DEVELOPMENT AGREEMENT BETWEEN
THE CITY OF MONTGOMERY, TEXAS AND
PULTE HOMES OF TEXAS, L.P.

This DEVELOPMENT AGREEMENT (the "Agreement") is entered into between PULTE HOMES OF TEXAS, L.P., a Texas limited partnership, its successors or assigns ("Developer"), and THE CITY OF MONTGOMERY, TEXAS ("City") to be effective on the date on _____, 2022 (the "Effective Date").

RECITALS

The Developer has contracted to purchase approximately 80 acres of land outside of the corporate limits of the City, as described on the attached **Exhibit A** (defined herein as the "Tract") in Montgomery County, Texas. The Developer intends to develop the Tract for single-family residential purposes. The Developer represents that the development of the Tract requires the creation of a municipal utility district over the Tract to fund certain public infrastructure, and an agreement with the City will provide for long-term certainty concerning development of the Tract. The current landowner, Sarah Anne Peel Mabry (the "Landowner") has petitioned the City for voluntary annexation of the Tract into the corporate limits of the City concurrently with approval of this Agreement by submission of the Petition for consent to Annex Land into the Corporate Limits of the City of Montgomery, Texas on the attached **Exhibit B** (the "Annexation Petition"). The City hereby agrees that it shall adopt a resolution attached as **Exhibit C** (the "MUD Consent Resolution") consenting to the creation of the District after Developer closes on the purchase and sale of the Tract, and the City agrees that the resolution will be deemed to constitute the City's consent to creation of a special district over the boundaries of the Tract.

The City is a Type A general-law municipality with all powers except those specifically limited by the Constitution and laws of the State of Texas.

The City wishes to provide for the orderly, safe and healthful development of the Tract, and the City and the Developer agree that the development of the Tract can best proceed pursuant to a development agreement.

AGREEMENT

NOW THEREFORE, in consideration of the mutual promises, obligations, and benefits contained herein as well as other good and valuable consideration, the sufficiency of which is acknowledged by the parties, the City and Developer agree as follows:

ARTICLE I. DEFINITIONS AND EXHIBITS

1.1 Definitions. Unless the context indicates others, the following words as used in this Agreement shall have the following meanings:

Annexation Tract or Tract means approximately 80 acres of land to be annexed by the City upon petition of the Developer, as described in **Exhibit A**

City means the City of Montgomery, Texas.

District means a municipal utility district to be created over the Tract upon petition to the TCEQ pursuant to Article XVI, Sec. 59, and Article III, Sec. 52, Texas Constitution, Chapters 49 and 54, Texas Water Code and rules of the TCEQ.

Developer means Pulte Homes of Texas, L.P., a Texas limited partnership, its successors or assigns.

ESFC means that amount of water or wastewater, as applicable, set by the City that constitutes an Equivalent Single Family connection, which amount may be changed from time to time. At the time of this Agreement, an ESFC of water means 300 gallons per day and an ESFC of wastewater means 200 gallons per day.

Facilities means the water distribution, sanitary sewer collection, transportation and treatment, and stormwater collection, detention and drainage systems, parks, roads and improvements in aid thereof, constructed or acquired or to be constructed or acquired by the District to serve lands within its boundaries, 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.

Parties means the City and the Developer, collectively.

Tract means the approximately 80 acres of land to be developed by Developer, as described in **Exhibit A**, and any additional land that may be annexed into the District as approved by the City.

TCEQ means the Texas Commission on Environmental Quality or its successor agency.

1.2. Exhibits. The following Exhibits attached to this Agreement are a part of the Agreement as though fully incorporated herein:

Exhibit A	Metes and Bounds Description of the Tract and/or Annexation Tract
Exhibit B	Annexation Petition
Exhibit C	MUD Consent Resolution
Exhibit D	Land Plan
Exhibit E	Form of Utility Agreement
Exhibit F	Utility Exhibit

ARTICLE II.

DEVELOPER OBLIGATIONS

Section 2.1. Utilities.

a. *Water, Sanitary Sewer and Drainage Facilities*. Developer agrees that all water, sanitary sewer and drainage facilities to serve the Tract, whether on the Tract or off-site, will be constructed in accordance with this Agreement, the applicable City regulations and ordinances, including the City of Montgomery Code of Ordinances, as amended (the "City Code") except for the variances as set forth in this Agreement.. The Developer is responsible for the design and construction of all internal water and sanitary sewer lines and associated facilities and drainage facilities to serve the Tract. The City will provide retail water and sanitary sewer service to customers within the Tract, all in accordance with the Utility Agreement, the form of which is attached hereto as **Exhibit E**. Following acceptance by the City, the water and sanitary sewer infrastructure will be owned, operated, and maintained by the City per normal practice and as described in the Utility Agreement. The City agrees to provide the District with its ultimate requirements for wastewater treatment and water capacity in accordance with the Utility Agreement and as further described herein.

b. *Water Supply Facilities*. The parties acknowledge that the Tract will be developed with ultimate water requirements of 92,700 gpd to serve approximately 309 connections. Parties agree that the Developer will develop the Tract in accordance with this Agreement.

    1. The Tract will consist of approximately 309 ESFCs necessitating 92,700 gpd of water capacity. The City agrees that it has the capacity in its water treatment system to serve the Tract and commits that such capacity shall be reserved for the benefit of Developer and the Tract; however the Developer is required to fund the construction of certain improvements to the City's water supply system in order to provide sufficient pressure for the Tract.

        i. **Water Line**. The Developer agrees to design and construct, at the Developer's cost, a 12" off-site waterline to connect to the City's existing 12" waterline on FM 1097 to the eastern boundary of the Tract along FM 1097 and an 8" off-site waterline to connect the internal water system to the existing 8" waterline located on Terra Vista Circle, which shall be routed generally as shown on **Exhibit F** or such other route as is mutually agreed upon by the Parties ("Water Line"). The Water Line will be constructed in an easement dedicated by the Developer.

        ii. **Ownership**. The City will accept such Water Line for ownership and operation in accordance with the terms of the Utility

Agreement subject to a one-year maintenance bond to be enforceable by the City from the contractor.

c. *Wastewater Treatment Facilities*. The parties acknowledge that the Tract will be developed in phases with ultimate wastewater requirements of 61,800 gpd to serve 309 connections.

i. **Lift Station No. 10 and Force Main Improvements**. The City agrees to design and construct improvements to Lift Station No. 10 and the discharge force main related to it to serve the Tract as generally shown on **Exhibit F** (the "**Lift Station No. 10**"). Lift Station No. 10 shall be sized to serve the Tract; if the City requires Lift Station No. 10 to be oversized to serve land outside the Tract, the Parties agree to comply with provisions of Section 2.3 herein.

ii. **On Site Lift Station and Force Main**. The Developer agrees to design and construct, at the Developer's cost, a public lift station and force main to serve the Tract to tie into the gravity sanitary sewer line located on Terra Visa Circle, as generally shown on **Exhibit F** (the "**On Site Lift Station**"). The On Site Lift Station shall be sized to serve the Tract; if the City requires the On Site Lift Station to be oversized to serve land outside the Tract, the Parties agree to comply with provisions of Section 2.3 herein.

iii. **Funding**. The City will provide the Developer and the District a cost estimate of the engineering and construction costs of the Lift Station No. 10, and upon presentation of such estimate, the Developer agrees to deposit with the City the funds for design (including preliminary design, design, topographic survey, reimbursable expenses, and bid phase services) of the Lift Station No. 10. The City will be responsible for bidding the Lift Station No. 10 in accordance with competitive bidding laws. Upon receipt and review of bids, the Developer will deposit the amount of the accepted bid plus 10% contingencies, the estimated cost for construction administration and inspection, construction staking, construction materials testing, and reimbursable expenses with the City. The Developer and District shall have the right to review all bids received for the construction of the Lift Station No. 10, approve award of the construction contract for the Lift Station No. 10, and review and approve all pay estimates and change orders related thereto. The Developer is not responsible for any change orders that exceed twenty-five percent of the construction contract as the maximum allowed by TCEQ rules, and is therefore not eligible for reimbursement by the District of such change order. The City will keep accurate records of Developer deposits and Lift

Station No. 10 costs and make such records available for Developer or District inspection upon request. Within 45 days of City acceptance of the Lift Station No. 10 project, the City shall perform a reconciliation and final accounting and reimburse the Developer any unpaid funds under the construction contract. In the event the City has expended more than the deposit amount, the Developer will reimburse the City for any excess cost except for the aggregate of construction change order cost in excess of twenty-five percent of the total construction contract for the Lift Station No. 10. The City will hold $3,000 in escrow to cover estimated cost for completion of the one year warranty inspection. After completion of the one year warranty and action by City Council to officially end the warranty period, the City shall perform a reconciliation and final accounting within 45 days and reimburse the Developer any unused funds or request additional funds.

iv. **Timing.** Parties acknowledge Lift Station No. 10 is critical to the development of the Tract. The City is obligated to begin design of Lift Station No. 10 upon execution of this Agreement. In the event the City does not timely commence design and/or construction of Lift Station No. 10 in accordance with this Agreement, the City agrees that the Developer and/or District may design and construct Lift Station No. 10 to meet its development needs.

v. **Ownership**. The City will accept such On Site Lift Station for ownership and operation in accordance with the terms of the Utility Agreement subject to a one-year maintenance bond to be enforceable by the City from the contractor.

vi. **Capacity**. The City agrees that upon completion of the On Site Lift Station, it has the capacity in its Wastewater treatment system to serve the Tract and commits that such capacity shall be reserved for the benefit of Developer and the Tract.

d. *Impact Fees*. The Developer agrees to pay impact fees for water supply facilities and wastewater treatment facilities ("Impact Fees") in the amount as stated in the City's current adopted Impact Fees, or as may be amended from time to time. The Developer will be assessed and pay Impact Fees at the time of the City's approval of the final plat for each section based on the number of connections in such plat.

e. *Drainage Facilities*. The Developer will submit a drainage study to the City prior to approval of construction plans. All drainage and detention facilities must be designed and constructed in accordance with this Agreement, the City Code and any applicable Montgomery County standards, except for any variances set forth in this Agreement. The City agrees to allow culverts and public roads within public

road right of way as restrictors or control structures for detention facilities. All onsite storm sewer systems will be designated as public facilities and accepted by the City upon completion. Any detention ponds will not be accepted by the City but owned and maintained by the District and/or a property owners association.

Section 2.3. Oversizing. If the City requires portions of the Facilities to be constructed to a size larger than would be required pursuant to the City Code to serve the Tract, the City will pay or cause to be paid the incremental costs to construct such excess capacity in accordance with state law. Prior to award of any contract in which oversized Facilities will be built, the Developer will present the City with the bids and bid tabulations, and the City and the Developer (or District in accordance with the Utility Agreement) must agree to the incremental costs based on such bid or the Developer is not required to oversize the Facilities. The City will pay its pro rata share of the oversized facilities upon award of the construction contract for such facilities.

Section 2.4. Parks and Recreational Facilities. The Developer shall design and construct all park and recreational facilities to serve the Tract in accordance with the City Code and any applicable Montgomery County standards, except for any variances set forth in this Agreement. Any park and recreational facilities will not be accepted by the City but owned and maintained by the District.

Section 2.5. Development Regulations. Developer agrees that the development of the Tract shall be in accordance with the City Code except as to lot size: all platted single-family residential lots within the District may be a minimum of 45 feet wide and 120 feet long and 5,400 square feet. This Agreement constitutes the City's acceptance of the described variance from its City Code.

Section 2.6. Minor Modifications. Minor modifications to the Developer or District's utility plan, thoroughfare plan, phasing plan or variances in development regulations are authorized under this Agreement upon review and approval of the City Administrator, or its designee, and no amendment to this Agreement is required. A minor modification would include, but is not limited to, an adjustment in the alignment of a roadway, adjustment in densities that is less than 15% of such category, an adjustment or relocation of public utility infrastructure if approved by the City Administrator or its designee; or any modification that is an elaboration, refinement or clarification of this Agreement and deemed to be a minor modification by the City Administrator.

Section 2.7. Plan Approval. Developer agrees that no work shall begin with Texas Department of Transportation ("TXDOT") right-of way prior to approval by TXDOT of plans.

Section 2.8. Eminent Domain. Developer will use all reasonable efforts to acquire, by negotiated purchase, right-of-way located off-Property and needed with respect to public infrastructure located outside of the Tract. In the event Developer or the District is unable to acquire the needed right-of-way by negotiated purchase, the City will cooperate with the

Developer and the District, at the sole cost and expense of Developer and the District, to acquire the needed right-of-way including, but not limited to, the exercise by the City of its power of eminent domain.

Section 2.9. Vesting. The Land Plan attached as Exhibit D, as amended from time to time in accordance with this Agreement (the "Land Plan"), which Land Plan is considered be a development plan as provided for in Section 212.172 of the Texas Local Government Code.

ARTICLE III.
DEFAULT AND TERMINATION

Section 3.1. Material Breach of Agreement. It is the intention of the parties to this Agreement that the Tract be developed in accordance with the terms of this Agreement.

a. The parties acknowledge and agree that any substantial deviation by the Developer from the material terms of this Agreement would frustrate the intent of this Agreement, and, therefore, would be a material breach of this Agreement. A material breach of this Agreement by the Developer shall be deemed to have occurred in the event of failure of the Developer to comply with a provision of this Agreement or the City Code provisions applicable to the Tract.

b. The parties acknowledge and agree that any substantial deviation by the City from the material terms of this Agreement would frustrate the intent of this Agreement and, therefore, would be a material breach of this Agreement. A material breach of this Agreement by the City shall be deemed to have occurred in the following instances:

(i) An attempt by the City to dissolve the District without complying with the terms of this Agreement or in violation of the provisions of the Utility Agreement;

(ii) An attempt by the City to delay or limit reimbursement to the Developer in violation of the provisions of this Agreement; or

(iii) An attempt by the City to enforce any provisions of the City Code within the Tract that is inconsistent with the terms and conditions of this Agreement.

In the event that a party to this Agreement believes that another party has, by act or omission, committed a material breach of this Agreement, the provisions of this Article III shall provide the remedies for such default.

Section 3.2. Notice of Developer's Default.

a. The City shall notify Developer in writing of an alleged failure by the Developer to comply with a provision of this Agreement, describing the alleged failure with

reasonable particularity. Developer shall, within thirty (30) days after receipt of the notice or a longer period of time as the City may specify in the notice, either cure the alleged failure or, in a written response to the City, either present facts and arguments in refutation or excuse of the alleged failure or state that the alleged failure will be cured and set forth the method and time schedule for accomplishing the cure.

b. The City shall determine: (i) whether a failure to comply with a provision has occurred; (ii) whether the failure is excusable; and (iii) whether the failure has been cured or will be cured by Developer. The alleged defaulting party shall make available to the City, if requested, any records, documents or other information necessary to make the determination, except to the extent that such information is protected by attorney/client privilege.

c. If the City determines that the failure has not occurred, or that the failure either has been or will be cured in a manner and in accordance with a schedule reasonably satisfactory to the City, or that the failure is excusable, the determination shall conclude the investigation.

d. If the City determines that a failure to comply with a provision has occurred and that the failure is not excusable and has not been or will not be cured by Developer in a manner and in accordance with a schedule reasonably satisfactory to the City, then the City may pursue any and all remedies it has at law or equity.

Section 3.3. Notice of City's Default.

a. Developer shall notify the City in writing specifying any alleged failure by the City to comply with a provision of this Agreement, describing the alleged failure with reasonable particularity. The City shall, within thirty (30) days after receipt of the notice or the longer period of time as Developer may specify in the notice, either cure the alleged failure or, in a written response to Developer, either present facts and arguments in refutation or excuse of the alleged failure or state that the alleged failure will be cured and set forth the method and time schedule for accomplishing the cure.

b. Developer shall determine: (i) whether a failure to comply with a provision has occurred; (ii) whether the failure is excusable; and (iii) whether the failure has been cured or will be cured by the City. The City shall make available to the Developer, if requested, any records, documents or other information necessary to make the determination that are subject to the Public Information Act, Chapter 551, Texas Government Code.

c. If Developer determines that the failure has not occurred, or that the failure either has been or will be cured in a manner and in accordance with a schedule reasonably satisfactory to Developer, or that the failure is excusable, the determination shall conclude the investigation.

d. If Developer determines a failure to comply with a provision has occurred and that the failure is not excusable and has not been or will not be cured by the City in a manner

and in accordance with a schedule reasonably satisfactory to Developer, then Developer may pursue any and all remedies it has at law or equity.

Section 3.4. Remedies. In addition to all the rights and remedies provided under the laws of the State of Texas, because of the peculiar damage each party hereto might suffer by virtue of a default by another party, each party shall be entitled to the equitable remedy of specific performance or mandamus, as well as all other legal and equitable remedies available.

ARTICLE IV.
CITY'S CONSENT TO CREATION; VOLUNTARY ANNEXATION; DISTRICT ANNEXATION OF LAND

Section 4.1. Consent to Creation of the District. The City hereby agrees that it shall approve a resolution consenting to the creation of the District after Developer closes on the purchase and sale of the Tract, and the City agrees that the resolution will be deemed to constitute the City's consent to creation of the District. No further action will be required on the part of the City to evidence its consent; however the City agrees to provide any additional confirmation of its consent that may be required by the Developer or the District if requested to do so.

Section 4.2. Consent to Annexation of City. Concurrently with approval of this Agreement, Landowner has submitted to the City its petition for annexation of the Annexation Tract into the corporate limits of the City. The City hereby agrees that it shall not annex the Tract into the corporate limits of the City until ten (10) days after Developer closes on the purchase and sale of the Tract and at such time the Annexation Tract shall be entitled to all the rights and privileges and bound by all regulations of the City.

Section 4.3. Annexation of Land by District. The District may not annex additional land into the boundaries of the District or serve property outside the boundaries of the District without the consent of the City. In the event land is annexed into the boundaries of the District with the City's consent, the terms of this Agreement shall apply to the annexed land.

ARTICLE V.
DISSOLUTION

The City agrees that irrespective of its right and power under existing or subsequently enacted law, it will not dissolve the District until the following conditions have been met:

a. At least 90% of the developable acreage within the District has been developed with water, wastewater, and drainage facilities. Developable acreage means the total acreage in the District less acreage associated with land uses for roads, utility easements, drainage easements, levee easements, lakes, creeks, bayous, and open space; and

b. The Developer has been reimbursed by the District to the maximum extent permitted by the rules of the TCEQ or the City assumes any obligation for such reimbursement of the District under such rules.

ARTICLE VI.

MISCELLANEOUS

Section 6.1. Sale of Tract; Assignability. Any agreement by Developer to sell the entirety or any portion of the Tract to a person intending to develop the tract or such portion thereof (a "Successor Developer," whether one or more) and any instrument of conveyance for the entirety or any portion of the Tract to such Successor Developer shall recite and incorporate this Agreement and provide that this Agreement be binding on such Successor Developer. This Agreement is not intended to be, and shall not be, binding on the ultimate purchasers of parcels out of the Tract. This Agreement is assignable upon written notice to the City; such notice of assignment shall be given within 30 days of an assignment and such notice shall include evidence that the assignee has assumed the obligations under this Agreement.

Section 6.2. Force Majeure. In the event a party is rendered unable, wholly or in part, by force majeure, to carry out any of its obligations under this Agreement, it is agreed that on such party's giving notice and full particulars of such force majeure in writing to the other parties as soon as possible after the occurrence of the cause relied upon, then the obligations of the party giving such notice, to the extent it is affected by 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. Such cause shall as far as possible be remedied with all reasonable dispatch.

The term "force majeure" as used herein shall include, but not be limited to, acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy or of terrorism, war, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, droughts, tornadoes, hurricanes, arrests and restraints of governments and people, suspension of issuance of permits by environmental agencies outside the control of any party, explosions, breakage or damage to machinery or pipelines and any other inabilities of any party, whether similar to those enumerated or otherwise, and not within the control of the party claiming such inability, which by the exercise of due diligence and care such party could not have avoided.

Section 6.3. Law Governing. This Agreement shall be governed by the laws of the State of Texas, and no lawsuit shall be prosecuted on this Agreement except in a federal or state court of competent jurisdiction.

Section 6.4. No Additional Waiver Implied. No waiver or waivers of any breach or default (or any breaches or defaults) by any party hereto of any term, covenant, condition, or liability hereunder, or the performance by any party of any duty or obligation hereunder, shall

be deemed or construed to be a waiver of subsequent breaches or defaults of any kind, under any circumstances.

Section 6.5. Addresses and Notice. Unless otherwise provided in this Agreement, any notice, communication, request, reply, or advise (herein severally and collectively, for convenience, called "Notice") herein provided or permitted to be given, made, or accepted by any party to another (except bills), must be in writing and may be given or be served by depositing the same in the United States mail postpaid and registered or certified and addressed to the party to be notified. Notice deposited in the mail in the manner hereinabove described shall be conclusively deemed to be effective, unless otherwise stated in this Agreement, from and after the expiration of three (3) days after it is deposited. Notice given in any such other manner shall be effective when received by the party to be notified. For the purpose of notice, addresses of the parties shall, until changed as hereinafter provided, be as follows:

If to the City, to:

City of Montgomery, Texas
101 Old Plantersville Road
Montgomery, TX 77535
Attention: City Administrator

With a copy to City attorney:

Johnson Petrov LLP
2929 Allen Parkway, Suite 3150
Houston, TX 77019
Attention: Alan P. Petrov

If to the Developer, to:

Pulte Homes of Texas, L.P.
100 Bloomfield Hills Pkwy, Ste. 300
Bloomfield Hills, MI 48304
Attention: _____

With a copy to:

SK*Law*
1980 Post Oak Boulevard, Suite 1380
Houston, Texas 77056
Attention: Julianne B. Kugle

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 any other address by at least fifteen (15) days' written notice to the other parties.

Section 6.6. Merger and Modification. This Agreement, including the exhibits that are attached hereto and incorporated herein for all purposes, embodies the entire agreement between the parties relative to the subject hereof. This Agreement shall be subject to change or modification only with the mutual written consent of all the parties.

Section 6.7. Severability. The provisions of this Agreement are severable, and if any part of this Agreement or the application thereof to any person or circumstances 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 part of this Agreement to other persons or circumstances shall not be affected thereby.

Section 6.8. Benefits of Agreement. This Agreement is for the benefit of the City and Developer, and shall not be construed to confer any benefit on any other person except as expressly provided for herein.

Section 6.9. Recordation. The City shall record this Agreement and any amendments thereof in the deed records of Montgomery County. In addition, any assignments of this Agreement shall be recorded in the deed records of Montgomery County. This Agreement, when recorded, shall be a covenant running with the land and binding upon the Tract, the parties and their assignees during the term of this Agreement. However, this Agreement shall not be binding upon and shall not constitute any encumbrance to title as to any purchaser of a tract or lot within the Tract who does not intend to resell, subdivide or develop the tract or lot in the ordinary course of business.

Section 6.10. Termination of Agreement. This Agreement shall be automatically terminated in the event that Developer does not purchase the Tract withinsixty (60) days after the Agreement is approved by the City and the Annexation Petition submitted by Landowner shall be automatically withdrawn and no further action relating to annexation by the City shall occur.

Section 6.11. Term. This Agreement shall be in force and effect from the Effective Date and continue for a term of thirty (30) years unless otherwise previously terminated pursuant to some term or condition of this Agreement or by express written agreement by the City and Developer. Upon expiration of thirty (30) years from the Effective Date of this Agreement, this Agreement may be extended upon mutual consent of the Developer and the City.

Section 6.12. Authority for Execution. The City hereby certifies, represents and warrants that the execution of this Agreement is duly authorized and adopted in conformity with the City Code. The Developer hereby certifies, represents and warrants that the

execution of this Agreement is duly authorized and adopted in conformity with the articles of incorporation and bylaws or partnership agreement of such entity.

Section 6.13. Execution of Agreement by District. After approval of the creation of the District by the TCEQ, Developer shall cause the assignment, execution and adopted by the Board of Directors of the District of the Utility Agreement in the form attached hereto as **Exhibit E** within 90 days after the election confirming creation of the District.

(Signature Pages to Follow)

Executed by the Developer and the City to be effective on the Effective Date.

PULTE HOMES OF TEXAS, L.P., a Texas limited partnership

By: Pulte Nevada I LLC,
a Texas limited liability company,
its general partner

By: _____
Name: Todd N. Sheldon
Title: Manager

STATE OF TEXAS §
§
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me this _____ day of _____, 2022, by Todd N. Sheldon, Manager of Pulte Nevada I LLC, a Texas limited liability company, and general partner of Pulte Homes of Texas, L.P., a Texas limited partnership.

_____

Notary Public, State of Texas

(NOTARY SEAL)

CITY OF MONTGOMERY, TEXAS

_____
Byron Sanford, Mayor

ATTEST:

_____
Nicola Browe, City Secretary

STATE OF TEXAS §
§
COUNTY OF MONTGOMERY §

This instrument was acknowledged before me this _____ day of _____, 2022, by Byron Sanford, Mayor, City of Montgomery, Texas, on behalf of said City.

_____
Notary Public, State of Texas

(NOTARY SEAL)

EXHIBIT "A"

METES AND BOUNDS

[See attached.]

EXHIBIT "B"

ANNEXATION PETITION

EXHIBIT "C"

MUD CONSENT RESOLUTION

EXHIBIT "D"

LAND PLAN

PETITION FOR CONSENT TO
ANNEX LAND INTO CORPORATE LIMITS OF CITY OF MONTGOMERY, TEXAS

THE STATE OF TEXAS §
§
COUNTY OF MONTGOMERY §

TO THE HONORABLE MAYOR AND CITY
COUNCIL OF THE CITY OF MONTGOMERY, TEXAS:

The undersigned (the "Petitioner"), respectfully petitions the City of Montgomery, Texas (the "City"), for its consent to the addition of land to the City's corporate limits. In support of this Petition, the Petitioner would show the following:

I.

The land sought to be added to the City is described by metes and bounds in Exhibit "A", attached hereto and made a part hereof for all purposes (the "Tract").

II.

The Tract lies wholly within Montgomery County, Texas, and wholly within the extraterritorial jurisdiction of the City.

III.

Petitioner holds fee simple title to the Tract, as shown by the Montgomery County Tax Rolls and conveyances of record, and Pulte Homes of Texas, L.P. is the contract purchaser. There are no liens on the Tract. No one resides on the Tract.

IV.

The general nature of the work to be done by and within the Tract at the present time is the construction, maintenance and operation of a waterworks system for domestic purposes; the construction, maintenance and operation of a sanitary sewer collection system; the control, abatement and amendment of the harmful excess of waters and the reclamation and drainage of overflowed lands within the Tract; the construction, installation, maintenance, purchase and operation of park and recreational facilities; the construction, installation, maintenance, purchase and operation of roads; and the construction, installation, maintenance, purchase and operation of such additional facilities, systems, plants and enterprises.

WHEREFORE, the undersigned respectfully pray that this Petition be granted in all respects and that the City Council of the City of Montgomery, Texas, adopt an ordinance giving its written consent to the addition of the Tract to the corporate limits of the City.

RESPECTFULLY SUBMITTED this 24th day of ~~July~~ June 8m, 2022.

"Petitioner"

By: Sarah Anne Peel Mabry
Name: Sarah Anne Peel Mabry

THE STATE OF TEXAS §
§
COUNTY OF Fayette §

This instrument was acknowledged before me on June 24th, 2022, by Sarah Anne Peel Mabry, individually, and acknowledged to me that said person executed the same for the purposes and consideration therein expressed, in the capacity therein stated, as the act and deed of said individual.

Ebbie Doll Murphy
Notary Public in and for the
State of T E X A S

(SEAL)

EBBIE DOLL MURPHY
Notary Public, State of Texas
Comm. Expires 02-21-2026
Notary ID 133602190

JOINDER TO PETITION FOR ANNEXATION

PULTE HOMES OF TEXAS, L.P.,
a Texas limited partnership

By: Pulte Nevada I, LLC
a Delaware limited limitability company,
Its General Partner

By: Lee Jones
Name: Lee Jones
Title: VP Land Acquisition

THE STATE OF TEXAS §
§
COUNTY OF Harris §

This instrument was acknowledged before me on July 12, 2022, by Lee Jones, VP of Acquisition of Pulte Nevada I, LLC, a Delaware limited liability company, in its capacity as General Partner of Pulte Homes of Texas, L.P., a Texas limited partnership on behalf of said limited partnership.

Notary Public in and for the
State of T E X A S

(SEAL)

TROY RIAL
Notary Public, State of Texas
Comm. Expires 10-14-2024
Notary ID 132728743

EXHIBIT "A"

METES AND BOUNDS DESCRIPTION
OF 79.771 ACRE TRACT

RESOLUTION NO. _____

RESOLUTION CONSENTING TO THE CREATION OF MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 224; AND SETTING FORTH OTHER PROVISIONS RELATED THERETO

WHEREAS, Pursuant to Chapters 49 and 54 of the Texas Water Code, Sarah Anne Peel Mabry (herein the "Petitioner") has petitioned for consent to the creation of Montgomery County Municipal Utility District No. 224 (the "District") to serve the approximately 79.771 acres of land located in Montgomery County, Texas, as described in the attached Exhibit "A" and

WHEREAS, a portion of the land to be included within the District is located within the jurisdiction of the City of Montgomery, Texas; and

WHEREAS, Section 42.042, Texas Local Government Code, provides that land within the jurisdiction of a city may not be included within a municipal utility district without the written consent of such city, town, or village; and

WHEREAS, Petitioner has submitted to the Mayor and City Council of the City of Montgomery, Texas, a Petition for Consent to Creation of Montgomery County Municipal Utility District No. 224; and

WHEREAS, the general nature of the work to be done by and within the District is (i) the design, construction, acquisition, improvement, extension, maintenance, and operation of a waterworks and sanitary sewer system for municipal, domestic, industrial, and commercial purposes; (ii) the design, construction, acquisition, improvement, extension, maintenance, and operation of works, improvements, facilities, systems, plants, equipment, and appliances helpful or necessary to provide more adequate drainage for the District; (iii) to control, gather, conduct, divert, abate, and amend local storm waters or other harmful excesses of waters, and such other design, construction, acquisition, improvement, extension, maintenance, and operation of such additional facilities, systems, plants and enterprises as are helpful or necessary for such purposes; (iv) the design, construction, acquisition, extension, maintenance, and operation of macadamized, graveled, or paved roads or turnpikes, or improvements in aid of those roads or turnpikes, inside or outside the District, as authorized by Article III, Section 52, of the Texas Constitution; (v) the financing, developing, and maintaining of parks and recreational facilities for the people in the District; and (vi) such other design, construction, acquisition, installation, improvement, extension, maintenance, and operation of such additional facilities, systems, plants, and enterprises as shall be consonant with all of the purposes for which the District is created; and

WHEREAS, the City Council of the City of Montgomery, Texas desires to adopt Resolution No. _____ as set forth herein for the purpose of consenting to the creation of the District.

NOW THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MONTGOMERY, TEXAS:

1. That all of the matters and facts set out in the preamble hereof be true and correct.

2. That the City Council of the City of Montgomery, Texas, hereby specifically gives its written consent, as provided by Section 42.042, Texas Local Government Code, to the creation of Montgomery County Municipal Utility District No. 224, within the city limits of the City of Montgomery Texas, the boundaries of the land to be included within the District being described in Exhibit "A" attached hereto and made a part hereof for all purposes.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

PASSED AND APPROVED on this _____ day of _____, 2022.

_____
Mayor, City of Montgomery

ATTEST:

_____
City Secretary, City of Montgomery

(SEAL)

EXHIBIT "A"

The Land

(79.771 acres)

[attached]

CERTIFICATE OF RESOLUTION NO. _____

MONTGOMERY, TEXAS

I, the undersigned City Secretary of the City of Montgomery, Texas hereby certify that the attached and foregoing is a true and correct copy of Resolution No. _____ of the City of Montgomery, Texas, consenting to the creation of a municipal utility district, to be known as Montgomery County Municipal Utility District No. 224. I further certify that said Resolution was passed and approved by the City Council of the City of Montgomery, Texas on _____, 20____.

WITNESS MY HAND AND SEAL OF THE CITY OF MONTGOMERY, TEXAS, the _____ day of _____, 20____.

_____
City Secretary, City of Montgomery, Texas

(SEAL)

a schematic development plan for

MABRY TRACT

±79.9 ACRES OF LAND

prepared for

PULTE GROUP

META PLANNING + DESIGN
24275 Katy Freeway, Ste. 200
Katy, Texas 77494
Tel: 281.810.1422

SCALE

MTA-68007
SEPTEMBER 6, 2022

LOT SUMMARY

45'x120'	309 LOTS	100%
TOTAL	**309 LOTS**	

EXHIBIT "E"

UTILITY AGREEMENT

THE STATE OF TEXAS	§
	§
COUNTY OF MONTGOMERY	§

THIS AGREEMENT is made and entered into as of the date herein last specified, by and between the CITY OF MONTGOMERY, TEXAS (the "City"), a Type A general-law municipality located in Montgomery County, Texas, and MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 224, created as a body politic and corporate and a governmental agency of the State of Texas organized under the provisions of Article XVI, Section 59 and Article III, Section 52 of the Texas Constitution, and Chapters 49 and 54, Texas Water Code, as amended (hereinafter, the term "District" (as defined herein)).

WITNESSETH:

WHEREAS, the Texas Commission on Environmental Quality (the "TCEQ") by order dated _____, 202_ has granted the landowner's petition to create the District within the corporate limits of the City, for the purposes of, among other things, providing water distribution, wastewater collection and drainage, road and park facilities (as more fully defined below, the "Facilities") to serve development occurring within the corporate limits of the City situated within the boundaries of the District, by financing and purchasing the Facilities; and

WHEREAS, the City by resolution dated _____, 2022 has consented to the creation of the proposed District (the "City Consent Resolution"); 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 and roads to lands being developed within the District and the City; 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 TCEQ, 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, 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 Code" shall mean the Code of Ordinances adopted by the City, as amended from time to time.

"City Administrator" shall mean the City Administrator of the City.

"Development Agreement" shall mean that certain Development Agreement, dated _____, 2022, between the City and Pulte Homes of Texas, L.P., a Texas limited partnership, as may be amended from time to time.

"District" shall mean Montgomery County Municipal Utility District No. 224, a body politic and corporate and a governmental agency of the State of Texas organized under the provisions of Article XVI, Section 59 and Article III, Section 52 of the Texas Constitution, and Chapters 49 and 54 Texas Water Code, as amended, and which includes within its boundaries approximately 80 acres of land described on **Exhibit "A"** attached

hereto, and any land that is annexed to the District with the consent of the City.

"District Assets" shall mean (i) all rights, title and interests of the District in and to the Facilities, (ii) any Bonds of the District which are authorized but have not been issued by the District, (iii) all rights and powers of the District under any agreements or commitments with any persons or entities pertaining to the financing, construction or operation of all or any portion of the Facilities and/or the operations of the District, and (iv) all books, records, files, documents, permits, funds and other materials or property of the District.

"District's Obligations" shall mean (i) all outstanding Bonds of the District, (ii) all other debts, liabilities and obligations of the District to or for the benefit of any persons or entities relating to the financing, construction or operation of all or any portion of the Facilities or the operations of the District, and (iii) all functions performed and services rendered by the District, for and to the owners of property within the District and the customers of the Facilities.

"Engineers" shall mean _____, consulting engineers, or its replacement, successor or assignee.

"Engineering Reports" shall mean and refer to that certain Preliminary Engineering Report prepared by the Engineers relating to the creation of the District and describing the initial scope and extent of the Facilities and any additional engineering reports prepared by the Engineers from time to time relating to the issuance of Bonds by the District, copies of which shall be on file in the offices of the District.

"ESFC" means that amount of water or wastewater, as applicable, set by the City that constitutes an Equivalent Single Family connection, which amount may be changed from time to time. At the time of this Agreement, an ESFC of water means 300 gallons per day and an ESFC of wastewater means 200 gallons per day.

"Facilities" shall mean and include the water distribution, sanitary sewer collection, transportation and treatment, and stormwater collection, detention and drainage systems, roads and improvements in aid thereof, park and recreational facilities constructed or acquired or to be constructed or acquired by the District to serve lands within and adjacent to its boundaries, 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, all as more fully described in the Engineering Reports.

"Parties" shall mean the City and the District, collectively.

"TCEQ" shall mean the Texas Commission on Environmental Quality or its successor agency of the State of Texas having jurisdiction over the District.

ARTICLE II
DESCRIPTION, DESIGN, FINANCING AND CONSTRUCTION OF THE FACILITIES

2.01. Facilities. The Facilities, as described in the Engineering Reports, shall be designed and constructed in compliance with all applicable requirements and criteria of the applicable Approving Bodies. All plans and specifications for the Facilities shall be submitted to the City for approval prior to construction and advertising for bids. The plans and specifications shall be prepared in accordance with the applicable provision of the City Code, as they may be amended from time to time. The District shall not be required to design and construct the Facilities to requirements more stringent than the City's requirements and criteria applicable to all design and construction within the City's jurisdiction, unless required by State or Federal regulation or code. The District shall design, construct or extend the Facilities to serve the District in such phases or stages as the District, in its sole discretion, from time to time may determine to be economically feasible.

2.02. Water Distribution and Supply Facilities. The City shall provide the District with its ultimate requirements for water production supply of 92,700 gpd to serve approximately 309 ESFCs. The District agrees to design and construct, at the District's cost, a 12" off-site waterline connecting to the City's existing 12" waterline on FM 1097 to the eastern boundary of the Tract along FM 1097 and an 8" off-site waterline to connect the internal water system to the existing 8" waterline located on Terra Vista Circle, which shall be routed generally as shown on Exhibit F or such other route as is mutually agreed upon by the Parties ("Water Line"). The Water Line will be constructed in an easement dedicated by the District. The Water Line will be sized to serve the District; to the extent the City requires the Water Line to be oversized to serve land outside the District, the Parties agree to comply with provisions of Section 2.07 below. Funding of the Water Line by the District shall be in accordance with the terms of the Development Agreement. The City will accept the Water Line for ownership and operation in accordance with the terms of this Agreement subject to a one-year maintenance bond to be enforceable by the City from the contractor.

In the event that, at any time during the term of this Agreement, the City's water supply system does not have sufficient capacity to serve the land within the District as necessitated by development thereof, the District may elect to:

a. Advance funds as payment towards Impact Fees that would be due and payable

to the City for future development in the District, which funds shall be used by the City solely for funding the costs of constructing additional water supply facilities necessary to serve subsequent phases of development in the District, and the City would thereafter credit the District up to an amount equal to the amount advanced by the District; and/or

b. Construct additional water supply facilities based upon demand and usage and sized appropriately to serve development within the District in accordance with all regulatory requirements, and the City would thereafter credit the District for the Impact Fees related to development in the District that would otherwise be due and payable to the City up to an amount equal to the costs of constructing the additional water supply facilities.

2.03. Wastewater Treatment Plant Facilities. The City shall provide the District with its ultimate wastewater requirements of 61,800 gpd to serve approximately 309 connections.

i. Lift Station No. 10 and Force Main Improvements. The City agrees to design and construct Lift Station No. 10 and Force Main Improvements to serve the Tract as generally shown on Exhibit C ("**Lift Station No. 10**"). Lift Station No. 10 shall be sized to serve the Tract; if the City requires Lift Station No. 10 to be oversized to serve land outside the Tract, the Parties agree to comply with provisions of Section 2.07 herein. The City will be responsible for bidding Lift Station No. 10 in accordance with competitive bidding laws. The District shall have the right to review all bids received for the construction of Lift Station No. 10, approve award of the construction contract for Lift Station No. 10, and review and approve all pay estimates and change orders related thereto. Funding of Lift Station No. 10 by the District shall be in accordance with the terms of the Development Agreement. Timing of design and construction of Lift Station No. 10 by the City shall be in accordance with the terms of the Development Agreement. In the event that the City does not timely commence design and/or construction of the Lift Station No. 10 in accordance with this Agreement, the City agrees that the District may design and construct the Lift Station No. 10 to meet its development needs.

ii. On Site Lift Station and Force Main. The District agrees to design and

construct, at the District's sole cost, a public lift station and force main to serve the Tract to tie into the gravity sanitary sewer line located on Terra Visa Circle, as generally shown on Exhibit F (the "**On Site Lift Station**"). The On Site Lift Station shall be sized to serve the Tract; if the City requires the On Site Lift Station to be oversized to serve land outside the Tract, the Parties agree to comply with provisions of Section 2.07 herein.

In the event that, at any time during the term of this Agreement, the City's wastewater treatment system does not have sufficient capacity to serve the land within the District as necessitated by development thereof, the District may elect to:

a. Advance funds as payment towards Impact Fees that would be due and payable to the City for future development in the District, which funds shall be used by the City solely for funding the costs of constructing additional wastewater treatment facilities sufficient to serve subsequent phases of development in the District. The City would thereafter credit the District for Impact Fees up to an amount equal to the amount advanced by the District; and/or

b. Construct additional wastewater treatment facilities based upon demand and usage and sized appropriately to serve development within the District in accordance with all regulatory requirements, and the City would thereafter credit the District for the Impact Fees related to development in the District that would otherwise be due and payable to the City up to an amount equal to the costs of constructing the additional wastewater treatment facilities.

2.04. Impact Fees. The District agrees to pay impact fees for water supply facilities and wastewater treatment facilities ("Impact Fees") in the amount as stated in the City's current adopted Impact Fees, or as may be amended from time to time. The District will be assessed and pay Impact Fees at the time of the City's approval of the final plat for each section based on the number of connections in such plat.

2.05. 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 the District upon reasonable request of the District that the City has capacity in its wastewater treatment plant and/or has sufficient water supply to serve the District.

2.06. Road Facilities. The District shall be authorized to construct such roads as are authorized by applicable law and approved by the City in accordance with this

Agreement. The public road Facilities will be conveyed to the City upon final completion and subject to final acceptance by the City.

2.07. Oversizing. If the City requires portions of the Facilities to be constructed to a size larger than would be required pursuant to the City Code to serve the District, the City will pay or cause to be paid the incremental costs to construct such excess capacity in accordance with state law. Prior to award of any contract in which over-sized facilities will be built, the District will present the City with the bids and bid tabulations, and the City and the District must agree to the incremental costs based on such bid or the District is not required to oversize the Facilities. The City will pay its pro rata share of the oversized facilities upon award of the construction contract for such facilities.

2.08 Drainage Facilities. The District will submit a drainage study to the City prior to approval of construction plans. All drainage and detention Facilities must be designed and constructed in accordance with the City Code and any applicable Montgomery County standards. The City agrees to allow culverts along public roads to serve as detention facilities. All onsite storm sewer systems will be designated as public facilities and accepted by the City upon completion. Any detention ponds will not be accepted by the City but owned and maintained by the District.

2.09 Parks and Recreational Facilities. The District shall design and construct all park and recreational facilities to serve the District in accordance with the City Code and any applicable Montgomery County standards. Any park and recreational facilities will not be accepted by the City but owned and maintained by the District.

2.10 Minor Modifications. Minor modifications to the District's utility plan are authorized under this Agreement upon review and approval of the City Administrator, or its designee, and no amendment to this Agreement is required. A minor modification would include, but is not limited to, an adjustment or relocation of public utility infrastructure if approved by the City Administrator or its designee; or any modification that is an elaboration, refinement or clarification of this Agreement and deemed to be a minor modification by the City Administrator.

ARTICLE III
OWNERSHIP, OPERATION AND MAINTENANCE OF FACILITIES

3.01. Ownership by the City. As the Facilities are completed and become operational, the District shall convey the same to the City, free and clear of all encumbrances.

3.02. Operation by the City. As the Facilities are completed, representatives of the City shall inspect the same and, if the City finds that the same has been completed in

accordance with the approved 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 approved plans and specifications the City will immediately advise the District in what manner the infrastructure does not comply, and the District shall immediately correct the same; whereupon the City shall again inspect the Facilities and accept the same if the defects have been corrected. During the term of this Agreement, the City will operate the Facilities and provide retail water and sanitary sewer service to all users within the District without discrimination. The City shall at all times maintain the Facilities or cause the same to be maintained, in good condition and working order and will operate the same, or cause the same to be operated, in an efficient and economical manner at a reasonable cost and in accordance with sound business principles in operating and maintaining the Facilities, and the City will comply with all contractual provisions and agreements entered into by it and with all valid rules, regulations, directions or orders by any governmental administrative or judicial body promulgating the same.

3.03. Rates and Meters. The City shall bill and collect fees from District customers of the water and wastewater system and shall from time to time fix such rates and charges for such customers of the system as the City, in its sole discretion, determines are necessary; provided that the rates and charges for services afforded by the system will be equal and uniform to those charged other similar classifications of users in the City. All water and wastewater revenues from the District customers shall belong exclusively to the City. The City shall be responsible for providing and installing any necessary meters for the individual customers.

3.04. Tap Fees / Connection Charges. Notwithstanding anything in the City Code to the contrary, the City will impose a charge for tap fees or connections to the water and wastewater system 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.

ARTICLE IV
FINANCING OF FACILITIES

4.01 Authority of District to Issue Bonds. The District shall have the authority to issue, sell and deliver Bonds from time to time, 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 and the general laws of the State of Texas.

At least thirty (30) days before the issuance of bonds, except refunding bonds, the

District's financial advisor shall certify in writing that bonds are being issued within the existing economic feasibility guidelines established by the TCEQ (if applicable) and whether or not the District bonds have been approved by the TCEQ, if applicable. The report, provided to the City Administrator, should also state the following:

- The amount of bonds being proposed for issuance,
- The projects to be funded by such bonds,
- The proposed debt service tax rate after issuance of the bonds.

Within thirty (30) days after the District closes the sale of a series of bonds, the District shall deliver to the City Administrator a copy of the final official statement for such series of bonds as well as any additional information requested by the City and provide the City with a complete transcript of bond proceedings within sixty (60) days after the date the bonds are delivered.

4.02 Purpose for Bonds and Use of Bond Proceeds. The District will issue Bonds only for the purpose of purchasing and constructing or otherwise acquiring Facilities or parts thereof, and to make any and all necessary purchases, construction, improvements, extensions, additions, and repairs thereto, and purchase or acquire all necessary land, right-of-way, easements, sites, equipment, buildings, plants, structures, and facilities therefor within or without the boundaries of the District, and providing for developer interest and for any necessary capitalized interest and costs of issuance.

4.03 Bond Provisions. The District's Bonds shall expressly provide that the District reserves the right to redeem the Bonds on any interest-payment date subsequent to the tenth anniversary of the date of issuance without premium and will be sold only after the taking of public bid therefore. None of such Bonds, other than refunding Bonds, will be sold for less than 95% of par; provided that the net effective interest rate on Bonds so sold, taking into account any discount or premium as well as the interest rate borne by such Bonds, will not exceed two percent above the highest average interest rate reported by the Daily Bond Buyer in its weekly "20 Bond Index" during the one-month period next preceding the date notice of the sale of such Bonds is given, and that bids for the Bonds will be received not more than forty-five days after notice of sale of the Bonds is given. The Bonds shall not have a maturity of more than twenty-five years and shall not provide for more than twenty-four months of capitalized interest.

4.04. Bonds as Obligation of District. Unless and until the City shall dissolve the District and assume the properties, assets, obligations and liabilities of the District, the Bonds of the District, as to both principal and interest, shall be and remain obligations solely of the District and shall never be deemed or construed to be obligations or indebtedness of the City; the Bonds shall not contain a pledge of any revenues of the Facilities.

4.05. Construction by Third Parties. From time to time, the District may enter into one or more agreements, (hereinafter, "Development Financing Agreement") 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 each Development Financing Agreement, 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 Development Financing 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 V
DISSOLUTION OF THE DISTRICT

5.01. Dissolution of District Prior to Retirement of Bonded Indebtedness. The City and the District recognize that, as provided in the laws of the State of Texas, the City has the right to dissolve the District and to acquire the District's Assets and assume the District's Obligations. Notwithstanding the foregoing, the City agrees that it will not dissolve the District until the following conditions have been met:

1. At least 90% of the Facilities to serve all the developable acreage at full development has been constructed. Developable acreage means the total acreage in the District less acreage associated with land uses for roads, utility easements, drainage easements, levee easements, lakes, creeks, rivers, fire facilities, and open space; and

2. The developer of the District has been reimbursed by the District to the maximum extent permitted by the rules of the TCEQ or the City assumes any obligation for such reimbursement of the District under such rules.

Upon dissolution of the District, the City shall acquire the District's Assets and shall assume the District's Obligations. If requested by the District, the City shall afford the District the opportunity to discharge any remaining District's Obligations pursuant to any existing Development Financing Agreements of the District, by either (i) authorizing the District to sell its Bonds before or during a transition period prior to the effective date of dissolution as established by the City, or (ii) pursuant to Local Government Code Section 43.080, as amended, issuing and selling bonds of the City in at

least the amount necessary to discharge the District's Obligations, including those under any Development Financing Agreements.

5.02. Transition upon Dissolution. In the event all required findings and procedures for the annexation and dissolution of the District have been duly, properly and finally made and satisfied by the City, and unless otherwise mutually agreed by the City and the District pursuant to then existing law, the District agrees that its officers, agents and representatives shall be directed to cooperate with the City in any and all respects reasonably necessary to facilitate the dissolution of the District and the transfer of the District's Assets to, and the assumption of the District's Obligations by, the City.

ARTICLE VI
REMEDIES IN EVENT OF DEFAULT

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.

ARTICLE VII
MISCELLANEOUS PROVISIONS

7.01. 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.

7.02. 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.

7.03. 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:

If to the City, to:

City of Montgomery, Texas
101 Old Plantersville Road
Montgomery, TX 77535
Attention: City Manager

With a copy to City attorney:

Johnson Petrov LLP
2929 Allen Parkway, Suite 3150
Houston, TX 77019
Attn: Alan P. Petrov

If to the District, to:

Montgomery County Municipal Utility District No. 224
c/o SK*Law*
1980 Post Oak Boulevard, Suite 1380
Houston, Texas 77056
Attention: Julianne B. Kugle

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.

7.04. Assignability. This Agreement may not be assigned by either except upon written consent of the other party

7.05. 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.

7.06. 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.

7.07. 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.

7.08. 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 Resolution between the City and the District. If any provisions of the Consent Resolution 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 Resolution.

7.09. 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.

7.10 . 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.

7.11. 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.

7.12. 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 thirty (30) years from the date hereof.

[EXECUTION PAGES FOLLOW.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in multiple copies, each of equal dignity, on this ____ day of _____ 2022.

THE CITY OF MONTGOMERY, TEXAS

_____

Mayor

ATTEST/SEAL:

_____

City Secretary

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 224

By:_____
President, Board of Directors

ATTEST:

By:_____
Secretary, Board of Directors

(SEAL)

EXHIBIT "A"

METES AND BOUNDS

EXHIBIT "B"

UTILITY EXHIBIT

EXHIBIT "C"

LAND PLAN

County: Montgomery
Project: FM 1097 (Tract 2)
Job No.: 220402
M&B No.: 22-111

FIELD NOTES FOR 79.910 ACRES

Being a tract containing 79.910 acres of land located in the Owen Shannon Survey, A-36, in Montgomery County, Texas. Said 79.910 acres being a portion of a call 80.72 acre tract of land recorded in the name of Sarah Anne Peel Mabry in Volume 683, Page 279 of the Montgomery County Deed Records (M.C.D.R.). Said 79.910 acres being more particularly described by metes and bounds as follows (bearings are referenced to the Texas Coordinate System of 1983, Central Zone, based on GPS observations):

BEGINNING at a 3/4 inch axle found at the southwest corner of said 80.72 acres, the southeast corner of Terra Vista At Waterstone Section One, a subdivision recorded in Cabinet Z, Sheets 3587-3589 of the Montgomery County Map Records (M.C.M.R.) and being on the north line of a call 155.2494 acre tract of land recorded in the name of Waterstone on Lake Conroe, Inc., under File Number 2008023660 of the Official Public Records of Montgomery County (O.P.R.M.C.);

THENCE, with the west line of said 80.72 acres and the east line of said Terra Vista At Waterstone Section One, North 04 degrees 12 minutes 19 seconds West, a distance of 1,251.43 feet to the beginning of a non-tangent curve to the left on the southeast Right-of-Way (R.O.W.) line of FM 1097, based on a width of 80 feet, as described in Volume 5, Page 120 and Volume 291, Page 280 of the M.C.D.R. from which a found 5/8 inch capped iron rod stamped "Glezman" bears South 05 degrees 57 minutes 51 seconds West, 4.12 feet;

THENCE, with said R.O.W. line, the following four (4) courses:

1.) 116.53 feet along the arc of said curve having a radius of 994.93 feet, a central angle of 06 degrees 42 minutes 39 seconds and a chord which bears North 30 degrees 31 minutes 52 seconds East, 116.47 feet to a point of tangency from which a found 5/8 inch capped iron rod stamped "Glezman" bears North 41 degrees 20 minutes 24 seconds East, 1.08 feet;

2.) North 27 degrees 10 minutes 33 seconds East, a distance of 58.80 feet to a point of curvature to the right from which a found 5/8 inch capped iron rod stamped "Glezman" bears North 89 degrees 48 minutes 55 seconds East, 0.49 feet;

3.) 343.86 feet along the arc of said curve having a radius of 914.93 feet, a central angle of 21 degrees 32 minutes 00 seconds and a chord which bears North 37 degrees 56 minutes 33 seconds East, 341.84 feet to a 5/8 inch capped iron rod found at a point of tangency;

4.) North 48 degrees 42 minutes 33 seconds East, a distance of 234.80 feet to the southwest corner of a call 123.299 acre tract of land recorded in the name of George W. Faulkner and Inez Mary Faulkner under File Number 2000011143 of the O.P.R.M.C. and being on the north line of said 80.72 acres, from which a found 1/2 inch iron rod bears South 87 degrees 59 minutes 38 seconds West, 3.15 feet;

THENCE, with the north line of said 80.72 acres and the south line of said 123.299 acres, North 87 degrees 59 minutes 38 seconds East, a distance of 1,355.98 feet to a 1 inch iron pipe found at the northeast corner of said 80.72 acres and the northwest corner of Grand Harbor Section Fourteen, a subdivision recorded in Cabinet Z, Sheets 499-502 of the M.C.M.R.;

THENCE, with the east line of said 80.72 acres, the west line of said Grand Harbor Section Fourteen and the west line of Grand Harbor Section Ten, a subdivision recorded in Cabinet Z, Sheets 760-761 M.C.M.R., South 03 degrees 47 minutes 30 seconds East, a distance of 2,010.30 feet to a 5/8 inch capped iron rod stamped "Town & Country" found at the southeast corner of said 80.72 acres and being on the north line of aforesaid 155.2494 acres;

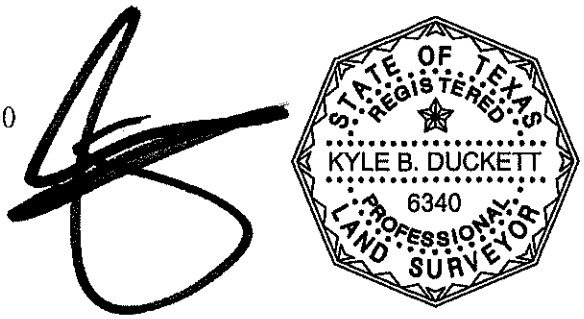
THENCE, with the south line of said 80.72 acres (as occupied) and the north line of said 155.2494 acres, the following two (2) courses:

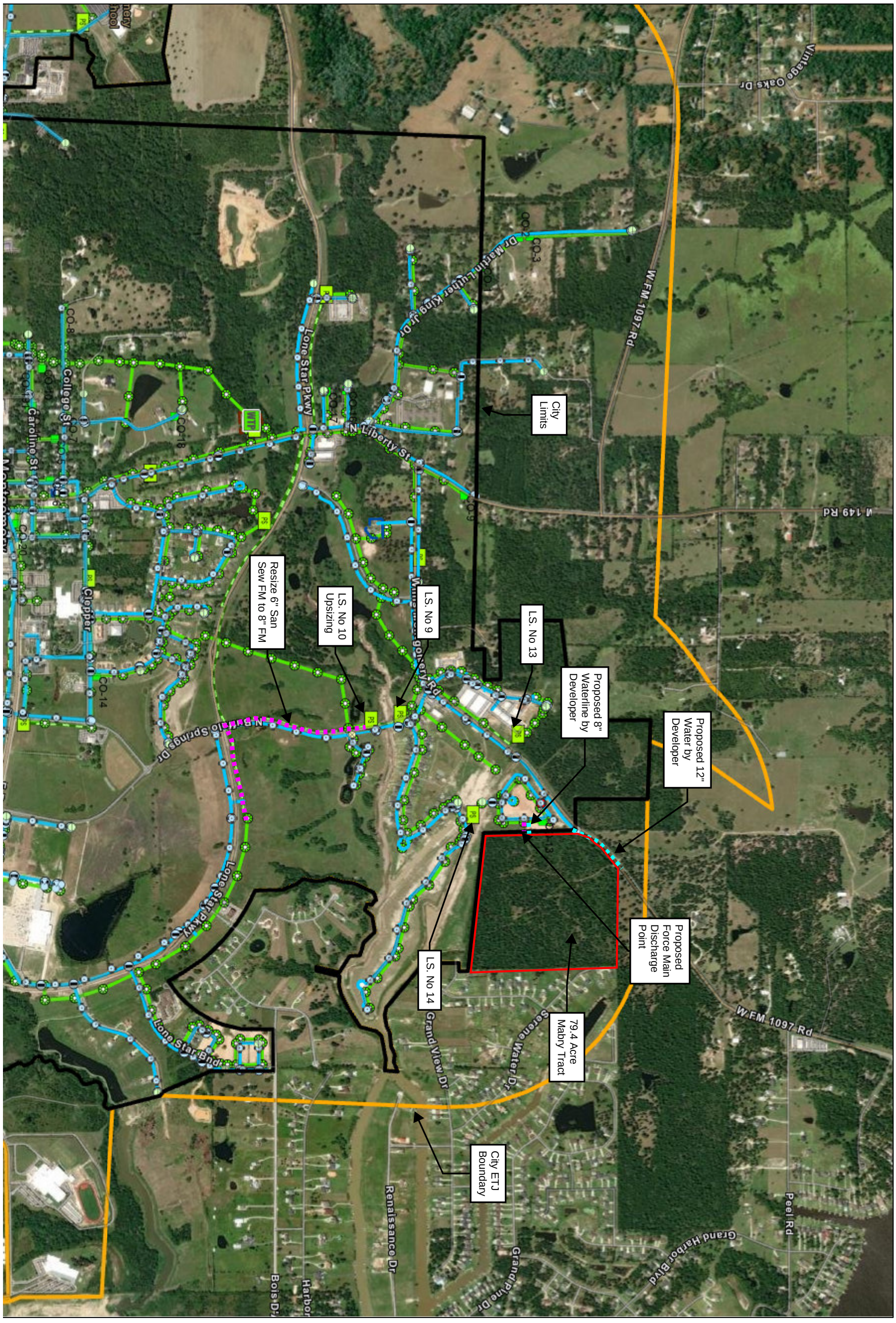
1.) North 89 degrees 19 minutes 09 seconds West, a distance of 793.74 feet to a 5/8 inch capped iron rod (illegible) found;

2.) North 83 degrees 25 minutes 59 seconds West, a distance of 1,082.36 feet to the **POINT OF BEGINNING** and containing 79.901 acres of land, more or less.

THIS DESCRIPTION WAS PREPARED BASED ON A SURVEY MADE ON THE GROUND UNDER THE DIRECTION OF KYLE B. DUCKETT, RPLS 6340, FILED UNDER JOB NO. 220402 IN THE OFFICES OF GBI PARTNERS.

GBI Partners
TBPELS Firm #10130300
Ph: 281.499.4539
March 21, 2022





SHEET EXHIBIT A

Mabry Tract Boundary

Pulte Group Feasibility Study

WGA
CONSULTING ENGINEERS
WARD, GETZ & ASSOCIATES, PLLC
TEXAS REGISTERED ENGINEERING FIRM F-9756
4526 Research Forest Dr, Suite 175
The Woodlands, TX 77381
713.789.1900

a schematic development plan for

MABRY TRACT

±79.9 ACRES OF LAND

prepared for

PULTE GROUP

LOT SUMMARY

45'x120'	309 LOTS	100%
TOTAL	**309 LOTS**	

META PLANNING + DESIGN
24275 Katy Freeway, Ste. 200
Katy, Texas 77494
Tel: 281-810-1422

SCALE

MTA-68007
SEPTEMBER 6, 2022