

AGREEMENT

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

This Utility Conveyance, Function, and Security Agreement (the “Agreement”) is made and entered into as of the ____ day of _____, 2026 (the “Effective Date”) by and between BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 87, a conservation and reclamation district created pursuant to the authority of Article XVI, Section 59, of the Constitution of Texas, and operating under the provisions of Chapters 49 and 54, Texas Water Code, as amended (the “District”), and the CITY OF IOWA COLONY, TEXAS, a municipal corporation and home rule city of the State of Texas (the “City”)(individually, a “Party” and collectively, hereinafter referred to as the “Parties”).

RECITALS

WHEREAS, D.R. Horton-Texas, Ltd., a Texas limited partnership (the "Developer"), on behalf of the District, has constructed the wastewater treatment plant and lift station no. 1 pursuant to the contract for the Construction of the Wastewater Treatment Plant Expansion (0.25) and Onsite Lift Station Phase 1 to Serve Brazoria County Municipal Utility District No. 87, LJA Job No. 1931-8106, between the Developer on behalf of the District and 5J Services, LLC ("Contractor"), dated May, 2023 ("Construction Contract 1"), and lift station no. 2 constructed pursuant to the contract for the Construction of the Lift Station No. 2 to Serve Brazoria County Municipal Utility District No. 87, LJA Job No. 1931-8110, between the Developer on behalf of the District and Contractor, dated June, 2023 ("Construction Contract 2"), which facilities are located within the boundaries of the District (the "Facilities"). (Construction Contract 1 and Construction Contract 2 shall be referred to herein, collectively, as the "Contracts"); and

WHEREAS, the Facilities were designed to convey and treat wastewater to serve areas within the District's boundaries; and

WHEREAS, the City; 258 Colony Investments, Ltd.; 608 Colony Investments, Ltd.; and the Developer, entered into that certain Development Agreement, dated May 23, 2022, as amended by that certain First Amendment to Development Agreement, dated December 19, 2022, and that certain Second Amendment to Development Agreement, dated March 10, 2025 (collectively referred to herein as the “Development Agreement”); and

WHEREAS, pursuant to the Development Agreement, the City now wishes to acquire, own, operate, and maintain the Facilities.

AGREEMENT

I. Conveyance of Facilities/Reserved Capacity. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the District does hereby convey, transfer, and deliver to the City, its successors and assigns, any right, title or interest of the District in or to the Facilities.

The Facilities currently include the wastewater treatment plant, lift station no. 1, and lift station no. 2. The Parties acknowledge that lift station no. 3 is anticipated to be constructed in the future to serve the District. Upon completion of lift station no. 3 and final acceptance of that facility by the City, all right, title, and interest of the District in and to lift station no. 3, together with all associated warranties, contracts, and related rights, shall automatically vest in and be conveyed to the City by operation of this Agreement, without the necessity of any further act, deed, or instrument by either Party, and lift station no. 3 shall thereupon constitute part of the "Facilities" for all purposes under this Agreement. Any fee simple interests, easements, access rights, or other real property interests associated with the lift station no. 3 site shall likewise be conveyed to the City by separate instrument(s) acceptable to the Parties upon such vesting.

The District hereby reserves the full capacity of the Facilities necessary to achieve full buildout of all the land in the District.

The District hereby assigns to the City all rights with respect to the Facilities (including, without limitation, an assignment of the District's rights under the Contracts), maintenance bonds, warranties and manufacturer's warranties, owned or acquired by the District for the Facilities. Notwithstanding any provision hereof, this Agreement shall not be construed to limit or modify any indemnity obligations, or any other obligations, that Contractor, or its surety, may otherwise have under the Contracts.

The City hereby agrees by its acceptance of this conveyance to operate and maintain the Facilities in accordance with the terms of the Development Agreement.

To the extent the District owns any fee simple interests, easements, access rights, or other real property interests associated with the Facilities, including the wastewater treatment plant site, access road to the wastewater treatment plant site, and lift station sites, the Parties acknowledge such interests shall be conveyed to the City by separate instrument(s) acceptable to the Parties simultaneously with the execution of this Agreement.

II. General Provisions

a. Notice. Unless otherwise provided in this Agreement, any notice herein provided or permitted to be given, made, or accepted by any Party must be in writing and must be given or 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, by fax or by delivering the same to the attorney of such Party. Notice deposited in the mail in the manner hereinabove described shall be conclusively deemed to be effective 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 addresses of the Parties shall, until changed as hereinafter provided, be as shown below. The Parties shall have the right from time to time and at any time to change their respective addresses and each shall have the right to specify as its address any other address by at least fifteen (15) days written notice to the other Parties.

The District: Board of Directors
Brazoria County Municipal Utility District No. 87
c/o Coats | Rose
Attn: Laken Jenkins Kilgore
9 Greenway Plaza, Suite 1000
Houston, Texas 77046
Fax: (713) 651-0111

The City: City of Iowa Colony
Office of the City Manager
12003 Iowa Colony Blvd.
Iowa Colony, TX 77583
trichardson@iowacolonytx.gov

With copy to: City of Iowa Colony
City Secretary
12003 Iowa Colony Blvd.
Iowa Colony, TX 77583
krosser@iowacolonytx.gov

b. Amendments. This Agreement may be changed or modified only by written amendment hereto with the consent of both Parties.

c. Interpretation. Regardless of the actual drafter of this Agreement, this Agreement shall, in the event of any dispute over its meaning or application, be interpreted fairly and reasonably and neither more strongly nor against either party.

d. Applicable Law and Venue. This Agreement is made and shall be construed in accordance with the laws of the State of Texas and venue shall lie in Brazoria County, Texas.

e. Severability. The provisions of this Agreement are severable, and if any provision or part of this Agreement or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such provision or part of this Agreement to other persons or circumstances shall not be affected thereby.

f. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be considered an original, but all of which shall constitute one instrument.

g. Execution. This Agreement shall be in force and effect from the Effective Date

of this Agreement.

[SIGNATURE PAGES FOLLOW]

THE "DISTRICT":

**BRAZORIA COUNTY MUNICIPAL UTILITY
DISTRICT NO. 87**

By: _____

Name: _____

Title: _____

Date: _____

ATTEST:

Secretary, Board of Directors

THE STATE OF TEXAS §

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COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 2026, by _____, as _____, of the Board of Directors of Brazoria County Municipal Utility District No. 87, a political subdivision of the State of Texas, on behalf of said political subdivision.

Notary Public, State of Texas

(NOTARY SEAL)

In accordance with the Development Agreement, as defined above, the City hereby accepts this Agreement. Such City acceptance shall be in force and effect from the Effective Date of this Agreement.

THE "CITY":

CITY OF IOWA COLONY, TEXAS

By: _____

Nam: Wil Kennedy, Mayor

Date: _____

ATTEST:

Kayleen Rosser, City Secretary

THE STATE OF TEXAS §

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COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 2026, by _____ the Mayor of the City of Iowa Colony, Texas, on behalf of said City.

Notary Public, State of Texas

(NOTARY SEAL)