

AMENDED AND RESTATED STRATEGIC PARTNERSHIP AGREEMENT

BETWEEN

THE CITY OF SUGAR LAND, TEXAS

AND

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 128

**AMENDED AND RESTATED STRATEGIC PARTNERSHIP AGREEMENT
BETWEEN THE CITY OF SUGAR LAND, TEXAS,
AND FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 128**

THE STATE OF TEXAS §
 §
COUNTY OF FORT BEND §

This Amended and Restated Strategic Partnership Agreement (the "Agreement") is made and entered into as of the Effective Date by and between the CITY OF SUGAR LAND, TEXAS (the "City"), a home-rule municipal corporation, acting by and through its governing body, the City Council of Sugar Land, Texas, and FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 128, 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").

This Agreement supersedes and replaces the Strategic Partnership Agreement dated May 3, 2011 and any amendments thereto.

RECITALS

Riverstone is a master-planned community comprised of approximately 2355 acres of which 1850 acres is located in the extra-territorial jurisdiction of the City of Sugar Land in Fort Bend County, Texas.

The City is a home-rule city with all powers except those specifically limited by the Constitution and laws of the State of Texas.

The City and the District agree that the best interests of the residents of the City and the District are served by establishing certain restrictions and commitments in connection with the development of land within the District and to provide certainty to the District concerning annexation for a period of years.

Chapter 43, Texas Local Government Code, authorizes the City and the District to enter into a strategic partnership agreement that may provide for such lawful terms that the parties consider appropriate to provide for the provision of services to the District and the annexation of the land within the District into the City.

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:

**ARTICLE 1
DEFINITIONS AND FINDINGS**

Section 1.01 Terms Defined In This Agreement

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

"City" means the City of Sugar Land, Texas, a home-rule municipal corporation, acting by and through its governing body, the City Council of Sugar Land, Texas.

"City Development Code" means the Development Code of Ordinances of the City of Sugar Land as it may be modified from time to time in accordance with this agreement.

“City Council” means the City Council of the City of Sugar Land or any successor governing body.

“City Manager” means the City Manager of the City of Sugar Land, Texas.

“City Share” has the definition provided in Section 3.01(H)(2) of this Agreement.

“Comptroller” has the definition provided in Section 3.01(H)(2) of this Agreement.

“Developer” means Hillsboro Estates, L.L.C. and Sugar Land Ranch Development, L.L.C., both doing business as Riverstone Development Company.

“District” means Fort Bend County Municipal Utility District No. 128, which includes the land described on the attached **Exhibit A**.

“District Share” has the definition provided in Section 3.01(H)(2) of this Agreement.

“Effective Date” and similar references means November 16, 2021.

“ETJ” means the extraterritorial jurisdiction of a city.

“LID 15” means Fort Bend County Levee Improvement District No. 15.

“Limited Purpose Property” means the portion of the District depicted and described on **Exhibit E** attached to this Agreement.

“Master District Facilities” means the Master District's Sanitary Sewage System, the Master District's Water System, and Master District's Storm Sewer System, the Master District Fire Department Station, and such other facilities as the Master MUD is permitted by law to provide.

“Master MUD” means the Riverstone MUD serving as the master district (initially Fort Bend County Municipal Utility District No. 126) for purposes of providing Master District Facilities

“MUD” means a municipal utility district, the primary purpose of which is to supply fresh water for residential or commercial use or to furnish sanitary sewer services, drainage services, fire protection and parks and recreational services.

“Ordinance” means the ordinances of the City.

“Party” or “Parties” means a party or the parties to this Agreement, being the City and the District.

“Person” shall mean any individual, partnership, association, firm, trust, estate, public or private corporation, or any other entity whatsoever.

“Regional Utilities Contract” means the Water Supply and Wastewater Services Contract attached as **Exhibit B**.

“Riverstone” means the master-planned community of Riverstone and includes all the land described on the attached **Exhibit C**.

“Riverstone Regional Facilities” means the City’s Sanitary Sewage Collection System, the City’s Water Delivery System, the City’s Water Supply System and the City’s South Wastewater Treatment Plant, which the City’s is required to provide pursuant to the Regional Utilities Agreement.

“Riverstone MUD” means any MUD, now existing or hereinafter created within Riverstone.

“Sales and Use Tax Revenues” has the definition provided in Section 3.01(D) of this Agreement.

“Tax Code” has the definition provided in Section 3.01(H) of this Agreement.

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

“Ultimate Consumer” means the purchaser of a tract or lot in Riverstone who does not intend to resell, subdivide or develop the tract or lot in the ordinary course of business.

Exhibits

Exhibit A	Legal Description of the District
Exhibit B	Regional Utilities Contract
Exhibit C	Legal Description of Riverstone
Exhibit D	Fire Protection Agreement
Exhibit E	Legal Description and Depiction of Limited Purpose Property

Section 1.02 Findings and Conclusions

The City and the District hereby find and declare:

A. Section 43.0751, Texas Local Government Code authorizes the City and the District to enter into this Agreement to define the terms and conditions under which services to the District will be provided and funded by the Parties and to define the terms and conditions under which the District will be annexed by the City at a future date by mutual consent as an alternative to annexation without the consent of the District.

B. In accordance with § 43.075(p) this Agreement (i) does not require the District to provide revenue to the City solely for the purpose of an agreement with the City to forego annexation of the District and (ii) provides benefits to each party, including revenue, services, and benefits which are reasonable and equitable with regard to the benefits provided to the other Party.

C. All the terms and conditions contained in this Agreement are lawful and appropriate to provide for the provision of municipal services and annexation.

D. The District is not obligated to make payments to the City for services except as otherwise provided herein.

E. This Agreement has been duly adopted by the City and the District after conducting two public hearings at which members of the public who wanted to present testimony or evidence regarding the Agreement were given the opportunity to do so. Notice of each hearing was published in the format required by Section 43.123(b), Texas Local Government Code and was published at least once on or after the 20th day before each public hearing.

ARTICLE 2

DESIGN STANDARDS AND APPLICABLE ORDINANCES

Section 2.01 Regulatory Standards and Annexation

The City and the District agree that the primary purposes of this Agreement are to provide certain services and to provide for a definitive time when the land within the District will be annexed by the City.

By the terms of this Agreement, the City and District intend to establish rules and regulations that will ensure a quality, unified development but yet afford the District predictability of annexation throughout the term of this Agreement.

Section 2.02 Water and Sewer Improvements

The construction of water and sewer improvements within the District shall be governed by and be in accordance with the provisions of Chapter 5 of the City Development Code ("Chapter 5"). During the term of this Agreement, the City may only modify, supplement, and amend Chapter 5 to make it consistent with generally accepted standards imposed by governmental entities on the design and construction of public improvements within the Gulf Coast Region and provided such modifications shall be uniformly applied to all development governed by the Chapter 5.

Section 2.03 Regional Water and Wastewater Facilities

A. General. The District intends to make provision for public water supply and distribution and wastewater collection services to the inhabitants of the District through regionalized public utility services to be provided by the District, the Master MUD and the City. The plan for an integrated regional water supply, storage, and distribution system and wastewater collection and treatment system to serve Riverstone is attached as exhibits B and C to the Regional Utility Contract.

B. Riverstone Regional Facilities. Within 30 days of the execution of this agreement, the District will execute the Regional Utilities Contract attached as **Exhibit B**. Upon execution by the District, the City will execute and deliver and thereafter provide the Riverstone Regional Facilities to the District in accordance with the Regional Utilities Contract.

C. Master District Facilities. The District will contract with the Master District to provide the Master District Facilities, which shall include the construction of joint water distribution and wastewater delivery facilities within Riverstone necessary or convenient to connect the District's water distribution and wastewater delivery facilities to the Riverstone Regional Facilities. At such time as the City annexes and dissolves the District, the City shall assume all existing contractual rights and obligations between the dissolved District and the Master MUD.

D. District Facilities. The District shall construct and maintain its internal water supply and wastewater facilities within the District that comply with the standards for service required by the "Rules and Regulations for Public Water Systems" adopted by the TCEQ.

E. Effluent Reuse. The District may design, construct, finance and operate a water re-use system to utilize effluent from the City's South Plant for the purpose of supplying water for (1) the recharge of amenity lakes, (2) the irrigation of the golf course, and (3) the irrigation of landscaping of the major thoroughfares in Riverstone in accordance with the provisions of the Regional Utilities Contract. The District will comply with all regulatory requirements regarding effluent use.

F. Conversion to Surface Water. In the event that the District is required to convert to surface water by the Fort Bend Subsidence District or any other regulatory authority with jurisdiction over it, the District agrees to become a part of the City's groundwater reduction plan. The terms and conditions under which the District will be a part of the City's groundwater reduction plan will be set forth in the Regional Utilities Contract. The District shall not execute a contract or implement a plan for providing surface water to District without the prior written consent of the City.

Section 2.04 Administration of Municipal Utility Districts

Subject to the terms of this Section, the City agrees that land may be annexed into or excluded from the District without additional consent from the City if the land to be annexed or excluded is currently within Riverstone, as defined herein, and subject to the Development Agreement by and between the City and Developer, dated February 13, 2003 ("Development Agreement"). Prior to the annexation or exclusion of land under this section, the District shall provide 60 calendar days written notice to the City of its intent to annex or exclude land, together with a legal description of the property proposed to be annexed or excluded and the District's proposed date of annexation or exclusion. The City may object to the proposed annexation or exclusion and shall provide written notice of any objection to the District within 30 days of receipt of the District's notice. Upon receipt of the City's timely objection, the District shall be required to obtain the City's consent to such annexation or exclusion. The City's failure to timely object to the District's notice shall be deemed the City's consent to such annexation or exclusion.

For any annexation or exclusion of land that is not within Riverstone and is not subject to the Development Agreement, the District shall be required to obtain the consent of the City prior to any proposed annexation into or exclusion from the District.

The District shall provide the City agendas for all meetings of the District and the District's annual audit.

Section 2.05 District's Right to Provide Water and Wastewater Treatment

In the event that the City fails to provide sufficient water or wastewater treatment capacity to serve any land within the District on a timely basis as provided in the Regional Utilities Contract, the District shall have the right to provide such service through the lease or construction of water supply or wastewater treatment facilities.

Section 2.06 Other City Services

The City shall not be obligated to provide municipal services except as provided herein.

Section 2.07 Limitation on District Powers

The District shall not have any powers other than supplying water and furnishing sewage treatment services, drainage services, fire protection services and parks and recreational facilities. Without limitation, the District agrees that it will not attempt to gain nor will it exercise any powers related to the construction or financing of roads.

ARTICLE 3 ANNEXATION OF THE DISTRICT

Section 3.01 Annexation

A. General Rule on Annexation. The City agrees that irrespective of its right and power under existing or subsequently enacted law, it will not annex or attempt to annex, or annex for limited purposes or attempt to annex for limited purposes, in whole or in part, the District until the following conditions have been met:

1. At least 90% of the developable acreage within the District has been developed with water, wastewater treatment, 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
2. The landowner developing within 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.

B. Notice and Effective Date of Annexation. Once the conditions contained in Section 3.01(A) have been met, the City Council may at any time thereafter adopt a resolution declaring its intent to annex the District on a date certain that is not less than one year from the date of the resolution (the “Annexation Date”). The resolution shall state whether the District will be dissolved or continued in accordance with Section 3.01(C), below. On the Annexation Date, the land in the District shall be deemed to be within the full-purpose boundary limits of the municipality without the need for further action by the City.

C. Dissolution or Continuation of District. After annexation, the District will continue to exist until dissolved by action of the City or expiration of the time limits provided herein. The City, at its sole discretion, may decide when to dissolve the District, provided that the District must continue in existence for a period of time not less than 120 days and not more than ten (10) years after the date of the annexation. The District will dissolve without further action of the City on the 10th anniversary of the date of annexation, unless continued in existence by the City as provided below. Upon dissolution of the District, the City will assume all rights, assets, liabilities and obligations of the District (including all obligations to reimburse the developers within the District), and the District will not be continued or converted except as may be set forth in this Agreement. If the City elects to continue the District for a period in excess of 120 days, the following will apply:

1. The District continues as “limited district” as that term is defined in Section 43.0751(a)(2), Texas Local Government Code, for the purpose of providing water, sewer, drainage and other services and financing and/ or reimbursing the developer for the construction of public facilities within the District; and
2. The City agrees to rebate annually to the District that portion of the City’s property tax revenue that is collected on annexed property within the District attributable to the City’s water, sewer, and drainage debt at the time the annexation is final (the “Rebate Amount”). The Rebate Amount will be recalculated upon each annexation of land within the District, with the recalculated amount to apply to all annexed land within the District.
3. If the City annexes only a portion of the District, the District shall continue to provide all services to the annexed portion in accordance with this Agreement as

if the land had not been annexed. However, the City will rebate to the District the Rebate Amount. The Rebate Amount will be recalculated after each annexation by the City of any tract within the District, within such newly calculated amount to apply to all tracts in the District annexed by the City to such date.

4. The District will continue solely for the purpose of designing, constructing and financing the water, sewer, drainage, fire protection and parks and recreational facilities to serve the land in the District in accordance with the Regional Utilities Contract and will continue to be known as "Fort Bend County Municipal Utility District No. 128."
5. Prior to dissolution of the District, the District will continue to own and operate its facilities and the City will provide all other City services to the District's residents, including police protection, garbage collection, fire protection and other City services and the City shall cease to charge the District for such services to the annexed property and all fees and charges imposed on residents of the District for services provided by the City shall be equal to those fees and charges imposed on all other residents of the City.
6. If, on or before the tenth anniversary of annexation of the District, the City decides that it is advisable for the District to continue to exist, the City may extend this Agreement on a year-to-year basis by giving written notice to the District of the City's decision to continue the existence of the District.
7. After dissolution of the District, the City will levy taxes, fees and charges on all land, users and residents equal to those imposed in the remainder of the City.

D. Binding on Present and Future Owners of Property in the District. The District, on behalf of itself and on behalf of all present and future owners of land within its boundaries hereby grants consent to the City to annex the territory within the boundaries of the District in accordance with this Agreement. The District consents to such annexations, from time to time, and to the collection of sales and use tax revenues by the City within the Limited Purpose Property ("Sales and Use Tax Revenues"). Such consent granted hereby shall bind the District and each owner and future owner of land within the District.

E. Other Rules Applicable to Annexation. Annexation shall otherwise be in accordance with existing law. It is the intention of the parties herein that this Agreement qualifies as a Strategic Partnership Agreement as that term is defined under Sect. 43.0751 Texas Local Government Code. Furthermore, the District and the City agree to take all actions reasonably necessary to ensure that this Agreement continue as a Strategic Partnership Agreement throughout its term.

F. No Payment Required. Both parties to this Agreement understand and agree that the purpose of the terms and conditions in this Agreement does not include requiring the District to provide revenue to the municipality solely for the purpose of obtaining an agreement with the City to forgo annexation of the District, but rather for the reasons and purposes set forth herein.

G. Limited Annexation to Allow for Annexation of Another Riverstone MUD. If the City determines that it has the right to annex another Riverstone MUD that is not contiguous to the City, the City may annex any road right-of way in the District necessary to extend the corporate limits of the City to the Riverstone MUD to be annexed. For purposes of this subsection G, a Riverstone MUD is not "contiguous" to the City if state law would prohibit the City from extending its corporate limits as provided in Chapter 43, Texas Local Government Code.

H. Limited Purpose Annexation of Limited Purpose Property. Notwithstanding anything to the contrary set forth in this Agreement, the Parties agree that the City may annex the Limited Purpose Property for the sole and limited purpose of collecting sales and use taxes authorized by Chapter 321 of the Texas Tax Code (the "Tax Code") to be imposed by the City on sales consummated within the Limited Purpose Property. The District acknowledges and agrees that the City Council may adopt a limited purpose annexation ordinance applicable to the Limited Purpose Property at a meeting conducted in accordance with Chapter 551 of the Texas Government Code, and that no further notices, hearings, or other procedures shall be required to adopt such limited purpose annexation ordinance. The City may commence limited purpose annexation of the Limited Purpose Property on November 16, 2021.

1. Collection of Sales and Use Tax Revenues. The City may impose a sales and use tax within the Limited Purpose Property pursuant to Section 43.0751(k), Texas Local Government Code. The sales and use tax may be imposed on all eligible commercial activities at the rate allowed under the Tax Code. Collection of Sales and Use Tax Revenues shall take effect on the date described in Section 321.102 of the Tax Code.
2. Payment of Sales and Use Tax. The City shall pay to the District an amount equal to 50% of the Sales and Use Tax Revenues collected within the Limited Purpose Property (the "District Share") commencing upon the effective date of the limited purpose annexation of the Limited Purpose Property and terminating upon the full purpose annexation or disannexation of the Limited Purpose Property. The City shall pay the District Share quarterly. Any payment of the District Share not made within such 30-day period shall bear interest calculated in accordance with Section 2251.025 of the Texas Government Code. The City shall retain all Sales and Use Tax Revenues that do not constitute the District Share (the "City Share").
3. Use of the Sales and Use Tax Revenues. The District may use the District Share for any lawful purpose, and the City may use the City Share for any lawful purpose.
4. Delivery of Sales Tax Reports to District. The City shall include with each payment of the District Share a condensed version of each sales tax report provided by the Comptroller relating to Sales and Use Tax Revenues.
5. Notification of Comptroller. The City shall send notice of this Agreement, together with other required documentation, to the Comptroller in the manner provided by Tax Code, Section 321.102, after the City Council annexes the Limited Purpose Property for limited purposes.

The District shall provide notice to the City of any newly opened businesses within the Limited Purpose Property, within 30 days of said business opening.

6. Termination of Sales and Use Tax Sharing. Upon termination of this Agreement, the City shall have no further financial obligation to the District pursuant to this Agreement, and all Sales and Use Tax Revenues shall be retained by the City.
7. City Records and District Audit Rights. The District may audit the Sales and Use Tax Revenues to determine whether the District Share has been paid in accordance with this Agreement. The City shall provide reasonable accommodations for the District to perform the audit. Any audit shall be made at the District's sole cost and expense and may be performed at any time during the City's regular business hours on 30 days' Notice (as defined in Section 8.01). For purposes of any such

audits, the City shall maintain and make available to the District's representatives all books, records, documents and other evidence of accounting procedures or practices to reflect the amount of Sales and Use Tax Revenues received by the City from within the Limited Purpose Property. Notwithstanding the foregoing, however, if any audit conducted by the District reveals that the District Share has been underpaid by more than two percent (2%), the City shall reimburse the District for the reasonable costs and expenses of the audit.

8. Voting. Pursuant to Section 43.130(a) of the Texas Local Government Code, the qualified voters of an area annexed for limited purposes are entitled to vote in municipal elections regarding the election or recall of members of the governing body of the municipality, the election or recall of the controller, if the office of controller is an elective position of the municipality, and the amendment of the municipal charter. The voters may not vote in any municipal bond election.
9. Residential Development. If any of the Limited Purpose Property is developed for a residential use that creates qualified voters in the LPP, the City may, at its sole discretion, disannex that portion of the LPP such that it will no longer be included in the City for limited purposes.

Section 3.02 Powers and Functions Retained

Prior to annexation, the City hereby authorizes and approves the District to exercise all powers and functions of a municipal utility district provided by law including, without limiting the foregoing, the power to incur additional debts, liabilities, or obligations and to construct additional utility facilities without further approval of the City other than the approval of plans and specifications for public improvements provided such additional utility facilities shall be constructed in accordance with the then currently approved General Plan and Section 2.02 of this Agreement. All debt, liabilities or obligations shall be issued in accordance with the conditions contained in the City's consent to the creation of the District. Prior to annexation, the District may not sell or otherwise transfer property, other than in the normal course of business without prior approval of the City, which approval shall not be unreasonably withheld. The District further covenants and agrees that it will not enter into any contract or agreement for non-capital expenditures that is not terminable upon 30 days written notice and, except for a contract with the Master District to construct, operate and maintain the Master District Facilities, with a term that exceeds two (2) years without the prior written approval of the City Council of the City, which approval shall not be unreasonably delayed or withheld.

Section 3.03 Attempted Incorporation In Riverstone

Notwithstanding any provision herein to the contrary, in the event of a bona fide effort to incorporate a municipality that includes any portion of the District, the City shall be entitled to annex that portion of the District attempting to incorporate.

ARTICLE 4 FIRE PROTECTION SERVICES

Section 4.01 Fire Station Construction and Dedication

The District agrees to contract with the City for fire protection services under the terms and conditions set forth in the Fire Protection Agreement attached hereto as **Exhibit D**. The City recognizes that the District may not expend funds for fire protection services without complying with the procedures contained in Section 49.351, Texas Water Code. The District will use its best efforts to adopt a fire plan and

contract to provide for the facilities described in this Section 4.01. If a developer of land within the District advances funds for the construction of fire protection facilities, the District may reimburse such developer for such advances to the fullest extent permitted by state law and the rules and regulations of the TCEQ. Upon final approval of the fire plan and Fire Protection Agreement by the District, the City will execute and deliver the Fire Protection Agreement attached as **Exhibit D**.

ARTICLE 5 MATERIAL BREACH, NOTICE AND REMEDIES

Section 5.01 Material Breach of Agreement

A. It is the intention of the Parties to this Agreement that the District be regulated and annexed in accordance with the terms of this Agreement. 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. A material breach of this Agreement by the District shall be deemed to have occurred in the following instances:

1. Failure of the District to approve or consent to any annexation of territory within the District by the City authorized by this Agreement; or
2. Substantial deviation from the Code requirements for water and sewer Improvements or a pattern or practice of deviation from same.

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:

1. The imposition of a requirement to provide regionalization of public utilities through some method substantially or materially different than the plan set forth in this Agreement; or
2. An attempt by the City to annex, in whole or in part, the District prior to the occurrence of the conditions set forth in Section 3.01 of this Agreement, except as provided in Section 3.01.

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 5 shall provide the remedies for such default.

Section 5.02 Notice of District's Default

A. The City Manager 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 Manager may specify in such notice, either cure such alleged failure or, in a written response to the City Manager, 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 Manager 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 to the City Manager, if requested, any records, documents or other information necessary to make the determination.

C. In the event that the City Manager 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 Manager, or that such failure is excusable, such determination shall conclude the investigation.

D. If the City Manager 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 Manager, then the City Manager shall so notify the City Council in a written report which may recommend action to be taken by the City Council. The City Manager shall provide notice and a copy of such report to the District. After receipt of such report from the City Manager, or at any time upon its own motion, the City Council may proceed to mediation under Section 5.04 or exercise the applicable remedy under Section 5.05 hereof, provided that if the City Council acts on its own motion, it shall follow the notice and procedural provisions of this Section 5.02.

Section 5.03 Notice of City's Default

A. The District shall notify the City Manager 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 Manager 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 Manager shall make available to the District, if requested, any records, documents or other information necessary to make the determination.

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 shall so notify the City Council in a written report which may request action to be taken by the City Council. The District shall provide notice and a copy of such report to the City Manager. If requested in the District's report, the City Manager agrees to add the matter to the agenda of the City Council for consideration and action by City Council.

Section 5.04 Mediation

In the event the Parties to this Agreement cannot, within a reasonable time, resolve their dispute pursuant to the procedures described in Sections 5.02 or 5.03, the Parties agree to submit the disputed issue to nonbinding mediation. The Parties shall participate in good faith, but in no event shall they be obligated to pursue mediation that does not resolve the issue within seven (7) days after the mediation is initiated or fourteen (14) days after mediation is requested. The Parties participating in the mediation shall share the costs of the mediation equally.

Section 5.05 Remedies

The exclusive remedies for a default by any Party include the following:

A. Monetary damages for actual losses incurred by the nondefaulting Party if such recovery of monetary damages would otherwise be available under existing law and the defaulting Party is not otherwise immune from paying such damages;

B. Removal, repair, or replacement of any facility, building, or structure constructed in breach of this Agreement;

C. Injunctive relief specifying the actions to be taken by the defaulting Party and permitted to be taken by the nondefaulting party to remedy the default. Such injunctive relief shall be directed solely to the default and shall not address or include any activity or actions not directly related to the default.

D. In the event of a determination by the City that the District has committed a material breach of this Agreement, the City may file suit in a court of competent jurisdiction in Fort Bend County, Texas, and seek any relief available at law or in equity, including, but not limited to, an action under the Uniform Declaratory Judgment Act and termination of this Agreement as to the District.

E. In the event of a determination by the District that the City has committed a material breach of this Agreement, the District may file suit in a court of competent jurisdiction in Fort Bend County, Texas, and seek any relief available, at law or in equity, including, but not limited to, an action under the Uniform Declaratory Judgment Act.

Any act, omission or Material Breach by another Riverstone MUD that leads to a default by the District shall not impair the rights of the District under this Agreement.

ARTICLE 6

COOPERATION IN THE DEVELOPMENT OF ATHLETIC FIELDS

Section 6.01 The City and the District agree to consider and cooperate in an effort to fund the acquisition of land and the construction of improvements for athletic facilities to serve the needs of Riverstone residents.

ARTICLE 7

BINDING AGREEMENT, TERM, AMENDMENT, AND ASSIGNMENT

Section 7.01 Beneficiaries

This Agreement shall bind and inure to the benefit of the Parties, their successors and assigns. This Agreement shall be recorded with the County Clerk in Official Records of Fort Bond County, Texas and shall bind each owner and each future owner of land included within the District's boundaries in accordance with Section 43.0751(c), Texas Local Government Code.

Section 7.02 Term

This Agreement shall commence and bind the Parties on the Effective Date and continue until a date which is exactly thirty (30) years from its Effective Date, unless terminated on an earlier date pursuant to other provisions or by express written agreement executed by the City and the District. Upon the expiration of thirty (30) years from its Effective Date, this Agreement may be extended at the City's

discretion for successive one (1) year periods until all land within the District has been annexed by the City and the District has been dissolved, but in no event shall the term of this Agreement be extended more than ten years after the tenth anniversary of the annexation of the entirety of the District. The terms of this Agreement shall constitute covenants running with the land comprising the District and shall be binding on all future owners of property within the District. A copy of this Agreement shall be recorded in the County Clerk Official Records of Fort Bend County, Texas.

ARTICLE 8 MISCELLANEOUS PROVISIONS

Section 8.01 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, (i) by delivering the same in person, or (ii) 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 (iii) by depositing the same with Federal Express or another nationally recognized courier service guaranteeing "next day delivery," addressed to the party to be notified, or (iv) by sending the same by email with confirming copy sent by mail. Notice deposited in the United States mail in the manner hereinabove described shall be deemed effective from and 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 Sugar Land
P.O. Box 110
2700 Town Center Blvd., N
Sugar Land, Texas 77479
Attn: City Manager
Phone: 281-275-2700
Email: citymgr@sugarlandtx.gov

District: Fort Bend County Municipal Utility District No. 128
c/o The Muller Law Group, PLLC
202 Century Square Blvd.
Sugar Land, Texas 77478
Attn: Nancy Carter
Phone: (281) 500-4686
Email: nancy@mullerlawgroup.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 8.02 Annexation/Disannexation by District

This Agreement applies to all land located within the District which is located in Riverstone. In the event land is annexed or disannexed by the District, the terms and conditions set forth in this Agreement shall continue to apply to the District as it may be newly configured.

Section 8.03 Time

Time is of the essence in all things pertaining to the performance of this Agreement.

Section 8.04 Severability

If any provision of this Agreement is held to be illegal, invalid, or unenforceable then, and in that event, it is the intention of the Parties hereto that the remainder of this Agreement shall not be affected.

Section 8.05 Waiver

Any failure by a Party hereto to insist upon strict performance by the other Party of any material 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 8.06 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 8.07 Reservation of Rights

To the extent not inconsistent with this Agreement, each Party reserves all rights, privileges, and immunities under applicable laws.

Section 8.08 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 8.09 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 8.10 Effect of State and Federal 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 or rules implementing such statutes or regulations, and such City Ordinances or rules shall not be deemed a breach or default under this Agreement.

Section 8.11 Authority for Execution

The City hereby certifies, represents, and warrants that the execution of this Agreement is duly authorized and adopted in conformity with the City Charter and City Ordinances. The District hereby certifies, represents, and warrants that the execution of this Agreement is duly authorized and adopted by the Board of Directors of the District.

[SIGNATURE PAGES FOLLOWS]

IN WITNESS WHEREOF, the undersigned Parties have executed this Agreement this ____ day of _____, 20__.

CITY OF SUGAR LAND, TEXAS

By: _____
Michael W. Goodrum, City Manager

ATTEST:

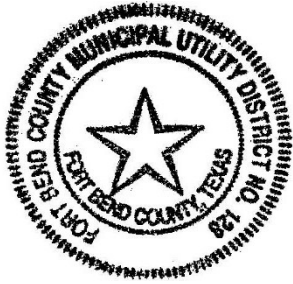
Thomas Harris, III, City Secretary

FORT BEND COUNTY MUNICIPAL UTILITY
DISTRICT NO. 128

Michael J Cabiro

By: Michael J Cabiro (Nov 3, 2021 11:29 CDT)

Michael Cabiro, President, Board of Directors



(SEAL)




Fort Bend County MUD No. 128 - Amended and Restated Strategic Partnership Agreement

Final Audit Report

2021-11-03

Created:	2021-11-02
By:	Claudia Helweg (claudia@mullerlawgroup.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAZroIc7doolwGUYZ7B1PSYujIQo292uJ6

"Fort Bend County MUD No. 128 - Amended and Restated Strategic Partnership Agreement" History

-  Document created by Claudia Helweg (claudia@mullerlawgroup.com)
2021-11-02 - 10:10:23 PM GMT
-  Document emailed to Michael J Cabiro (mikecabiro@gmail.com) for signature
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-  Email viewed by Michael J Cabiro (mikecabiro@gmail.com)
2021-11-02 - 10:13:55 PM GMT
-  Document e-signed by Michael J Cabiro (mikecabiro@gmail.com)
Signature Date: 2021-11-03 - 4:29:27 PM GMT - Time Source: server
-  Agreement completed.
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