

FIRST AMENDMENT TO STRATEGIC PARTNERSHIP AGREEMENT

THE STATE OF TEXAS §
§
COUNTY OF BRAZORIA §

This **FIRST AMENDMENT TO STRATEGIC PARTNERSHIP AGREEMENT** (this “Amendment”) is made and entered into, effective as of _____, 2022 by and between the **CITY OF IOWA COLONY, TEXAS**, a municipal corporation and home rule city of the State of Texas (the “City”), and **BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 53**, a conservation and reclamation district created pursuant to Article XIV, Section 59, Texas Constitution and operating pursuant to Chapters 49 and 54, Texas Water Code (the “District”).

RECITALS

1. The District was created for the purpose of providing water, sewer and drainage facilities, roads, recreational facilities, and fire protection facilities to the land within its boundaries. The District is located partly within the extraterritorial jurisdiction (“ETJ”) of the City and partly within the boundaries of the City.

2. The City determined that, because the District is not currently capable of being served with utilities by the City, its development can best proceed pursuant to a strategic partnership agreement with the municipal utility district within the Development. The District and the City entered into that certain Strategic Partnership Agreement, dated as of January 10, 2022 (the “Agreement”). At this time, the District and the City wish to amend the Agreement as provided herein.

3. The City and the District, after the provision of required notices, held public hearings in compliance with the Act. Based upon public input received at such hearings, the City and the District wish to enter into this Amendment to the Agreement to provide the terms and conditions under which services will be provided by the City and the District and under which the District will either be annexed and dissolved or continue to exist for an extended period of time after the District is annexed for general purposes.

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

1. Definitions. Capitalized terms used herein shall have the meanings provided for them in the Agreement, unless otherwise defined, or the context clearly requires otherwise.
2. Section 2.01 of the Agreement is amended to read in its entirety as follows:

“2.01. Conditions to annexation. The Parties agree that the District and its residents should be allowed to develop and function with certainty regarding the conditions under which annexation will be authorized for the City. As a result, the City and the District agree that, without regard to the City’s right and power under existing or subsequently enacted law and subject to Section 2.02, the City will not annex the District for full purposes except as authorized herein. The City shall be authorized, but not required, to annex the District for full purposes on or after January 1, 2028, and the City shall in any event annex the District for full purposes on or before January 1, 2037. It is further agreed that upon full purpose annexation, should the Developer not have been reimbursed to the maximum extent permitted by the rules of the TCEQ, the City will either (i) assume any obligation for such reimbursement of the District under such rules, or (ii) allow the District to continue as a limited District for an extended period of time (a “Limited District”) for the purposes of completing the District’s facilities and reimbursing the Developer and financing facilities. Prior to annexing the District for full purposes, the City shall make the election either to dissolve the District and assume all the duties and obligations of the District or to continue the District as a Limited District for an extended period of time for the purposes of completing the District’s facilities and reimbursing the Developer and financing facilities. The City will notify the District in writing of its election and will coordinate with the District in taking such action. If the City wishes to complete the District facilities to comply with condition (i) above, the District will cooperate with the City to provide access to the District’s facilities and allow such connection or supplement thereto as may be reasonably necessary upon written notice of its intent to so complete from the City to the District.”

3. Section 2.06 of the Agreement is amended to read in its entirety as follows:

“2.06. Continuation of the District as a Limited District following full-purpose annexation. If the City elects to continue the District as a Limited District following full purpose annexation, the boundaries of the Limited District will be the same of those of the District, and the Limited District will continue to be called Brazoria County Municipal Utility District No. 53. The District will continue to exist as a Limited District to allow for the completion of District operations, financing of improvements, the integration of the District’s system into the City’s system, the issuance of bonds, and the retirement of the District bonded indebtedness, following which period the City shall act to abolish the District in accordance with applicable law. The District will continue to as a Limited District for a term of ten years, and the City may extend this term for additional ten year periods prior to the expiration of the initial term or any renewal term. Until abolition of the Limited District, the Limited District will retain all District rights, assets, liabilities and obligations and shall operate in all respects in the same manner as prior to its conversion to Limited District, subject to the terms of this section. The City may abolish Limited District at any time after (i) all of the District’s water, wastewater treatment, and drainage facilities have been constructed; and (ii) the Developer, or the Developer’s successors or assigns, 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). At such time as the Limited District is abolished, the City will assume all rights, assets, liabilities and obligations of the District and the District will not be continued.”

4. Except as specifically amended herein, the Agreement remains in good standing and full force and effect as of the original date thereof.

IN WITNESS WHEREOF, the undersigned Parties have executed this Agreement effective as of the date first written above.

CITY OF IOWA COLONY, TEXAS

By: _____
Mayor

ATTEST:

City Secretary

BRAZORIA COUNTY MUNICIPAL UTILITY
DISTRICT NO. 53

By: _____
President, Board of Directors

ATTEST:

By: _____
Secretary