

UTILITY FUNCTIONS AGREEMENT

STATE OF TEXAS §
 §
COUNTY OF BRAZORIA §

THIS AGREEMENT is made and entered into as of the date herein last specified (the "Effective Date"), by and between the CITY OF IOWA COLONY, TEXAS (the "City"), a municipality located in Brazoria County, Texas, and BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 57, a body politic and corporate and a governmental agency of the State of Texas organized under the provisions of Article XVI, Section 59 of the Texas Constitution, and Chapters 49 and 54, Texas Water Code, as amended (the "District"). The City and the District are sometimes hereinafter referred to singularly, as "Party," and collectively, as "Parties."

WITNESSETH

WHEREAS, the District consists of approximately 1,588.5893 acres, with 598.31 acres being within the City (such portion located within the City, as more particularly described in Exhibit "A", being referred to as the "Tract") for the purposes of, among other things, providing water distribution, wastewater collection and drainage facilities, roads, and parks and recreational facilities (as more fully defined below, the "Facilities"), to serve development occurring within the Tract, by financing and purchasing the Facilities; and

WHEREAS, the City does not currently have in place the regional water and sewer facilities necessary to serve the Tract; and

WHEREAS, pursuant to that certain Joint Facilities and Interconnect Agreement between the District and Brazoria County Municipal Utility District No. 55 ("MUD 55"), dated August 8, 2024 (the "Joint Facilities Agreement"), the District has obtained a connection for potable water supply from MUD 55 to serve the Tract until such time as the District's water plant is complete, and after as a continuously open interconnect between the District and MUD 55; and

WHEREAS, pursuant to the Joint Facilities Agreement, the District as agreed to purchase capacity in MUD 55's wastewater treatment plant to serve the Tract; and

WHEREAS, the Parties understand and agree that this Agreement relates to the conveyance of Facilities to serve the Tract, and does not purport to convey any facilities that serve that portion of the District located within the City of Manvel or elsewhere; and

WHEREAS, under the authority of Chapter 791, Texas Government Code and Section 552.014, Texas Local Government Code, the City and the District may enter into an agreement under the terms of which the District will acquire for the benefit of, and for ultimate conveyance to, the City, the Facilities needed to provide utility service to the Tract; and

WHEREAS, the Parties understand and agree that this Agreement does not constitute, and shall not be construed as, an “allocation agreement” within the meaning of Texas Water Code Section 54.016(f); and

WHEREAS, the City and the District have determined that they are authorized by the Constitution and laws of the State of Texas to enter into this Agreement and have further determined that the terms, provisions and conditions hereof are mutually fair and advantageous to each; NOW, THEREFORE;

AGREEMENT

For and in consideration of these premises and of the mutual promises, obligations, covenants, and benefits herein contained, the District and the City contract and agree as follows:

ARTICLE I DEFINITIONS

The capitalized terms and phrases used in this Agreement shall have the meanings as follows:

“Approving Bodies” shall mean the City, the Texas Commission on Environmental Quality, the Attorney General of Texas, the Comptroller of Public Accounts of Texas, the United States Department of Justice and all other federal and state governmental authorities having regulatory jurisdiction and authority over the financing, construction or operation of the Facilities or the subject matter of this Agreement.

“Bonds” shall mean the District’s bonds, notes or other evidences of indebtedness issued from time to time for the purpose of financing the costs of acquiring, constructing, purchasing, operating, repairing, improving or extending the Facilities to be conveyed by the District to the City under Section 2.02 below, whether payable from ad valorem taxes, the proceeds of one or more future bond issues or otherwise, and including any bonds, notes or similar obligations issued to refund such bonds.

“City Manager” shall mean the City Manager of the City.

“Developer(s)” shall mean Beazer Homes Texas L.P., a Delaware limited partnership Rally 288 East, LLC, a Texas limited liability company, and Rally 288 West, LLC, a Texas limited liability company, who are each property owners within the Tract and are developing their respective tracts within the District.

“District” shall mean Brazoria County Municipal Utility District No. 57, a body politic and corporate and a governmental agency of the State of Texas organized under the provisions of Article XVI, Section 59 of the Texas Constitution, and Chapters 49 and 54 Texas Water Code, as amended, and which includes within its boundaries approximately 598.31 acres of land situated wholly within the City, as described on Exhibit “A” attached hereto, and any land within the City or the City’s extraterritorial jurisdiction that is annexed to the District with the consent of the City. For purposes of this Agreement, the term “District” shall only refer to the portion of Brazoria County Municipal Utility District No. 57 located within the City and shall not refer to any portion of Brazoria County Municipal Utility District No. 57 located within the City of Manvel, Texas or elsewhere.

“Engineers” shall mean EHRA Engineering, Inc., consulting engineers, or its replacement, successor or assignee.

“Facilities” shall mean and include the water supply and distribution system, including, without limitation, water distribution lines, and a permanent water well and a water treatment plant, wastewater treatment facilities, including regional and internal collection lines, lift stations and related appurtenances, and wastewater treatment capacity constructed or acquired or to be constructed or acquired by the District to serve the Tract, and all improvements, appurtenances, additions, extensions, enlargements or betterments thereto, together with all contract rights, permits, licenses, properties, rights-of-way, easements, sites and other interests related thereto, and including, but not limited to, one water plant and one lift station that are to be constructed by the District, and, upon conveyance from MUD 55, the Alvin ISD lift station which has already been constructed and is currently operational. The terms “Facilities” includes the Water Facilities and the Wastewater Facilities as further described herein.

"MUD 55 Wastewater Facilities" means, one or more steel or concrete erected wastewater treatment service plants and sites necessary to serve the Tract. The design, construction, ownership and operation of the MUD 55 Wastewater Facilities will be solely owned by MUD 55 until MUD 55 conveys the MUD 55 Wastewater Facilities to the City pursuant to that certain Facility Conveyance Agreement among MUD 55 and the City, dated April 14, 2025. The term includes the steel wastewater treatment plant that is currently under construction as of the date of this Agreement, the temporary leased wastewater treatment plant that is currently operated by MUD 55, and any additional wastewater treatment plant(s) that MUD 55 is required to construct pursuant to that certain Facility Conveyance Agreement.

“MUD 57 Wastewater Facilities” means, one or more lift stations and lift station sites that are to be constructed by the District, and includes the Alvin ISD lift station upon conveyance from MUD 55 to MUD 57, which has already been constructed by MUD 55 and is currently operational.

“MUD 57 Wastewater Capacity” means 1,037 equivalent single family connections (“ESFCs”) purchased in the MUD 55 Wastewater Facilities to serve the District, and includes any future ESFCs purchased in the MUD 55 Wastewater Facilities to serve the District, subject to the terms of the Facility Conveyance Agreement between MUD 55 and the City dated April 14, 2025.

“Wastewater Facilities” means, the MUD 57 Wastewater Capacity and the MUD 57 Wastewater Facilities.

“Wastewater Impact Fee(s)” means the City’s impact fees for wastewater facilities duly adopted pursuant to Chapter 395 of the Texas Local Government Code.

“Water Facilities” means one, or more, permanent water plant facilities, sites, and one, or more, water wells necessary to serve the Tract, as determined solely by the District, with capacity to serve an estimated 1,500 ESFCs. It is anticipated that at least one permanent water plant will be necessary to serve the District, with the associated water well(s) sufficient to provide at least 1,000 gallons per minute (“GPM”), one 15,000 gallon hydropneumatics tank (“HPT”) and one 25,000 gallon HPT, two 150,000 gallon ground storage tanks (for a total of 300,000 gallons) and 5,000 gpm booster plant capacity. The design and construction of the Water Facilities will be solely funded by the District and/or the Developer(s). The ownership and operation of the Water Facilities shall be governed by Section III below.

“Water Impact Fee(s)” means the City’s impact fees for water supply facilities duly adopted pursuant to Chapter 395 of the Texas Local Government Code.

ARTICLE II THE FACILITIES

2.01. The Facilities. The Facilities have been designed and constructed or shall be designed and constructed in compliance with all applicable requirements and criteria of the applicable Approving Bodies. The District shall not be required to design and construct the Facilities to requirements more stringent than the City’s requirements and Utility Functions Agreement criteria applicable to all design and construction within the City’s jurisdiction. The District shall design, construct or extend the Facilities in such phases or stages as the District, in its sole discretion and in accordance with the City’s applicable development, regulatory, or building ordinances, from time to time may determine to be economically feasible.

2.02 Ownership by the City. As the Facilities are acquired and constructed, the District shall convey the same to the City (except for storm water detention facilities or channels, pocket parks, or non-regional public parks, including landscape reserves), reserving a security interest therein for the purpose of securing the performance of the City under this Agreement. At such time as the District's Bonds issued to acquire and construct the Facilities have been discharged, the District shall execute a release of such security interest and the City shall own the Facilities free and clear of such security interest.

2.03 Construction of the Facilities. As construction of each phase of the Facilities (except for any stormwater detention ponds or channels, pocket parks, or non-regional public parks located within the District) is completed, representatives of the City shall inspect the same and, if the City finds that the same has been completed in accordance with the final plans and specifications, the City will accept the same, whereupon such portion of the Facilities shall be operated and maintained by the City at its sole expense as provided herein. In the event that the Facilities have not been completed in accordance with the final plans and specifications, the City will immediately advise the District in what manner said Facilities do not comply, and the District shall immediately correct the same; whereupon the City shall again inspect the Facilities and accept the same once the defects have been corrected.

2.04 Operation by the City. Upon conveyance of the Facilities, the City agrees that it will operate and maintain the Facilities at its sole cost and expense, and will provide service to all users within the District without discrimination, provided that the City may have different charges for different categories of users. At such time as the City assumes ownership of the Facilities, (i) the District shall no longer be responsible for its Proportionate Share of the Operation and Maintenance Expenses (as defined therein) of the Facilities as provided in the Joint Facilities Agreement, (ii) the City will meter and bill customers for water and sanitary sewer services, and (iii) all revenues for water and sanitary sewer services will be kept by the City. The District or such other entity designated by the District shall be responsible for maintenance of any stormwater detention ponds or channels, pocket parks, or non-regional public parks located within the District.

ARTICLE III WATER FACILITIES

3.01 Ultimate Provider and Ownership. As of the Effective Date, the City does not currently have in place a regional water distribution system that can adequately provide potable water service to the District. Therefore, the Developer(s) and/or the District shall finance, design, and construct the necessary Water Facilities to serve the District which shall be conveyed to the City for ownership and operation upon completion of construction pursuant to Section 2.02 of this Agreement. Thus, the City shall provide the

District with its ultimate requirements for water supply as needed and required by the District through these Water Facilities constructed by the District. Should the City elect to oversize, upsize, or expand any of the Water Facilities constructed by the District beyond the capacity needed for the District, the City shall be obligated to pay for the costs incurred by the City for such additional capacity above and beyond the amount necessary for the District. The District and the City agree that, pursuant to the Joint Facilities Agreement, upon conveyance of the Water Facilities to the City, the City shall be responsible for the District's Proportionate Share of the Operation and Maintenance Expenses (as defined therein) for the Water Facilities with MUD 55.

3.02. Reserved Capacity. The Water Facilities are currently being constructed to serve up to 1,500 ESFCs. At this time, the District expects that 1,500 ESFCs for water is sufficient to serve projected development within the Tract at full build-out.

3.03 Rates. The City shall bill and collect from customers of the Water Facilities and shall from time to time fix such rates and charges for such customers of the Water Facilities as the City, in its sole discretion, determines are necessary; provided that the rates and charges for services afforded by the Water Facilities will be equal and uniform to those charged other similar classifications of users in the City. All revenues from the Water Facilities shall belong exclusively to the City.

3.04. Meters and Tap Charges. The City shall be responsible for providing and installing any necessary meters to provide water service to individual customers. The City may impose tap fees for connecting to the Water Facilities at a rate to be determined from time to time by the City, provided the charge is equal to the sums charged other City users for comparable connections, and the connection charges shall belong exclusively to the City.

3.05. Offsite Water Line Extensions to Connect to City Water Supply. The Water Facilities are intended to provide adequate water capacity to the District. Thus, should the City elect to connect the Water Facilities to the City's regional water supply and distribution system, the City shall design, fund, and construct any such necessary water distribution facilities (including, but not limited to, trunk lines and associated property acquisition and/or road improvements) (the "Offsite Water Line Extensions") necessary to accomplish such regionalization at the City's sole cost and expense.

3.06. Letter of Assurance and Issuance of Assignments of Capacity by the District. The City agrees that, from time to time, the City shall, upon reasonable request, issue a letter of assurance to purchasers or prospective purchasers that the District is entitled to the use and benefit of capacity in the City's water plants (including those which have been constructed and conveyed by the District to the City). Should the City's regional water supply system be incapable of providing for the necessary requested capacity at the time of the aforementioned request, the City shall provide a letter of assurance to

purchasers or prospective purchasers that such requester shall be qualified to the required water capacity upon the construction of the City's water supply and distribution facilities, provided that this provision shall not be interpreted to alter the District's obligation to construct all Water Facilities and the Wastewater Facilities necessary to serve the Tract.

3.07. Water Impact Fees. In consideration for the District's financing, design, construction, and implementation of the ultimate provision of water supply and distribution to serve the District, the City agrees that Water Impact Fees will not be charged against the District, Developers, or any property owner in the District, including any property annexed into the boundaries of the District with the consent of the City after the date of this Agreement.

3.08 Transfer of Permits. With respect to the Water Facilities, the District agrees to initiate the process of filing with the TCEQ an application transferring the District's water well permit to the City at least thirty (30) days prior to the conveyance of the facilities and work diligently with the TCEQ to complete the transfer. Further the District will execute and deliver to the City the Utility Conveyance conveying the Water Facilities to the City as soon as practicable after the District's water well permit has been transferred to the City.

ARTICLE IV WASTEWATER FACILITIES

4.01. Ultimate Provider and Ownership. As of the Effective Date, the City does not currently have in place a regional wastewater treatment system that can adequately provide wastewater treatment service to the District. Therefore, the District has agreed to purchase the MUD 57 Wastewater Capacity from MUD 55. Additionally, the Developer(s) and/or the District shall finance, design, and construct or purchase, as applicable, the necessary MUD 57 Wastewater Facilities to serve the District, which shall be conveyed to the City for ownership and operation upon completion of construction pursuant to Section 2.02 of this Agreement. Should the City elect to oversize, upsize, or expand any of the MUD 57 Wastewater Facilities constructed by the District beyond the capacity needed for the District, the City shall be obligated to pay for the costs incurred by the City for such additional capacity above and beyond the amount necessary for the District.

4.02. Construction of MUD 55 Wastewater Facilities. As of the Effective Date of this Agreement, the MUD 55 Wastewater Facilities consist of three (3) steel erected wastewater treatment plants, and one (1) concrete erected wastewater treatment plant, which is currently under construction with an anticipated completion date of December 2025. Pursuant to the Joint Facilities Agreement, the District is required to participate in the cost of construction of additional concrete erected wastewater treatment plant(s)

necessary to serve the District and MUD 55, based on the District's Proportionate Share (as defined therein).

The District and the City agree that, upon conveyance of the MUD 57 Wastewater Facilities to the City, the City shall have an obligation to pay the District's Proportionate Share of the Operation and Maintenance expenses in the MUD 55 Wastewater Facilities. The District shall further be obligated to pay its pro-rata share of all permanent wastewater treatment plant capacity necessary to serve the Tract, including, without limitation its pro-rata share of the permanent wastewater treatment plant(s) necessary to serve the Tract.

4.03. Reserved Capacity. The MUD 55 Wastewater Facilities are currently being expanded to serve up to 4,300 ESFCs (at a rate of 240 gallons per day of wastewater flow per ESFC). At this time, MUD 55 expects that 4,300 ESFCs at 240 gallons per day of flow for wastewater is sufficient to serve projected development within MUD 55 at full build-out, which is estimated to be 3,046 ESFCs, and up to 1,037 ESFCs within the Tract. Pursuant to the Facility Conveyance Agreement between MUD 55 and the City, dated April 14, 2025, MUD 55 and the District shall have 4,300 ESFCs reserved in the MUD 55 Wastewater Facilities.

4.04. Rates. Pursuant to the Joint Facilities Agreement, the District is required to pay its Proportionate Share (as defined therein) of the Operation and Maintenance Expenses for the MUD 57 Wastewater Capacity. The City will acquire such payment obligation and rights with respect to the MUD 57 Wastewater Capacity when the District connects to the MUD 55 Wastewater Facilities, and thereafter the City shall bill and collect from customers of the Wastewater Facilities and shall from time to time fix such rates and charges for such customers of the Wastewater Facilities as the City, in its sole discretion, determines are necessary; provided that the rates and charges for services afforded by the Wastewater Facilities will be equal and uniform to those charged to other similar classifications of users in the City. All revenues from the Wastewater Facilities shall belong exclusively to the City.

4.05. Offsite Wastewater Line Extensions to Connect to City Wastewater System. The Wastewater Facilities are intended to provide adequate wastewater capacity to the District. Thus, should the City elect to connect the Wastewater Facilities to the City's regional wastewater collection system, the City shall design, fund, and construct any such necessary wastewater facilities (including, but not limited to, trunk lines and associated property acquisition and/or road improvements) (the "Offsite Wastewater Line Extensions") necessary to accomplish such regionalization at the City's sole cost and expense.

4.06. Letter of Assurance and Issuance of Assignments of Capacity by the District. The City agrees that, from time to time, the City shall, upon reasonable request, issue a

letter of assurance to purchasers or prospective purchasers that the District is entitled to the use and benefit of capacity in the City's wastewater treatment plants provided that this provision shall not be interpreted to alter the District's obligation to construct all Wastewater Facilities necessary to serve the Tract.

4.07. Wastewater Impact Fees. In consideration for the District's financing, design, construction, and implementation of the ultimate provision of wastewater treatment facilities and purchase of wastewater treatment capacity to serve the District, impact fees will not be charged against the District, the Developers, or any property owners in the District, including any property annexed into the boundaries of the District with the consent of the City after the date of this Agreement.

ARTICLE V FINANCING OF FACILITIES

5.01 Bond Issuances. The District agrees to sell its unlimited tax bonds to finance the Water Facilities and Wastewater Facilities as deemed necessary and appropriate by the Board of Directors of the District, for the purposes, in such form and manner and as permitted or provided by federal law, the general laws of the State of Texas, and subject to the approval of the TCEQ and Texas Attorney General.

5.02. Construction by Third Parties. From time to time, the District may enter into one or more agreements with landowners or developers of property located within or in the vicinity of the District whereby such landowners or developers will undertake, on behalf of the District, to pre-finance and pre-construct, in one or more phases, all or any portion of the Facilities. Under the terms of such agreements, the landowners or developers will be obligated to finance and construct the Facilities in the manner which would be required by law if such work were being performed by the District. Each such agreement will provide for the purchase of the Facilities from the landowners or developers using the proceeds of one or more issues of Bonds, as otherwise permitted by law and the applicable rules, regulations and guidelines of the applicable Approving Bodies.

ARTICLE VI REMEDIES IN EVENT OF DEFAULT

6.01 Default by Either Party. The parties hereto expressly recognize and acknowledge that a breach of this Agreement by either party may cause damage to the nonbreaching party for which there will not be an adequate remedy at law. Accordingly, in addition to all the rights and remedies provided by the laws of the State of Texas, in the event of a breach hereof by either party, the other party shall be entitled but not limited to the equitable remedy of specific performance or a writ of mandamus to compel

any necessary action by the breaching party. In the event that a party seeks a remedy as provided in this Article or any monetary damages as otherwise provided in this Agreement, the breaching party shall be required to pay for the non-breaching party's attorneys fees and court costs.

6.02 Notice of Default. The non-breaching party shall notify the other party in writing of an alleged failure to comply with a provision of this Agreement, which notice shall specify the alleged failure with reasonable particularity. The alleged defaulting party shall, within thirty (30) days after receipt of such notice or such longer period of time as may be included in the notice, either cure such alleged failure or, in a written response to the non-breaching party, either present facts and arguments in refutation or excuse of such alleged failure or state that such alleged failure will be cured and set forth the method and time schedule for accomplishing such cure.

ARTICLE VII MISCELLANEOUS PROVISIONS

7.01. Tri-Party Agreement. The Parties agree that this Utility Functions Agreement, and specifically the City's assumption of the Operation and Maintenance Expenses described in the Joint Facilities Agreement, shall satisfy the obligation of the City, the District and MUD 55 to enter into a tri-party agreement providing for the provision of wastewater treatment services as required by that certain Development Agreement with Beazer Homes Texas L.P., Rally 288 West, LLC and the City.

7.02. Assignment of Agreements. Upon the City's acceptance of the Facilities, the District's rights, titles, and responsibilities under the Joint Facilities Agreement will be assigned to the City, and the City shall have an obligation to pay the District's Proportionate Share of the Operation and Maintenance expenses in the MUD 55 Wastewater Facilities, provided, however, that the District shall continue to be obligated to pay its pro-rata share of all permanent wastewater treatment plant capacity necessary to serve the Tract. The form of such assignment of the Joint Facilities Agreement is attached hereto as Exhibit B.

7.04. Permits, Fees, Inspections. The District understands and agrees that all City ordinances and codes, including applicable permits, fees and inspections, shall be of full force and effect within its boundaries, the same as to other areas within the City's corporate limits.

7.05. Force Majeure. In the event either party is rendered unable, wholly or in part by force majeure to carry out any of its obligations under this Agreement, then the obligations of such party, to the extent affected by such force majeure and to the extent that due diligence is being used to resume performance at the earliest practicable time, shall be suspended during the continuance of any inability so caused, to the extent

provided, but for no longer period. As soon as reasonably possible after the occurrence of the force majeure relied upon, the party whose contractual obligations are affected thereby shall give notice and the full particulars of such force majeure to the other party. Such cause, as far as possible, shall be remedied with all reasonable diligence.

7.06. Approvals and Consents. Approvals or consents required or permitted to be given under this Agreement shall be evidenced by an ordinance, resolution or order adopted by the governing body of the appropriate party or by a certificate executed by a person, firm or entity previously authorized to give such approval or consent on behalf of the party. Approvals and consents shall be effective without regard to whether given before or after the time required for giving such approvals or consents.

7.07. Address and Notice. Unless otherwise provided in this Agreement, any notice to be given under this Agreement shall be given in writing and may be given either by depositing the notice in the United States mail postpaid, registered or certified mail, with return receipt requested; delivering the notice to an officer of such party; or sending the notice by prepaid telegram, when appropriate. Notice deposited by mail in the foregoing manner shall be effective the day after the day on which it is deposited. Notice given in any other manner shall be effective only when received by the party to be notified. For the purposes of notice, the addresses of the parties shall be as follows:

City: City of Iowa Colony, Texas
3144 Meridiana Parkway
Iowa Colony, Texas 77583
Attn: City Manager

District: Brazoria County Municipal Utility District No. 57
c/o Allen Boone Humphries Robinson LLP
3200 Southwest Freeway, Suite 2600
Houston, Texas 77027
Attn: Katie Sherborne
ksherborne@abhr.com

The parties shall have the right from time to time to change their respective addresses by giving at least fifteen (15) days' written notice of such change to the other party.

7.08. Assignability. This Agreement may be assigned by either party upon notice in writing to the other party. This Agreement is not intended to be, and shall not be, binding on the ultimate purchasers of residential lots or residential parcels out of the Tract.

7.09. No Additional Waiver Implied. The failure of either party to insist upon performance of any provision of this Agreement shall not be construed as a waiver of the future performance of such provision by the other party.

7.10. Reservation of Rights. All rights, powers, privileges and authority of the parties hereto not restricted or affected by the express terms and provisions hereof are reserved by the parties and, from time to time, may be exercised and enforced by the parties.

7.11. Parties in Interest. This Agreement shall be for the sole and exclusive benefit of the parties hereto and shall not be construed to confer any rights upon any third parties.

7.12. Merger. This Agreement embodies the entire understanding between the parties and there are no representations, warranties or agreements between the parties covering the subject matter of this Agreement other than the Consent Ordinance between the City and the District. If any provisions of the Consent Ordinance appear to be inconsistent or in conflict with the provisions of this Agreement, then the provisions contained in this Agreement shall be interpreted in a way which is consistent with the Consent Ordinance.

7.13. Captions. The captions of each section of this Agreement are inserted solely for convenience and shall never be given effect in construing the duties, obligations or liabilities of the parties hereto or any provisions hereof, or in ascertaining the intent of either party, with respect to the provisions hereof.

7.14. Interpretations. This Agreement and the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of this Agreement.

7.15. Severability. If any provision of this Agreement or the application thereof to any person or circumstances is ever judicially declared invalid, such provision shall be deemed severed from this Agreement and the remaining portions of this Agreement shall remain in effect.

7.16 No Allocation Agreement. The Parties acknowledge and agree that this Agreement is not an "allocation agreement" as such term is defined in Section 54.016(f), Texas Water Code, as amended. The Parties hereby agree to forever waive any and all rights they may now or in the future have arising under or out of Section 54.016(f), Texas Water Code, as amended, to contest the levy of the ad valorem tax rates imposed by either the City or the District. Nothing herein shall be deemed to substantively alter or amend the provisions of this Agreement, it being the intent of the parties to clarify their mutual

understanding and agreement concerning the application of Section 54.016(f), Texas Water Code, as amended.

Notwithstanding the contrary intent of the Parties, if there is a determination that this Agreement does constitute an “allocation agreement” within the meaning of Section 54.016(f), Texas Water Code, as amended, then this Agreement shall be terminated, and the Parties agree to enter into such subsequent agreement(s) as may be necessary to implement the intent of this Agreement as nearly as possible without creation of an “allocation agreement”. Each Party agrees to cooperate with the other to implement the intent of this paragraph.

7.17 Term and Effect. This Agreement shall remain in effect until the earlier to occur of (i) the dissolution of the District by the City; or (ii) the expiration of forty (40) years from the date hereof (the “Initial Term”); provided, however, that this Agreement shall automatically renew for successive one (1) year terms beyond the Initial Term until such time as the City dissolves the District.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in multiple copies, each of equal dignity, on this ____ day of _____, 20__.

THE CITY OF IOWA COLONY, TEXAS

Mayor

ATTEST/SEAL

City Secretary

APPROVED AS TO FORM:

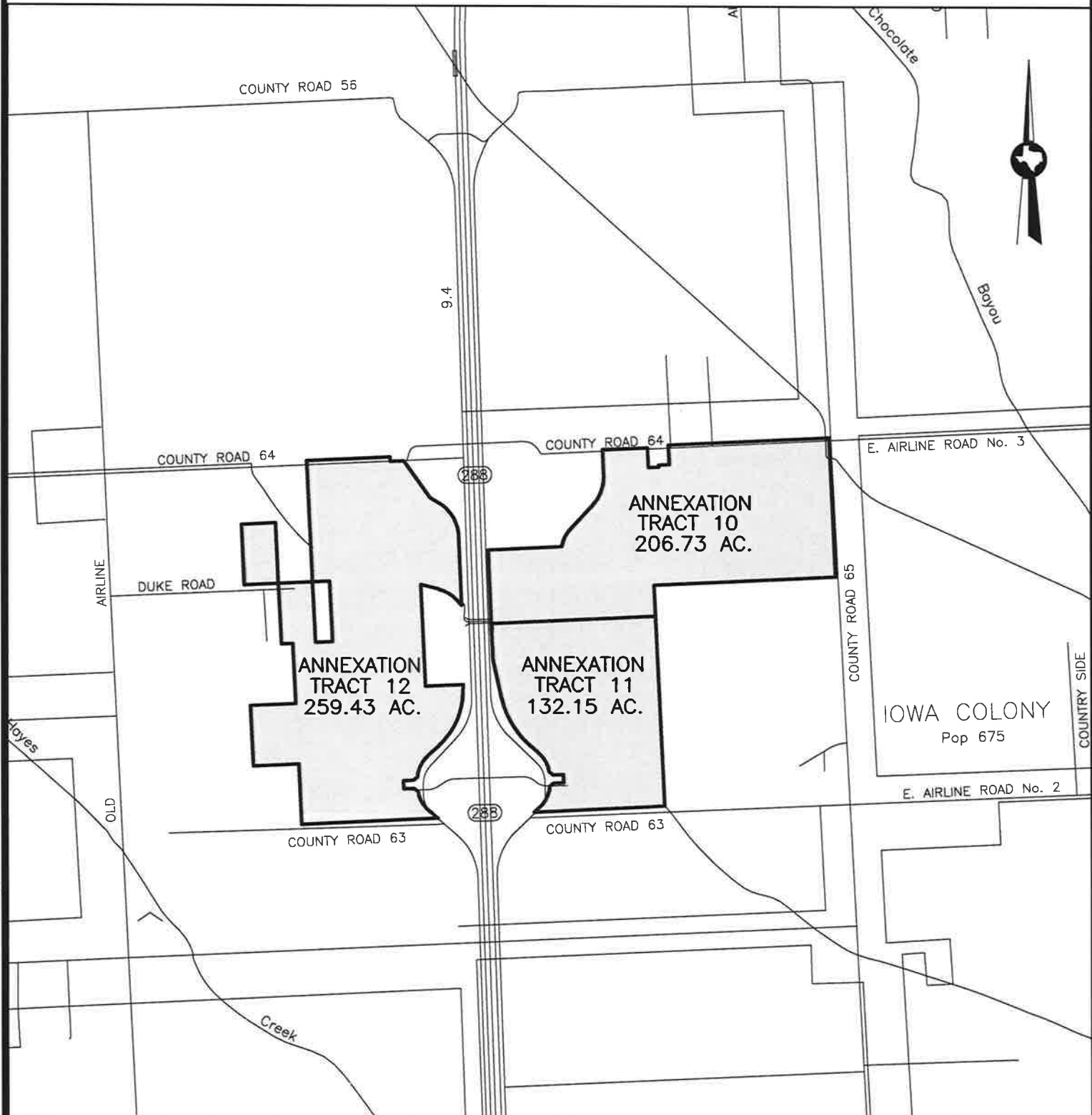
City Attorney

Exhibit A

Description of Tract

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 57

(Key Map Page No. 692)



VICINITY MAP
N.T.S.

Exhibit B

FORM OF ASSIGNMENT AND ACCEPTANCE OF AGREEMENTS

For good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, **BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 57**, 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 "Assignor") hereby assigns all its rights, obligations, title and interests in and to the following agreements ("Agreements")

Joint Facilities and Interconnect Agreement, dated August 11, 2024, between Assignor and Brazoria County Municipal Utility District No. 55, attached as Exhibit A.

to the **CITY OF IOWA COLONY, TEXAS**, a municipal corporation and home rule city of the State of Texas (the "City") to be effective as of _____, 2025 (the "Effective Date").

By execution of this Assignment and Acceptance, and except as otherwise limited by the terms of assignment, Assignee hereby accepts such assignment and assumes all of Assignor's rights, obligations, title, and interests in and to said Agreements, and Assignee agrees to the terms and conditions of said Agreements.

[EXECUTION PAGES FOLLOW]

IN WITNESS WHEREOF, the undersigned parties have executed this Agreement effective as of the Effective Date.

CITY OF IOWA COLONY, TEXAS

By: _____
Mayor

ATTEST:

By: _____
City Secretary

BRAZORIA COUNTY MUNICIPAL UTILITY
DISTRICT NO. 57

By: _____
President, Board of Directors

ATTEST:

By: _____
Secretary, Board of Directors