TEXAS MUNICIPAL POWER AGENCY

BOARD OF DIRECTORS MEETING

THE PRESIDING OFFICER WILL BE IN ATTENDANCE AT,
AND MEMBERS OF THE PUBLIC MAY ATTEND, THE FOLLOWING LOCATION:

Embassy Suites by Hilton
3100 Town Center Trail
Denton, TX 76201

Thursday, September 12, 2024
9:00AM

Preliminary matters:

- Call to order
- Public comments

The following matters are scheduled for discussion and for possible action:

1. Consent Agenda Items:

    A. Consider approval of meeting minutes of the June 27, 2024 Board of Directors meeting.

2. Planning & Operating Committee report relating to results of the Planning & Operating Committee meeting of September 11, 2024.

3. FY24 Third Quarter Budget Status Report

4. Resolution No. 2024-9-1, authorizing a note purchase agreement relating to the Texas Municipal Power Agency Transmission System Revenue Revolving Notes, Series A and authorizing other matters related thereto.

5. Status report relating to mine reclamation and land matters

6. Status report relating to environmental and regulatory compliance matters

7. Status report relating to the TMPA transmission operations and Five-year Transmission Capital Project Status Report.

8. Resolution No. 2024-9-2, amending the FY2024 Annual Transmission System Capital Budget by appropriating funds for the State Highway 30 Pole Relocation Project; and resolving matters incidental and related thereto.

9. Resolution No. 2024-9-3, authorizing an Amended and Restated Transmission Operator, Maintenance, and Construction Services Agreement with the City of Denton; and resolving matters incidental and related thereto.

10. Executive session will be held pursuant to the Open Meetings Act (Chapter 551, Government Code, legal advice under Section 551.071, Government Code, competitive matters under Section 551.086, Government Code, and personnel matter under Section 551.074, Government Code) for the following items:

    A. TMPA v. Gibbons Creek Environmental Redevelopment Group, LLC, Cause No. D-1-GN-22-004434, in the 126th District Court of Travis County, Texas (legal advice under Section 551.071, Government Code)

    B. Discuss and give Staff direction regarding a strategic plan (competitive matters under Section 551.086, Government Code)

    C. General Manager Annual Performance Review and General Manager Agreement (personnel matter under Section 551.074, Government Code, and legal advice under Section 551.071, Government Code)

    In the Board's discretion, the Board may discuss and/or take action on one or more of the above executive session items in open meeting. In regard to items scheduled on this agenda for discussion and/or action in the open portion of the meeting, the Board may, in its discretion, address one or more of such items in executive session if and to the extent permitted by the Texas Open Meetings Act.

11. Election of Officers (President, Vice President, and Secretary) and approval of appointments to standing committees (Audit & Budget Committee and Personnel Committee) in accordance with Agency Rules & Regulations.

12. Future Meeting Dates

13. Adjourn

September 12, 2024

AGENDA ITEM NO. 1

SUBJECT: Consent Agenda Items

DISCUSSION: These items, since they deal with routine business, have been grouped together as consent items so that they can be approved with a single vote of the Board.

If a Board Member desires to discuss any of these items, the Board Member may so request at the meeting, and the matter will be discussed and voted on separately from the remaining consent items.

It is expected that the use of a consent agenda will streamline the decision-making process and allow the Board time to focus on more important items.

BACKUP MATERIAL:

Consent Agenda Item:

A. Meeting minutes of the June 27, 2024 Board of Directors meeting.

ACTION REQUESTED: Consideration and action on the Consent Agenda Item.

TEXAS MUNICIPAL POWER AGENCY

BOARD OF DIRECTORS MEETING

VIA VIDEO CONFERENCE CALL
LOCATION AT WHICH MEMBERS OF THE PUBLIC WERE INVITED TO ATTEND:

CITY OF GARLAND CITY HALL
CITY COUNCIL CHAMBER
200 N. FIFTH STREET
GARLAND, TX 75040

Thursday, June 27, 2024
10:00 AM

President Jefferies called the meeting to order at 10:02 AM.

The following people were present at the meeting.

Board Members:

Tom Jefferies and James Ratliff – City of Garland
Sue Ann Harting and Summer Spurlock – City of Greenville
Jesse Davis and Bill Cheek – City of Denton
Kean Register– City of Bryan
Andrew Nelson – Absent

Staff:

Daniel Meadows, Lyndi Birkhead and Susie Johnson

Others:

Carl Shahady – Tiemann, Shahady & Hamala, P.C.
Gary Miller - BTU
Antonio Puente, Jerry Fielder, and Mark Zimmerer – DME
Darrell Cline, Tom Hancock, Steve Martin, and Jeremy Harrelson – GP&L
Alicia Hooks and Mark Stapp – GEUS

Public Comments:

Mr. Jefferies asked for comments, there were none.

1. **<u>Consent Agenda Items:</u>**

   A. **<u>Consider approval of meeting minutes of the February 8, 2024, Board of Directors meeting.</u>**

Mr. Cheek moved, seconded by Ms. Harting, approval of all consent agenda items.

Motion carried; voting as follows:

Cheek – Aye	Jefferies – Aye
Nelson – Absent	Ratliff – Aye
Spurlock – Aye	Register – Aye
Harting – Aye	Davis – Aye

2. **<u>Planning & Operating Committee report relating to results of the Planning & Operating Committee meetings of March 4, 2024, May 15, 2024, and June 17, 2024.</u>**

An update was provided by Mr. Cline.

3. **<u>Audit and Budget Committee report relating to the results of the May 29, 2024 Committee meeting.</u>**

An update was provided by Ms. Spurlock.

4. **<u>FY24 Second Quarter Budget Status Report</u>**

An update was provided by Mrs. Birkhead.

5. **<u>FY25 Annual Budgets, including FY25 Budget Package</u>**
   A. **Resolution No. 2024-6-1 adopting a Generation budget for FY25**
   B. **Resolution No. 2024-6-2 adopting a Mine budget for FY25**
   C. **Resolution No. 2024-6-3 adopting a Transmission budget for FY25**

Mr. Ratliff moved, seconded by Ms. Spurlock, approval of Resolution No. 2024-6-1, Resolution No. 2024-6-2 and Resolution No. 2024-6-3.

Motion carried; voting as follows:

Cheek – Aye	Jefferies – Aye
Nelson – Absent	Ratliff – Aye
Spurlock – Aye	Register – Aye
Harting – Aye	Davis – Aye

6. **<u>FY25 Budget Charges</u>**
   A. **Resolution No. 2024-6-4 establishing Generation charges for FY25**
   B. **Resolution No. 2024-6-5 establishing Mine charges for FY25**

Mr. Register moved, seconded by Mr. Davis, approval of Resolution No. 2024-6-4, and Resolution No. 2024-6-5.

Motion carried; voting as follows:

Cheek – Aye	Jefferies – Aye
Nelson – Absent	Ratliff – Aye
Spurlock – Aye	Register – Aye
Harting – Aye	Davis – Aye

7. <u>Resolution No. 2024-6-14, adopting and approving an Annual Transmission System Capital Budget for the Agency for the Fiscal Year October 1, 2024 through September 30, 2025; and resolving matters incidental and related thereto.</u>

Ms. Harting moved, seconded by Mr. Ratliff, approval of Resolution No. 2024-6-14.

Motion carried; voting as follows:

Cheek – Aye	Jefferies – Aye
Nelson – Absent	Ratliff – Aye
Spurlock – Aye	Register – Aye
Harting – Aye	Davis – Aye

8. <u>Status report relating to mine reclamation and land matters.</u>

An update was provided by Mr. Meadows.

9. <u>Status report relating to environmental and regulatory compliance matters.</u>

An update was provided by Mr. Meadows.

10. <u>Status report relating to the TMPA transmission operations and Five-year Transmission Capital Project Status Report.</u>

An update was provided by Mr. Martin.

11. <u>Resolution No. 2024-6-6, amending the FY2024 Annual Transmission System Capital Budget by appropriating funds for the Industrial Substation TM Bypass Project; and resolving matters incidental and related thereto.</u>

Mr. Kean moved, seconded by Mr. Cheek, approval of Resolution No. 2024-6-6.

Motion carried; voting as follows:

Cheek – Aye	Jefferies – Aye
Nelson – Absent	Ratliff – Aye
Spurlock – Aye	Register – Aye
Harting – Aye	Davis – Aye

12. <u>Resolution No. 2024-6-7, amending the FY2024 Annual Transmission System Capital Budget by appropriating funds for the Relay Panel Replacement at Denton West Project; and resolving matters incidental and related thereto.</u>

Mr. Ratliff moved, seconded by Ms. Harting, approval of Resolution No. 2024-6-7.

Motion carried; voting as follows:

Cheek – Aye	Jefferies – Aye
Nelson – Absent	Ratliff – Aye
Spurlock – Aye	Register – Aye
Harting – Aye	Davis – Aye

13. **Resolution No. 2024-6-8, amending the FY2024 Annual Transmission System Capital Budget by increasing the amount that is authorized to be expended on the Brand Road Pole Relocation Project; and resolving matters incidental and related thereto.**

Mr. Ratliff, seconded by Mr. Cheek, approval of Resolution No. 2024-6-8.

Motion carried; voting as follows:

Cheek – Aye	Jefferies – Aye
Nelson – Absent	Ratliff – Aye
Spurlock – Aye	Register – Aye
Harting – Aye	Davis – Aye

14. **Resolution No. 2024-6-9, amending the FY2024 Annual Transmission System Capital Budget by appropriating funds for the Dansby - Upgrade Carrier Equipment Project; and resolving matters incidental and related thereto.**

Mr. Davis moved, seconded by Ms. Spurlock, approval of Resolution No. 2024-6-9.

Motion carried; voting as follows:

Cheek – Aye	Jefferies – Aye
Nelson – Absent	Ratliff – Aye
Spurlock – Aye	Register – Aye
Harting – Aye	Davis – Aye

15. **Resolution No. 2024-6-10, amending the FY2024 Annual Transmission System Capital Budget by increasing the amount that is authorized to be expended on the Spencer Interchange Transformer Upgrade Project; and resolving matters incidental and related thereto.**

Ms. Harting moved, seconded by Mr. Ratliff, approval of Resolution No. 2024-6-10.

Motion carried; voting as follows:

Cheek – Aye	Jefferies – Aye
Nelson – Absent	Ratliff – Aye
Spurlock – Aye	Register – Aye
Harting – Aye	Davis – Aye

16. **Resolution No. 2024-6-11, amending the FY2024 Annual Transmission System Capital Budget by appropriating funds for the Transformer Dissolved Gas Monitor Project; and resolving matters incidental and related thereto.**

Mr. Davis moved, seconded by Mr. Ratliff, approval of Resolution No. 2024-6-11.

Motion carried; voting as follows:

Cheek – Aye	Jefferies – Aye
Nelson – Absent	Ratliff – Aye
Spurlock – Aye	Register – Aye
Harting – Aye	Davis – Aye

17. Resolution No. 2024-6-12, amending the FY2024 Annual Transmission System Capital Budget by appropriating funds for the Yellow Wolf Cut-In to Gibbons Creek - Limestone Project; and resolving matters incidental and related thereto.

Ms. Harting moved, seconded by Mr. Cheek, approval of Resolution No. 2024-6-12.

Motion carried; voting as follows:

Cheek – Aye	Jefferies – Aye
Nelson – Absent	Ratliff – Aye
Spurlock – Aye	Register – Aye
Harting – Aye	Davis – Aye

18. Resolution No. 2024-6-13, authorizing an extension to the terms of the Transmission Operator, Maintenance, and Construction Services Agreements with the cities of Garland and Denton; and resolving matters incidental and related thereto.

Mr. Ratliff moved, seconded by Mr. Cheek, approval of Resolution No. 2024-6-13.

Motion carried; voting as follows:

Cheek – Aye	Jefferies – Aye
Nelson – Absent	Ratliff – Aye
Spurlock – Aye	Register – Aye
Harting – Aye	Davis – Aye

19. Discuss and give Staff direction regarding a strategic planning process.

Mr. Davis began the discussion by addressing the need for a strategic vision and guiding principles, and possibly an RFQ for the development of a strategic plan. The Board reached a consensus that the P&O and Staff should confer on the development of a strategic plan, and provide a report for consideration by the Board in September.

20. Proposed Lee Street Substation Project

Staff and P&O answered questions regarding ownership of the Lee Street Substation. At the end of the discussion, a consensus was reached that the City of Greenville: will own the Transmission Portion of the substation; may purchase the substation site for fair market value, as determined by an appraisal; and will, at the expense of TMPA, construct the Interconnection Line, to be owned by TMPA.

21. Resolution No. 2024-6-15, authorizing the sale of a 16.058-acre tract to the City of Greenville; describing the conditions and circumstances for the sale, and the public purposes that will be achieved; and resolving matters incidental and related thereto.

Mr. Cheek moved, seconded by Mr. Ratliff, approval of Resolution No. 2024-6-15.

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Motion carried; voting as follows:

Cheek – Aye	Jefferies – Aye
Nelson – Absent	Ratliff – Aye
Spurlock – Aye	Register – Aye
Harting – Aye	Davis – Aye

22. Executive Session

Mr. Jefferies announced that the Board would convene in executive session pursuant to Section 551.071, Government Code.

The open session was recessed, and the executive session was called to order by Mr. Jefferies at 11:32 AM.

The open session resumed at 11:44 AM.

23. Future Meeting Dates

By general consensus of the Board, the next Board meeting is tentatively set for September 12, 2024.

24. Adjourn

By general consensus of the Board, the meeting adjourned at 11:46 AM.

September 12, 2024

AGENDA ITEM NO. 2

SUBJECT: Planning & Operating Committee report relating to results of the Planning & Operating Committee meeting of September 11, 2024.

DISCUSSION: The P&O Committee Chair will present major discussion topics and action items taken at the September 11, 2024 meeting.

BACKUP MATERIAL: None

ACTION REQUESTED: None

Darrell Cline
9/12/2024

September 12, 2024

AGENDA ITEM NO. 3

SUBJECT: FY24 Third Quarter Budget Status Report

DISCUSSION: This report, along with the attachments, provides a comparison of actual cost performance to budgets (approved 6/8/23) for each business unit of TMPA as of the end of Q3, as well as year-end projections. The year-end projections are summarized as follows:

GENERATION – Projection to Year-end (in thousands)				
Cost Type	**Approved Budget**	**Projection**	**(Under) / Over**	**Percentage Change**
Fixed Costs - Non-Debt	$506	$270	($237)	(46.8%)
Other Revenues Excluding City Billings	($15)	($18)	($3)	(23.3%)
Total Budget Variance			**($240)**	**(48.8%)**

MINE – Projection to Year-end (in thousands)				
Cost Type	**Approved Budget**	**Projection**	**(Under) / Over**	**Percentage Change**
Fixed Costs - Non-Debt	$735	$661	($74)	(10.0%)
Other Revenues Excluding City Billings	($23)	($36)	($13)	(57.6%)
Total Budget Variance			**($87)**	**(12.2%)**

TRANSMISSION – Projection to Year-end (in thousands)				
Cost Type	**Approved Budget**	**Projection**	**(Under) / Over**	**Percentage Change**
Fixed Costs - Non-Debt	$6,835	$8,540	$1,705	24.9%
Fixed Costs - Debt	$18,224	$16,612	($1,612)	(8.8%)
Other Revenues	($34,649)	($36,742)	($2,094)	(6.0%)
Total Budget Variance			**($2,001)**	**(20.9%)**
Debt Service Coverage	1.25X	2.15X		Exceeds requirement

A&G costs are projected to be under budget ($380K) primarily due to reduced labor charges and reduced insurance premiums for general coverage.

Generation Division - Total Costs are projected to be under budget by $240K in FY24.

1. Labor & Benefits are $140K lower as Daniel now charges all of his time to A&G, which in turn gets allocated among the three divisions.

Mine Division - Total Costs are projected to be under budget by $87K in FY24.

1. Labor & Benefits are $26K lower as Daniel now charges all of his time to A&G, which in turn gets allocated among the three divisions.
2. Mine Maintenance is $70K higher as the Acid Seep Project is now complete and therefore, all remaining maintenance is being charged to O&M.
3. Legal Services are $37K lower as the need for legal counsel continues to reduce as mine activity wraps up.

Transmission Division - Total Costs are projected to be under budget by $2.0M in FY24.

1. Bank Charges are $41K lower due to favorable commitment fees under the existing short-term Note Program.
2. Contractor Maintenance is $1.0M higher due to unforeseen Jack Creek T1 bushing repairs and Gibbons Creek T2 maintenance, the moving and reinstallation costs associated with the TMPA spare transformer being placed at the Spencer substation, and the institution of an equipment painting program.
3. Consulting Services are $60K higher due to work on compliance matters related to Dansby and Bryan East substations.
4. Legal Services are $65K lower as we did not incur the legal costs associated with a bond issuance since said issuance will not be necessary until FY25.
5. Other Fixed Costs – Non-Debt are $935K higher due to planned purchases of materials needed for timely maintenance and repair of equipment versus waiting to order materials on demand and facing long lead and outage times.
6. Debt Service - Bonds are $1.7M lower as the budget anticipated a bond issuance in FY24 that will not be necessary until FY25. Capital spending and the remaining capacity of the Note Program continue to be monitored closely.
7. Revolving Notes Interest is $59K higher as interest rates have risen over the last year.
8. Transmission System Revenue is $1.8M higher as the 2023 Average 4CP was much higher than estimated.
9. Interest Income is $309K higher as interest rates have risen over the last year.

NOTE: There is no FY24 charge to the Member Cities for the Transmission division since revenues exceed expenses.

At the end of FY24, TMPA will distribute Transmission revenues to the Cities. This distribution is currently estimated to be $10.4M. This estimate includes TMPA's retention of a Transmission cash reserve of 120 days of FY25's Transmission operating expenses. The calculation also reserves $4.2M for a TXDOT reimbursable project. TMPA does not anticipate receiving the funds from TXDOT prior to the end of the fiscal year. Therefore, TMPA will reserve this amount from the distribution and will release it to the Cities upon receipt from TXDOT. This estimated distribution has been reviewed by the Financial Working Group and will continue to be reviewed as the amounts are finalized in the coming months. They will be presented to the Board at the December Board meeting and wired to the Cities shortly thereafter.

BACKUP MATERIAL: Attachment A: Generation FY24 Q3 Rate Sheet
Attachment B: Mine FY24 Q3 Rate Sheet
Attachment C: Transmission FY24 Q3 Rate Sheet

ACTION REQUESTED: None

Lyndi Birkhead
9/4/2024

Generation

FY24 Q3 Key Budget Driver Rate Sheet

FY24 Approved Budget Compared to YTD June Actual and to Year-end Projection

	FY24 Budget Approved 6/8/23 YTD June	FY24 Actual YTD June	(Under) Over Budget	Percentage Change	FY24 Budget Approved 6/8/23	FY24 Year-end Projection as of June	(Under) Over Budget	Percentage Change
Fixed Costs								
L01 Labor & Benefits	120,826	54,013	(66,813)	-55.3%	193,671	54,013	(139,658)	-72.1%
S02 Consulting Services	75,750	64,021	(11,729)	-15.5%	85,000	85,000	-	0.0%
S04 Legal Services	45,000	29,500	(15,500)	-34.4%	60,000	40,000	(20,000)	-33.3%
Other Fixed Costs - Non-Debt	5,765	2,647	(3,118)	-54.1%	8,803	5,850	(2,953)	-33.5%
Allocation of A&G	112,647	73,702	(38,945)	-34.6%	158,743	84,219	(74,524)	-46.9%
TOTAL FIXED COSTS	**$ 359,987**	**$ 224,343**	**$ (135,645)**	**-37.7%**	**$ 506,217**	**$ 269,541**	**$ (236,676)**	**-46.8%**
Other Revenues								
I73 Interest Income	(10,201)	(13,515)	(3,314)	-32.5%	(14,595)	(18,000)	(3,405)	-23.3%
TOTAL OTHER REVENUES	**$ (10,201)**	**$ (13,523)**	**$ (3,322)**	**-32.6%**	**$ (14,595)**	**$ (18,000)**	**$ (3,405)**	**-23.3%**
TOTAL COSTS	**$ 349,787**	**$ 210,820**	**$ (138,966)**	**-39.7%**	**$ 491,623**	**$ 251,541**	**$ (240,081)**	**-48.8%**

	Budget Approved in FY23**	Actual Spent in FY23	Actual Spent in FY24 as of 6/30/24	Reserved Balance as of 6/30/24***
APA Legal Costs*	500,000	116,565	27,783	355,652

** Expenses, up to the approved $500K, do NOT impact the FY24 budget and are NOT included in the analysis above.*

*** In FY23, $500K was budgeted specifically for legal costs related to the Asset Purchase Agreement litigation.*

**** TMPA will retain funds until (i) funds are exhausted or (ii) litigation is settled (any remaining funds will be reimbursed to the Cities).*

Mine
FY24 Q3 Key Budget Driver Rate Sheet
FY24 Approved Budget Compared to YTD June Actual and to Year-end Projection

	FY24 Budget Approved 6/8/23 YTD December	FY24 Actual YTD June	(Under) Over Budget	Percentage Change	FY24 Budget Approved 6/8/23	FY24 Year-end Projection as of June	(Under) Over Budget	Percentage Change
Fixed Costs								
L01 Labor & Benefits	27,883	10,240	(17,643)	-63.3%	36,248	10,240	(26,008)	-71.7%
M44 Mine Maintenance	126,250	139,730	13,480	10.7%	165,000	235,000	70,000	42.4%
R51 Contractor Maintenance	26,250	20,262	(5,988)	-22.8%	35,000	35,000	-	0.0%
S02 Consulting Services	123,750	119,566	(4,184)	-3.4%	165,000	155,000	(10,000)	-6.1%
S04 Legal Services	48,750	17,506	(31,244)	-64.1%	65,000	27,506	(37,494)	-57.7%
Other Fixed Costs - Non-Debt	18,925	29,829	10,904	57.6%	20,295	31,350	11,055	54.5%
Allocation of A&G	176,301	131,543	(44,757)	-25.4%	248,444	167,233	(81,211)	-32.7%
TOTAL FIXED COSTS	**$ 548,108**	**$ 468,675**	**$ (79,433)**	**-14.5%**	**$ 734,987**	**$ 661,329**	**$ (73,658)**	**-10.0%**
Other Revenues								
I76 Interest Income	(15,965)	(26,836)	(10,871)	-68.1%	(22,842)	(36,000)	(13,158)	-57.6%
TOTAL OTHER REVENUES	**$ (15,965)**	**$ (26,836)**	**$ (10,871)**	**-68.1%**	**$ (22,842)**	**$ (36,000)**	**$ (13,158)**	**-57.6%**
TOTAL COSTS	**$ 532,143**	**$ 441,840**	**$ (90,304)**	**-17.0%**	**$ 712,145**	**$ 625,329**	**$ (86,816)**	**-12.2%**

Transmission

FY24 Q3 Key Budget Driver Rate Sheet

FY24 Approved Budget Compared to YTD June Actual and to Year-end Projection

	FY24 Budget Approved 6/8/23 YTD June	FY24 Actual YTD June	(Under) Over Budget	Percentage Change	FY24 Budget Approved 6/8/23	FY24 Year-end Projection as of June	(Under) Over Budget	Percentage Change
Fixed Costs								
L01 Labor & Benefits	500,136	517,764	17,628	3.5%	674,299	686,299	12,000	1.8%
R06 Bank Charges	77,500	43,817	(33,684)	-43.5%	120,500	80,000	(40,500)	-33.6%
R41 Property Insurance	448,207	443,483	(4,723)	-1.1%	597,609	597,609	-	0.0%
R51 Contractor Maintenance	1,083,720	1,716,406	632,686	58.4%	1,534,000	2,561,800	1,027,800	67.0%
S02 Consulting Services	-	45,905	45,905	-100.0%	-	60,000	60,000	-100.0%
S04 Legal Services	116,250	59,617	(56,633)	-48.7%	190,000	125,000	(65,000)	-34.2%
Other Fixed Costs - Non-Debt	1,033,524	1,377,649	344,126	33.3%	1,408,451	2,343,711	935,260	66.4%
Allocation of A&G	1,639,600	1,397,241	(242,360)	-14.8%	2,310,537	2,085,689	(224,848)	-9.7%
Subtotal Fixed Costs - Non-Debt	**$ 4,898,937**	**$ 5,601,882**	**$ 702,945**	**14.3%**	**$ 6,835,396**	**$ 8,540,108**	**$ 1,704,712**	**24.9%**
R57-R58 Debt Service - Bonds	9,781,159	8,826,328	(954,831)	-9.8%	13,439,108	11,768,155	(1,670,953)	-12.4%
R55 Revolving Notes Interest	968,030	1,009,646	41,615	4.3%	1,290,706	1,350,000	59,294	4.6%
R62 Debt Coverage Payment	2,620,626	2,620,626	-	0.0%	3,494,168	3,494,168	-	0.0%
Subtotal Fixed Costs - Debt	**$ 13,369,815**	**$ 12,456,600**	**$ (913,215)**	**-6.8%**	**$ 18,223,983**	**$ 16,612,323**	**$ (1,611,660)**	**-8.8%**
TOTAL FIXED COSTS	**$ 18,268,752**	**$ 18,058,482**	**$ (210,270)**	**-1.2%**	**$ 25,059,379**	**$ 25,152,432**	**$ 93,053**	**0.4%**
Other Revenues								
I50 Transmission System Revenue	(25,389,044)	(26,576,157)	(1,187,114)	-4.7%	(33,907,736)	(35,686,760)	(1,779,024)	-5.2%
I70-I75 Interest Income	(481,920)	(716,219)	(234,299)	-48.6%	(646,608)	(955,671)	(309,063)	-47.8%
Other Revenue	(30,096)	(26,110)	3,986	13.2%	(94,318)	(100,059)	(5,741)	-6.1%
TOTAL OTHER REVENUES	**$ (25,901,060)**	**$ (27,318,486)**	**$ (1,417,426)**	**-5.5%**	**$ (34,648,662)**	**$ (36,742,490)**	**$ (2,093,828)**	**-6.0%**
TOTAL COSTS / (REVENUES)	**$ (7,632,308)**	**$ (9,260,005)**	**$ (1,627,697)**	**21.3%**	**$ (9,589,283)**	**$ (11,590,058)**	**$ (2,000,775)**	**-20.9%**

September 12, 2024

AGENDA ITEM NO. 4

SUBJECT: Resolution No. 2024-9-1, authorizing a note purchase agreement relating to the Texas Municipal Power Agency Transmission System Revenue Revolving Notes, Series A and authorizing other matters related thereto.

DISCUSSION: TMPA's $60 million Revolving Note Program, which finances TMPA's transmission capital projects, was established in 2017. PNC purchases the notes pursuant to a note purchase agreement that is set to expire on or before November 2, 2024.

After receiving multiple bids, Staff, in consultation with TMPA's financial advisor, Specialized Public Finance, is recommending Truist Commercial Equity, Inc. to replace PNC and is recommending adoption of Resolution No. 2024-9-1 authorizing the new note purchase agreement. The note purchase agreement with Truist will have a three-year term. Below is a brief comparison of the current program with PNC and the proposed new program with Truist.

	PNC	**Truist**
Capacity	$60M	$60M
Maturity	2 years	3 years
Interest Calculation	BSBY * 79% + credit spread 0.32%	SOFR * 79% + credit spread 0.64%
Undrawn Fee	0.18% until 50% usage, then 0.10%	0.23% of unused capacity
Bank Counsel Fees	$50K	$45K

BACKUP MATERIAL: Draft of Note Purchase Agreement

ACTION REQUESTED: Consideration and action on Resolution No. 2024-9-1

Lyndi Birkhead
9/4/2024

CERTIFICATE OF ASSISTANT BOARD SECRETARY

THE STATE OF TEXAS §
COUNTY OF BRAZOS §

I, the undersigned, Assistant Secretary of the Board of Directors (the "Board") of the Texas Municipal Power Agency (the "Agency"), DO HEREBY CERTIFY that a true and correct copy of a resolution (the "Resolution") bearing the following caption:

RESOLUTION No. 2024-9-1

AUTHORIZING A NOTE PURCHASE AGREEMENT RELATING TO THE TEXAS MUNICIPAL POWER AGENCY TRANSMISSION SYSTEM REVENUE REVOLVING NOTES, SERIES A AND AUTHORIZING OTHER MATTERS RELATED THERETO.

was duly introduced for the consideration of the Board and that such Resolution was adopted, after consideration of the same, upon a motion being duly made and seconded, and upon the vote being called for; that under the By-laws of the Agency, such Resolution was adopted, and is in full force and effect, having received a vote of -__- for and -__- against and -__- abstaining; such Resolution having been adopted at a regular meeting of the Board held on September 12, 2024 at which a quorum of the Board was present and voting, with all members present except _________.

2. A true, full and correct copy of the aforesaid Resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; the Resolution has been duly recorded in the Board's minutes of the meeting; the above and foregoing paragraph is a true, full and correct excerpt from the Board's minutes of the meeting pertaining to the adoption of the Resolution; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that the Resolution would be introduced and considered for adoption at the meeting, and each of the officers and members consented, in advance, to the holding of the meeting for such purpose; the meeting was open to the public; and public notice of the time, place and purpose of the meeting was given, all as required by Chapter 551, Texas Government Code.

TO CERTIFY WHICH, witness my hand this September 12, 2024.

____

Assistant Secretary, Board of Directors
Texas Municipal Power Agency

RESOLUTION NO. 2024-9-1

AUTHORIZING A NOTE PURCHASE AGREEMENT RELATING TO THE TEXAS MUNICIPAL POWER AGENCY TRANSMISSION SYSTEM REVENUE REVOLVING NOTES, SERIES A AND AUTHORIZING OTHER MATTERS RELATED THERETO.

WHEREAS, the Texas Municipal Power Agency ("TMPA") currently has authorized a $60,000,000 revolving note program styled "Texas Municipal Power Agency Transmission System Revenue Revolving Notes, Series A" (the "Notes"), which such notes have been issued pursuant to Resolution No. 2017-11-5 duly adopted by the Board of Directors of TMPA (the "Board") on November 9, 2017 as amended by Resolution No. 2022-9-2 approved by the Board on September 8, 2022 (collectively, the "Note Resolution") and included the Reconstituted Series A Note Resolution as so amended (as amended, the "Reconstituted Series A Note Resolution") to be fully effective with respect to such notes on the Debt Discharge Date, as such term is defined in the Note Resolution and the Reconstituted Series A Note Resolution; and

WHEREAS, the Debt Discharge Date occurred on September 1, 2018 and the Reconstituted Series A Note Resolution is fully effective; and

WHEREAS, the capitalized terms used in this resolution and not otherwise defined shall have the meanings given in the Reconstituted Series A Note Resolution, as modified by this resolution; and

WHEREAS, in connection with the issuance of the Notes, TMPA has previously entered into a Note Purchase Agreement, dated November 1, 2022, but effective November 2, 2022 with PNC Bank, National Association, which expires on November 2, 2024 unless terminated earlier by agreement (the "Existing Agreement"); and

WHEREAS, the Board finds and determines to enter into a new note purchase agreement (the "Agreement") with Truist Bank in connection with the issuance of the Notes, as a Substitute Note Purchase Agreement in replacement for the expiring Existing Agreement; and

WHEREAS, the Board finds and determines to enter into a new paying agent/registrar for the Notes with UMB Bank, N.A., (the "Paying Agent/Registrar Agreement") in connection with the issuance of the Notes; and

WHEREAS, the Agreement is authorized pursuant to Chapter 1371, Texas Government Code, as amended, the Act, other applicable laws and the Reconstituted Series A Note Resolution, including Sections 2.04 and 2.09 thereof.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY THAT:

Section 1. The Agreement, in substantially the form attached hereto as Exhibit A, is hereby approved and the General Manager of TMPA is hereby authorized to execute and deliver the Agreement, completed and modified as such officer deems necessary and appropriate.

Section 2. The Series A Note Obligations set forth in the Agreement are hereby confirmed as First Lien Transmission Debt under the Reconstituted Series A Note Resolution.

Section 3. The Board hereby authorizes the disbursement of a fee of $9,500 to the Attorney General of Texas Public Finance Division for payment of the examination fee charged by the State of Texas for the Attorney General's review and approval of the proceedings related to the Agreement, as required by Section 1202.004, Texas Government Code, as amended. The appropriate member of TMPA's staff is hereby instructed to take the necessary measures to make this payment.

Section 4. In connection with the issuance of Series A Notes pursuant to the Agreement, the Paying Agent/Registrar Agreement with UMB Bank, N.A., substantially in the form attached hereto as Exhibit B is hereby approved. Each of the President of the Board, the Secretary of the Board, the Assistant Secretary of the Board, the General Manager of TMPA and the Director of Finance of TMPA is hereby authorized to complete, execute and deliver such agreement.

Section 7. Each of the President of the Board, the Secretary of the Board, the Assistant Secretary of the Board, the General Manager of TMPA and the Director of Finance of TMPA is hereby authorized to execute any other agreement, document or certificates as may be necessary to consummate the transactions contemplated by this resolution including early termination of the Existing Agreement, prepayment or redemption of any Series A Notes purchased under the Existing Agreement and termination of the Paying Agent/Registrar Agreement, dated as of November 1, 2022, between TMPA and PNC Bank, National Association, related to the Series A Notes.

Section 8. Pursuant to Section 2.09 of the Reconstituted Series A Note Resolution, the authority to issue Series A Notes under the Agreement and the Reconstituted Series A Note Resolution and this resolution shall only become effective upon the termination of the Existing Agreement and all outstanding Series A Notes issued in connection with the Existing Agreement have been defeased or retired.

EXHIBIT A

AGREEMENT

[Please see separate tab of this transcript]

NOTE PURCHASE AGREEMENT

dated October 1, 2024,
effective October 22, 2024

between

TEXAS MUNICIPAL POWER AGENCY

and

TRUIST COMMERCIAL EQUITY, INC.

TABLE OF CONTENTS

NOTE PURCHASE AGREEMENT

October 1, 2024, effective October 22, 2024

Texas Municipal Power Agency
12824 FM 244
Anderson, Texas 77830
Attention: General Manager

Ladies and Gentlemen:

The undersigned Truist Commercial Equity, Inc. (the "*Purchaser*") offers to enter into this Note Purchase Agreement (as amended, supplemented or otherwise modified from time to time, the "*Agreement*") with the Agency (as hereinafter defined), for the purchase by the Purchaser and sale by the Agency of the Notes specified below. This offer is made subject to the Agency's written acceptance on the Closing Date, and upon such acceptance this Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the Agency and the Purchaser.

ARTICLE I

DEFINITIONS

Section 1.1. *Defined Terms*. Capitalized terms not otherwise defined herein shall have the same meanings as are set forth in the Resolution (as defined herein). In addition to the terms defined elsewhere in this Agreement, the following terms shall have the indicated meanings:

"*1933 Act*" means the Securities Act of 1933, as the same shall from time to time be supplemented or amended.

"*Affiliate*" means, with respect to any Person, any Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person. A Person shall be deemed to control another Person for the purposes of this definition if such first Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.

"*Agency*" means the Texas Municipal Power Agency, a municipal corporation, a political subdivision of the State of Texas and a body politic and corporate, duly organized and existing under the Agency Act.

"*Agency Act*" means Texas Utilities Code, Chapter 163, Subchapter C-1, as amended, being the primary governing legislation for the Agency.

"*Agency Board*" means the Board of Directors of the Agency, and if the Agency shall have more than one board as permitted by the Agency Act, "Agency Board" shall mean the appointed board of the Agency that has responsibility for the Agency's transmission business category.

"*Agency Rating*" means the long-term unenhanced ratings (without regard to any bond insurance policy or credit enhancement) assigned by each Rating Agency to the Agency's Parity Debt.

"*Applicable Margin*" means 0.64%.

"*Authorized Representative*" means, one or more of the following officers and employees of the Agency, acting in concert or individually, to wit: the President, Vice President or Secretary of the Board, the General Manager, Chief Financial Officer or Assistant Secretary of the Agency and any other person authorized by official action of the Board to perform the act or sign the document in question.

"*Available Commitment*" means, on any date, an initial amount equal to $60,000,000 and thereafter such initial amount adjusted from time to time as follows: (a) downward in an amount equal to the principal amount of any Note purchased by the Purchaser pursuant to the terms hereof; (b) upward in an amount equal to the principal amount of any Note paid by the Agency pursuant to the terms of Section 2.5 hereof; and (c) downward to zero upon the expiration or termination of the Available Commitment in accordance with the terms hereof; *provided*, *that*, after giving effect to any of the foregoing adjustments the Available Commitment shall never exceed $60,000,000 at any one time.

"Bank" means Truist Bank, a North Carolina banking corporation, and its successors and assigns.

"*Bankruptcy Code*" means the federal Bankruptcy Code of 1978, as it may be amended from time to time (Title 11 of the United States Code), and any successor statute thereto.

"*Bond Counsel*" means the law firm of McCall, Parkhurst & Horton L.L.P., or any nationally recognized bond counsel selected by the Agency and reasonably acceptable to the Purchaser.

"Business Day" means any day other than a Saturday or Sunday or a legal holiday on which commercial banks are authorized or required by law to be closed for business in Charlotte, North Carolina; <u>provided</u> that, when used in connection with an amount that bears interest at a rate based on SOFR, the term "Business Day" means any such day that is also a U.S. Government Securities Business Day.

"*Capital Lease*" means any lease of property which in accordance with GAAP would be required to be capitalized on the balance sheet of the lessee.

"*Capitalized Lease Obligations*" means the amount of the liability shown on the balance sheet of any Person in respect of a Capital Lease as determined in accordance with GAAP.

"*Change in Law*" means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "*Change in Law*", regardless of the date enacted, adopted or issued.

"*Closing*" has the meaning specified in Section 2.2 hereof.

"*Closing Date*" means October 22, 2024.

"*Code*" means the Internal Revenue Code of 1986, as amended, and when reference is made to a particular section thereof, the applicable Treasury Regulations from time to time promulgated or proposed thereunder.

"*Commitment*" means the agreement of the Purchaser pursuant to Section 2.1 hereof to make purchases of Notes under the terms hereof for the account of the Agency the proceeds of which shall be used for the purposes set forth in the Resolution.

"*Commitment Expiration Date*" means October 22, 2027, unless extended as provided herein.

"*Construction Fund*" has the meaning set forth in the Resolution.

"*Credit Agreement*" has the meaning set forth in the Resolution.

"*Debt Discharge Date*" has the meaning set forth in the Resolution.

"*Default*" means any condition or event which with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

"*Default Rate*" means, for the Notes and the other Obligations, a rate of interest equal to the Prime Rate plus 2.00%.

"*Designated Jurisdiction*" means any country or territory to the extent that such country or territory itself is the subject of any Sanction.

"*Determination of Taxability*" means and shall be deemed to have occurred on the first to occur of the following:

(i) on the date when the Agency files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(ii) on the date when a Noteholder or any former Noteholder notifies the Agency that it has received a written opinion by a nationally recognized firm of attorneys of substantial expertise on the subject of tax-exempt municipal finance to the effect that an Event of Taxability shall have occurred unless, within one hundred eighty (180) days after receipt by the Agency of such notification from such Noteholder or such former Noteholder, the Agency shall deliver to such Noteholder or such former Noteholder, as applicable, a ruling or determination letter issued to or on behalf of the Agency by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(iii) on the date when the Agency shall be advised in writing by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time, including an employee subordinate to one of these officers who has been authorized to provide such advice) that, based upon filings of the Agency, or upon any review or audit of the Agency or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iv) on the date when the Agency shall receive notice from a Noteholder or any former Noteholder that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of such Noteholder or such former Noteholder the interest on any Note due to the occurrence of an Event of Taxability;

provided, *however*, no Determination of Taxability shall occur under subparagraph (iii) or (iv) hereunder unless the Agency has been afforded the reasonable opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; *provided further*, *however*, that upon demand from a Noteholder or former Noteholder, the Agency shall promptly reimburse such Noteholder or former Noteholder for any payments, including any taxes, interest, penalties or other charges, such Noteholder (or former Noteholder) shall be obligated to make as a result of the Determination of Taxability.

"*Dollar*" and "*$*" mean lawful money of the United States.

"*ERISA*" means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute of similar import, and regulations thereunder, in each case as in effect from time to time. References to Sections of ERISA shall be construed also to refer to any successor Sections.

"*Event of Default*" with respect to this Agreement has the meaning set forth in Section 7.1 of this Agreement and, with respect to any Program Document, has the meaning assigned therein.

"*Event of Taxability*" means (i) a change in Law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the Agency, or the failure to take any action by the Agency, or the making by the Agency of any misrepresentation herein or in any certificate required to be given in connection with this Agreement or the issuance, sale or delivery of the Notes) which has the effect of causing interest paid or payable on any Note to become includable, in whole or in part, in the gross income of a Noteholder or any former Noteholder for federal income tax purposes or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury, which decree, judgment or action shall be final under applicable procedural Law, in either case, which has the effect of causing interest paid or payable on any Note to become includable, in whole or in part, in the gross income of such Noteholder or such former Noteholder for federal income tax purposes with respect to any Note.

"*Excess Interest Amount*" has the meaning set forth in Section 3.5(b) hereof.

"*First Lien Transmission Debt*" has the meaning set forth in the Resolution.

"*Fiscal Year*" has the meaning set forth in the Resolution.

"*Fitch*" means Fitch Ratings, Inc., and its successors and assigns.

"Floor" means a rate of interest per annum equal to zero basis points (0.00%).

"*GAAP*" means generally accepted accounting principles in effect from time to time in the United States and applicable to entities such as the Agency, including, without limitation, those principles set forth in the statements and pronouncement of the Government Accounting Standards Board.

"*Governmental Authority*" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including, without limitation, the Financial Conduct Agency, the Prudential Regulation Authority and any supra-national bodies such as the European Union or the European Central Bank).

"*Guarantee*" means, for any Person, all guarantees, endorsements (other than for collection or deposit in the ordinary course of business) and other contingent obligations of such Person to purchase, to provide funds for payment, to supply funds to invest in any other Person or otherwise to assure a creditor of another Person against loss.

"*Indebtedness*" means for any Person (without duplication) (i) all indebtedness created, assumed or incurred in any manner by such Person representing money borrowed (including by the issuance of debt securities), (ii) all obligations for the deferred purchase price of property or services (other than trade accounts payable arising in the ordinary course of business), (iii) all obligations secured by any Lien upon property of such Person, whether or not such Person has assumed or become liable for the payment of such indebtedness, (iv) all Capitalized Lease Obligations of such Person, (v) all obligations, contingent or otherwise, of such Person on or with respect to letters of credit, banker's acceptances and other evidences of indebtedness representing extensions of credit whether or not representing obligations for borrowed money, (vi) all Guarantees and (vii) obligations of such Person under any Swap Contract.

"*Indemnitee*" has the meaning set forth in Section 3.2(a) hereof.

"*Initial Commitment Amount*" means $60,000,000.

"*Interest Payment Date*" means the last Business Day of each March, June, September and December.

"*Investment Policy*" means the investment policy of the Agency, delivered to the Purchaser pursuant to Section 5.1 hereof.

"*Joint Operating Agreement*" has the meaning set forth in the Resolution.

"*Laws*" means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"*Lien*" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

"*Majority Noteholder*" means the Noteholders with a majority of the aggregate principal amount of Notes from time to time. As of the Effective Date, the Purchaser shall be the Majority Noteholder.

"*Material Adverse Change*" means the occurrence of any event or change, which separately or in the aggregate with the occurrence of other events, results or could reasonably be expected to result in a Material Adverse Effect.

"*Material Adverse Effect*" means any material adverse change in or effect on (i) the business, operations, assets, liabilities, condition (financial or otherwise) or results of operations of the Agency, (ii) the ability of the Agency to consummate the transactions contemplated by this Agreement or any of the Program Documents to which the Agency is a party, (iii) the ability of the Agency to perform any of its obligations under any of the Program Documents to which the Agency is or will be a party or (iv) the legality, validity, binding effect or enforceability against the Agency of any Program Document to which the Agency is a party or the rights, security, interests or remedies of the Purchaser hereunder or under any of the other Program Documents.

"*Maximum Federal Corporate Tax Rate*" means, for any day, the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect as of such day (or, if as a result of a change in the Code, the rate of income taxation imposed on corporations generally shall not be applicable to the Purchaser, the maximum statutory rate of federal income taxation which could apply to the Purchaser as of such day). As of the Closing Date, the Maximum Federal Corporate Tax Rate is 21%.

"*Maximum Rate*" means the lower of (i) the maximum net effective interest rate permitted by State law to be paid on obligations issued or incurred by the Agency in the exercise of its borrowing powers and (ii) the "Maximum Rate" as defined in the Resolution.

"*Moody's*" means Moody's Investors Service, Inc. and any successor rating agency.

"*Net Revenues*" has the meaning set forth in the Series A Note Resolution.

"*Note*" or "*Notes*" has the meaning specified in Section 2.1(a) hereof.

"*Note Maturity Date*" means, for each Note, the maturity date designated in such Note at the time of issuance pursuant to the terms of Section 2.1(c) hereof.

"*Note Payment Fund*" has the meaning set forth in the Resolution.

"*Noteholder*" or "*Holder*" means the Purchaser and each Bank Transferee or Non-Bank Transferee pursuant to Section 8.2 hereof so long as such Bank Transferee or Non-Bank Transferee is an owner of Notes.

"NYFRB" means the Federal Reserve Bank of New York.

"*Obligations*" means the obligations of the Agency under this Agreement to pay and repay all fees, expenses and charges payable or reimbursable hereunder to the Purchaser (including, without limitation, any amounts to reimburse the Purchaser for any advances or expenditures by it under any of such documents) and all other payment obligations of the Agency to the Purchaser arising under this Agreement or the other Program Documents, in each, case whether now existing or hereafter arising, due or to become due, direct or indirect, absolute or contingent, and howsoever evidenced, held or acquired.

"*OFAC*" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"*Parity Debt*" has the meaning set forth for the term "*First Lien Transmission Debt*" in the Resolution.

"*Patriot Act*" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Title III of Pub. L. 107-56 (signed into law October 26, 2001).

"*Paying Agent/Registrar*" means UMB Bank, N.A. and its successors and assigns.

"*Paying Agent/Registrar Agreement*" means that certain Paying Agent/Registrar Agreement dated as of October 1, 2024, between the Agency and the Paying Agent/Registrar, as the same may be amended, modified or supplemented from time to time in accordance with its terms and the terms hereof.

"*PBGC*" means the Pension Benefit Guaranty Corporation or any successor thereto.

"*Person*" means an individual, a corporation, a partnership, an association, a limited liability company, a trust or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

"*Pledged Revenues*" means those revenues pledged in the Resolution to secure the Notes, which are the Transmission Net Revenues and amounts on deposit in the Transmission System Debt Service Fund, subject to the payment priorities set forth in the Resolution.

"*Power Sales Contract*" has the meaning set forth in the Series A Note Resolution.

"*Prime Rate*" means the rate publicly announced by the Bank from time to time as its prime rate. The Prime Rate is determined from time to time by the Bank as a means of pricing some loans to its borrowers. The Prime Rate is not tied to any external rate of interest or index and does not necessarily reflect the lowest rate of interest actually charged by the Bank to any particular class or category of customers.

"*Program Documents*" means this Agreement, the Series A Note Resolution, the Resolution, the Paying Agent/Registrar Agreement, the Notes, (as applicable) the Joint Operating Agreement, the Tax Certificate (with respect to the Notes), and any exhibits, schedules, instruments or agreements relating thereto, as the same may be amended, modified or supplemented in accordance with their terms and the terms hereof.

"*Project Costs*" has the meaning set forth in the Resolution.

"*Purchase*" means each Purchase described in Section 2.3 hereof.

"*Purchaser*" has the meaning specified in the introductory paragraph hereof.

"*Purchase Date*" means each date on which a Purchase occurs.

"*Rating Agency*" means, individually or collectively, as applicable, Fitch, Moody's and S&P.

"*Rating Documentation*" has the meaning set forth in Section 5.1 hereof.

"*Related Parties*" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"*Request for Purchase*" means the request by the Agency for a purchase of a Note by the Purchaser, in the form of Exhibit A hereto.

"*Resolution*" the Series A Note Resolution as modified and restated to effect the implementation of the Agency's transmission financing system, effective in full as of the Debt Discharge Date in the form attached to the Series A Note Resolution as Exhibit C and known as the Reconstituted Series A Note Resolution, as amended by the Resolution of the Agency, Resolution No. 2022-9-2, adopted on September 8, 2022.

"*S&P*" means S&P Global Ratings, and any successor rating agency.

"*Sanction(s)*" means any international economic sanction administered or enforced by the United States Government (including, without limitation, OFAC), the United Nations Security Council, the European Union, His Majesty's Treasury or other relevant sanctions authority.

"*Security*" has the meaning set forth in Section 2.11 hereof.

"*Series A Note Resolution*" means the original resolution of the Agency, Resolution No. 2017-11-05, adopted on November 9, 2017, which authorized the issuance of the Notes.

"*Specific Provisions*" means provisions relating to, or the subject matter of which is, the following:

(i) the maintenance of rates and charges and debt service coverage as addressed and in Section 5.02 of the Resolution;

(ii) a covenant regarding the cash flows and/or funds pledged pursuant to the Resolution to pay amounts due under this Agreement;

(iii) the granting of acceleration or repayment rights to owners of Indebtedness (or other providers of credit or liquidity enhancement of such Indebtedness) that is senior to or on parity with the Notes that are more favorable than those available to all owners of Indebtedness (or other providers of credit or liquidity enhancement of such Indebtedness) that is senior to or on parity with the Notes (excluding any scheduled redemption, defeasance or other repayment of Indebtedness that is senior to or on parity with the Notes undertaken pursuant to, and in accordance with, the terms of such Indebtedness that is senior to or on parity with the Notes);

(iv) the security interest in the Security as addressed in Section 4.01(c) of the Series A Note Resolution, Section 4.01(b) of the Resolution and Section 2.11 hereof;

(v) the preservation of the lien and maintenance of properties and assets as addressed Article V of the Resolution; and

(vi) the consolidation of the Agency or the merger of the Agency with another entity.

"*State*" means the State of Texas.

"*State Legislature*" means the legislative branch of the government of the State of Texas.

"*Swap Contract*" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "*Master Agreement*"), including any such obligations or liabilities under any Master Agreement.

"*System*" means the "Transmission System" as defined in the Resolution.

"*Tax Certificate*" means that certain Federal Tax Certificate dated no later than the first Purchase Date to occur hereunder, by the Agency, relating to any Notes initially sold and delivered hereunder, as the same may be amended or supplemented from time to time.

"*Tax-Exempt Floating Rate*" means a floating rate per annum equal to the sum of (a) the product of (i) 79% and (ii) the Adjusted Term SOFR Rate (for the applicable Interest Period) and (b) the Applicable Margin; *provided*, *however*, that immediately and upon the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuation of such Event of Default, "*Tax-Exempt Floating Rate*" shall mean the Default Rate.

"*Taxable Date*" means the date on which interest on any Note is first includable in gross income of any Noteholder thereof (including the Purchaser) as a result of an Event of Taxability as such a date is established pursuant to a Determination of Taxability.

"*Taxable Period*" has the meaning set forth in Section 2.8(a) hereof.

"*Taxable Rate*" means, for any day during a Taxable Period, a rate of interest per annum equal to the product of (i) the average interest rate on any Note for such day and (ii) the Taxable Rate Factor.

"*Taxable Rate Factor*" means, for each day that the Taxable Rate is determined, the quotient of (i) one *divided by* (ii) one minus the Maximum Federal Corporate Tax Rate in effect as of such day, rounded upward to the second decimal place.

"*Termination Date*" means the earliest of (i) the Commitment Expiration Date, as such date may be extended pursuant to Section 2.10 hereof, (ii) the date on which the Commitment and Available Commitment are otherwise terminated in accordance with Section 2.7 hereof, and (iii) the date the Commitment terminates by its terms in accordance with Section 7.2 hereof.

"*Transmission Net Revenues*" has the meaning set forth in the Resolution.

"*Unused Fee*" has the meaning set forth in Section 2.6(a) hereof.

"*U.S. Government Securities Business Day*" means any day except for (A) a Saturday or Sunday or (B) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

Section 1.2. Other Interpretive Provisions. With reference to this Agreement and each other Program Document, unless otherwise specified herein or in such other Program Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "*include*," "*includes*" and "*including*" shall be deemed to be followed by the phrase "without limitation." The word "*will*" shall be construed to have the same meaning and effect as the word "*shall*." Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Program Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "*hereto*," "*herein*," "*hereof*" and "*hereunder*," and words of similar import when used in this Agreement, shall be construed to refer to this Agreement in its entirety and not to any particular provision thereof, (iv) all references in this Agreement to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to this Agreement in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words "*asset*" and "*property*" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word "*from*" means "*from and including*;" the words "*to*" and "*until*" each mean "*to but excluding*;" and the word "*through*" means "*to and including*."

(c) Section headings herein are included for convenience of reference only and shall not affect the interpretation of this Agreement.

Section 1.3. Accounting Terms. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements, except as otherwise specifically prescribed herein.

Section 1.4. Rounding. Any financial ratios required to be maintained by the Agency pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding-up if there is no nearest number).

Section 1.5. Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Central time (daylight or standard, as applicable).

ARTICLE II

SALE AND PURCHASE; CLOSING

Section 2.1. Purchase and Sale of Notes. (a) From the Closing Date through the Termination Date, and upon and subject to the terms and conditions and on the basis of the representations, warranties and agreements contained herein, the Purchaser hereby agrees, when requested by the Agency pursuant to this Agreement, to purchase from the Agency from time to time (but in no event more than three (3) purchases per calendar month) in an aggregate principal amount not to exceed the Available Commitment, and the Agency hereby agrees to sell and deliver to the Purchaser from time to time the "Texas Municipal Power Agency Transmission System Revenue Revolving Notes, Series A" in the form attached as Exhibit A to the Resolution (the "*Notes*"), upon issuance thereof under the terms and conditions of the Resolution, in one or more installments on each Purchase Date. The Notes are authorized pursuant to the provisions of the Agency Act, and Chapter 1371, Texas Government Code, as amended (collectively, the "*Act*") and the Resolution, and are to be issued only for the purposes authorized under the Resolution. Pursuant to the Resolution, the principal of and interest on the Notes are payable from and secured by a lien on and pledge of Pledged Revenues, subject to the terms and conditions of the Resolution, as applicable.

(b) Pursuant to and subject to the terms of this Agreement, each Note shall be sold to the Purchaser at a purchase price equal to the principal amount of each Note and no accrued interest and the Purchaser shall pay such purchase price to the Agency upon delivery of such Note to the Purchaser on the related Purchase Date.

(c) Each Note shall (i) be dated the date such Note is delivered to the Purchaser, (ii) be secured by the Pledged Revenues in the manner described in Section 2.1(a) hereof, (iii) mature not later than the earlier of (A) three hundred sixty-four (364) days following the related Purchase Date, and (B) the Commitment Expiration Date and (iv) be in a minimum principal amount of $2,000,000 or an integral multiple of $100,000 in excess thereof. Interest on the Notes shall be calculated on the basis of a year of 360 days and actual days elapsed from the Purchase Date.

Section 2.2. *Closing*. At such date and time as shall have been mutually agreed upon by the Agency and the Purchaser, the certificates, opinions and other documents required by Section 5.1 below shall be executed and delivered (all of the foregoing actions are herein referred to collectively as the "Closing"). Assuming the Closing is completed in accordance with the provisions of this Agreement then, subject to the provisions of this Agreement and the conditions set forth in Section 5.2 hereof, the Purchaser shall purchase each Note and pay the purchase price therefor specified in Section 2.1(b) hereof (and the Agency shall issue and deliver such Note) at each Purchase.

Section 2.3. *Method of Purchase*. *(a)* Each purchase of a Note shall be made upon the Agency's irrevocable notice to the Purchaser and the Paying Agent/Registrar in the form of a Request for Purchase with blanks appropriately completed. Each Request for Purchase shall be signed by an Authorized Representative and shall specify: (1) the Purchase Date which shall be a Business Day and shall be at least three (3) Business Days after the date of the Request for Purchase; and (2) the principal amount of the Note to be purchased, which shall not exceed the Available Commitment as of the proposed Purchase Date. Each Request for Purchase must be received by the Purchaser not later than 10:00 a.m. three (3) Business Days immediately prior to the requested Purchase Date.

(b) *Reserved*.

(c) Upon receipt of a Request for Purchase for a Note by the Purchaser, subject to the terms and conditions of this Agreement, the Purchaser shall be required to make a purchase for a Note by 3:00 p.m. on the proposed Purchase Date for the account of the Agency in an amount equal to the amount of the requested purchase. Notwithstanding the foregoing, in the event such Request for Purchase for a Note is received by the Purchaser after 10:00 a.m. on the Business Day which is three (3) Business Days immediately prior to the day of the proposed Purchase, the Purchaser shall be required to make the related Purchase for a Note by 3:00 p.m. on the fourth Business Day immediately following receipt of the related Request for Purchase.

(d) *Reserved*.

(e) *Reserved*.

(f) If, after examination, the Purchaser shall have determined that a Request for Purchase does not conform to the terms and conditions hereof, then the Purchaser shall use its best efforts to give notice to the Agency and the Paying Agent/Registrar to the effect that documentation was not in accordance with the terms and conditions hereof and stating the reasons therefor. The Agency may attempt to correct any such nonconforming Request for Purchase, if, and to the extent that, the Agency is entitled (without regard to the provisions of this sentence) and able to do so. The Purchaser shall give notice to the Agency and the Paying Agent/Registrar of the interest rate applicable to any Interest Period on or before the related Interest Payment Date. During the existence of a Default or an Event of Default, no Notes may be requested without the prior written consent of the Purchaser in its sole discretion.

Section 2.4. *Interest Rate*. *(a)* Each Note shall bear interest at a rate per annum equal to the lesser of (1) the Maximum Rate or (2) the Tax-Exempt Floating Rate subject to the terms of

Schedule 2.4 attached hereto. The Purchaser shall promptly notify the Agency and the Paying Agent/Registrar of the interest rate applicable to any Interest Period upon determination of such interest rate; *provided, however*, that the failure by the Purchaser to provide notice of the applicable interest rate shall not relieve the Agency of its obligation to make payment of amounts as and when due hereunder. Each determination by the Purchaser of an interest rate shall be conclusive and binding for all purposes, absent manifest error.

(b) If at any time after the Closing Date, there should be any change in the Maximum Federal Corporate Tax Rate, then the Tax-Exempt Floating Rate in effect hereunder from time to time as herein provided, for so long as there shall not have occurred a Determination of Taxability, shall be adjusted (upward or downward, as the case may be), effective as of the effective date of any such change in the Maximum Federal Corporate Tax Rate, by multiplying the Tax-Exempt Floating Rate by a fraction, the denominator of which is one hundred percent (100%) minus the Maximum Federal Corporate Tax Rate in effect on the Closing Date, and the numerator of which is one hundred percent (100%) minus the Maximum Federal Corporate Tax Rate after giving effect to such change.

(c) Any principal of, and to the extent permitted by State law, any interest on the Notes and any other sum payable hereunder, which is not paid when due shall bear interest, from the date due and payable until paid, payable on demand, at a rate per annum equal to the lesser of (i) the Default Rate and (ii) subject to Section 3.5 hereof, Maximum Rate.

(d) During any period in which any Event of Default has occurred and is continuing, any Note bearing interest at the Tax-Exempt Floating Rate shall, at the Purchaser's sole discretion, be converted to bear interest at the Default Rate, and no Note will bear interest at the Tax-Exempt Floating Rate until such Event of Default has been cured by the Agency or waived by the Purchaser.

(e) From and after the Taxable Date, each Note shall bear interest at the applicable Taxable Rate not to exceed the Maximum Rate.

Section 2.5. Payment. *(a)* The Agency shall pay accrued interest on the unpaid principal balance of each Note in arrears on each Interest Payment Date and for all outstanding amounts, at the related Note Maturity Date, and after maturity, on demand until paid in full.

(b) Subject to Section 2.9 hereof, the Agency may prepay or redeem any Note, in whole or in part, provided at least ten (10) Business Days' prior written notice is given by the Agency to the Purchaser and the Paying Agent/Registrar. Each such notice shall specify the date and amount of such prepayment and the Notes to be prepaid. Each such notice of optional prepayment shall be irrevocable and shall bind the Agency to make such prepayment in accordance with such notice. Any prepayment of a Note shall be in a principal amount of $2,000,000 or a whole multiple of $100,000 in excess thereof or, if less, the entire principal amount of the particular Note then outstanding. All prepayments of principal shall include accrued interest to the date of prepayment and all other amounts due and payable at such time pursuant to this Agreement.

(c) If any payment under this Agreement shall become due on a day other than a Business Day, such payment shall be due on the next succeeding Business Day. Interest shall be computed to, but excluding, the date payment is due. Payments received will be applied to charges, fees and expenses (including attorneys' fees), accrued interest and principal in any order the Purchaser may choose, in its sole discretion.

(d) If the Agency fails to make any payment of principal of and interest on a Note or other amount coming due pursuant to the provisions of this Agreement within 10 calendar days of the date due and payable, to the extent permitted by State law, the Agency also shall pay to the Purchaser a late charge equal to 5.00% of the amount of such payment (the "*Late Charge*"). Such 15-day period shall not be construed in any way to extend the due date of any such payment. Upon maturity of a Note, and at the Purchaser's option upon the occurrence of any Event of Default (as hereinafter defined) and during the continuance thereof, amounts outstanding under this Agreement, including the interest rate on any Note, shall bear interest at the Default Rate, subject to Section 3.5 hereof. The Default Rate shall continue to apply whether or not judgment shall be entered on this Agreement. Both the Late Charge and the Default Rate are imposed as liquidated damages for the purpose of defraying the Purchaser's expenses incident to the handling of delinquent payments, but are in addition to, and not in lieu of, the Purchaser's exercise of any rights and remedies hereunder, under the other Program Documents or under applicable law, and any fees and expenses of any agents or attorneys which the Purchaser may employ. In addition, the Default Rate reflects the increased credit risk to the Purchaser of this Agreement that is in default. The Agency agrees that the Late Charge and Default Rate are reasonable forecasts of just compensation for anticipated and actual harm incurred by the Purchaser, and that the actual harm incurred by the Purchaser cannot be estimated with certainty and without difficulty.

Section 2.6. Fees.

(a) *Unused Fee*. The Agency agrees to pay to the Purchaser a nonrefundable annual unused fee equal to 0.23% multiplied by the daily Available Commitment quarterly in arrears on the last day of each calendar quarter and on the Termination Date, calculated on the basis of a year of 360 days and actual days elapsed.

(b) *Draw Fee*. The Agency will pay to the Purchaser a draw fee of $250 for each purchase of a Note. The draw fee shall be payable on the day on which such purchase is made, without any requirement of notice or demand by the Purchaser.

(c) *Amendment Fee*. The Agency will pay to the Purchaser an amendment fee of $1,500 upon each amendment, supplement, modification, transfer, standard waiver or consent related to this Agreement, together with all reasonable legal fees and expenses incurred in connection therewith.

(d) *Costs, Expenses and Taxes*. The Agency will promptly pay on demand (i) the reasonable fees, costs and expenses of the Purchaser incurred in connection with the preparation, negotiation, execution and delivery of this Agreement, the Notes and the other Program Documents, (ii) the reasonable fees and disbursements of counsel to the Purchaser, incurred in connection with the preparation, execution, filing and administration and delivery of this Agreement and the other Program Documents, (iii) the reasonable fees and disbursements of counsel or other reasonably required consultants to the Purchaser with respect to advising the Purchaser as to the rights and responsibilities under this Agreement and the other Program

Documents after the occurrence of any Default hereunder, or an Event of Default, (iv) all costs and expenses, if any, in connection with any waiver or amendment of, or the giving of any approval or consent under, or any response thereto or the enforcement of this Agreement, the Program Documents and any other documents which may be delivered in connection herewith or therewith, including in each case the reasonable fees and disbursements of counsel to the Purchaser or other reasonably required consultants and (v) any amounts advanced by or on behalf of the Purchaser to the extent required to cure any Default, Event of Default or event of nonperformance hereunder or any Program Document, together with interest at the Default Rate. In addition, the Agency shall pay any and all stamp taxes, transfer taxes, documentary taxes, and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing, and recording of this Agreement and the security contemplated by the Program Documents (other than taxes based on the net income of the Purchaser) and, to the extent permitted by State law, agrees to indemnify and hold the Purchaser harmless from and against any and all liabilities with respect to or resulting from any delay in paying, or omission to pay, such taxes and fees, including interest and penalties thereon; *provided*, *however*, that the Agency may reasonably contest any such taxes or fees with the prior written consent of the Purchaser, which consent, if an Event of Default does not then exist, shall not be unreasonably withheld. In addition, the Agency agrees to pay, after the occurrence of a Default or an Event of Default, all costs and expenses (including reasonable attorneys' fees and costs of settlement) incurred by the Purchaser in enforcing any obligations or in collecting any payments due from the Agency hereunder by reason of such Default or Event of Default or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "workout" or of any collection, insolvency, bankruptcy proceedings or other enforcement proceedings resulting therefrom.

(e) *Default Rate*. If the Agency shall fail to pay any amount payable under this Section 2.6 as and when due, each such unpaid amount shall bear interest for each day from and including the date it was due until paid in full at the applicable Default Rate. The obligations of the Agency under this Section 2.6 shall survive the termination of this Agreement.

Section 2.7. Termination. *(a)* The Agency may at any time and at its sole option terminate the Commitment upon ten (10) Business Days' prior written notice to the Purchaser in the form of Exhibit E hereto. As a condition to any such termination, the Agency shall prepay or cause to be prepaid all Notes and Obligations due and owing to the Purchaser at such time.

Section 2.8. Taxability. *(a)* In the event a Taxable Date occurs, the Agency hereby agrees to pay to the Purchaser or any Noteholder on demand therefor (1) an amount equal to the difference between (A) the amount of interest that would have been paid to the Purchaser or any Noteholder, as applicable, on any Note during the period for which interest on such Note is includable in the gross income of the Purchaser or any Noteholder, if such Note had borne interest at the Taxable Rate, beginning on the Taxable Date (the "*Taxable Period*"), and (B) the amount of interest actually paid to the Purchaser or any Noteholder, as applicable, during the Taxable Period, and (2) an amount equal to any interest, penalties or charges owed by the Purchaser or any Noteholder, as applicable, as a result of interest on the Notes becoming includable in the gross income of the Purchaser or any Noteholder, as applicable, together with any and all reasonable attorneys' fees, court costs, or other out-of-pocket costs incurred by the Purchaser or any Noteholder, as applicable, in connection therewith.

(b) *Reserved*.

(c) The obligations of the Agency under this Section 2.8 shall survive the termination of the Commitment and this Agreement.

Section 2.9. Funding Reimbursement. To the extent permitted by law, the Agency agrees to indemnify the Purchaser against any liabilities, losses or expenses (including, without limitation, loss of margin, any loss or expense sustained or incurred in liquidating or employing deposits from third parties, and any loss or expense incurred in connection with funds acquired to effect, fund or maintain any amounts hereunder (or any part thereof) bearing interest at the Tax-Exempt Floating Rate which the Purchaser sustains or incurs as a consequence of either (i) the Agency's failure to make a payment on the due date thereof, (ii) the Agency's revocation (expressly, by later inconsistent notices or otherwise) in whole or in part of any notice given to Purchaser to request, convert, renew or prepay any amounts bearing interest at the Tax-Exempt Floating Rate, or (iii) the Agency's payment or prepayment (whether voluntary or otherwise) or conversion of any amounts bearing interest at the Tax-Exempt Floating Rate on a day other than the regularly scheduled due date therefor. A notice as to any amounts payable pursuant to this paragraph given to the Agency by the Purchaser shall, in the absence of manifest error, be conclusive and shall be payable upon demand. The Agency's indemnification obligations hereunder shall survive the payment in full of all amounts payable hereunder.

Section 2.10. Extension of Commitment Expiration Date. The Agency may request an extension of the Commitment Expiration Date in writing in the form of Exhibit C hereto not more than one hundred eighty (180) days prior to the then current Commitment Expiration Date and not less than sixty (60) days prior to the then current Commitment Expiration Date. The Purchaser will make reasonable efforts to respond to such request within thirty (30) days after receipt of all information necessary, in the Purchaser's judgment, to permit the Purchaser to make an informed credit decision. If the Purchaser fails to definitively respond to such request within such thirty (30) day period, the Purchaser shall be deemed to have refused to grant the extension requested. The Purchaser may, in its sole and absolute discretion, decide to accept or reject any such proposed extension and no extension shall become effective unless the Purchaser shall have consented thereto in writing in the form of Exhibit G hereto or otherwise. The Purchaser's consent, if granted, shall be conditioned upon the preparation, execution and delivery of documentation in form and substance satisfactory to the Purchaser (which may include, but shall not be limited to the delivery of a "no adverse effect opinion" of Bond Counsel to the Purchaser with respect to the tax-exempt status of the Notes).

Section 2.11. Security of Obligations.

(a) *Pledge*. The Agency hereby pledges and grants to the Purchaser, on an equal and ratable basis with the owners of any other Parity Debt and as collateral security for the payment by the Agency, when due, of all Obligations, the due and punctual observance and performance of all other obligations of the Agency under this Agreement, and the due and punctual observance and performance of the Agency's obligations to the owners of the Notes arising under the Notes, an irrevocable lien on, pledge of and security interest in the amounts held in the Note Payment Fund until the amounts deposited therein are used for authorized purposes.

(b) *Security*. The Resolution creates a valid irrevocable lien on, pledge of, and security interest in the Pledged Revenues as security for all of the Notes and all action necessary to perfect the lien on, pledge of, and security interest of the Purchaser in such Pledged Revenue has been duly and validly taken. The Agency hereby pledges and grants to the Purchaser, on an equal and ratable basis with the owners of Parity Debt, as security for the payment by the Agency, when due, of all Obligations now or at any time hereafter owing to the Purchaser under this Agreement a lien on and security interest in the Pledged Revenues and the right to enforce certain remedies under the Resolution as described therein. The collateral security described in this Section 2.11(a) and (b) is referred to as the "*Security*."

(c) *Acknowledgement*. The Purchaser acknowledges that this Agreement and the Obligations of the Agency hereunder are special obligations of the Agency, secured and payable solely from the Security and that the Obligations constitute Parity Debt.

ARTICLE III

LIABILITY, INDEMNITY AND PAYMENT

Section 3.1. Liability of the Agency. The Agency and the Purchaser agree that the obligation of the Agency to pay the Notes and the Obligations are contractual obligations of the Agency payable solely from the Pledged Revenues and shall not be affected by, and the Purchaser shall not be responsible for, among other things, (i) the validity, genuineness or enforceability of this Agreement, the Notes or documents, notices or endorsements relating thereto (even if this Agreement or any documents, notices endorsements relating thereto should in fact prove to be in any and all respects invalid, fraudulent or forged), (ii) the use to which the amounts disbursed by the Purchaser may be put, or (iii) any other circumstances or happenings whatsoever, whether or not similar to any of the foregoing.

Section 3.2. Indemnification by the Agency. *(a)* To the extent permitted by State law, the Agency shall indemnify the Purchaser and each Related Party of the Purchaser (each such Person being called an "*Indemnitee*") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the reasonable fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including the Agency) other than such Indemnitee and its Related Parties arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Program Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby, or, in the case of the Purchaser (and any sub-agent thereof) and its Related Parties only, the administration of this Agreement and the other Program Documents (including in respect of any matters addressed in Section 3.1), (ii) the purchase of the Notes or the use or proposed use of the proceeds therefrom, or (iii) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Agency, and regardless of whether any Indemnitee is a party thereto; *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the negligence or willful misconduct of such Indemnitee.

(b) To the fullest extent permitted by applicable State law, the Agency shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Program Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, or the use of the proceeds thereof. No Indemnitee referred to in subsection (a) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Program Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(c) All amounts due under this Section shall be payable not later than thirty (30) days after receipt of an invoice.

Section 3.3. Increased Costs.

(a) *Increased Costs Generally*. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, liquidity ratio, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by a Noteholder;

(ii) subject any Noteholder to any taxes on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Noteholder any other condition, cost or expense affecting this Agreement or the Notes;

and the result of any of the foregoing shall be to increase the cost to any Noteholder with respect to this Agreement, the Notes, or the making, maintenance or funding of the purchase price of the Notes, or to reduce the amount of any sum received or receivable by such Noteholder hereunder (whether of principal, interest or any other amount) then, upon request of such Noteholder, to the extent permitted by State law, the Agency will pay to the such Noteholder such additional amount or amounts as will compensate such Noteholder for such additional costs incurred or reduction suffered.

(b) *Capital Requirements*. If any Noteholder determines that any Change in Law affecting such Noteholder or any of its parent or holding companies, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Noteholder's capital or liquidity or on the capital or liquidity of such Noteholder's holding company, if any, as a consequence of this Agreement or the purchase of any Note hereunder, to a level below that which such Noteholder or such Noteholder's holding company could have achieved but for such Change in Law (taking into consideration such Noteholder's policies and the policies of its parent or holding company with respect to capital adequacy), then from time to time, to the extent permitted by law, the Agency will pay to such Noteholder such additional amount or amounts as will compensate such Noteholder or its parent or holding companies, as applicable, for any such reduction suffered.

(c) *Certificates for Reimbursement*. A certificate of any Noteholder setting forth the amount or amounts necessary to compensate such Noteholder or its parent or its holding companies, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Agency shall be conclusive absent manifest error. The Agency shall pay to the Purchaser (and if applicable, to the Purchaser on behalf of a Noteholder) the amount shown as due on any such certificate within thirty (30) days after receipt thereof.

(d) *Delay in Requests*. Failure or delay on the part of any Noteholder to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of such Noteholder's right to demand such compensation; *provided* that the Agency shall not be required to compensate any Noteholder pursuant to the foregoing provisions of this Section for any increased costs incurred or reductions suffered more than six (6) months prior to the date that such Noteholder notifies the Agency of the Change in Law giving rise to such increased costs or reductions and of the Noteholder's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the six (6) month period referred to above shall be extended to include the period of retroactive effect thereof).

Section 3.4. Taxes. If any payments to the Purchaser under this Agreement are made from outside the United States, the Agency will not deduct any foreign taxes from any payments it makes to the Purchaser. If any such taxes are imposed on any payments made by the Agency (including payments under this paragraph), the Agency will pay the taxes and will also pay to the Purchaser, at the time interest is paid, any additional amount which the Purchaser specifies as necessary to preserve the after-tax yield the Purchaser would have received if such taxes had not been imposed. The Agency will confirm that it has paid the taxes by giving the Purchaser official tax receipts (or notarized copies) within thirty (30) days after the due date.

Section 3.5. Maximum Rate; Default Rate. *(a)* Any and all amounts remaining unpaid when due under this Agreement shall bear interest at the Default Rate until repaid and shall be payable upon demand. To the extent permitted by State law, any such amounts which constitute interest remaining unpaid when due shall bear interest at the Default Rate until repaid and shall be payable upon demand. Upon the occurrence and during the continuance of an Event of Default, the Obligations and the Notes shall bear interest at the Default Rate, which shall be payable by the Agency to the Purchaser pursuant to the terms of Section 2.5 hereof.

(b) In the event that the rate of interest payable hereunder or under the Notes shall exceed the Maximum Rate for any period for which interest is payable, then (i) interest at the Maximum Rate shall be due and payable with respect to such interest period and (ii) interest at the rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof or the Notes, as applicable and (B) the Maximum Rate (the "*Excess Interest Amount*"), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof or the Notes, as applicable ceases to exceed the Maximum Rate, at which time the Agency shall pay to the Purchaser, with respect to amounts then payable to the Purchaser that are required to accrue interest hereunder or under the Notes, such portion of the deferred Excess Interest Amount as will cause the rate of interest then paid to the Purchaser, to equal the Maximum Rate, which payments of deferred Excess Interest Amount shall continue to apply to such unpaid amounts hereunder or under the Notes until all deferred Excess Interest Amount is fully paid to the Purchaser. Notwithstanding the foregoing and to the extent permitted by State law, on the date on which no principal amount with respect to the Notes remains unpaid, the Agency shall pay to the Purchaser a fee equal to any accrued and unpaid Excess Interest Amount on such date; *provided* that such payment shall not cause interest to exceed the maximum net effective interest rate authorized under Chapter 1204, Texas Government Code, as amended; *provided further* that in no event shall interest accrue and be payable after such date.

(c) All amounts paid pursuant to this Agreement shall be non-refundable and shall be paid in immediately available funds.

Section 3.6. Liability of the Purchaser. To the extent permitted by State law, the Agency assumes all risks of the acts or omissions of the Paying Agent/Registrar with respect to the use of the Commitment and the purchase of Notes made pursuant thereto; provided that this assumption with respect to the Purchaser is not intended to and shall not preclude the Agency from pursuing such rights and remedies as it may have against the Paying Agent/Registrar under any other agreements. The Purchaser shall not be liable or responsible for (i) the use of the proceeds of the Notes or the transactions contemplated hereby and by the Program Documents or for any acts or omissions of the Paying Agent/Registrar, (ii) the validity, sufficiency, or genuineness of any documents determined in good faith by the Purchaser to be valid, sufficient or genuine, even if such documents shall, in fact, prove to be in any or all respects invalid, fraudulent, forged or insufficient, (iii) purchase of Notes by the Purchaser against presentation of Requests for Purchase for which the Purchaser in good faith has determined to be valid, sufficient or genuine and which subsequently are found not to comply with the terms of this Agreement, or (iv) any other circumstances whatsoever in making or failing to make payment hereunder; provided that the Agency shall not be required to indemnify the Purchaser for any claims, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the negligence or willful misconduct of the Purchaser, respectively, as determined by a court of competent jurisdiction in a final and nonappealable judgment.

Section 3.7. Obligations Unconditional. The Agency's obligation to repay the Notes and all of its respective Obligations under this Agreement shall be absolute and unconditional under any and all circumstances, including without limitation: (a) any lack of validity or enforceability of this Agreement, the Notes or any of the other Program Documents; (b) any amendment or waiver of or any consent to departure from all or any of the Program Documents; (c) the existence of any claim, set-off, defense or other right which the Agency may have at any time against the Purchaser or any other person or entity, whether in connection with this Agreement, the other Program Documents, the transactions contemplated herein or therein or any unrelated transaction; or (d) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing; and irrespective of any setoff, counterclaim or defense to payment which the Agency may have against any Noteholder or any other Person, including, without limitation, any defense based on the failure of any nonapplication or misapplication of the proceeds of Notes hereunder, and irrespective of the legality, validity, regularity or enforceability of this Agreement, the Notes or any or all other Program Documents, and notwithstanding any amendment or waiver of (other than an amendment or waiver signed by the Purchaser explicitly reciting the release or discharge of any such obligation), or any consent to, or departure from, this Agreement, the Notes or any or all other Program Documents or any exchange, release, or nonperfection of any collateral securing the obligations of the Agency hereunder; *provided*, *however*, that nothing contained in this Section 3.7 shall abrogate or otherwise affect the rights of the Agency under this Agreement.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 4.1. Representations of the Agency. In order to induce the Purchaser to enter into this Agreement, the Agency represents and warrants to the Purchaser as follows:

(a) *Organization and Powers*. The Agency (a) is duly established and validly existing under the Constitution and laws of the State as a joint powers agency; (b) has all corporate powers and all material governmental licenses, authorizations, consents, and approvals required to carry on its business as now conducted; (c) has full legal right, power and authority to pledge the Pledged Revenues as security for its obligations under this Agreement; (d) had full legal right, power and authority to adopt the Resolution; (e) has full legal right, power and authority to execute, deliver, and perform this Agreement and the other Program Documents; (f) has full legal right, power and authority to borrow and obtain extensions of credit hereunder, and to execute, deliver, and perform the Notes; and (g) has full power and authority to operate the System.

(b) *Authorization; Contravention*. The issuance of the Notes, and the execution, delivery, and performance by the Agency of the Resolution, this Agreement, and the other Program Documents and the making of the payments under the Notes have been duly authorized by all necessary action by the Agency and do not and will not (i) conflict with, violate, or contravene any constitutional provision or any provision of existing law or regulation or any order, writ, injunction or decree of any court, tribunal, governmental authority, bureau, agency or other instrumentality applicable to the Agency, the Agency Act, bylaws or other organizational documents or the provisions of any indenture, instrument or agreement to which the Agency is a party or is subject, or by which it or its property is bound, which conflict, violation or contradiction could reasonably be expected to have a Material Adverse Effect with respect to the Agency, (ii) conflict with, violate, or cause a default, or with the passage of time or the giving of notice or both would cause a default, under any bond, note or other evidence of indebtedness or mortgage, indenture, contract or other agreement to which the Agency is a party or that is binding upon it or any of its properties, which conflict, violation or default could reasonably be expected to have a Material Adverse Effect with respect to the Agency, or (iii) result in the creation or imposition of any security interest, lien, charge or encumbrance on any of its assets pursuant to the provisions of any of the foregoing, except as otherwise permitted by the terms of the Resolution.

(c) *Governmental Consent or Approval*. No consent of any Person and no license, approval or authorization of, or notice to or registration, filing or declaration with, any applicable Governmental Authority (other than any action that may be required under any state securities or blue sky laws) is required in connection with the adoption, performance, validity or enforceability of the Resolution, the issuance, validity or enforceability of the Notes, or the execution, delivery, performance, validity or enforceability of this Agreement or the other Program Documents or, if required, the same has been obtained and is in full force and effect or, if not yet obtained, will be obtained on or before the Closing Date and will be in full force and effect on such date, and true copies thereof have been, or will be, delivered to the Purchaser on or before the Closing Date.

(d) *Litigation*. There is no action, suit, or proceeding pending in any court or, to the knowledge of the Agency, pending or threatened against or affecting the Agency, or relating to other applicable laws or regulations, or this Agreement or the other Program Documents in any court or before or by any governmental department, agency, instrumentality, or arbitrator the resolution of which would materially and adversely affect the ability or authority of the Agency to perform its obligations under this Agreement or the other Program Documents, or which in any manner questions the validity or enforceability of the Notes, this Agreement, the Resolution, or the other Program Documents or the granting, perfection, enforceability, or priority of the lien on and pledge of the Security except any action, suit, or proceeding which may be brought prior to the Closing Date as to which the Purchaser has received a written opinion of counsel to the Agency, in form and substance satisfactory to the Purchaser and its counsel, to the effect that such action, suit, or proceeding is without substantial merit.

(e) *No Default*. No Default or Event of Default has occurred and is continuing or would result from the consummation of the transaction contemplated by this Agreement or any other Program Document.

(f) *Financial Statements*. (i) The balance sheet of the Agency as of September 30, 2023 and the related statements of income and cash flows for the fiscal year then ended, reported on by FORVIS, LLP, copies of which have been delivered to the Purchaser, fairly present, in conformity with generally accepted accounting principles, the financial position of the Agency as of such date and its results of operations and cash flows for such fiscal year; and

(ii) Except as disclosed to the Purchaser in writing prior to Closing Date, since September 30, 2023 (and, in addition, after delivery of the most recent annual report of the Agency in accordance with the terms hereof, since the date of such annual report), there has been no Material Adverse Change with respect to the Agency.

(g) *Margin Regulations*. No portion of the proceeds of any Note shall be used by the Agency (or any other Person on behalf of the Agency) for the purpose of "purchasing" or "carrying" any margin stock or used in any manner which might cause the borrowing or the application of such proceeds to violate Regulation G, Regulation U, Regulation T, or Regulation X of the Board of Governors of the Federal Reserve System or any other regulation of the Board or to violate the Securities Exchange Act of 1934, as amended, in each case as in effect on the date or dates of such Notes and such use of proceeds.

(h) *Complete and Correct Information*. All information, reports, and other papers and data with respect to the Agency furnished to the Purchaser in connection with this Agreement and any other Program Document were, at the time the same were so furnished, complete and correct in all material respects, to the extent necessary to give the Purchaser a true and accurate knowledge of the subject matter. No document furnished or statement made by the Agency in connection with the negotiation, preparation, or execution of this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained therein not misleading.

(i) *Reserved*.

(j) *Taxes*. The Agency has filed all applicable Federal, state and other material tax returns and reports required to be filed, and have paid all applicable Federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or its properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP. There is no proposed tax assessment against the Agency that would, if made, have a Material Adverse Effect.

(k) *Legal, Valid, and Binding Obligations*. Assuming due authorization, execution, and delivery by the other parties thereto, this Agreement and the other Program Documents to which the Agency is a party are the legal, valid, and binding obligations and agreements of the Agency, enforceable against the Agency in accordance with their respective terms, subject to the application by a court of general principles of equity which permit the exercise of judicial discretion and to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium, or similar law affecting creditors' rights generally.

(l) *No Further Consent or Approval*. The execution, delivery and performance of this Agreement and the other Program Documents are not subject to any approval, authorization, notice, filing, or consent which has not been obtained or made of any federal, state, or local governmental authority or court, and all such approvals, authorizations, notices, filings, or consents which have been obtained or made remain in full force and effect.

(m) *Incorporation by Reference*. The Agency hereby makes to the Purchaser the same representations and warranties as are set forth by it in each Program Document to which it is a party, which representations and warranties, as well as the related defined terms contained therein, are hereby incorporated herein by reference for the benefit of the Purchaser, with the same effect as if each and every such representation and warranty and defined term were set forth herein in its entirety and were made as of the date hereof. Except for any representations and warranties relating to the Power Sales Contract which has expired, all representations and warranties of the Agency set forth in the Program Documents are incorporated herein by reference as if fully set forth herein, as of their respective dates, in their entirety. At any time consent of the Purchaser is required pursuant to Section 6.1(d) hereof, no amendment to such representations and warranties or definitions made pursuant to the relevant Program Documents shall be effective to amend such representations or warranties incorporated by reference herein without the prior written consent of the Purchaser.

(n) *Security*. (i) The Resolution creates a valid lien on, pledge of, and security interest in the Pledged Revenues and applicable funds created in the Resolution as security for the Notes and all action necessary to perfect the lien on, pledge of, and security interest of the owners of the Notes in such security has been duly and validly taken;

(ii) This Agreement creates a valid lien on, pledge of, and security interest in the Security as security for the repayment of the Obligations and all action necessary to perfect the lien on, pledge of, and security interest of the Purchaser in the Security has been duly and validly taken;

(iii) The Resolution does not permit the issuance of any debt secured by the Security to rank senior to the Notes and all Obligations due and owing the Purchaser hereunder. No filing, registering, recording or publication of the Resolution, this Agreement or any other instrument is required to establish the pledge under the Resolution or this Agreement or to perfect, protect or maintain the lien created hereby or thereby on the Security;

(iv) The Obligations and each Note constitute Parity Debt; and

(v) The Purchaser and any Noteholder is a "Bondholder," "Holder" or "Owner" as those terms are defined in the Resolution and, in each case, shall at all times be treated as such by the Agency.

(o) *No Proposed Legal Changes*. There is no amendment or proposed amendment certified for placement on a ballot or referendum, or, to the knowledge of the Agency, to any law, ordinance, or regulation of the Agency, or any legislation that has passed either house of the legislature of the State, or any published judicial decision interpreting any of the foregoing, the effect of which is to materially adversely affect the Notes, or any holder thereof in its capacity as such, or this Agreement or the security therefor or any of the Program Documents or any Pledged Revenues.

(p) *Proceeds*. The proceeds of the Notes will be applied by the Agency, for deposit into the Note Payment Fund to the payment or prepayment of the Notes or otherwise to the Construction Fund; and none of the funds borrowed by virtue of this Agreement will be used in any manner or for any purpose except in the manner and for the purposes authorized by State law and the Resolution.

(q) *ERISA*. The Agency does not maintain or contribute to, and has not maintained or contributed to, any employee pension benefit plan that is subject to Title IV of ERISA or that is subject to the minimum funding standards under Section 412 of the Code.

(r) *Environmental Compliance*. The Agency has not received notice to the effect that the operations of the Agency are not in compliance with any of the requirements of applicable federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which noncompliance or remedial action could have a Material Adverse Effect.

(s) *Solvency*. The Agency is, and upon the incurrence of any Note or any Obligation by the Agency on any date on which this representation and warranty is made will be, solvent and able to pay its debts as they become due.

(t) *Tax Exempt Status*. The Agency has not taken any action or omitted to take any action, and knows of no action taken by any Governmental Authority, which action, if taken or omitted, would adversely affect the exclusion of interest on the Notes from gross income for purposes of federal income taxation.

(u) *No Tax or Fee*. To its knowledge, none of the execution or delivery of this Agreement or the other Program Documents or the purchase of any Note will give rise to any tax or fee imposed by any local or state agency or governmental body, except for those which have been paid.

(v) *Limited Obligation*. All Obligations hereunder and the obligation to repay all Notes constitute limited obligations of the Agency payable from the Pledged Revenues.

(w) *Notes*. Upon issuance, each Note will have been duly and validly issued under the Resolution, and will be entitled to the benefits thereof.

(x) *Usury*. The terms of this Agreement and the other Program Documents regarding the calculation and payment of interest and fees do not violate any applicable usury laws.

(y) *Sanctions Concerns*. (i) Neither the Agency, nor, to the knowledge of the Agency, any director, officer, employee, agent, affiliate or representative thereof, is an individual or entity that is, or is owned or controlled by any individual or entity that is (A) currently the subject or target of any Sanctions, (B) included on OFAC's List of Specially Designated Nationals, HMT's Consolidated List of Financial Sanctions Targets and the Investment Ban List, or any similar list enforced by any other relevant sanctions authority or (C) located, organized or resident in a Designated Jurisdiction.

(ii) *Anti-Corruption Laws*. To the extent such laws are applicable to the Agency or its operations, the Agency has conducted its business in compliance with the United States Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010 and other similar anti-corruption legislation in other jurisdictions, and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

(z) *Owner of Parity Debt*. The Agency hereby acknowledges and agrees that, for the purposes of the Resolution, this Agreement is a Credit Agreement, that this Agreement and the Obligations owed to the Purchaser hereunder, and the amounts owed to the Purchaser under the Note constitute Parity Debt for all purposes of the Series A Note Resolution and that the Purchaser is an Owner of Parity Debt (as the term Owner is defined in the Series A Note Resolution).

(aa) *Notes and this Agreement are Parity Debt*. The Agency Board has made all appropriate findings and determinations in accordance with the Resolution, so that the Notes and the Obligations owed to the Purchaser under this Agreement constitute Parity Debt under the Resolution. Each issuance of Notes and incurrence of Obligations hereunder shall immediately constitute Parity Debt and no further determinations need to be made by the Agency Board under the Resolution or otherwise upon the issuance of any Notes or incurrence of Obligations hereunder for such Notes and Obligations to constitute Parity Debt.

(bb) *Status*. The Project Costs to be paid with proceeds of the Notes are composed of properties and facilities for the transmission and/or distribution of electric power and energy.

(cc) *Compliance with Laws*. The Agency is in compliance with all laws, ordinances, orders, rules and regulations applicable to it (including environmental laws), except to the extent noncompliance could not reasonably be expected to result in a Material Adverse Effect.

(dd) *Title; Licenses*. Except as disclosed in writing to the Purchaser prior to execution of this Agreement, the Agency has good title to all of the facilities, plants and other property which constitute the System, except to the extent failure to do so could not reasonably be expected to result in a Material Adverse Effect. Except as disclosed in writing to the Purchaser prior to execution of this Agreement, the Agency has all rights, permits, easements, servitudes, rights-of-way and licenses necessary to carry on its business as presently conducted.

(ee) *Substitute Note Purchase Agreement*. The Agency hereby acknowledges and agrees that, for the purposes of the Resolution, this Agreement is a Substitute Note Purchase Agreement.

ARTICLE V

CONDITIONS

Section 5.1. Closing Conditions. The Purchaser's obligations under this Agreement shall be conditioned upon the performance by the Agency of its obligations to be performed hereunder and the tender by the Agency of its performance at the Closing as described in this Section, which Closing shall not be completed unless the Purchaser shall receive at the time of the Closing the following:

(i) The Purchaser shall have received the following documents, each dated and in form and substance as is satisfactory to the Purchaser:

(A) executed originals or certified copies of all approvals, authorizations and consents of any trustee, or holder of any indebtedness or obligation of the Agency necessary for the Agency to enter into each of the Program Documents and the transactions contemplated herein and therein;

(B) the approving opinion of the Attorney General of Texas with respect to the Notes and the proceedings related thereto, including this Agreement;

(C) a counterpart of this Agreement, duly executed by the Agency and the Purchaser;

(D) a certificate of an Authorized Representative, certifying that all conditions precedent set forth in the Series A Note Resolution with respect to issuance of the Notes shall have been satisfied;

(E) certified copies of all approvals or authorizations by, or consents of, or notices to or registrations with, any Governmental Authority required for the Agency to enter into this Agreement and the Program Documents;

(F) a certificate of an Authorized Representative, certifying the names and true signatures of the officers of the Agency authorized to sign this Agreement, the Notes and the other Program Documents;

(G) such financial information, budgets, projections, investment policies and guidelines for permitted investments of the Agency provided to the Purchaser as the Purchaser has requested;

(H) the audited annual financial statements of the Agency for the Fiscal Year ended September 30, 2023 and a copy of the most recent budget of the Agency (such requirement to be satisfied if such information is available on the Agency's website);

(I) an executed original or certified copy, as applicable, of each of the Program Documents;

(J) a copy of the Agency's Investment Policy in effect on the Closing Date;

(K) an IRS Form W-9 duly completed by the Agency; and

(L) if applicable to this Agreement, evidence of compliance with Section 2252.908 Texas Government Code.

(ii) The Purchaser shall have received a written description of all actions, suits or proceedings pending or threatened against the Agency in any court or before any arbitrator of any kind or before or by any governmental or non-governmental body which could reasonably be expected to result in a Material Adverse Effect with respect to the Agency, and such other statements, certificates, agreements, documents and information with respect thereto as the Purchaser may reasonably request. No law, regulation, ruling or other action of the United States, the State of Texas or any political subdivision or authority therein or thereof shall be in effect or shall have occurred, the effect of which would be to prevent the Agency from fulfilling its obligations under this Agreement and the other Program Documents.

(iii) The Purchaser shall have received an opinion addressed to the Purchaser and dated the Closing Date from the Agency's Counsel, in form and substance reasonably satisfactory to the Purchaser and its counsel, which provides for, among other opinions, the following: (1) the execution, delivery and performance by the Agency of this Agreement, the Notes and the other Program Documents are within the Agency's powers, have been duly authorized by all necessary action, and require no action by or in respect of, or filing with, any governmental body, agency or official that has not been accomplished, and (2) such other matters as the Purchaser may reasonably request, in form and substance satisfactory to the Purchaser and its counsel.

(iv) The following statement shall be true and correct on the Closing Date, and the Purchaser shall have received a certificate signed by an Authorized Representative dated the Closing Date, certifying that: (A) the representations and warranties of the Agency contained in each of the Program Documents and each certificate, letter, other writing or instrument delivered by the Agency to the Purchaser pursuant hereto or thereto are true and correct on and as of the Closing Date as though made on and as of such date; (B) no Default or Event of Default has occurred and is continuing or would result from the Agency's execution and delivery of this Agreement, or the acceptance of the Commitment by the Agency; (C) the audited annual financial statements of the Agency for the Fiscal Year ended September 30, 2023, including the balance sheet as of such date of said period, all examined and reported on by BKD, LLP, as heretofore delivered to the Purchaser correctly and fairly present the financial condition of the Agency as of said date and the results of the operations of the Agency for such period, have been prepared in accordance with GAAP consistently applied except as stated in the notes thereto; (D) since the release of the audited annual financial statements of the Agency for the Fiscal Year ended September 30, 2023, no Material Adverse Change with respect to the Agency has occurred prior to the Closing Date; (E) the acceptance of the Commitment by the Agency pursuant to this Agreement is an arm's length commercial transaction between the Agency and the Purchaser; (F) the Agency has consulted with its own respective legal and financial advisors in connection with the acceptance of the Commitment by the Agency pursuant to this Agreement; (G) the Purchaser has not acted as a fiduciary in favor of the Agency with respect to the Notes or the acceptance of the Commitment by the Agency; (H) to the best knowledge of the Agency, the underlying unenhanced long-term ratings assigned to any Parity Debt by Fitch, Moody's and S&P have not been reduced, withdrawn or suspended since the date of the Rating Documentation and (I) that all conditions in this Section 5.1 (other than (viii) and (xi) (to the extent of any law, regulation, ruling or other action of the State of New York or any political subdivision or authority therein) for which the Agency has no knowledge) have been satisfied.

(v) The Purchaser shall have received an opinion addressed to the Purchaser and dated the Closing Date of Bond Counsel as to the exclusion of interest on the Notes from gross income for federal income tax purposes of the Purchaser, the pledge of Pledged Revenues securing the Notes and the Obligations constituting a valid pledge, and such other matters as the Purchaser may reasonably request, in form and substance satisfactory to the Purchaser and its counsel.

(vi) All necessary action on the part of the Agency shall have been taken as required for the assignment and pledge of a lien on the Pledged Revenues for the benefit of the Purchaser as described in Section 2.11 hereof.

(vii) All other legal matters pertaining to the execution and delivery of this Agreement, the Notes and the Resolution shall be satisfactory to the Purchaser and its counsel.

(viii) The Purchaser shall have received evidence from Fitch and S&P confirming that the underlying unenhanced long-term rating assigned to the First Lien Transmission

Debt, by Fitch is at least "A+" (or its equivalent) and by S&P is "A+" (or its equivalent) (referred to herein as the "*Rating Documentation*").

(ix) No Note shall be registered with The Depository Trust Company or any other securities depository. No offering document or official statement shall be prepared with respect to the Notes.

(x) The Purchaser shall have received such other documents, certificates, opinions, approvals and filings with respect to this Agreement, the Notes and the other Program Documents as the Purchaser has requested of the Agency.

(xi) No law, regulation, ruling or other action of the United States, the State of New York or the State of Texas or any political subdivision or authority therein or thereof shall be in effect or shall have occurred, the effect of which would be to prevent the Purchaser from fulfilling its obligations under this Agreement.

Section 5.2. Certain Conditions to Purchaser's Obligations. The Purchaser has entered into this Agreement in reliance upon the representations and warranties of the Agency contained herein and to be contained in the documents and instruments to be delivered at the Closing and at each Purchase, and upon the performance by the Agency of its obligations hereunder, as of the date hereof and as of the Closing Date and each Purchase Date. Accordingly, the Purchaser's obligations under this Agreement to purchase, to accept delivery of and to pay for the Notes shall be subject to performance by the Agency of its obligations to be performed hereunder and the delivery of the documents and instruments required to be delivered hereby at or prior to each Purchase, and shall also be subject to the following additional conditions:

(a) delivery to the Purchaser of a Request for Purchase executed by an Authorized Representative; and

(b) the representations and warranties of the Agency contained herein shall be true, complete and correct on the date hereof, on the Closing Date and on each Purchase Date;

(c) at the time of each Purchase, this Agreement and the Resolution shall be in full force and effect in accordance with their respective terms and shall not have been amended, modified or supplemented in any manner which will adversely affect (i) the ability of the Agency to issue the Notes or perform its obligations thereunder or under this Agreement or (ii) the security for the Notes;

(d) both at the time of the Closing and at the time of each Purchase, all official action of the Agency relating to this Agreement, the Notes and the Resolution shall have been taken and shall be in full force and effect in accordance with their respective terms and shall not have been amended, modified or supplemented in any material adverse respect;

(e) each Note requested to be purchased by the Purchaser shall be delivered to the Purchaser on the related Purchase Date purchased by the Purchaser pursuant to the terms hereof and shall be in an amount not less than $2,000,000 and in an integral multiple of $100,000 in excess thereof;

(f) the Purchaser will have no obligation to purchase any Note if, because of a Change in Law, such request to purchase Notes made by the Agency would be illegal. In such event, the Agency will have no liability whatsoever with respect to such request for purchase and the Purchaser will have no liability for its failure to so purchase if such failure is due to a Change in Law;

(g) at the time of each Purchase, no Default or Event of Default shall have occurred and be continuing;

(h) on the initial issuance date of a Note and on the first issuance date that occurs in each subsequent calendar year of a Note, an opinion dated such issuance date of Bond Counsel as to the exclusion of interest on the Notes from gross income for federal income tax purposes of the Noteholder, the pledge of Pledged Revenues securing the Notes and the Obligations constituting a valid pledge, and such other matters as the Purchaser may reasonably request, in form and substance satisfactory to the Purchaser and its counsel;

(i) on the initial issuance date of a Note and on the first issuance date that occurs in each subsequent calendar year of a Note, an executed Tax Certificate, which shall include a Form of Issue Price Certificate executed by the Purchaser in the form of Exhibit I hereto; and

(j) on the initial issuance date of a Note and on the first issuance date that occurs in each subsequent calendar year of a Note, a copy of the related IRS Form 8038 duly executed by the Agency to be filed with the Internal Revenue Service.

The submission by an Authorized Representative of a Request for Purchase in connection with each Purchase shall be deemed to be a representation and warranty by the Agency on the date of each such Purchase that the conditions specified in clauses (b) and (g) of this Section 5.2 have been satisfied on and as of such date.

Section 5.3. Satisfaction or Waiver of Conditions. All the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Purchaser, and the Purchaser shall have the right to waive any condition set forth in this Article V.

ARTICLE VI

COVENANTS

Section 6.1. Covenants of the Agency. The Agency covenants and agrees, from the date hereof and until the Termination Date and the payment in full of all Notes and Obligations, unless the Purchaser shall otherwise consent in writing:

(a) *Information*. The Agency will deliver to the Purchaser:

(i) as soon as reasonably available after the end of each Fiscal Year, and in any event within 360 days after the end of such Fiscal Year, a copy of the annual report of the Agency prepared in accordance with generally accepted accounting principles consistently applied and audited by independent certified public accountants of recognized standing, including a balance sheet of the Agency as of the end of such Fiscal Year and related statements of revenues, expenses, and changes in retained earnings and cash flows for the Fiscal Year then ended;

(ii) as soon as practicable but in any event within 45 Business Days after the issuance thereof, copies of any prospectus, offering statement, offering circular, placement memorandum, or similar or corresponding document, and any supplements thereto and updates and amendments thereof, that the Agency makes available in connection with the offering for sale of any securities issued by the Agency secured by a pledge of Pledged Revenues and, on request, copies of such other financial reports that the Agency shall customarily and regularly provide to the public;

(iii) forthwith upon the occurrence of any Default or Event of Default a certificate of an Authorized Representative setting forth the details thereof and the action which the Agency is taking or proposes to take with respect thereto;

(iv) as promptly as practicable, a written description of any actions, suits, and proceedings before any court or governmental department, commission, board, bureau, agency or instrumentality against the Agency which the Agency determines, would be reasonably likely to have a Material Adverse Effect with respect to the Agency;

(v) promptly, and in any event within five Business Days after receipt thereof by the Agency, copies of each notice or other correspondence received from the Securities and Exchange Commission (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry by such agency regarding financial or other operational results of the Agency thereof;

(vi) promptly after the adoption thereof, copies of any amendments of or supplements to the Act or any Organizational Documents of the Agency and copies of any amendments to the Program Documents; and

(vii) upon written request of the Purchaser, information relating to the Pledged Revenues or any other financial information reasonably requested.

(b) *Access to Records*. The Agency will keep adequate records and books of account, in which complete entries will be made, reflecting all financial transactions of the Agency, and furnish to the Purchaser such information regarding the financial condition, results of operations, or business of the Agency as the Purchaser may reasonably request and will permit any officers, employees, or agents of the Purchaser to visit and inspect any of the properties of the Agency and to discuss matters reasonably pertinent to an evaluation of the credit of the Agency, all at such reasonable times as the Purchaser may reasonably request. All information received by or provided to the Purchaser pursuant to this Agreement, unless otherwise made public by the Agency, will be held as confidential information by such party.

(c) *Proceeds of the Notes*. None of the proceeds of the Notes will be used in any manner or for any purpose except in the manner and for the purposes authorized by Texas law, this Agreement and the Resolution. The Agency shall not use the proceeds of the Notes, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund indebtedness originally incurred for such purpose, in each case in violation of, or for a purpose which violates, or would be inconsistent with, Regulation T, U or X of the Board of Governors of the Federal Reserve System.

(d) *No Amendment of Program Documents*. The Agency will not consent to any amendment or supplement to or modification or waiver of any of the provisions of the Program Documents (i) if such amendment or consent requires the consent of the owners of any Notes or other Parity Debt or (ii) which would have an adverse effect upon the Agency's ability to perform its obligations under this Agreement or to repay Indebtedness that is secured by the Pledged Revenues or which adversely affects the security of the Purchaser or the rights or remedies of the Purchaser under the Program Documents or hereunder, without the prior written consent of the Purchaser. The Agency will give the Purchaser notice as promptly as practicable (but in no event less than ten (10) Business Days) of any proposed amendments to or modifications or waivers of any provisions of the Resolution and of any meeting of the Agency Board at which any of the foregoing will be discussed or considered.

(e) *Additional Indebtedness*. It will use its best efforts and with due diligence endeavor to sell a sufficient amount of additional Indebtedness in order to have funds available, together with other moneys available for such purpose, to pay all amounts owed to the Purchaser under this Agreement.

(f) *Taxes and Liabilities*. The Agency will pay all of its indebtedness and obligations promptly and in accordance with its terms and pay and discharge or cause to be paid and discharged promptly all taxes, assessments, and governmental charges or levies imposed upon it or upon its income and profits, or upon any of its property, real, personal, or mixed, or upon any part thereof, before the same shall become in default except for those matters which are reasonably being contested in good faith by appropriate action or proceedings or for which the Agency has established adequate reserves in accordance with GAAP.

(g) *Supplemental Resolutions and Further Assurances*. The Agency will at any and all times, insofar as it may be authorized so to do by law, pass, make, do execute, acknowledge, and deliver all and every such further resolutions, acts, assignments, recordings, filings, transfers, and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning, and confirming all and singular the rights, revenues, and other funds and the Security pledged or assigned to the payment of the Notes, or intended so to be, of which the Agency may become bound to pledge or assign.

(h) *Performance and Compliance with Other Covenants*. The Agency shall perform and comply with each of the covenants, obligations and agreements required to be performed or observed by it in the Resolution and all other Program Documents to which it is a party, which provisions, as well as the related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety. Except as provided in clause (d) above, no amendment to such obligations, covenants and agreements or defined terms made pursuant the Resolution or the other Program Documents to which it is a party shall be effective to amend such obligations, covenants and agreements and defined terms as incorporated by reference herein without the written consent of the Purchaser.

(i) *Compliance with Rules and Regulations*. The Agency shall comply with all laws, ordinances, orders, rules, and regulations of duly constituted public authorities which if not complied with would have a Material Adverse Effect with respect to the Agency.

(j) *Investment Policy*. The Agency will comply with the Agency's Investment Policy and State law with respect to investments.

(k) *Preservation of Existence, Etc*. The Agency shall maintain its existence and preserve and keep in force and effect all licenses, permits, franchises and qualifications necessary to the proper conduct of its operations. The Agency will not (i) terminate, wind up, liquidate or dissolve its affairs or consolidate or merge with or into any Person except to the extent that the Agency repays to the Purchaser all Obligations in full prior to the date such event takes effect or (ii) sell, transfer, convey or lease (whether in a single transaction or a series of transactions) all or any substantial part of the System. The Agency will not amend any constituting document or any agreement governing its operations or management in a manner that could have a Material Adverse Effect with respect to the Agency.

(l) *Litigation and Other Actions*. The Agency shall promptly notify the Purchaser of (i) the existence and status of any litigation or any other action, suit or proceeding before any court or governmental department, commission, board, bureau, agency or instrumentality which individually or in the aggregate could, in the event of an unfavorable outcome, in the reasonable opinion of general counsel to the Agency, have a Material Adverse Effect with respect to the Agency, or (ii) any change in any material fact or circumstance represented or warranted in this Agreement or in any of the Program Documents.

(m) *Exempt Status*. The Agency shall not take any action or omit to take any action that, if taken or omitted, would adversely affect the excludability of interest on the Notes from the gross income of the holders thereof for purposes of federal income taxation.

(n) *Credit Facilities*. In the event that the Agency shall, directly or indirectly, enter into or otherwise consent to any credit agreement, bond purchase agreement, reimbursement agreement, liquidity agreement or other agreement or instrument (or any amendment, supplement or modification thereto) under which, directly or indirectly, any Person or Persons undertakes to make or provide funds to make payment of, or to purchase, any Parity Debt or provide credit liquidity enhancement with respect thereto, which such agreement (or amendment, modification, or supplement thereto) provides such Person with more restrictive covenants and/or greater rights with respect to the Specific Provisions or the remedies related thereto than are provided to the Purchaser in this Agreement, the Agency shall promptly provide the Purchaser with a copy of each such agreement (or amendment, modification, or supplement thereto) and such more restrictive covenants and/or greater rights and remedies shall automatically be deemed to be incorporated into this Agreement, and the Purchaser shall have the benefits of such more restrictive covenants and/or such greater rights and remedies as if specifically set forth herein. The Agency shall promptly enter into an amendment to this Agreement to include such more restrictive covenants and/or greater rights or remedies (provided that the Purchaser shall maintain the benefit of such more restrictive covenants and/or greater rights and remedies even if the Agency fails to provide such amendment).

(o) *Swap Contracts*. The Agency shall at all times require that any termination fees payable in connection with any Swap Contract entered into by the Agency and payable from and secured by Pledged Revenues, shall be subordinate to the payment of the Notes and the Obligations hereunder. The Agency shall not provide any collateral to support the obligations of the Agency under any Swap Contract entered into by the Agency and payable from and secured by Pledged Revenues, other than a Lien on Pledged Revenues. Except as set forth in the first sentence of this Section, the Agency shall at all times require that any Lien on Pledged Revenues securing any Swap Contract entered into by the Agency and payable from and secured by Pledged Revenues, be on a parity with the Lien securing the Indebtedness to which such Swap Contract relates.

(p) *Sovereign Immunity*. Pursuant to Section 1371.059, Texas Government Code, as amended, the Agency agrees to waive sovereign immunity from suit and liability for the purposes of adjudicating a claim to enforce its duties and obligations under this Agreement or for damages for breach of this Agreement.

(q) *Bonding Capacity*. The Agency shall at all times maintain the ability under the Resolution to issue Parity Debt in an amount at least equal to the sum of (i) the aggregate principal amount of the Notes, plus (ii) the aggregate amount of accrued interest to maturity on all Notes, plus (iii) any Obligations.

(r) *ERISA*. The Agency will comply in all material respects with Title IV of ERISA, if, when and to the extent applicable.

(s) *Further Assurances*. The Agency shall promptly upon request by the Purchaser, execute and deliver such further documents and do such other acts and things as the Purchaser may reasonably request in order to effect fully the purposes of this Agreement and the other Program Documents, and to provide for payment of the Notes and the Obligations and for granting the pledge of the Security in accordance with the terms of this Agreement and the other Program Documents.

(t) *Offering Document*. The Agency shall not refer to the Purchaser in any offering document or make any changes in reference to the Purchaser in any offering document without the Purchaser’s prior written consent thereto, such consent not to be unreasonably withheld.

(u) *Accuracy of Information*. All data, certificates, reports, documents and other information furnished to the Purchaser, whether pursuant to this Agreement, or in connection with or pursuant to an amendment or modification of, or waiver under, this Agreement shall, at the time the same are so furnished, (i) be complete and correct in all material respects to the extent necessary to give the Purchaser true and accurate knowledge of the subject matter thereof, and (ii) not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements contained therein not misleading, and the furnishing of the same to the Purchaser shall constitute a representation and warranty by the Agency to that effect. Each financial statement furnished to the Purchaser, whether pursuant to this Agreement, or in connection with or pursuant to an amendment or modification of, or waiver under, this Agreement, shall, at the time the same is so furnished, fairly present the financial condition and results of operations of the Agency.

(v) *Indebtedness*. The Agency may issue Parity Debt as set forth in the Resolution upon satisfaction of the conditions and requirements set forth therein.

(w) *Liens*. The Agency will not create, incur, assume or suffer to exist any pledge of, lien on or other security interest in the Security except as provided in the Program Documents.

(x) *Paying Agent/Registrar*. No substitution of the Paying Agent/Registrar shall occur without the prior written consent of the Purchaser.

(y) *Total Outstanding*. At no time shall the Agency permit the aggregate principal amount of all Notes outstanding and unpaid to exceed the Commitment.

(z) *Underlying Rating*. The Agency shall at all times maintain a rating on its long-term unenhanced Parity Debt from at least one Rating Agency. The Agency covenants and agrees that it shall not at any time withdraw any long-term unenhanced rating on its Parity Debt from any of Fitch, Moody's or S&P if the effect of such withdrawal would be to cure a Default or an Event of Default under this Agreement.

(aa) *Maintenance of Property*. The Agency shall (a) maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted except to the extent the failure to do so could not reasonably be expected to result in a Material Adverse Effect; (b) make all necessary repairs thereto and renewals and replacements thereof except where the failure to do so could not reasonably be expected to have a Material Adverse Effect; and (c) use the standard of care typical in the industry in the operation and maintenance of its facilities.

(bb) *Maintenance of Insurance*. The Agency shall maintain with financially sound and reputable insurance companies not Affiliates of the Agency, or with the State, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts (after giving effect to any self-insurance compatible with the preceding standards) as are customarily carried under similar circumstances by such other Persons. The Agency shall provide immediate notice to the Purchaser in the event the Agency receives notice of termination, lapse or cancellation of such insurance.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.1. Events of Default. If any of the following events shall occur, each such event shall be an "Event of Default":

(a) the Agency shall fail to pay, or cause to be paid, as and when due, (i) any principal of or interest on any Note when due (whether by scheduled maturity, required prepayment or otherwise) or (ii) any Obligations or any other amount payable hereunder and, in the case of such Obligations or other amount;

(b) any representation, warranty, certification, or statement made or deemed made by or on behalf of the Agency in this Agreement, any other Program Document or in any certificate, financial statement, or other document delivered pursuant to this Agreement shall prove to have been incorrect or misleading in any material respect when made or deemed made;

(c) breach by the Agency of any covenant, agreement, or other requirement contained in Section 6.1(b), (c), (d), (i), (j), (m), (n), (o), (p), (q), (r), (s), (v), (x), (y), (z), (aa) or (bb), hereof.

(d) breach by the Agency of any other covenant, agreement, or condition (other than those referred to or contained in clauses (a), (b), or (c) above) contained in this Agreement or any Program Document and the continuation thereof for more than thirty (30) days (or ten (10) days with respect to Section 6.1(a)) after the earlier of (i) the Purchaser giving written notice thereof to the Agency and (ii) the date on which such failure and breach shall first become knowing to any officer of the Agency;

(e) any judgment or judgments, writ or writs or warrant or warrants of attachment, or any similar process or processes in an aggregate amount in excess of $10,000,000, individually or in the aggregate, (only to the extent payable from Pledged Revenues) shall be entered or filed against the Agency or against any of its properties and remain unvacated, unbonded or unstayed for a period of 30 days;

(f) (i) default by the Agency in the payment of any Indebtedness of the Agency payable from Pledged Revenues when due or within any applicable grace period or (ii) the occurrence of any event under any ordinance, resolution, or instrument giving rise to any such Indebtedness, which results in or would entitle the obligee thereof or a trustee on behalf of such obligee to pursue any remedies against the Agency, including the right to declare the acceleration of any maturity thereof, or upon the lapse of time or the giving of notice or both would entitle the obligee thereof or a trustee on behalf of such obligee to accelerate any maturity thereof, or which results in the forfeiture by the Agency of any of its rights under any such ordinance, resolution, or instrument;

(g) (i) the Agency shall commence a voluntary case or other proceeding seeking (x) liquidation, reorganization, or other relief with respect to its debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect or (y) the appointment of a receiver, liquidator, custodian, or other similar official with respect to the Agency or any substantial part of its properties, or shall consent to or acquiesce in such relief or the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it; (ii) a receiver, liquidator, custodian, or other official, appointed in an involuntary case or proceeding commenced against the Agency, appointed without consent or acquiescence of the Agency, takes charge of a substantial part of its properties; (iii) the Agency shall make a general assignment for the benefit of creditors, or declare a moratorium, debt restructuring, debt adjustment or comparable restriction with respect to its debts, or shall generally not, or shall be unable to, or shall admit in writing its inability to pay its debts as they become due, or shall take any action to authorize any or all of the foregoing; (iv) any Governmental Authority having appropriate jurisdiction over the Agency shall make a finding or ruling or shall enact or adopt legislation or issue an executive order or enter a judgment or decree which results in a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of any Obligations; or (v) an involuntary case or other proceeding shall be commenced against the Agency seeking (x) liquidation, reorganization, or other relief with respect to the Agency's debts under any bankruptcy, insolvency, or other similar law now or hereafter in effect, or (y) the appointment of a custodian, receiver, liquidator, trustee or other similar official of the Agency, or any substantial part of its properties, and such proceeding or case shall not be dismissed or stayed within 60 days after the filing thereof or an order of relief shall be entered against the Agency under the federal bankruptcy laws as now or hereafter in effect;

(h) (i) any provision of this Agreement or any Program Document related to (A) payment of principal of or interest on the Notes or any other Parity Debt or (B) the validity or enforceability of the pledge of the Pledged Revenues or any other pledge or security interest created by the Resolution shall at any time for any reason cease to be valid and binding on the Agency, or shall be declared to be null and void, invalid or unenforceable;

(ii) the validity or enforceability of any provision of this Agreement or any Program Document related to (A) payment of principal of or interest on the Notes or any other Parity Debt, or (B) the validity or enforceability of the pledge of the Pledged Revenues or any other pledge or security interest created by the Resolution shall be publicly contested by the Agency; or

(iii) any other material provision of this Agreement or any other Program Document, other than a provision described in clause (i) above, shall at any time for any reason cease to be valid and binding on the Agency, or shall be declared to be null and void, invalid, or unenforceable, or the validity or enforceability thereof shall be publicly contested by the Agency;

(i) the powers of the Agency shall be limited in any way or the Resolution shall be modified or amended in any way without the prior written consent of the Purchaser, in either case, which prevents the Agency from fixing, charging or collecting rates and charges for the use and services of its properties in any amount sufficient to pay its debts as they become due;

(j) any of Fitch, Moody's and S&P shall have downgraded its rating of any Parity Debt to below "*BBB-*" (or its equivalent), "*Baa3*" (or its equivalent), or "*BBB-*" (or its equivalent) respectively, or any of Fitch, Moody's or S&P shall have suspended or withdrawn its rating of the same for credit related reasons; or

(k) any pledge or security interest created by the Resolution or this Agreement to secure any amount due under any Notes or this Agreement shall fail to be fully enforceable or fail to have the priority required under the Resolution, in either case, by reason of a final, non-appealable judgment of a court of competent jurisdiction.

Section 7.2. Remedies. Upon the occurrence of an Event of Default hereunder, the Purchaser may take one or more of the following actions at any time and from time to time (regardless of whether the actions are taken at the same or different times):

(a) by written notice to the Agency, declare the Obligations (except any payment obligations under the Notes) under this Agreement to be immediately due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived;

(b) by written notice to the Agency and the Paying Agent/Registrar in the form of Exhibit D hereto, declare the Commitment and/or the Available Commitment to be terminated and thereafter the Purchaser will have no further obligation to purchase Notes hereunder;

(c) either personally or by attorney or agent without bringing any action or proceeding, or by a receiver to be appointed by a court in any appropriate action or proceeding, take whatever action at law or in equity may appear necessary or desirable to collect the amounts due and payable under the Program Documents or to enforce performance or observance of any obligation, agreement or covenant of the Agency under the Program Documents, whether for specific performance of any agreement or covenant of the Agency or in aid of the execution of any power granted to the Purchaser in the Program Documents;

(d) cure any Default, Event of Default or event of nonperformance hereunder or under any Program Document; *provided, however*, that the Purchaser shall have no obligation to effect such a cure; or

(e) exercise, or cause to be exercised, any and all remedies as it may have under the Program Documents and as otherwise available at law and in equity.

Notwithstanding anything to the contrary contained in the preceding sentence, upon the occurrence or existence of an Event of Default of the type described in 7.1(g), the remedies described in the foregoing clause (a) shall occur immediately and automatically without prior notice or further action on the part of the Purchaser or any other person. Anything in this Agreement to the contrary notwithstanding, from and after the occurrence of an Event of Default, all outstanding Notes and all Obligations shall bear interest at the Default Rate.

Section 7.3. Suits at Law or in Equity and Mandamus. If any Event of Default shall occur, then and in every such case the Purchaser shall be entitled to proceed to protect and enforce its rights by such appropriate judicial proceeding as it may deem most effectual to protect and enforce any such right, either by suit, in equity, or by action at law, whether for the specific performance of any covenant or agreement contained in this Agreement, in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the Purchaser by this Agreement, the Notes or by law. The provisions of this Agreement shall be a contract with each and every Noteholder and the duties of the Agency shall be enforceable by any Noteholder by mandamus or other appropriate suit, action, or proceeding in any court of competent jurisdiction.

Section 7.4. No Waiver. No failure on the part of Purchaser to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law. No delay or omission by the Purchaser in the exercise of any right, remedy or power or in the pursuit of any remedy shall impair any such right remedy or power or be construed to be a waiver of any default on the part of the Purchaser or to be acquiescence therein. No express or implied waiver by the Purchaser of any Event of Default shall in any way be a waiver of any future or subsequent Event of Default.

Section 7.5. Discontinuance of Proceedings. In case the Purchaser shall proceed to invoke any right, remedy or recourse permitted hereunder or under the Program Documents and shall thereafter elect to discontinue or abandon the same for any reason, the Purchaser shall have the unqualified right so to do and, in such event, the Agency and the Purchaser shall be restored to their former positions with respect to the Obligations, the Program Documents and otherwise, and the rights, remedies, recourse and powers of the Purchaser hereunder shall continue as if the same had never been invoked.

ARTICLE VIII

GENERAL

Section 8.1. Notices. Any notice or other communication to be given to the Purchaser under this Agreement may be given by delivering the same in writing to Truist Commercial Equity, Inc., Attn: Rob Orona, Authorized Agent, 1400 Post Oak Blvd., 7th Floor, Houston, Texas 77056, or to such different address for the Purchaser as the Purchaser shall have notified the Agency as aforesaid. Any notice or other communication to be given to the Agency under this Agreement may be given by delivering the same in writing to Texas Municipal Power Agency, 2751 Nash St., Suite 130, Bryan, Texas 77802, Attention: General Manager, or to such different address for the Agency as the Agency shall have notified the Purchaser as aforesaid. The approval or other action or exercise of judgment by the Purchaser shall be evidenced by a writing signed on behalf of the Purchaser and delivered to the Agency.

Section 8.2. Successors and Assigns.

(a) *Successors and Assigns Generally*. This Agreement is a continuing obligation and shall be binding upon the Agency, its successors, transferees and assigns and shall inure to the benefit of the Noteholders and their respective permitted successors, transferees and assigns. The Agency may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Purchaser. Each Noteholder may, in its sole discretion and in accordance with applicable law, from time to time assign, sell or transfer in whole or in part, this Agreement, its interest in the Notes and the other Program Documents in accordance with the provisions of paragraph (b) or (c) of this Section. Each Noteholder may at any time and from time to time enter into participation agreements in accordance with the provisions of paragraph (d) of this Section. Each Noteholder may at any time pledge or assign a security interest subject to the restrictions of paragraph (e) of this Section. Truist Commercial Equity, Inc. shall be the Purchaser hereunder until such time as the Majority Noteholder designates an alternate Person to serve as the Purchaser hereunder by delivery of written notice to the Agency and the Paying Agent and such Person accepts and agrees to act as the Purchaser hereunder and under the Program Documents. The Majority Noteholder may so designate an alternate Person to act as the Purchaser from time to time. Upon acceptance and notification thereof to the Agency and the Paying Agent, the successor to the Purchaser for such purposes shall thereupon succeed to and become vested with all of the rights, powers, privileges and responsibilities of the Purchaser, and Truist Commercial Equity, Inc. or any other Person being replaced as the Purchaser shall be discharged from its duties and obligations as the Purchaser hereunder.

(b) *Sales and Transfers by Noteholder to a Bank Transferee*. Without limitation of the foregoing generality, a Noteholder may at any time sell or otherwise transfer to one or more transferees all or a portion of the Notes to a Person that is (i) an Affiliate of the Bank or (ii) a trust or other custodial arrangement established by the Bank or an Affiliate of the Bank, the owners of any beneficial interest in which are limited to "qualified institutional buyers" as defined in Rule 144A promulgated under the 1933 Act, or "accredited investors" as defined in Rule 501 of Regulation D under the 1933 Act (each, a "*Bank Transferee*"). From and after the date of such sale or transfer, Truist Commercial Equity, Inc. (and its successors) shall continue to have all of the rights of the Purchaser hereunder and under the other Program Documents as if no such transfer or sale had occurred; *provided, however*, that (A) no such sale or transfer referred to in clause (b)(i) or (b)(ii) hereof shall in any way affect the obligations of the Purchaser hereunder, (B) the Agency and the Paying Agent/Registrar shall be required to deal only with the Purchaser with respect to any matters under this Agreement and (C) in the case of a sale or transfer referred to in clause (b)(i) or (b)(ii) hereof, only the Purchaser shall be entitled to enforce the provisions of this Agreement against the Agency.

(c) *Sales and Transfers by Noteholder to a Non-Bank Transferee*. Without limitation of the foregoing generality, a Noteholder may at any time sell or otherwise transfer to one or more transferees which are not Bank Transferees but each of which constitutes a "qualified institutional buyer" as defined in Rule 144A promulgated under the 1933 Act or an "accredited investor" as defined in Rule 501 of Regulation D under the 1933 Act (each a "*Non-Bank Transferee*") all or a portion of the Notes if (A) written notice of such sale or transfer, including that such sale or transfer is to a Non-Bank Transferee, together with addresses and related information with respect to the Non-Bank Transferee, shall have been given to the Agency, the Paying Agent/Registrar and the Purchaser (if different than the Noteholder) by such selling Noteholder and Non-Bank Transferee, and (B) the Non-Bank Transferee shall have delivered to the Agency, the Paying Agent/Registrar and the selling Noteholder, an investment letter in substantially the form attached as Exhibit H to this Agreement (the "*Investor Letter*").

From and after the date the Agency, the Paying Agent and the selling Noteholder have received written notice and an executed Investor Letter, (A) the Non-Bank Transferee thereunder shall be a party hereto and shall have the rights and obligations of a Noteholder hereunder and under the other Program Documents, and this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to effect the addition of the Non-Bank Transferee, and any reference to the assigning Noteholder hereunder and under the other Program Documents shall thereafter refer to such transferring Noteholder and to the Non-Bank Transferee to the extent of their respective interests, and (B) if the transferring Noteholder no longer owns any Notes, then it shall relinquish its rights and be released from its obligations hereunder and under the Program Documents.

(d) *Participations*. Each Noteholder shall have the right to grant participations in all or a portion of such Noteholder's interest in the Notes, this Agreement and the other Program Documents to one or more other banking institutions; *provided, however*, that (i) no such participation by any such participant shall in any way affect the obligations of the Purchaser hereunder and (ii) the Agency and the Paying Agent/Registrar shall be required to deal only with the Purchaser, with respect to any matters under this Agreement, the Notes and the other Program Documents and no such participant shall be entitled to enforce any provision hereunder against the Agency. The Agency agrees that each participant shall be entitled to the benefits of Sections 3.2, 3.3 and 3.4 hereof to the same extent as if it were a Noteholder hereunder; *provided*, *however*, that a participant shall not be entitled to receive any greater payment under Sections 3.3 and 3.4 than such Noteholder would have been entitled to receive with respect to the participation sold to such participant, unless the sale of the participation to such participant is made with the Agency's prior written consent.

(e) *Certain Pledges*. In addition to the rights of the Purchaser set forth above, the Purchaser may at any time pledge or grant a security interest in all or any portion of its rights or interests under the Notes, this Agreement and/or the Program Documents to secure obligations of the Bank or an Affiliate of the Bank, including any pledge or assignment to secure obligations to a Federal Reserve Bank or to any state or local governmental entity or with respect to public deposits; *provided* that no such pledge or assignment shall release the Purchaser from any of its obligations hereunder or substitute any such pledgee or assignee for the Purchaser as a party hereto.

Section 8.3. Amendments. Any provision of this Agreement may be amended or modified if, but only if, such amendment or modification is in writing and is signed by the Agency and the Purchaser.

Section 8.4. Governing Law; Jurisdiction; Etc. *(a)* THIS AGREEMENT AND THE OTHER PROGRAM DOCUMENTS AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER PROGRAM DOCUMENT (EXCEPT, AS TO ANY OTHER PROGRAM DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF TEXAS.

(b) *Submission to Jurisdiction*. EACH OF THE PURCHASER AND THE AGENCY IRREVOCABLY AND UNCONDITIONALLY AGREE THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST A PARTY IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER PROGRAM DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE COURTS OF THE STATE OF TEXAS SITTING IN TRAVIS COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE WESTERN DISTRICT OF TEXAS, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH TEXAS STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION,

LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.

(c) *Waiver of Venue*. EACH OF THIS PARTIES HEREAFTER IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER PROGRAM DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) *Service of Process*. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 8.1. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

Section 8.5. Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST *EXTE*NT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER PROGRAM DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER PROGRAM DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 8.6. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties agree that any electronically signed document (including this Agreement) shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or "printouts," if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, "electronic signature" means a manually-signed original signature that is then transmitted by electronic means; "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a "pdf" (portable document format) or other replicating image attached to an e-mail message; and, "electronically signed document" means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

Section 8.7. *Severability*. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

Section 8.8. *Survival of this Agreement*. All covenants, agreements, representations and warranties made in this Agreement shall survive the extension by the Purchaser of the Commitment and shall continue in full force and effect so long as the Commitment shall be unexpired or any sums drawn or due thereunder or any other obligations shall be outstanding and unpaid, regardless of any investigation made by any Person and so long as any amount payable hereunder remains unpaid. The agreement of the Agency to indemnify the Purchaser and each Indemnitee under Section 3.2 hereof shall continue in full force and effect notwithstanding a termination of the Commitment or the fulfillment of all Obligations. The obligations of the Agency under Sections 3.3 and 2.6(d) hereof shall also continue in full force and effect notwithstanding a termination of the Commitment or the fulfillment of all Obligations. Whenever in this Agreement the Purchaser is referred to, such reference shall be deemed to include the successors and assigns of the Purchaser and all covenants, promises and agreements by or on behalf of the Agency which are contained in this Agreement shall inure to the benefit of the successors and assigns of the Purchaser.

Section 8.9. *Effectiveness*. This Agreement shall become effective upon the execution by the Purchaser and the acceptance hereof by the Agency.

Section 8.10. *No Personal Liability*. None of the Agency's governing body members, officers, employees, or agents (including, without limitation, any person executing this Agreement) shall be liable personally for any Obligation or be subject to any personal liability or accountability by reason of the Agency's issuance of any Note or for the Agency entering into this Agreement.

Section 8.11. *USA Patriot Act*. The Bank and its Affiliates are subject to the Patriot Act and hereby notifies the Agency that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Agency, which information includes the name and address of the Agency and other information that will allow the Bank to identify the Agency in accordance with the Patriot Act. The Agency shall, promptly following a request by the Purchaser, provide all documentation and other information that the Purchaser requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act.

Section 8.12. Notice of Final Agreement. THIS IS THE FINAL EXPRESSION OF THE AGREEMENT BETWEEN THE PURCHASER AND THE AGENCY AND SUCH WRITTEN AGREEMENT MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY PRIOR ORAL AGREEMENT OR OF A CONTEMPORANEOUS ORAL AGREEMENT BETWEEN THE PURCHASER AND THE AGENCY.

Section 8.13. No Advisory or Fiduciary Relationship. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Program Document), the Agency acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (a) (i) the services regarding this Agreement provided by the Purchaser and any Affiliate thereof are arm's-length commercial transactions between the Agency, on the one hand, and the Purchaser and its Affiliates, on the other hand, (ii) the Agency has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (iii) the Agency is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Program Documents; (b) (i) the Purchaser and its Affiliates each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary, for the Agency, or any other Person and (ii) neither the Purchaser nor any of its Affiliates has any obligation to the Agency with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Program Documents; and (c) the Purchaser and its Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Agency, and neither the Purchaser nor any of its Affiliates has any obligation to disclose any of such interests to the Agency. To the fullest extent permitted by law, the Agency, hereby waives and releases any claims that it may have against the Purchaser or any of its Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transactions contemplated hereby.

Section 8.14. Verification of Statutory Requirements and Covenants. The Purchaser makes the following representation and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code (the "Government Code"), as heretofore amended, in entering into the amendment of this Agreement. As used herein, "affiliate" means an entity that controls, is controlled by, or is under common control with the Purchaser within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Agreement shall survive until barred by the applicable statute of limitations and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

(a) *Not a Sanctioned Company*. The Purchaser represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153, Government Code, or Section 2270.0201, Government Code. The foregoing representation excludes the Purchaser and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) *No Boycott of Israel*. The Purchaser hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) *No Discrimination Against Firearm Entities*. The Purchaser hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

(d) *No Boycott of Energy Companies*. The Purchaser hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

Section 8.15. Representation Regarding Texas Attorney General Standing Letter and Bringdown Verification.

(a) The Purchaser represents and verifies that it is aware of:

(i) the Texas Office of the Attorney General's (the "Texas Attorney General") All Bond Counsel Letter, dated November 1, 2023, that is available on the website of the Texas Attorney General using the following link:

https://www.texasattorneygeneral.gov/sites/default/files/files/divisions/public-finance/ABCLetter-11-01-2023.pdf

(ii) the Texas Attorney General's supplemental All Bond Counsel Letter, dated November 16, 2023, that is available on the website of the Texas Attorney General using the following link:

https://www.texasattorneygeneral.gov/sites/default/files/files/divisions/public-finance/ABCLetter-11-06-2023.pdf

(b) The Purchaser represents and verifies that the Purchaser has (i) on file a standing letter ("Standing Letter") acceptable to the Texas Attorney General addressing the representations and verifications in Section 8.14(a) through (d) hereof, and (ii) will, upon request of the Agency or bond counsel to the Agency ("*Bond Counsel*") on behalf of the Agency, provide the Agency and Bond Counsel with a copy of its Standing Letter. The Purchaser further represents and verifies that its Standing Letter remains in effect as of May 31, 2024 and that the Texas Attorney General has not notified the Purchaser that a determination has been made that the Purchaser boycotts energy companies or has a policy that discriminates against firearm entities or firearm trade associations under the laws of the State.

Section 8.16. Reserved.

Section 8.17. Reserved.

Section 8.18. Electronic Execution of Certain Documents. This Agreement and any document, amendment, approval, consent, information, notice, certificate, request, statement, disclosure or authorization related to this Agreement (each a "Communication"), including Communications required to be in writing, may, if agreed by the Agency, be in the form of an Electronic Record and may be executed using Electronic Signatures, including, without limitation, facsimile and/or .pdf. The Agency agrees that any Electronic Signature (including, without limitation, facsimile or .pdf) on or associated with any Communication shall be valid and binding on the Agency to the same extent as a manual, original signature, and that any Communication entered into by Electronic Signature, will constitute the legal, valid and binding obligation of the Agency enforceable against the Agency in accordance with the terms thereof to the same extent as if a manually executed original signature was delivered to the Agency. Any Communication may be executed in as many counterparts as necessary or convenient, including both paper and electronic counterparts, but all such counterparts are one and the same Communication. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Agency of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format), or an electronically signed Communication converted into another format, for transmission, delivery and/or retention. The Agency may, at its option, create one or more copies of any Communication in the form of an imaged Electronic Record ("Electronic Copy"), which shall be deemed created in the ordinary course of the Agency's business, and destroy the original paper document. All Communications in the form of an Electronic Record, including an Electronic Copy, shall be considered an original for all purposes, and shall have the same legal effect, validity and enforceability as a paper record. Notwithstanding anything contained herein to the contrary, the Agency is under no obligation to accept an Electronic Signature in any form or in any format unless expressly agreed to by the Agency pursuant to procedures approved by it; provided, further, without limiting the foregoing, (a) to the extent the Agency has agreed to accept such Electronic Signature, the Agency shall be entitled to rely on any such Electronic Signature without further verification and (b) upon the request of the Agency any Electronic Signature shall be promptly followed by a manually executed, original counterpart. For purposes hereof, "*Electronic Record*" and "*Electronic Signature*" shall have the meanings assigned to them, respectively, by 15 USC §7006, as it may be amended from time to time.

Section 8.19. US QFC Stay Rules.

(a) *Recognition of U.S. Resolution Regimes*. In the event that any party that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of this Agreement (and any interest and obligation in or under this Agreement and any property securing this Agreement) from such Covered Entity will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement (and any such interest, obligation and property) were governed by the laws of the United States or a state of the United States. In the event that any party that is a Covered Entity or a BHC Act Affiliate of such party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights against such party with respect to this Agreement are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States. The requirements of this paragraph (a) apply notwithstanding the provisions of paragraph (b).

(b) *Limitation on the Exercise of Certain Rights Related to Affiliate Insolvency Proceedings*. Notwithstanding anything to the contrary in this Agreement or any related agreement, but subject to the requirements of paragraph (a), no party to this Agreement shall be permitted to exercise any Default Right against a party that is a Covered Entity with respect to this Agreement that is related, directly or indirectly, to a BHC Act Affiliate of such Covered Entity becoming subject to Insolvency Proceedings, except to the extent the exercise of such Default Right would be permitted under 12 C.F.R. § 252.84, 12 C.F.R. § 47.5, or 12 C.F.R. § 382.4, as applicable. After a BHC Act Affiliate of a party that is a Covered Entity has become subject to Insolvency Proceedings, any party that seeks to exercise a Default Right against such Covered Entity with respect to this Agreement shall have the burden of proof, by clear and convincing evidence, that the exercise of such Default Right is permitted hereunder.

"*BHC Act Affiliate*" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"*Covered Entity*" means any of the following:

(a) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(b) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(c) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"*Default Right*" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"*Insolvency Proceeding*" means a receivership, insolvency, liquidation, resolution, or similar proceeding.

"*U.S. Special Resolution Regime*" means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

Section 8.20. Designation of Loan Servicing Functions. The parties hereto acknowledge and agree that the Purchaser may designate any Affiliate, which may include Truist Bank, to provide standard and customary servicing functions for the Notes. Such servicing functions may include, but are not limited to, the invoicing, calculation and collection of payments to be made under the Notes. The Agency may rely on any correspondence, direction or request from the Purchaser's designee as if such correspondence originated from the Purchaser.

[**SIGNATURE PAGES FOLLOW**]

Respectfully submitted,

TRUIST COMMERCIAL EQUITY, INC.

By: ___________________________________
Name: Rob Orona
Title: Authorized Agent

[Signature Page to Note Purchase Agreement]

TEXAS MUNICIPAL POWER AGENCY

By: ______________________________

Name: Daniel Meadows

Title: General Manager

Schedule 2.4

SOFR ADDENDUM
(TERM SOFR)

This **SOFR ADDENDUM** ("Addendum") is hereby made a part of the Note Purchase Agreement dated as of October 1, 2024 and effective October 22, 2024 (the "Note Purchase Agreement"), between **TEXAS MUNICIPAL POWER AGENCY** (the "Agency"), and **TRUIST COMMERCIAL EQUITY, INC.**, a Delaware corporation (the "Purchaser"). This SOFR Addendum is qualified in its entirety to the extent permitted by State law.

1. INTEREST RATE. Interest shall accrue during each Interest Period at a variable rate of interest per annum equal to the Tax-Exempt Floating Rate.

2. DEFINITIONS. Any capitalized terms not defined herein shall have the meaning set forth in the Reimbursement Agreement.

"Adjusted Term SOFR Rate" means the variable annual interest rate calculated for each Interest Period equal to Term SOFR for said Interest Period.

"Determination Day" means that date which is (i) two U.S. Government Securities Business Days prior to the first day of the Interest Period if such day is a U.S. Government Securities Business Day or (ii) if the first day of the Interest Period is not a U.S. Government Securities Business Day then two U.S. Government Securities Business Days prior to the U.S. Government Securities Business Day immediately preceding the commencement of the Interest Period.

"Interest Period" means, with respect to each Note, a one month period commencing on the first day of each month, provided that the initial Interest Period will commence on the purchase date of such Note and result in a shorter initial Interest Period. No Interest Period shall extend beyond the Commitment Expiration Date.

"Term SOFR" means the Term SOFR reference rate for a one month tenor as administered by the Term SOFR Administrator and quoted by Bloomberg Finance L.P., or any quoting service or commonly available source utilized by Purchaser on the Determination Day; provided that if as of 5:00 p.m. (New York time) on the Determination Day, Term SOFR for such tenor has not been published by the Term SOFR Administrator, then, subject to Section 3, the rate used will be Term SOFR for such tenor as published by the Term SOFR Administrator for the immediately preceding U.S. Government Securities Business Day on which such rate was published on the Term SOFR Administrator's website so long as such immediately preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Determination Day; and further provided if Term SOFR would be less than zero percent (0%), then it shall be deemed to be zero percent (0%).

"Term SOFR Administrator" means CME Group Benchmark Administration Limited or a successor administrator of the Term SOFR selected by the Purchaser in its sole discretion.

"U.S. Government Securities Business Day" Any day except for (i) a Saturday, (ii) a Sunday, or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

3. EFFECT OF BENCHMARK TRANSITION EVENT.

(a) In the event Purchaser determines in its sole discretion that (i) there is a public announcement by the administrator of a Benchmark or a Relevant Governmental Body that such Benchmark will cease or has ceased to be published; (ii) a public announcement is made by the administrator of a Benchmark or any Relevant Governmental Body that the Benchmark is no longer representative; or (iii) a Relevant Governmental Body has determined that Purchaser may no longer utilize the Benchmark for purposes of setting interest rates (each a "Benchmark Transition Event"); Purchaser will have no obligation to make, fund or maintain a Note based on the Benchmark and on a date and time determined by Purchaser, without any further action or consent of by the Agency or amendment to this Addendum or any other Program Document, the first available alternative set forth in the order below that can be determined by Purchaser shall replace the Benchmark ("Successor Rate"):

(x) Relevant Governmental Body Recommended Rate; or

(y) Alternative Benchmark Rate.

(b) In connection with the implementation of a Successor Rate, Purchaser will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Program Document, any amendments implementing such Successor Rate or Conforming Changes will become effective without any further action or consent of the Agency. Notwithstanding anything else herein, if at any time any Successor Rate as so determined would otherwise be less than zero percent (0%), the Successor Rate will be deemed to be zero percent (0%) for the purposes of this Addendum and the other Program Documents. For avoidance of doubt, following the implementation of the Successor Rate, in determining the interest rate applicable to any Notes, the Applicable Margin shall be added to the Successor Rate and any provisions for a minimum rate shall continue to apply.

(c) Purchaser will notify (in one or more notices) the Agency of the implementation of any Successor Rate. Any determination or decision that may be made by Purchaser pursuant to this Section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in Purchaser's sole discretion and without consent from the Agency.

(d) In the event Purchaser determines in its sole discretion that Purchaser cannot make, fund, or maintain a Purchase based upon the Benchmark due to illegality or the inability to ascertain or determine said rate on the basis provided for herein ("Unavailability Period") and a Benchmark Transition Event has not occurred, then at the election of the Purchaser the Benchmark shall convert to the Alternative Benchmark Rate for purposes of calculating the interest rate applicable to the then outstanding principal balance of purchased Notes and for interest accruing on any fundings or advances requested by the Agency and, thereafter, the interest rate applicable to the Notes outstanding shall adjust simultaneously with any fluctuation in the Alternative Benchmark Rate. In the event Purchaser determines that the circumstances giving rise the Unavailability Period have ended, at such time as determined by Purchaser the Benchmark will revert to the prior Benchmark (provided a Benchmark Transition Event has not occurred). Purchaser shall provide notice, which may be after the implementation of the Alternative Benchmark Rate as contemplated hereunder, to the Agency of any Benchmark change that is made pursuant to this Section. For avoidance of doubt, following the conversion to the Alternative Benchmark Rate, in determining the interest rate applicable to the Notes outstanding, the

Applicable Margin shall be added to the Alternative Benchmark Rate and any provisions for a minimum rate shall continue to apply.

(e) For purposes of this Section, in addition to the definitions set forth in Section 2, the following definitions shall apply:

“Alternative Benchmark Rate” means a rate of interest per annum equal to the Prime Rate minus two and 5/10 percent (2.5%) which shall adjust daily with changes in the Prime Rate.

“Benchmark” means initially Term SOFR, and thereafter is it will be the then-current Successor Rate.

“Conforming Changes” means, with respect to any Successor Rate, any technical, administrative or operational changes (including changes to the definitions such as “Business Day,” “Interest Period,” timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, length of lookback periods, the applicability of breakage provisions and other technical, administrative or operational matters) that Purchaser decides may be appropriate to reflect the adoption and implementation of such Successor Rate and to permit the administration thereof by Purchaser in a manner Purchaser decides is reasonably necessary in connection with the administration of this Addendum and the other Program Documents.

“Relevant Governmental Body” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

“Relevant Governmental Body Recommended Rate” means, in respect of any relevant day, the rate (inclusive of any spreads or adjustments which may be positive or negative) recommended as the replacement for the Benchmark by the Relevant Governmental Body (which rate may be produced by the Federal Reserve Bank of New York or another administrator).

EXHIBIT A

[FORM OF REQUEST FOR PURCHASE]

REQUEST FOR PURCHASE

Truist Commercial Equity, Inc., as Purchaser 1400 Post Oak Blvd., 7th Floor Houston, Texas 77056 Telephone: _______________ Attention: _________________ Email: ___________________	UMB Bank, N.A., as Paying Agent/Registrar 6034 West Courtyard Drive, Suite 370 Austin, Texas 78730 Telephone: (945) 400-7071 Attention: Corporate Trust and Escrow Group Email: Stephen.mcpherson@umb.com; Israel.lugo@umb.com

Ladies and Gentlemen:

The undersigned, an Authorized Representative, refers to the Note Purchase Agreement dated October 1, 2024, but effective October 22, 2024 (together with any amendments or supplements thereto, the "*Agreement*"), between the Texas Municipal Power Agency (the "*Agency*") and Truist Commercial Equity, Inc. (the "*Purchaser*") (the terms defined therein being used herein as therein defined) and hereby requests, pursuant to Section 2.3 of the Agreement, that the Purchaser make a Purchase of Notes under the Agreement, and in that connection sets forth below the following information relating to such Purchase (the "*Proposed Purchase*"):

1. The Business Day of the Proposed Purchase is _________, 20__ (the "*Purchase Date*"), which is at least three (3) Business Days after the date hereof.

2. The principal amount of the Proposed Purchase of a Note is $ _____________, which is not greater than the Available Commitment as of the Purchase Date set forth in 1 above.

3. The aggregate amount of the Proposed Purchase shall be used solely for the purposes permitted in the Resolution and the Agreement.

4. The Note Maturity Date shall be ____ (such date shall not be later than the earlier of (i) the Commitment Expiration Date and (ii) three hundred sixty-four (364) days from the Purchase Date).

5. After giving effect to the Proposed Purchase, the aggregate principal amount of all Notes outstanding under the Agreement will not exceed the Available Commitment.

6. The Paying Agent/Registrar is directed to issue and deliver a Note to the Purchaser, consistent with the instructions herein pursuant to the Resolution, the Agreement and the Paying Agent/Registrar Agreement.

7. The Agency makes the representations set forth in Section 2.02(c) (A), (D) and (E) of the Series A Note Resolution as if set forth in this request. Further, the Agency certifies that it has identified the specific projects to be financed or refinanced with the Notes contemplated by this request in other documentation of the Agency and the Agency has been generally advised by Bond Counsel that projects similar to such projects constitute Project Costs.

The submission of this Request for Purchase constitutes a representation and warranty that the conditions specified in Section 5.2 of the Agreement have been satisfied on and as of the date hereof.

The Proposed Purchase shall be made by the Purchaser by wire transfer of immediately available funds to the undersigned in accordance with the instructions set forth below:

[**Insert wire instructions**]

____

____

____

Very truly yours,

TEXAS MUNICIPAL POWER AGENCY

By______________________________________
Name: ______________________________
Title: _______________________________

EXHIBIT B

[RESERVED]

EXHIBIT C

[FORM OF REQUEST FOR EXTENSION]

REQUEST FOR EXTENSION

Truist Commercial Equity, Inc., as Purchaser
1400 Post Oak Blvd., 7th Floor
Houston, Texas 77056
Telephone: _____________
Attention: ______________
Email:

Ladies and Gentlemen:

Reference is made to the Note Purchase Agreement dated October 1, 2024, but effective October 22, 2024 (together with any amendments or supplements thereto, the "*Agreement*") between the undersigned, the Texas Municipal Power Agency (the "*Agency*") and Truist Commercial Equity, Inc. (the "*Purchaser*"). All terms defined in the Agreement are used herein as defined therein.

The Agency hereby requests, pursuant to Section 2.10 of the Agreement, that the Commitment Expiration Date with respect to the Available Commitment as of the date hereof be extended by _______ to _____, _____________. Pursuant to such Section 2.10, we have enclosed with this request the following information:

1. a reasonably detailed description of any and all Defaults that have occurred and are continuing;

2. confirmation that all representations and warranties of the Agency as set forth in Article IV of the Agreement and each Program Document are true and correct as though made on the date hereof and that no Default or Event of Default has occurred and is continuing on the date hereof; and

3. any other pertinent information previously requested by the Purchaser.

The Purchaser is asked to notify the Agency of its decision with respect to this request within 30 days of the date of receipt hereof. If the Purchaser fails to notify the Agency of the Purchaser's decision within such 30-day period, the Purchaser shall be deemed to have rejected such request.

Very truly yours,

TEXAS MUNICIPAL POWER AGENCY

By_________________________________
Name: ___________________________
Title: ____________________________

EXHIBIT D

[FORM OF NOTICE OF TERMINATION]

NOTICE OF TERMINATION

Texas Municipal Power Agency
2751 Nash St., Suite 130
Bryan, Texas 77802
Attention: General Manager

UMB Bank, N.A., as Paying Agent/Registrar
6034 West Courtyard Drive, Suite 370
Austin, Texas 78730
Telephone: (945) 400-7071
Attention: Corporate Trust and Escrow Group
Email: Stephen.mcpherson@umb.com;
Israel.lugo@umb.com

Ladies and Gentlemen:

We refer to the Note Purchase Agreement dated October 1, 2024, but effective October 22, 2024 (together with any amendments or supplements thereto, the "*Agreement*"), between the Texas Municipal Power Agency (the "*Agency*") and the undersigned, Truist Commercial Equity, Inc. Any term below that is defined in the Agreement shall have the same meaning when used herein.

We hereby notify you that an Event of Default has occurred under Section 7.1__ of the Agreement. As a result, unless and until you have been advised otherwise by us:

1. The Available Commitment [**has been automatically**]/[**is hereby**] reduced to $0.00 and the Purchaser has no further obligation to purchase Notes under the Agreement; and

2. The Commitment [**has been automatically**]/[**is**] terminated and will no longer be reinstated.

IN WITNESS WHEREOF, we have executed and delivered this Notice as of the ____ day of ____________, 20___.

Very truly yours,

TRUIST COMMERCIAL EQUITY, INC.

By___________________________________
Name: ____________________________
Title: ______________________________

EXHIBIT E

[FORM OF NOTICE OF TERMINATION]

NOTICE OF TERMINATION

Truist Commercial Equity, Inc., as Purchaser	
1400 Post Oak Blvd., 7th Floor	
Houston, Texas 77056	
Telephone: ___________________	
Attention: ______________	
Email: ______________	

Ladies and Gentlemen:

Re: Note Purchase Agreement October 1, 2024, but effective October 22, 2024

The Texas Municipal Power Agency (the "*Agency*"), through its undersigned, an Authorized Representative, hereby certifies to Truist Commercial Equity, Inc., (the "*Purchaser*"), with reference to the Note Purchase Agreement dated October 1, 2024, but effective October 22, 2024 (together with any amendments or supplements thereto, the "*Agreement*"), between the Agency and the Purchaser (the terms defined therein and not otherwise defined herein being used herein as therein defined):

The Agency hereby informs you that the Commitment is terminated in accordance with the Agreement.

IN WITNESS WHEREOF, the Agency has executed and delivered this Notice this ____ day of ____________, ___.

TEXAS MUNICIPAL POWER AGENCY

By____________________________________

Name: ____________________________

Title: ____________________________

EXHIBIT F

[RESERVED]

EXHIBIT G

[FORM OF NOTICE OF EXTENSION]

NOTICE OF EXTENSION

[**Date**]

Texas Municipal Power Agency
2751 Nash St., Suite 130
Bryan, Texas 77802
Attention: General Manager

Ladies and Gentlemen:

We hereby notify you that pursuant to Section 2.10(b) of the Note Purchase Agreement dated October 1, 2024, but effective October 22, 2024, between the Texas Municipal Power Agency (the "*Agency*") and the undersigned, Truist Commercial Equity, Inc. (the "*Purchaser*"), the Commitment Expiration Date with respect to the Commitment as of the date hereof shall be extended ______ to __________, ______. Your acknowledgment hereof shall be deemed to be your representation and warranty that all your representations and warranties contained in Article IV of the Agreement and each other Program Document are true and correct and will be true and correct as of the date hereof and that no Default or Event of Default has occurred and is continuing.

Very truly yours,

TRUIST COMMERCIAL EQUITY, INC.

By____________________________________
Name: ______________________________
Title: _______________________________

Acknowledged as of ______________, ________ by

TEXAS MUNICIPAL POWER AGENCY

By_____________________________________

Name: ____________________________

Title: _____________________________

EXHIBIT H

FORM OF INVESTOR LETTER

______________, 2024

Texas Municipal Power Agency
Bryan, Texas

Re: $60,000,000
Texas Municipal Power Agency
Transmission System Revenue Revolving Notes, Series A

Ladies and Gentlemen:

This letter is to provide you with certain representations and agreements with respect to our purchase of the above-referenced notes (the "*Notes*"). The Notes were issued by Texas Municipal Power Agency (the "*Agency*") pursuant to Agency resolution number 2017-11-05 adopted by the Agency Board on November 9, 2017, as amended by Agency resolution number 22-9-2 adopted by the Agency Board on September 8, 2022 (the "*Resolution*"). Truist Commercial Equity, Inc. (the "*Purchaser*," the "*undersigned*," "*us*" or "*we*," as applicable) is purchasing the Notes pursuant an Note Purchase Agreement dated October 1, 2024, but effective October 22, 2024, between the Texas Municipal Power Agency and the Purchaser. We hereby represent and warrant to you and agree with you as follows:

1. We understand that the Notes have not been registered pursuant to the Securities Act of 1933, as amended (the "*1933 Act*"), the securities laws of any state nor has the Resolution been qualified pursuant to the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions set forth therein. We acknowledge that the Notes (i) are not being registered or otherwise qualified for sale under the "blue sky" laws and regulations of any state and (ii) will not be listed on any securities exchange.

2. We have not offered, offered to sell, offered for sale or sold any of the Notes by means of any form of general solicitation or general advertising, and we are not an underwriter of the Notes within the meaning of Section 2(11) of the 1933 Act.

3. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Notes.

4. The Purchaser is either a "qualified institutional buyer" as defined in Rule 144A promulgated under the 1933 Act, or an "accredited investor" as defined in Rule 501 of Regulation D under the 1933 Act and is able to bear the economic risks of such investment.

5. The Purchaser understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to the Notes. The

Purchaser has made its own inquiry and analysis with respect to the Agency, the Notes and the security therefor, and other material factors affecting the security for and payment of the Notes.

6. The Purchaser acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, regarding the Agency, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Agency, the Notes and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase the Notes.

7. The Notes are being acquired by the Purchaser for investment for its own account and not with a present view toward resale or distribution; provided, however, that the Purchaser reserves the right to sell, transfer or redistribute the Notes, but agrees that any such sale, transfer or distribution by the Purchaser shall be to a Person:

(a) that is an affiliate of the Purchaser;

(b) that is a trust or other custodial arrangement established by the Purchaser or one of its affiliates, the owners of any beneficial interest in which are limited to qualified institutional buyers or accredited investors;

(c) that is a secured party, custodian or other entity in connection with a pledge by the Purchaser to secure public deposits or other obligations of the Purchaser or one of its affiliates to state or local governmental entities; or

(d) that the Purchaser reasonably believes to be a qualified institutional buyer or accredited investor and who executes an investor letter substantially in the form of this letter which is delivered to the Agency (as an addressee).

Very truly yours,

____

By____________________________________
Name: _____________________________
Title: ______________________________

[*Signature Page to Investor Letter*]

EXHIBIT B

PAYING AGENT/REGISTRAR AGREEMENT

[Please see separate tab of this transcript]

PAYING AGENT/REGISTRAR AGREEMENT

THIS AGREEMENT dated as of October 1, 2024 (as amended, modified, supplemented or restated, this "Agreement"), by and between the Texas Municipal Power Agency ("TMPA"), and UMB Bank, N.A., a national banking association, duly organized and operating under the laws of the United States of America (the "Bank").

RECITALS

WHEREAS, TMPA has duly authorized and provided for the issuance of its Texas Municipal Power Agency Transmission System Revenue Revolving Notes, Series A (the "Notes") in the combined aggregate principal amount not to exceed $60,000,000, such Notes to be issued as floating rate notes the interest on which is exempt from federal income taxation, and in fully registered form only as to the payment of principal and interest thereon;

WHEREAS, the Notes are scheduled to be delivered, on a revolving basis and in installments, to the initial purchaser thereof pursuant to terms of the Resolution (hereinafter defined) and a Note Purchase Agreement dated as of October 1, 2024, but effective October 22, 2024 (as amended, modified, supplemented or restated, the "Note Agreement"), between TMPA and Truist Bank in its capacity as the purchaser;

WHEREAS, TMPA has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of and interest on said Notes and with respect to the registration, and installment delivery thereof to the registered owners thereof; and

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of TMPA and has full power and authority to perform and serve as Paying Agent/Registrar for the Notes;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE
APPOINTMENT OF BANK AS
PAYING AGENT AND REGISTRAR

Section 1.01. APPOINTMENT. Pursuant to Section 2.03 of the Resolution (hereinafter defined), TMPA hereby appoints the Bank to serve as Paying Agent with respect to the Notes. As Paying Agent for the Notes, the Bank shall be responsible for paying, on behalf of TMPA, the principal of and interest on the Notes as the same become due and payable to the registered owners thereof in accordance with this Agreement and the Resolution.

TMPA hereby appoints the Bank as Registrar with respect to the Notes. As Registrar for the Notes, the Bank shall keep and maintain for and on behalf of TMPA books and records as to the ownership of said Notes and with respect to the transfer and exchange thereof as provided herein, in the Resolution and the Note Agreement.

The Bank hereby accepts its appointment, and agrees to serve as the Paying Agent, Registrar for the Notes as set forth herein, in the Resolution and the Note Agreement.

Section 1.02. COMPENSATION AND EXPENSES. As compensation for the Bank's services as Paying Agent/Registrar, TMPA hereby agrees to pay the Bank the fees and amounts set forth in Schedule A attached hereto.

ARTICLE TWO
DEFINITIONS

Section 2.01. DEFINITIONS. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires the following terms shall have the meanings set forth in this Section. Any terms not otherwise defined herein have the meanings given such terms in the Resolution.

"Bank Office" means the principal corporate office of the Bank indicated on the signature page hereof. The Bank will notify TMPA in writing of any change in location of the Bank Office.

"Fiscal Year" means the twelve month period used by TMPA as its fiscal year which may be any consecutive twelve month period established by TMPA.

"Holder" and "Note Holder" each means the Person in whose name a Note is registered in the Security Register.

"TMPA Request" and "TMPA Resolution" means a written request or resolution signed in the name of TMPA by the President, Secretary or Assistant Secretary of the Board of Directors of TMPA, the General Manager, the Director of Finance or any other authorized TMPA officer, and delivered to the Bank.

"Legal Holiday" means a day on which the Bank is required or authorized to be closed.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

"Prepayment Date" when used with respect to any Note to be prepaid means the date fixed for such prepayment pursuant to the terms of the Resolution and the Note Agreement.

"Resolution" means TMPA's Reconstituted Series A Note Resolution No. 2017-11-5, which authorized the issuance of the Notes, as certified by the Secretary of the Board or any other officer of TMPA and delivered to the Bank, and as amended by Resolution No. 2022-9-2.

"Responsible Officer" when used with respect to the Bank means any officer within the corporate trust department of the Bank having direct responsibility for administration of the Notes.

"Security Register" means a register maintained by the Bank on behalf of TMPA providing for the registration and transfer of the Notes.

"Stated Maturity" means the date specified in each Note issued and delivered, pursuant to the Resolution, on which the principal of a Note is scheduled to be due and payable.

Section 2.02. **OTHER DEFINITIONS**. The terms "Bank," "TMPA," "Note Agreement" and "Notes (Note)" have the meanings assigned to them in the recital paragraphs of this Agreement.

The term "Paying Agent/Registrar" refers to the Bank in the performance of the duties and functions of this Agreement and the Resolution.

ARTICLE THREE
PAYING AGENT

Section 3.01. **DUTIES OF PAYING AGENT**. As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of TMPA, pay on behalf of TMPA the principal of each Note at its Stated Maturity or Prepayment Date, to the Holder upon surrender of the Note to the Bank at the Bank Office or as otherwise provided in the Note Agreement.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of TMPA, pay on behalf of TMPA the interest on each Note when due and preparing and making payment, on each payment date, to the Holders of the Notes (or their Predecessor Direct Purchase Notes) on the respective Record Date, to the address appearing on the Security Register by such other method provided in the Resolution and the Note Agreement.

Section 3.02. **PAYMENT DATES**. TMPA hereby instructs the Bank to pay the principal of, premium if any, and interest on the Notes on the dates specified in the Resolution and the Note Agreement.

Section 3.03. **REPORTING REQUIREMENTS**. To the extent required by the Internal Revenue Code of 1986, as amended, or the Treasury Regulations, the Bank shall report to or cause to be reported to the Registered Owners and the Internal Revenue Service (i) the amount of "reportable payments," if any, subject to back up withholding during each year and the amount of tax withheld, if any, with respect to the payments on the Notes and (ii) the amount of interest or amount treated as interest, such as original issue discount, on the Notes required to be included in the gross income of the owners thereof for federal income tax purposes.

ARTICLE FOUR
REGISTRAR

Section 4.01. **SECURITY REGISTER**. The Bank agrees to keep and maintain for and on behalf of TMPA at the Bank Office books and records (herein sometimes referred to as the "Security Register") for recording the names and addresses of the Holders of the Notes, the replacement of the Notes and the payment of the principal of, premium, if any, and interest on the Notes to the Holders and containing such other information as may be reasonably required by

TMPA and subject to such reasonable regulations as TMPA and the Bank may prescribe. All replacement of Notes shall be noted in the Security Register.

Section 4.02. NOTES AND ISSUANCE AND DELIVERY OF AUTHORIZED **INSTALLMENTS**. For each installment delivery of the Notes, TMPA shall provide the printed, typewritten Note, as the case may be, to the Bank (which shall accompany the copy of TMPA's request to Truist Bank, as purchaser of the Notes, to purchase such particular Note in accordance with the terms and provisions of the Note Agreement), as directed by Truist Bank and the Bank hereby agrees to the obligations of the Paying Agent/Registrar set forth in the Resolution and the Note Agreement with respect to the issuance and authentication of the Notes as provided in the Resolution and the Note Agreement. The Bank covenants that each such printed, typewritten Note will be kept in safekeeping pending its purchase and delivery as contemplated in the related request for purchase of TMPA, and reasonable care will be exercised by the Bank in maintaining each such Note in safekeeping, which shall be not less than the care maintained by the Bank for promissory notes or bonds of other political subdivisions or corporations for which it serves as registrar, or that is maintained for its own promissory notes or bonds.

In accordance with the Resolution, the Bank will not issue and deliver any Notes after the end of the Maximum Maturity Date or as otherwise provided in the Note Agreement, and the Bank will not issue and deliver any Notes in an amount that exceeds the Available Commitment (as defined in the Note Agreement) in effect as of the date of such installment delivery; provided that the aggregate principal amount of all Notes outstanding under the Resolution may not exceed the Available Commitment. TMPA shall promptly notify the Bank of any changes to the Available Commitment made pursuant to the Note Agreement.

Section 4.03. FORM OF SECURITY REGISTER. The Bank, as Registrar, will maintain the Security Register relating to the registration and payment of the Notes in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04. LIST OF NOTE HOLDERS. The Bank will provide TMPA as soon as reasonable after the same is requested by TMPA, upon payment of the required fee, a copy of the information contained in the Security Register. TMPA may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

The Bank will not release or disclose the contents of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of TMPA, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify TMPA so that TMPA may contest the court order or such release or disclosure of the contents of the Security Register.

Section 4.05. **CANCELLATION CERTIFICATES**. Upon request, the Bank will submit to TMPA a cancellation certificate or certificates listing the Notes which have been canceled.

Section 4.06. **MUTILATED, DESTROYED, LOST OR STOLEN NOTES**. TMPA hereby instructs the Bank, subject to the applicable provisions of the Resolution, to deliver and issue Notes in exchange for or in lieu of mutilated, destroyed, lost or stolen Notes as long as the same does not result in an over issuance.

In case any Note shall be mutilated, or destroyed, lost or stolen, the Bank, in its discretion, may execute and deliver a replacement Note of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Note, or in lieu of and in substitution for such destroyed lost or stolen Note, only after (i) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss or theft of such Note, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold TMPA and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Note shall be borne by the Holder of the Note mutilated, or destroyed, lost or stolen.

Section 4.07. **TRANSACTION INFORMATION TO TMPA**. The Bank will, within a reasonable time after receipt of written request from TMPA, furnish TMPA information as to the Notes it has paid pursuant to Section 3.01, Notes it has delivered upon the transfer or exchange of any Notes pursuant to Section 4.02, and Notes it has delivered in exchange for or in lieu of mutilated, destroyed, lost or stolen Notes pursuant to Section 4.06.

ARTICLE FIVE
THE BANK

Section 5.01. **DUTIES OF BANK**. The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

Section 5.02. **RELIANCE ON DOCUMENTS, ETC.** (a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, order, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Notes, but is protected in acting upon receipt of Notes containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, order, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document supplied by TMPA.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

Section 5.03. RECITALS OF TMPA. The recitals contained herein with respect to TMPA and in the Notes shall be taken as the statements of TMPA and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to TMPA, any Holder or Holders of any Note, or any other Person for any amount due on any Note from its own funds.

Section 5.04. MAY HOLD NOTES. The Bank, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with TMPA with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.05. INDEMNIFICATION. To the extent permitted by law, TMPA agrees to indemnify the Bank for, and hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

Section 5.06. INTERPLEADER. TMPA and the Bank agree that the Bank may seek adjudication of any adverse claim, demand or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the State and County where either the Bank Office or the administrative offices of TMPA is located, provided that such court is located in the State of Texas, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. TMPA and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction within the State of Texas to determine the rights of any Person claiming any interest herein.

Section 5.07. PAYING AGENT NOT A TRUSTEE. This Agreement shall not be construed to require the Paying Agent to enforce any remedy which any Holder may have against TMPA during any default or event of default under any agreement between any Holder and TMPA, including the Resolution or to act as trustee for such Holder.

Section 5.08. PAYING AGENT NOT RESPONSIBLE FOR NOTES. The Paying Agent shall not be accountable for the use of any Notes or for the use or application of the proceeds thereof.

The Paying Agent shall in no event be liable to TMPA, any Holder, or any other Person for any amount due on any Note from its own funds.

ARTICLE SIX
MISCELLANEOUS PROVISIONS

Section 6.01. AMENDMENT. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto. Notwithstanding the foregoing, no amendment may be made without receiving the prior written consent of the Holder.

Section 6.02. ASSIGNMENT. This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03. NOTICES. Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to TMPA or the Bank shall be mailed or delivered to TMPA or the Bank, respectively, at the addresses shown on the signature page of this Agreement.

Section 6.04. EFFECT OF HEADINGS. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 6.05. SUCCESSORS AND ASSIGNS. All covenants and agreements herein by TMPA shall bind its successors and assigns, whether so expressed or not.

Section 6.06. SEVERABILITY. In case any provision herein shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 6.07. BENEFITS OF AGREEMENT. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy or claim hereunder.

Section 6.08. TERMINATION. This Agreement (a) will automatically terminate on the Termination Date (as defined in the Note Agreement) and (b) may be earlier terminated by the Bank upon ninety (90) days written notice to TMPA so long as a successor Paying Agent/Registrar has been appointed by TMPA and such appointment has been accepted and notice has been given to the Note Holders of the appointment of a successor Paying Agent/Registrar; provided that in no event shall the Bank be required to act as paying agent for any Notes that were not issued under the Note Agreement.

Upon termination of this Agreement pursuant to (a)(ii) above, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with other pertinent books and records relating to the Notes, to the successor Paying Agent/Registrar designated and appointed by TMPA.

Section 6.09. **ENTIRE AGREEMENT**. This Agreement and the Resolution constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Resolution, the Resolution shall govern.

Section 6.10. **COUNTERPARTS**. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.11. **GOVERNING LAW**. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

Section 6.12. **VERIFICATIONS OF STATUTORY REPRESENTATIONS AND COVENANTS.** The Bank makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Bank within the meaning of Securities and Exchange Commission Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

(a) Not a Sanctioned Company. The Bank represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Bank and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) Value of Agreement. This Agreement has a value of less than $100,000 for purposes of Sections 2271.002, 2274.002 and 2276.002, Texas Government Code.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

UMB BANK, N.A.,
as Paying Agent/Registrar

By: ______________________________

Title: ______________________________

Address:
6034 West Courtyard Drive, Suite 370
Austin, Texas 78730
Attention: Corporate Trust and Escrow Group

TEXAS MUNICIPAL POWER AGENCY

By:______________________________________
Daniel Meadows, General Manager

SCHEDULE A

PAYING AGENT/REGISTRAR FEES

September 12, 2024

AGENDA ITEM NO. 5

SUBJECT: Status report relating to mine reclamation and land matters.

DISCUSSION:

Bond Release in Permit 38D

On 08/6/24, TMPA received approval from the Railroad Commission for a 0.44-acre area at the Mine Reclamation Shop to be grandfathered into the 5-year Extended Responsibility Period (Figure 1). This action clears the way for the addition of the Mine Reclamation Shop to the bond release application that is being prepared for the Seep 9A side-slopes area (45 acres) (Figure 2). This application, if approved before 10/1/26, will trigger release of $306K from the mine sale escrow account (45 ac x $6,802/ac).

Figure 1 – Railroad Commission inspection of 0.44-acre area at Mine Reclamation Shop
(view west, 07/30/24)

Figure 2 – Seep 9A Side-Slopes Area
(view north, 08/14/24)

By mid-August 2024, the ground had dried out sufficiently after the heavy rains in January-July 2024 (46 inches), for erosion repair work to start at the lower end of the Seep 9A drainage (Figures 3 and 4).

Figure 3 – Erosion repair work at the lower end of the Seep 9A drainage
(View north, 08/14/24)

Figure 4 – Erosion repair work at the lower end of the Seep 9A drainage
(View northwest, 08/14/24)

The heavy rainfall in the first half of 2024 was beneficial in the upper and middle part of the Seep 9A drainage area promoting vigorous growth of vegetation (Figure 5).

Figure 5 – Seep 9A – Vegetation in the Seep 9A drainage bottom area (ongoing erosion repair work visible in the distance)
(view north, 08/14/24)

The Seep 1A mitigation project (4 acres) was completed over the period August-November 2023. Cattails were planted in the reclaimed wetland area (Figure 6).

Figure 6 – Seep 1A – General view of wetland treatment area
(view northeast, 08/14/24)

Results of the treated water discharging through the V-notch weir at Seep 1A have been consistently in compliance (above pH 6.0) (Figure 7). The brown coloration of the water is a good sign showing that iron is being precipitated out of solution.

Figure 7 – Seep 1A – pH 6.47 at the V-notch weir (the discharge point) on 08/14/24
(view northwest, 08/14/24)

Wilson Proceeding

On 06/18/24, the Judge approved TMPA's Motion for Summary Judgment in the Wilson Proceeding (6 tracts, total of 15.58 acres in the G1 Mine Block). TMPA conveyed these tracts to 3S on 07/29/24, and therefore, in accordance with the Escrow Holdback Agreement of 12/22/21, 3S approved the release of the escrowed funds, in the amount of $105,975.16 ($6,802 per acre) on 08/8/24.

Sale of Pond SP-50 Property (723 acres)

Although the current real estate market is still slow, Republic Ranches is continuing to show the Pond SP-50 property and will be installing game cameras to stimulate interest in the upcoming hunting season.

BACKUP MATERIAL: None

ACTION REQUESTED: None

Jan K. Horbaczewski
08/26/24

September 12, 2024

AGENDA ITEM NO. 6

SUBJECT: Status report relating to environmental and regulatory compliance matters

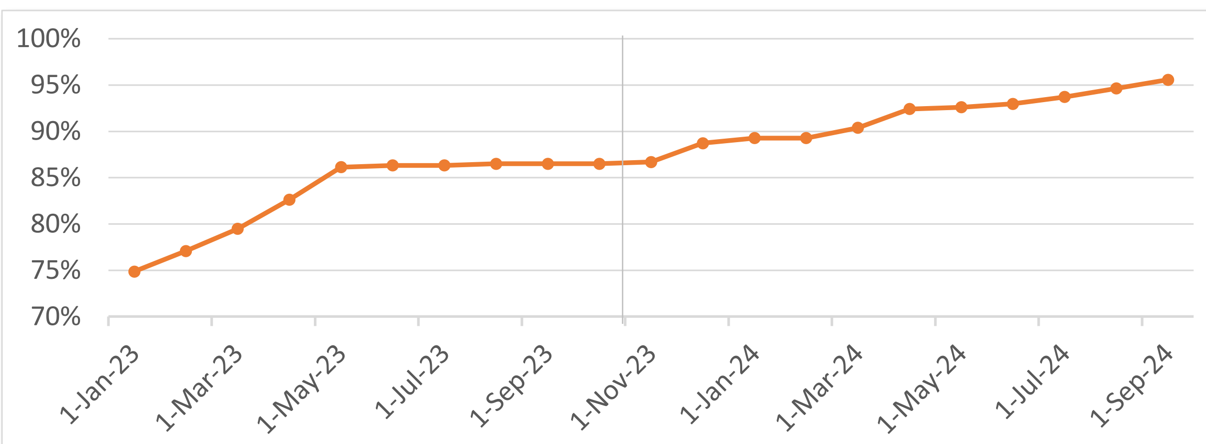
DISCUSSION: On February 10, 2021, the sale of GCSES and Gibbons Creek Reservoir to Gibbons Creek Environmental Redevelopment Group, LLC (GCERG) was finalized.

Remediation and Demolition of Gibbons Creek

The physical work at Site A and Site F Landfills will be considered complete by GCERG in mid September 2024. TMPA estimates that the remediation project is 96% complete with only the final administrative and regulatory tasks remaining. Figure 1 shows the completion progress since January 2023 as calculated by TMPA.

GCERG has had difficulty obtaining regulatory closure with the Texas Commission on Environmental Quality (TCEQ). GCERG recently announced that the TCEQ is requiring two years of additional groundwater monitoring before evaluating and ruling on the Regulatory Closure of the CCR units. This two-year clock is expected to begin in late 2024 and will therefore extend until late 2026. Until TCEQ makes a closure declaration in writing, along with requirements for post-closure care, the Regulatory Closure Bonds and Escrow retention (10%) will remain in effect.

Figure 1 – Completion Percentage from January 2023 to Present



Performance to Schedule and Escrow Payments

The Escrow Balance is currently at $3.3 million (see Column C in Figure 2 below). A requirement in the APA prevents the Escrow Balance from decreasing below $2.85 million until TMPA certifies that all post-closure bonds are in place as required by the APA. Therefore, GCERG will receive one final $0.45 million payment, likely in September or October 2024, before receiving the final balance in escrow, likely in 2027. Column C-1 shows the Escrow releases each period. No Escrow payments were made in the months shaded in orange.

Financial Assessment – Total Security Available

In late March 2024 due to the regulatory completion of the Plant Shutdown & Decommissioning portion of the overall project, TMPA agreed to reduce the bond by $3,942,000 as required by the APA.

Each month, TMPA evaluates the balance of the Escrow Fund and the Regulatory Closure Bonds (collectively known as the Total Security Available) as compared to the Remaining Closure Cost Estimate (Column F in Figure 2). The current determination is that the Total Security Available (Column G) is $33.5 million greater than the Remaining Closure Costs.

Figure 2 - Total Security Available and Remaining Closure Cost Estimate

A	B	C	C-1	D	E	F	G
Month	Period Ending	Escrow Amount Balance	Escrow Amount Released This Period	Regulatory Closure Bond Amount	**Total Security Available**	**Remaining Closure Cost Estimate** (based on Regulatory Closure Bond; est by TMPA)	Difference (Total Security - Remaining Closure Costs)
31	10-Sep-23	4,195,858	-	36,500,000	**40,695,858**	**7,300,000**	33,395,858
32	10-Oct-23	4,195,888	-	36,500,000	**40,695,888**	**7,300,000**	33,395,888
33	10-Nov-23	4,195,923	-	36,500,000	**40,695,923**	**7,200,000**	33,495,923
34	10-Dec-23	4,195,957	-	36,500,000	**40,695,957**	**6,100,000**	34,595,957
35	10-Jan-24	3,747,991	448,000	36,500,000	**40,247,991**	**5,800,000**	34,447,991
36	10-Feb-24	3,748,025	-	36,500,000	**40,248,025**	**5,800,000**	34,448,025
37	10-Mar-24	3,746,557	-	36,500,000	**40,246,557**	**5,200,000**	35,046,557
38	10-Apr-24	3,298,587	448,000	32,558,000	**35,856,587**	**4,100,000**	31,756,587
39	10-May-24	3,298,617	-	32,558,000	**35,856,617**	**4,000,000**	31,856,617
40	10-Jun-24	3,298,645	-	32,558,000	**35,856,645**	**3,800,000**	32,056,645
41	10-Jul-24	3,298,672	-	32,558,000	**35,856,672**	**3,400,000**	32,456,672
42	10-Aug-24	3,298,672	-	32,558,000	**35,856,672**	**2,900,000**	32,956,672
43	10-Sep-24	3,298,672	-	32,558,000	**35,856,672**	**2,400,000**	33,456,672

BACKUP MATERIAL: None

ACTION REQUESTED: None

Daniel Meadows
8/22/2024

September 12, 2024

AGENDA ITEM NO. 7

SUBJECT: Status report relating to the TMPA Operations and Five-year Transmission Capital Project Status Report.

DISCUSSION: The purpose of this agenda item is to provide two routine reports to the Board.

BACKUP MATERIAL: 1) Transmission Operations Status Report
2) Five-Year Transmission Project Status Report, August 2024

ACTION REQUESTED: None

Daniel Meadows
8/27/2024

TRANSMISSION OPERATIONS STATUS REPORT

SEPTEMBER 2024

Outage Summary:

The following TMPA Transmission Operations Report provides the planned, unplanned, and forced outages on the system from **May through July 2024**.

The 1 forced extension on the 345kV system was due to additional repairs, parts and testing delays.

Personnel Summary:

Every TMPA operator is NERC-certified and current with all continuing education requirements.

Steve Martin
8/27/2024

TMPA Transmission Operations Report
2024

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2024 Total
Planned Outages													
345 Kv	0	9	6	1	1	0	0						**17**
138 Kv	1	7	3	1	0	0	0						**12**
69 Kv	0	0	0	0	0	0	0						**0**
Devices requested													**29**
Un-Planned Outages													
345 Kv	0	0	0	0	0	0	0						**0**
138 Kv	0	0	0	0	0	0	0						**0**
69 Kv	0	0	0	0	0	0	0						**0**
													0
Forced Extension Outages													
345 Kv	1	0	1	2	1	0	0						**5**
138 Kv	1	0	2	2	0	0	0						**5**
69 Kv	0	1	1	1	0	0	0						**3**
													13

Note: Outages are counted by the number of entries in the ERCOT Outage Scheduler.

TRANSMISSION FIVE-YEAR PROJECT PLAN STATUS REPORT

SEPTEMBER 2024

The attached five-year Transmission Project Status Report forecasts expenditures for Fiscal Years 2024 through 2028. Projects reported as “Completed” in a previous report have been removed from this report.

Additional capital projects are being reviewed and discussed within the Transmission Engineering Working Group (TEWG) on an ongoing basis and will be presented to the P&O and Board as needed.

Lyndi Birkhead
Daniel Meadows
8/27/2024

Five-Year Transmission Project Status Report
August 2024

Projects	Original Proposed Completion Date	Projected or Actual Completion Date	Original Approved Budget/Cost Estimate	Current Approved Budget/Cost Estimate	FY2024	FY2025	FY2026	FY2027	FY2028	Total Estimated Expenditures FY24-FY28	Comments
T20004 Ben Davis Breaker Replacement Project	Dec-21	Sep-25	$ 4,290,000	$ 4,290,000	$ 1,300,000	$ 1,347,000				$ 2,647,000	Partial project completion in September 2024.
T21005 Pruitt 138 kV Terminal Addition (Pink Solar)	Dec-22	Sep-26	$ 3,700,000	$ 3,700,000		$ 1,000,000	$ 2,250,000			$ 3,250,000	
T21006 Gibbons Creek Decommission Phase 2	Sep-21	Sep-24	$ 1,760,000	$ 5,910,000	$ 4,157,350					$ 4,157,350	Construction in progress and will be complete in September 2024.
T22002 Gibbons Creek Data Center Terminal Additions	Dec-22	May-25	$ 3,000,000	$ 3,000,000		$ 3,000,000				$ 3,000,000	Project scope and cost estimate to be reevaluated due to different ownership at Gibbons Creek.
T22003 Dansby to Steep Hollow T-Line Rebuild	Apr-24	May-25	$ 21,500,000	$ 21,500,000	$ 7,000,000	$ 12,701,000				$ 19,701,000	Dilly Shaw-Steep Hollow section to be placed in service in FY24. The other 2 line sections will be complete in FY25.
T22004 Greenville Intch to Pruitt New Line and Station (Makalu Solar)	Oct-23	Sep-27	$ 12,500,000	$ 12,500,000	$ 394,749	$ 2,000,000	$ 2,000,000	$ 8,100,000		$ 12,494,749	Study Agreement signed and funded.
T22005 Rayburn Country 138kV POI	Dec-23	Dec-24	$ 2,750,000	$ 2,750,000	$ 500,000	$ 1,325,000				$ 1,825,000	Design and Procurement complete. All material is on-order.
T24001 Brazos Interconnection at West Denton	Sep-26	Sep-26	$ 3,530,400	$ 3,530,400		$ 1,250,000	$ 2,280,400			$ 3,530,400	Project delayed due to material lead time.
T24002 Spencer Intch Transformer/line upgrade	May-25	Mar-24	$ 2,450,000	$ 2,450,000	$ 1,700,000					$ 1,700,000	Work Completed. Expensed transformer move.
T24003 Shelby-Nevada Line Extension	Oct-25	Sep-27	$ 2,700,000	$ 2,700,000			$ 700,000	$ 2,000,000		$ 2,700,000	
T24004 Industrial Substation Bypass	Jun-24	Sep-25	$ 174,900	$ 174,900	$ 18,000	$ 156,900				$ 174,900	
T24005 Dansby - Upgrade Carrier Equipment	Jun-24	May-25	$ 285,000	$ 285,000		$ 285,000				$ 285,000	
T24006 Dissolved Gas Monitor	Jun-24	Dec-24	$ 108,750	$ 108,750		$ 108,750				$ 108,750	
T24007 Yellow Wolf Cut-in to Gibbons Creek-Limestone TL	Jun-24	Aug-25	$ 500,000	$ 500,000		$ 500,000				$ 500,000	
T24008 Relay Panel Replacement at Denton West	Sep-26	Sep-26	$ 96,800	$ 96,800		$ 96,800				$ 96,800	
State Highway 30 Pole Relocation Project		Sep-26	$ 4,700,000	$ -		$ 2,500,000	$ 2,200,000			$ 4,700,000	Future Project TxDOT Reimburseable; To be presented to the Board for approval in September 2024.
Buffalo Prairie Storage (150 MW)		Sep-27	$ 10,200,000	$ -		$ 2,000,000	$ 4,000,000	$ 4,200,000		$ 10,200,000	Future Project
Lavon Storage (250 MW)		May-28	$ 9,500,000	$ -				$ 8,500,000	$ 1,000,000	$ 9,500,000	Future Project
Spencer Interchange to Pockrus Reconstruction (DME)		May-29	$ 7,290,000	$ -						$ -	Future Project (FY29 or later in-service)
West Loop 288 - West Denton to Fort Worth Relocation		Sep-26	$ 3,300,000	$ -		$ 1,200,000	$ 2,100,000			$ 3,300,000	Future Project TxDOT Reimburseable in Denton area
West Loop 288 - Masch Branch to North Denton Relocation		Sep-26	$ 3,300,000	$ -		$ 1,200,000	$ 2,100,000			$ 3,300,000	Future Project TxDOT Reimburseable in Denton area
East Loop 288/ Hwy 380 Reroute		May-27	$ 2,300,000	$ -			$ 1,500,000	$ 800,000		$ 2,300,000	Future Project TxDOT Reimburseable in Denton area
			Totals	**$ 63,495,850**	**$ 15,070,099**	**$ 30,670,450**	**$ 19,130,400**	**$ 23,600,000**	**$ 1,000,000**	**$ 89,470,949**	

September 12, 2024

AGENDA ITEM NO. 8

SUBJECT: Resolution No. 2024-9-2, amending the FY2024 Annual Transmission System Capital Budget by appropriating funds for the State Highway 30 Pole Relocation Project; and resolving matters incidental and related thereto.

DISCUSSION: TXDOT is widening a segment of State Highway 30 in Brazos County. In order to accommodate this highway improvement work, it will be necessary for TMPA to relocate several pole structures, including some that will be upgraded to dead end structures.

It will not be necessary to acquire additional right of way for this Project. The costs of this Project will be reimbursed by TXDOT.

This Resolution amends the Annual Transmission System Capital Budget by appropriating $4,700,000 for this Project.

BACKUP MATERIAL: Capital Proposal

ACTION REQUESTED: Consideration and action on Resolution No. 2024-9-2.

RESOLUTION NO. 2024-9-2

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY ("AGENCY") AMENDING THE FY2024 ANNUAL TRANSMISSION SYSTEM CAPITAL BUDGET BY APPROPRIATING FUNDS FOR THE STATE HIGHWAY 30 POLE RELOCATION PROJECT; AND RESOLVING MATTERS INCIDENTAL AND RELATED THERETO.

WHEREAS, TXDOT is planning to widen a segment of State Highway 30 in Brazos County, Texas;

WHEREAS, in order to accommodate this highway improvement, it will be necessary for the Agency to relocate and upgrade a number of transmission line structures (the "State Highway 30 Pole Relocation Project" or "Project");

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY:

1. That the above recitals are true and correct;

2. That the FY2024 Annual Transmission System Capital Budget is amended by appropriating $4,700,000 for the Project;

3. That it is officially found and determined that notice of this meeting of the Board of Directors of the Agency was given as required by law.

PASSED AND APPROVED THIS 12TH DAY OF SEPTEMBER 2024.

____
Tom Jefferies, President
Board of Directors
Texas Municipal Power Agency

ATTEST: ______________________________
Andrew Nelson, Secretary
Board of Directors
Texas Municipal Power Agency

TEXAS MUNICIPAL POWER AGENCY
CAPITAL PROJECT PROPOSAL

PROJECT TITLE:
State Highway 30 Pole Relocation Project

DATE OF REQUEST:	**PROJECT MANAGER:**
08/12/2024	Eric Carter ☑ GP&L ☐ DME

TOTAL PROJECT COST: $4,700k	**START DATE:** Oct 2024	**CAPITAL PLAN YEAR:** N/A

CASH FLOW $ SPENT	**FY24:** $	**FY25:** $2,500k	**FY26:** $2,200k	**FY27:** $	**FY28:** $
YEAR(S) $ PLACED IN-SVC	**FY24:** $	**FY25:** $	**FY26:** $4,700k	**FY27:** $	**FY28:** $

☐ **UPGRADE**
☑ **REPLACEMENT**
☐ **NEW CONSTRUCTION**

EXISTING TMPA ASSETS RELATED TO THIS PROJECT:
Gibbons Creek to Bryan East and Gibbons Creek to Greens Prairie double circuit structures 8, 9, 10, and 11. (Numbering starts 1/2 mile west of HWY 30 where the double circuit ends.)

DESCRIPTION OF PROJECT (INCLUDING BACKGROUND, ASSUMPTIONS, & PROJECT BENEFITS):

This is a TXDOT Reimbursed project initiated by TXDOT to relocate structures in order to widen State Highway 30 in Brazos County. Two tangents will need to be upgraded to dead end structures and at least two additional tangents would need to be replaced. The line is a double circuit line: Gibbons Creek to Bryan East and Gibbons Creek to Greens Prairie.

Assumptions:
The ROW is sufficient and no additional land or easements are required.
The Project is scheduled to be energized in 2026.

Project Benefits:
Structures will be designed for a larger conductor, either Cumberland or bundled Suwanee. The span across State Highway 30 will be that larger conductor. Structure renumbering and nameplates will be upgraded.

TEXAS MUNICIPAL POWER AGENCY
CAPITAL PROJECT PROPOSAL

Will this project require a new Interconnection Agreement (IA) or changes to an existing IA? ○ Yes ◉ No

Explain:

Will this project increase/decrease oil storage or hazardous chemical inventory or capacity? ○ Yes ◉ No

Explain:

Were security improvements evaluated and/or included in the project scope? ◉ Yes ○ No

Explain:

Transmission line security increased by the addition of dead end structures on both sides of State Highway 30 expansion.

COST BREAKDOWN

Labor	$300,000
Materials	$1,000,000
Contract Services	$2,500,000
Engineering Consulting	$400,000
Misc. Expenses	$500,000
TOTAL	$4,700,000

COST BREAKDOWN BASIS:

Materials: $250k for material + $250k for tangent structures + $500k for 2 dead ends. Engineering Consulting includes surveys, LiDAR, and TXDOT support.

Estimation Levels:
P1 = Budget/Preliminary (+/- 30%)
P2 = Conceptual (+/- 20%)
P3 = Detail Design (+/- 10%)

Estimate Level: ○ P1 ◉ P2 ○ P3

Over $100K in Professional Services:	◉ Yes ○ No
Is land acquisition or right of ways procurement required?	○ Yes ◉ No
Does project involve asset retirement? If yes, please provide detail:	◉ Yes ○ No

Two for sure, potentially all four structures will be retired.

SIGNATURES

Project Manager: [signature]	**Date:** 8-13-2024
Supervisor: Steven Martin	**Date:** 8-13-2024
Utility General Manager: Darrell Cline	**Date:** 08/22/2024
TMPA CFO: Lyndi Birkhead	**Date:** 8.27.24
TMPA General Manager: David Mealor	**Date:** 8-27-2024

September 12, 2024

AGENDA ITEM NO. 9

SUBJECT: Resolution No. 2024-9-3, authorizing an Amended and Restated Transmission Operator, Maintenance, and Construction Services Agreement with the City of Denton; and resolving matters incidental and related thereto.

DISCUSSION: On April 1, 2016, TMPA entered into the Transmission Operator, Maintenance, and Construction Services Agreement with the City of Denton. The 2016 agreement applies to TMPA transmission assets in the Denton area.

Denton is requesting revisions to provisions in the 2016 agreement. As a result, this Resolution would approve an Amended and Restated Transmission Operator, Maintenance, and Construction Services Agreement with the requested revisions and clarifications. TMPA Staff has no objection to these revisions.

Substantive changes have been made to the definition of "Operating Costs" and to Section 3.5 entitled "Total Transmission Costs". The original 2016 agreement limited Denton's recovery of Operating Costs to "third-party costs", i.e. payments made by Denton to third parties, and did not permit recovery of costs associated with Denton employees, including wages and overhead costs. The purpose of this limitation was to prevent the 2016 agreement from increasing the overall cost of the transmission operator function that was being performed at that time in the Denton area by the City of Garland.

The changes to the definition of "Operating Costs", and to Section 3.5, mirror the language in the Transmission Operator, Maintenance, and Construction Services Agreement with the City of Garland. If the changes to the definition of "Operating Costs" and to Section 3.5 are made, costs to TMPA are projected by Denton to increase by approximately $20,000 per year.

All changes are redlined in Exhibit "A" of the Resolution.

ACTION REQUESTED: Consideration and action on Resolution No. 2024-9-3.

RESOLUTION NO. 2024-9-3

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY (“AGENCY”) AUTHORIZING AN AMENDED AND RESTATED TRANSMISSION OPERATOR, MAINTENANCE, AND CONSTRUCTION SERVICES AGREEMENT WITH THE CITY OF DENTON; AND RESOLVING MATTERS INCIDENTAL AND RELATED THERETO.

WHEREAS, the Agency has entered into a Transmission Operator, Maintenance, and Construction Services Agreement, dated April 1, 2016, with the City of Denton (as amended, the “2016 Agreement”);

WHEREAS, the Board desires to replace the 2016 Agreement with an Amended and Restated Transmission Operator, Maintenance, and Construction Services Agreement;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY:

1. That the above recitals are true and correct;

2. That the General Manager, or person acting at his direction, is authorized to execute the Amended and Restated Transmission Operator, Maintenance, and Construction Services Agreement in substantially the same form as attached to this Resolution as Exhibit “A”;

3. That it is officially found and determined that notice of this meeting of the Board of Directors of the Agency was given as required by law.

PASSED AND APPROVED THIS 12TH DAY OF SEPTEMBER, 2024.

____
Tom Jefferies, President
Board of Directors
Texas Municipal Power Agency

ATTEST: ______________________________
Andrew Nelson, Secretary
Board of Directors
Texas Municipal Power Agency

EXHIBIT "A"

AMENDED AND RESTATED TRANSMISSION OPERATOR, MAINTENANCE, AND CONSTRUCTION SERVICES AGREEMENT

This Amended and Restated Transmission Operator, Maintenance, and Construction Services Agreement (the "Agreement") is entered into on the 12th day of September, 2024, and replaces the Transmission Operator, Maintenance, and Construction Services Agreement dated the 1st day of April, 2016, between Texas Municipal Power Agency ("TMPA") and the City of Denton, Texas (the "City" or "Denton").

Recitals

TMPA is the owner of an electric transmission system that has been constructed, operated, and maintained for the purpose of delivering power to the cities of Bryan, Garland, Denton, and Greenville (the "Member Cities") and providing transmission service to wholesale transmission customers in ERCOT including any additions or modifications thereto (the "TMPA Transmission System"). Exhibit A of this Agreement lists the TMPA assets in the Denton area that are subject to this Agreement (the "TMPA Denton Area Transmission System"). This Agreement defines the operation, maintenance, and construction services for those TMPA assets which will be performed by Denton. The parties intend that Denton's obligations under this Agreement shall apply to the TMPA Denton Area Transmission System on the Effective Date defined in and described in Exhibit "A" for each component of the System

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Definitions

Wherever used in this Agreement, the following terms shall have the meanings specified or referred to in this section.

Agreement means this TRANSMISSION OPERATOR, MAINTENANCE, AND CONSTRUCTION SERVICES AGREEMENT between Denton and TMPA, including all exhibits or attachments, as the same may be amended, supplemented, or modified in accordance with its terms.

Annual System Budget shall mean the fiscal year budget approved by the TMPA Board of Directors for the planned operation and maintenance of the TMPA Denton Area Transmission System. The Annual System Budget will not be funded from bonds or other debt.

Annual Capital Budget shall mean the fiscal year budget comprised of TMPA Denton Area Transmission System capital projects approved by the TMPA Board of Directors.

ERCOT shall mean the Electric Reliability Council of Texas or its successor.

FERC shall mean the Federal Energy Regulatory Commission or its successor federal agency.

Field Operations refers to the operation of the TMPA Denton Area Transmission System and shall mean either the manual or automatic process of switching, operating, clearing, and tagging TMPA Denton Area Transmission System equipment for the purposes of maintaining, testing, servicing, removing, or installing equipment from transmission lines or stations.

Good Utility Practice shall mean any of the practices, methods, and acts engaged in or approved by a significant portion of the electric utility industry during the relevant time period, or any of the practices, methods, and acts that, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather includes all acceptable practices, methods, or acts generally accepted in the region.

NERC shall mean the North American Electric Reliability Corporation or its successor.

Operating Costs shall mean the total actual costs (without mark-up) properly and reasonably incurred by Denton on behalf of TMPA in the ordinary course of business solely for the administration, operation, and maintenance of the TMPA Denton Area Transmission System, including without duplication: (i) wages and overhead costs for employees of Denton, including overtime, retirement plans, medical and life insurance, disability and occupational hazard insurance, employee benefits, employee savings plan, and employee taxes; (ii) employee recruitment and relocation costs; (iii) employee training, including tuition, travel, meals, and lodging (i) payments due and payable to suppliers and contractors under subcontracts entered into by Denton in accordance with the terms of this Agreement, (ii) maintenance costs and expenses, including scheduled, routine, preventative, and unscheduled maintenance; (iii) the cost of consumables, new and replacement spare parts, unloading, handling, and taking inventory of same; (iv) office expenses; replacement of TMPA equipment not included in a TMPA Capital Project and approved by TMPA in writing; (v) Rolling Stock expenses; (iv) payments for leases of real or personal property or easements needed or used by or in connection with the TMPA Denton Area Transmission System; (v) cost of compliance with permits; ; and (vi) care and handling of any hazardous waste.

Deleted: third-party

Deleted: that would have been incurred as third-party costs by the City of Garland in its provision of services to TMPA for TMPA transmission facilities in the Denton area under the City of Garland's Transmission Operator, Maintenance, and Construction Services Agreement with TMPA

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"Operating Costs" does not include the costs of improvements, expansions, and extensions of the TMPA Denton Area Transmission System; such costs shall be for transmission capital projects and included in the Annual Capital Budget.

Deleted: Operating cost shall exclude: (i) wages and overhead costs for employees of Denton, including overtime, retirement plans, medical and life insurance, disability and occupational hazard insurance, employee benefits, employee savings plan, and employee taxes; (ii) employee recruitment and relocation costs; (iii) employee training, including tuition, travel, meals, and lodging; (iv) office expenses; (v) Rolling Stock expense

Party shall mean either Denton or TMPA, and "Parties" shall mean Denton and TMPA, collectively.

Protective Relay shall mean a device that detects abnormal power system conditions and, in response, initiates automatic control action.

PUCT shall mean the Public Utility Commission of Texas or its successor.

Qualified Personnel shall mean individuals trained for their positions in accordance with Good Utility Practice.

Rolling Stock shall mean any motorized vehicle (personnel truck, crane, bucket truck, all-terrain vehicle, etc.) or any non-motorized trailers used for transporting equipment or supplies.

Services shall mean all work, services, and other functions to be provided and performed by Denton for the operation, maintenance, and construction of the TMPA Denton Area Transmission System as set forth in this Agreement.

Supervisory Control and Data Acquisition (SCADA) shall mean a system that provides data acquisition, supervisory control and alarm display and control from remote field locations to control centers.

Transmission Operator shall mean the entity registered with NERC as the transmission operator for all or portions of the TMPA Denton Area Transmission System.

TRE shall mean the Texas Reliability Entity, Inc. or its successor.

Agreement

In consideration of the mutual obligations of the Parties as set forth below, TMPA and Denton agree as follows:

Section 1 Transmission Operator, Maintenance, and Construction Services Functions

1.1 Denton, as Transmission Operator, shall perform the Transmission Operator, Maintenance, Construction Services, and other functions associated with the TMPA Denton Area Transmission System that are described in this Agreement (the "Transmission Functions"). The transmission assets that are subject to this Agreement are described in Exhibit A.

1.2 In performing the Transmission Functions, Denton shall discharge the duties relevant to those functions under applicable Federal and State laws and regulations, including applicable rules and regulations of FERC, the PUCT, NERC, and ERCOT, including those enforced by the TRE. TMPA shall provide to Denton any and all information, documents, and access to facilities in its possession or control that are necessary to enable Denton to discharge its duties under this Agreement, including access to TMPA information systems, substations, and other property reasonably necessary to enable Denton to discharge its duties under this Agreement. For the TMPA Denton Area Transmission System, TMPA and Denton will each make commercially reasonable efforts to utilize information and work management systems that are compatible with those of the other Party while ensuring such systems are on par with industry standards. TMPA shall cooperate with Denton's efforts to perform the Transmission Functions in accordance with any applicable NERC Standards and ERCOT Operating Guides and Protocols. Denton shall be responsible for creating and maintaining all necessary policies and procedures required for Denton to perform the Transmission Functions

1.3 In performing its duties under this Agreement, Denton shall act in the capacity of an independent contractor to TMPA, and not as an agent except in those cases in which this Agreement expressly describes Denton's role as that of an agent.

1.4 TMPA grants Denton, its contractors, agents, servants and assigns, (a) the right, privilege and license to use all of TMPA's property, easements and rights of way on which the TMPA assets listed in Exhibit "A" are located (the "License Area") to locate, construct, install, operate, inspect, alter, improve, maintain, repair, move and rebuild TMPA's or Denton's electric transmission lines and other facilities (including, but not limited to, substations, towers, H-Frames or poles made of wood, metal or other material, props and guys) on, upon and across said License Area; and (b) all other rights contained in the property, easements, and rights of way, including, but not limited to ingress, egress and regress across the burdened property to the License Area for the purpose of exercising the rights, privileges and license granted herein: provided that (i) the construction of new transmission lines to be owned by Denton or other new facilities to be owned by Denton in the License Area shall require the prior approval of TMPA and (ii) Denton shall obtain whatever additional landowner consents that may be required, if any.

Section 2 Transmission Functions

2.1 System Operation and Maintenance (O&M)

In relation to the operation and maintenance of TMPA Denton Area Transmission System assets listed in Exhibit A, Denton shall discharge the duties imposed on transmission owners in ERCOT by applicable Federal and State laws and regulations, including applicable rules and regulations of FERC, PUCT, NERC, and ERCOT. All operation and maintenance activities for the TMPA Denton Area Transmission System listed in Exhibit A will be the responsibility of Denton. Denton shall control and direct maintenance activities in accordance with Good Utility Practice to maintain the service life of equipment and ensure systems remain in good working order during the term of this Agreement for all TMPA assets listed in Exhibit A, as well as additional TMPA Denton Area Transmission System assets placed in-service in Denton County during the term of this Agreement. Furthermore, Denton shall also test, calibrate, set, and maintain all applicable TMPA Denton Area Transmission System Protective Relay and SCADA Equipment in accordance with Good Utility Practice. The inventory of TMPA owned Denton Area Transmission System Protective Relay and SCADA Equipment shall be defined by Facility Schedules for each TMPA substation listed in Exhibit A and this list shall be maintained by applicable Denton personnel.

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Denton shall be responsible for producing and maintaining all required documentation associated with the testing, commissioning, maintenance, and repair of TMPA Denton Area Transmission System assets. Ownership of such documentation shall be maintained within TMPA until a TMPA asset is replaced by a Denton-owned asset, in which case Denton will own the documentation.

2.2 Capital Construction

In relation to the construction of TMPA Denton Area Transmission System assets, Denton shall discharge the duties imposed on transmission owners in ERCOT by applicable Federal and State laws and regulations, including applicable rules and regulations of FERC, the PUCT, NERC, and ERCOT. All TMPA Denton Area Transmission System capital construction activities approved by the TMPA Board of Directors will be performed by Denton according to the terms of this Agreement. A status report for active TMPA Denton Area Transmission System projects will be submitted by Denton to the TMPA Board of Directors for each board meeting or within 30 days of a request.

2.3 Metering

Denton shall be responsible for maintaining, testing, calibrating, repairing, replacing, and certifying ERCOT settlement meters for TMPA Denton Area Transmission System assets. Denton will also maintain the communication paths and equipment necessary for ERCOT and other approved entities to poll the meters as required per ERCOT protocols or any other preexisting arrangements with TMPA for the TMPA Denton Area Transmission System.

With respect to the Denton Area Transmission System, metering data required for generation settlements and Annual Load Data Reporting (ALDR) shall be collected and processed by Denton on behalf of TMPA.

2.4 Security

Denton shall be responsible for maintaining, monitoring, repairing, and installing when necessary, any security equipment used in substations listed in Exhibit A on or before the projected date for Denton operation. Where remote surveillance capabilities exist, Denton shall manage video surveillance services and store information as required by any applicable regulatory requirements. Denton shall also provide user-level access control management for any critical TMPA Denton Area Transmission System stations where such equipment is installed and those services are required.

2.5 Environmental Documentation

For TMPA's Denton Area Transmission System, Denton shall maintain, update, and develop, when necessary, environmental compliance documentation for TMPA including Storm Water Pollution Prevention Plans (SWPPP). If regulatory reporting is required as the result of regulation or an incident, Denton will complete the documentation on behalf of TMPA for stations listed in Exhibit A but reporting and filing will be completed by TMPA.

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2.6 Right-of-Way Maintenance

For TMPA Denton Area Transmission System assets, Denton shall maintain all existing and any new TMPA Denton Area transmission right-of-way or transmission related real property owned by TMPA in accordance with Good Utility Practice and all applicable regulations from FERC, NERC, ERCOT, and PUCT.

2.7 Rate Filings

Denton agrees to provide assistance to TMPA staff, attorneys, and consultants as needed for any interim or full rate case filing involving TMPA Denton Area Transmission System assets.

2.8 Regulatory Compliance

Denton shall be responsible for all regulatory compliance on behalf of TMPA for TMPA Denton Area Transmission System assets. This obligation includes any standards, requirements, or protocols that may now or at any time during the term of this Agreement be imposed on TMPA through Federal and State laws and regulations, or applicable rules or regulations by FERC, NERC, ERCOT, TRE, or PUCT. Denton shall administer regulatory compliance for the TMPA Denton Area Transmission System according to any

Denton procedure as deemed necessary by Denton through the performance of this service.

All TMPA regulatory audits, data submittals, or reports that are either scheduled or yet to be scheduled for TMPA Denton Area Transmission System assets during a time frame when this Agreement is in effect, shall be the responsibility of Denton.

Denton recognizes that the City of Garland, as a transmission operator for TMPA, will need to file with regulatory authorities documents that relate to the TMPA Denton Area Transmission System. Denton agrees to timely cooperate and assist the City of Garland in making such filings.

2.9 Planning

Denton shall perform the transmission planning function for TMPA Denton Area Transmission System assets according to Good Utility Practice. Denton shall comply with any and all ERCOT protocols pertaining to transmission planning on behalf of TMPA for TMPA Denton Area Transmission System assets. Routine planning studies, data submittals, and reports for TMPA Denton Area Transmission System assets will be the responsibility of Denton during the term of this Agreement. Denton shall also represent the planning interests of TMPA for the TMPA Denton Area Transmission System assets through participation in ERCOT technical working groups when required or as deemed prudent through the provision of these services.

2.10 Work Scheduling and Outage Planning

Denton shall perform work scheduling and outage planning for TMPA Denton Area Transmission System assets according to Good Utility Practice. Denton shall comply with any and all ERCOT protocols pertaining to work scheduling and outage planning on behalf of TMPA for TMPA Denton Area Transmission System assets.

2.11 Communications

Denton shall be responsible for maintaining voice, data, and relay communications systems for TMPA Denton Area Transmission System assets. This includes all phone lines, fiber, microwave, leased lines, power line carrier, and public network interfaces.

2.12 Contract Services

Contract services for the TMPA Denton Area Transmission System function shall be administered per Subsection 4.3 of this Agreement.

2.13 Legal Services (to the extent authorized in Subsection 4.4)

Legal services for TMPA Denton Area Transmission System assets shall be administered per Subsection 4.4 of this Agreement.

2.14 Field Operations

Denton shall perform Field Operations for TMPA Denton Area Transmission System assets using qualified personnel according to Good Utility Practice. Denton shall comply with any and all ERCOT protocols and National Electric Safety Code (NESC) requirements pertaining to Field Operation activities on behalf of TMPA.

2.15 Budgeting

Budgeting for the TMPA Denton Area Transmission System business function shall be administered per Section 3.0 of this Agreement.

2.16 Insurance

During the term of this Agreement, TMPA shall maintain insurance of the kind and in the amounts indicated in Section 11.0 of the Agreement.

2.17 TMPA's Responsibilities:

a. Financing (O&M and Capital- see Section 3.0)

b. Administration of Funds

(TMPA shall discharge its payment obligations under this Agreement in accordance with Section 3.0.)

c. Auditing (see Section 7.0 Audits)

Section 3 Cost Reimbursement and Budgeting

3.1 Annual System Budget and Annual Capital Budget

Costs shall be incurred in accordance with an annual system budget and a separate annual capital budget prepared by Denton and submitted to TMPA's Board of Directors for approval through TMPA’s budget process. Such budgets shall be prepared and submitted to TMPA in accordance with its published budget schedule. The TMPA Board of Directors will, with such changes as it considers advisable, approve annual system and capital budgets prior to October 1 of each fiscal year, to be effective on October 1. If for any reason a budget is not approved by October 1, the previous year's budget will be followed until the new budget is adopted.

3.2 Annual System Budget Status Report

A status report on the Annual System Budget will be provided by Denton at each regularly scheduled TMPA Board meeting and when requested by TMPA. Amounts in budget line items may be transferred by Denton to other line items without amending the Annual System Budget but the total amount budgeted in the Annual System Budget may not be exceeded without a budget amendment being adopted by the TMPA Board of Directors.

3.3 Annual Capital Budget

Denton shall be responsible for identifying system needs through sound planning practices. The TMPA capitalization policy will be used to determine if a system need warrants the consideration of a capital project. Denton shall submit capital project proposals (i.e. annual capital budget amendments) to the TMPA Board of Directors on an as-needed basis or as requested.

A status report on the Annual Capital Budget will be provided by Denton at each regularly scheduled TMPA Board Meeting and when requested by TMPA. Cost variances will be tracked by project and individual projects will be allowed to exceed the project budget by up to ten percent as long as the variance or sum of project cost variances do not exceed the approved Annual Capital Budget amount. When Denton determines that an individual project will exceed a ten percent variance, or that the total approved Annual Capital Budget amount will be exceeded, Denton shall submit an annual capital budget amendment to the TMPA Board of Directors for consideration.

3.4 Reports Given at Regular Bi-Monthly TMPA Board Meetings

At the regular bi-monthly board meetings of the TMPA Board of Directors, Denton shall present to the Board a report of the type customarily provided to the Board by TMPA's manager of transmission.

3.5 Total Transmission Costs

TMPA shall pay Denton all of the Operating Costs and Capital Costs incurred by Denton in performing Denton's obligations under this Agreement based on actual cost of service, including all operation, maintenance, and capital expenses plus benefit and overhead costs (the "Total Transmission Costs").

To the extent the Total Transmission Costs can be forecasted, they shall be included in the annual system and capital budgets proposed by Denton. If at any time Denton determines that the then effective Annual System Budget or Annual Capital Budget will be exceeded, Denton shall submit to the TMPA Board of Directors for approval a budget amendment. Approval of any such amendment shall not be unreasonably withheld.

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3.6 Operating Costs

Denton shall invoice TMPA monthly for Operating Costs for TMPA Denton Area Transmission System assets.

Billings and payments for contracted services that are not included in the monthly invoices shall be advance funded or reimbursed to Denton as mutually agreed.

3.7 Capital Expenditures

Billings and reimbursements for capital project expenditures will be made in accordance with mutually agreed procedures, which may differ from project to project.

3.8 Payments

TMPA shall make payments to Denton within twenty (20) days of receipt of invoice. If TMPA is late in the payment of any charge or reimbursement under this Agreement, late payments shall bear per annual interest at a rate equal to the lesser of two percentage points (2%) above the Prime Interest Rate as published in the Wall Street Journal on the day said statement becomes delinquent, or the maximum allowed by law to be charged TMPA. If any charge or reimbursement remains unpaid at the expiration of thirty (30) days after the receipt of the statement, TMPA shall be in default under this Agreement, and Denton may invoke the remedies specified in this Agreement or otherwise available by law.

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3.9 Budgeted Funds as a Condition to Obligation to Perform Transmission Functions

Denton shall have no obligation under this Agreement to perform any Transmission Function for which funds have not been included in either the Annual System Budget or the Annual Capital Budget; provided, however, in the event performance of a Transmission Function is necessary in order to respond to or prevent an emergency situation, involving persons or equipment, Denton shall proceed to perform same and TMPA shall amend the Annual System Budget, or Annual Capital Budget, as the case may be, to ensure that Denton is reimbursed for the costs incurred.

Section 4 Equipment, Property, and Contracts

4.1 All SCADA and communications equipment acquired by Denton or TMPA to perform the Transmission Functions shall be compatible with the Denton EMS/SCADA Systems.

4.2 Ownership of equipment and property acquired by Denton to perform the Transmission Functions after the date of this Agreement shall be determined as follows:

a. Each Party shall own equipment and property that it pays for.

b. If the same equipment and property are paid for by both Parties, each Party will own an undivided interest in proportion to the percentage of the total costs paid by such Party for such equipment or property.

c. To the extent TMPA owns property or equipment installed or incorporated into real property owned by Denton, Denton waives the law of fixtures so that TMPA's title to such property or equipment shall be preserved.

d. To the extent Denton owns property or equipment installed or incorporated into real property owned by TMPA, TMPA waives the law of fixtures so that Denton's title to such property or equipment shall be preserved.

e. The assignment of cost for additional property and/or equipment needed for Denton to perform the Transmission Functions after the date of this Agreement shall be determined through discussions and by mutual agreement between TMPA and Denton.

4.3 In performing the Transmission Functions, it may be necessary for Denton to contract for goods, services, or other matters with suppliers, contractors, and other third parties. Denton shall determine if a contract should be in the name of TMPA or in the name of Denton on a case-by-case basis. Contracts in the name of Denton will require no approval from TMPA but, to the extent practicable, should be assignable to TMPA. On termination of this Agreement, and to the extent such contracts are assignable, Denton shall assign such contracts to TMPA to the extent necessary to complete performance of such contracts with respect to TMPA Denton Area Transmission System assets and to enforce warranties.

For a contract to be in the name of TMPA, TMPA's written consent shall be required. TMPA Board of Directors action will not be required to give such written consent if TMPA has a General Manager or other person functioning as a chief administrative officer who can provide the consent. In such written consent, TMPA may consent to Denton executing the contract as agent for TMPA, in which case Denton may sign the contract, if it so desires. The award of contracts in the name of TMPA must comply with the laws governing the award of such contracts.

4.4 Contracts with attorneys, including consultants working with such attorneys, who provide legal services to TMPA in relation to the TMPA Transmission System shall be awarded only by TMPA. TMPA shall direct such attorneys to work with Denton on legal matters involving the TMPA Denton Area Transmission System to the extent such attorneys may do so consistent with their professional obligations to TMPA. The defense of any litigation against TMPA or the prosecution of any litigation by TMPA must be authorized by TMPA.

Section 5 Indemnification

5.1 With the exception of claims brought by TMPA under Subsection 11.1(b), TMPA agrees to indemnify and hold Denton and all of Denton's present, future, and former agents, employees, officials, and representatives (each in their official, individual, and representative capacities) harmless from any and all claims, demands, causes of action, judgments, liens, expenses (including attorney's fees), costs, penalties, and damages (whether common law or statutory; whether characterized as actual, punitive, consequential, incidental; and whether based on strict liability or liability assessed without fault) of any conceivable character, created by, arising from, or in any manner relating to the performance of Denton's obligations under this Agreement. The obligations of TMPA pursuant to this section shall survive any termination of this Agreement.

5.2 TMPA acknowledges that, in performing transmission operator duties on behalf of TMPA, Denton is exposed to significant regulatory liabilities in excess of the consideration being received by Denton under this Agreement. TMPA further acknowledges that the consideration to be received by Denton under this Agreement does not reflect that regulatory exposure and thus does not adequately compensate Denton for the risks involved. As an integral and inseparable part of the consideration being given to Denton for undertaking the obligations of this Agreement, TMPA agrees to assume all responsibility for the payment of any monetary fine, administrative penalty, or civil penalty assessed by a regulatory authority (including NERC, ERCOT, PUCT or TRE or any successor agency or entity) against Denton arising from Denton's performance as a Transmission Operator for TMPA REGARDLESS WHETHER THE FINE OR PENALTY IS INCURRED AS A RESULT OF DENTON'S NEGLIGENCE. To the extent allowed by law, each Party agrees to promptly notify the other Party in the event it receives notice of any investigation or proceeding, pending or proposed, that may result in the assessment of a fine or penalty against Denton, and each Party agrees to fully cooperate in the defense of any proceedings taken to assess or contest the fine or penalty.

5.3 The Parties agree that the rule requiring that an indemnity agreement be strictly construed in favor of the indemnifying Party shall not apply to this Agreement.

Section 6 Term of Agreement

6.1 This Agreement shall have a term commencing on the Effective Date and ending on September 1, 2026 (the "Initial Term"). This Agreement shall not apply to assets that come under Denton ownership on the date that Denton ownership is established.

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6.2 This Agreement may be terminated as follows:

a. In the event a Party (the "Defaulting Party") is in breach of a material provision of this Agreement, the Party not in default (the "Non-Defaulting Party") may provide to the Defaulting Party notice of the default and a reasonable opportunity, not less than sixty (60) days, to cure the breach. If the Defaulting Party fails to cure the breach within the time specified, or (in the event the breach cannot be cured within such time) the Defaulting Party has failed to commence efforts necessary to cure the breach within such time, the Non-Defaulting Party may, by sending notice, terminate the Agreement.

b. This Agreement may be terminated for convenience by the TMPA Board of Directors or by Denton by providing to the other Party, notice of termination at least eighteen (18) months in advance of the termination date stated in the notice.

6.3 Facility Condition at the End of Term. Upon expiration of the Term or termination of this Agreement, Denton shall leave TMPA assets in substantially as good a condition as at the Effective Date, normal wear and tear excepted. All special tools, improvements, inventory of supplies, spare parts, safety equipment, O&M manuals, and drawings (in each case as provided to or obtained by or provided by Denton during the term of this Agreement) and any other items furnished as Operating Costs (excluding such items purchased as replacement of Denton property) under this Agreement that were obtained to support TMPA assets will be left at TMPA facilities and will become or remain the property of TMPA subject to Subsection 4.2. If Denton has entered into any subcontracts for performance of any portion of the Services in its own name and not as agent for TMPA, then TMPA shall have the right, in its sole discretion, to directly assume and become liable for any such subcontracts, and Denton shall execute all documents and take all other reasonable steps requested by TMPA that may be required to assign to and vest in TMPA all rights, benefits, interests, and title in connection with such subcontracts; provided, however, that TMPA shall indemnify and hold harmless Denton for all liabilities arising out of events and obligations thereunder arising after the date of any such assumption.

Section 7 Audits

7.1 TMPA may conduct operating and financial audits relating to the Transmission Functions performed under this Agreement. Denton will provide operating reports addressing transmission issues as needed or requested to the TMPA Board of Directors.

7.2 Denton shall keep records, desk logs, operating financial data, and supporting data in conformity with generally accepted utility principles and practices. These books, records, and supporting data shall be kept for at least three (3) years or in accordance with regulatory requirements, whichever is longer.

7.3 Following any audit of Denton under this Agreement, Denton may provide to the TMPA Board of Directors any comments regarding the audit results and audit recommendations as it desires.

7.4 Denton will provide to the TMPA Planning and Operating Committee reports as requested.

Section 8 No Debt Created

8.1 To the extent, if any, that this Agreement imposes an obligation on either Party to make a payment or make an expenditure, such payment or expenditure shall be payable solely from current revenues that may be available for such purpose, and no debt is created under this Agreement within the meaning of Article XI, sections 5 or 7, Texas Constitution.

8.2 Without limiting Subsection 8.1, no obligation of Denton to make payment or expenditure under the Agreement shall be payable through funds raised by taxation.

Section 9 Delegation of Authority to Amend Exhibits

9.1 Because of continuing changes in the design and configuration of the TMPA Denton Area Transmission System as described in Exhibit A, due to operational considerations, and because of the potential for changes to the contact information in Exhibit B, the Parties may, by mutual agreement through their staffs, without obtaining governing board approval from either Party, revise Exhibits A and B from time to time as circumstances may warrant, by adding, modifying, or deleting facilities to the TMPA Denton Area Transmission System.

Section 10 Governing Law

10.1 This Agreement shall be governed by the laws of the State of Texas. The provisions and obligations of this Agreement are performable in Denton County, Texas such that exclusive venue for any action arising out of this Agreement shall be in Denton County, Texas.

Section 11 Limitation of Liability; Covenant not to Sue; and Insurance

11.1 General Terms

(a) Except as provided in paragraph (b) of this Subsection, TMPA covenants and agrees not to sue Denton, its directors, officers, employees, attorneys, servants, or agents, for money damages relating to any act or omission of Denton under this Agreement. Specifically, TMPA waives its right to bring any claims or causes of action against Denton, its directors, officers, employees, attorneys, servants, or agents, in contract or in tort or otherwise, including their negligence, in any way related to damages, costs or expenses incurred by TMPA due to any act or omission of Denton under this Agreement. TMPA acknowledges that there is no disparity of bargaining power between Denton and TMPA and that TMPA is under no compulsion to agree to this covenant not to sue as set out above. This covenant shall survive termination of this Agreement for any reason.

(b) In the event, because of Denton's negligence or failure to perform the Transmission Functions in accordance with Good Utility Practice, injury to or destruction of TMPA property occurs, including to the TMPA Transmission System, TMPA may sue Denton for property damages. Denton's liability for damages shall be limited to the amount, per occurrence, that would be available to a Party seeking recovery or property damages from Denton under the Texas Tort Claims Act, as such Act may be amended from time to time in the future.

11.2 THE PARTIES AGREE THAT NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY SPECIAL, INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES OR FOR THE LOSS OF PROFIT OR REVENUE ARISING FROM THE PROVISION OF GOODS OR SERVICES UNDER THIS AGREEMENT EVEN IF ADVISED OF SUCH POSSIBILITY.

11.3 For the purposes of protecting Denton from and against liability that may arise under this Agreement, TMPA agrees to maintain the following types and amounts of insurance during the term of the Agreement.

a. Commercial excess liability coverage to include but not limited to coverage for products and completed operations, failure to supply, pollution liability, and wildfire liability coverage. Insurance shall contain minimum limits of $35 million per occurrence and $70 million aggregate with underlying limit or self-insured retention not to exceed $1 million per occurrence. Commercial excess insurance shall include Denton as an additional insured.

b. Property insurance with minimum limits of at least $50 million. Insurance shall include Denton as loss payee as their interest may appear.

c. Commercial auto liability insurance or self-insurance to include but not limited to coverage for owned, non-owned, leased, and rented autos with minimum limits of $1 million per occurrence.

Section 12 Notices

12.1 A notice under this Agreement shall be deemed sufficient if it is in writing and delivered personally or by nationally recognized courier service, or if sent by first class, certified, or registered US mail. Written notice shall also be deemed sufficient if sent electronically or by facsimile, confirmed by notice delivered or sent by one of the methods stated in the preceding sentence. Written notice shall be deemed given on the date when first received by one of the methods in this Subsection. Written notice shall be delivered or sent to the addresses designated in Exhibit B for the receipt of written notices.

Section 13 Force Majeure

13.1 Other than the obligation to pay money when due, the obligations of each Party shall be subject to force majeure, including severe weather, floods, earthquakes and other natural disasters, strikes, work stoppages and slowdowns, riots and other civil disturbances, shortages, rationing or unavailability of supplies and raw materials, terrorism, and other unforeseeable matters outside the control of the Party claiming such intervention. The Party suffering from such force majeure shall notify the other Party within thirty (30) days of the onset of the force majeure event. Upon any claim of force majeure, the time for performance of the obligation interfered with shall be extended without additional charges and the Parties will cooperate to mitigate the effect of the force majeure event.

Section 14 Disclaimer of Warranties

14.1 Denton agrees that it shall pursue all of its obligations under this Agreement using Good Utility Practice, and using the same diligence and care with which it would undertake such matters regarding its own transmission system. DENTON EXPRESSLY DISCLAIMS ANY OTHER REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, AS TO THE SERVICES TO BE PERFORMED OR ANY GOODS TO BE PROVIDED UNDER THIS AGREEMENT. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, DENTON EXPRESSLY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES REGARDING MERCHANTABILITY, USAGE, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE WITH RESPECT TO THOSE SERVICES OR THOSE GOODS, OR ANY PART THEREOF. THE LIMITED WARRANTIES CONTAINED IN THIS AGREEMENT ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. EXCEPT AS PROVIDED IN THE FIRST SENTENCE OF THIS SECTION, THE GOODS AND SERVICES BEING PROVIDED UNDER THIS AGREEMENT ARE BEING OFFERED AND SOLD “AS IS", “WHERE-IS".

Section 15 Assignment

15.1 Neither Party shall have the right to assign that Party's interest in this Agreement without the prior written consent of the other Party.

Section 16 Severability

16.1 If any term or provision of this Agreement is held to be illegal, invalid, or unenforceable, the legality, validity, or enforceability of the remaining terms or provisions of this Agreement shall not be affected thereby, and in lieu of each such illegal, invalid, or unenforceable term or provision, there shall be added automatically to this Agreement a legal valid, or enforceable term or provision as similar as possible to the term or provision declared illegal, invalid, or unenforceable. Provided, however, that if the illegality, invalidity, or unenforceability of any term or terms renders the basic purposes of this Agreement illegal, invalid, or unenforceable or otherwise materially and adversely affects the utility or financial parameters of this Agreement, then either Denton or TMPA may, upon written notice to the other, terminate this Agreement and the Parties agree to enter into good faith negotiations to replace this Agreement with a contract as similar to the terms and conditions of this Agreement as legally permissible.

Section 17 Waiver

17.1 Both Denton and TMPA shall have the individual right to waive any requirement contained in this Agreement, which is intended for the waiving Party's benefit, but, except as otherwise provided herein, such waiver shall be effective only if in writing executed by the Party for whose benefit such requirement is intended. No waiver of any breach or violation of any term of this Agreement shall be deemed or construed to constitute a waiver of any other breach or violation, whether concurrent or subsequent, and whether of the same or of a different type of breach or violation. Any waiver may only be authorized at the direction or with the consent of the governing body of the waiving Party.

Section 18.0 Paragraph Headings; Mutual Authorship

18.1 The paragraph headings contained in this Agreement are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several paragraphs hereof. Both Parties have participated in the negotiation and preparation of this Agreement and this Agreement shall not be construed either more or less strongly against or for either Party.

Section 19 Binding Effect

19.1 Except as limited herein, the terms and provisions of this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

Section 20 Gender, Plurals, and Other Construction of Terms.

20.1 Within this Agreement, words of any gender shall be held and construed to include any other gender, and words in the singular number shall be held and construed to include the plural, unless the context otherwise requires. The terms "include" or "including" shall be construed to be descriptive rather than limiting or restrictive, meaning the same as "including, without limitation ..." and "including, but not limited to ...."

Section 21 Counterparts

21.1 This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Section 22 Exhibits

22.1 All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

Section 23 Computation of Deadlines

23.1 If any deadline contained herein ends on a Saturday, Sunday, or a legal holiday recognized by the Texas Supreme Court, such deadline shall automatically be extended to the next day that is not a Saturday, Sunday, or legal holiday.

Section 24 Entire Agreement

24.1 It is understood and agreed that this Agreement contains the entire agreement between the Parties and supersedes any and all prior agreements, arrangements, or understandings between the Parties relating to the subject matter. No oral understandings, statements, promises, or inducements contrary to the terms of this Agreement exist. This Agreement cannot be changed or terminated orally and no written modification of this Agreement shall be effective unless executed by both Parties. Nothing in this Agreement amends the Power Sales Contract between TMPA and Denton, dated September 1,1976, as amended, including Denton's obligation to pay its percentage of Annual System Costs (as defined in said Contract) in Section 3 of said Contract.

Section 25 Relationship of Parties; No Third-Party Beneficiaries

25.1 Nothing contained in this Agreement shall be deemed or construed by the Parties hereto or by any third party to create the relationship of principal and agent or of partnership, joint venture, or employment; it being expressly understood and agreed that no provision contained in this Agreement nor any act or acts of the Parties hereto shall be deemed to create any relationship between the Parties other than the relationship of independent parties contracting with each other solely for the purpose of effecting the provisions of this Agreement. Neither Party has the authority to enter into contracts or to assume any obligation for the other, nor to make warranties or representations on behalf of the other except in accordance with the express terms of this Agreement or as otherwise authorized in writing by the other. Except for the provisions of this Agreement relating to the indemnification of employees, agents, and representatives of Denton, there are no third-party beneficiaries to this Agreement and no third-party beneficiaries are intended by implication or otherwise.

Section 26 No Waiver of Immunity or Defense

26.1 No Party, by execution of this Agreement, waives nor shall be deemed to have waived any immunity or defense that would otherwise be available to it including immunity from liability or suit for damages to one another or to any third party except as expressly provided in this Agreement or as otherwise provided by law.

[Signature page to follow.]

IN WITNESS WHEREOF, the Parties have signed this Agreement as of September 12, 2024.

Deleted: April 1, 2016

CITY OF DENTON, TEXAS

BY: ______________________________

NAME:

____

TITLE: _______________________

TEXAS MUNICIPAL POWER AGENCY

BY: ______________________________

NAME: Daniel Meadows

Deleted: Bob Kahn

TITLE: General Manager

ENCLOSURES

EXHIBIT A - Description of TMPA Denton Area Transmission System

EXHIBIT B - Notice and Contact Information

EXHIBIT “A”

DESCRIPTION OF TMPA DENTON AREA TRANSMISSION SYSTEM

Denton North Interchange:

Denton System Operations (DSO) monitors and operates all TMPA owned equipment inside this substation. DME is responsible for all activities regarding TMPA equipment inside this station as stated in this agreement except for SF6 maintenance and reporting.

Figure 1 – Denton North Equipment Ownership Map on page 28 provides a reference to the listing of assets below.

DME owns the following assets:

a) 8.9 acres of land as shown in Figure 2 – Denton North Land Ownership Map on page 29
b) Approximately 1400’ of chainlink fence
c) All protective relays, relay panels, and control cabling
d) DME control building located north of breaker DNND8030
e) 1 – 138kV breaker (DNND8080) and associated foundation
f) 17 – 138kV switches (DNND8011, DNND8012, DNND8021, DNND8022, DNND8031, DNND8032, DNND8037, DNND8041, DNND8042, DNND8051, DNND8052, DNND8062, DNND8071, DNND8072, DNND8077, DNND8081, DNND8082) (TMPA owns the switch stands and foundations except for DNND8017 and DNND8047)
g) 3 – potential transformers between DNND8020 and DNND8030 (TMPA owns the stands and foundations)
h) 3 – potential transformers between DNND8050 and DNND8070 (TMPA owns the stands and foundations)
i) 1 – coupling capacitor voltage transformer, steel stand, and associated foundation between DNND8040 and DNND8050
j) 1 – station service voltage transformer, steel stand, and associated foundation between DNND8040 and DNND8050
k) All bus and jumpers except those listed below as owned by TMPA
l) All RTUs, SCADA, and communication systems
m) All equipment for the addition of the DME Kings Row transmission line consisting of the following:
    a. 4 – 138kV potential transformers, steel stands, and associated foundations
    b. 1 – 138kV switch (DNND8017), steel switch stand, and associated foundations
    c. 1 – steel transmission line dead end structure and associated foundations
    d. 4 – 24’ steel bus supports and associated foundations
    e. All bus and jumpers from the DME Kings Row overhead transmission line conductor to the corner of the ring bus between DNND8010 and DNND8080
n) All equipment for the addition of the DME North Lakes transmission line consisting of the following:
    a. 3 – 138kV potential transformers, steel stands, and associated foundations
    b. 1 – 138kV switch (DNND8047), steel switch stand, and associated foundations
    c. 1 – steel transmission line dead end structure and associated foundations
    d. 3 – 24’ steel bus supports and associated foundations
    e. 3 – 16’ steel bus supports and associated foundations
    f. All bus and jumpers from the DME North Lakes overhead transmission line conductor to the corner of the ring bus between DNND8030 and DNND8040

o) All equipment for the addition of the DME distribution transformer T1 consisting of the following:
    a. All bus, jumpers, foundations, instrument transformers, and steel bus supports from corner of the ring bus between DNND8040 and DNND8050 to and including T1 switchgear building
    b. 3 – 138kV potential transformers adjacent to motor operated switch DN411; including the steel stands, and associated foundations
    c. 1 – 138kV motor operated switch (DN411), steel stand, and associated foundations
    d. 25MVA distribution transformer T1 and associated foundation
    e. Switchgear building #1 and all equipment inside the building including metering

p) All equipment for the addition of the DME distribution transformer T2 consisting of the following:
    a. All overhead conductor, jumpers, transmission poles, bus, foundations, instrument transformers, and steel bus supports from dead end structure between DNND8010 and DNND8020 to and including T2 switchgear building
    b. 1 – 138kV motor operated switch (DN421), steel stand, and associated foundations
    c. 3 – 138kV potential transformers adjacent to motor operated switch DN421; including the steel stands, and associated foundations
    d. 3 – 138kV freestanding current transformers adjacent to motor operated switch DN421; including the steel stands, and associated foundations
    e. 25MVA distribution transformer T2 and associated foundation
    f. Switchgear building #2 and all equipment inside the building including metering

TMPA owns the following assets:

a) 2.55 acres of land as shown below in Figure 2 - Denton North Land Ownership Map
b) Approximately 1250' of chainlink fence
c) All steel structures and foundations except those listed as owned by DME shown above
d) 6 – 138kV circuit breakers and associated foundations (DNND8010, DNND8020, DNND8030, DNND8040, DNND8050, DNND8070)
e) 2 – 138kV switches (DNND8027, DNND8087), steel stands, and associated foundations
f) 1 – grounding switch (DNND8026)
g) 3 – coupling capacitor voltage transformers, steel stands, and foundations between DNND8070 and DNND8080
h) 1 – coupling capacitor voltage transformer, steel stand, and foundation between DNND8010 and DNND8020
i) All bus, structures, supports, and foundations between switch DNND8087 and the Brazos owned Sanger line
j) Transmission line dead end structure, supports, foundations, and switch from the ring bus between DNND8010 and DNND8020 to the overhead conductor that leads to DME distribution transformer T2
k) TMPA control building (no longer used other than for storage)

138kV line from TMPA Denton North to Brazos Spring line is owned by Brazos.

Figure 1 - Denton North Equipment Ownership Map

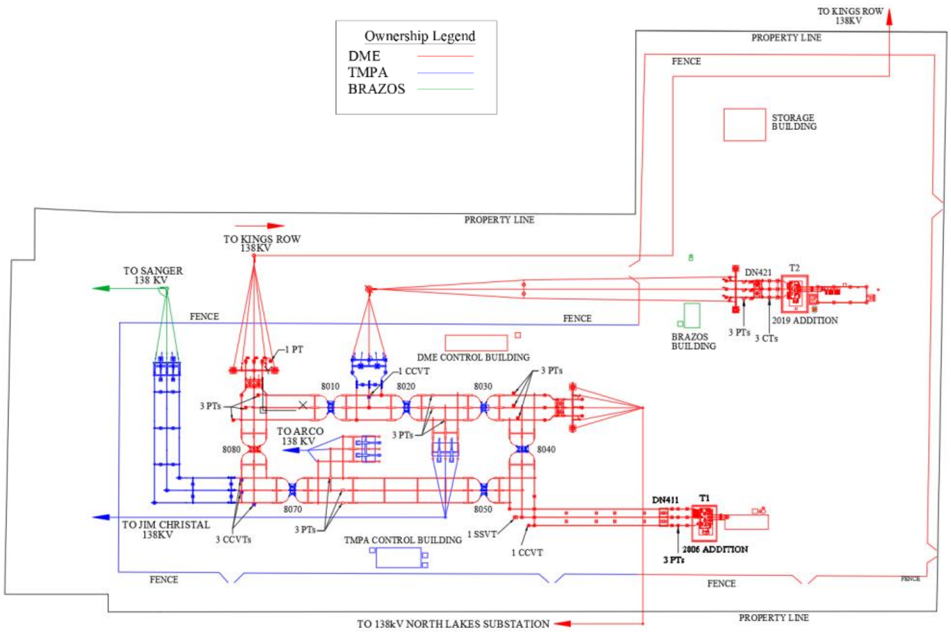
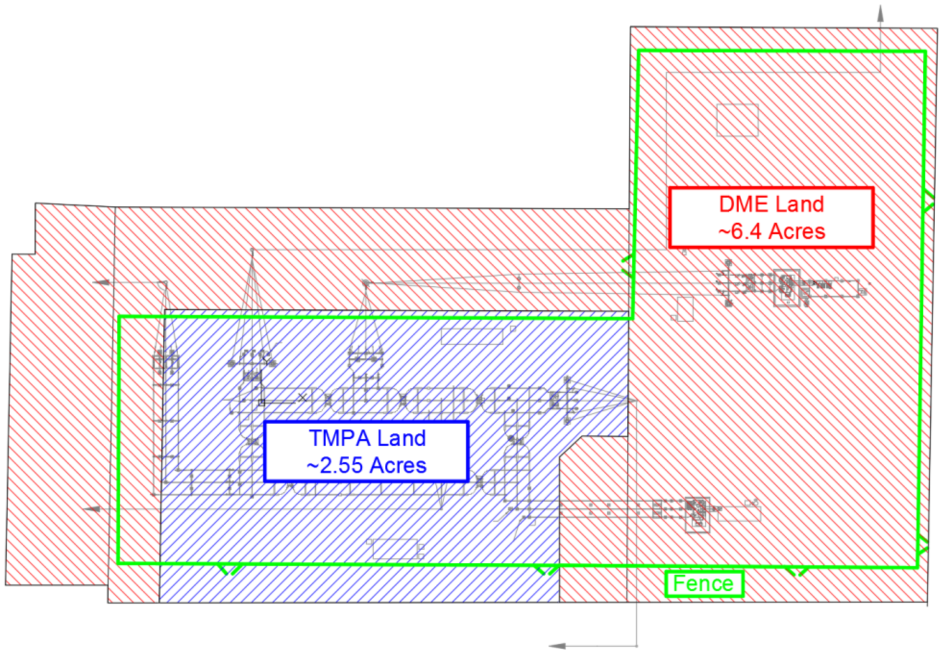


Figure 2 - Denton North Land Ownership Map



Denton Steam Plant Substation:

Denton System Operations (DSO) monitors and operates all TMPA owned equipment inside this substation. DME is responsible for all activities regarding TMPA equipment inside this station as stated in this agreement.

Figure 3 – Denton Steam Equipment Ownership Map on page 32 provides a reference to the listing of assets below.

DME owns the following assets:

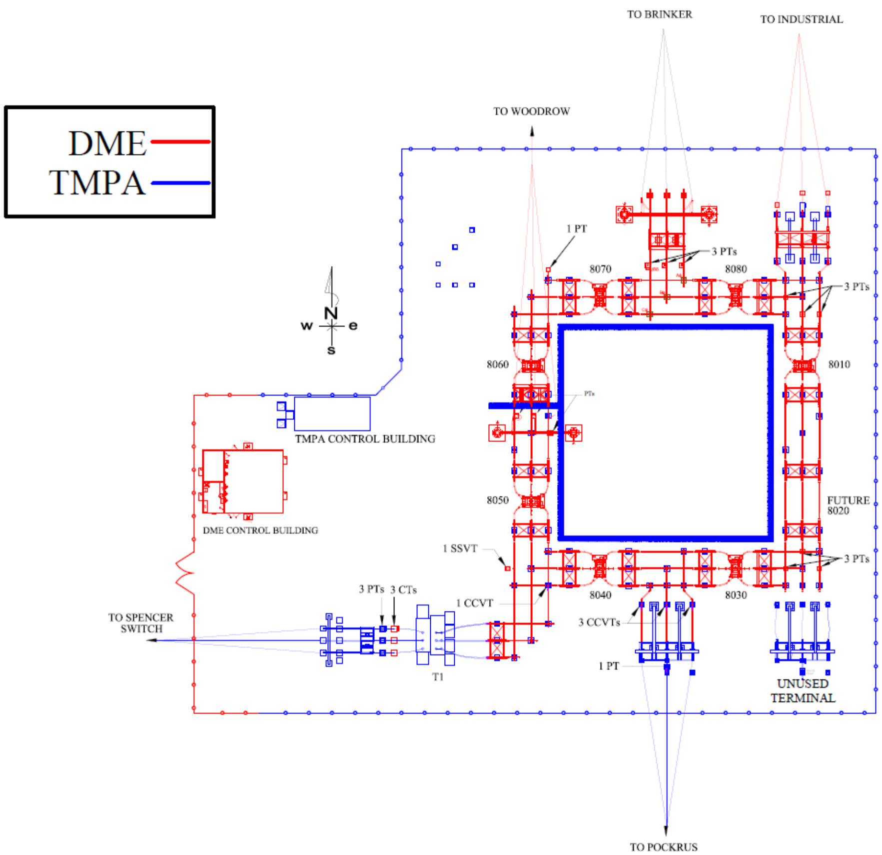
a) All substation land
b) Approximately 200’ of the fence added to allow installation of DME’s control building including the main double swing gate located on the west side of the yard
c) All protective relays, relay panels, and control cabling
d) All transmission breakers and associated foundations
e) 20 – 138kV switches (DNSP8011, DNSP8012, DNSP8017, DNSP8021, DNSP8022, DNSP8031, DNSP8032, DNSP8041, DNSP8042, DNSP8019, DNSP8051, DNSP8052, DNSP8061, DNSP8062, DNSP8067, DNSP8071, DNSP8072, DNSP8081, DNSP8082, DNSP8087) (TMPA owns the switch stands and foundations except for DNSP8087)
f) 3 – potential transformers, steel stands, and foundations between DNSP8010 and DNSP8030
g) 1 – potential transformer, steel stand, and foundation between DNSP8060 and DNSP8070
h) 3 – potential transformers, steel stands, and foundations between DNSP8080 and DNSP8010
i) 3 – 69kV freestanding current transformers used for autotransformer T1 EPS metering (TMPA owns the stands and foundations)
j) 1 – station service voltage transformer, steel stand, and foundation between DNSP8040 and DNSP8050
k) All bus and jumpers except those listed below as owned by TMPA
l) RTU, SCADA, and communication systems
m) All equipment for the addition of the DME Woodrow transmission line consisting of the following:
    a. 3 – 138kV potential transformers, steel stands, and associated foundations between DNSP8050 and DNSP8060
    b. 1 – 138kV switch (DNSP8067), steel switch stand, and associated foundations
    c. 1 – steel transmission line dead end structure and associated foundations
    d. All vertical jumpers from the DME Woodrow overhead transmission line conductor to switch DNSP8067 and to the ring bus between DNSP8050 and DNSP8060
n) All equipment for the addition of the DME Brinker transmission line consisting of the following:
    a. 3 – 138kV potential transformers, steel stands, and associated foundations between DNSP8070 and DNSP8080
    b. 1 – 138kV switch (DNSP8087), steel switch stand, and associated foundations
    c. 1 – steel transmission line dead end structure and associated foundations
    d. 3 – 24’ steel bus supports and associated foundations
    e. All bus and jumpers from the future DME Brinker overhead transmission line conductor to the ring bus between DNSP8070 and DNSP8080
o) DME control building

TMPA owns the following assets:

a) All steel structures and foundations except those listed above as owned by DME
b) Approximately 960’ of chainlink fence
c) 2 – 138kV switches (DNSP8037, DNSP8047)
d) 1 – 69kV switch (DNSP9017)

e) 3 – coupling capacitor voltage transformers, steel stands, and associated foundations between DNSP8030 and DNSP8040
f) 1 – coupling capacitor voltage transformer, steel stand, and associated foundation between DNSP8040 and DNSP8050
g) Autotransformer #1 and all 69kV bus, jumpers, steel supports, and foundations on 69kV side of the autotransformer
h) 3 – 69kV potential transformers used for autotransformer T1 EPS metering
i) TMPA control building (No longer used other than for storage.)
j) Transmission line conductor from Denton Steam to Switch S315 at Pole S315

Figure 3 - Denton Steam Equipment Ownership Map



Denton West Substation:

Denton System Operations (DSO) monitors and operates all TMPA owned equipment inside this substation. DME is responsible for all activities regarding TMPA equipment inside this station as stated in this agreement except for SF6 maintenance and reporting.

DME owns the following assets:

a) RTU, SCADA, and communication systems

TMPA owns the following assets:

a) All substation land
b) TMPA owns all assets inside the substation fence except those assets listed as owned by DME as shown above.
c) All protective relaying. See “Denton West Protection Relays” table for a listing of the relays.

Airport Substation (called “old DME Jim Christal”):

DME owns all equipment inside this substation except the A-frame dead end structure inside the substation fence.

Denton Area Relays

All relaying in North Denton and Denton Steam substations are owned by DME.

Denton West Protection Relays			
Panel	**Relay**	**Scheme**	**Equipment Protected**
DNWD5017	Sel-421	DCB Scheme	345kV Roanoke Line
DNWD5017	Sel-311C	DCB Scheme	
DNWD5047	Sel-421	DCB Scheme	345kV Krum Switch Line
DNWD5047	Sel-311C	DCB Scheme	
DNWD5019	SEL-487B	Bus Differential	345kV Bus A
DNWD5029	SEL-487B	Bus Differential	345kV Bus B
DNWD5019	SEL-387	Transformer Differential	Autotransformer #1
DNWD5019	SEL-501	Overcurrent	
DNWD5029	SEL-387	Transformer Differential	Autotransformer #2
DNWD5029	SEL-501	Overcurrent	
DNWD8010	SEL-351	Breaker Failure	138kV Bus C
DNWD8010	SEL-487B	Bus Differential	
DNWD8010	SEL-734	Meter	
DNWDBSPCD	SEL-487B	Bus Differential	
DNWD8020	SEL-351	Breaker Failure	138kV Bus D
DNWD8020	SEL-487B	Bus Differential	
DNWD8020	SEL-734	Meter	
DNWDBSPCD	SEL-487B	Bus Differential	
DNWD8040	SEL-351S	Breaker Failure	138kV Jim Christal Line
DNWD8040	SEL-551C	Overcurrent	
DNWD8050	SEL-351S	Breaker Failure	
DNWD8050	SEL-411L	Line Current Differential	
DNWD8050	SEL-311L	Line Current Differential	
DNWD8080	SEL-351S	Breaker Failure	138kV 30MVAR Capacitor Bank
DNWD8080	SEL-487E	Voltage Differential	
DNWD8090	SEL-351S	Breaker Failure	138kV RD Wells Line
DNWD8090	SEL-311L	Line Current Differential	
DNWD8090	SEL-311L	Line Current Differential	
DNWD8100	SEL-351S	Breaker Failure	
DNWD8110	SEL-351S	Breaker Failure	138kV Fort Worth Line
DNWD8110	SEL-411L	Line Current Differential	
DNWD8110	SEL-311L	Line Current Differential	

Transmission Lines:

Denton System Operations (DSO) monitors and operates all TMPA owned transmission lines shown below. DME is responsible for all activities regarding the TMPA transmission lines shown below as stated in this agreement.

TMPA owns the following transmission lines:

a) 138kV line from TMPA Denton West to DME Fort Worth (4.06 miles)
b) 138kV line from DME Fort Worth to DME Teasley. DME owns pole 8/6A. (4.05 miles)
c) 138kV line from DME Pockrus to TMPA Denton Steam (2.17 miles)
d) 138kV line from TMPA Denton Steam to DME Industrial (0.33 miles)
e) 275' portion of the 138kV DME Industrial to DME Brinker line from the DME owned A-frame structure inside of DME Industrial, to the DME owned pole SSB7 outside of DME Industrial. See Figure 1.
f) 6,510' portion of the 138kV line from DME Brinker to DME Cooper Creek from DME Pole Loop13 to DME pole 3B. See Figure 1.
g) 138kV line from DME owned pole 3H outside of DME Cooper Creek to DME owned pole 5/6B inside of DME Arco substation wall (1.63 miles)
h) 138kV line from TMPA Denton West to DME owned pole 4/1 outside of DME Jim Christal (3.2 miles)
i) 138kV line from DME owned pole 4/3 outside of DME Jim Christal to DME owned pole 7/3A outside of DME Masch Branch (3.1 miles)
j) 138kV line from DME owned pole 7/3D outside of DME Masch Branch to TMPA Denton North including the corner pole inside the substation located south of DNND 8050 (4.24 miles)
k) 8.9 mile portion of the 345kV Denton West to Roanoke transmission line from West Denton to pole 10/1. DME is responsible for all activities in this section
l) 6.2 miles portion of the 345kV Denton West to Roanoke transmission line from pole 10/1 to POI at ONCOR's Roanoke Substation. DME is not responsible for vegetation management on this section.
m) 69kV Spencer Interchange to DME POLE S315

DME owns the following transmission lines:

a) 138kV line from Pockrus to Teasley (2.91 miles)
b) 138kV line from Pockrus to Corinth (1.37 miles)
c) 138kV line from Denton West to RD Wells (4.47 miles)
d) 138kV line from Denton North to Arco (5.91 miles)
e) 138kV line from Denton North to North Lakes (1.87 miles)
f) 138kV line from Denton North to Kings Row (2.84 miles)
g) 138kV line from Kings Row to Cooper Creek (2.13 miles)
h) 138kV line from Cooper Creek to McKinney (1.47 miles)
i) 138kV line from McKinney to Woodrow (1.28 miles)
j) 138kV three terminal line from Woodrow, Denton Steam, and Locust (2.2 miles)
k) 138kV line sections at Masch Branch substation used to interconnect this substation into the transmission line. This includes poles 7/3 (and bypass switch on pole 7/3), 7/3A, 7/3B, 7/3C, 7/3/D, and all conductor between these poles except for the OPGW from pole 7/3C to 7/3D.
l) 138kV line sections at Jim Christal substation used to interconnect this substation into the transmission line. This includes poles 4/1, 4/2A, 4/2B, 4/2C, 4/2D, 4/2E (and bypass switch on pole 4/2E), 4/3, and all conductor between these poles except for the OPGW from pole 4/1 to the Denton West dead end structure

inside the Jim Christal substation. DME also owns the OPGW from the Denton North dead end structure inside the Jim Christal substation to pole 4/7.

m) Two sections of the 138kV Brinker to Cooper Creek line described below:
    a. A 585’ (0.11 mile) portion of the Brinker to Cooper Creek transmission line including all conductor, OPGW, and poles from and including structure COOPER CREEK SE BAY, to and including pole 3B. See Figure 1.
    b. A 3,477’ (0.66 mile) portion of the Brinker to Cooper Creek transmission line including all conductor, OPGW, and poles from and including structure BRINKER NE2, to and including pole LOOP13. See Figure 1.

n) An 840’ section of the 138kV line from Industrial to Brinker from DME pole SSB7 to Brinker Substation. See Figure 1.

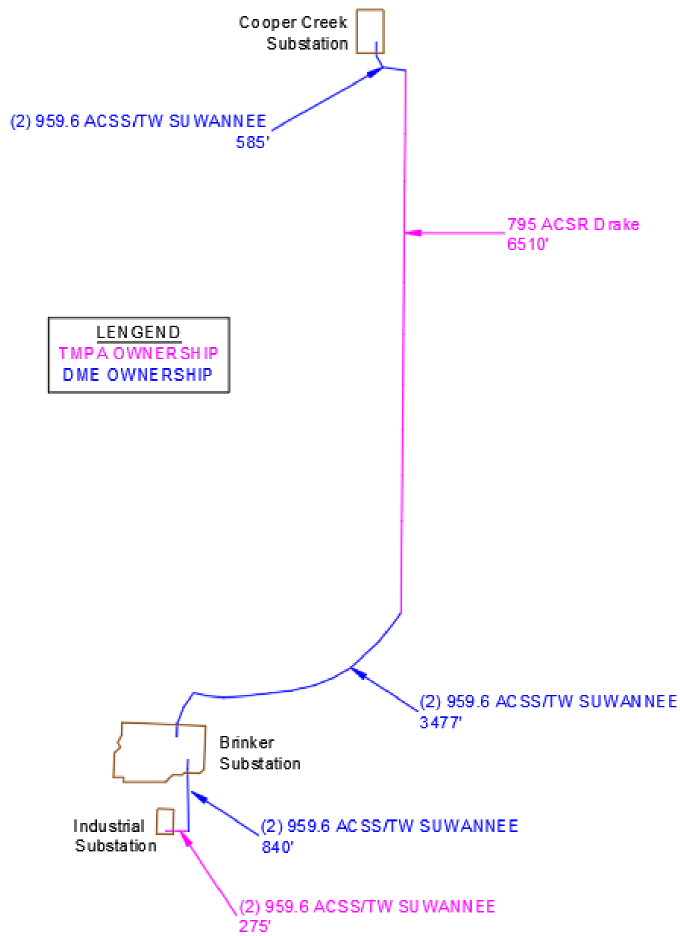


Figure 1. Brinker Transmission Line Ownership

Revision History

Revision No.	Description of Revision	Date	By
0	Original		
1	Updated Exhibit A	10/10/2019	Chuck Sears Mark Zimmerer
2	Updated Exhibit A	3/11/2021	Mark Zimmerer Cody Tenorio
3	Updated Exhibit A	5/18/2022	Mark Zimmerer Cody Tenorio
4	Updated Exhibit A	10/25/2023	Mark Zimmerer

EXHIBIT "B"
NOTICE AND CONTACT INFORMATION

Contact Information For TMPA

Notices should be sent to TMPA and Garland:

For mailing:

Texas Municipal Power Agency
Attention: Lyndi Birkhead and
Daniel Meadows
P. O. Box 7000
Bryan, Texas 77805

For courier:

Texas Municipal Power Agency
Attention: Lyndi Birkhead and
Daniel Meadows
2751 Nash St., Suite 130
Bryan, Texas 77802

Phone and Email:

For Lyndi Birkhead
Phone: 936-873-1133
Email: lbirkhead@texasmpa.org

For Daniel Meadows:
Phone: 936-873-1105
Email: dmeadows@texasmpa.org

For mailing and courier:

Garland Power & Light
Attention: Darrell Cline
217 N. Fifth Street
Garland, Texas 75040

Phone and Email:

Phone: 972-205-2655
Email: DCline@gpltexas.org

Deleted: Fax: 936-873-1179

Deleted: Steve Martin

Deleted: 510 W. Avenue B

Deleted: 972-205-3097

Commented [ZMJ1]: TMPA/Garland to update.

Deleted: SMartin

Notices should be sent to DME according to the following:

For mailing and courier:

Attn: Antonio Puente
1659 Spencer Rd
Denton, TX 76205

Phone, Fax, and Email:

Phone: 940-349-8487
Fax: 940-349-7569
Email: Antonio.Puente@cityofdenton.com

Operations:

Jerry Looper
PH: 940-349-7676
Email: jerry.looper@cityofdenton.com

Engineering:

Mark Zimmerer
PH: 940-349-7169
Email: mark.zimmerer@cityofdenton.com

Deleted: For mailing and courier:

Deleted: General Governance Notices:¶
¶
Denton Municipal Electric¶
Attention: General Manager¶
1659 Spencer Road¶
Denton, Texas 76205 ¶

Deleted: Compliance:¶
¶
Smith L. Day¶
Phone:940-349-7561¶
Email: smith.day@cityofdenton.c

September 12, 2024

AGENDA ITEM NO. 10

SUBJECT: Executive Session

Executive session will be held pursuant to the Open Meetings Act (Chapter 551, Government Code, legal advice under Section 551.071, Government Code, competitive matters under Section 551.086, Government Code, and personnel matter under Section 551.074, Government Code) for the following items:

A. TMPA v. Gibbons Creek Environmental Redevelopment Group, LLC, Cause No. D-1-GN-22-004434, in the 126th District Court of Travis County, Texas (legal advice under Section 551.071, Government Code)

B. Discuss and give Staff direction regarding a strategic plan (competitive matters under Section 551.086, Government Code)

C. General Manager Annual Performance Review and General Manager Agreement (personnel matter under Section 551.074, Government Code, and legal advice under Section 551.071, Government Code)

In the Board's discretion, the Board may discuss and/or take action on one or more of the above executive session items in open meeting. In regard to items scheduled on this agenda for discussion and/or action in the open portion of the meeting, the Board may, in its discretion, address one or more of such items in executive session if and to the extent permitted by the Texas Open Meetings Act.

September 24, 2024

AGENDA ITEM NO. 10A

SUBJECT: TMPA v. Gibbons Creek Environmental Redevelopment Group, LLC, Cause No. D-1-GN-22-004434, in the 126th District Court of Travis County, Texas (legal advice under Section 551.071, Government Code)

DISCUSSION: There is nothing new to report in relation to this lawsuit. This item has been posted just in case something transpires in the lawsuit between now and the Board Meeting.

BACKUP MATERIAL: None

ACTION REQUESTED: None

Carl Shahady
8/27/2024

September 12, 2024

AGENDA ITEM NO. 10B

SUBJECT: Discuss and give Staff direction regarding a strategic plan (competitive matters under Section 551.086, Government Code)

DISCUSSION: Article II, Section 3 of the Agency's Rules & Regulations provides, "any two members of the Board may place one or more subjects on the agenda for discussion or for possible action by providing to the General Manager a written notice." On April 23, 2024, the Board Members representing the City of Denton requested in writing that this item be placed on the agenda for discussion and for possible action.

BACKUP MATERIAL: None

ACTION REQUESTED: None

Daniel Meadows
9/12/2024

September 12, 2024

AGENDA ITEM NO. 11

SUBJECT: Election of Officers (President, Vice President, and Secretary) and approval of appointments to standing committees (Audit & Budget Committee and Personnel Committee) in accordance with Agency Rules & Regulations.

DISCUSSION: In accordance with the Agency Rules & Regulations, the election of the following officers will be held at the Annual Meeting:

- President
- Vice President
- Secretary-Treasurer

The Rules & Regulations also provide for the appointment of two standing committees: the Personnel Committee and the Audit & Budget Committee. Committee members are appointed by the President and confirmed by the Board. The Personnel Committee consists of the President of the Board, and three other Board Members, each representing a different Member City. Similarly, the Audit & Budget Committee (ABC) consists of the Vice President of the Board, and three other Board Members, each representing a different Member City. To simplify the process, the following priority of rules has been used to determine committee assignments.

1. The President and Vice President are the respective chairs of the Personnel and Audit & Budget committees.
2. The peer Board Members from the President's and Vice President's city move to the opposite committee to maintain equal representation.

The Rules & Regulations require no specific experience requirements to serve as a TMPA officer and the duties of each office are outlined below:

Article IV, Section 4: The President

The President shall, when present, preside at all meetings of the Board of Directors. He may sign, with the Secretary-Treasurer or any other proper officer of the Agency, authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution shall be expressly delegated by the Board of Directors to some other officer or agent of the Agency, and in general shall perform all duties incident to the office of President and other duties as may be prescribed by the Board of Directors.

Article IV, Section 5: The Vice-President

In the absence of the President or in the event of his death, inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President, and shall perform other duties as may be assigned to him by the President or by the Board of Directors.

Article IV, Section 6: The Secretary-Treasurer

The Secretary-Treasurer shall keep the minutes of the Board of Directors meetings; see that all notices are duly given in accordance with the provisions hereof and as required by law; be custodian of the Agency records; keep a register of the post office addresses of the Directors, and of the members of any committee appointed by the Board of Directors. Such officer shall also have charge and custody of and be responsible for all funds and securities of the Agency; receive and give receipts for monies due and payable to the Agency from any source, and deposit all monies in the name of the Agency in the depositories selected in accordance with the provisions of Article VI, Section 3 of these by-laws; and perform all of the duties as may be assigned to him or her by the President or by the Board of Directors. Subject to the right of the Secretary-Treasurer to perform the foregoing duties, the Secretary-Treasurer may allow the foregoing duties to be performed by other officers or employees of the Agency.

The President of the Board position requires more time than the Vice President or Secretary-Treasurer positions, as the President is frequently contacted on matters regarding Board Agendas, coordination with and on P&O Committee matters, remediation of the former plant site, and transmission matters, and frequently visits and meets with Agency Staff outside of Board meetings.

The current tenures of the Board Members are as follows:

BOARD MEMBER	YEARS OF SERVICE
Andrew Nelson	1
Jesse Davis	3
Summer Spurlock	6
Kean Register	12
Bill Cheek	14
Jamie Ratliff	20
Tom Jefferies	22
Sue Ann Harting	25

Following the above guidelines as they relate: A Secretary would normally be nominated from the city which held no officer position in FY24, which in FY24 was the city of Denton.

Following past practices of ascendency which have varied from time to time, rotation among the Cities, and the rules above, the changes below would occur:

- For Bryan, Andrew Nelson served as Secretary-Treasurer; therefore, he is in line to become Vice President and chair of the Audit and Budget Committee. Kean Register would therefore become a member of the Personnel Committee to maintain equal representation of the Cities.

- For Denton, Bill Cheek and Jesse Davis are eligible to serve as Secretary-Treasurer. So long as they serve on separate committees, both are each eligible for appointment to the Personnel Committee and Audit & Budget Committee to maintain equal representation of the Cities.

- For Garland, Tom Jefferies served as President for FY24. As long as they serve on separate committees, Tom Jefferies and Jamie Ratliff are each eligible for appointment to the Personnel Committee and Audit & Budget Committee to maintain equal representation of the Cities.

- For Greenville, Summer Spurlock served as Vice President; therefore, she is in line to become President and chair of the Personnel Committee. Sue Ann Harting would therefore become a member of the Audit and Budget Committee to maintain equal representation of the Cities.

Staff normally does not provide input on the officers' election. The above information is provided based on past practices of officer rotation and ascendency to show how Committee assignments might follow. It is the Board's prerogative to elect officers, and the President's prerogative to make Committee appointments, as they deem advisable.

Officer positions held recently include:

Board Member	**City**	**2024**	**2023**	**2022**	**2021**	**2020**
Kean Register	Bryan			Pres		
Andrew Nelson	Bryan	Sec				
Jesse Davis	Denton					
Bill Cheek	Denton		Pres	VP		
Tom Jefferies	Garland	Pres	VP	Sec		Pres
Jamie Ratliff	Garland					
Sue Ann Harting	Greenville				Pres	VP
Summer Spurlock	Greenville	VP	Sec			
~~David Bairrington~~	~~Bryan~~					~~Sec~~
~~Buppy Simank~~	~~Bryan~~				~~Sec~~	
~~Chris Watts~~	~~Denton~~				~~VP~~	

Committee tenures of the Board Members are as follows:

Board Member	City	Committee Membership				
		2024	2023	2022	2021	2020
Kean Register	Bryan	ABC	Pers	Pers Chair	Pers	Pers
Andrew Nelson	Bryan	Pers	ABC	-	-	-
Bill Cheek	Denton	ABC	Pers Chair	ABC Chair	Pers	ABC
Jesse Davis	Denton	Pers	ABC	Pers	ABC	-
Tom Jefferies	Garland	Pers Chair	ABC Chair	Pers	Pers	Pers Chair
Jamie Ratliff	Garland	ABC	Pers	ABC	ABC	Pers
Sue Ann Harting	Greenville	Pers	Pers	Pers	Pers Chair	ABC Chair
Summer Spurlock	Greenville	ABC Chair	ABC	ABC	ABC	Pers
~~Buppy Simank~~	~~Bryan~~	-	~~ABC~~	~~ABC~~	~~ABC~~	~~2020~~
~~David Barrington~~	~~Bryan~~	-	-	-	~~ABC~~	~~ABC~~
~~Chris Watts~~	~~Denton~~	-	-	-	~~ABC - Chair~~	~~Pers~~

Article V, Section 10: Planning & Operating Committee, provides in pertinent part:

A Planning & Operating Committee, which will consist (ex-officio) of the Electric Utility Director, or his designate, of each of the Cities of Bryan, Denton, Garland, and Greenville, the Plant Manager, Transmission System Manager, and the General Manager of the Agency, or their designates, shall serve as an advisory committee to the Board of Directors as outlined below. In the event the function of managing the transmission system has been delegated by contract to a Member City, such that the Agency no longer has an employee serving as Transmission System Manager, the Member City may select a person knowledgeable in transmission systems to serve on the Planning & Operating Committee, and such person shall be considered the "Transmission System Manager" as referred to in this Section.

Prior to the annual election of officers of the Board of Directors, the Planning & Operating committee shall elect one of the Electric Utility Directors to serve as Chairperson. The Committee Chairperson's primary duties shall include presiding over Committee Meetings, approving the Meeting agenda, and providing a report at each Board Meeting.

The rotation of the P&O Chairperson is listed below to provide additional information.

Rotation of P&O Chairperson		
P&O Chairperson	**City**	**Year**
Darrell Cline	Garland	2024
Tony Puente	Denton	2022, 2023
Alicia Hooks	Greenville	2020, 2021
Gary Miller	Bryan	2017, 2018 & 2019

An Election for the P&O Committee Chairperson will take place at the P&O meeting scheduled for September 11, 2024

ACTION REQUESTED: Elect officers and approve committee assignments.

Daniel Meadows
9/12/2024

September 12, 2024

AGENDA ITEM NO. 12

SUBJECT: Future Meeting Dates

DISCUSSION: The date for the next regularly scheduled Board Committee meeting is December 12, 2024.

TENTATIVE	March 13, 2025
MEETING	June 5, 2025
DATES:	September 11, 2025

Daniel Meadows
9/12/2024