

CONSENT AND DEVELOPMENT AGREEMENT

AMONG

WILLIAMSON COUNTY, TEXAS;

DMB DEVELOPMENT LLC

AND

SOLANA MUNICIPAL UTILITY DISTRICT NO. 1

CONSENT AND DEVELOPMENT AGREEMENT

This **CONSENT AND DEVELOPMENT AGREEMENT** (this "Agreement") is by the **Williamson County, Texas**, a Texas political subdivision (the "County") and **DMB Development LLC**, a Delaware limited liability company ("Owner"). Subsequent to its creation, **Solana Municipal Utility District No. 1**, a proposed municipal utility district to be created pursuant to Article XVI, Section 59 of the Texas Constitution and Chapters 49 and 54, Texas Water Code as contemplated by this Agreement (the "District"), will become a party to this Agreement. The County, the Owner and the District are sometimes referred to herein as a "Party" and collectively as the "Parties".

RECITALS

WHEREAS, the Owner has under contract to purchase approximately 7,088.47 acres of land located partially within the corporate boundaries of the County and partially within the corporate boundaries of Bell County (the "Land"); and

WHEREAS, the Land is more particularly described by metes and bounds on the attached **Exhibit A**; and

WHEREAS, the Owner intends that the Land will be developed in phases as a master-planned, residential community that will include park and recreational facilities to serve the Land; and

WHEREAS, the Owner and the County wish to enter into this Agreement to encourage innovative and comprehensive master-planning of the Land, provide certainty of regulatory requirements throughout the term of this Agreement, and result in a high-quality development for the benefit of the present and future residents of the County and the Land; and

WHEREAS, the Owner has proposed to create the District over the Land pursuant to an application to be filed with the 88th Texas Legislature and has requested the County's consent to the creation of the District; and

WHEREAS, the purposes of the proposed District include designing, constructing, acquiring, installing, financing, water, wastewater, and drainage utilities, roads and improvements in aid of roads, park and recreational facilities, and other public improvements as authorized by the Texas Constitution and Texas Water Code to serve the area within its boundaries (collectively, the "District Improvements"); and

WHEREAS, construction of the District Improvements will occur in phases (as determined by the District and the Owner(s) (as defined herein)) in accordance with this Agreement; the applicable ordinances of the County; Chapters 49 and 54, Texas Water Code, as amended; the rules and regulations of the TCEQ, as amended; and applicable state and federal regulations (collectively, the "Applicable Regulations"); and

WHEREAS, the Owner intends that the Reimbursable Costs (as defined in **ARTICLE I** below) of the District Improvements will be paid from the net proceeds of

bonds issued by the District in accordance with this Agreement, the applicable rules and regulations of the TCEQ, as amended, and the applicable requirements of the Texas Attorney General's Office, as amended; and

WHEREAS, the District is authorized to enter into this Agreement pursuant to the provisions of Texas law, including but not limited to, Chapters 49 and 54, Texas Water Code, as amended; Chapter 791, Texas Government Code, as amended; and Section 552.014, Texas Local Government Code, as amended; and

WHEREAS, the County is a political subdivision of the State of Texas and the County has the authority to enter into this Agreement including, but not limited to, the consent to the District creation and the issuance of debt to finance District Improvements, including roadways and related drainage;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, including the agreements set forth below, the Parties contract as follows:

ARTICLE I DEFINITIONS

Section 1.01. Definitions. In addition to the terms defined elsewhere in this Agreement or in the County's ordinances, the following terms and phrases used in this Agreement will have the meanings set out below:

Applicable Rules means the County's rules, and regulations in effect as of the Effective Date of this Agreement, as amended by: (i) any amendments authorized by Chapter 245, Texas Local Government Code; (ii) any approvals, variances, waivers, and exceptions to such rules that are approved by the County; and (iii) any additional restrictions or regulations agreed to by Owner in writing.

Agreement means this Consent and Development Agreement among the Parties.

Bonds means bonds, notes, or other obligations or indebtedness issued or incurred by the District under the District's borrowing power.

County Objection is defined in Section 7.02(b).

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

County means Williamson County, Texas.

District means Solana Ranch Municipal Utility District No. 1, a political subdivision of the State of Texas to be created over the Land, with the consent of the County, as provided in this Agreement.

District Improvements means the water, wastewater, and drainage utilities, roads and improvements in aid of roads, park and recreational facilities, and other public improvements, as authorized by the Texas Constitution and Texas Water Code, to serve the area within the District boundaries.

Effective Date of this Agreement means the last date of execution by all of the Parties hereto.

Land means approximately 7,088.47 acres of land located partially in the County limits and partially in the Bell County limits, as described by metes and bounds on Exhibit A.

Owner means DMB Development LLC, a Delaware limited liability company or its successors and assigns under this Agreement.

Reimbursable Costs means all costs of the District Improvements (including land and easements costs), and all other costs eligible for reimbursement by a municipal utility district under the laws of the State of Texas, that are eligible for reimbursement from the net proceeds of Bonds issued in accordance with this Agreement.

Road Projects means any road projects or improvements in aid of such road projects that the District is authorized to undertake pursuant to Article III, Section 52, Article XVI, Section 59 of the Texas Constitution, as amended, or Chapters 49 and 54, Texas Water Code, as amended, or otherwise pursuant to any authority granted to the District by special act of the Texas Legislature or by Texas law.

ARTICLE II

CREATION OF DISTRICT AND EXECUTION OF AGREEMENTS

Section 2.01. Consent to Creation of District. The County acknowledges receipt of the Owner's request for the County's support for, and consent to, creation of the District over the Land. The County agrees that this Agreement will constitute and evidence the County's consent to the creation of the District and that no further consent will be required on the part of the County to evidence the County's consent to the creation of the District.

Section 2.02. District Execution of Agreement. The Owner shall cause the District to approve, execute, and deliver to the County this Agreement within thirty (30) days after the date the District's Board of Directors holds its organizational meeting. If the District fails to do so within such 30-day period, then (after notice and opportunity to cure) this Agreement be of no further force and effect, and the County shall be deemed to not have consented to creation of the District. Similarly, if creation of the District is not approved by the 88th Texas Legislature, this Agreement shall be null and of no further force and effect.

Section 2.03. District Bonds. If the Owner or the District fail to comply with the terms and conditions of this Agreement after notice and opportunity to cure, such failure shall operate to prohibit the District from taking any actions to issue Bonds

until the failure has been cured. The County shall have the right to enjoin the issuance of Bonds during any period in which such a material breach exists.

Section 2.04. Reimbursement Agreements. If the Owner or the District fail to comply with the terms of this Agreement after notice and opportunity to cure and prior to execution of any reimbursement agreements by the Owner and District, such failure shall operate to prohibit the Owner or any future owner of the Land from entering into any reimbursement agreements with the District until the failure has been cured. The County shall have the right to enjoin the execution of such reimbursement agreements during any period in which such a material breach exists.

ARTICLE III ROADWAY IMPROVEMENTS

Section 3.01. Right of Way Dedications. The County has adopted a Long-Range Transportation Plan which provides for the extension of Corridor J through the Property as generally depicted on **Exhibit B** ("Corridor J ROW"). The Owner will convey, or cause to be conveyed, by special warranty deed, at no cost to the County, 100% of the right-of-way required for the Corridor J ROW within 30 days after the final alignment for Corridor J is set, but Owner reserves the right to seek reimbursement for such right-of-way from the District in accordance with the laws of the State of Texas. The Parties acknowledge that the final location of Corridor J ROW may be subject to minor changes from those shown on **Exhibit B**. Owner shall have no obligation to convey any lands to the County located outside the Land. If the County or another governmental agency has not commenced construction of Corridor J within twelve (12) years after the County approves this Agreement, the County shall re-convey the Corridor J ROW to the Owner within 60 days after receipt of written notice to the County of the failure to commence construction.

Section 3.02. Road Construction. The County agrees that it or another governmental entity will be responsible for the design and construction of Corridor J and paying the cost for same. The actual construction date is at this time undetermined and dependent upon the success of future County or City road bond elections. The construction of all other roads ("Subdivision Roads") within the Land shall be the responsibility of the Owner or the District. The Owner shall be entitled to reimbursement for Subdivision Road expenses, as allowed by the laws of the State of Texas. The Subdivision Roads located in the County shall be constructed pursuant to the then-existing Williamson County Subdivision Regulations. Commencing upon the twelfth (12th) anniversary of the date that the County accepts a Subdivision Road into the County road system after completion of construction by Owner, the District shall be solely responsible for the operation and maintenance of that Subdivision Road. The Parties will work together to include at least one entrance and one exit ramp providing access from the Corridor J mainlanes to Owner's remaining property at a location agreed to by all Parties. The ramps will be designed and paid for by the County when Corridor J mainlanes are constructed.

ARTICLE IV
LAW ENFORCEMENT, FIRE AND EMERGENCY MEDICAL SERVICES

Section 4.01. Law Enforcement Services. Pursuant to the authority set forth in Section 49.216 of the Texas Water Code, the District and the County shall negotiate in good faith the terms of a contract pursuant to which the District shall provide funding to the County for the incremental costs incurred by the County in making available and furnishing law enforcement services to that portion of the Land located in the County, including the costs of additional personnel, vehicles and equipment associated with the provision of law enforcement services to the Land within the County.

Section 4.02. Fire and EMS Services.

(a) Pursuant to the authority set forth in Section 49.351 of the Texas Water Code, the District and the County shall negotiate in good faith the terms of a contract (which may include Bell County) to provide for fire-fighting and emergency medical services within the District including providing for necessary buildings, facilities, land, and equipment for such services. As necessary to implement any such contract, the District shall develop a plan that describes the contract, including a presentation of the financial requirements under the contract, submit such contract to the Texas Commission on Environmental Quality for approval, and conduct an election for approval of the plan and financing, all in accordance with the requirements of Section 49.351(g)-(i) of the Texas Water Code.

(b) Owner and the County agree to negotiate in good faith the terms of one or more agreements pursuant to which the Owner shall convey, or cause to be conveyed, to the County and/or Bell County by special warranty deed one or more sites within the Land for establishment of necessary buildings for fire and/or emergency medical services at no cost to the County. The agreement(s) will set forth terms for timing of conveyance, identification of site(s) that do not materially impair development of the Land, and may provide for funding of construction of the buildings by Owner.

Section 4.03 Animal Control Services. The District and the County shall negotiate in good faith the terms of a contract pursuant to which the District will provide funding for the incremental costs incurred by the Williamson County Regional Animal Shelter for providing animal control services to that portion of the Land located in the County.

ARTICLE V
AUTHORITY TO ISSUE BONDS

Section 5.01. Authority to Issue Bonds. The District may issue Bonds only as authorized by the laws of the State of Texas. The District may provide reimbursements for expenditures authorized by the laws of the State of Texas (including creation expenses, operating advances, facilities design and construction, and expenditures for roads and improvements in aid of roads).

Section 5.02. Uniform and Continued Development; Vesting. The Parties intend that this Agreement authorize certain land uses and development on the

Land located within the County; provide for the uniform review and approval of plats and development plans for such portion of the Land; and provide other terms and consideration. Accordingly, the portion of the Land within the County will be developed and the infrastructure required for such portion of the Land will be designed and constructed in accordance with the Applicable Rules, and this Agreement. Subject to the terms and conditions of this Agreement, the County confirms and agrees that the Owner and any future owner hereunder has vested authority to develop the portion of the Land located in the County in accordance with the Applicable Rules. Rules, regulations, or changes or modifications to the County's rules or regulations, adopted after the Effective Date of this Agreement will only be applicable to the extent permitted by Chapter 245, Texas Local Government Code. If there is any conflict between the Applicable Rules and the terms of this Agreement, the terms of this Agreement will control.

Section 5.03. **Manufactured Home for District Elections.** One (1) HUD-certified manufactured home may be located within the Land solely for the purpose of providing qualified voters within the District for the District's confirmation, director, and bond elections. The manufactured home permitted by this Agreement will not require any permit or other approval by the County and will be promptly removed when no longer needed.

ARTICLE VI

TERM, ASSIGNMENT, AND REMEDIES

Section 6.01. **Term.** The term of this Agreement shall commence on the Effective Date and shall continue until the District is dissolved in accordance with the laws of the State of Texas or until this Agreement terminates by its terms, whichever is sooner.

Section 6.02. **Termination and Amendment by Agreement.** This Agreement may be terminated or amended as to all of the Land at any time by mutual written consent of the County, the Owner and following creation of the District, the District; may be terminated or amended only as to a portion of the Land at any time by the mutual written consent of the County, the owner of the portion of the Land affected by the amendment or termination and, following creation of the District, the District; and, after full-build out of the Land and issuance of all bonds by the District for reimbursement of Owner's eligible costs, may be terminated or amended at any time by the mutual written consent of the County and the District.

Section 6.03. **Assignment.**

(a) This Agreement, and the rights of the Owner hereunder, may be assigned by the Owner, with the County's consent, as to all or any portion of the Land. Any assignment will be in writing, specifically set forth the assigned rights and obligations, be executed by the proposed assignee, and be delivered to the County. The County's consent to any proposed assignment will not be unreasonably withheld or delayed. The County hereby consents to assignment of this Agreement, in whole or in part, to any subsequent owner of all or a portion of the Land.

(b) This Agreement is not intended to be binding upon, or create any encumbrance to title as to, any ultimate consumer who purchases a fully developed and improved lot within the Land.

Section 6.04. Remedies.

(a) If the County defaults under this Agreement, the Owner or the District may give notice setting forth the event of default ("Notice") to the County. If the County fails to cure any default that can be cured by the payment of money ("Monetary Default") within 45 days from the date the County receives the Notice, or fails to commence the cure of any default specified in the Notice that is not a Monetary Default within 45 days of the date of the Notice, and thereafter to diligently pursue such cure to completion, the Owner or the District may enforce this Agreement by a writ of mandamus from a Williamson County District Court or terminate this Agreement; however, any such remedy will not revoke the County's consent to the creation of the District.

(b) If the Owner or the District defaults under this Agreement, the County or the District may give Notice to the Owner. If the Owner fails to cure any Default within 45 days from the date it receives the Notice, or fails to commence the cure of any default specified in the Notice that is not a Monetary Default within 45 days of the date of the Notice, and thereafter to diligently pursue such cure to completion, the County or the District may enforce this Agreement by injunctive relief from a Williamson County District Court or terminate this Agreement.

(c) If any Party defaults, the prevailing Party in the dispute will be entitled to recover its reasonable attorney's fees, expenses, and court costs from the non-prevailing Party.

**ARTICLE VII
MISCELLANEOUS PROVISIONS**

Section 7.01. Notice. Any notice given under this Agreement must be in writing and may be given: (i) by depositing it in the United States mail, certified, with return receipt requested, addressed to the Party to be notified and with all charges prepaid; or (ii) by depositing it with Federal Express or another service guaranteeing "next day delivery", addressed to the Party to be notified and with all charges prepaid; or (iii) by personally delivering it to the Party, or any agent of the Party listed in this Agreement. Notice by United States mail will be effective on the earlier of the date of receipt or three (3) days after the date of mailing. Notice given in any other manner will be effective only when received. For purposed of notice, the addresses of the Parties will, until changed as provided below, be as follows:

COUNTY: Williamson County
County Judge
100 Main Street
Georgetown, Texas 78628

OWNER: DMB Development LLC
Attn: Nick Taratsas

7600 East Doubletree Ranch Road, Suite 250
Scottsdale, Arizona 85258-2136

The Parties may change their respective addresses to any other address within the United States of America by giving at least five days' written notice to the other party. The Owner and Owner may, by giving at least five days' written notice to the County, designate additional Parties to receive copies of notices under this Agreement.

Section 7.02. Severability. If any provision of this Agreement is illegal, invalid, or unenforceable, under present or future laws, it is the intention of the parties that the remainder of this Agreement not be affected, and, in lieu of each illegal, invalid, or unenforceable provision, that a provision be added to this Agreement which is legal, valid, and enforceable and is as similar in terms to the illegal, invalid, or enforceable provision as is possible.

Section 7.03. Waiver. Any failure by a Party to insist upon strict performance by the other party of any material provision of this Agreement will not be deemed a waiver thereof or of any other provision, and such Party may at any time thereafter insist upon strict performance of any and all of the provisions of this Agreement.

Section 7.04. Applicable Law and Venue. The interpretation, performance, enforcement, and validity of this Agreement is governed by the laws of the State of Texas. Venue will be in a court of appropriate jurisdiction in Williamson County, Texas.

Section 7.05. Entire Agreement. This Agreement contains the entire agreement of the Parties. There are no other agreements or promises, oral or written, between the Parties regarding the subject matter of this Agreement. This Agreement supersedes all other agreements between the Parties concerning the subject matter.

Section 7.07. Exhibits, Headings, Construction, and Counterparts. All schedules and exhibits referred to in or attached to this Agreement are incorporated into and made a part of this Agreement for all purposes. The paragraph headings contained in this Agreement are for convenience only and do not enlarge or limit the scope or meaning of the paragraphs. Wherever appropriate, words of the masculine gender may include the feminine or neuter, and the singular may include the plural, and vice-versa. The Parties acknowledge that each of them has been actively and equally involved in the negotiation of this Agreement. Accordingly, the rule of construction that any ambiguities are to be resolved against the drafting party will not be employed in interpreting this Agreement or any exhibits hereto. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, and all of which will together constitute the same instrument. This Agreement will become effective (as of the Effective Date of this Agreement) only when one or more counterparts, individually or taken together, bear the signatures of all of the Parties.

Section 607. Time. Time is of the essence of this Agreement. In computing the number of days for purposes of this Agreement, all days will be counted, including Saturdays, Sundays, and legal holidays; however, if the final day of any time

period falls on a Saturday, Sunday, or legal holiday, then the final day will be deemed to be the next day that is not a Saturday, Sunday, or legal holiday.

Section 7.08. Authority for Execution. The County certifies, represents, and warrants that the execution of this Agreement has been duly authorized and adopted in conformity with state law. The Owner hereby certifies, represents, and warrants that the execution of this Agreement has been duly authorized and adopted in conformity with the constituent documents of each person or entity executing on behalf of the Owner.

Section 7.09 Force Majeure. If, by reason of force majeure, any Party is rendered unable, in whole or in part, to carry out its obligations under this Agreement, the Party whose performance is so affected must give notice and the full particulars of such force majeure to the other Parties within a reasonable time after the occurrence of the event or cause relied upon, and the obligation of the Party giving such notice, will, to the extent it is affected by such force majeure, be suspended during the continuance of the inability but for no longer period. The Party claiming force majeure must endeavor to remove or overcome such inability with all reasonable dispatch. The term "*force majeure*" means 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 of any court or agency of competent jurisdiction or any civil or military authority, insurrection, riots, epidemics, landslides, lightning, earthquake, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and people, civil disturbances, vandalism, explosions, breakage or accidents to machinery, pipelines or canals, or inability on the part of a Party to perform due to any other causes not reasonably within the control of the Party claiming such inability.

Section 7.10. Interpretation. As used in this Agreement, the term "including" means "including without limitation" and the term "days" means calendar days, not business days. Wherever required by the context, the singular shall include the plural, and the plural shall include the singular. Each defined term herein may be used in its singular or plural form whether or not so defined.

Section 7.11. No Third-Party Beneficiary. This Agreement is solely for the benefit of the Parties, and neither the County, the District, nor the Owner intends by any provision of this Agreement to create any rights in any third-party beneficiaries or to confer any benefit upon or enforceable rights under this Agreement or otherwise upon anyone other than the County, the District, and the Owner (and any permitted assignee of the Owner).

Section 7.12. Exhibits. The following exhibits are attached to this Agreement, and made a part hereof for all purposes:

Exhibit A - Metes and Bounds Description of the Land

Exhibit B - Corridor J location

IN WITNESS WHEREOF, the undersigned Parties have executed this Agreement on the dates indicated below to be effective as of the Effective Date of this Agreement.

(Signatures on the following pages.)

WILLIAMSON COUNTY, TEXAS

By: _____
Bill Gravel, Jr., County Judge

Date: _____

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

This instrument was acknowledged before me on _____, 2023, by Bill Gravel, County Judge of Williamson County, on behalf of said County.

Notary Public Signature

(Seal)

OWNER:

DMB DEVELOPMENT LLC, a Delaware limited liability company

By: *Nick Taratsas*

Name: *NICK TARATSAS*

Its: *EVP - PARTNER*

Date: *4-6-23*

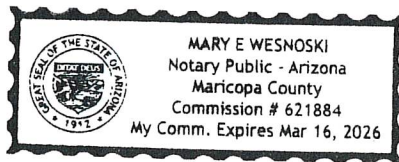
THE STATE OF *Arizona*

COUNTY OF *Maricopa*

§
§
§

This instrument was acknowledged before me on the *04* day of *April*, 2023, by *Nick Taratsas*, as *EVP - Partner* of DMB Development LLC, a Delaware limited liability company, on behalf of said limited liability company.

(SEAL)



Mary E Wesnoski
Notary Public Signature

**SOLANA RANCH MUNICIPAL UTILITY
DISTRICT NO. 1**

By: 

Name: NICK TARABGAS

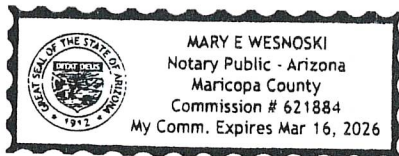
Title: EVP - PARTNER

Date: 4-6-23

THE STATE OF Arizona TEXAS §
COUNTY OF Maricopa §
§

This instrument was acknowledged before me on 4-6-23,
by Nick Tarabgas, President of the Board of
Directors of Solana Ranch Municipal Utility District No. 1, on behalf of said District.

(SEAL)



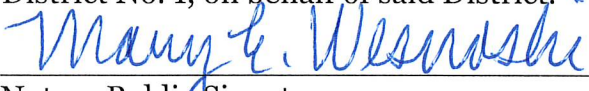

Notary Public Signature

EXHIBIT A

Metes and Bounds Description of the Land

[attached]

EXHIBIT B

Corridor J location

[attached]