CAUSE NO. CV-0082741

| GALVESTON COUNTY | § | IN THE COUNTY COURT OF |
|----------------------------|---|-------------------------|
| MUNICIPAL UTILITY DISTRICT | § | |
| NO. 6, | § | |
| Plaintiff, | § | |
| | § | GALVESTON COUNTY, TEXAS |
| v. | § | |
| | § | |
| CITY OF LEAGUE CITY, | § | |
| Defendant. | § | AT LAW NO. 3 |

RULE 11 AGREEMENT

1. Plaintiff, Galveston County Municipal Utility District No. 6 ("MUD 6") and Defendant, the City of League City, Texas (the "City") file this Agreement under authority of Rule 11 of the Texas Rules of Civil Procedure.

I. Agreement

- 2. MUD 6 has filed a Petition to Compel Arbitration and Appoint Neutral Arbitrator, which the City opposes. In order to resolve, in part, the parties' current disagreements and avoid the necessity of the hearing on MUD 6's petition which is scheduled for January 29, 2019, the parties have agreed as follows:
 - a) MUD 6 will pass the January 29, 2019 hearing.
 - b) The City will include items on its City Council Agenda for February 12, 2019, providing for discussion and action on MUD 6's applications for approval of Bond Issues #13 and #14.

- c) The City Council will take one or more votes, at such meeting, on whether to approve each of the applications.
- d) If, after the votes are taken, MUD 6 asserts any claims that are within the scope of the arbitration provision in section 8.02 of the June 14, 1979 Utility Agreement, the parties will forthwith request a list of seven (7) arbitrators from the International Centre for Dispute Resolution and shall select one of the arbitrators from that list to arbitrate those claims that are within the scope of the referenced arbitration provision.
- e) An agreed arbitrator shall be selected from the list by a process in which each party will alternate in striking names from the list, one at a time, until only one name remains. The order in which the parties shall proceed in striking names from the list shall be determined by a coin toss.

AGREED:

FELDMAN & FELDMAN, P.C.

/s/ David M. Feldman

David M. Feldman State Bar No. 06886700 david.feldman@feldman.law Shannon R. Smittick State Bar No. 24094957 shannon.smittick@feldman.law 3355 West Alabama Suite 1220 Houston, Texas 77098

Telephone: (713) 986-9471 Facsimile: (713) 986-9472

ATTORNEYS FOR PLAINTIFF, GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 6

OLSON & OLSON, L.L.P.

/s/ John J. Hightower

John J. Hightower
State Bar No. 09614200
jhightower@olsonllp.com
Allison S. Killian
State Bar No.24099785
akillian@olsonllp.com
Wortham Tower, Suite 600
2727 Allen Parkway
Houston, Texas 77019
Telephone: (713) 533-3800
Facsimile: (713) 533-3888

ATTORNEYS FOR DEFENDANT, CITY OF LEAGUE CITY, TEXAS

CERTIFICATE OF SERVICE

I hereby certify that on January 28, 2019, a true and correct copy of Rule 11 Agreement was served on the following parties via electronic service:

David M. Feldman Shannon R. Smittick FELDMAN & FELDMAN, P.C. 3355 West Alabama St., Suite 1220 Houston, Texas 77098 david.feldman@feldman.law shannon.smittick@feldman.law

> <u>/s/ John J. Hightower</u> John J. Hightower