

UTILITY AGREEMENT
BETWEEN THE CITY OF FULSHEAR, TEXAS,
AND CENTURY LAND HOLDINGS OF TEXAS, LLC
ON BEHALF OF
FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 174

This Utility Agreement (the "Agreement") is made and entered into as of the 14th day of May, 2024, by THE CITY OF FULSHEAR, TEXAS (the "City"), a home-rule municipality in Fort Bend County, Texas, acting by and through its governing body, the City Council of Fulshear, Texas; and CENTURY LAND HOLDINGS OF TEXAS, LLC, a Texas limited liability company ("Developer") on behalf of Fort Bend County Municipal Utility District No. 174 (the "District").

RECITALS

Developer has entered into a contract to purchase approximately 99.267 acres of land in Fort Bend County, Texas, within the corporate boundaries of the City, out of an approximately 127.07-acre tract described by metes and bounds in Exhibit A attached hereto (the "Property"), and desires to develop a high quality single-family residential community within the Property. The Property is shown on Exhibit A-1 attached hereto and is generally the land exclusive of the tracts labeled as Commercial Mixed Use and City Facility/City Detention.

Developer intends to annex the Property into Fort Bend County Municipal Utility District No. 174 (the "District") for the purpose of furnishing water, sanitary sewer, drainage services, roads, and park and recreational facilities to the area within its boundaries.

Upon annexation of the Property into the District, Developer will assign this Agreement to the District.

The District will acquire and construct a water distribution system and a sewage collection system to serve the future residents within the District and works and improvements necessary to properly drain the area within its boundaries. The District will make adequate arrangements so that it will have the financial capability to enable it to acquire and construct the needed facilities and to discharge any obligations incurred in acquiring and constructing such facilities.

The City is a municipal corporation and is operating under its charter and the laws and constitution of the State of Texas. The City has the power under the laws of the State of Texas to acquire, own, and operate a water and sanitary sewer system and works and improvements necessary for the drainage of the lands in the City. The City also has the authority to contract with a district organized under the authority of Article XVI,

Section 59, of the Constitution of Texas, whereby the District will acquire or construct for the City water supply or treatment systems, water distribution systems, sanitary sewer collection or treatment systems or works or improvements necessary for the drainage of lands in the City.

In order to provide a water distribution system, sanitary sewer collection system and works and improvements for the drainage of the portion of the City which lies within the boundaries of the District; in order to assure that the District will have the financial capabilities to extend the services to the present and future landowners within the boundaries of the District; in order to secure the commitment of the District to extend the services without discrimination and on the same basis as extension of services made to all other landowners in the District; and in consideration of the District acquiring and constructing the System, the City is willing to commit and obligate itself to accept title to the System provided herein and to operate and maintain the System as set forth herein.

The District will proceed at the earliest possible time, in an expeditious manner, with the acquisition and construction of the necessary water, sanitary sewer and drainage systems to serve all the land within the District without discrimination and without preference toward any particular landowner or landowners. Developer will work with the District to commit to extend utilities as required by this Agreement.

In order to assure the continuing and orderly development of the land and property within and anticipated to be added to the District, Developer and the City desire to enter into this Agreement whereby the District will acquire or construct improvements, facilities, equipment, and appliances necessary for a water supply and distribution and sanitary sewer collection and treatment system, and a drainage system, as provided in this Agreement, in order that all of the current and future land and property in the District will be placed in the position ultimately to receive adequate water, sanitary sewer, and drainage services.

The City and Developer have each determined that they are each, respectively, authorized to enter into this Agreement pursuant to the Constitution and laws of the State of Texas.

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

ARTICLE I DEFINITIONS

Section 1.01 Terms. Unless the context requires otherwise, and in addition to the terms defined above, the following terms and phrases, if and when used in this Agreement, shall have the meanings set out below:

Approving Bodies means the City, the County, the TCEQ, the Texas Department of Health, and any other federal, state, county, or local agency having jurisdiction.

City means the City of Fulshear, Texas.

City Building Code means the uniform international residential, building, fire, electrical, plumbing, fuel gas, energy, property maintenance, swimming pool, mechanical, and any other international code adopted by the City, if any, including any amendments, deletions, or additions thereto, whether now or in the future, and as may be updated from time to time by the City.

City Council means the City Council of the City or any successor governing body.

Comprehensive Plan means City Ordinance No. 2021-1356, and not including any future amendments or changes.

Construction Costs means all costs attributable to the acquisition or construction of any facility constructed by the District under Section 2.01, including, but not limited to, design costs, the costs of construction, acquisition, and installation; costs of acquiring necessary interests in real property and/or easements; costs of preparing plans and specifications and observing construction; costs of acquiring necessary licenses or permits; costs of engineering, legal, and advertising services; costs of material and soil testing; change orders; costs of legal proceeding or judgment; land and easement costs; and all other items and expenses of a similar or different nature reasonably required for the construction or acquisition of such facility, including contingencies.

Coordinated Development Ordinance means Chapter 28 of the Code of Ordinances of the City of Fulshear, Texas, as amended as of the date of this Agreement, and not including any future amendments or changes, except future amendments or changes exempted from Chapter 245, Local Government Code by Section 245.004, Local Government Code; provided, however, that the Developer may elect to have such future amendments or changes apply to development of the Property in its sole discretion.

County means Fort Bend County, Texas.

Developer means Century Land Holdings of Texas, LLC and any successor or assign to the extent such successor or assign engages in Substantial Development Activities within the Property, except as limited by Section 8.04 of the Development Agreement.

Development Agreement means the Development Agreement of even date herewith between the City and Developer.

District means Fort Bend County Municipal Utility District No. 174.

District Engineer means LJA Engineering, Inc., or its replacement, successor or assignee.

Drainage System means any portion of the storm water drainage system constructed to serve any land within the District, including necessary easements, rights-of-way and sites required for same. The Drainage System does not include detention ponds or drainage channels.

End-Buyer means any owner, tenant, user or occupant of any lot, regardless of proposed use, for which a final plat has been approved by the City and recorded in the deed records.

ESFC means the daily measure of wastewater discharge attributed to one single-family residential home and the daily measure of water consumption that is attributed to one single-family residential home established by the TCEQ for purposes of determining the size of utility facilities to serve such customers, as may be updated by the TCEQ from time to time. The daily measure of wastewater discharge that is attributed to one single-family residential home is 300 gallons per day and the daily measure of water consumption that is attributed to one single-family residential home is 300 gallons per day.

ETJ means the extraterritorial jurisdiction of the City.

Person means any individual, partnership, association, firm, trust, estate, public or private corporation, or any other legal entity whatsoever.

Phase means any part of the System to be acquired or constructed to serve an area that it is economically feasible to serve.

Project means the project to be developed by Developer on the Property.

Property means the property described on Exhibit A.

Sanitary Sewer System means the sanitary sewer system constructed to serve any land within the District, including necessary easements, rights-of-way and sites required for same.

Security Interest means the interest granted pursuant to Section 2.09 hereof in the System to serve property within the District.

Sanitary Sewer Treatment Plant means the sanitary sewer plant(s) either leased or owned and operated by the City of Fulshear, or a plant to be operated on behalf of the City.

Substantial Development Activities means the subdivision of the Property or any portion thereof requiring a plat under the Coordinated Development Ordinance with the intent to sell to an End-Buyer or the construction of any improvements including but not limited to water, sewer, drainage facilities, parks and recreation facilities, or roads.

System means the Water System, the Sanitary Sewer System, and the Drainage System, including, without limitation, the water distribution lines, the wastewater collection lines and the storm sewer lines located within the District.

TCEQ means the Texas Commission on Environmental Quality and its successors.

Water Plant means the water plant(s) either leased or owned and operated by the City of Fulshear.

Water System means the potable water supply system constructed to serve any land within the District, including necessary easements, rights-of-way and sites required for same.

ARTICLE II PROVISIONS RELATING TO THE SYSTEM

Section 2.01 Design of the System.

The District Engineer shall prepare preliminary plans and specifications of the System in accordance with the Coordinated Development Ordinance. The System may include structures or improvements outside the boundaries of the District if reasonably necessary to serve the area within the District. All final plans and specifications for the System shall be submitted to the City for approval. The final plans and specifications for each integral stage (i.e., each section) of the System shall be prepared in accordance with the Coordinated Development Ordinance and submitted to the City for approval. The System shall be constructed or installed within easements dedicated to the installation of such type of facility, fee parcels owned by the District, or road rights-of-way.

The District shall design the System in accordance with sound engineering principles and in compliance with requirements of the Approving Bodies. If necessary, the City shall join or cooperate in obtaining necessary permits and easements provided that the District pays all costs of obtaining such permits and easements. If appropriate, such permits shall be in the name of the City.

Developer understands and agrees that the drainage study for the Property must be approved by the Fort Bend County Drainage District before development may commence.

Developer further understands that, in accordance with the City's Water and Wastewater Master Plan, the Sanitary Sewer System shall be constructed to direct wastewater to the City's Lift Station 10.

Section 2.02 Extension of the System in Phases.

The District shall construct or extend the System in such stages as is economically feasible. The District shall proceed with the construction or extension of the System in an expeditious manner in such stages as are economically feasible from time to time in order that all of the areas within the District will eventually receive the benefits of water, sanitary sewer and drainage services. Such extension shall be accomplished by the District in accordance with prudent and sound management principles. Accordingly, the District's duty to proceed with the construction or extension of the System shall be subject to and consistent with existing development trends within the District and surrounding areas, the marketability of developed lots and acreage within the District, the need for expansions to the System to serve areas within the District, existing economic conditions and existing conditions in the municipal bond market. When the District determines that it is economically feasible to extend the System, or any part thereof, to a particular area, it shall so notify the City in writing or by the submission of new plats and construction plans.

Section 2.03 Preparation of Final Plans and Specifications.

When the determination is made that it is economically feasible to construct or extend the System, the District shall direct the District Engineer to prepare final plans and specifications of the Phase.

Section 2.04 Approval of Final Plans and Specifications.

Before the commencement of construction within the District, the District shall submit to the City all final plans and specifications of each Phase and secure the City's approval thereto. Whenever feasible, plans for interrelated or dependent systems should be submitted at the same time. Without limiting the generality of the foregoing, all water wells, water meters, flushing valves, valves, pipes, water service lines, sewer service lines, lift stations, and appurtenances thereto installed or used within the District shall conform to the specifications of the City. The final plans and specifications of the Phase shall be submitted to such Approving Bodies that may require such submission. After all Approving Bodies approve the final plans and specifications, the District shall be authorized to proceed with construction as provided herein.

The City will have fifteen (15) business days to review and approve the plans and specifications. If the City does not approve or disapprove of the plans within the fifteen (15) business day period, the plans are deemed approved. If the City provides written comments within the fifteen (15) business day period, the plans and specifications will be deemed approved as long as the District complies with the comments. Upon request, the District shall furnish proof of compliance with such comments to the City.

During the term of this Agreement, the City may only modify, supplement or amend its construction standards for public improvements (including water, sanitary sewer, drainage and flood control facilities) to make them consistent with generally accepted standards imposed by governmental entities on the design and construction of public improvements within the Gulf Coast Region. The City may make only such modifications, supplements, and amendments to such standards as are necessary to ensure that such standards are consistent with modern technology, engineering practices, and construction techniques. All such modifications, supplements, and amendments to such standards shall be uniformly applied to all development governed by the City Building Code and the Coordinated Development Ordinance. Modifications, supplements and amendments to such standards that do not conform to these criteria will not be applicable to the Property. The criteria and construction standards for drainage facilities and improvements shall be consistent with criteria and standards imposed by the Fort Bend County Drainage District as they may be amended by the Fort Bend County Drainage District from time to time.

Section 2.05 Advertisement for Bids.

Construction contracts shall be let on a competitive bidding basis in accordance with the applicable requirements of Section 49 and 54, Texas Water Code, as amended, or any successor provisions. After preparation of final plans and specifications, the District shall advertise for or solicit bids (as required) for the construction of the Phase

described in the final plans and specifications. The City's representatives shall be notified of and invited to attend each pre-bid conference and the bid opening.

Section 2.06 Award of Construction Contract; Certain Contract Provisions.

If the District has on deposit funds in a sum sufficient to pay the construction costs of the proposed work or has reasonable assurance that such funds will be forthcoming, then the District shall enter into a contract or contracts with the contractor or contractors whose bids have been accepted by the District. The District shall award all construction contracts on the basis of the most advantageous bid by a responsible, competent contractor, in accordance with Chapters 49 and 54 of the Texas Water Code, as amended, and the rules of the TCEQ. Each contract with the District shall comply with Chapters 49 and 54, Texas Water Code, as amended, provide for retainage in accordance with Section 49.273, Texas Water Code, as amended, or any successor provision, require a performance bond and a payment bond in accordance with applicable requirements of Texas Government Code, Ch. 2253, as amended, or Texas Property Code, as applicable, or both, require workers' compensation insurance, builders' risk insurance, and public liability insurance in such sums as the District shall determine, and require a covenant and warranty to diligently prosecute the work in a good and workmanlike manner and in accordance with the final plans and specifications.

In addition to any other construction contract provisions, any construction contract for District's facilities shall include the construction contractor's one-year warranty of work performed under the contract.

Section 2.07 Project Representation During Construction.

The District Engineer shall make reports to the City's representative and shall recommend final acceptance of the facilities to the District's Board of Directors when appropriate. The District's Engineer shall file all required documents with the TCEQ. The City's representative and the District's Engineer shall meet as often as the City reasonably requests, and the District's Engineer shall provide observation reports on a monthly basis when requested by the City's representative. If the City's representative discovers that the construction is not in substantial conformance with the approved plans and specifications, the City's representative shall notify and consult with the District's Engineer regarding the problem. The District's Engineer shall have a reasonable period of time in which to cure the problem or cause the problem to be cured. District shall ensure that a level of construction inspection occurs to enable the engineer of record to certify the work has been completed in accordance with approved construction plans and specifications.

The District shall not be obligated to apply for, pay for or obtain from the City any permit for construction of any portion of the System, roads, pavement, detention ponds,

or drainage channels. The District shall only be obligated to pay the City an inspection fee for such portion of the System, roads, pavement, detention ponds, or drainage channels in an amount established by the City from time to time not to exceed 1% of the cost of the construction contract for the construction of the System, roads and pavement, and detention ponds and drainage channels.

Section 2.08 General Benefit/Oversized Facilities.

In conjunction with the District's design and construction of the System, the City may determine, from time to time, that certain facilities should be sized to serve areas outside the District, as well as areas within the District or the City may determine that the District should construct certain water, sewer or drainage facilities outside the District or to construct additional water supply and wastewater treatment facilities to serve areas outside the District (in either case, facilities sized to serve areas outside the District shall be called "Oversized Facilities"). The District hereby agrees that, in conjunction with the District's design and construction of the System as set out in this Agreement, the District shall cooperate with the City to include the Oversized Facilities, as required by the City. Within thirty (30) days of the District's completion of the Oversized Facilities, the District shall determine the actual Construction Costs of the Oversized Facilities and shall submit a written summary of same to the City. The District shall invoice the City for the City's share of the construction costs of the Oversized Facilities, determined in accordance with the Joint Construction Agreement (defined below), and the City shall pay such invoice to the District within sixty (60) days of the receipt of the invoice. Alternatively, the City may issue impact fee credits to the District equal to the City's share of the estimated Construction Costs of the Oversized Facilities which may be used by the District prior to completion of the Oversized Facilities, subject to a true up of such impact fee credit amounts within thirty (30) days of the District's completion of the Oversized Facilities.

In order to carry out the design and construction of the Oversized Facilities, the City and the District agree to enter a joint construction agreement providing for the allocation of the Construction Costs of the Oversized Facilities (the "Joint Construction Agreement"). Any Joint Construction Agreement shall require either that the City's share of the Construction Costs of the Oversized Facilities be advanced to the District within fifteen (15) days of written notification from the District of the receipt of bids on the Oversized Facilities contract or that impact fee credits be applied as set forth in the paragraph above. The Construction Costs of the Oversized Facilities shall be determined in accordance with TCEQ rules and regulations so the Construction Costs will be shared by the City and the District on the basis of benefits received which are generally the design capacities in the System for the City and the District, respectively. Upon completion of any Oversized Facilities, the City and the District will own the capacity in the Oversized Facilities as set forth in the Joint Construction Agreement.

Section 2.09 Ownership by City.

As the facilities in each Phase are acquired and constructed, the District shall transfer the same to the City, reserving a Security Interest therein for the purpose of securing the Performance of the City under this Agreement. The District will transfer all warranties of contractors and subcontractors, if any, and all other rights beneficial to the operation of the Phase to the City. Performance shall include, but not be limited to, (1) providing the adequate maintenance and operation of the System; (2) providing the water and wastewater treatment capacity resulting from water and wastewater Connection Fees; (3) providing reasonable and timely review and approval as required herein, (4) maintaining the water distribution and wastewater collection line capacity as constructed by the District and (5) timely making taps or connections to the System. At such time as the principal, interest, and redemption premium, if any, on the District's bonds issued to acquire and construct the applicable Phase have been paid or provided for in full, the District shall execute a release of such Security Interest with respect to such Phase and the City shall own such Phase free and clear of such Security Interest.

Section 2.10 Acceptance of Facilities and Operation by City.

As construction of each Phase is completed, the District shall disclose in writing any deficiency or problem and 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 approved by the City, or any modifications thereof approved by the City, and in accordance with all applicable laws, rules, and regulations, the City will accept the same whereupon ownership of such portion of the System shall be transferred to the City and be operated and maintained by the City at its sole expense as provided herein. Such acceptance shall be subject to (i) the District providing the City with the District Engineer's Certificate of Substantial Completion and the Affidavit of Bills Paid; (ii) the District providing the City with an electronic GIS mapping plan, including all attributes used in the City GIS plan at the time of submission in a format acceptable to the City for each constructed Phase; (iii) the District providing the City with any manuals or other material relating to the proper operation of the System; and (iv) the District providing or assigning to the City easement for such facilities, to the extent required. The City shall not be responsible for the cost of any repair of the System identified by the City as in need of repair prior to the City's acceptance. Thereafter, the City shall accept the System and such acceptance shall operate to transfer to the City all bond and warranties of the contractor and subcontractor.

The City may operate the System by contracting with a qualified third-party company to operate the System. The third-party company (or its principals) must have at least 5 years' experience in operating water and sanitary sewer systems for municipal utility districts in the Houston region. The City may operate the System itself at any time in its sole discretion.

Section 2.11 Service Beyond the Boundaries of the District.

The District shall not allow the Water System or the Sanitary Sewer System to be extended to serve, on a temporary or permanent basis, any real property located outside the District without the prior written consent of the City. Notwithstanding the foregoing, it is understood and agreed that the District shall stub out the Water System and the Sanitary Sewer System to serve the approximately 15.8-acre tract shown on Exhibit A-1 attached hereto, and labeled "Commercial/Mixed Use"), which is located within the corporate boundaries of the City (the "Commercial/Mixed Use Tract"), which tract will be developed for commercial and/or mixed use purposes. Further, Developer agrees to provide necessary detention facilities to serve the Commercial/Mixed Use Tract.

Section 2.12 Other Service Providers.

The District shall not undertake to enter into a contract with any party other than the City to provide or supply potable water or wastewater treatment services for any portion of the District without the prior written approval of the City.

Section 2.13 Records and Reports.

The District shall promptly provide to the City upon request, and without charge, copies of any records or documents on file with the District relating to the construction, operation, maintenance, or repair of the System. The City shall promptly provide to the District upon request, and without charge, copies of any records or documents on file with the City relating to the construction, operation, maintenance, or repair of the System.

Section 2.14 Dissolution.

The City agrees not to dissolve or attempt to dissolve, in whole or in part, the District until Developer has fully developed 90% of its developable acreage within the District, the remaining 10% developable acreage owned by Developer has had water, sewer, and drainage facilities necessary to serve the area installed, and Developer has been fully reimbursed by the District, in accordance with TCEQ rules, for all Developer's eligible development and construction costs, all as certified in writing by Developer to the City.

Section 2.15 System Users are City Customers.

As ownership of each portion of the Water System and the Sanitary Sewer System is transferred to the City, any persons applying for and receiving water and sewer service through the Water and Sanitary Sewer Systems will be water and sewer customers of the City.

Section 2.16 Detention Ponds and Parks. The District will design, finance, construct, own and operate a system of public parks and open spaces, and detention ponds and drainage channels, in the community. The District shall maintain this public park system, and such detention ponds and drainage channels, at its sole cost and expense unless and until the City dissolves the District, in which case such facilities owned by the District will become the property of the City.

ARTICLE III
SERVICES PROVIDED BY THE CITY

Section 3.01 Capacity.

The City shall provide water and wastewater treatment services to the Property as needed by Developer, and shall expand its water and wastewater treatment facilities from time to time so that it may timely provide such services to the Property. Upon Developer closing on the purchase of the Property, the City agrees to reserve sufficient capacity in the Water Plant, the Sanitary Sewer Plant, and any lift stations to provide the District with its ultimate requirements for water supply and sanitary sewer services to serve the Property.

Section 3.02 Impact Fees.

Impact fees for water and for sanitary sewer for each stage of development, as set forth in City of Fulshear Ordinance No. 2022-1386 and Ordinance No. 2024-1451, will be due from the District or Developer on behalf of the District at the time a plat for the applicable stage of development receives final approval from the City. Notwithstanding the foregoing, to the extent the District or Developer finances regional facilities or oversizing of facilities in accordance with Section 2.08 above, the City agrees that the costs incurred or funds advanced by the District or Developer in connection therewith will be credited against the impact fees otherwise due the City hereunder.

Section 3.03 Water and Sewer Rates/ Tap Fees and Other Charges.

The City shall fix such rates and charges for customers of the System as the City, provided that the rates and charges for services afforded by the System will not exceed the rates charged other users within the City. Upon request, the City will provide the District a copy of the annual budget established by the City for operation and maintenance of the System and the annual audit on the system.

The City or its contractor will set taps within thirty (30) working days of the City's receipt of an application therefor and of the applicable fee. The City or its contractor will conduct sewer inspections within 72 hours of request therefore. The City may charge the builders within the District a tap fee and inspection charges. Other than water and sewer rates and tap fees and other applicable regulatory fees as required by law, including but not limited to fees imposed by the North Fort Bend Water Authority, the City may not impose any additional fee or charge (including an impact fee, provided that the District or Developer has paid such impact fee in accordance with Section 3.02 above) on users of the System.

Section 3.04 Maintenance of the System. Subject to the limitations, if any, which may be provided by law and after acceptance of each integral stage of the System, the City shall at all times maintain the System, 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. Each party hereto will comply with all contractual provisions and agreements entered into by it and with all the valid rules, regulations, directions, or orders by any governmental, administrative, or judicial body promulgating same. If either party violates any such rule, regulation, direction or order, it shall be solely responsible for any fine, penalty, or sanction imposed on it.

Section 3.05 Fire Protection Services. All of the Property is located in Fort Bend County Emergency Services District No. 4, a taxing authority that provides fire protection services to the Property.

Section 3.06 Police Protection Services. The City shall provide police protection services to the Property. In the event Developer or the District desires to contract with law enforcement to provide supplemental police protection services to the Property, Developer or the District will give the City a right of first refusal under the terms being offered for such supplemental services.

ARTICLE IV
PROVISIONS RELATING TO ADMINISTRATION OF THE DISTRICT

Section 4.01 District Meetings. The District shall allow the City to designate one (1) representative of the City, who shall be provided with all notices, agendas, and related items for each meeting of the District's Board of Directors at the same time and in the same manner as such notices, agendas, and related items are provided to the District's Board of Directors.

ARTICLE V
MATERIAL BREACH, NOTICE AND REMEDIES

Section 5.01 Material Breach of Agreement.

(a) The parties acknowledge and agree that any substantial deviation by the District from the material terms of this Agreement would frustrate the intent of this Agreement and, therefore, would be a material breach of this Agreement. By way of example, a substantial deviation from the material terms of this Agreement by the District would be the failure to pay any amounts due to the City as provided for herein.

(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. By way of example, a substantial deviation from the material terms of this Agreement would be an attempt by the City to dissolve the District other than as provided for herein.

(c) 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 V shall provide the sole remedies for such default, unless otherwise specifically provided herein.

Section 5.02 Notice of District's Default.

(a) The City shall notify the District in writing of an alleged failure by the District to comply with a provision of this Agreement, which notice shall specify the alleged failure with reasonable particularity. The District shall, within thirty (30) days after receipt of such notice or such longer period of time as the City may specify in such notice, either cure such alleged failure or, in a written response to the City, 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.

(b) The City shall determine (i) whether a failure to comply with a provision has occurred; (ii) whether such failure is excusable; and (iii) whether such failure has been cured or will be cured by the District. The District shall make available and deliver to the City, if requested, any records, documents or other information necessary to make the determination without charge.

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

(d) If the City determines that a failure to comply with a provision has occurred and that such failure is not excusable and has not been or will not be cured by the District in a manner and in accordance with a schedule reasonably satisfactory to the City, then the City may pursue the remedies provided in Section 5.04.

Section 5.03 Notice of City's Default.

(a) The District shall notify the City in writing of an alleged failure by the City to comply with a provision of this Agreement, which notice shall specify the alleged failure with reasonable particularity. The City shall, within thirty (30) days after receipt of such notice or such longer period of time as the District may specify in such notice, either cure such alleged failure or, in a written response to the District, 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.

(b) The District shall determine (i) whether a failure to comply with a provision has occurred; (ii) whether such failure is excusable; and (iii) whether such failure has been cured or will be cured by the City. The City shall make available and deliver to the District, if requested, any records, documents or other information necessary to make the determination without charge.

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

(d) If the District determines that a failure to comply with a provision has occurred and that such 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 the District, then the District may pursue the remedies provided in Section 5.04.

Section 5.04 Remedies.

(a) In the event of a determination by the City that the District has committed a material breach of this Agreement the City may, subject to the provisions of Section 5.02, file suit in a competent jurisdiction in Fort Bend County, Texas, and seek either (1) specific performance, (ii) injunctive relief, (iii) an action under the Uniform Declaratory Judgment Act, or (iv) termination of this Agreement, to the extent allowed by law.

(b) In the event of a determination by the District that the City has committed a material breach of this Agreement, the District may, subject to the provisions of Section 5.03, file suit in a court of competent jurisdiction in Fort Bend County, Texas, and seek (1) specific performance, (ii) injunctive relief, (iii) an action under the Uniform Declaratory Judgment Act, or (iv) termination of this Agreement, to the extent allowed by law.

(c) Neither party shall be liable for any monetary damages of the other party for any reason whatsoever, including punitive damages, exemplary damages, consequential damages or attorneys' fees.

ARTICLE VI

BINDING AGREEMENT, TERM, AMENDMENT, AND ASSIGNMENT

Section 6.01 Beneficiaries. This Agreement shall bind and inure to the benefit of the City and the District, their successors and assigns, including any additional districts created by division of the District. This Agreement and all amendments hereto or a memorandum thereof shall be recorded by the District in the deed records of Fort Bend County, Texas.

Section 6.02 Term. This Agreement shall be effective upon the mutual execution of this Agreement (the "Effective Date") and shall terminate thirty (30) years from the Effective Date; provided, however, that if Developer does not close on the purchase of the Property prior to December 31, 2024, this Agreement shall automatically terminate without any action on the part of the parties.

Section 6.03 Termination. In the event this Agreement is terminated as provided in this Agreement or is terminated pursuant to other provisions, or is terminated by mutual agreement of the parties, the parties shall promptly execute and file of record, in the real property records of each county in which any part of the Property is located, a document confirming the termination of this Agreement, and such other documents as may be appropriate to reflect the basis upon which such termination occurred. At any time after thirty (30) years from the Effective Date, the City may file in the real property records of each county in which any part of the Property is located a unilaterally executed document confirming the termination of this Agreement. If Developer has not obtained

final plat approval of 25% of the lots within the Property within five (5) years of the date of this Agreement, then the City may elect to terminate this Agreement and may file in the real property records of Fort Bend County, Texas, a unilaterally executed document confirming the termination of this Agreement.

Section 6.04 Amendment. This Agreement may be amended only upon written amendment executed by the parties hereto whose rights and liabilities under this Agreement are affected by such amendment, subject to Section 7.13 below. In the event Developer sells any portion of the Property, Developer shall assign to such purchaser the right to amend this Agreement as to such purchased property by written assignment and notice thereof to the City. Such assignment shall not grant such purchaser the authority to amend this Agreement as to any other portions of the Property.

ARTICLE VII MISCELLANEOUS PROVISIONS

Section 7.01 Notice. The parties contemplate that they will engage in informal communications with respect to the subject matter of this Agreement. However, any formal notices or other communications ("Notice") required to be given by one party to another by this Agreement shall be given in writing addressed to the party to be notified at the address set forth below for such party, (a) by delivering the same in person, (b) by depositing the same in the United States Mail, certified or registered, return receipt requested, postage prepaid, addressed to the Party to be notified; or (c) by depositing the same with FedEx or another nationally recognized courier service guaranteeing "next day delivery," addressed to the party to be notified. Notice deposited in the United States mail in the manner herein above described shall be deemed effective from and after three (3) days after the date of such deposit. Notice given in any other manner shall be effective only if and when received by the party to be notified. For the purposes of notice, the addresses of the parties, until changed as provided below, shall be as follows:

City: City of Fulshear
Attn: City Secretary
6611 W. Cross Creek Bend Lane
Fulshear, Texas 77441

Developer: Century Land Holdings of Texas, LLC
Attn: Jeff Inabnit
333 Cypress Run, Suite 200
Houston, Texas 77094
Email: jeff.inabnit@centurycommunities.com

With copy to: Allen Boone Humphries Robinson LLP

Attn: Katie Sherborne
3200 Southwest Freeway, Suite 2600
Houston, Texas 77027
Email: ksherborne@abhr.com

District: Fort Bend County Municipal Utility District No. 174
c/o Allen Boone Humphries Robinson LLP
Attn: Brooke Milbauer
3200 Southwest Freeway, Suite 2600
Houston, Texas 77027
Email: bmlbauer@abhr.com

The parties shall have the right from time to time to change their respective addresses, and each shall have the right to specify as its address any other address within the United States of America by giving at least five (5) days written notice to the other parties. If any date or any period provided in this Agreement ends on a Saturday, Sunday, or legal holiday, the applicable period for calculating the notice shall be extended to the first business day following such Saturday, Sunday or legal holiday.

Section 7.02 Time. Time is of the essence in all things pertaining to the performance of the provisions listed under Article V of this Agreement.

Section 7.03 Severability by Court Action. Unless the court applies Section 7.04, if any provision of this Agreement or the application thereof to any person or circumstance 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.

Section 7.04 Invalid Provisions. If any provision of this Agreement or the application thereof to any person or circumstance is prohibited by or invalid under applicable law, it shall be deemed modified to conform with the minimum requirements of such law, or, if for any reason it is not deemed so modified, it shall be prohibited or invalid only to the extent of such prohibition or invalidity without the remainder thereof or any such other provision being prohibited or invalid.

Section 7.05 Waiver. Any failure by a party hereto to insist upon strict performance by the other party of any provision of this Agreement shall not be deemed a waiver thereof or of any other provision hereof, and such party shall have the right at any time thereafter to insist upon strict performance of any and all of the provisions of this Agreement.

Section 7.06 Applicable Law and Venue. The construction and validity of this Agreement shall be governed by the laws of the State of Texas without regard to conflicts of law principles. Venue shall be in Fort Bend County, Texas.

Section 7.07 Reservation of Rights. To the extent not inconsistent with this Agreement, each party reserves all rights, privileges, and immunities under applicable laws, including sovereign immunity, except to enforce any rights and remedies under this Agreement.

Section 7.08 Further Documents. The parties agree that at any time after execution of this Agreement, they will, upon request of another party, execute and deliver such further documents and do such further acts and things as the other party may reasonably request in order to effectuate the terms of this Agreement.

Section 7.09 Incorporation of Exhibits and Other Documents by Reference. All Exhibits and other documents attached to or referred to in this Agreement are incorporated herein by reference for the purposes set forth in this Agreement.

Section 7.10 Effect of State, Federal and Local Laws. Notwithstanding any other provision of this Agreement, the District shall comply with all applicable statutes or regulations of the United States and the State of Texas, as well as any City ordinances to the extent not in conflict with this Agreement, and any rules implementing such statutes or regulations.

Section 7.11 Authority for Execution. The City hereby certifies, represents, and warrants that the execution of this Agreement is duly authorized and adopted in conformity with City ordinances. The District hereby certifies, represents, and warrants that the execution of this Agreement is duly authorized and adopted by the District's board of directors.

Section 7.12 Reimbursement of City Expenses. The District shall reimburse the City for its expenses incurred in the development of this Agreement, including but not limited to legal fees, within ninety (90) days of receipt of an invoice of such expenses from the City, provided that the District shall not be required to reimburse the City in an amount in excess of five thousand dollars (\$5,000).

Section 7.13 Annexation Into the District. The rights, duties and obligations of the District hereunder shall be the rights, duties and obligations of Developer. Upon the annexation of the Property into the District, the District shall automatically assume all rights, duties and obligations of Developer under this Agreement and Developer shall have no further liability under this Agreement, without any further action by the District, Developer or the City being necessary.

Section 7.14 Force Majeure. In the event any party is rendered unable, wholly or in part, by force majeure to carry out any of its obligations under this Agreement, except the obligation to pay amounts owed or required to be paid pursuant to the terms of 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 full particulars of such force majeure to the other party. Such cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure," as used herein, shall include without limitation of the generality thereof, acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, orders of any kind of the government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics and pandemics, including, without limitation, COVID-19, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, drought, arrests, restraint of government, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, partial or entire failure of water supply resulting in an inability to provide water necessary for operation of the water and wastewater systems hereunder, and any other inability of any party, whether similar to those enumerated or otherwise, which are not within the control of the party claiming such inability, which such party could not have avoided by the exercise of due diligence and care.

Section 7.15 No Overlapping Taxes. The City agrees that no portion of City taxes to be derived from the taxpayers of the District will be used to finance elsewhere in the City services the District proposes to provide, and therefore the City and the District agree that no portion of City taxes to be derived from the taxpayers of the District are required to be rebated to the District.

Section 7.16 Statutory Verifications.

(a) Developer hereby represents and warrants that at the time of this Agreement neither it, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of such Developer: (i) engages in business with Iran, Sudan, or any foreign terrorist organization pursuant to Subchapter F of Chapter 2252 of the Texas Government Code; or (ii) is a company listed by the Texas Comptroller pursuant to Section 2252.153 of the Texas Government Code. The term "foreign terrorist organization" has the meaning assigned to such term pursuant to Section 2252.151 of the Texas Government Code.

(b) By signing and entering into this Agreement, Developer verifies, pursuant to Chapter 2271 and Chapter 2274 (as added by Senate Bill 13, 87th Legislature Regular Session) of the Texas Government Code, it does not boycott Israel or boycott energy companies and will not boycott Israel or boycott energy companies during the term of this Agreement. "Boycott Israel" has the meaning assigned by Section 808.001, Government Code. "Boycott energy company" has the meaning assigned by Section 809.001, Texas Government Code.

(c) By signing and entering into this Agreement, Developer verifies, pursuant to Chapter 2274 (as added by Senate Bill 19, 87th Legislature Regular Session) of the Texas Government Code, that it does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of this Agreement against a firearm entity or firearm trade association. "Discriminate against a firearm entity or firearm trade association" has the meaning assigned by Section 2274.001(3), Texas Government Code.

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

CITY OF FULSHEAR, TEXAS

By: _____
Aaron Groff, Mayor

Date: _____

ATTEST

By: _____
Mariela Rodriguez, City Secretary

THE STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

This instrument was acknowledged before me on the ____ day of _____, 2024, by Aaron Groff, Mayor of the City Fulshear, Texas, and Mariela Rodriguez, City Secretary of the City of Fulshear, Texas.

Notary Public, State of Texas

[Official Notary Stamp]

CENTURY LAND HOLDINGS OF TEXAS,
LLC, a Texas limited liability company

By: _____
Name: _____
Title: _____

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of May, 2024,
by _____ of CENTURY LAND
HOLDINGS OF TEXAS, LLC, a Texas limited liability company, on behalf of said limited
liability company.

Notary Public, State of Texas

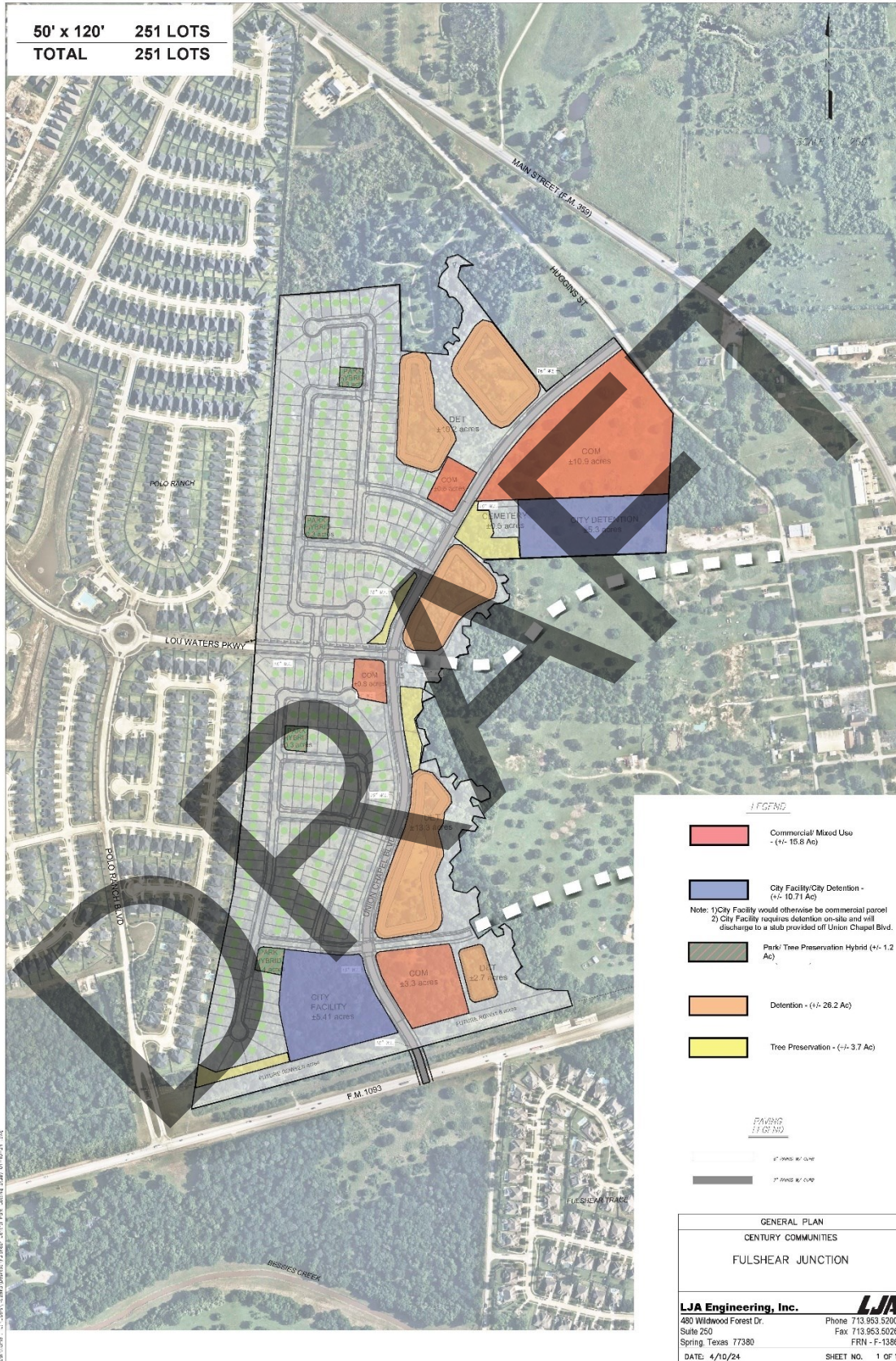
(NOTARY SEAL)

Exhibit A
Description of the 127.07-acre Tract

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Exhibit A-1
Map of the Property and Commercial/Mixed Use Tract

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