

**CITY OF MANOR, TEXAS DEPOSIT AGREEMENT FOR THE
PROPOSED WATER SERVICE TRANSFER FOR THE
WILDHORSE PROJECT**

THIS DEPOSIT AGREEMENT (this “Agreement”) is made and entered into as of March __, 2023 by and between the **CITY OF MANOR, TEXAS** (the “City”) and Texas WH200, LP, a Texas limited partnership and Heart of Manor, LP, a Texas limited partnership and (including its Designated Successors and Assigns, the “Owners”).

WHEREAS, the City of Manor is the holder of a water certificate of convenience and necessity (“CCN”) No. 10947 which includes Owners’ approximate 21 acre tract (“Property”) within its boundaries; and

WHEREAS, the Owners are developing their property within the corporate limits of the City and desires to receive water service from the City of Austin instead of the City of Manor; and

WHEREAS, the City of Manor has informed Owners that the City of Manor is not opposed to Owners filing a decertification petition at the PUC to decertify the area from the City of Manor’s CCN; and

WHEREAS, the Owners have agreed to advance moneys to be used by the City Manager of the City (the “City Manager”) to pay costs and expenses associated with retaining the Consultants (herein defined) to assist the City with the execution of a Decertification and Compensation Agreement and approval by the Public Utility Commission of said decertification (the “Transfer of Service Process”); and

WHEREAS, the parties hereto wish to enter into the Agreement to define the terms and conditions under which moneys will be advanced by and reimbursed to the Owners.

NOW THEREFORE, the parties, for mutual consideration, agree as follows:

SECTION 1. DEPOSITS. The Owners shall deposit with the City the amount of \$5,000.00 (the “Moneys”) to the City Manager within five (5) business days after this Agreement is executed and delivered by the City, which Moneys shall be used by the City exclusively to pay costs generally described in Section 2 hereof. If the Moneys are not deposited in accordance with this Section 1, the City shall not proceed with the Transfer of Service Process. The City will notify the Owners if the costs generally described in Section 2 exceed or are expected to exceed \$5,000.00. The City will draw from the deposit for the Consultants fees and other fees related to the Transfer of Service Process (the “Consultants Deposit”). Whenever the account for the Consultants Deposit reaches a balance below \$2,000.00, the Owners shall deposit an additional \$5,000.00 within five (5) business days of notification by the City Manager (the “Additional Moneys”). If the Additional Moneys are not deposited in accordance with this Section 1, the City shall not proceed with the Transfer of Service Process. The City Manager shall cause all Moneys received from the Owners to be deposited into a separate account maintained by or at the direction of the City Manager and the Office of the City Director of Finance. All interest or other amounts earned on Moneys (if any) in such account shall be held in such account for the payment of Project Costs or otherwise

applied as set forth in Section 3 hereof.

SECTION 2. USE OF MONEYS ON DEPOSIT. The City has engaged or will engage consultants, including but not limited to engineers and attorneys (collectively, “Consultants”). The Consultants will assist the City with the Transfer of Service Process. The Consultants will be responsible to, and will act as consultants to, the City in connection with the Transfer of Service Process. The City Manager will use the Moneys to pay costs and expenses of the Consultants that are associated with or incidental to the Transfer of Service Process (collectively, “Project Costs”). The scope of work and terms and conditions of the agreements for the Consultants are, or will be, set forth in agreements on file in the City Manager’s office. The City Manager may also use the Moneys for other direct City expenses relating to the Transfer of Service Process. The City Manager shall maintain records of the payment of all Project Costs and keep such records on file and available for inspection and review by the Owners in the City Manager's office upon request by Owners. If the Owners objects to any portion of an invoice, the City and the Owners agree in good faith to attempt to resolve the dispute within a reasonable period of time.

SECTION 3. UNEXPENDED MONEYS. If proceedings for the transfer of service are unsuccessful and are terminated or abandoned prior to the issuance of approval by the PUC, the City Manager shall transfer to the Owners all Moneys, including any interest earnings thereon, then on deposit in the account established and maintained pursuant to Section 1, exclusive of Moneys necessary to pay Project Costs or portions thereof that (i) have been actually incurred and (ii) are due and owing as of the date of such termination or abandonment. Upon the successful approval by the PUC, the City shall return unexpended Moneys, and the interest thereon, if any, to Owners.

SECTION 4. RESERVED RIGHTS. This Agreement does not in any way create an obligation or commitment that the City will execute any agreements, and the City expressly reserves the right to terminate or abandon the proceedings at any time, if in the City's sole discretion, it deems such termination or abandonment to be in the best interest of the City.

SECTION 5. BINDING EFFECT. This Agreement shall be binding on the successors and assigns of the parties hereto.

[signature pages follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the date above written.

CITY OF MANOR, TEXAS, a municipal corporation

By: _____

Name: _____

Title: _____

OWNER 1:

Texas WH200, LP, a Texas limited partnership

By: _____

Name: Peter A. Dwyer

Title: Manager

OWNER 2:

Heart of Manor, LP, a Texas limited partnership

By: _____

Name: Peter A. Dwyer

Title: Manager