AGREEMENT REGARDING INTERIM WATER SERVICE
TO A PORTION OF THE FORMER BRUSHY SERVICE AREA

This Agreement Regarding Interim Water Service to a Portion of the Former Brushy Service Area (the "Agreement") is entered into to be effective on _____, 2014 ("Effective Date") by and between the City of Bryan, Texas ("City") and Wellborn Special Utility District ("Wellborn"), each of whom may be referenced herein as a "Party" and collectively as the "Parties".

RECITALS

WHEREAS, the City and Wellborn entered into an Agreement Regarding Retail Water Service Areas on April 18, 2013 (the "Service Area Agreement"); and

WHEREAS, the Service Area Agreement provides for Wellborn to sell, transfer and assign a portion of Wellborn's CCN area ("Transfer Area"), and certain water utility facilities, easements and retail water customers in the Transfer Area to the City, subject to various conditions, including approval by the Texas Commission on Environmental Quality ("TCEQ") to transfer the Transfer Area to the City's CCN No. 10187; and

WHEREAS, the City and Wellborn submitted an application for sale, transfer or merger of a retail public utility to the TCEQ on June 18, 2013 ("STM Application") seeking TCEQ approval for the sale, transfer and assignment of the Transfer Area, facilities and customers to the City; and

WHEREAS, by letter dated October 9, 2013 the Executive Director of the TCEQ issued notification that he would not call a public hearing on the Application and authorized the Parties to close the transaction; and

WHEREAS, the City and Wellborn desire to proceed with the Closing; and

WHEREAS, after the Closing the Parties will submit to TCEQ an executed copy of the closing documents and information related to disposition of customer deposits required by TCEQ to transfer the Transfer Area to the City's CCN; and

WHEREAS, the Service Area Agreement provides that the date when the City will begin providing water utility service to retail customers in the Transfer Area ("Service Transfer Date") will be no later than 12 months after the date of Closing unless otherwise agreed to in writing by the Parties; and further the Parties agreed to cooperate to prevent any interruption of water service to customers in the Transfer Area; and

WHEREAS, the Parties agree that an interruption of service prior to the Service Transfer Date can be prevented by the City authorizing, and Wellborn agreeing, for Wellborn to continue providing retail water utility service to customers in the Transfer Area for a temporary period after Closing while the City works diligently to compete its facilities to connect to all customers within the Transfer Area, which shall occur not later than 12 months after the date of Closing; and

WHEREAS, the City plans to connect the City's water system to the City owned lines serving the Transfer Area in phases during the Interim Period with Wellborn continuing to remain the retail service provider until the City has connected its system and replaced the Wellborn water meters with City water meters; and

WHEREAS, the City will grant Wellborn access and use of the Surplus Waterlines which may be necessary for Wellborn to provide retail water utility service in the Transfer Area; and

WHEREAS, as authorized by law, including Section 791.026 of the Texas Government Code, the Parties desire to enter into this Agreement to identify the roles and responsibilities of the Parties during the Interim Period.

NOW, THEREFORE, in consideration of the promises, mutual agreements, and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and Wellborn contract and agree as follows:

ARTICLE I

ROLES AND RESPONSIBILITIES OF THE PARTIES

1.1 Definitions. Capitalized terms which are not otherwise defined in this Agreement shall have the meaning given in the Service Area Agreement.

1.2 Definition of Interim Period. The Interim Period shall be that period of time between the Closing on the conveyances and transfers described in the Service Area Agreement and the replacement of all of the Wellborn water meters with City water meters, but in no event shall the Interim Period continue beyond 12 months from the date of Closing for any customer, unless an extension of time is agreed to in writing by both Parties.

1.3 Service Provider During Interim Period. During the Interim Period, Wellborn shall continue to exercise the powers and duties of the retail water utility service provider in the Transfer Area. Such powers and duties shall include, but not be limited to, operating and maintaining the water utility facilities in the Transfer Area, providing water service to the Transfer Area customers in accordance with rules, regulations and standards applicable to Wellborn, reading the customers' meters, and billing and collecting payments for the customers' use of water.

A. Rates. The City agrees that Wellborn shall bill and charge, to customers within the Transfer Area, Wellborn's standard rates, fees and charges, as same may be changed from time to time by Wellborn.

B. Revenues. The City agrees that Wellborn shall bill, collect and retain revenues as set forth in Section 6.4 of the Service Area Agreement.

C. Policies. The City agrees that Wellborn's service policies, water conservation plans and other orders and customer policies, as amended from time to time, will apply to customers within the Transfer Area, up until the Service Transfer Date of a customer. Unless otherwise agreed to in writing by Wellborn, Wellborn and the customers served by Wellborn in the Transfer Area shall not be subject to the retail service policies of the City, and in no event shall Wellborn be required to enforce any service policy of the City.

D. Grant of Access and Use. During the term of this Agreement, the City hereby grants to Wellborn, at no cost to Wellborn, access to and the rights-of-use of all those easements, rights-of-way, streets, waterlines, facilities and any other property (including those Surplus Waterlines and easements described in the Service Area Agreement) in the Transfer Area which may be necessary or convenient for Wellborn to fulfill its retail water utility service obligations under this Agreement.

1.4 City's Transfer of Service During the Interim Period. During the Interim Period, the City shall connect its water system to the Surplus Waterlines serving the Transfer Area, which may occur in phases. After each phase is connected, the City shall replace the Wellborn water meters with City water meters and return to Wellborn its meters along with the final meter reading for each customer.

A. Costs of Phasing. Such phasing of service to connections shall be at the sole cost and expense of the City. In the event such phasing will disrupt or impair the supply of water to customers within the Transfer Area still served by Wellborn, the City shall be responsible for all costs and expenses to remedy the disruption or impairment of supply, including the construction of any necessary facilities to remedy the situation.

B. Conclusion of Wellborn Obligations to Individual Customers. Upon connection of a customer to a City meter, the City will become the retail water service provider to such customer and Wellborn shall thereafter be immediately relieved of any further obligation to i) provide retail water service to the customer, or ii) repair or maintain any facility used to serve such customer. The City shall cooperate with Wellborn, as required by Section 6.4 of the Service Area Agreement, to collect revenues owed to Wellborn for all service rendered up to the date of connection to a City meter.

1.5 Notice of Phased Connections. The City shall give Wellborn written notice at least ten (10) business days before: i) connecting any part of the Surplus Waterlines to the City's system, or ii) transferring a customer to service by the City (including placing in service a City water meter for any customer).

1.6 Obligations for Repairs and Improvements. Wellborn shall only be obligated to make repairs to Surplus Waterlines during the Interim Period and for which repairs are routine in nature and needed to serve customers which are still connected to Wellborn meters. Any repair costing in excess of $2500 shall not be considered routine in nature, and such repair shall be made by the City or, if an emergency, by Wellborn and billed to the City. The City shall promptly pay bills from Wellborn for such repairs. In no event shall Wellborn be obligated, or required to pay, for any capital improvements related to service to, or within, the Transfer Area.

1.7 Insurance. Wellborn shall have no obligation to provide insurance coverage for any City owned waterlines, facilities, or property. Except as provided in Section 1.6, all costs for repair or replacement of damage to City owned waterlines, facilities, or property shall be the responsibility of the City.

1.8 Use of Revenues. All revenues due to each Party shall be as provided by Paragraph 6.4 of the Service Area Agreement.

1.9 Term. This Agreement shall terminate on the date which is 12 months after the Closing, unless an extension of the term is agreed to in writing by both Parties.

ARTICLE II
MISCELLANEOUS

2.1 Assignment. No Party may assign this Agreement without the prior written consent of the other Party. This Agreement shall be binding on and inure to the benefit of the City and Wellborn and their respective successors, permitted assigns and legal representatives.

2.2 Further Actions. The Parties agree to cooperate to implement the terms of this Agreement and covenant and agree that they shall execute and deliver such other and further instruments and documents, and perform such other acts, as are or may be necessary to effectuate and carry out the intent of this Agreement.

2.3 No Third Party Beneficiaries. The Parties agree that there are no third party beneficiaries to this Agreement.

2.4 Admission. Nothing in this Agreement may be used as an admission in any litigation or other contested matter, except to enforce the terms of this Agreement. No Party will be penalized for alleged authorship of a particular provision on judicial construction of this Agreement.

2.5 Right to Enforce. No Party to this Agreement shall initiate any litigation or arbitration challenging the validity or enforceability of any provision of this Agreement once it has been signed. The Parties reserve only their right to enforce the terms of this Agreement to the extent they are not fully performed by any other Party.

2.6 Obligation of Each Party. The Parties agree that this Agreement constitutes the legal, valid and binding obligation of each Party hereto, enforceable in accordance with its terms, and that each Party is entering into this Agreement in reliance upon the enforceability of this Agreement. The Parties agree that each is providing goods and/or services to the other under this Agreement pursuant to Section 271.151, Texas Local Government Code.

2.7 Costs and Fees. If any Party is the prevailing party in any legal proceedings against the other brought under or with relation to this Agreement, such prevailing party shall additionally be entitled to recover court costs and reasonable attorney's fees from the non-prevailing party to such proceedings.

2.8 Authorized to Sign. The respective signatories to this Agreement covenant that they are fully authorized to sign and execute this Agreement on behalf of their respective Party, and by such signature each such person represents that they have obtained all the necessary authority and approval, including the actual approval of their Board, to execute the Agreement.

2.9 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall constitute an original, and all of which counterparts, when taken together, shall constitute one and the same Agreement. The Parties agree that delivery of a signed counterpart, or the signed Agreement or amendment by facsimile or electronic mail, shall be deemed the same as the delivery of an original document.

2.10 Relationship to Service Area Agreement. The Parties agree that nothing in this Agreement changes or modifies any of the Parties' rights, duties or agreements contained in the Service Area Agreement, other than to memorialize the Parties roles and responsibilities during the Interim Period, as provided herein.

AGREED TO AND EXECUTED, to be effective as of the date set forth in the opening paragraph to this Agreement.

[signature pages follow]

CITY OF BRYAN, TEXAS

ATTEST:

_____
Mary Lynne Stratta, City Secretary

CITY OF BRYAN

_____
Jason P. Bienski, Mayor

APPROVED AS TO FORM:

_____
Janis K. Hampton, City Attorney

ACKNOWLEDGMENT

THE STATE OF TEXAS §
§
COUNTY OF BRAZOS §

This instrument was acknowledged before me on the _____ day of _____, 2014, by _____, _____ of the City of Bryan, Texas.

_____
Notary Public, State of Texas

WELLBORN SPECIAL UTILITY DISTRICT

By:_____
Name:_____
Title:_____
Date:_____

ACKNOWLEDGMENT

THE STATE OF TEXAS §
§
COUNTY OF BRAZOS §

This instrument was acknowledged before me on the _____ day of _____, 2014, by _____, _____ of Wellborn Special Utility District.

_____
Notary Public, State of Texas

PREVIOUS AGREEMENT APPROVED 4/09/13

AGREEMENT REGARDING RETAIL WATER SERVICE AREAS

This Agreement Regarding Retail Water Service Areas (the "Agreement") is entered into to be effective on _____, 2013 ("Effective Date") by and between the City of Bryan, Texas ("Bryan" or "City") and Wellborn Special Utility District ("Wellborn"), each of whom may be referenced herein as a "Party" and collectively as the "Parties".

RECITALS

WHEREAS, the City and Wellborn are each a retail public utility providing retail water utility service as defined in § 13.002, Texas Water Code; and

WHEREAS, the City is a home rule municipality under Article XI, § 5 of the Texas Constitution and provides retail water service within the area described under Certificate of Convenience and Necessity ("CCN") No. 10187 in Brazos County, Texas; and

WHEREAS, Wellborn is a special utility district operating under Chapters 49 and 65 of the Texas Water Code and provides retail water service within the area described under CCN No. 11340 in Brazos County, Texas

WHEREAS, Wellborn entered into that certain System Consolidation and Transfer of Assets Agreement dated July 28, 2010 (the "Consolidation Agreement") with the Brushy Water Supply Corporation ("Brushy") authorizing the consolidation of the Brushy and Wellborn water systems, with Wellborn as the surviving entity; and

WHEREAS, pursuant to the Consolidation Agreement, Wellborn and Brushy requested approval of the sale and transfer of Brushy's water system and CCN No. 11162 in Brazos County, Texas, to Wellborn in STM Application No. 36839-S ("Brushy Application") filed with the TCEQ (the "Transaction"), and thereafter by letter dated April 15, 2011 the Executive Director of the TCEQ approved the closing of the Transaction; and

WHEREAS, a closing of the Transaction was held on August 31, 2011 transferring Brushy's water system and CCN area to Wellborn SUD, and the TCEQ issued an order dated December 27, 2011 transferring the area covered by Brushy's CCN No. 11162 to Wellborn's CCN No. 11340 and cancelling Brushy's CCN No. 11162; and

WHEREAS, the City desires to be the sole retail water provider to serve certain areas formerly located within Brushy's CCN No. 11162 that are now within Wellborn's CCN No. 11340, which includes areas located within the City's existing municipal boundaries and also areas within the City's existing ETJ; and

WHEREAS, the ultimate transfer of certain parts of these areas to the City from Wellborn will be governed by Texas Water Code §§ 13.248, 13.255(a) and/or 13.301.

NOW, THEREFORE, in consideration of the promises, mutual agreements, and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in settlement of disputed claims, the City and Wellborn contract and agree as follows:

ARTICLE I
PRELIMINARY MATTERS

1.1 Statutory Basis. The Parties enter into this Agreement pursuant to the terms of Water Code Sections 13.248 and 13.255(a), given the nature of the service area, and the fact that portions of the Transfer Area (as hereinafter defined) are within the City limits of Bryan and portions are outside the City limits but within the City's ETJ.

1.2 Wellborn/Brushy Transaction. The TCEQ approved Wellborn and Brushy closing on the Transaction set forth in the Brushy Application. The U.S. Department of Agriculture, Rural Development (USDA RD), a lender to Brushy, also approved the Transaction described in the Consolidation Agreement, and a closing of such transaction was held on August 31, 2011. Wellborn notified TCEQ that the closing of the Transaction is complete, and the TCEQ issued a final order on STM Application 36839-S transferring the area covered by Brushy's CCN No. 11162 to Wellborn's CCN No. 11340 and cancelling Brushy's CCN No. 11162.

ARTICLE II
TRANSFER OF PORTION OF CCN, CERTAIN FACILITIES AND COMPENSATION

2.1 Transfer Area and Customers. The CCN area to be transferred to the City consists of the portion of the former Brushy CCN No. 11162 transferred to Wellborn's CCN No. 11340 in the geographic area designated as the "Transfer Area" on Exhibit "A" hereto, and being approximately 702.67 acres (the "Transfer Area"), which includes, on the Effective Date, 126 customers within the City limits and 200 customers in the City's ETJ. After the Closing, the City will be singly certificated for retail water service in the Transfer Area.

2.2 No Other Areas to be Acquired by City. No other portion of the former Brushy CCN No. 11162 or Wellborn CCN No. 11340, other than the Transfer Area described in Exhibit "A", is to be transferred to the City, or amended, by this Agreement. Additionally, the City represents and warrants to Wellborn that it will not seek any future involuntary acquisition of additional customers or service area from Wellborn, unless the City subsequently annexes the territory containing such additional customers.

2.3 Transfer of Certain Water Facilities. Subject and pursuant to the terms and conditions set forth in this Agreement, those water lines, appurtenances, and meter boxes (excluding water meters themselves) owned by Wellborn and identified on Exhibit "B" (the "Surplus Waterlines") will be conveyed to the City at Closing.

(a) The City acknowledges and agrees that the Surplus Waterlines are used and at Closing will be conveyed by a Bill of Sale, without representations or warranties whatsoever, in their then existing condition. The Surplus Waterlines are to be conveyed to the City solely "AS IS, WHERE IS, and WITH ALL DEFECTS" and after such

conveyance Wellborn shall have no obligation whatsoever to maintain, replace or repair any of the Surplus Waterlines. Prior to the Closing, Wellborn shall maintain the Surplus Waterlines.

(b) Those easements or rights of way (or portions thereof) which are located within the Transfer Area and are specifically described in Exhibit "C" will be assigned (without representations or warranty) to the City at Closing. Additionally, the Parties shall cooperate to identify and add easements not currently included in Exhibit "C" which may be needed for the Surplus Waterlines by the City.

(c) The City acknowledges and agrees that Wellborn has an existing ten inch (10") water transmission line ("Transmission Line") which runs in and near the Transfer Area and which is to be retained by Wellborn. Therefore, notwithstanding any provision in this Agreement to the contrary, nothing in this Agreement shall be construed to affect the ownership or use of the Transmission Line or any existing easements needed by Wellborn for the operation or use of the Transmission Line.

2.4 Compensation.

(a) Transfer Area. To compensate Wellborn for the service rights, customers and Surplus Waterlines in the Transfer Area, the Parties agree that the payment by the City to Wellborn of the following amount constitutes just, adequate, and reasonable compensation. At Closing the City shall pay $3,217 per customer in the City Limits and $3,700 per customer in the ETJ, for a total payment of $1,145,342.00 ("Compensation").

(b) Professional Fees. The City additionally agrees to pay the actual professional fees of Wellborn related to this Agreement and the STM Application in the amount of not to exceed $10,000 ("Professional Fees").

2.5 Acknowledgement of Withdrawal of City's Protest of Brushy Application. The City filed correspondence with TCEQ opposing the Wellborn/Brushy STM Application No. 36839-S ("Brushy Application"). Despite the City's opposition, TCEQ approved the Brushy Application, and while Wellborn believes all opposition to the Brushy Application was resolved by the TCEQ's approval, for purposes certainty and cooperation the City hereby acknowledges and agrees that this Agreement resolves all of the City's objections to the Brushy Application, and furthermore the City agrees not to take any further action to prosecute its opposition to the Brushy Application or the Transaction.

2.6 Wellborn acknowledges that the Consolidation Agreement contemplates an effort to have the territory covered by Brushy's CCN annexed within Wellborn's boundaries following approval of the Transaction. Wellborn further acknowledges that annexation of the Transfer Area would be inconsistent with the terms of this Agreement. Accordingly, Wellborn agrees to forgo annexation of the Transfer Area, but nothing herein shall prevent such annexation if this Agreement terminates pursuant to Section 3.5. Further, nothing herein shall prevent Wellborn from annexation of any areas outside of the Transfer Area.

ARTICLE III
REGULATORY AND LENDER APPROVALS

3.1 Not later than 180 days after the Effective Date, the City shall prepare, file and pursue an appropriate Sale, Transfer, Merger Application ("**STM Application**") with the TCEQ requesting the transfer of the Transfer Area to the City. Prior to filing such STM Application, the City shall provide a complete copy of the STM Application to Wellborn for its review and approval. Wellborn agrees to cooperate with the City and the TCEQ in the filing, review, and approval of the STM Application, and to execute documents consistent with this Agreement which are needed in support of the STM Application.

3.2 Unless waived by TCEQ, notice of the STM Application shall be as required by law. Wellborn and the City agree to request TCEQ approval to waive notice of the STM Application.

3.3 STM Application Notice. The Parties acknowledge and agree that the notice required by Section 13.301(k) of the Texas Water Code was provided before any Party signed this Agreement.

3.4 USDA RD Consent. At any time after the Effective Date, or upon the request of the City, Wellborn shall file an application with USDA RD requesting the release of USDA RD's lien as to the Transfer Area, customers and Surplus Waterlines (the "**USDA Consent**").

3.5 Termination. The Parties agree to diligently pursue the TCEQ's approval of the STM Application. If TCEQ does not approve the STM Application within thirty (30) months of the Effective Date, this Agreement shall automatically terminate unless otherwise extended in writing by agreement of the Parties. If so terminated, Wellborn shall have no obligation to transfer the CCN for the Transfer Area to the City, and the certificated service rights shall remain with Wellborn.

ARTICLE IV
CONDITIONS

4.1 Conditions Precedent to Closing. The obligations of the Parties to consummate the transactions to be performed hereunder in connection with the Closing are subject to satisfaction of all of the following conditions (collectively, the "**Conditions Precedent**"):

(a) TCEQ's approval of the STM Application to be filed by the City as set forth in Article III herein, which approval shall be shown by the TCEQ's issuance of a letter authorizing the Parties to complete the proposed transaction; and

(b) The consent of USDA RD, to the transfer of the Transfer Area, and associated customers and facilities, to the City.

ARTICLE V
CLOSING

5.1 Time of Closing. Within sixty (60) days after all of the Conditions Precedent have occurred or been waived by Wellborn, or at such other time agreed to by the City and Wellborn, a closing (the "**Closing**") shall be held. All matters to take place at the Closing shall take place simultaneously, and no delivery shall be considered to have been made until all such proceedings have been completed.

5.2 Delivery by Wellborn. At the Closing, Wellborn shall deliver or cause to be delivered to City:

(a) A Bill of Sale and Assignment duly executed and acknowledged by Wellborn transferring and assigning all rights, title, and interest of Wellborn and its predecessor in interest Brushy in the CCN rights to the Transfer Area and in the Surplus Waterlines;

(b) An updated list of all customer names and deposits (if any);

(c) An Assignment of the easements, rights of way or portions thereof, described in Section 2.3(b);

(d) A written statement affirming that all customer deposits for those customers located in the CCN Transfer Area have been returned or transferred to the City; and

(e) Any additional documents as in the mutual opinion of the City's counsel and Wellborn's counsel are reasonably necessary to complete this transaction.

5.3 Delivery by City. At the Closing, City shall deliver or cause to be delivered to Wellborn the Compensation and Professional Fees as specified in Section 2.4, by certified check or wire transfer.

ARTICLE VI
POST-CLOSING MATTERS

6.1 Service Transfer Date. On or after the date of Closing, but not later than 12 months after the date of Closing ("**Service Transfer Date**"), the City will begin providing retail water service to all retail water customers whose place of use of water is located within the Transfer Area, unless otherwise agreed to in writing by Wellborn and the City.

6.2 Notice and Charges to Customers Within the Transfer Area. The City shall provide notice of the transfer to each customer located within the Transfer Area. No existing customer located in the Transfer Area shall be required to pay, or be charged, any connection fee, tap fee, impact fee or like charge by the City for continuing their existing level of retail water service.

6.3 No Impairment of Other Customers. Nothing in this Agreement shall in any way impair, or adversely affect, Wellborn's right to provide water to any customers located outside of the Transfer Area. Except for the Surplus Waterlines, Wellborn shall continue to own and have the right to use, repair, replace, and upgrade all of its water transmission and distribution lines and facilities, including those that are located within the Transfer Area, provided however, that Wellborn shall not provide retail water service to any customer in the Transfer Area, except as may be agreed by the City in writing.

6.4 Revenues for Service Prior to the Service Transfer Date. All revenues due to, or received by, Wellborn for water utility services rendered by Wellborn for the period prior to the Service Transfer Date will remain the property of Wellborn and be retained by Wellborn. All revenues for water utility services rendered by the City to customers in the Transfer Area for the period from and after the Service Transfer Date shall be the property of City. The City shall cooperate with Wellborn, as necessary including the termination of water service, to collect the revenues from any customers who fail to timely pay for services rendered by Wellborn prior to the Service Transfer Date.

6.5 Prevention of Service Interruption. The Parties shall cooperate to prevent any interruption of water service to the customers located within the Transfer Area.

ARTICLE VII
MISCELLANEOUS

7.1 No Party may assign this Agreement without the prior written consent of the other Party. This Agreement shall be binding on and inure to the benefit of the City and Wellborn and their respective successors, permitted assigns and legal representatives.

7.2 The Parties agree to cooperate to implement the terms of this Agreement and covenant and agree that they shall execute and deliver such other and further instruments and documents, and perform such other acts, as are or may be necessary to effectuate and carry out the intent of this Agreement.

7.3 The Parties agree that there are no third party beneficiaries to this Agreement.

7.4 Nothing in this Agreement may be used as an admission in any litigation or other contested matter, except to enforce the terms of this Agreement. No Party will be penalized for alleged authorship of a particular provision on judicial construction of this Agreement.

7.5 Except to the extent necessary to implement the terms of Article II regarding the Transfer Area and Surplus Waterlines, the Parties specifically agree that Wellborn does not waive any current or future rights conferred pursuant to 7 U.S.C. Section 1926(b), and further the City shall not assert, in any legal proceeding or otherwise, that the execution or implementation of the terms of this Agreement constitute any such waiver.

7.6 No Party to this Agreement shall initiate any litigation or arbitration challenging the validity or enforceability of any provision of this Agreement once it has been signed. The Parties reserve only their right to enforce the terms of this Agreement to the extent they are not fully performed by any other Party.

7.7 The Parties agree that this Agreement constitutes the legal, valid and binding obligation of each Party hereto, enforceable in accordance with its terms, and that each Party is entering into this Agreement in reliance upon the enforceability of this Agreement. The Parties agree that each is providing goods and/or services to the other under this Agreement pursuant to Section 271.151, Texas Local Government Code.

7.8 If any Party is the prevailing party in any legal proceedings against the other brought under or with relation to this Agreement, such prevailing party shall additionally be entitled to recover court costs and reasonable attorney's fees from the non-prevailing party to such proceedings.

7.9 The respective signatories to this Agreement covenant that they are fully authorized to sign and execute this Agreement on behalf of their respective Party, and by such signature each such person represents that they have obtained all the necessary authority and approval, including the actual approval of their Board, to execute the Agreement.

7.10 This Agreement may be executed in multiple counterparts, each of which shall constitute an original, and all of which counterparts, when taken together, shall constitute one and the same Agreement. The Parties agree that delivery of a signed counterpart, or the signed Agreement or amendment by facsimile or electronic mail, shall be deemed the same as the delivery of an original document.

ARTICLE VIII
NOTICE

8.1 Any notice required or permitted hereunder shall be given in writing by United States certified mail with postage and fees pre-paid or reputable overnight courier (e.g., Federal Express), facsimile transmission, or electronic mail, with confirmation of delivery addressed as follows:

Wellborn:
Wellborn Special Utility District
Attn.: Stephen Cast, General Manager
P.O. Box 250
Wellborn, Texas 77881
Email:wsud.sc@verizon.net
Fax: (979) 690-1260

With Copy to:
Leonard H. Dougal
Jackson Walker L.L.P.
100 Congress Avenue, Suite 1100
Austin, Texas 78701
Email:ldougal@jw.com
Fax: (512) 391-2112

City of Bryan: City Manager
City of Bryan
300 South Texas Avenue
Bryan, Texas 77803
Email: kregister@bryantx.gov
Fax: 979-209-5106

With Copy to: Jim Mathews
Mathews & Freeland, L.L.P.
327 Congress Ave, Suite 300
Austin, Texas 78701
Email: jmathews@mandf.com
Fax: (512) 703-2785

All notices will be deemed to have been given on the date of mailing or sending of such notice. Each Party may change its address upon five days' written notice to the other Party.

ARTICLE IX
LIST OF EXHIBITS

9.1 The following Exhibits are attached hereto and incorporated herein:

Exhibit A Map of the Transfer Area

Exhibit B Description of the Surplus Waterlines

Exhibit C Easements and Rights-of-Way in Transfer Area (to be Assigned to the City)

AGREED TO AND EXECUTED, to be effective as of the date set forth in the opening paragraph to this Agreement.

CITY OF BRYAN, TEXAS

By:_____
Name:_____
Title:_____
Date:_____

ATTEST:

_____
City Secretary

_____
City Manager

_____
City Attorney

_____
Chief Financial Officer

ACKNOWLEDGMENT

THE STATE OF TEXAS §
§
COUNTY OF BRAZOS §

This instrument was acknowledged before me on the _____ day of _____, 2013, by _____, _____ of the City of Bryan, Texas.

_____
Notary Public, State of Texas

WELLBORN SPECIAL UTILITY DISTRICT

By: Jerry Ransom
Name: Jerry Ransom
Title: President
Date: 2/27/2013

ACKNOWLEDGMENT

THE STATE OF TEXAS §
§
COUNTY OF BRAZOS §

This instrument was acknowledged before me on the 27th day of February, 2013, by Jerry Ransom, President of Wellborn Special Utility District.

Julia Dodson Skrivanek
Notary Public, State of Texas

JULIA DODSON SKRIVANEK
Notary Public, State of Texas
My Commission Expires
JUNE 27, 2014

EXHIBIT "A"
(Map of the Transfer Area)

Exhibit A: CCN Transfer Area

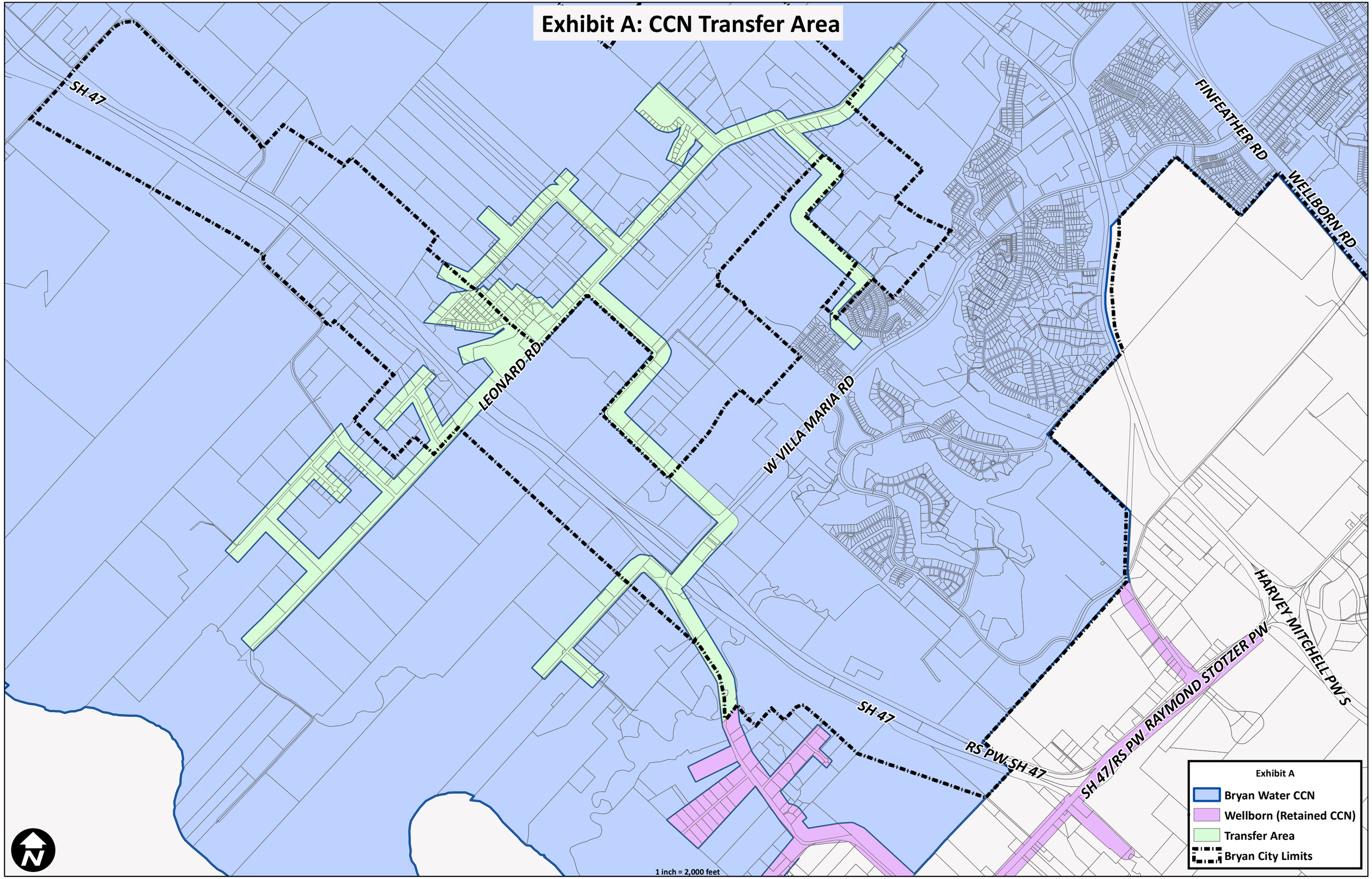
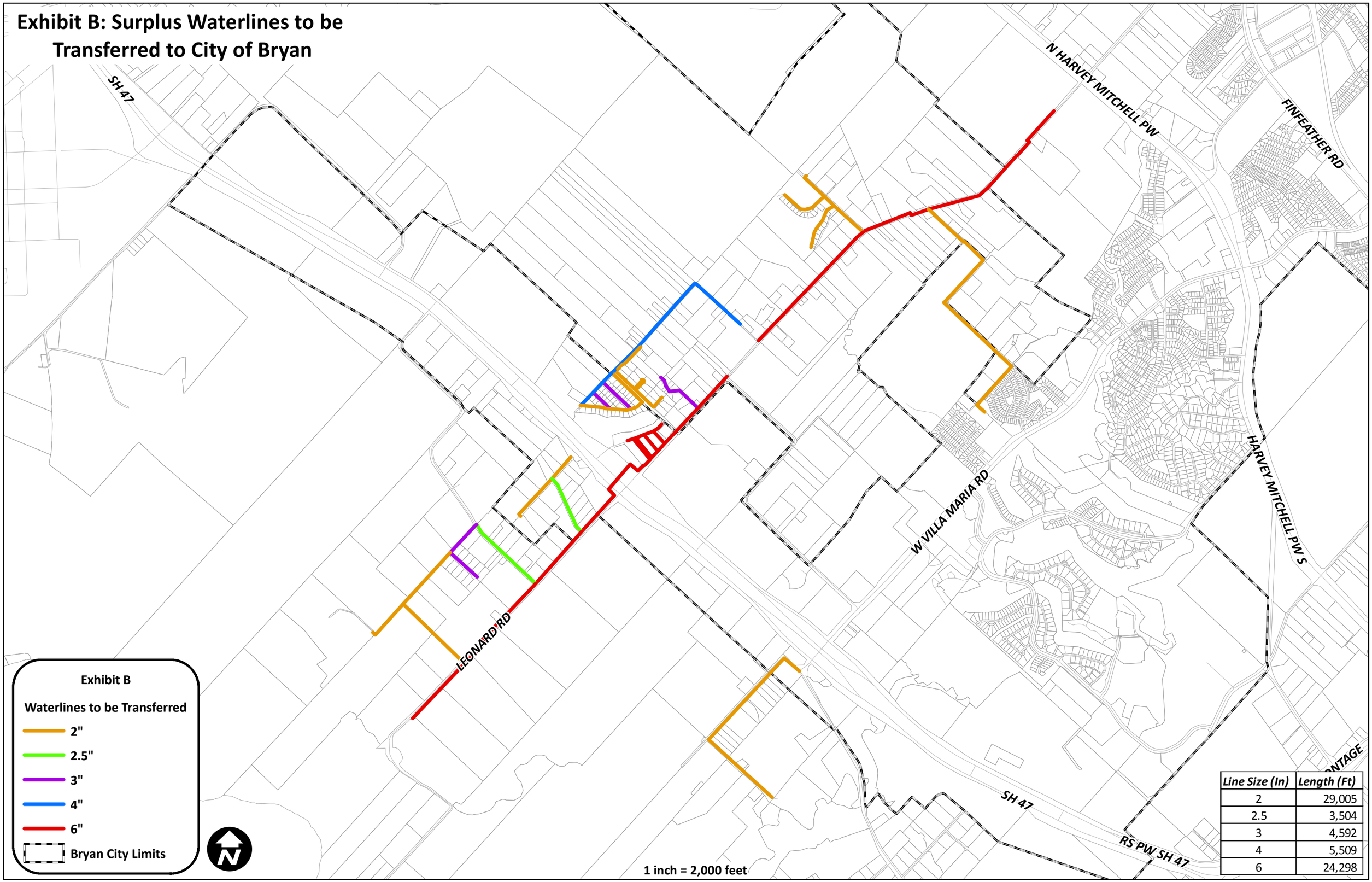


EXHIBIT "B"

(SURPLUS WATERLINES TO BE TRANSFERRED TO CITY OF BRYAN)

Line Size (in)	Length (ft)
2	29,005
2.5	3,504
3	4,592
4	5,509
6	24,298

Exhibit B: Surplus Waterlines to be Transferred to City of Bryan



Line Size (In)	Length (Ft)
2	29,005
2.5	3,504
3	4,592
4	5,509
6	24,298

EXHIBIT "C"

(Easements and Rights-of-Way in Transfer Area to be Assigned to the City)

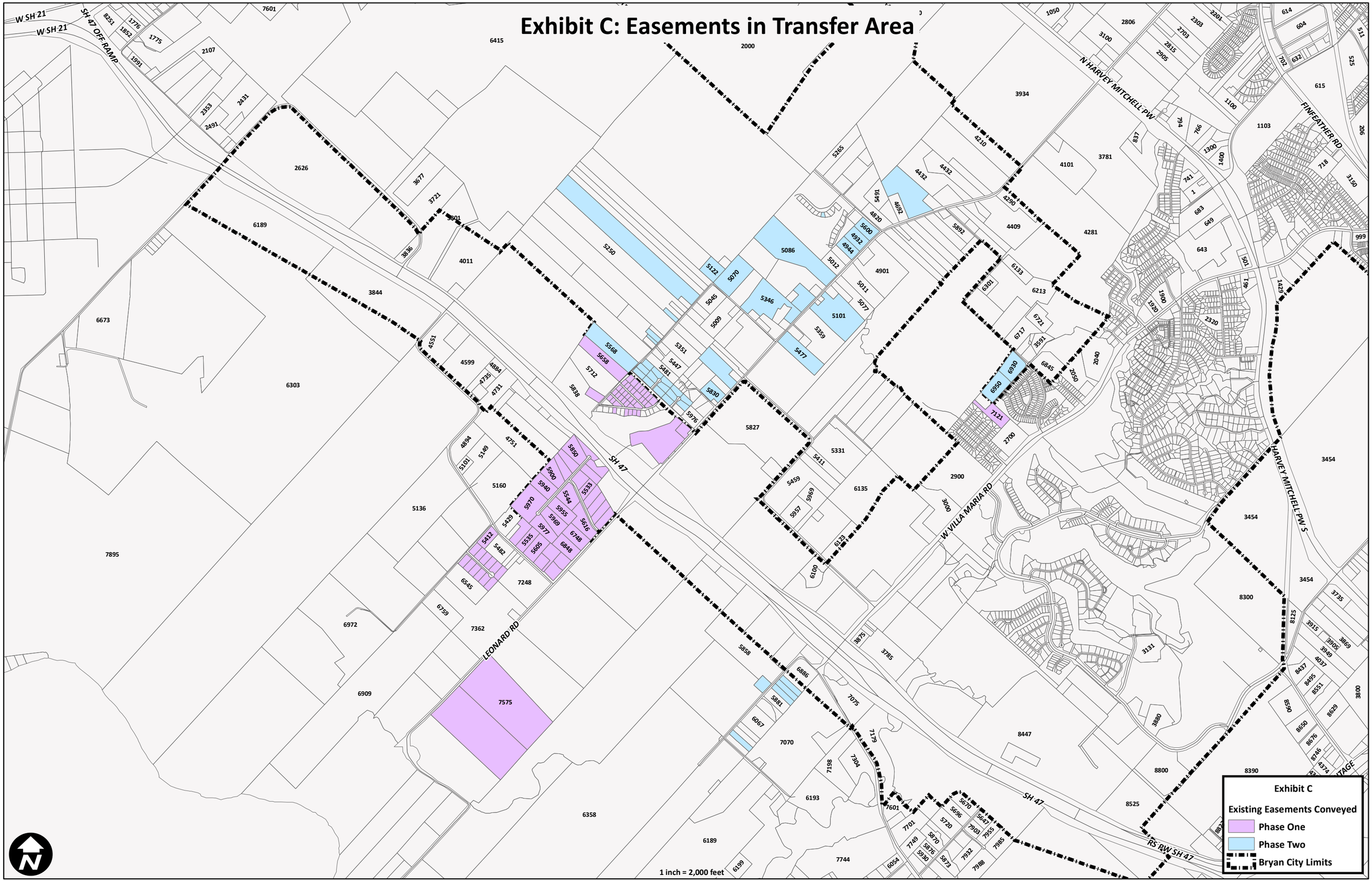



Exhibit C: Easements in Transfer Area