

AMENDED AND RESTATED
WILLIAMSON COUNTY REGIONAL RAW WATER LINE AGREEMENT

BETWEEN

BRAZOS RIVER AUTHORITY

AND

CITY OF GEORGETOWN, CITY OF ROUND ROCK
AND BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

August 13, 2020

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THIS CONTRACT IS SUBJECT TO ARBITRATION UNDER THE
TEXAS ARBITRATION ACT

AMENDED AND RESTATED WILLIAMSON COUNTY REGIONAL RAW WATER LINE
AGREEMENT

THIS AMENDED AND RESTATED WILLIAMSON COUNTY REGIONAL RAW WATER LINE AGREEMENT (“Agreement”) is made and entered into by and between BRAZOS RIVER AUTHORITY, and CITY OF GEORGETOWN, CITY OF ROUND ROCK and BRUSHY CREEK MUNICIPAL UTILITY DISTRICT.

1. RECITALS. Authority is authorized to store water in and to divert water from Lake Georgetown and Lake Stillhouse Hollow. The other parties to this Agreement supply water in various areas in Williamson County, Texas, for municipal use. Authority has contracted with each such other party to make available to such party water from Lake Stillhouse Hollow. Such other parties are so located that it is desirable from the standpoint of cost that each should divert the surface water which it needs for municipal supply from Lake Georgetown rather than from Lake Stillhouse Hollow. The purpose of this Agreement is to provide for Authority to operate and maintain facilities for transporting water from Lake Stillhouse Hollow committed to the other parties to this Agreement under the contracts mentioned above to Lake Georgetown for diversion by them from Lake Georgetown.

WHEREAS, pursuant to separate and individual contracts heretofore executed between the Authority, on one part, and the City of Georgetown (“Georgetown”), the City of Round Rock (“Round Rock”), Jonah Water Special Utility District (formerly Jonah Water Supply Corporation)(“Jonah”), Brushy Creek Municipal Utility District (“Brushy Creek”) and Chisholm Trail Special Utility District (“Chisholm Trail”)(collectively, Georgetown, Round Rock, Jonah, Brushy Creek and Chisholm Trail are herein referred to as the “Former Participants”), individually on their part, the Authority has contracted to make available to such parties water (which contracts are defined in the Original Agreement (hereinafter defined) as the “Stillhouse Supply Agreements” and in the Brushy Creek Agreement (as hereinafter defined) and Chisholm Trail Agreement (as hereinafter defined) as the “Supply Agreements”); and

WHEREAS, the Former Participants were so located that it became desirable from the standpoint of cost that each should divert the surface water which each needs for municipal supply purposes from Lake Georgetown or points between Lake Stillhouse Hollow and Lake Georgetown, rather than from Lake Stillhouse Hollow; and

WHEREAS, the Authority, Georgetown, Round Rock and Jonah entered into the “Williamson County Regional Raw Water Line Agreement” (the “Original Agreement”), dated as of June 30, 1986, for the purpose of providing for the Authority to design, construct and operate facilities for transporting water from Lake Stillhouse Hollow committed to Georgetown, Round Rock and Jonah to Lake Georgetown (the “Project”) for diversion by them for municipal purposes; and

WHEREAS, subsequent to execution of the Original Agreement, the Authority, Georgetown, Round Rock and Jonah entered into “Amendment No. 1 to Williamson County Regional Raw Water Line Agreement” (“Amendment No. 1”), dated as of January 9, 1997 and “Second Amendment to Williamson County Regional Raw Water Line Agreement” (“Amendment No. 2”), dated as of March 23, 1999; and

WHEREAS, Section 15 of the Original Agreement provides that the Authority may provide service from the Project to parties other than Georgetown, Round Rock and Jonah, provided that certain conditions are met; and

WHEREAS, such conditions having been met, the Authority entered into separate agreements with Brushy Creek called the “Participation Agreement with Respect to Williamson County Raw Water Line” (“Brushy Creek Agreement”), dated as of October 1, 1998 and subsequently with Chisholm Trail called the “Chisholm Trail Participation Agreement with Respect to Williamson County Raw Water Line” (“Chisholm Trail Agreement”), dated as of March 15, 1999, respectively; and

WHEREAS, upon determining that the Texas Water Development Board (“TWDB”) would agree to pay for and acquire an undivided interest in the Project to be held for later acquisition by Authority as usage of Project increased, thus reducing the interim costs to the Former Participants pending their full need for the transportation capacity of the Project, the Authority and the Former Participants entered into the “Supplemental Agreement Respecting Williamson County Raw Water Line” (“Supplemental Agreement”),

dated as of May 20, 1999; and

WHEREAS, in order to accommodate the differences in the timing of water transportation needs and associated costs of the Project of the Former Participants, Authority and the Former Participants entered into the “Amendment of Agreements Respecting Construction and Operation of Williamson County Raw Water Line” (“Amendment of Multiple Agreements”), dated as of April 17, 2000; and

WHEREAS, in order to avoid ambiguity in the Project Agreements due to the changes in the Stillhouse Supply Agreements and Supply Agreements, the Authority entered into separate agreements with the Former Participants called the “Third Amendment of Agreements Among Customers” (“Amendment No. 3”) to modify the definition of “Stillhouse Supply Agreements” as defined in the Original Agreement and modified in Amendment No. 2, and “Supply Agreements” as defined in the Brushy Creek Agreement and Chisholm Trail Agreement; and

WHEREAS, the Authority entered into separate agreements with the Former Participants called the “Fourth Amendment of Agreements Among Customers” (“Amendment No. 4”), each dated as of September 23, 2010, in order to provide for payment of additional pumping capacity at the intake structure and to approve the issuance of additional Bonds by Authority; and

WHEREAS, collectively, the Original Agreement, Amendment No. 1, Amendment No. 2, Brushy Creek Agreement, Chisholm Trail Agreement, Supplemental Agreement, Amendment of Multiple Agreements, Amendment No. 3, and Amendment No. 4 are referred to as the “Project Agreements”; and

WHEREAS, effective September 12, 2014, the assets and liabilities of Chisholm Trail were acquired and conveyed to Georgetown, including the Chisholm Trail Agreement; and

WHEREAS, on August 26, 2014, the City Council of Georgetown approved an “Asset Purchase and Sale Agreement”, dated October 24, 2014, with Jonah in which Georgetown acquired Jonah’s water rights in and ownership of the Project; and

WHEREAS, the remaining participants to the Project, being Georgetown, Round Rock, and Brushy Creek, are hereinafter referred to as the “Participants”, and it has become desirable to amend and restate the Project Agreements in order to consolidate the terms of all of said Project Agreements into a single,

comprehensive document that will replace and supersede the existing Project Agreements, to remove obsolete provisions contained in the Project Agreements, and to make other changes thereto, for the convenience of the Authority and of the Participants; and

WHEREAS, in each Bond Resolution (hereinafter defined), the Authority reserved the right to amend or modify the Project Agreements, in whole or in part, in any respect and to add or delete, or change the obligations of, any of the Participants with respect thereto, as may be deemed necessary or appropriate by the Authority; provided, however, that Authority covenanted that it would not consent or agree to any amendment to the Project Agreements which would (a) reduce the amounts payable thereunder for Capital Costs, (b) extend the time of such payments, (c) adversely affect the pledge of Net Revenues, (d) adversely affect the then outstanding ratings of the Bonds issued by Recognized Investment Rating Firms or (e) which would in any manner impair or adversely affect the rights of the owners of the Parity Bonds, if any, to payment thereof from the sources, and at the times, places and in the manner set forth herein.

2. DEFINITIONS.

(a) “Additional Participants” means Participants other than those who are parties to this Agreement.

(b) “Agreement” means this Amended and Restated Williamson County Regional Raw Water Line Agreement, made by and among the Authority and each of the Participants.

(c) “Authority” means Brazos River Authority, a river authority established by a statute enacted by the Legislature of the State of Texas.

(d) “Board” means the Authority’s Board of Directors.

(e) “Bonds” means revenue bonds or other obligations (whether one or more issues) issued by Authority to obtain funds for use in the design, construction, expansion, improvement, completion, repair, replacement and/or acquisition of Project or any undivided interest therein or to obtain funds for use in reimbursement of expenditures theretofore made by it for design and/or construction of Project or issued by Authority and delivered to TWDB in payment for undivided interests in Project acquired from TWDB, and

bonds or other obligations issued for the purpose of refunding Bonds previously issued or obligations previously incurred for such purposes.

(f) “Bond Resolution” means any resolution of Board authorizing the issuance of Bonds and providing for their security and payment, as such resolution(s) may be amended from time to time as therein permitted.

(g) “Brushy Creek” means Brushy Creek Municipal Utility District, a municipal utility district established under the laws of Texas and operating pursuant to Chapters 49 and 54 of the Texas Water Code, as amended.

(h) “Capital Cost” means all sums of money which are required by the terms of a Bond Resolution to be paid to or on behalf of holders of Bonds or other obligations or to be paid into any reserve fund or sinking fund established by a Bond Resolution or which are required or permitted by the terms of any agreement between Authority and TWDB to be paid by Authority to TWDB as interest on or principal of amounts owing by Authority to TWDB on account of expenditures made by TWDB for acquisition of undivided interests in Project or as rental for use of any undivided interest therein owned by TWDB or as consideration for or on account of the acquisition by Authority of any undivided interest or interests in Project at any time owned by TWDB.

(i) “Copper Ion Generator Project” means the planning, engineering, design, acquisition of equipment, construction, and installation of a copper ion generator at the Project’s water intake structure on Lake Stillhouse Hollow.

(j) “Corps” means the United States Army Corps of Engineers.

(k) “Debt Service” means the amounts of money required to pay Capital Costs plus fees, charges and cost such as those of paying agents, registrars and trustees which are incurred incident to the handling and servicing of Bonds or other obligations.

(l) “Financial Advisor” shall mean Specialized Public Finance Inc., Authority’s financial advisor or its successor.

(m) “First Construction Issue” shall mean the first issue of Bonds made after April 17, 2000.

(n) "Fiscal Year" means the fiscal year of Authority, which is September 1 through August 31.

(o) "Future Improvement Project" shall have the meaning assigned said term in Section 11 hereof.

(p) "Georgetown" means the City of Georgetown, Williamson County, Texas.

(q) "Lake Georgetown" means Lake Georgetown constructed by the Corps on the North San Gabriel River in Williamson County, Texas.

(r) "Lake Stillhouse Hollow" means Lake Stillhouse Hollow constructed by the Corps on the Lampasas River in Bell County, Texas.

(s) "Maintenance and Operation Expense" means all costs of repairs and replacements of Project for which no special fund is created and all costs of maintenance and operation of Project including (for greater certainty but without limiting the generality of the foregoing) supervision, engineering, accounting, auditing and payments made by Authority in satisfaction of judgements resulting from claims not covered by Authority's insurance, legal expense, energy costs and any other labor, supplies, insurance, services and equipment necessary for the proper operation of the Project plus any additional direct cost(s) or expense(s) which may be imposed on Authority in connection with the fulfillment of its obligations under this Agreement by taxation or as the result of regulations or requirements lawfully imposed by the State of Texas, the United States or any state or federal agency subsequent to the execution of this Agreement plus an amount determined annually by Authority's certified public accountants to be appropriate to cover Authority's expenses of supervision and administration attributable to the obligation under this Agreement and an appropriate part of its unallocated general and administration expense. In making such determination, Authority's accountants shall utilize generally accepted accounting principles to allocate a percentage of unallocated expenses which is generally equivalent to the percentage of expenses incurred by Authority under this Agreement as compared to the overall expenses of Authority.

(t) "Monthly Charges" means the amount of the charge to be made monthly to Authority by each Participant for the services to be provided by Authority under this Agreement.

(u) "Participants" means Georgetown, Round Rock and Brushy Creek and parties who may

become Additional Participants under the provisions of Paragraph 9, below.

(v) “Project” means the Williamson County Regional Raw Water Line, consisting of the facilities initially constructed to transport raw water from Lake Stillhouse Hollow to Lake Georgetown, as such facilities have been augmented by the Phase II Pump Project (as such term is defined in Amendment No. 4 to the Original Agreement), and as such facilities may be further augmented by any Future Improvement Project including the Phase III Pump Project and the Copper Ion Generator Project.

(w) “Repair and Replacement Fund” means the fund established by the Authority, the monies from which will be used for major repairs and replacements to the Project, for extraordinary or non-recurring expenses not budgeted as Maintenance and Operation Expense and for Maintenance and Operations Expenses in excess of the amounts budgeted.

(x) “Repair and Replacement Repayment” means the portion of the Monthly Charge required or necessary during such month to replenish and maintain the Repair and Replacement Fund.

(y) “Round Rock” means the City of Round Rock, Williamson County, Texas.

(z) “Stillhouse Supply Agreements” means the contracts for water supplied by the Authority from the Brazos River Authority water supply system which will be diverted from Lake Stillhouse Hollow and transported through the Project. The parties hereto acknowledge that the Authority may supply water under the Stillhouse Supply Agreements from multiple and varied Brazos River Authority water supply sources.

(aa) “TWDB” means Texas Water Development Board, an agency of the State of Texas, created pursuant to Article 3, Section 49-c of the Texas Constitution and operating according to Chapters 6, 15-17 of the Texas Water Code.

(bb) “Phase III Pump Project” means the planning, engineering, design, acquisition, equipment, construction, and installation of pumps to meet the ultimate design capacity of the intake structure on Lake Stillhouse Hollow, any associated appurtenances necessary to operate and maintain such pumps, any necessary structural improvements to the intake structure, and any other activities or purchases requested by the Participants to insure continued operations of the Project, including, but not limited to, spare parts for

existing pumps or additional backup pumps.

3. OPERATION OF PROJECT. Authority agrees that Authority shall operate the Project to deliver water agreed to be made available from Lake Stillhouse Hollow under Stillhouse Supply Agreements to Lake Georgetown and will make such water available to Participants for diversion from Lake Georgetown.

4. BONDS. The Authority may issue additional Bonds from time to time as necessary to maintain and improve the Project. From the proceeds of Bonds issued to obtain funds for the initial construction of the Project, Authority has established a Repair and Replacement Fund in the amount of \$500,000.00. The Bond Resolution providing for the issuance of such Additional Bonds may provide that such funds may be used for any Project-related purpose at the sole discretion of the Board. Upon final payment of all Bonds, the funds in the Repair and Replacement Fund shall be used for Project capital repair and replacement costs, to be replenished according to the requirements set forth elsewhere in this Agreement.

5. PAYMENT. (a) Each Participant shall pay to Authority a Monthly Charge each month during the term of this Agreement. The Monthly Charges to be paid by all Participants shall be the total of the amounts necessary to pay Debt Service, Maintenance and Operation Expenses and any Repair and Replacement Repayment payable during such month, plus a management fee described in subparagraph 5(e), below as compensation to Authority for managing the Project for the benefit of the Participants.

(b)

(i) The Debt Service part of the Monthly Charge paid by each Participant each month shall be an amount which, when multiplied by the number of months between the dates on which the last and the next installments of Debt Service are payable by Authority, will result in a product which shall be 1/6 of the Participant's share of the next scheduled semi-annual Debt Service payments or the Participant's share of 1/12 of the next annual Debt Service payments, adjusted for any excess/shortage in the Debt Service Fund from the previous year. Such amount shall be sufficient to produce the Participant's share of the amount of money which will be needed by Authority to pay the next installment of Debt Service when due.

(ii) Except as hereinafter provided, each Participant's share of the Debt Service part of the Monthly Charge for each month shall be a percentage of the total Debt Service part of all Monthly Charges for such month based on the percentage of the total amounts of water available to all Participants under Stillhouse Supply Agreements that is available to such Participant. The amounts of water available to each Participant each year and the percentages which the individual amounts represent of the total available under the Stillhouse Supply Agreements are as set forth in the following table:

| <u>PARTICIPANT</u> | <u>WATER (acre- feet per year)</u> | <u>PERCENTAGES (%)</u> |
|--------------------|--|------------------------|
| Georgetown | 38,987 | 63.79 |
| Round Rock | 18,134 | 29.67 |
| Brushy Creek | 4,000 | 6.54 |
| <u>Total</u> | <u>61,122</u> | <u>100.00</u> |

(c) The Board shall on or before July 31 of each year prepare a budget in which it estimates the amount of Maintenance and Operation Expense to be incurred during the next following Fiscal Year. The monthly Maintenance and Operation Expense part of the Monthly Charges for each Fiscal Year shall be that amount of money which, when multiplied by 12, shall equal the amount of Maintenance and Operation Expense budgeted by the Board for such Fiscal Year, adjusted upward or downward for any deviation in the amount of Maintenance and Operation Expense actually incurred in the preceding Fiscal Year over or under the amount budgeted by Board. The Maintenance and Operation Expense will be allocated among Participants on the basis of the amount of water, expressed in acre-feet, withdrawn by each Participant from Lake Georgetown pursuant to the Stillhouse Supply Agreements during the preceding twelve (12) month period ending June 30.

(d) The Repair and Replacement Repayment part of the Monthly Charge shall be payable only

when expenditures from the Repair and Replacement Fund shall have reduced the amount of money in that fund below \$500,000.00. Each expenditure from the Repair and Replacement Fund shall be paid back into the Repair and Replacement Fund in not more than thirty-six (36) equal monthly payments, starting with the beginning of the Fiscal Year after such expenditure is made. The Repair and Replacement Repayment part of the Monthly Charge during any Fiscal Year shall be the sum of the monthly payments into the Repair and Replacement Fund required during such Fiscal Year pursuant to the provisions of the sentence next preceding. The Repair and Replacement Repayment part of the Monthly Charge shall be allocated among Participants on the same basis as the Debt Service is allocated under the provisions of subparagraph (b) above.

(e) Each Participant shall pay a portion of the total management fee due to Authority in each month in which such Participant is obligated to pay a Monthly Charge. The amount of the management fee payable by a Participant in any month in which such Participant is obligated to pay a management fee shall be equal to five one-hundredths (0.05) of the amounts such Participant is obligated to pay in such month to pay its share of Maintenance and Operation Expense, plus five one-thousandths (0.005) of the sum of the amounts such Participant is obligated to pay in such month to pay its share of Debt Service and Repair and Replacement Payment.

(f) The Monthly Charge for any month shall be payable on or before the 10th day of each month (the "due date").

(g) The Monthly Charge shall be payable at the central office of the Authority, Waco, McLennan County, Texas.

(h) Each Monthly Charge not paid before the due date shall bear interest at the lesser of the highest lawful rate or 18% per annum from the due date until the date paid.

(i) On or before each July 31 while this Agreement remains in force, Authority shall certify to each Participant the amount of its Monthly Charge for the next succeeding Fiscal Year.

6. INVESTMENT OF FUNDS. Pending expenditure, all proceeds of Bonds, including sums on deposit in funds required to be established under the terms of a Bond Resolution, shall be kept invested

in revenue producing investments which Authority is permitted by law to make, with the objective of producing the maximum revenue which can be produced without impairing the exemption of interest on Bonds from federal income tax or the availability of such funds for expenditure by Authority as needed in the fulfillment of its obligations hereunder. The earnings on such investments shall be used to pay Debt Service and reduce the Debt Service part of the Monthly Charges to the Participants, except that to the extent necessary, such earnings may be used to complete construction of the improvement project, or phase or component thereof, for which the respective series of Bonds was issued.

7. METERS. Each Participant shall install, operate and maintain or arrange for the installation, operation and maintenance of a meter which will accurately measure and record the amount of water withdrawn by the Participant from Lake Georgetown. Authority shall have the right to read such meter once each month in the presence of Participant's representative. The meter is to be tested and calibrated for accuracy once each year at Participant's expense and a report of such test and calibration shall be furnished to Authority. If questions regarding the accuracy of the meter arise, Authority may demand testing in addition to the annual test, above required. If, as a result of any such additional test, the meter is found to be inaccurate in excess of 2%, Participant shall pay for the test and for having the meter promptly calibrated for accuracy. If the meter is found to be within 2% tolerance, Authority shall pay for the testing. Adjustments for inaccuracies discovered in metering as a result of any test shall be computed based upon an agreed period of adjustment or if agreement cannot be reached, the shorter of a period beginning 60 days prior to the date of the test or a period covering one-half of the time since the last previous test. Participant shall provide daily use records reflecting withdrawals from Lake Georgetown to Authority by the 10th day of the month following the month of withdrawal.

8. PROJECTION INFORMATION.

On or before November 1 of each year during which Project is being operated by Authority on such date, each Participant shall supply to Authority a written estimate of the amounts and times of withdrawals from Project and/or Lake Georgetown which it anticipates that it will make or request during the calendar year beginning on the next following January 1.

9. ADDITIONAL PARTICIPANTS. Authority may allow parties other than those who are listed as Participants under this Agreement to become Participants provided that service to be made available to such Additional Participants shall not interfere with or diminish Authority's ability to fulfill its obligations under this Agreement to the Participants which are parties to this Agreement and provided further that the provision of service to such Additional Participants shall not cause the Monthly Charges to any Participant which is a party to this Agreement at any time while this Agreement remains in force to be greater than it would have been if service to such Additional Participants had not been provided. In the event that Authority does provide service to Additional Participants, the Maintenance and Operation Expense part of the Monthly Charge and the Repair and Replacement Repayment part of the Monthly Charge becoming payable after service to such Additional Participants begin, shall be allocated as if the Additional Participants had been Participants under this Agreement. The Debt Service part of the Monthly Charge shall be allocated as if the Additional Participants had been Participants under this Agreement and as if the water supplied to them were being supplied under the Stillhouse Supply Agreements, with the amounts of water to be supplied and the percentages set forth in the table contained in subparagraph 5(b), above, being appropriately adjusted. The foregoing provisions with reference to allocations after service to such Additional Participants shall be modified during the initial years of service to such Additional Participants in order to prevent injustice to the Participants resulting from the fact of their payments of Debt Service part of the Monthly Charges for the period during which such Additional Participants shall not have participated in the payment of the Debt Service (if this shall occur) will have created the then present ability of Authority to provide service to the Additional Participants from the Project. The modification will be as follows:

(a) Each Additional Participant shall pay to Authority a sum of money, hereinafter called "Equity Payment", plus interest on the unpaid balance of such sum from the date on which such Additional Participant and Authority enter into a contract providing that Authority will supply service from Project to such Additional Participant, with the amount of the Equity Payment in each case to be determined by the Board, in its sole discretion, as being appropriate to prevent injustice to Participants.

(b) The Equity Payment and interest thereon shall be payable in not more than sixty (60)

consecutive monthly installments, the first such installment to be payable with the first Monthly Charge required to be paid by such Additional Participant and with one additional installment to be payable with the payment of each Monthly Charge which thereafter becomes payable by such Additional Participant, until paid in full. The amount of each installment shall be:

- (i) A fraction of the Equity Payment, the numerator of which shall be one and the denominator shall be the number of months over which the Equity Payment is to be amortized; plus
- (ii) Accrued interest on the Equity Payment.

(c) During each Fiscal Year in which there remains an unpaid balance of Equity Payment, interest shall be payable on the unpaid balance at the rate of the lessor of:

- (i) The base rate of interest, whether charged or not, established TexPool, or any successor thereto, on June 1 of the Fiscal Year preceding the fiscal year during which such rate is payable, plus two percent (2.00%) per annum; or
- (ii) The highest lawful rate.

(d) On or before August 1 of each year immediately preceding September 1 on which a Fiscal Year during which an Additional Participant shall be required to make Equity Payments shall begin, Authority shall notify such Additional Participant of the interest rate to be payable during such Fiscal Year on the unpaid balance of the Equity Payment and the amount of each installment which such Additional Participant shall be required to pay against the Equity Payment during such Fiscal Year.

(e) Equity Payments received by Authority shall be applied as received to reduce pro rata the next subsequent Debt Service part of the Monthly Charge allocable to each Participant based on each Participant's pro rata share of the Debt Service part of the Monthly Charge.

10. GENERAL PROVISIONS.

(a) The term of this Agreement shall continue in force and effect for so long as any Bonds or bonds issued to refund same are outstanding and unpaid. The term of this Agreement having expired, upon cessation of use of Project by all Participants, all lands and personal property constituting a part of Project

shall be considered as having been purchased by the Participants by payments made hereunder, and thereafter shall be owned by Participants as tenants-in-common with their respective interest to be in proportion to their obligations to make payments with respect to Debt Service under Paragraph 5, above.

(b) All notices and communications provided for herein shall be in writing and shall be either delivered or mailed to Authority or Participants, and if mailed, shall be sent certified mail, return receipt requested, postage prepaid, addressed as follows:

(i) If to Authority –

General Manager
Brazos River Authority
P.O. Box 7555
4400 Cobbs Drive
Waco, Texas 76714-7555

(ii) If to Georgetown –

City Manager
City of Georgetown
P.O. Box 409
Georgetown, Texas 78627

(iii) If to Round Rock

City Manager
City of Round Rock
214 East Main Street
Round Rock, Texas 78664

(iv) If to Brushy Creek

General Manager
Brushy Creek Municipal Utility District
16318 Great Oaks Drive
Round Rock, Texas 78681

(c) It is recognized by the parties that payments made to Authority by Participants hereunder shall be the only resource of Authority for the payment of Maintenance and Operation Expense and Debt Service. It is further recognized that in order for Authority to be able to sell Bonds most advantageously, it is necessary that prospective purchasers of Bonds have assurance that each Participant is unconditionally obligated to pay its allocated part of the Debt Service. Therefore, it is agreed by each Participant that it will

pay its allocated share of the Debt Service part of the Monthly Charges required under Subparagraph 5(b), above, whether or not it ever receives or continues to receive water available to it from the Authority water supply system at Lake Stillhouse Hollow under the Stillhouse Supply Agreements in Lake Georgetown as a result of operation of the Project. Further, each Participant agrees that should any Participant become bankrupt or otherwise financially unable to pay its allocated portion of the Debt Service Charges, the amount due from such bankrupt or otherwise financially unable Participant shall be allocated among the other Participants and paid by them pro rata on the basis of the part of the Debt Service part of the Monthly Charge allocated to each Participant under the provisions of subparagraph 5, above.

(d) This agreement shall be subject to all valid rules or regulations and laws applicable hereto passed or promulgated by the United States of America, the State of Texas or any governmental body or agency having lawful jurisdiction or any authorized representative or agency of any of them. Any tax or fee required to be paid by Authority on account of ownership or operation of Project shall be considered a part of Maintenance and Operation Expense.

(e) Authority shall not have the right to demand payment by any Participant of any obligation undertaken by or imposed upon any of them by virtue of this Agreement from funds raised or to be raised by taxation. The obligation of each Participant under this Agreement shall never be construed to be a debt of any of such kind as to require any such Participant under the Constitution and laws of the State of Texas to levy or collect a tax to discharge such obligation. Payments due by each Participant shall be made from the revenues of its water system. Each of such Participants represents and covenants to Authority that all payments to be made hereunder by it shall constitute "operating expenses" of its water system as authorized by statute. Each Participant further represents that the services to be provided by Project are absolutely necessary and essential to the present and future operation of its water distribution system and that Project constitutes the only reasonable method for obtaining the ability to transport water from Lake Stillhouse Hollow to Lake Georgetown and, accordingly, all payments required by this Agreement to be made by Participant shall constitute reasonable and necessary operating expenses of each Participant's water distribution system, with the effect that the obligation to make such payments from revenues of Participant's

water distribution system shall have priority over any obligation to make any payments from such revenues of principal, interest, or otherwise, with respect to all bonds or other obligations hereafter issued by Participant, except any other contract under which Participant is required to make payments which constitute operation and maintenance expenses of Participant. Participant may not obtain the services or facilities project under this Agreement to transport water from Lake Stillhouse Hollow to Lake Georgetown from any other source than Authority without Authority's advance written consent.

(f) Each Participant agrees to fix and collect such rates and charges for water supplied through its water distribution system as will make possible the prompt payment of all expenses of operating and maintaining its water distribution system, including all monetary obligations to Authority incurred hereunder, and the prompt payment of the principal of and interest on its obligations payable from the revenues of its water distribution system.

(g) If by reason of force majeure, any party hereto shall be rendered unable, wholly or in part to carry out its obligations under this Agreement, then such party shall give notice and full particulars of such force majeure in writing to Authority if such party is a Participant or to each Participant if such party is Authority within reasonable time after occurrence of the event or cause relied on, and the obligations of the party giving such notice, insofar as they are affected by such force majeure, shall be suspended during the continuance of the inability thus claimed, but for no longer period, and any such party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "force majeure" as employed herein shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of 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, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints by government, civil disturbances, explosions, breakages, or accidents to machinery, pipelines, pumps or other facilities, partial or entire failure of water supply or any other cause beyond the reasonable control of such party. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the party having the difficulty and that the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require settlement

of strikes and lockouts by acceding to demands of the opposing party or parties when such settlement is unfavorable to it in the judgment of the party having the difficulty. The provisions of this Subparagraph 16(g) notwithstanding force majeure shall not relieve any Participant of its obligations to make any payments to Authority as its share of the Debt Service as required under the provisions of subparagraph 5(a), above.

(h) Authority shall maintain financial records respecting its construction and operation of Project in accordance with the procedures used by it in maintaining records of its affairs which are audited annually by its certified public accountants. All such records and Authority's annual statement shall be available for inspection by any Participant at any reasonable time during business hours. Each Participant shall submit to Authority or its designee an annual audit of its affairs prepared by an independent certified public accountant or an independent firm of certified public accountants.

(i) Authority agrees that while this Agreement remains in force it will, for the purpose of assuring proper maintenance, operation, repair and replacement of Project from time to time, employ an independent engineer or engineering firm or corporation having favorable repute for skill and experience in such work and will, at all appropriate times, cause such consulting engineer to submit and give necessary or desirable advice and recommendations concerning operations, renewals, replacements, extensions, betterments, and improvements of the Project to the end that the Project shall be operated and maintained in the most efficient and satisfactory manner. Further, Authority shall cause the consulting engineer to make in writing a full survey, review and report of the physical condition of Project once every five (5) years, commencing five (5) years from the date when the Project becomes operational. A copy of such survey, review and report shall be available to any Participant at any reasonable time during business hours. Authority further agrees that it will cause such consulting engineer to include as part of the above report, such engineer's recommendations and advice as to the proper maintenance, repair and operation of the Project, including findings as to whether or not properties of the Project have been maintained in good repair and sound operating condition; the extension, improvements, renewals and replacements which should be made during the ensuing five (5) years; and the amounts and types of insurance which should be carried by Authority on the Project.

(j) In event of default by any Participant in making payments required of Participant under this Agreement, Authority may, at its option, terminate this Agreement and Stillhouse Supply Agreements with such Participant or it may recover amounts agreed to be paid by such Participant by appropriate legal action. Should other Participants be required to make increased payments to Authority pursuant to Subparagraph 16(c), above, on account of failure of defaulting Participant to make payments to Authority, Authority shall exercise the options to cancel provided in the preceding sentence. In the event of exercise by Authority of such options to cancel, the rights of the Participant with respect to which such options are exercised shall be made available to the other Participants who are willing to assumed the obligations of the cancelled Participant under this Agreement and under Stillhouse Supply Agreements pro rata on the basis of the percentages of total water available to each under Subparagraph 5(a), above.

(k) Any waiver at any time by any party of its rights with respect to default under this Agreement or with respect to any other matter arising in connection with this Agreement shall not be deemed the waiver with respect to any subsequent default or matter.

(l) Nothing contained in this Agreement shall be construed in any manner to abridge, limit or deprive any party hereto of any means which it would otherwise have of enforcing any remedy, in law or in equity, for breach of any of the provisions hereof, provided, however, that this provision shall not be deemed to eliminate or diminish the right of any party to arbitration and to enforcement of arbitration awards under subparagraph (h), above.

(m) This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the respective parties hereto, provided, however, that no assignment shall have the effect of relieving the party making such assignment of any liability hereunder. All assignments are subject to Authority approval, which approval shall not be unreasonably withheld.

(n) As between Authority on the one hand and each Participant on the other, each shall protect and save the other harmless from any loss or damage to persons or property occasioned on its own side of points of delivery of water into Lake Georgetown or in connection with apparatus or appurtenances including pumps, transmission lines and conduits operated by it, except as to loss or damage caused by the negligence

of the other party, its agents, servants, or employees and except as to injury or death of employees of the other party.

(o) It is recognized by the parties that default by Authority in its obligations hereunder can result in injury to Participants which cannot be compensated by damages. Therefore, the remedy of specific performance shall be available to Participants and each of them for enforcement of Authority's obligations hereunder.

(p) It is the intent of the parties to this Agreement to provide to the maximum extent practical for the conservation of water. Each Participant agrees that as a condition of this Agreement that it shall maintain and operate its facilities in a manner which will prevent unnecessary waste of water. Authority agrees that it will maintain and operate Project in a manner that will prevent unnecessary waste of water.

(q) Circulation of copies of this Agreement among Participants to obtain the signatures of all Participants on the same copies hereof would be inconvenient and result in delay. Therefore, this Agreement has been prepared in multiple copies with four copies being prepared for signature on behalf of Authority, on the one hand, and on behalf of each Participant, alone, on the other hand. When all copies have been signed on behalf of Authority and of each Participant, Authority shall give written notice of such fact to all Participants and this Agreement shall thereupon become effective. Authority shall receive possession of one fully executed copy of this Agreement, and each Participant shall receive possession of one fully-executed copy of this Agreement, resulting in a total of four originally executed copies. The Agreement, when it becomes effective, shall be binding on Authority and all Participants and subject to enforcement by any party against any other.

(r) This Agreement shall not prevent a Participant from selling or transferring its interest hereunder to Authority in the future as a part of a regional water supply agreement by which the Participant purchases a substitute water supply from Authority. It is understood, however, that Authority's willingness and ability to undertake such an arrangement in the future is contingent upon its ability to undertake such obligations without impairing bond obligations or its obligations to other Participants.

(s) Notwithstanding any provision of this Agreement to the contrary, Participants agree that

Central Texas Water Supply Corporation and its successors in interest may use and continue to use intake structure in connection with the operation of its water treatment plant constructed in the vicinity of Lake Stillhouse Hollow after termination of this Agreement for so long as it or its successors shall operate such plant and intake structure continues to be useful in such operation. Authority may contract with to allow such use.

11. FUTURE IMPROVEMENT PROJECTS. The Participants acknowledge the need for additional improvements to the Project, both to maintain the operation of the Project and to increase or expand the capabilities of the Project, including without limitation the Copper Ion Generation Project and the Phase III Pump Project (collectively, "Future Improvement Projects"). Accordingly, the Participants agree that the Authority shall provide for the engineering, design, construction, and financing of any Future Improvement Project upon approval by all Participants.

All costs of any Future Improvement Project shall be the responsibility of the Participants. Costs of Future Improvement Projects shall be allocated to each Participant in proportion to the percentage of system water available to that Participant under the Stillhouse Supply Agreements, as reflected in Section 5(b) above.

12. AMENDMENT OF PROJECT AGREEMENTS. Upon the execution of this Agreement by the Authority and by each of the Participants, the Project Agreements described in the preambles hereof, including the Original Agreement, Amendment No. 1, Amendment No. 2, Brushy Creek Agreement, Chisholm Trail Agreement, Supplemental Agreement, Amendment of Multiple Agreements, Amendment No. 3, and Amendment No. 4, shall be and are hereby deemed to be amended, superseded, and replaced in their entirety by this Agreement, and the respective rights, duties, and obligations of the Authority and the Participants under said Project Agreements shall thereafter be determined, exercised and enforced solely pursuant to this Agreement. In the event of any conflict between the provisions of any of the Project Agreements and this Agreement, the terms of this Agreement shall control.

Dated this the _____ day of _____, 2020.

BRAZOS RIVER AUTHORITY

By _____
David Collinsworth,
General Manager

ATTEST:

Assistant Secretary

“Authority”

Dated this the _____ day of _____, 2020.

CITY OF GEORGETOWN

BY _____
Mayor

ATTEST:

City Secretary

“Participant”

Dated this the _____ day of _____, 2020.

CITY OF ROUND ROCK

BY _____
Mayor

ATTEST:

City Secretary

“Participant”

Dated this the _____ day of _____, 2020.

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

BY _____
President

ATTEST:

Secretary

“Participant”