hundred eighty (180) days prior to the date proposed for full purpose annexation.

Section 2.04 Service Plan for the Provision of Full Municipal Services.

- a. Prior to full-purpose annexation, the City shall prepare a service plan that provides for the extension of full municipal services to the territory of the District upon full – purpose annexation. The annexation service plan may provide for the conversion of the District to a limited district as hereinafter authorized and may provide for the continued operation and maintenance of all or a portion of the Utility Facilities by the limited district for so long as the limited district continues to exist; provided, however, that the annexation service plan shall provide for the conversion of the District to a Limited District if the District has not or will not have achieved 100% Build Out as of the Full Purpose Annexation Conversion Date, unless the City assumes all obligations of the District to complete the build-out of the District and to reimburse the District's developer(s). The service plan may also provide for the City to assume the responsibility for operation and maintenance of Utility Facilities in which case the City shall provide such utility services upon the same basis as they are provided by the City elsewhere in the municipality, but without obligating

the City to the limited district for payment of capacity charges, capital recovery fees or any other consideration for the use or possession of such Utility Facilities. As consideration for the operation and maintenance of such Utility Facilities the service plan may provide that the City shall have and may retain all revenues resulting from the provision of service to customers of the utility system.

- b. The service plan shall be attached to and adopted by the full – purpose annexation ordinance unless full – purpose annexation occurs automatically on a conversion date established by a limited purpose annexation ordinance. In such case the service plan shall be adopted by separate ordinance as provided in Section 2.01(d) of this Agreement.

Section 2.05 Notice to Landowners.

The following notice, with appropriate modifications, shall be included in the notice to purchasers of real property in the District Information Form required to be recorded in the Real Property Records of Brazoria County, Texas, pursuant to Section 49.455 of the Texas Water Code:

All of the property within the boundaries of Brazoria County Municipal Utility District No. 82 (the “District”), as described in Exhibit A attached hereto, is subject to the terms and conditions of a Strategic Partnership Agreement (“SPA Agreement”) between the District and the City of Angleton (“City”), which was effective on April 9, 2024. The SPA Agreement allows full purpose municipal annexation of the District by the City at any time on or after the time after development in the District reaches 95% Build Out (as that term is defined in the SPA Agreement) or January 1, 2054 whichever occurs first, and permits limited purpose annexation of the District at any time. A copy of the SPA Agreement may be obtained by contacting the offices of the District.

Any land subsequently annexed into the District shall be included within District's notice obligation as set forth above.

ARTICLE III **STATUS OF DISTRICT FOLLOWING FULL – PURPOSE ANNEXATION**

Section 3.01 Status of the District following full – purpose annexation.

- a. Upon full-purpose annexation the City may, subject to the limitation hereafter provided, (1) abolish the District and assume its debts and obligations pursuant to Local Government Code Section 43.075, or (2) continue the District as a limited district upon the terms hereinafter provided. The District shall not be abolished but shall continue to exist as a limited district until 100% Build Out or as otherwise provided in Section 3.04 below.
- b. Following Full-Purpose Annexation. Upon full-purpose annexation and dissolution of the entire District under the provisions of Section 2.03, the City will assume all rights, assets, liabilities and obligations of the District (including all obligations to reimburse the developers within the District). Upon full annexation, and dissolution, the residents of the former District shall be treated as residents of the City for all purposes.

- c. Attempted Incorporation. Notwithstanding any provision herein to the contrary, in the event that an election is called pursuant to applicable law in connection with a bona fide petition for incorporation of a municipality that includes a substantial portion of the District, the City shall be entitled to immediately annex that portion of the District which is proposed to be incorporated; provided, however, the City acknowledges the requirements of 43.071(b) and agrees not to annex for full purposes less than all of the District.

Section 3.02 Limited district option.

The City's full – purpose annexation ordinance may require that the District retain all obligation for any indebtedness of the District and continue to exist as a limited district for so long as may be necessary for the limited district to fully discharge all such indebtedness, including any landowner or developer reimbursement payments that the City would otherwise be obligated to pay upon annexation or dissolution of the District. The limited district shall continue to be known as "Brazoria County Municipal Utility District No. 82." The limited district shall continue until the City dissolves the District pursuant to Section 3.04 hereof. The limited district may not be dissolved without the consent of the City.

Section 3.03 Powers of limited district.

Subject to the express terms of this Agreement and the Consent Conditions, the limited district shall have and may continue to exercise all powers of the District in the same manner as authorized prior to the conversion of the District to a limited district, except none of the District Facilities may be transferred to another party without the consent of the City. The limited district is expressly authorized and required to levy and collect taxes sufficient to meet the outstanding debt service requirements for debt previously issued by the District and to pay necessary operating expenses associated therewith.

Section 3.04 Dissolution of Limited District.

The City may dissolve the limited district by ordinance at any time after 95% Build Out. Upon dissolution the city shall (1) take over all the property and other assets of the limited district, (2) assume all the debts, liabilities, and obligations of the limited district, and (3) perform all functions of the limited district, including the provision of services.

Section 3.05 Audit; Review of District Records.

The District, at its sole expense, shall conduct an annual audit each year to the extent required by the Texas Water Code and the rules of the Texas Commission on Environmental Quality to be performed by an independent certified public accountant. The District shall file a copy of the completed audit with the City's Director of Finances. The District shall make its financial records available to the City for inspection during normal business hours and with prior reasonable notice.

ARTICLE IV
PROVISION OF MUNICIPAL SERVICES WITHIN THE DISTRICT

Section 4.01 City Fire Services.

If the District provides for the provision of fire suppression services within the District Property, it shall first give the City the option to be the provider of such services. If the City is unable or unwilling to provide the services at a cost commensurate with that of other potential providers of such services, the District may contract with a third party. Payment to the City with regard to any fire suppression or related services provided under this Section by a separate written agreement shall be based upon the actual costs of the City, including reasonable overhead and prior capital expenditures, in providing such services.

Section 4.02 Police Protection.

If the District provides for the provision of enhanced police protection services within the District, it shall first give the City the option to be the provider of such services. If the City is unable or unwilling to provide the services at a cost commensurate with that of other potential providers of such services, the District may contract with a third party. Payment to the City with regard to any police protection provided under this Section by a separate written agreement shall be based upon the actual costs of the City, including reasonable overhead, in providing such services. One (1) year prior to full purpose annexation, the District will contract with the City to provide police protection services.

Section 4.03

The Parties have agreed the District will finance a traffic signal at County Road 44, and the City or other appropriate county or state agency shall assist the District in proper installation and placement.

Section 4.04 Solid Waste.

Residential and Commercial trash service will be provided by the District.

ARTICLE V
MISCELLANEOUS PROVISIONS

Section 5.01 Duplicate Counterparts.

This Agreement may be executed in duplicate counterparts but shall not be effective unless executed by the City and the District.

Section 5.02 Entire Agreement.

- a. Except as expressly set forth in this Agreement, this Agreement is not intended to waive or limit the applicability of laws, regulations and ordinances applicable to the District or the City, nor does it waive the jurisdiction or sovereignty of any governmental body with

respect to the District or the City. Notwithstanding the foregoing, City may not adopt an ordinance or resolution annexing the District for full or limited purposes which contains terms inconsistent with this Agreement, unless this Agreement has been previously terminated as provided herein.

- b. As of this date there are no agreements, oral or written, between the Parties which are in conflict with this Agreement. Except as expressly provided by this Agreement, this Agreement, together with all of the attachments to this Agreement, constitutes the entire agreement between the Parties with respect to the terms and conditions governing the annexation of the District. No representations or agreements other than those specifically included in this Agreement shall be binding on either the City or the District.

Section 5.03 Notice.

- a. It is contemplated that the Parties will contact each other concerning the subject matter of this Agreement. However, any Notice shall be given at the addresses below for each of the Parties.
- b. Notice may be given by:
 - i. delivering the Notice to the Party to be notified;
 - ii. by depositing the Notice in the United States Mail, certified or registered, return receipt requested, postage prepaid, addressed to the Party to be notified; or
 - iii. by sending the Notice by telefax with confirming copy sent by mail to the Party to be notified.
- c. Notice deposited in the United States mail in the manner hereinabove described shall be deemed effective from and after the earlier of the date of actual receipt or three (3) days after the date of such deposit. Notice given in any other manner shall be effective only if and when received by the Party to be notified.
- d. For purposes of Notice, the addresses of the Parties shall, until changed as provided in this Section, be as follows:

City of Angleton:	City Manager 121 S. Velasco Angleton, Texas 77515
The District:	Brazoria County Municipal Utility District No. 82 c/o The Muller Law Group, PLLC 202 Century Square Boulevard Sugar Land, Texas 77479 Attn: Richard L. Muller, Jr.
- e. The Parties may change their addresses for Notice purposes by providing ten (10) days written notice of the changed address to the other Party.

- f. If any date or period provided in this Agreement ends on a Saturday, Sunday, or legal holiday, the applicable period for calculating Notice is extended to the first business day following the Saturday, Sunday, or legal holiday.

Section 5.04 Time.

Time is of the essence in all matters pertaining to the performance of this Agreement.

Section 5.05 Severability or Modification of Agreement as a Result of Modification of the State Code and Statutory Authority for the Agreement.

- a. If any word, phrase, clause, sentence, paragraph, section, or other part of this Agreement, or the application of the word, phrase, clause, sentence, paragraph, section or other part of this Agreement to any person or circumstance is held by a court of competent jurisdiction to be invalid or unconstitutional for any reason, the Parties agree that they will amend or revise this Agreement to accomplish to the greatest degree practical the same purpose and objective of the part determined to be invalid or unconstitutional, including without limitation amendments or revisions to the terms and conditions of this Agreement pertaining to or affecting the rights and authority of the Parties in areas of the District annexed by the City pursuant to this Agreement, whether for limited or full purposes.
- b. If any word, phrase, clause, sentence, paragraph, section, or other part of this Agreement is modified in whole or in part as a result of amendments to the underlying state code and statutory authority for this Agreement, the Parties agree and understand that such modification may frustrate the purpose of this Agreement. The parties agree that they will attempt to amend or revise this Agreement to accomplish to the greatest degree practical (i) the same purpose and objective of the part of this Agreement affected by the modification of the underlying state code and statutory authority and (ii) the original intent and purpose of this Agreement. If the Parties cannot agree on any such amendment or revision within ninety (90) days from the effective date of amendment of the state code and statutory authority for this Agreement, then this Agreement shall terminate (except for the provisions of Article III which shall specifically survive such termination for the remaining term set forth in Section 4.13 below), unless the Parties agree to an extension of time for negotiation of the modification.

Section 5.06 Waiver.

Any failure by a Party to the Agreement to insist upon strict performance by the other Party of any provision of this Agreement shall not be deemed a waiver of the provision or of any other provision of the Agreement. The Party has the right at any time to insist upon strict performance of any of the provisions of the Agreement.

Section 5.07 Applicable Law and Venue.

The construction and validity of the Agreement shall be governed by the laws of the State of Texas. Venue shall be in Brazoria County, Texas.

Section 5.08 Reservation of Rights.

To the extent not inconsistent with this Agreement, each Party reserves all rights, privileges and immunities under applicable law.

Section 5.09 Further Agreement and Documents.

Both Parties agree that at any time after execution of this Agreement, they will, upon request of the other Party, exchange any other documents necessary to effectuate the terms of this Agreement. Both Parties also agree that they will do any further acts or things as the other Party may reasonably request to effectuate the terms of this Agreement.

Section 5.10 Incorporation of Exhibits and Other Documents by Reference.

All Exhibits and other Documents attached to or referred to in this Agreement are incorporated into this Agreement by reference for the purposes set forth in this Agreement.

Section 5.11 Assignability, Successors, and Assigns.

This Agreement shall not be assignable by the either party without the prior written consent of the other party, which consent shall not be unreasonably withheld, delayed or conditioned.

This Agreement shall be binding upon and inure to the benefit of the Parties and their respective representatives, successors and assigns.

Section 5.12 Amendment.

This Agreement may only be amended in writing upon the approval of the governing bodies of the City and the District. To the extent allowed by law, the Parties do not intend to conduct additional hearings pursuant to Local Government Code Section 43.0751 prior to amending this Agreement.

Section 5.13 Term.

Except as it may otherwise be terminated as set forth herein, this Agreement shall remain in effect until the earlier date to occur of the following: (i) thirty (30) years from the effective date of this Agreement, or (ii) the date the District (including the Limited District as applicable) shall cease to exist for any purpose pursuant to the terms of this Agreement. If the District is annexed for limited purposes prior to the expiration or termination of the Agreement, then upon such expiration or termination of the Agreement the territory of the District shall be automatically included within the full – purpose territory of the City.

Section 5.14 District's provision of Service outside Boundary.

District shall not provide water or sanitary sewer service outside the District's Boundaries without the City's consent. However, this prohibition shall not apply to any reciprocal agreements entered into by District for emergency water supply. This prohibition shall further not apply to or prevent

the District from providing water or sanitary sewer service to other special districts that are part of a common development with the District.

Section 5.15 Sale or Encumbrance of Facilities.

It is acknowledged that the District may not dispose of or discontinue any portion of the Facilities, other than in a conveyance of road facilities to the County or Texas Department of Transportation for ownership, operation, and maintenance, a conveyance of the Water and Wastewater facilities to the City for ownership, operation and maintenance, or a conveyance of drainage facilities to the County, Texas Department of Transportation, or Angleton Drainage District for ownership, operation, and maintenance.

Section 5.16 Design Standards for the Utility System.

All water utility and sanitary sewer utility infrastructure and related appurtenances that are intended to become the property of the District must be designed and constructed to comply with the minimum standards made applicable by the City Code of Ordinances, as amended, to water supply and sanitary sewer utility infrastructure development within the corporate limits of the City. The water supply system must be capable of providing the volumes and pressures necessary to meet fire suppression standards established by the City, and the system must be equipped with fire hydrants that meet the minimum spacing requirements applicable to subdivision development within the corporate limits of the City. The water supply system must meet all TCEQ requirements. All drainage improvements shall be designed and constructed to comply with the applicable standards adopted by Brazoria County, Texas and Angleton Drainage District. The District and its developer(s), their successors and assigns, shall not be obligated to apply for, pay for, or obtain from the City any permit for construction of any public improvement or any City inspection of any public improvement.

If the District or its developer(s) desire to deviate from the standards set forth in this section, a Professional Engineer, licensed in the State of Texas, shall submit plans for the impacted water or sanitary sewer infrastructure, notating the planned deviations, for the City Engineer's review. The City will then do a completeness check and confirm submittal complete and once complete the City shall have thirty (30) days to approve, comment on or reject the plans. If the City has not taken action with respect to the planned deviations within the thirty (30) day period, the planned deviations will be deemed approved and the District or its developers may proceed with the construction of such infrastructure in accordance with the submitted plans, unless the thirty (30) day period is waived.

If required by the City, the District, acting through its Professional Engineer, licensed in the State of Texas, shall certify to the City that all water and sanitary sewer infrastructure has been designed and constructed in accordance with the applicable standard and the approved planned deviations, if any.

ARTICLE VI
DEFAULT AND REMEDIES FOR DEFAULT

Section 6.01 Default.

- a. Upon the occurrence, or alleged occurrence, of an event of default under or violation of this Agreement, the non-defaulting Party shall send the defaulting Party Notice of its default or violation or alleged default or violation. Except as otherwise specifically provided in this Agreement, the defaulting Party must cure its default or violation within seventy-five (75) days following receipt of the Notice of default or violation unless curing such default in such time period is not reasonably possible and the Party who is alleged to be in default is taking all actions necessary to promptly cure the default. However, a Party is not considered in default of the terms contained herein unless Notice is actually given by the non-defaulting Party, and the alleged default has not been cured during the seventy-five (75) day cure period.
- b. If the default or violation is not cured by the defaulting Party within seventy-five (75) days of receiving the Notice, the non-defaulting Party may sue for enforcement or cancellation of this Agreement. However, prior to bringing any proceeding in a court of law or before a court of competent jurisdiction, the Parties may resolve the issue through mediation or arbitration. If the Parties agree to seek mediation or arbitration, they must participate in good faith. The Parties shall bear their own costs of the mediation or arbitration equally. The Parties further agree that the City is not obligated to resolve any dispute based on an arbitration decision under this Agreement if the arbitration decision compromises the City's sovereign immunity as a home rule city.
- c. If the Parties are unable to resolve their dispute through mediation or arbitration, the non-defaulting Party shall have the right to enforce the terms and provisions of this Agreement by specific performance or by such other legal or equitable relief to which the non-defaulting Party maybe legally entitled. Any remedy or relief described in this Agreement shall be cumulative of, and in addition to, any other remedies and relief available at law or in equity.
- d. If the defaulting Party fails to abide by these deadlines, the non-defaulting Party shall have all rights and remedies available in law and equity and all rights and remedies provided in this Agreement. The Parties acknowledge that the City's remedies shall include the right, in the City's sole discretion, to terminate this Agreement and proceed with full purpose annexation of the District, or any portion thereof, pursuant to the requirements otherwise applicable for such annexation as if this Agreement had never been entered into.
- e. All of these rights and remedies shall be cumulative.

Signature pages follow

IN WITNESS WHEREOF, this Agreement is executed in duplicate counterparts.

CITY OF ANGLETON, TEXAS

By: _____
Mayor, City of Angleton

Attest:

City Secretary

THE STATE OF TEXAS

COUNTY OF BRAZORIA

This instrument was acknowledged before me on the ___ day of _____, _____,
by _____, Mayor of the City of Angleton, Texas, for and on behalf of said city.

Notary Public in and for the State of Texas
My Commission Expires: _____

**BRAZORIA COUNTY MUNICIPAL UTILITY
DISTRICT NO. 82**

By: _____
President, Board of Directors

Attest:

Secretary, Board of Directors

THE STATE OF TEXAS

COUNTY OF _____

This instrument was acknowledged before me on the ___ day of _____, _____,
by _____, President of Brazoria County Municipal Utility District No. 82,
for and on behalf of said district.

Notary Public in and for the State of Texas
My Commission Expires: _____

THE STATE OF TEXAS

COUNTY OF _____

This instrument was acknowledged before me on the ___ day of _____, _____,
by _____, Secretary of Brazoria County Municipal Utility District No. 82,
for and on behalf of said district.

Notary Public in and for the State of Texas
My Commission Expires: _____