

**SECOND SUPPLEMENT TO
FOURTH AMENDED AND RESTATED WATER SUPPLY CONTRACT
BETWEEN
GULF COAST WATER AUTHORITY
AND
CITY OF LEAGUE CITY, TEXAS**

_____, 2025

**SECOND SUPPLEMENT TO FOURTH AMENDED AND
RESTATED WATER SUPPLY CONTRACT BETWEEN
GULF COAST WATER AUTHORITY AND
CITY OF LEAGUE CITY, TEXAS**

This **SECOND SUPPLEMENT TO FOURTH AMENDED AND RESTATED WATER SUPPLY CONTRACT BETWEEN GULF COAST WATER AUTHORITY AND CITY OF LEAGUE CITY, TEXAS** (this “Second Supplement”), dated as of _____, 2025, is by and between the **GULF COAST WATER AUTHORITY**, a conservation and reclamation district and political subdivision of the State of Texas the “Authority”), and the **CITY OF LEAGUE CITY, TEXAS**, a municipal corporation and home rule municipality of the State of Texas (the “City”). The City and the Authority are referred to collectively as the “Parties” and individually as a “Party.”

RECITALS:

WHEREAS, the City owns and operates a waterworks system supplying water to inhabitants of the City and adjacent areas situated on the mainland of Galveston County, Texas; and

WHEREAS, the Authority has the responsibility and authority to develop water supplies for agricultural, municipal, industrial and other uses in the Gulf Coast area, including Galveston County, Texas; and

WHEREAS, the Authority is one of the participants to the Plant Cost Sharing Agreement, pursuant to which the Authority has acquired capacity in the Plant on behalf of the City; and

WHEREAS, pursuant to the Plant Cost Sharing Agreement, the Authority and Houston have entered into the Capacity Reservation Contract, the current version of which is attached hereto as Exhibit A; and

WHEREAS, the Capacity Reservation Contract provides for Houston to reserve and deliver to the Authority, for the benefit of the City, the Contract Quantity, which amount is in addition to the water that Houston currently delivers to the Authority for the benefit of the City under the Plant Cost Sharing Agreement, subject to the completion of (i) the SETL Project and (ii) a future expansion of the Plant to increase its rated production capacity by at least the Contract Quantity (as further defined in Section 1 hereof, the “Plant Upsizing”); and

WHEREAS, the City and the Authority have entered into that certain Fourth Amended and Restated Water Supply Contract between the Gulf Coast Water Authority and the City of League City, Texas, dated as of November 18, 2021, as amended or supplemented from time to time (the “Agreement”), which, *inter alia*, incorporates by reference the terms and provisions of the Capacity Reservation Contract and provides for the City’s payment of costs under the Capacity Reservation Contract in consideration for the Authority’s entry into the Capacity Reservation Contract for the benefit of the City; and

WHEREAS, the SETL Project is under construction, and Houston is prepared to commence the design and construction of the Plant Upsizing; and

WHEREAS, pursuant to the foregoing, the Authority and Houston have entered into that certain First Supplement to Untreated Water Reservation Contract, dated as of [_____] /, 2025 (the "First Supplement to the Capacity Reservation Contract"), to establish the parameters for coordination of the design and construction of the Plant Upsizing; and

WHEREAS, pursuant to the First Supplement to the Capacity Reservation Contract, 100% of the Plant Upsizing has been allocated to the Authority for the benefit of the City, and the Authority has agreed to pay all costs to complete the Plant Upsizing in order to receive the Contract Quantity for the benefit of the City; and

WHEREAS, Section 2.05(c) of the Agreement provides that the Plant Upsizing will be at the sole cost and expense of the City; and

WHEREAS, the City and the Authority acknowledge that the payments made by the City to the Authority under the Agreement are the sole source of funds available to the Authority to pay the Project Costs (as defined in Section 1 hereof) due to Houston under the First Supplement to the Capacity Reservation Contract; and

WHEREAS, the City and the Authority now desire to enter into this Second Supplement providing for the City's payment to the Authority of all Project Costs in accordance with and subject in all respects to the terms of the Agreement, the Capacity Reservation Contract, the First Supplement to the Capacity Reservation Contract and the Plant Cost Sharing Agreement; and

NOW, THEREFORE, in consideration of the premises, and for good and valuable consideration, the City and the Authority agree as follows:

AGREEMENT

Section 1. **Recitals.** The recitals contained herein are hereby found to be true, and such recitals are hereby made a part of this Second Supplement for all purposes.

Section 2. **Defined Terms.** All capitalized terms used in this Second Supplement have the meanings provided in the preamble and Recitals hereto and as provided in this Section. All capitalized terms not defined in this Second Supplement shall have the meanings assigned to such terms in the Agreement.

- a. "Account" means one or more accounts established and controlled by Houston for the receipt and disbursement of funds contributed by the Authority on behalf of the City for payment of Project Costs.

- b. "Additional Funds" means any additional funds lawfully available to the Authority and deposited into the Account to cover Project Costs for Unforeseen Conditions.
- c. "AUP Report" means an agreed upon procedures report and associated findings to review the accounting for the Project Costs, produced by an independent accounting firm engaged by Houston under an agreed-upon procedures engagement conducted in accordance with: (i) Section 10 of the First Supplement to the Capacity Reservation Contract; and (ii) the Statements on Standards for Attestation Engagements published by the American Institute of Certified Public Accountants.
- d. "Cash Call" means any one of a series of demands sent by the Project Director to the Authority for funds to pay for Project Costs in accordance with the requirements set forth in Section 6.
- e. "Cash Call Due Date" means the date specified in a Cash Call on which the Authority must deposit cash into the Account.
- f. "City Representative" means the individual designated by and authorized to act on behalf of the City in the manner described in this Second Supplement.
- g. "Design Engineer" means the engineering firm(s) engaged by Houston to provide engineering design and construction oversight for the Plant Upsizing.
- h. "Final Statement" has the meaning given in Section 9.b.
- i. "Plant Upsizing" has the same meaning given to the term "Plant Expansion" in the Capacity Reservation Contract, which means the future expansion of the Plant to increase its rated production capacity by at least 20 MGD, the Contract Quantity, in accordance with the terms and conditions of the Plant Cost Sharing Agreement.
- j. "Preliminary Engineering Report" means a report prepared by the Design Engineer containing: (i) surveys and preliminary plans and specifications; (ii) estimated Project Costs, budgets and identified problems for the preliminary plans and specifications, including alternative solutions; (iii) possible alternate bid Work Items recommended by the Design Engineer and the Project Director; and (iv) recommendations on whether and how to divide the Work into separate construction contracts.
- k. "Project Costs" means all costs to complete the Plant Upsizing, including, without limitation, all planning, design, engineering and construction costs.
- l. "Project Director" means the individual designated by the Houston Public Works Director, or his or her designated representative, and authorized to act on behalf of Houston in the manner described in the First Supplement to the Capacity Reservation Contract.

- m. "True-up Statement" has the meaning given in Section 9.a.
- n. "Unforeseen Condition" means an unanticipated field condition, regulatory requirement, or similar contingency, including Force Majeure (as that term is defined in Section 5.01 of the Capacity Reservation Contract), which the Project Director reasonably believes may require a revision to the Budget, the Project Schedule, or both.
- o. "Work" means any of the labor, materials, equipment, administration and other similar efforts and items necessary or beneficial for completion of the Plant Upsizing.
- p. "Work Item" means a discrete portion of the Work.

Section 3. **Purpose of Second Supplement.** The Agreement is hereby supplemented by this Second Supplement for the sole purpose of establishing a set of terms and conditions related to the City's payment of Project Costs, but the Second Supplement does not change the terms of the Agreement.

Section 4. **Preliminary Engineering Report; Notice to Proceed.** Following the Authority's receipt from the Project Director of a copy of the Preliminary Engineering Report, together with estimates of the Project Costs, as well as the manner of calculation of such costs (the "Budget"), and a schedule detailing the key events related to the design and construction of the Plant Upsizing (the "Project Schedule") for review and comment pursuant to Section 3 of the First Supplement to the Capacity Reservation Contract, the Authority shall provide the Preliminary Engineering Report, Budget and Project Schedule to the City Representative in connection with the Authority's review and approval of the Preliminary Engineering Report, the Budget and the Project Schedule. Upon receipt of the Preliminary Engineering Report, the Budget and the Project Schedule, the City shall have ninety (90) days in which to provide notice to the Authority that the City desires to proceed with the Plant Upsizing in accordance with the following provisions:

- a. If the City notifies the Authority that the City does not want to proceed with the Plant Upsizing, the Authority shall submit to the City an invoice for all Project Costs incurred by Houston and billed to the Authority up to the date of notice, and the City shall remit payment to the Authority of such costs not later than thirty (30) days from the date of the Authority's invoice to the City, under the First Supplement to the Capacity Reservation Contract, which the Authority shall promptly forward to Houston. Upon Houston's receipt of such payment from the Authority, this Second Supplement shall immediately terminate and be of no further force and effect; or
- b. If the City notifies the Authority that the City is willing to proceed with the Plant Upsizing, the Authority will notify Houston so that Houston may proceed with implementation of design and construction of the Plant Upsizing at the City's sole cost and expense, in accordance with the provisions of the First Supplement to the Capacity Reservation Contract.

Section 5. City's Duty to Pay Project Costs.

- a. The City represents and certifies to the Authority that it has or will have on hand any lawfully available sufficient funds to pay the Project Costs at the time payment is due under this Second Supplement.
- b. In order to receive the Contract Quantity, the City agrees to provide to the Authority sufficient funds for the Authority to pay the Project Costs into the Account on behalf of the City, through a series of Cash Calls described in Section 6, no later than ten (10) days prior to the applicable Cash Call Due Date.

Section 6. Cash Calls.

- a. Following the Authority's receipt from the Project Director of written notice pursuant to Section 6 of the First Supplement to the Capacity Reservation Agreement (the "Notice of Upcoming Cash Call") of: (i) the estimated Project Costs and Work Items to be paid with proceeds of any upcoming Cash Call; (ii) the estimated dollar amount due from the Authority pursuant to the upcoming Cash Call, and the calculation thereof; and (iii) the estimated Cash Call Due Date, the Authority shall provide such Notice of Upcoming Cash Call to the City. The Cash Call Due Date for each Cash Call shall be no earlier than sixty (60) days after the date the Project Director sends a Notice of Upcoming Cash Call to the Authority. In no event shall a Cash Call Due Date be more than eighteen (18) months after the date the Project Director sends the Notice of Upcoming Cash Call to the Authority.
- b. If the City pays the Authority the amount stated in the Cash Call after the Cash Call Due Date, the City shall pay interest accruing on the dates and at the rate set forth in Chapter 2251 of the Texas Government Code, as amended.
- c. If the Project Director notifies the Authority of an Unforeseen Condition and issues a Cash Call to request Additional Funds, the Authority shall notify the City and the City will be responsible for submitting the Additional Funds to the Authority in accordance with the Cash Call process set forth in subsection a.

Section 9. Accounting and Final Statement.

- a. Following the Authority's receipt of an approved AUP Report from Houston pursuant to Section 10 of the First Supplement to the Capacity Reservation Contract, the Authority shall provide a copy of the AUP Report to the City. If any refund is issued to the Authority from the Account, the Authority shall remit such refund to the City within ten (10) days of the Authority's receipt of such refund from Houston. If the Authority receives from Houston a statement of the amount of funds that the Authority must pay into the Account before it may receive the Contract Quantity (the "True-up Statement"), the Authority shall submit to the City a copy of the True-up Statement. Within thirty (30) days of the City's receipt of the True-up Statement, the City shall remit to the Authority

the full amount owed to Houston under the True-up Statement, which the Authority shall promptly forward to Houston.

- b. Following the Authority's receipt of a written statement from the Project Director pursuant to Section 10 of the First Supplement to the Capacity Reservation Contract declaring that the Authority does not owe and is not owed any amount under the First Supplement to the Capacity Reservation Contract, and stating the Plant Upsizing is capable of delivering the Contract Quantity (the "Final Statement"), the Authority shall provide a copy of such Final Statement to the City.

Section 10. **Cooperation.** The Parties acknowledge and agree that they will cooperate to effectuate the intent of this Second Supplement.

Section 11. **Term and Termination.** This Second Supplement is effective on the Effective Date and, unless earlier terminated pursuant to Section 4 hereof, shall remain in effect until the date on which the Capacity Reservation Contract expires or terminates.

Section 12. **Multiple Counterparts; Electronic Signatures.** The Parties have executed this Second Supplement in multiple copies, each of which is an original. The Parties hereby agree that each Party may sign and deliver this Second Supplement electronically or by electronic means and that an electronic transmittal of a signature, including but not limited to, a scanned signature page, will be as good, binding, and effective as an original signature.

(Signature pages follow)

AGREED TO THIS _____ day of _____, 2025.

CITY OF LEAGUE CITY, TEXAS

By: _____
Mayor

ATTEST:

City Secretary

(SEAL)

GULF COAST WATER AUTHORITY

By: _____
President, Board of Directors

ATTEST:

Secretary, Board of Directors

(SEAL)

Exhibit A

Capacity Reservation Contract

[to be attached]

UNTREATED WATER RESERVATION CONTRACT
BETWEEN THE CITY OF HOUSTON, TEXAS AND
GULF COAST WATER AUTHORITY

C78333
2020-0174

THIS UNTREATED WATER RESERVATION CONTRACT (this "Contract") is made by and between the CITY OF HOUSTON, TEXAS, a home rule municipality of the State of Texas ("Houston"), and GULF COAST WATER AUTHORITY, a conservation and reclamation district and body politic and corporate of the State of Texas (the "Authority") (each a "Party" and together, the "Parties"), effective as of the date countersigned by the Houston City Controller (the "Effective Date").

RECITALS

WHEREAS, Houston and the Authority are parties to the "Cost Sharing Agreement, Southeast Water Purification Plant (Restated and Amended)" dated June 22, 2001, approved by the Houston City Council by Ordinance No. 2001-417 and referred to as Contract No. 52797, as amended on September 27, 2007, approved by the Houston City Council by Ordinance No. 2007-927 and referred to as Contract No. 52797 (the "Cost Sharing Agreement"), for construction and operation of the Southeast Water Purification Plant (the "Plant") and delivery of raw water from Houston to the Authority; and

WHEREAS, pursuant to the Cost Sharing Agreement, Houston delivers to the Authority 31.5 million gallons per day ("MGD") of untreated surface water (the "Existing Water Commitment"); and

WHEREAS, the Authority desires to obtain an additional 20 MGD of untreated surface water from Houston for the benefit of the City of League City, Texas; and

WHEREAS, Houston and the Authority are negotiating a cost sharing agreement for the design and construction of a new water transmission line (the "Southeast Transmission Line Project") that will deliver treated water from the Plant to the Authority, among others; and

WHEREAS, WHEREAS, Houston is willing to reserve and deliver to the Authority an additional 20 MGD of untreated surface water subject to the terms and conditions set forth in this Contract.

NOW, THEREFORE, for and in consideration of the mutual promises and agreements set forth below, the Parties agree as follows:

The Parties agree that all matters set forth in the Recitals above are true and correct and are incorporated in this Contract by reference, including, without limitation, all definitions of capitalized terms used throughout this Contract.

ARTICLE I DEFINITIONS

1.01 Definitions. When used in this Contract, the following words will have the meanings set forth below:

Contract Quantity means 20 MGD of untreated water to be reserved and delivered by Houston to the Authority under the terms of this Contract.

Delivery means the provision of untreated water through the facilities and from the locations as specified in the Cost Sharing Agreement.

Director means the Director of Houston Public Works, or the Director's designated representative. The Director is the "Utility Official" sometimes referred to in the City of Houston, Texas Code of Ordinances.

Existing Water Commitment means the current provision of untreated water by Houston to the Authority as specified under the terms and conditions of the Cost Sharing Agreement. The Existing Water Commitment is 31.5 MGD.

Houston Water Management Requirements means the requirements in Article VII, Chapter 47 of the Houston Code of Ordinances, as amended, related to water conservation, drought management, plumbing code, or similar policies and any authorized and subsequent policy document issued by the Director.

Payment means those annual payments of the Reservation Fee required by Houston from the Authority for each twelve-month period, beginning 30 days after the Effective Date of this Contract to secure the reservation of untreated water under the terms of this Contract.

Plant Expansion means the future expansion of the Southeast Water Purification Plant to increase its rated production capacity by at least 20 MGD, the Contract Quantity, in accordance with the terms and conditions of the Cost Sharing Agreement.

Reservation Fee means that amount specified in this Contract that must be paid each year by the Authority to secure the benefits of reserving the Contract Quantity under this Contract.

Southeast Water Purification Plant or Plant means the Southeast Water Purification Plant managed by Houston with various co-participants, as fully described in the Cost Sharing Agreement.

Southeast Transmission Line, or Southeast Transmission Line Project means the yet to be constructed transmission main delivering treated water to the Authority from the Plant pursuant to the terms and conditions of a cost sharing agreement.

ARTICLE II WATER RESERVATION AND DELIVERY

2.01. Reservation of Contract Quantity. Subject to and conditioned upon the Authority's payment of the fees described in Sections 2.02 and 2.03 below, Houston shall reserve and deliver to the Authority the Contract Quantity, which amount shall be in addition to the Existing Water Commitment. The Authority understands and agrees that the Contract Quantity shall not be available for delivery unless and until the Plant Expansion and Southeast Transmission Line Project are both completed and operational. The Plant Expansion, if undertaken, shall be at the Authority's sole cost and expense; provided, however, that: (i) Houston may elect, at its sole cost and expense, to oversize the Plant Expansion to provide additional capacity to Houston; and (ii) each of the other parties to the Cost Sharing Agreement shall be given an opportunity to participate in the Plant Expansion in accordance with Section 3.7 of the Cost Sharing Agreement. Notwithstanding anything herein to the contrary, Houston shall be under no obligation to undertake the Plant Expansion without adequate assurance, as determined by the Director in his or her sole discretion, that the Authority has sufficient funds available to fully satisfy its share of the Plant Expansion costs.

2.02. Reservation Fee. To reserve the Contract Quantity, the Authority shall pay Houston an annual Reservation Fee calculated as follows: (i) from the Effective Date until the Southeast Transmission Line Project is completed, the Authority shall pay Houston 10% of Houston's then-applicable raw water rate multiplied by the Contract Quantity; and (ii) from thereafter until the Plant Expansion is completed and the Contract Quantity is available for delivery, the Authority shall pay Houston 25% of Houston's then-applicable raw water rate multiplied by the Contract Quantity. The Authority shall pay Houston the initial annual Reservation Fee for the current calendar year within 30 days of the Effective Date of this Contract. Thereafter, the Authority shall pay Houston the subsequent Reservation Fee on or before September 1st of each calendar year during the term of this Contract until completion of the Southeast Transmission Line and the Plant Expansion. Once paid, the Reservation Fee is nonrefundable.

2.03. Delivery and Payment. After both the Southeast Transmission Line Project and the Plant Expansion are both complete and operational, Houston shall deliver to the Authority the Contract Quantity under the terms and conditions set forth in the Cost Sharing Agreement. The Authority shall pay Houston for the Contract Quantity as part of the Authority's yearly O&M Expense in accordance with the formula set forth in Section 4.3 of the Cost Sharing Agreement.

2.04. Water Conservation Plan. The Authority affirms that it has adopted and will maintain water conservation and drought contingency plans that meet the requirements of any state agency with jurisdiction to review such plans, including but not limited to the Texas Commission on Environmental Quality, and the City of Houston Water Management Requirements.

ARTICLE III TERM AND TERMINATION

3.01. Term. This Contract shall be effective on the Effective Date and shall remain in effect until the earlier of the date on which Houston first delivers to the Authority the Contract Quantity under the terms and conditions set forth in the Cost Sharing Agreement, or 40 years after the Effective Date.

3.02. Termination. This Contract may be terminated without cause and at any time by written agreement of the Parties. Additionally, this Contract may be terminated by either Party for cause in accordance with Section 6.01 of this Contract.

ARTICLE IV RELEASE AND INDEMNIFICATION

4.01. RELEASE AND INDEMNIFICATION. THE AUTHORITY HEREBY RELEASES, DISCHARGES, AND, TO THE MAXIMUM EXTENT PERMITTED BY LAW, INDEMNIFIES HOUSTON FROM AND AGAINST ANY AND ALL FINES, DEMANDS, JUDGEMENTS, LIABILITIES, OR CLAIMS RELATING TO DELIVERY OF WATER THAT MEETS THE REGULATORY STANDARDS AT THE DELIVERY POINT.

ARTICLE V FORCE MAJEURE

5.01 Force Majeure. Either Party may claim Force Majeure upon giving notice and full details of such Force Majeure in writing to the other Party as soon as possible after the occurrence of the Force Majeure. Performance by the Party giving such notice, to the extent it is affected by Force Majeure and to the extent that due diligence is being used to resume performance, shall be suspended for the duration of the Force Majeure. The Party claiming Force Majeure shall work with reasonable diligence to resume performance. The Director will review claims that a Force Majeure that directly impacts the City has occurred and render a written decision within 14 days. Force Majeure includes but is not limited to the following events: acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, war, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, water shortages (including droughts), tornadoes, hurricanes, arrests and restraints of government and people, explosions, breakage or damage to machinery, pipelines or canals, all lawfully adopted and/or issued orders, ordinances, statutes, laws and/or regulations of any court or governmental entity with jurisdiction over the subject matter of this Contract, and any other inability of either Party, and not within the control of the Party claiming such inability, which by the exercise of due diligence and care such Party could not have avoided. Force Majeure excludes inability to pay, insolvency, bankruptcy, and other financial limitations.

ARTICLE VI DEFAULT

6.01. **Default.** Default occurs if a Party fails to perform one or more of its material duties under this Contract, including, without limitation, the Authority's failure to timely pay Houston the Reservation Fee described in Section 2.02 above. If a default occurs, the injured Party shall deliver a written notice to the defaulting Party describing the default. If the defaulting Party cures the default within 60 days of receiving the notice, then this Contract shall continue. If the defaulting Party fails to cure the default within 60 days of receiving the notice, the injured Party may terminate this Contract. At the sole discretion of and by written notice to the defaulting Party from the injured Party, the time period may be extended for the defaulting Party to cure the default. The Director is authorized to act on behalf of Houston to terminate this Contract as provided in this section.

6.02 **Remedy for Default.** Either Party may terminate its performance under this Contract if the other Party defaults and fails to cure the default after receiving notice of it, in accordance with Section 6.01 of this Contract.

6.03. **Remedies Not Exclusive.** This Article does not specify the exclusive remedy for any default, and any party may pursue all remedies available at law or in equity to secure redress for any default under this Contract.

ARTICLE VII MISCELLANEOUS

7.01 **Notices.** All notices to either Party to the Contract must be in writing and must be delivered by hand, facsimile, United States registered or certified mail, return receipt requested, United States Express Mail, Federal Express, UPS, or any other national overnight express delivery service. The notice must be addressed to the Party to whom the notice is given at its address set out below or other address the receiving Party has designated previously by proper notice to the sending Party.

If to Houston:
City of Houston
Houston Public Works
Attn: Director
611 Walker Street
Houston, TX 77002
Fax: (832) 395-2480

If to the Authority:
Gulf Coast Water Authority
Attn: General Manager
3630 FM 1765
Texas City, TX 77591
Fax: (409) 935-4156

7.02 **Severability.** If any part of this Contract is for any reason found to be unenforceable, all other parts remain enforceable unless the result materially prejudices either Party.

7.03 **Entire Contract.** This Contract, together with all exhibits and other documents and materials referenced herein, constitutes the entire agreement of the Parties with respect to Houston's reservation of the Contract Quantity for the Authority. No other agreements, assurances, conditions, covenants (express or implied), or other terms of any kind, exist between the Parties regarding this Contract.

7.04 Written Amendment. Unless otherwise specified elsewhere in this Contract, this Contract may be amended only by written instrument executed on behalf of Houston (by authority of an ordinance adopted by the Houston City Council) and the Authority. The Director is only authorized to perform the functions specifically delegated to him or her in this Contract.

7.05 Applicable Laws. This Contract is subject to the Houston City Charter and Code of Ordinances, the laws of the State of Texas, the laws of the federal government of the United States, and all rules and regulations of any regulatory body or officer having jurisdiction. Venue for any litigation relating to this Contract is Harris County, Texas.

7.06 Captions. Captions contained in this Contract are for reference only and have no effect in construing this Contract. The captions are not restrictive of the subject matter of any section in this Contract.

7.07 Non-Waiver. If either Party fails to require the other to perform a term of this Contract, that failure does not prevent the Party from later enforcing that term and all other terms. If either Party waives the other's breach of a term, that waiver does not waive a later breach of this Contract. An approval by the Director, or by any other employee or agent of Houston, of any part of the Authority's performance does not waive compliance with this Contract or establish a standard of performance other than that required by this Contract and by law. The Director is not authorized to vary the terms of this Contract.

7.08 Enforcement. The Houston City Attorney or his or her designee may enforce all legal rights and obligations under this Contract without further authorization. The Authority shall provide to the Houston City Attorney all documents and records that the Houston City Attorney requests to assist in determining the Authority's compliance with this Contract, with the exception of those documents made confidential by federal or state law or regulation.

7.09 Ambiguities. If any term of this Contract is ambiguous, it shall not be construed for or against any Party on the basis that the Party did or did not write it.

7.10 Survival. The Parties shall remain obligated to each other under all clauses of this Contract that expressly or by their nature extend beyond the expiration or termination of this Contract.

7.11 Parties in Interest. This Contract is for the sole and exclusive benefit of the Parties and shall not be construed to confer any rights upon any third Party. Customer shall remain liable for all payments and obligations due to Houston under this Contract regardless of Customer's obligations and rights under any separate agreement. **HOUSTON SHALL NEVER BE LIABLE FOR DAMAGES TO ANY CUSTOMER OF CUSTOMER FOR ANY FAILURE TO PERFORM UNDER THIS CONTRACT.**

7.12 Successors and Assigns. This Contract binds and benefits the Parties and their legal successors and permitted assigns. This Contract does not create any personal liability on the part of any officer or agent of Houston or the Authority.

7.13 Remedies Cumulative. The rights and remedies contained in this Contract are not exclusive but are cumulative of all rights and remedies which exist now or in the future. Neither Party may terminate its duties under this Contract except in accordance with its provisions.

7.14 Approvals. Except as otherwise provided herein, any consent or approval of the Parties shall be made by their respective governing bodies.

IN WITNESS WHEREOF, the Parties have executed this Contract in multiple counterparts, each of which is an original, and all of which shall constitute one and the same instrument.

(Signatures appear on the following pages.)

"Authority"

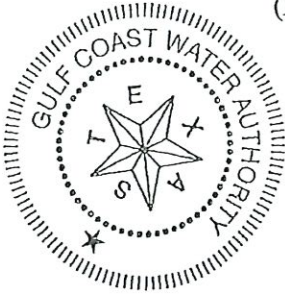
ATTEST/SEAL:

GULF COAST WATER AUTHORITY

By: James McWhorter
Name: James McWhorter, PE
Title: Assistant Secretary

By: Russell C. Jones
Name: Russell C. Jones
Title: President

(Remaining signatures appear on the following page.)



"Houston"

ATTEST/SEAL:

Art J. Haniel
City Secretary
Assistant

APPROVED:

Carl Huddell
Director, Houston Public Works ~~ES~~

APPROVED AS TO FORM:

Mwendia S. Pelt
Sr. Assistant City Attorney
L.D. File No. 0801000192006

CITY OF HOUSTON, TEXAS

Signed by:

Amanda Washington
Mayor

3-5-2020
COUNTERSIGNED BY:

Ch. B. Brown
City Controller Jenard Pelt

DATE COUNTERSIGNED:

3-10-2020

Exhibit D
Special Warranty Deed

[Attached]

SPECIAL WARRANTY DEED AND BILL OF SALE

STATE OF TEXAS

§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF HARRIS

§

THAT GULF COAST WATER AUTHORITY, a conservation and reclamation district and a political subdivision of the State of Texas ("Grantor"), for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and deeming such sale to be advantageous to Grantor, has GRANTED, BARGAINED, SOLD, TRANSFERRED, DELIVERED and CONVEYED and by these presents does GRANT, BARGAIN, SELL, TRANSFER, DELIVER and CONVEY unto the CITY OF LEAGUE CITY, TEXAS, a municipal corporation and a home-rule city situated in Galveston County and Harris County, Texas ("Grantee"), all of Grantor's right, title and interest in and to (i) the tract of land described on Exhibit A attached hereto and incorporated herein by this reference, together with the rights, titles and interests appurtenant thereto (the "Land") and all improvements located thereon, including, without limitation, a pump station building and storage tank (the "Improvements"), and (ii) all of the following described personal property located at or used in connection with the ownership, maintenance, or operation of the Land or the Improvements:

all tangible personal property and fixtures of any kind attached to or used in connection with the ownership, maintenance, or operation of the Land or Improvements, including, without limitation, those items described in Exhibit B hereto attached hereto and incorporated herein by this reference (the "Personalty");

SAVE, LESS AND EXCEPT that Grantor is not conveying hereby, but rather Grantor hereby reserves unto itself and its successors and assigns, the Improvements, personal property and easement described in paragraphs (i), (ii) and (iii) below which are situated on and under the Land:

(i) the concrete meter vault, four (4) ten-inch (10") Rockwell meters with high-speed pickup registers and associated instrumentation, ten-inch (10") cement-lined steel piping, valves and pipe header associated with the meter vault, forty-two-inch (42") Gifford Hill main line bypass around the pump station, and forty-two-inch (42") air-actuated valve, together with all replacements thereof and additions thereto (collectively, the "Authority Property");

(ii) a perpetual, non-exclusive easement and right-of-way across the Land, the centerline of which shall be the forty-two inch (42") pipeline presently located on the Land and which shall extend twenty-five feet (25') on either side thereof, and Grantor, its contractors, employees and agents, shall have the right at any time and from time to time to enter on such easement (including access across other portions of the Land) for the purpose of inspecting, removing, repairing, adding to, operating

or replacing the Authority Property; provided, however, that Grantee shall be solely responsible for the routine operation and maintenance of the Authority Property; and

(iii) the forty-two-inch (42") main line, valves, clay valves, piping, and pipe header belonging to the City of Houston, Texas, together with all replacements thereof and additions thereto.

The Land, Improvements and Personality, less said reserved and excepted matters, are collectively referred to herein as the "Property".

The Improvements and Personality are in a used condition, and Grantor is neither a manufacturer nor distributor thereof, nor a dealer nor merchant therein.

GRANTOR MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR PURPOSE IN RESPECT OF THE IMPROVEMENTS OR THE PERSONALTY, AND THE SAME IS SOLD IN AN "AS IS, WHERE IS" CONDITION, WITH ALL FAULTS. BY ACCEPTANCE OF THIS DEED GRANTEE AFFIRMS THAT IT HAS NOT RELIED ON GRANTOR'S SKILL OR JUDGMENT TO SELECT OR FURNISH THE IMPROVEMENTS OR PERSONALTY FOR ANY PARTICULAR PURPOSE, AND THAT GRANTOR MAKES NO WARRANTY THAT THE IMPROVEMENTS OR PERSONALTY IS FIT FOR ANY PARTICULAR PURPOSE AND THAT THERE ARE NO REPRESENTATIONS OR WARRANTIES, EXPRESSED, IMPLIED, OR STATUTORY, EXCEPT THAT GRANTOR REPRESENTS AND WARRANTS THAT GRANTOR OWNS THE IMPROVEMENTS AND PERSONALTY AND HAS FULL POWER, RIGHT, AND AUTHORITY TO CONVEY TITLE THERETO.

This conveyance is executed by Grantor and accepted by Grantee subject to all valid and subsisting encumbrances, conditions, covenants, restrictions, reservations, exceptions, rights, rights of way, and easements of record on the date hereof, including the building and zoning ordinances, regulations and restrictions by municipal or other governmental authorities applicable to and enforceable against the Property (the "Permitted Encumbrances").

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereto in anywise belonging, unto Grantee, its successors and assigns forever, and Grantor does hereby bind itself, its successors and assigns, to WARRANT AND FOREVER DEFEND all and singular the title to the Property unto the said Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Grantor, but not otherwise, subject only to the Permitted Encumbrances.

Grantee's address is: 300 West Walker, League City, Texas 77573, Attn: Mayor.

EXECUTED this the 14th day of April, 2000.

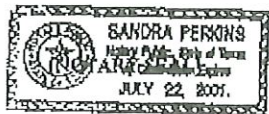
GULF COAST WATER AUTHORITY

By: Gordon L. Myers
Gordon L. Myers, General Manager

"GRANTOR"

STATE OF TEXAS §
 §
COUNTY OF GALVESTON §

This instrument was acknowledged before me this April 14, 2000 by Gordon L. Myers, General Manager of Gulf Coast Water Authority, a conservation and reclamation district and a political subdivision of the State of Texas, on behalf of such district and political subdivision.



Sandra Perkins
Notary Public in and for the
State of Texas

ACCEPTED AND AGREED:

CITY OF LEAGUE CITY, TEXAS

By: A. T. Frankovich
A. T. Frankovich, Mayor

"GRANTEE"

STATE OF TEXAS

COUNTY OF HARRIS

§
§
§

This instrument was acknowledged before me this April 25, 2004 by A. T. Frankovich, Mayor of the City of League City, Texas, a municipal corporation and a home-rule city situated in Galveston County and Harris County, Texas, on behalf of such municipal corporation and city.

NOTARY



Dawn Kilgore
Notary Public in and for the
State of Texas

THE LAND

Beginning at the north corner of Humble Pipe Line Company's 94.34 acre tract (called 100 acres) conveyed to Humble Pipe Line Company by Humble Oil & Refining Company by deed dated April 1, 1937, recorded in Volume 1047, Page 419 of the Deed Records of Harris County, Texas, said north corner located in the southwest right of way line of State Highway #3;

THENCE S. 51° 30' W., - 573 feet to a point;

THENCE N. 51° 30' E. - 573 feet along said northwest line to the PLACE OF BEGINNING.

SAVE AND EXCEPT the northeasterly forty-five (45) feet thereof conveyed to Harris County by deed dated August 7, 1968, and recorded in Volume 7667, Page 289, Harris County Deed Records.

EXHIBIT "B"

Gulf Coast Water Authority
Webster Pump Station Inventory

Inventory Item No.	Description	Model No.	Serial No.
EE050001	Desk, Metal		
EE050002	Air Conditioner, White Westinghouse	AS169J2K1	AHL476474
EE050003	Motor, Fairbanks Morse, #1		503504R2
EE050007	Motor, Fairbanks Morse, #2		503504R1
EE050008	Motor, Fairbanks Morse, #3		503504RS
EE050012	Stand, Digital Water Monitor, Metal		
EE050025	Ampegard Medium Voltage, Westinghouse, Pmp #3		
EE050026	Ampegard Medium Voltage, Westinghouse, Pmp #2		
EE050027	Ampegard Medium Voltage, Westinghouse, Pmp #1		

Exhibit E
League City Line

[Attached]

