

RESOLUTION NUMBER 2026-127

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF BROWNSVILLE, TEXAS, IDENTIFYING QUALIFYING PROJECTS DESCRIBED IN EXHIBIT “A” TO THE MEMORANDUM OF UNDERSTANDING BETWEEN SPACE EXPLORATION TECHNOLOGIES CORP. AND THE CITY OF BROWNSVILLE DATED AUGUST 29, 2026; AUTHORIZING RELATED ACTIONS, INCLUDING RATIFYING AN ESCROW AGREEMENT BETWEEN THE CITY, PLAINSCAPITAL BANK, AND SPACEX FOR THE BENEFIT OF BROWNSVILLE PUBLIC UTILITIES BOARD AND SOUTHMOST REGIONAL WATER AUTHORITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Brownsville, Texas (the “City”) is a home rule city acting under its charter adopted by the electorate pursuant to Article XI, Section 5 of the Texas Constitution, and Chapter 9 of the Texas Local Government Code; and

WHEREAS, on August 29, 2026, Space Exploration Technologies Corp., a Texas corporation (“SpaceX”), and the City entered into a Binding Memorandum of Understanding (the “MOU”) to expand water availability for the City and the broader community by funding water and wastewater facility projects, including potable reuse and SRWA Plant expansion; and

WHEREAS, SpaceX operates industrial, commercial, residential, and related facilities at and near Starbase in Cameron County, Texas, and intends further industrial development of those facilities; and

WHEREAS, SpaceX is a water and wastewater retail customer of the Public Utilities Board of the City of Brownsville (“BPUB”) and will require additional water capacity for a planned expansion of SpaceX’s facilities within BPUB’s service area; and

WHEREAS, under the MOU, SpaceX’s aggregate obligation to fund Qualifying Projects shall not exceed Two Hundred Twenty Million and No/100 Dollars (\$220,000,000.00), consisting of an initial escrow amount of Forty Million and No/100 Dollars (\$40,000,000.00) and six (6) quarterly installments of Thirty Million and No/100 Dollars (\$30,000,000.00) each, subject to the terms and conditions of the MOU; and

WHEREAS, the MOU provides that Funding Payments are contractual contributions to fund Qualifying Projects and are not a purchase of capacity, a purchase of an ownership interest, or a prepayment of volumetric rates; and

WHEREAS, the MOU defines an “Identified” Qualifying Project as one for which the City, or its authorized agent, has adopted a written resolution that names the project, describes its scope, and commits to funding the project subject to project-completion milestones; and

WHEREAS, Exhibit “A” to the MOU lists planning-level Qualifying Projects eligible to be Identified, including a wastewater treatment reclamation or potable-reuse project on the

BPUB system of a scale sufficient to support an increase of Water Supply of approximately 8 MGD and expansion of the SRWA Plant, including refurbishment of existing wells and construction of new wells sufficient to expand Water Supply by approximately 10 MGD; and

WHEREAS, the City Commission desires to approve and identify the Qualifying Projects described in Exhibit “A” to the MOU for purposes of the MOU and funding of the escrow agreement; and

WHEREAS, the City and SpaceX have agreed to utilize PlainsCapital Bank, a Texas banking association, as Escrow Agent for the purposes stated within the MOU and Escrow Agreement; and

WHEREAS, the City Commission finds that approval of the Escrow Agreement and the identification of the Qualifying Projects described herein as required by the MOU will promote the public health, safety, and welfare by supporting expanded water availability for the City and the broader community.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF BROWNSVILLE, TEXAS, THAT:

SECTION 1. Findings Incorporated. The findings and recitations set out in the preamble to this Resolution are found to be true and correct, and they are hereby adopted by the City Commission as its legislative findings and made a part hereof for all purposes.

SECTION 2. Approval and Identification of Qualifying Projects; Identified Projects. For purposes of the MOU, the City Commission identifies the following projects as Qualifying Projects described in Exhibit “A” to the MOU, attached as Attachment “A” and incorporated herein for all purposes, as the “Identified Projects.” The City Commission further commits funds, as provided by SpaceX through the MOU and the escrow agreement attached as Attachment “B” and incorporated herein for all purposes, to fund these projects subject to the project-completion milestones shown in Attachment “C,” also attached hereto and incorporated herein for all purposes, and subject to the terms and conditions of the MOU:

- a. Potable reuse / wastewater reclamation. A wastewater treatment reclamation or potable-reuse project on the BPUB system of a scale sufficient to support an increase of Water Supply of approximately 8 MGD.
- b. SRWA Plant expansion. Expansion of the SRWA Plant, including refurbishment of existing wells and construction of new wells sufficient to expand Water Supply by approximately 10 MGD.

SECTION 3. Funding and Milestones. The funding commitments identified in Section 2 are subject to project-completion milestones, signed contracts, and all other terms and conditions of the MOU. The City Manager, or designee, is authorized to coordinate with BPUB / SRWA, SpaceX, and the escrow agent regarding project-completion milestones, joint written instructions, and related implementation matters consistent with the MOU.

SECTION 4. No Capacity Reservation or Ownership Interest. The identification of the Qualifying Projects in this Resolution does not constitute a reservation or sale of water capacity, a purchase of an ownership interest, or a prepayment of volumetric rates, and shall be construed consistently with the MOU.

SECTION 5. Authority. The City Manager, City Attorney, and their designees are authorized to take such actions, execute such documents, and seek such ordinances, resolutions, permits, approvals, and contracts as may be necessary or desirable to carry out the purposes of this Resolution and the MOU. Furthermore, the City Commission hereby authorizes the City Manager to execute an escrow agreement between the City, PlainsCapital Bank, and SpaceX for the benefit of the Brownsville Public Utilities Board and the Southmost Regional Water Authority for the projects identified herein.

SECTION 6. Escrow Authority. Any one of the following officers is authorized to act on behalf of the City for the purposes stated within the MOU and Escrow Agreement, including, but not limited to, executing documents, inquiring, giving written or oral instructions to PlainsCapital Bank, with respect to any transactions with PlainsCapital Bank for the purposes stated herein, the MOU, and the Escrow Agreement:

Alan Guard, City Manager/CFO;
Felix Saucedo, Deputy City Manager;
Doroteo Garcia, Deputy City Manager; or
Stephen Muse, Finance Director.

SECTION 7. Effective Date. This Resolution shall be and become effective immediately upon adoption.

PASSED and APPROVED this 22nd day of September, 2026.



ATTEST:

Mayra A. Rios

Mayra Rios
City Secretary

John Cowen

John Cowen, Jr., Mayor

**APPROVED AS TO FORM
AND LEGALITY:**

Guillermo (Will) S. Trevino

Guillermo (Will) S. Trevino
City Attorney

Attachment “A”
MOU Between Space Exploration Technologies Corp.
and the City of Brownsville dated August 29, 2026

BINDING MEMORANDUM OF UNDERSTANDING

Between

SPACE EXPLORATION TECHNOLOGIES CORP. and THE CITY OF BROWNSVILLE, TEXAS

This Binding Memorandum of Understanding (this “MOU”) is entered into as of the date of last signature below (the “Effective Date”), by and among Space Exploration Technologies Corp., a Texas corporation (“SpaceX”) and the City of Brownsville, Texas, a Texas home-rule municipality (the “City of Brownsville”). Each a “Party” and together the “Parties.”

RECITALS

WHEREAS, the Public Utilities Board of the City of Brownsville (“BPUB”) owns, operates, and maintains Public Water System No. TX0310001 and is the holder of water Certificate of Convenience and Necessity No. 10549, and the City of Brownsville has delegated to BPUB management of the City’s combined water, wastewater, and electric systems pursuant to Chapter 552, Texas Local Government Code, the City charter and ordinances, BPUB’s Water and Wastewater Service Policies as amended May 1, 2024 (the “Service Policies”), and other applicable law; and

WHEREAS, SpaceX operates industrial, commercial, residential, and related facilities at and near Starbase in Cameron County, Texas (the “SpaceX Facilities”); and

WHEREAS, SpaceX intends further industrial development of the SpaceX Facilities (the “Development Project”);

WHEREAS, SpaceX is a water and wastewater retail customer of BPUB and will require additional water capacity for a planned expansion of SpaceX’s facilities within BPUB’s service area that is subject to rules and regulations applicable to other similarly situated retail customers of BPUB in an amount that is significantly less than the water supply capacity to be added under this MOU; and

WHEREAS, the Parties desire to expand water availability for the City of Brownsville and the broader community by funding water and wastewater facility projects, including potable reuse and SRWA Plant expansion, that increase capacity to a degree similar to or greater than the planning-level projects described in Exhibit A; and

NOW, THEREFORE, in consideration of the mutual covenants herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

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ARTICLE I — DEFINITIONS AND INTERPRETATION

1.1 Definitions.

In addition to terms defined in the preamble and recitals, the following terms have the meanings set forth below. Definitions not provided here, even if capitalized, shall be construed as in normal, customary usage.

“Committed Funds” means Funding Payments that are the subject of a signed contract detailing the amount of funding and project-completion milestones for a Qualifying Project.

“Escrow Account” means the separate account established with and maintained by a neutral third party authorized to hold funds in escrow, into which the funding contemplated by this Agreement is deposited and held on behalf of the Parties pending the occurrence of specific conditions or obligations, or the delivery of further instructions, in accordance with the terms of the Escrow Agreement as defined herein.

“Escrow Agent” means a national bank or Texas trust company with an office in Texas, mutually acceptable to the Parties, and with which the Escrow Account is created and within which funds contemplated by this Agreement are deposited.

“Escrow Agreement” means the escrow agreement between and among the Parties and the Escrow Agent implementing Article II.

“Force Majeure” means acts of God, strikes, lockouts, military conflict or other industrial disturbances, acts of public enemy, laws or orders of any kind of the Government of the United States or the State of Texas, or any civil or military authority, insurrection, riots, epidemics, landslides, lightning, earthquake, fires, hurricanes, storms, floods, washouts, pandemics, droughts, arrests, restraint of government and people, civil disturbances, explosions, supply chain disruption attributable to military conflict or pandemic, breakage or accidents to machinery, pipelines, canals or other structures or entire failure of Water Supply due to an act of God, or any other causes not reasonably foreseeable by or within the control of the party claiming an inability to act by reason of force majeure, and that by exercise of due foresight such party could not reasonably have been expected to avoid, and which, by the exercise of all reasonable due diligence and using commercially reasonable efforts, such party is unable to overcome.

“Funding Payments” means the Initial Escrow Amount and the Quarterly Installments, not to exceed the Maximum Contribution in the aggregate, from SpaceX.

“Identified” means, with respect to a Qualifying Project, that the City, or its authorized agent, has adopted a written resolution that names the project, describes its scope, and commits to the funding of the project subject to project-completion milestones. The potable-reuse project and the SRWA expansion described in Exhibit A are eligible to be so Identified but other projects may be considered.

“Initial Escrow Amount” means Forty Million and No/100 Dollars (\$40,000,000.00).

“Legally Prohibited” means that a required approval, permit, license, or authorization from a local, state, or federal jurisdiction is not legally obtainable, or that a statute, ordinance, practice, policy, regulation, or order of a court or governmental authority having jurisdiction makes, development, continuation or operation of the Development Project unlawful or legally impossible, such that the Development Project is unable to proceed or operate with all necessary approvals. Economic infeasibility, loss of a commercial counterparty, or a voluntary pause is not a Legal Prohibition.

“Maximum Contribution” means Two Hundred Twenty Million and No/100 Dollars (\$220,000,000.00).

“MGD” means million gallons of water per day.

“Qualifying Project” means a water or wastewater facility project — including but not limited to treatment, desalination, potable reuse, wastewater reclamation, wells, raw-water collection, transmission, pumping, storage, and related residuals or concentrate management — that (a) expands water availability, either through direct or indirect expansion of the Water Supply, in the City of Brownsville or the broader Cameron County community, (b) has been Identified by the Parties, and (c) is capable of being permitted under applicable TCEQ and other law.

“Quarterly Installment” means Thirty Million and No/100 Dollars (\$30,000,000.00).

“Uncommitted Funds” means Funding Payments held in escrow or by the Parties that are not Committed Funds.

“Water Supply” means treated water meeting the standards of treatment established by the Texas Department of Health or the Texas Commission on Environmental Quality (“TCEQ”) and the provisions of the Safe Drinking Water Act, Title 42, Section 300F, U.S.C.A., as administered by the United States Environmental Protection Agency and the TCEQ.

1.2 Interpretation.

Headings are for convenience only. “Including” means “including without limitation.” References to statutes include amendments and successors. This MOU has been negotiated by the Parties and their counsel; no rule of construction against the drafter applies.

ARTICLE II — FUNDING, ESCROW, AND PAYMENT CONDITIONS

2.1 Maximum Contribution.

Consistent with SpaceX’s desire to contribute to water supply of the region in excess of its projected usage, SpaceX’s aggregate obligation to fund Qualifying Projects under this MOU shall not exceed the Maximum Contribution of \$220,000,000.00. Interest earned on escrowed funds accrues solely to the Escrow Account in accordance with the Escrow Agreement for expansion of water resources and does not increase or decrease the Maximum Contribution.

2.2 Initial Escrow Amount.

The Parties shall execute the Escrow Agreement and SpaceX shall deposit the Initial Escrow Amount of \$40,000,000.00 with the Escrow Agent, to be held for the benefit of the Parties, within thirty (30) days after the date this MOU is executed by all Parties.

2.3 Quarterly Installments.

SpaceX shall pay the remaining \$180,000,000.00 in six (6) Quarterly Installments of \$30,000,000.00 each. The first Quarterly Installment is due within thirty (30) days after the Parties identify and approve the first Qualifying Project, which approval and identification shall not be unreasonably withheld. Each subsequent Quarterly Installment is due on the last business day of the third month after the applicable quarter until \$180,000,000.00 has been paid. Quarterly Installments shall be paid to the Escrow Account.

2.4 Escrow Terms.

The Escrow Agreement shall provide that: (a) the Initial Escrow Amount is held as restricted funds; (b) may be disbursed only as Committed Funds against milestones for an Identified Qualifying Project; (c) no disbursement shall occur until the applicable Qualifying Project has been Identified; and (d) the Escrow Agent shall rely on joint written instructions of the Parties as specified within the Escrow Agreement.

2.5 Nature of Payments.

Funding Payments are contractual contributions to fund Qualifying Projects. They are not a purchase of capacity, a purchase of an ownership interest, or a prepayment of volumetric rates.

2.6 One-Year Identification Condition.

If the Parties have not Identified at least one Qualifying Project within one (1) year after the date the Initial Escrow Amount is funded, then all Uncommitted Funds, including remaining escrow principal, shall be refunded to SpaceX within thirty (30) days and the agreement terminates.

2.7 Two-Year Commitment Condition.

If, within two (2) years after the date the Initial Escrow Amount is funded, the Parties have not entered into one or more signed contracts detailing funding and project-completion milestones for Qualifying Projects whose aggregate committed funding is at least the Maximum Contribution, then: (a) SpaceX's obligation to make any then-unpaid Funding Payments is suspended until such signed contracts exist and (b) any Uncommitted Funds shall be refunded to SpaceX within thirty (30) days. Committed Funds already subject to a signed milestone contract are not refunded. When the signed-contract condition is later satisfied, the suspended obligation resumes and the next Quarterly Installment is due thirty (30) days after written notice to SpaceX and SpaceX will fund any projects identified up to the Maximum Contribution within seven (7) years of the Initial Escrow Amount being funded should any Uncommitted Funds have been refunded to SpaceX.

2.8 Legal Prohibition.

If SpaceX is Legally Prohibited from continuing the Development Project, SpaceX's obligation to make any Funding Payment not then due shall be suspended for so long as the Legal Prohibition continues. SpaceX shall give prompt written notice and shall use commercially reasonable efforts to remove the Legal Prohibition. If the Legal Prohibition lasts less than one (1) year and then ceases, the payment schedule resumes with installments becoming due thirty (30) days after the Legal Prohibition ceases then due quarterly thereafter per the original terms. If the Legal Prohibition continues for one (1) year or more, SpaceX's obligation to make future Funding Payments permanently terminates. Notwithstanding any other provision of this agreement, Funding Payments shall continue to the extent of any Committed Funds regardless of any SpaceX legal prohibition.

2.9 No Other Payment Obligation.

Except for the Funding Payments, SpaceX has no obligation under this MOU to fund any Party or other project.

ARTICLE III — REPRESENTATIONS

3.1 Mutuality.

Each Party represents that it is duly organized and validly existing; that it has power and authority to enter into this MOU and perform its obligations, subject to the approvals required by Section 6.7; that the individual signing is authorized to bind their respective Party; and that this MOU is a valid and binding obligation enforceable in accordance with its terms, subject to bankruptcy law, governmental immunity as limited by Chapter 271, Local Government Code, and those approval contingencies.

3.2 City of Brownsville.

The City of Brownsville represents that it will seek in due course the ordinances, resolutions, and permits required to perform its obligations.

3.3 SpaceX.

SpaceX acknowledges that no exaction by the City is undertaken or proposed to be undertaken under this MOU and represents that it will not use this MOU to assert an ownership interest in any Qualifying Project.

ARTICLE IV — DEFAULT, TERMINATION, AND REMEDIES

4.1 Events of Default.

The following are Events of Default: (a) failure by SpaceX to make a Funding Payment when due, if the failure continues for thirty (30) days after written notice; (b) material breach of any other covenant that remains uncured for sixty (60) days after written notice, or such longer period as is

reasonably necessary if the breach is not reasonably curable in sixty days and the breaching Party is diligently curing; or (c) bankruptcy, insolvency, or similar proceedings involving a Party that are not dismissed within ninety (90) days.

4.2 Remedies.

Upon an Event of Default, the non-defaulting Party may suspend its performance, terminate this MOU by written notice, recover amounts then due with interest at the maximum lawful rate, and pursue other remedies available at law or in equity. If this MOU is terminated because of SpaceX's default, Committed Funds may be retained and applied to the applicable Qualifying Project, and Uncommitted Funds shall be refunded.

4.3 Termination without Default.

This MOU may be terminated by mutual written agreement. It terminates automatically as provided in Section 2.6 (one-year identification failure). Future Funding Payment obligations terminate as provided in Section 2.8 if a Legal Prohibition lasts one year or more.

ARTICLE V — FORCE MAJEURE

5.1 Force Majeure.

No Party is liable for failure or delay in performance to the extent caused by Force Majeure. If by reason of Force Majeure a Party is rendered in whole or in part unable to carry out its obligations under this MOU, that Party shall give notice and full particulars in writing to the other Parties within two (2) days after occurrence of the event, and the affected obligation shall be suspended during the continuance of the inability then claimed, but for no longer period, and the affected Party shall endeavor to remove or overcome such inability with all reasonable dispatch.

ARTICLE VI — MISCELLANEOUS

6.1 Governing Law and Venue.

This MOU is governed by the laws of the State of Texas, without regard to conflicts principles. Exclusive venue and jurisdiction lie in the state district courts located in Cameron County, Texas.

6.2 Dispute Resolution.

The Parties shall first attempt to resolve any dispute arising under this MOU through good-faith negotiation of senior executives. If the dispute remains unresolved after thirty (30) days, the Parties shall, before resorting to litigation, try in good faith to settle the dispute by non-binding mediation under Texas Civil Practice and Remedies Code Chapter 154. Controversies arising solely from Funding Payments may proceed to litigation without mediation after the negotiation period. Nothing herein precludes provisional injunctive relief.

6.3 Notices.

Notices shall be in writing and given as follows:

If to SpaceX: Space Exploration Technologies Corp., Attention: Legal, 1 Rocket Road, Brownsville, Texas 78521, Email: StarbaseLegal@SpaceX.com.

If to the City of Brownsville: City Attorney, City of Brownsville, 1001 E. Elizabeth Street, Brownsville, Texas 78520.

If to BPUB: General Counsel & Chief Legal Officer, 1425 Robinhood Drive, Brownsville, Texas 78521, Email: PGonzalez@brownsville-pub.com.

A Party may change its notice address by at least five (5) days' written notice to the others.

6.4 Entire Agreement; Amendment.

This MOU, including its Exhibits, is the entire agreement among the Parties. No amendment is effective unless in writing and signed by authorized representatives of all Parties then bound.

6.5 Severability; Waiver; Assignment.

If a provision is held invalid, the remainder continues in effect and the invalid provision shall be modified to the minimum extent necessary to make it valid. No waiver is effective unless in writing. SpaceX may assign this MOU, in whole or in part, without consent, to any entity that controls, is controlled by, or is under common control with SpaceX, or to a successor in a sale, spinoff, acquisition, or merger of SpaceX, provided the assignee can lawfully perform the obligations of the assignor. Any other assignment requires prior written consent of the other Party.

6.6 No Third-Party Beneficiaries.

Nothing in this MOU confers a right on any person who is not a Party. Affiliates of SpaceX do not constitute third parties.

6.7 Approvals; Effectiveness; Counterparts.

This MOU is subject to formal approval by the City Commission of the City of Brownsville and does not become effective until that approval is obtained and evidenced in writing and this MOU is signed. This MOU may be executed in counterparts, including electronic PDF counterparts, each of which is an original, and all of which together are one instrument.

6.8 Public Information.

The governmental Parties are subject to Chapter 552, Texas Government Code. SpaceX may mark genuinely confidential commercial information as such. The receiving governmental Party will use reasonable efforts to assert available exceptions, but cannot guarantee withholding.

(Signature page follows)

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IN WITNESS WHEREOF, the Parties have executed this Binding Memorandum of Understanding as of the Effective Date.

SPACE EXPLORATION TECHNOLOGIES CORP.

By: Sheila McCorkle
Name: Sheila McCorkle
Title: VP, Starship Legal & Regulatory
Date: 2026-08-29

CITY OF BROWNSVILLE, TEXAS

By: John Cowen
Name: John Cowen, Jr.
Title: Mayor
Date: 2026-08-29



APPROVED AS TO FORM
AND LEGALITY

Guillermo S. Trevino
Guillermo (Will) S. Trevino
City Attorney
City of Brownsville, Texas

ACKNOWLEDGMENT AND SUPPORT

On behalf of the Board of Directors of BPUB as approved on August 28, 2026, this acknowledgment is to evidence support for this MOU and the purposes and objectives contemplated therein.

**PUBLIC UTILITIES BOARD OF THE
CITY OF BROWNSVILLE, TEXAS**

By: Marilyn D. Gilbert
Name: Marilyn D. Gilbert
Title: General Manager & CEO
Date: 2026-08-29

EXHIBIT A

Planning-Level Qualifying Projects

(Eligible to Be Identified — Not a Capacity Reservation)

The Parties may Identify, and may commit to fund subject to completion milestones, the following projects, or other Qualifying Projects of similar or greater effect on increased water availability.

1. Potable reuse / wastewater reclamation. A wastewater treatment reclamation or potable-reuse project on the BPUB system of a scale sufficient to support an increase of Water Supply of approximately 8MGD
2. SRWA Plant expansion. Expansion of the SRWA Plant, including refurbishment of existing wells and construction of new wells sufficient to expand Water Supply of approximately 10MGD.

CERTIFICATE of SIGNATURE

REF. NUMBER
JJSJN-G5FU8-VH4A6-DEH0D

DOCUMENT COMPLETED BY ALL PARTIES ON
30 AUG 2026 03:50:00
UTC

SIGNER

TIMESTAMP

SIGNATURE

SHEILA MCCORKLE

EMAIL
SHEILA.MCCORKLE@SPACEX.COM

SENT
30 AUG 2026 02:52:41
VIEWED
30 AUG 2026 03:01:49
SIGNED
30 AUG 2026 03:02:22

Sheila McCorkle

IP ADDRESS
172.56.93.100
LOCATION
SAN ANTONIO, UNITED STATES

RECIPIENT VERIFICATION

EMAIL VERIFIED
30 AUG 2026 03:01:49

JOHN COWEN

EMAIL
JOHN.COWEN@BROWNSVILLETX.GOV

SENT
30 AUG 2026 02:52:41
VIEWED
30 AUG 2026 03:35:44
SIGNED
30 AUG 2026 03:36:02

John Cowen

IP ADDRESS
174.246.198.23
LOCATION
SAN ANTONIO, UNITED STATES

RECIPIENT VERIFICATION

EMAIL VERIFIED
30 AUG 2026 03:35:44



**Attachment “B”
Escrow Agreement**

**BROWNSVILLE REGIONAL INFRASTRUCTURE
ESCROW PACKAGE**

Escrow Agreement

by and among

SPACE EXPLORATION TECHNOLOGIES CORP.

a Texas corporation

THE CITY OF BROWNSVILLE, TEXAS

a Texas home-rule municipality

and

PlainsCapital Bank

a Texas banking association

Dated as of September 22, 2026

SECTION 1: ESCROW TERM SHEET

The following Term Sheet summarizes the principal terms of the Escrow Agreement contemplated by the Binding Memorandum of Understanding between Space Exploration Technologies Corp. and the City of Brownsville, Texas (the “MOU”). It is provided for convenience of reference only and is qualified in its entirety by the Escrow Agreement as set forth in Section 2.

Term	Description
Transaction	Escrow Agreement pursuant to Binding MOU for water and wastewater infrastructure contributions
Parties	Space Exploration Technologies Corp., a Texas corporation (“SpaceX”); City of Brownsville, Texas, a home-rule municipality chartered in the State of Texas (“City”); and PlainsCapital Bank, a Texas banking association (“Escrow Agent”)
Funding Structure	Initial Escrow Amount of \$40,000,000.00 no later than September 28, 2026, which date is 30 days following execution of the MOU, as provided therein; remaining \$180,000,000.00 in six Quarterly Installments of \$30,000,000.00; Maximum Contribution of \$220,000,000.00
Deposit Mechanics	Initial Escrow Amount deposited no later than September 28, 2026, which date is 30 days following execution of the MOU, as provided therein; each Quarterly Installment deposited to the Escrow Account pursuant to the schedule provided in Section 2.2 and the MOU
Escrow Status	Funds held as restricted funds and disbursed only as Committed Funds for Identified Qualifying Projects under signed project agreements establishing funding amounts and milestones
Refund Events	(a) No Qualifying Project Identified within one year after the Initial Escrow Amount is funded: all Uncommitted Funds refunded within 30 days; (b) signed contracts for aggregate Maximum Contribution not reached within two years: unpaid obligations suspended and Uncommitted Funds refunded
Investment Earnings	Accrue to the Escrow Account for expansion of water resources and do not increase or decrease the Maximum Contribution
Nature of Payments	Contractual contributions, not a purchase of capacity, ownership interest, preferential utility treatment, or prepaid volumetric rates
Qualifying Projects	Potable reuse/wastewater reclamation, SRWA Plant expansion, and other water or wastewater projects Identified by the Parties that expand water availability and satisfy applicable permitting requirements
Fees	SpaceX pays all Escrow Agent fees and expenses; no deduction from Escrow Property (as defined herein)
Disputes	MOU Article VI: good-faith negotiation, then non-binding mediation;

	venue in Cameron County, Texas
Resignation	90 days' prior written notice; City appoints successor Escrow Agent
Termination	Upon disbursement of all Escrow Property per project agreements, refund of all Uncommitted Funds under the refund conditions, or mutual written agreement

SECTION 2: ESCROW AGREEMENT

ESCROW AGREEMENT

This Escrow Agreement (this "Agreement") is entered into as of September 22, 2026 (the "Effective Date"), by and among **SPACE EXPLORATION TECHNOLOGIES CORP.**, a Texas corporation ("SpaceX"); **THE CITY OF BROWNSVILLE, TEXAS**, a Texas home-rule municipality (the "City"); and **PLAINSCAPITAL BANK**, a Texas banking association (the "Escrow Agent"). SpaceX, the City, and the Escrow Agent are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

Whereas, SpaceX and the City have entered into a Binding Memorandum of Understanding dated August 29, 2026 (the "MOU") pursuant to which SpaceX will contribute up to \$220,000,000.00 toward water and wastewater projects that expand water availability in Brownsville and the broader Cameron County community;

Whereas, the MOU contemplates Funding Payments consisting of an Initial Escrow Amount and Quarterly Installments, subject in the aggregate to the Maximum Contribution, to fund Qualifying Projects;

Whereas, the MOU requires the Parties to execute this Agreement to govern the custody, restriction, investment, and disbursement of the Funding Payments;

Whereas, the Parties intend that this Agreement will implement the escrow provisions of Article II of the MOU, and that the MOU will govern the underlying funding obligations and project commitments to the extent not addressed in this Agreement;

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

ARTICLE I — DEFINITIONS

As used in this Agreement, the following terms shall have the meanings set forth below; terms not defined herein shall be construed as in normal, customary usage:

1.1 "Committed Funds" means Funding Payments subject to a signed contract detailing the amount of funding and project-completion milestones for a Qualifying Project.

1.2 "Designated Public Account" means an account designated in a signed project agreement or joint written disbursement instruction for receipt of funds for a Qualifying Project, maintained with a depository institution authorized to receive public funds under Texas law.

1.3 “Escrow Account” means the separate account established with and maintained by the Escrow Agent into which Funding Payments are deposited and held on behalf of the Parties pending identification, commitment, disbursement, or refund in accordance with this Agreement.

1.4 “Escrow Agent” means a national bank, federally chartered trust company, or state-chartered trust company located in the United States, independent of the Parties, and mutually acceptable to SpaceX, the City, and the Brownsville Public Utilities Board, with which the Escrow Account is created, and any successor appointed under Article XIV.

1.5 “Escrow Amount” means the aggregate amount of Funding Payments then deposited in the Escrow Account.

1.6 “Escrow Property” means, collectively, the aggregate Funding Payments deposited with the Escrow Agent pursuant to Article II, all investment earnings and income thereon, and all proceeds, products, and substitutions thereof.

1.7 “Funding Payments” means the Initial Escrow Amount and the Quarterly Installments payable by SpaceX under the MOU and this Agreement, not to exceed the Maximum Contribution in the aggregate.

1.8 “Identified” or to “Identify” means, with respect to a Qualifying Project, that the City or its authorized agent has adopted a written resolution naming the project, describing its scope, and committing to the project funding subject to project-completion milestones.

1.9 “Initial Escrow Amount” means Forty Million and No/100 Dollars (\$40,000,000.00).

1.10 “Legally Prohibited” means that a required approval, permit, license, or authorization from a local, state, or federal jurisdiction is not legally obtainable, or that a statute, ordinance, practice, policy, regulation, or court or governmental order makes continuation or operation of the development project contemplated by the MOU unlawful or legally impossible, such that the development project cannot proceed or operate with all necessary approvals. Economic infeasibility, loss of a commercial counterparty, or a voluntary pause is not a Legal Prohibition.

1.11 “Legal Prohibition” means a circumstance in which a party is Legally Prohibited.

1.12 “Maximum Contribution” means Two Hundred Twenty Million and No/100 Dollars (\$220,000,000.00).

1.13 “MOU” means the Binding Memorandum of Understanding between SpaceX and the City dated August 29, 2026, as amended in accordance with its terms.

1.14. “Owner” or “Operator” means, with respect to a Qualifying Project, either the Brownsville Public Utilities Board (“BPUB”) or the Southmost Regional Water Authority (“SRWA”), as applicable, that owns, operates, or has responsibility for the applicable Qualifying Project or any portion thereof.

1.15 “Qualifying Project” means a water or wastewater facility project, including treatment, desalination, potable reuse, wastewater reclamation, wells, raw-water collection, transmission, pumping, storage, and related residuals or concentrate management, that (a) expands water availability, directly or indirectly, in the City of Brownsville or the broader Cameron County community, (b) has been Identified by the Parties, and (c) is capable of being permitted under applicable environmental, health, and safety permitting requirements, including those administered by TCEQ.

1.16 “Quarterly Installment” means Thirty Million and No/100 Dollars (\$30,000,000.00).

1.17 “Uncommitted Funds” means Funding Payments held in the Escrow Account that are not Committed Funds.

1.18 “Water Supply” means treated water meeting applicable Texas Department of Health, TCEQ, and Safe Drinking Water Act standards, as administered by the applicable authorities.

ARTICLE II — DEPOSIT AND FUNDING PAYMENTS

2.1 Initial Escrow Amount.

SpaceX shall deposit, or cause to be deposited, the Initial Escrow Amount of \$40,000,000.00 with the Escrow Agent by federal funds wire transfer to the Escrow Account no later than September 28, 2026, which date is 30 days following execution of the MOU, as provided therein.

2.2 Quarterly Installments.

SpaceX shall pay the remaining \$180,000,000.00 in six (6) Quarterly Installments of \$30,000,000.00 each. The first Quarterly Installment is due within thirty (30) days after the Parties Identify and approve, in consultation with BPUB, the first Qualifying Project. Approval for the Qualifying Project shall not be unreasonably withheld, conditioned, or delayed, provided the project satisfies the requirements of Section 1.15. No Party may withhold, condition, or delay approval of a Qualifying Project on any ground other than (a) the project’s failure to satisfy the requirements of Section 1.15 or (b) a Legal Prohibition. For the avoidance of doubt, the fact that a Qualifying Project has not yet obtained all permits, approvals, or authorizations required for construction or operation shall not constitute grounds for withholding approval so long as the project is capable of being permitted under the applicable environmental, health, and safety permitting requirements referenced in Section 1.15. Each subsequent Quarterly Installment is due on the last business day of the last month of each successive calendar quarter following the calendar quarter in which the first Quarterly Installment is paid, until the full \$180,000,000.00 has been paid. Each Quarterly Installment shall be deposited into the Escrow Account. Written notice of each deposit shall be provided by SpaceX to the Owner or Operator of the Qualifying Project. SpaceX’s obligations are subject to the suspension provisions of Article V and the MOU.

2.3 Appointment of Escrow Agent.

SpaceX, the City, and the Brownsville Public Utilities Board hereby appoint the Escrow Agent to serve as the escrow agent under the terms of this Agreement, and the Escrow Agent accepts such appointment. The Escrow Agent agrees to place the Escrow Amount in a separate escrow account at a federally insured depository institution in the name of the Escrow Agent. Interest earned on escrowed funds shall accrue solely to the Escrow Account for expansion of water resources, as determined by the City in consultation with BPUB, and shall not increase or decrease the Maximum Contribution. The Escrow Agent further agrees to carry out the provisions of this Agreement on its part to be performed, but SpaceX and the City acknowledge and agree that the duties of the Escrow Agent are purely ministerial in nature. The Escrow Agent shall be entitled to reimbursement for reasonable out-of-pocket expenses incurred in connection with the performance of services.

2.4 Wire Transfer Mechanics.

Each Funding Payment shall be made by federal funds wire transfer in immediately available funds to the Escrow Account. No checks, drafts, automated clearinghouse transfers, or other instruments shall be accepted. The Escrow Agent shall provide current wire instructions to SpaceX not fewer than five (5) business days before each scheduled deposit date.

2.5 Deposit Instruction.

For each Funding Payment, SpaceX shall deliver a completed deposit instruction in the form of Exhibit A identifying the deposit type, amount, wire date, and reference number. The Escrow Agent may accept and credit each Funding Payment only after confirming that the wire is received in cleared, immediately available funds.

2.6 Confirmation of Receipt.

For each Funding Payment received, the Escrow Agent shall promptly, and in no event later than 5:00 p.m. Central Time on the business day of receipt, provide written confirmation to SpaceX, the City, and the Owner or Operator of the Qualifying Project, by email and overnight courier, specifying: (a) the deposit type and amount; (b) the date and time of receipt; (c) the wire reference number; and (d) the aggregate Funding Payments then held in the Escrow Account.

2.7 No Deposit Condition Precedent.

Failure to receive a scheduled Funding Payment by its due date does not void or terminate this Agreement. Any failure to pay when due, and any applicable cure period or remedy, shall be governed by the MOU and the applicable provisions of this Agreement.

2.8 Late Payment; Default Remedies.

(a) Interest on Late Payments. If SpaceX fails to deposit any Funding Payment on or before the date such payment is due under Section 2.1 or Section 2.2 (each, a "Payment Due Date"), interest shall accrue on the unpaid amount from the Payment Due Date until the date the Funding Payment is received by the Escrow Agent in cleared funds, at a rate equal to the lesser of (i) ten percent (10%) per annum or (ii) the maximum lawful rate permitted under Chapter 303, Texas Finance Code, calculated on the basis of a 365-day year and actual days elapsed. Any interest accruing under this Section shall be deposited into the Escrow Account together with the delinquent Funding Payment and shall become part of the Escrow Property.

(b) Notice and Cure. The City shall provide SpaceX written notice of any failure to make a Funding Payment when due. SpaceX shall have thirty (30) days after receipt of such notice to cure the delinquency by depositing the overdue Funding Payment, together with all accrued interest under Section 2.8(a), with the Escrow Agent in cleared funds. If SpaceX cures the delinquency within the cure period, the failure shall not constitute an Event of Default under the MOU.

(c) Administrative Hold During Uncured Default. If a Funding Payment remains unpaid after the expiration of the thirty (30)-day cure period, then until the delinquency and all accrued interest are cured in full: (i) the Escrow Agent shall not process any new joint written disbursement instruction under Article VI; and (ii) the City shall have no

obligation to execute any new joint written disbursement instruction or to Identify additional Qualifying Projects. Committed Funds already subject to a signed project agreement shall not be affected by the administrative hold, and the Escrow Agent shall continue to process disbursement instructions for previously approved milestones under existing signed project agreements.

(d) Remedies Upon Uncured Default. An uncured failure to make a Funding Payment after the expiration of the cure period constitutes an Event of Default under MOU Section 4.1(a). Upon such Event of Default, and in addition to any other remedy available under the MOU, the City may, by written notice to SpaceX with a copy to the Escrow Agent: (i) declare all remaining unpaid Funding Payments immediately due and payable; (ii) suspend performance of its obligations under this Agreement and the MOU; or (iii) terminate this Agreement and the MOU in accordance with MOU Section 4.2. Interest on any accelerated amounts shall accrue at the rate specified in Section 2.8(a) from the date of the City's acceleration notice.

(e) Reservation of Rights. The remedies set forth in this Section 2.8 implement and supplement the remedies provided in Article IV of the MOU and are not exclusive. The City retains all rights and remedies available at law or in equity, including the right to recover amounts then due with interest at the maximum lawful rate as provided in MOU Section 4.2. No exercise or failure to exercise a remedy under this Section shall constitute a waiver of any other right or remedy.

ARTICLE III — ESCROW ACCOUNT, DUTIES OF ESCROW AGENT AND RESTRICTIONS

3.1 Segregation.

The Escrow Agent shall hold the Escrow Property in a segregated, interest-bearing Escrow Account maintained separately from the Escrow Agent's own assets and from the assets of any other person or entity. The Escrow Account shall be titled as the "Brownsville Water Supply Expansion Fund."

3.2 Permitted Investments.

Upon written instruction from the Parties, the Escrow Agent shall invest and reinvest the Escrow Property solely in investments that would be authorized under the Public Funds Investment Act, Texas Government Code Chapter 2256 (the "PFIA"), as if the Escrow Property were public funds, including without limitation: (a) obligations of the United States or its agencies and instrumentalities; (b) direct obligations of the State of Texas or its agencies; (c) fully collateralized certificates of deposit; (d) repurchase agreements collateralized by obligations described in clauses (a) or (b); and (e) no-load money market mutual funds rated AAA by at least one nationally recognized statistical rating organization, consisting exclusively of obligations described in clauses (a) through (d). The Escrow Agent shall at all times prioritize preservation of principal and maintenance of liquidity consistent with PFIA principles. If the Parties do not deliver joint written investment instructions, the Escrow Agent shall hold the Escrow Property in a federally insured interest-bearing deposit account or in a no-load money market mutual fund described in clause (e), pending further instruction.

3.3 No Commingling.

The Escrow Agent shall not commingle the Escrow Property with any other funds held by the Escrow Agent in any capacity whatsoever, including the Escrow Agent's proprietary accounts, other fiduciary accounts, or other escrow accounts.

3.4 No Fee Deduction from Escrow Property.

Under no circumstances shall the Escrow Agent deduct, offset, or withhold any fees, expenses, costs, or charges from the Escrow Property or from investment earnings thereon. All Escrow Agent fees and expenses shall be paid exclusively by SpaceX in accordance with Article XVI.

3.5 Purpose of the Escrow Amount.

The purpose of the Escrow Amount is to fund Qualifying Projects, including water or wastewater facility projects that expand water availability, either through direct or indirect expansion of Water Supply, in the City of Brownsville or the broader Cameron County community, and that have been Identified and are capable of being permitted under applicable environmental, health, and safety permitting requirements, including those administered by TCEQ. Qualifying Projects include but are not limited to treatment, desalination, potable reuse, wastewater reclamation, wells, raw-water collection, transmission, pumping, storage, related residuals or concentrate management, the potable reuse / wastewater reclamation project on the BPUB system, and the Southmost Regional Water Authority Plant expansion described in the MOU.

3.6 Distribution of the Escrow Amount.

No disbursement shall occur until the applicable Qualifying Project has been Identified, and the Escrow Agent shall release the Escrow Amount only in accordance with joint written instructions received from SpaceX and the City through completion and submission of the form provided in Exhibit D.

ARTICLE IV — INVESTMENT EARNINGS

4.1 Accrual to Escrow Account.

All interest, dividends, gains, and other investment earnings accruing on the Escrow Property shall accrue solely to the Escrow Account and shall be retained for the expansion of water resources through Qualifying Projects.

4.2 No Effect on Maximum Contribution.

Investment earnings are part of the Escrow Property but are not Funding Payments. They shall not increase or decrease the Maximum Contribution. For the avoidance of doubt, investment earnings may be disbursed for Qualifying Projects as part of the Escrow Property in accordance with Article VI and the applicable signed project agreements, and any investment earnings remaining in the Escrow Account upon termination of this Agreement shall be disbursed or refunded in accordance with the provisions of this Agreement applicable to the remaining Escrow Property.

4.3 Tax Reporting.

The Escrow Agent shall prepare and file all required tax information returns, including IRS Forms 1099, with respect to investment earnings and shall furnish the applicable reporting information to the Parties and any other person legally entitled to receive it. Each Party shall provide the Escrow Agent with a completed IRS Form W-9 upon execution of this Agreement. The tax treatment of earnings shall be determined under applicable law.

ARTICLE V — REFUND CONDITIONS AND PAYMENT SUSPENSION

5.1 One-Year Identification Condition.

If the Parties have not Identified at least one Qualifying Project within one (1) year after the date the Initial Escrow Amount is funded, all Uncommitted Funds, including remaining escrow principal and any investment earnings then attributable to those funds, shall be refunded to SpaceX within thirty (30) days from the one (1) year anniversary of the date the Initial Escrow Amount was funded, without duplication of any Uncommitted Funds previously refunded to SpaceX under Section 5.6. Upon completion of that refund, this Agreement shall terminate in accordance with Article XXV.

5.2 Refund Mechanics.

Upon the occurrence of a refund condition under this Article, the Escrow Agent shall refund the applicable Uncommitted Funds to SpaceX by federal funds wire transfer within thirty (30) days. SpaceX shall provide written refund wire instructions to the Escrow Agent, with a copy to the City. No fees or expenses may be deducted from the refund. The Escrow Agent may rely on those instructions unless it receives conflicting instructions, in which case Article XIII applies.

5.3 Two-Year Commitment Condition.

If, within two (2) years after the date the Initial Escrow Amount is funded, the Parties have not entered into one or more signed contracts detailing funding and project-completion milestones for Qualifying Projects whose aggregate committed funding is at least the Maximum Contribution, then: (a) SpaceX's obligation to make any then-unpaid Funding Payments is suspended until such signed contracts exist; and (b) any Uncommitted Funds shall be refunded to SpaceX within thirty (30) days from the two (2) year anniversary of the date the Initial Escrow Amount is funded. Committed Funds already subject to a signed milestone contract shall not be refunded.

5.4 Resumption of Suspended Payments.

When the condition in Section 5.3 is later satisfied, SpaceX's suspended obligation resumes. The next Quarterly Installment shall be due thirty (30) days after written notice of satisfaction is delivered to SpaceX. If Uncommitted Funds were refunded, SpaceX shall fund Qualifying Projects Identified up to the Maximum Contribution within seven (7) years after the Initial Escrow Amount was funded, subject to the MOU and this Agreement.

5.5 Legal Prohibition.

If SpaceX is Legally Prohibited from continuing the development project contemplated by the MOU, SpaceX's obligation to make any Funding Payment not then due shall be suspended for so long as the Legal Prohibition continues. SpaceX shall give prompt written notice and use

commercially reasonable efforts to remove the Legal Prohibition. If the Legal Prohibition lasts less than one (1) year and then ceases, the payment schedule resumes, with installments becoming due thirty (30) days after the Legal Prohibition ceases and quarterly thereafter under the original terms. If the Legal Prohibition continues for one (1) year or more, SpaceX's obligation to make future Funding Payments permanently terminates. Uncommitted Funds then held in the Escrow Account shall be disbursed for any Qualifying Project that has been Identified but not yet fully funded, and any remaining Uncommitted Funds after such allocation shall be refunded to SpaceX within thirty (30) days. Funding Payments shall continue to the extent of Committed Funds regardless of any Legal Prohibition.

5.6 Project Abandonment; Idle Uncommitted Funds.

If a Qualifying Project for which Funding Payments have become Committed Funds is permanently abandoned, cancelled, or otherwise discontinued ("Abandoned Project"), the Committed Funds previously allocated to such project shall not revert to Uncommitted Funds and shall not be refunded to SpaceX. Instead, such funds shall remain in the Escrow Account and shall be available for allocation to another Qualifying Project Identified by the Parties in accordance with this Agreement and the MOU. The Parties shall cooperate in good faith to Identify a replacement Qualifying Project or multiple Qualifying Projects following any such discontinuation, with the objective of restoring the aggregate committed funding for Qualifying Projects to at least the Maximum Contribution. If no replacement Qualifying Project is Identified within the applicable timeframes set forth in this Article V (measured from the date of discontinuation of the Abandoned Project), the refund conditions of this Article V shall apply to such funds as if they were Uncommitted Funds as of the date the applicable timeframe commenced. For the avoidance of doubt, Committed Funds that have already been disbursed to a Designated Public Account pursuant to a signed project agreement shall not be subject to return, refund, or reallocation under this Article V or any other provision of this Agreement.

Notwithstanding the satisfaction of the commitment condition in Section 5.3, the Parties acknowledge that the intent of this Agreement and the MOU is for the full Maximum Contribution to be committed and disbursed for Qualifying Projects that expand water availability in the City of Brownsville and the broader Cameron County community. Accordingly, if the aggregate committed funding for Qualifying Projects falls below the Maximum Contribution at any time during the term of this Agreement as a result of the abandonment, cancellation, or discontinuation of one or more Qualifying Projects, SpaceX's obligation to fund Qualifying Projects up to the Maximum Contribution shall continue, and the Parties shall use commercially reasonable efforts to Identify and enter into signed contracts for replacement Qualifying Projects sufficient to restore aggregate committed funding to at least the Maximum Contribution. No refund of Committed Funds reallocated to a replacement Qualifying Project under this Section, and no suspension of Funding Payments under Section 5.3, shall relieve SpaceX of its obligation to fund Qualifying Projects up to the Maximum Contribution within seven (7) years after the date the Initial Escrow Amount was funded, subject to the terms of this Agreement and the MOU.

"Qualifying Activity" means, with respect to Uncommitted Funds or a Qualifying Project to which Uncommitted Funds may be allocated, any of the following activities undertaken by the City, BPUB, SRWA, or their authorized agents, consultants, or contractors in furtherance of the identification, development, or implementation of a Qualifying Project: (a) feasibility studies, needs assessments, or preliminary engineering evaluations; (b) planning, conceptual design,

schematic design, or detailed design and engineering; (c) environmental review, permitting, or regulatory applications or proceedings, including any application to or proceeding before TCEQ or any other federal, state, or local agency; (d) land acquisition, easement negotiation, or right-of-way procurement; (e) procurement activities, including requests for qualifications, requests for proposals, competitive sealed proposals, design-build solicitations, or contract negotiations with contractors, engineers, or consultants; (f) negotiation, drafting, or execution of project agreements, interlocal agreements, or cooperative agreements related to a Qualifying Project; (g) grant applications, state revolving fund applications, or other financing activities related to a Qualifying Project; (h) construction, fabrication, equipment procurement, or installation activities; or (i) any other material activity directly related to advancing a Qualifying Project from identification through completion. A Qualifying Activity need not be continuous, and the existence of intervals between discrete activities (such as between the completion of a feasibility study and the commencement of design) shall not, by itself, indicate the absence of Qualifying Activity so long as the applicable Qualifying Project has not been abandoned.

“Idle Uncommitted Funds” means Uncommitted Funds held in the Escrow Account with respect to which no Qualifying Activity has occurred for a period of twelve (12) consecutive months (the “Idle Period”), as measured in accordance with this Section, subject to the tolling and exclusion provisions below.

The Idle Period shall be tolled (i.e., suspended and not counted) during any period in which any of the following circumstances exist:

- a) **Force Majeure.** A Force Majeure event, as defined in the MOU, that materially impedes the City’s, BPUB’s, or SRWA’s ability to conduct Qualifying Activity with respect to a Qualifying Project;
- b) **Supply Chain Disruption.** A material disruption in the supply chain for equipment, materials, or components necessary for the design, engineering, or construction of a Qualifying Project, including shortages, embargo, shipping delays, or manufacturer lead times exceeding historical norms, provided the City, BPUB, or SRWA is using commercially reasonable efforts to mitigate such disruption;
- c) **Regulatory Delay.** A pending permit application, regulatory proceeding, environmental review, or governmental approval process with respect to a Qualifying Project for which the City, BPUB, or SRWA is awaiting agency action and has no material outstanding obligation to submit additional information or respond to agency requests;
- d) **Litigation or Administrative Hold.** Any litigation, administrative proceeding, injunction, temporary restraining order, or governmental investigation that materially impedes the advancement of a Qualifying Project;
- e) **Intergovernmental Coordination.** A period during which the City, BPUB, and SRWA are actively negotiating or finalizing an interlocal agreement, cooperative agreement, or other intergovernmental arrangement necessary for the implementation of a Qualifying Project; or
- f) **Seasonal or Regulatory Scheduling Constraints.** Any period during which applicable regulatory or environmental windows (such as biological survey windows, construction moratoriums, or seasonal restrictions) prevent the commencement or continuation of Qualifying Activity.

Upon cessation of the tolling event, the Idle Period shall resume from the point at which it was suspended (and shall not restart from zero), unless a Qualifying Activity has occurred in the interim, in which case the Idle Period shall restart from zero.

At any time during the Idle Period, the City may deliver to SpaceX and the Escrow Agent a written certification (a **“Qualifying Activity Certificate”**), signed by the City Manager, the BPUB General Manager, or their respective designees, stating that a Qualifying Activity is ongoing or has occurred within the preceding twelve (12) months, identifying the nature of the activity and the applicable Qualifying Project or prospective Qualifying Project. Delivery of a Qualifying Activity Certificate shall restart the Idle Period from zero. SpaceX may, within thirty (30) days after receipt, deliver a written objection to the Qualifying Activity Certificate, and any dispute regarding whether a Qualifying Activity has occurred shall be resolved in accordance with Article XXI of this Agreement. The absence of a Qualifying Activity Certificate shall not, by itself, establish that Uncommitted Funds are Idle Uncommitted Funds if a Qualifying Activity has in fact occurred.

At any time after the Parties have Identified at least one Qualifying Project, to the extent Idle Uncommitted Funds exist in the Escrow Account, SpaceX may deliver a written request to the City and the Escrow Agent requesting refund of such Idle Uncommitted Funds. The City shall have sixty (60) days after receipt of such request (the **“Cure Period”**) to deliver a Qualifying Activity Certificate demonstrating that a Qualifying Activity is ongoing or to Identify a Qualifying Project to which such funds may be allocated. If the City does not deliver a Qualifying Activity Certificate or Identify a Qualifying Project within the Cure Period, the Escrow Agent shall refund the applicable Idle Uncommitted Funds to SpaceX by federal funds wire transfer within thirty (30) days after expiration of the Cure Period. A refund under this Section shall not reduce the Maximum Contribution, shall not terminate this Agreement, and shall not relieve SpaceX of its obligation to fund a Qualifying Project that is subsequently Identified and committed in accordance with the MOU and this Agreement. SpaceX shall redeposit or otherwise fund the applicable amount, up to the Maximum Contribution, within seven (7) years after the date the Initial Escrow Amount was funded, when such Qualifying Project becomes subject to a signed project agreement, consistent with Section 5.4 of this Agreement and Section 2.7 of the MOU.

Committed Funds shall remain in the Escrow Account and continue to be held for the applicable Identified Qualifying Project regardless of any delay in project completion, milestone achievement, permitting, or construction, and shall be disbursed as and when the applicable project-completion milestones are satisfied under the signed project agreement. Committed Funds shall not be subject to refund, sweep, or withdrawal on account of project delay. Pending any refund or redeposit under this Section, the Escrow Agent shall continue to invest the Escrow Property in accordance with Article III, and all investment earnings shall accrue to the Escrow Account as provided in Article IV.

ARTICLE VI — DISBURSEMENT OF FUNDS

6.1 Restricted Disbursement.

Escrow Property shall be disbursed only as Committed Funds against project-completion milestones for an Identified Qualifying Project. No disbursement shall occur until the applicable Qualifying Project has been Identified.

6.2 Joint Written Instructions Required.

The Escrow Agent may disburse Escrow Property only upon joint written instructions of SpaceX and the City in the form of Exhibit D. If a Party fails or refuses to execute a joint written instruction within fifteen (15) business days after the other Party delivers a proposed instruction for a disbursement of Committed Funds against a completed milestone under a signed project agreement, the requesting Party may deliver a written dispute notice to the withholding Party and the Escrow Agent (a “Section 6.2 Dispute Notice”). The withholding Party shall have ten (10) business days after receipt of the Section 6.2 Dispute Notice to either (A) execute the joint written instruction or (B) deliver to the requesting Party and the Escrow Agent a written statement specifying in reasonable detail the grounds for withholding execution. If the withholding Party fails to execute the joint written instruction or deliver a written statement of objections within such ten (10) business day period, the withholding Party’s execution shall be deemed given, and the Escrow Agent shall process the disbursement upon the requesting Party’s certification that the notice and cure periods under this Section have expired without response.

If the withholding Party timely delivers a written statement of objections under Section 6.2, the dispute shall be resolved in accordance with the expedited arbitration procedures set forth in Section 21.4(c) through Section 21.4(g), and for purposes of such arbitration all references in Section 21.4 to an “Approval Dispute” and to unreasonable withholding of approval of a proposed Qualifying Project shall be deemed to refer to the applicable dispute under this Section 6.2 and to unreasonable withholding of execution of a joint written instruction, respectively.

6.3 Required Instruction Contents.

Each joint written instruction shall identify the Qualifying Project, attach or reference the written resolution establishing that the project is Identified, identify the applicable signed project agreement, specify the milestone achieved, state the amount to be disbursed, and provide wire instructions for the Designated Public Account.

6.4 Signed Project Agreement.

Each disbursement shall be made pursuant to a signed contract detailing the funding amount and project-completion milestones for the applicable Qualifying Project. A disbursement may be made in installments as milestones are completed.

6.5 Escrow Agent Review.

The Escrow Agent shall review a joint written instruction solely for facial completeness, proper execution, identification of the applicable project and milestone, and conformity with this Agreement. The Escrow Agent shall not be required to investigate the substance of the project, the accuracy of the certifications, or the performance of the milestone.

6.6 Disbursement Mechanics.

Upon receipt of a facially complete joint written instruction (or a disbursement authorized by deemed execution or arbitral determination under Section 6.2) and absent conflicting instructions, the Escrow Agent shall transfer the authorized amount by federal funds wire to the Designated Public Account or other project account specified in the instruction within two (2)

business days. No fee or expense may be deducted from the Escrow Property. Any balance not disbursed remains in the Escrow Account as Uncommitted Funds.

ARTICLE VII — HOLDING PENDING PROJECT IDENTIFICATION

7.1 Holding Pending Identification.

Pending identification of a Qualifying Project and execution of the applicable signed project agreement, the Escrow Agent shall continue to hold, invest, and safeguard the Escrow Property in the Escrow Account as restricted funds in accordance with this Agreement.

7.2 No Disbursement Before Identification.

The passage of time or delivery of a project proposal does not authorize a disbursement. The Escrow Agent shall continue to hold Uncommitted Funds until the applicable Qualifying Project has been Identified, the required signed project agreement is in place, and the joint written instruction required by Article VI (or a disbursement authorized under Section 6.2) has been delivered. The refund conditions in Article V remain applicable throughout the holding period.

7.3 Quarterly and Annual Reporting.

The Escrow Agent shall provide SpaceX and the City with monthly statements and an annual report within thirty (30) days after each calendar year-end, setting forth: (a) the principal balance of the Escrow Property; (b) deposits, disbursements, refunds, and the balance of Committed Funds and Uncommitted Funds; (c) investment activity and earnings; and (d) confirmation that the Escrow Property remains segregated and invested in accordance with Article III.

7.4 Project Cooperation.

The City, BPUB, and SpaceX shall cooperate in good faith concerning the identification of Qualifying Projects and the preparation of signed project agreements. Nothing in this Section requires the City or BPUB to Identify a project that does not satisfy Article I or the MOU, and no project is eligible for disbursement until the requirements of this Agreement are met.

ARTICLE VIII — PROJECT DISBURSEMENT MECHANICS

8.1 Project Identification Resolution.

The City or its authorized agent shall deliver to SpaceX and the Escrow Agent a written resolution substantially in the form of Exhibit E that Identifies the applicable Qualifying Project, names the project, describes its scope, and commits to project funding subject to project-completion milestones.

8.2 Signed Project Agreement and Account.

Before any disbursement, the Parties shall have or receive a signed contract detailing the funding amount and project-completion milestones. The contract or related joint written instruction shall identify the Designated Public Account or other project account authorized to receive the applicable disbursement.

8.3 Joint Written Disbursement Instruction.

SpaceX and the City shall jointly execute and deliver to the Escrow Agent a written disbursement instruction substantially in the form of Exhibit D; provided that, if a Party withholds execution and a disbursement is authorized by deemed execution or arbitral determination under Section 6.2, the requesting Party's certification or the arbitral determination, as applicable, shall satisfy the execution requirement of this Section. The instruction shall certify that the project is Identified, the applicable contract is signed, the stated milestone has been satisfied or is payable under the contract, and the requested amount is Committed Funds.

8.4 Escrow Agent Verification and Transfer.

Upon receipt of the documents required by this Article, the Escrow Agent shall review them solely for facial completeness and, absent conflicting instructions, transfer the authorized amount to the project account by federal funds wire. The Escrow Agent shall not be required to evaluate the merits, feasibility, permitting, or completion status of the Qualifying Project.

8.5 Continuing Escrow Administration.

Disbursement to a project account is not a transfer to a single designated recipient and does not terminate this Agreement unless the termination conditions in Article XXV are satisfied. The Escrow Agent shall continue to hold any remaining Escrow Property and shall maintain records of each project disbursement.

ARTICLE IX — QUALIFYING PROJECTS

9.1 Eligible Project Scope.

A Qualifying Project may include a water or wastewater facility project, including treatment, desalination, potable reuse, wastewater reclamation, wells, raw-water collection, transmission, pumping, storage, residuals or concentrate management, and related facilities, provided it satisfies Section 1.14.

9.2 Planning-Level Projects.

The planning-level projects eligible to be Identified include: (a) a potable-reuse or wastewater-reclamation project on the BPUB system sufficient to support an increase in Water Supply of approximately 8 MGD; and (b) expansion of the SRWA Plant, including refurbishment of existing wells and construction of new wells, sufficient to expand Water Supply by approximately 10 MGD. Other projects of similar or greater effect on increased water availability may also be considered.

9.3 Identification and Permitting.

A project is eligible for Funding Payments only after it has been Identified by the Parties through the written resolution required by Article VIII and is capable of being permitted under applicable environmental, health, and safety permitting requirements, including those administered by TCEQ.

9.4 Restricted Use and Accounting.

Escrow Property disbursed for a Qualifying Project shall be used solely for planning, design, engineering, permitting, construction, acquisition, improvement, expansion, rehabilitation, or other project costs directly related to the Qualifying Project and its milestones. The City or applicable project entity shall maintain separate accounting sufficient to trace receipts, disbursements, and project expenditures.

9.5 Project Records.

Each signed project agreement shall require appropriate supporting records, including contracts, invoices, milestone certifications, and other documentation sufficient to demonstrate the use of disbursed funds for the applicable Qualifying Project. The City shall maintain such records in accordance with applicable law and the MOU.

9.6 No SpaceX Project Control.

SpaceX shall not have the right to direct, approve, veto, or control the selection, design, procurement, construction, operation, or administration of a Qualifying Project. The joint instruction process is an escrow-administration requirement and does not give SpaceX an ownership, governance, or operational interest in a Qualifying Project.

9.7 Public Purpose.

Qualifying Projects and expenditures of Escrow Property shall serve a public purpose by expanding water availability in Brownsville or the broader Cameron County community. Any incidental benefit to SpaceX or a related party shall be no greater than the benefit received by the general public served by the applicable infrastructure.

ARTICLE X — NO UTILITY OR PRIVATE ENTITLEMENT

10.1 No Capacity Rights.

Funding Payments and the Escrow Property do not create, grant, reserve, or guarantee to SpaceX or any related party any right to water or wastewater service capacity, whether committed, reserved, prioritized, or otherwise. Any service to SpaceX's facilities shall be obtained solely through the standard application and approval processes applicable to similarly situated customers.

10.2 No Rate Modifications.

Funding Payments and the Escrow Property do not entitle SpaceX or any related party to any modification, reduction, credit, rebate, or preferential treatment with respect to water or wastewater rates, fees, charges, impact fees, or connection charges. All rates and charges applicable to SpaceX shall be determined by the applicable rate-setting authority under its standard methodologies and procedures.

10.3 No Ownership Interest.

Funding Payments and the Escrow Property do not create, convey, or vest in SpaceX any ownership interest, property right, easement, license, or other real or personal property interest in a Qualifying Project or infrastructure constructed, acquired, or improved with Escrow Property.

10.4 No Water Rights.

Nothing in this Agreement creates, conveys, transfers, or reserves to SpaceX any water right, appropriative right, contractual right to raw water, or interest in any water supply contract, permit, or allocation held by the City, BPUB, SRWA, or any other entity. Any water or wastewater service to SpaceX must be established through separate utility service agreements with BPUB or the applicable certificated retail public utility, subject to applicable rates, tariffs, system capacity, TCEQ permits, water rights, drought-contingency requirements, and the utility's independent engineering and operational determinations.

10.5 No Preferential Treatment.

Funding Payments and the Escrow Property do not entitle SpaceX or any related party to preferential treatment in any permitting, land use, zoning, platting, development review, inspection, or regulatory process administered by the City or any other governmental entity.

10.6 Infrastructure Decisions Governed by Engineering and Tariff.

Decisions regarding the planning, sizing, sequencing, design, and construction of Qualifying Projects shall be driven by qualified engineering studies and applicable BPUB service policies, system-planning standards, tariffs, and TCEQ criteria. SpaceX shall have no right to direct, approve, veto, or prioritize any project, scope, schedule, phasing, procurement method, contractor, or design standard.

10.7 No Amendments to Existing Agreements.

Nothing in this Agreement shall be construed to amend, modify, supersede, or impair any existing agreement, contract, franchise, certificate of convenience and necessity, or other arrangement between SpaceX and the City, BPUB, SRWA, or any other public entity.

10.8 No Impairment of BPUB or SRWA Authority.

Nothing in this Agreement shall limit, impair, or affect the independent authority of BPUB or SRWA to manage, operate, maintain, expand, or regulate their respective water and wastewater systems or to set rates, fees, and charges in accordance with applicable law.

ARTICLE XI — Intentionally Left Blank

ARTICLE XII — ESCROW AGENT DUTIES

12.1 Ministerial Capacity; Exclusive Duties.

The Escrow Agent acts solely in a ministerial capacity and shall have only those duties and responsibilities expressly set forth in this Agreement. The Escrow Agent shall have no implied duties, fiduciary obligations, or responsibilities beyond those expressly stated herein. Except as otherwise expressly provided in this Agreement, the Escrow Agent shall not be required to refer to, shall not be charged with knowledge of, and shall not be bound by the provisions of the MOU or any other agreement, instrument, or understanding to which the Escrow Agent is not a party.

The indemnification of the Escrow Agent by SpaceX and the City is governed exclusively by Article XV.

12.2 Modification or Cancellation.

The Escrow Agent shall not be bound or affected by any modification, amendment, waiver, cancellation, or termination of this Agreement unless written notice thereof, executed by SpaceX and the City, is delivered to the Escrow Agent. No modification, amendment, waiver, cancellation, or termination that alters, expands, or otherwise affects the Escrow Agent's duties, obligations, rights, protections, compensation, or liabilities shall be effective against the Escrow Agent unless the Escrow Agent expressly consents thereto in writing.

12.3 Standard of Care; Limitation of Liability.

The Escrow Agent shall discharge its duties with the care, skill, prudence, and diligence that a professional escrow agent would exercise under similar circumstances and, in no event, with less care than the Escrow Agent exercises with respect to its own property of a similar nature. The Escrow Agent shall not be liable for any mistake of fact, error of judgment, or action taken or omitted in good faith in reliance upon this Agreement or any certificate, notice, judgment, demand, direction, consent, instruction, joint written instruction, or other document believed by the Escrow Agent to be genuine and properly executed, except to the extent that such action or omission constitutes the Escrow Agent's willful misconduct, gross negligence, or fraud.

12.4 Reliance on Facially Valid Documents and Signatures.

The Escrow Agent shall be entitled to rely, and shall be fully protected in relying, upon any judgment, certificate, notice, demand, direction, consent, instruction, joint written instruction, signature, or other communication or writing that is facially valid and purports to be signed, issued, or delivered by the proper Party, official, court, or other governmental authority. The Escrow Agent may assume that any person purporting to give any notice, execute any instrument, deliver any instruction, or make any statement in connection with this Agreement has been duly authorized to do so. The Escrow Agent shall have no duty to determine the authenticity of any such instrument or signature; the truth, accuracy, or completeness of any facts, statements, or representations contained therein; the propriety or validity of its execution, delivery, or service; or the authority or jurisdiction of the court or governmental body issuing any judgment or order.

12.5 No Duty to Investigate.

The Escrow Agent shall have no duty or obligation to investigate, determine, or verify the substance, legality, feasibility, permitting, engineering, funding, milestone performance, or other merits of any Qualifying Project; the sufficiency or validity of any written resolution or signed project agreement; or any factual statement, representation, or certification contained in a joint written instruction or other document delivered under this Agreement. The Escrow Agent's review shall be limited to determining the facial completeness of the documents and satisfaction of the express documentary requirements established by this Agreement.

12.6 Legal Counsel.

The Escrow Agent may consult with legal counsel of its own choosing concerning any matter arising under or relating to this Agreement. The Escrow Agent shall be fully protected in acting or refraining from acting in good-faith reliance upon the advice of such counsel. The reasonable fees and expenses of such counsel shall be paid by SpaceX in accordance with the applicable provisions of this Agreement.

12.7 Taxes.

Except for the reporting duties expressly imposed upon the Escrow Agent by this Agreement, the Escrow Agent shall have no responsibility for determining or paying any taxes arising from or relating to the Escrow Property, the Escrow Account, or any transaction contemplated by this Agreement. The Escrow Agent shall not be required to pay any tax unless SpaceX or the Party legally responsible for such tax has furnished the Escrow Agent with sufficient funds for that purpose. No tax, charge, assessment, or related expense may be deducted from the Escrow Property except as expressly authorized by this Agreement or by joint written instruction of SpaceX and the City.

12.8 No Duty to Institute or Defend Proceedings.

The Escrow Agent shall not be required to institute, prosecute, appear in, or defend any action, suit, arbitration, interpleader, or other proceeding involving this Agreement, the Escrow Property, or the Escrow Agent's duties or potential liability hereunder. At the request of a Party, the Escrow Agent may elect, in its sole discretion, to institute, prosecute, appear in, or defend such a proceeding, but only after receiving indemnity, security, or other assurances satisfactory to the Escrow Agent against all resulting claims, liabilities, costs, and expenses, including reasonable attorneys' fees. The Escrow Agent's decision not to institute, prosecute, appear in, or defend any such proceeding shall not constitute a breach of this Agreement.

12.9 Termination Documentation.

Upon the termination of this Agreement, the Escrow Agent may request from SpaceX and the City such additional certificates, satisfactions, releases, acknowledgments, assurances, or other documents as the Escrow Agent reasonably determines are necessary to evidence the termination of this Agreement and the discharge of its duties. No such request shall delay a disbursement or refund otherwise required by this Agreement, alter the Parties' substantive rights, or expand the conditions for termination established by this Agreement.

ARTICLE XIII — ESCROW-LEVEL DISPUTE RESOLUTION AND CONFLICTING INSTRUCTIONS

13.1 Freeze Upon Conflicting Instructions.

If the Escrow Agent receives instructions or claims from two or more Parties that, in the Escrow Agent's reasonable judgment, conflict or are inconsistent with each other or with this Agreement, the Escrow Agent shall immediately freeze the Escrow Account and refrain from

taking action with respect to the Escrow Property, other than continued investment in accordance with Article III, until the conflict is resolved.

13.2 Notice of Conflict.

Promptly after freezing the Escrow Account, the Escrow Agent shall provide written notice to all Parties describing the conflicting instructions and requesting joint written instructions resolving the conflict.

13.3 Dispute Resolution Regarding Escrow Amount.

Any dispute that may arise under this Agreement with respect to (a) the delivery or right to possession of the Escrow Property, or any portion thereof; (b) the facts upon which the Escrow Agent's determinations are based; (c) the duties of the Escrow Agent hereunder; and (d) any other questions arising under this Agreement regarding the Escrow Property, shall be finally determined by (i) mutual agreement of SpaceX and the City (evidenced by appropriate instructions in writing to the Escrow Agent signed by SpaceX and the City) within thirty (30) days after such dispute arises, or (ii) a court of competent jurisdiction; provided, however, that the foregoing shall not be construed to preclude SpaceX and the City from resolving any dispute arising hereunder by mutual agreement in accordance with clause (i) above at any time; provided further, that if the Escrow Agent has deposited the Escrow Property with a court pursuant to Section 13.5 hereof, the dispute shall be determined by such court. The Escrow Agent shall be under no duty to institute or defend any proceeding relating to any such dispute and none of the costs and expenses of any such proceeding shall be borne by the Escrow Agent. Pending the resolution of any dispute as provided in this Section 13.3, the Escrow Agent is authorized and directed to retain in the Escrow Account the Escrow Property or the portion of the Escrow Property that is the subject of or involved in the dispute.

13.4 Escrow Agent Removal.

The Escrow Agent may be removed at any time by mutual agreement of SpaceX and the City by giving not less than thirty (30) days' prior written notice to the Escrow Agent. Prior to the expiration of such thirty (30)-day period, SpaceX and the City shall designate, by mutual consent, a successor escrow agent that is mutually acceptable to SpaceX, the City, and the Brownsville Public Utilities Board as required by Section 14.2. If no successor escrow agent is appointed within such thirty (30)-day period, the Escrow Agent may deposit the Escrow Property with a court of competent jurisdiction as provided in Section 13.5 hereof, whereupon the Escrow Agent shall be discharged of all duties and obligations hereunder.

13.5 Interpleader.

Notwithstanding anything herein to the contrary, if the conflict remains unresolved for ten (10) business days after the Escrow Agent's notice under Section 13.2 (which notice shall satisfy any prior-notice requirement for a deposit of the Escrow Property into court), the Escrow Agent may, in its sole discretion and without liability, commence an interpleader action in a court of competent jurisdiction in Cameron County, Texas, deposit the Escrow Property with the court, and upon that deposit be discharged from further duties and obligations hereunder. The Escrow Agent shall provide at least ten (10) days' prior written notice to SpaceX and the City before

depositing the Escrow Property with a court. All costs and expenses of the interpleader action, including reasonable attorneys' fees, shall be paid by SpaceX.

13.6 Escrow-Level vs. Contract-Level Disputes.

This Article XIII governs operational disputes concerning the Escrow Property, the Escrow Account, and the duties of the Escrow Agent. Broader disputes arising under this Agreement or the MOU that are not specific to the Escrow Agent's administration of the Escrow Property shall be resolved under Article XXI.

ARTICLE XIV — RESIGNATION AND SUCCESSOR ESCROW AGENT

14.1 Resignation.

The Escrow Agent may resign by providing not fewer than ninety (90) calendar days' prior written notice to SpaceX and the City. Resignation shall not become effective until a successor Escrow Agent has been appointed, accepted the appointment, and received the Escrow Property and related records.

14.2 City Appointment of Successor.

Upon receipt of the Escrow Agent's resignation notice, the City shall appoint a successor Escrow Agent within sixty (60) calendar days. The successor shall be a national bank, federally chartered trust company, or state-chartered trust company located in the United States, independent of the Parties, and mutually acceptable to SpaceX, the City, and the Brownsville Public Utilities Board.

14.3 Court Appointment.

If the City fails to appoint a successor Escrow Agent within the sixty (60)-day period, the resigning Escrow Agent or any Party may petition a court of competent jurisdiction in Cameron County, Texas, to appoint a successor meeting the requirements of Section 14.2. The costs of that petition shall be paid by SpaceX.

14.4 Successor Acceptance.

The successor Escrow Agent shall execute an acknowledgment substantially in the form of Exhibit C and shall assume the duties of the Escrow Agent upon receipt of the Escrow Property and related records.

14.5 Continued Administration During Transition.

Until the transfer to the successor Escrow Agent is complete, the resigning Escrow Agent shall continue to hold and administer the Escrow Property under this Agreement. The refund, suspension, and disbursement provisions of Articles V and VI remain applicable during the transition.

14.6 Transfer to Successor.

Upon appointment and acceptance by the successor Escrow Agent, the resigning Escrow Agent shall transfer the Escrow Property, together with all books, records, and documents relating thereto, to the successor within five (5) business days. Upon completion of the transfer, the

resigning Escrow Agent shall be discharged from future duties and obligations hereunder, subject to any obligations that survive termination or discharge.

ARTICLE XV — INDEMNIFICATION

15.1 SpaceX Indemnification of Escrow Agent.

SpaceX shall indemnify, defend, and hold harmless the Escrow Agent and its directors, officers, employees, and agents from and against any and all claims, demands, losses, damages, liabilities, costs, and expenses, including reasonable attorneys' fees and costs of litigation, arising out of or relating to: (a) the performance by the Escrow Agent of its duties hereunder in good faith and in accordance with this Agreement; (b) any dispute between SpaceX and the City; (c) any third-party claim relating to the Escrow Property; or (d) the Escrow Agent's compliance with any court order or legal process. This indemnification shall not apply to losses resulting from the Escrow Agent's gross negligence, willful misconduct, or fraud.

15.2 City Indemnification of Escrow Agent.

Subject to applicable law, the limitations and protections otherwise applicable to the City under this Agreement, and the availability of appropriated funds, and except with respect to claims, losses, liabilities, damages, costs, or expenses resulting from the Escrow Agent's willful misconduct, gross negligence, or fraud, the City shall indemnify, defend, and hold harmless the Escrow Agent and its officers, directors, shareholders, partners, employees, representatives, and agents from and against any claim made against any such indemnified person by SpaceX arising out of or relating to this Agreement, but only to the extent such claim does not arise from the negligence or misconduct of any indemnified person. Nothing in this Section waives or shall be construed as waiving any governmental immunity, defense, limitation of liability, appropriation requirement, or other protection available to the City under applicable law or any other provision of this Agreement.

15.3 Several Indemnification of Escrow Agent for Third-Party Claims.

SpaceX, on one hand, and the City, on the other hand, on a several basis and not a joint and several basis, shall indemnify and hold the Escrow Agent, its officers, directors, shareholders, partners, employees and agents harmless from any claim made by any third party arising out of or relating to this Agreement, such indemnification to include all costs and expenses incurred by the Escrow Agent, including reasonable attorneys' fees.

15.4 City Limitations.

The City's obligations under this Agreement are limited by the doctrine of governmental immunity as provided by the laws of the State of Texas. Nothing in this Agreement shall be construed as a waiver of the City's governmental immunity, and the City does not waive, and expressly reserves, all defenses available to it under the Texas Tort Claims Act (Texas Civil Practice & Remedies Code, Chapter 101) and all other applicable law.

15.5 No Waiver of Immunity.

Nothing in this Agreement shall be construed as creating any obligation or liability on the part of the City that would require the expenditure of public funds beyond those specifically

appropriated for the purpose of this Agreement. The City's participation in this Agreement does not waive, and shall not be construed as waiving, any immunity, defense, or limitation of liability available to the City under applicable law.

ARTICLE XVI — FEES AND EXPENSES

16.1 SpaceX Responsibility.

SpaceX shall pay all fees, costs, and expenses of the Escrow Agent arising under or in connection with this Agreement, including without limitation: (a) annual Escrow Agent fees; (b) account-maintenance fees; (c) investment-management fees; (d) wire-transfer fees; (e) legal fees incurred by the Escrow Agent; (f) tax-preparation and reporting fees; and (g) extraordinary fees or expenses incurred in connection with conflicting instructions, interpleader actions, or other disputes.

16.2 No Deduction from Escrow Property.

Under no circumstances shall any fees, costs, or expenses be deducted from, charged against, offset against, or paid out of the Escrow Property or any investment earnings thereon. The Escrow Property shall remain whole and undiminished by any fees or expenses throughout the term of this Agreement.

16.3 Fee Schedule.

The Escrow Agent's fee schedule is set forth in Exhibit F and incorporated herein by reference. The Escrow Agent shall invoice SpaceX directly for all fees and expenses, and SpaceX shall pay all undisputed invoices within thirty (30) days after receipt.

16.4 Survival.

SpaceX's obligation to pay fees and expenses shall survive termination of this Agreement with respect to fees and expenses incurred before or in connection with termination.

ARTICLE XVII — NOTICES

17.1 Form of Notice.

All notices, requests, demands, consents, instructions, certificates, and other communications required or permitted under this Agreement shall be in writing and shall be deemed given when delivered personally, sent by overnight courier or certified mail with confirmation of delivery, or transmitted by email with confirmation of receipt. A Party may change its notice address by at least five (5) days' written notice to the other Parties.

17.2 Addresses.

Notices shall be directed to the Parties at the following addresses (or at such other address as a Party may designate by notice given in accordance with this Section):

If to SpaceX:

Space Exploration Technologies Corp.
1 Rocket Road
Starbase, Texas 78521
Attention: Legal
Email: StarbaseLegal@SpaceX.com

If to the City:

City Attorney
City of Brownsville
1001 E. Elizabeth Street
Brownsville, Texas 78520
Email: cityattorney@brownsvilletx.gov

If to the Escrow Agent:

PlainsCapital Bank, a Texas banking association
7201 N 10th St.
McAllen, Texas 78504
Attention: Yvonne A. Trevino, Senior Vice President
Email: yvonne.trevino@plainscapital.com

If to the Brownsville Public Utilities Board:

General Counsel/Chief Legal Officer
Brownsville Public Utilities Board
1425 Robin Hood Drive
Brownsville, Texas 78521
Email: LegalServicesDL@brownsville-pub.com
CC: pgonzalez@brownsville-pub.com; aabastian@brownsville-pub.com

17.3 Change of Address.

A Party may change its notice address or email address by at least five (5) days' written notice to the other Parties.

ARTICLE XVIII — REPRESENTATIONS AND WARRANTIES

18.1 SpaceX Representations.

SpaceX represents and warrants to the City and the Escrow Agent as follows:

(a) Authority. SpaceX is duly organized, validly existing, and in good standing under the laws of Texas, and has full corporate power and authority to execute, deliver, and perform this Agreement. The execution, delivery, and performance of this Agreement have been duly authorized by all necessary corporate action.

(b) Lawful Source of Funds. Each Funding Payment is derived from lawful sources, and its deposit does not violate any applicable law, regulation, or order, including applicable anti-money-laundering laws and regulations.

(c) No Adverse Claims. Each Funding Payment is free and clear of all liens, security interests, pledges, encumbrances, claims, and restrictions of any kind. No person or entity other than SpaceX has any right, title, interest, or claim to a Funding Payment when deposited.

18.2 City Representations.

The City represents and warrants to SpaceX and the Escrow Agent as follows:

(a) Authority. The City is a Texas home-rule municipality duly organized and existing under the laws of the State of Texas, with authority to execute, deliver, and perform this Agreement, subject to approvals required by the MOU and applicable law.

(b) Proper Approvals. The City has obtained, or will obtain before performance requires them, the approvals, authorizations, and consents necessary for execution and performance of this Agreement, and its execution and performance do not conflict with applicable law or any agreement binding upon the City.

18.3 Escrow Agent Representation.

The Escrow Agent represents that it is a national bank, federally chartered trust company, or state-chartered trust company located in the United States, independent of the Parties, has authority to enter into and perform this Agreement, and is mutually acceptable to SpaceX, the City, and the Brownsville Public Utilities Board.

ARTICLE XIX — NO THIRD-PARTY BENEFICIARIES

19.1 No Third-Party Beneficiaries.

Except as provided herein, this Agreement is made solely for the benefit of the Parties and their respective successors and permitted assigns. Nothing in this Agreement, express or implied, is intended to confer upon any other person or entity any legal or equitable right, benefit, remedy, or claim under or by reason of this Agreement. No ratepayer, utility customer, property owner, developer, contractor, project participant, or member of the public shall have rights or claims arising under this Agreement. For the avoidance of doubt, this Agreement is intended to benefit the BPUB and the SRWA, along with the Parties, in the funding of water and wastewater projects that expand water availability in Brownsville and the broader Cameron County community.

ARTICLE XX — AMENDMENTS AND ASSIGNMENT

20.1 Written Amendments.

This Agreement may be amended, modified, or supplemented only by a written instrument signed by all Parties. Any amendment to the MOU or to an obligation governed by the MOU must also satisfy the MOU's amendment requirements.

20.2 No Unilateral Amendments.

No Party may amend, waive, or vary a material escrow term, including the funding structure, refund conditions, investment restrictions, disbursement requirements, or termination provisions, through an instruction, certificate, or course of dealing. Each such change requires the written amendment described in Section 20.1.

20.3 Administrative Matters.

Changes to notice information, wire instructions, or other administrative details do not amend this Agreement, but shall be documented in writing and delivered to all Parties, along with BPUB, in accordance with Article XVII.

20.4 Non-Material Amendments.

Amendments to non-material terms (including administrative matters, notice addresses, and escrow agent fee schedules) may be executed by the City Manager on behalf of the City without further Commission approval, provided that such amendments do not alter any material term listed in Section 20.2.

20.5 Assignment.

This Agreement will inure to the benefit of and be binding upon the Parties and their respective successors and assigns. SpaceX may assign this Agreement, in whole or in part, to any entity that controls, is controlled by, or is under common control with SpaceX, or to a successor in a sale, spinoff, acquisition, or merger of SpaceX, provided (a) the assignee can lawfully perform the obligations of SpaceX, (b) the assignee has the net worth or financial capacity required to perform SpaceX's remaining Funding Payment obligations, and (c) SpaceX provides the City and the Escrow Agent with thirty (30) days' prior written notice together with evidence of the assignee's financial capacity as the City and BPUB may require. Any other assignment requires prior written consent of the other party.

ARTICLE XXI — DISPUTE RESOLUTION, GOVERNING LAW, AND VENUE

21.1 Dispute Resolution.

The Parties shall first attempt in good faith to resolve any dispute arising under this Agreement through negotiation among senior executives. If the dispute remains unresolved after thirty (30) days, the Parties shall, before resorting to litigation, try in good faith to settle the dispute by non-binding mediation under Chapter 154 of the Texas Civil Practice and Remedies Code. Nothing herein precludes provisional injunctive relief.

21.2 Governing Law.

This Agreement shall be governed by, construed in accordance with, and enforced under the laws of the State of Texas, without regard to conflicts-of-law principles that would require application of another jurisdiction's laws.

21.3 Venue.

Any action, suit, or proceeding arising out of or relating to this Agreement shall be brought exclusively in the state district courts located in Cameron County, Texas. Each Party submits to the jurisdiction of those courts and waives any objection to venue or inconvenient forum.

21.4 Expedited Arbitration of Qualifying Project Approval Disputes.

- a) **Scope.** This Section 21.4 applies solely to a dispute in which either SpaceX or the City contends that the other Party has unreasonably withheld, conditioned, or delayed approval of a proposed Qualifying Project under Section 2.2 of this Agreement ("Approval Dispute"). This Section 21.4 does not apply to, and no Party may invoke arbitration under this Section with respect to: (i) any dispute concerning the delivery, validity, or sufficiency of a Qualifying Activity Certificate under Section 5.6; (ii) any dispute concerning the classification, refund, redeposit, or treatment of Uncommitted Funds, Idle Uncommitted Funds, or Committed Funds under Article V; or (iii) any other approval, consent, instruction, certification, or determination required or permitted under this Agreement, except as expressly provided in Section 6.2. Disputes excluded from this Section 21.4 shall be resolved exclusively under Sections 21.1 through 21.3 or, with respect to escrow-level operational disputes, under Article XIII.
- b) **Prerequisite Exhaustion.** No Party may demand arbitration under this Section unless and until the Party has first (i) attempted in good faith to resolve the Approval Dispute through negotiation among senior executives for a period of not fewer than thirty (30) days after written notice of the Approval Dispute is delivered to the other Party, and (ii) if the dispute remains unresolved after such thirty (30)-day period, tried in good faith to settle the Approval Dispute by non-binding mediation under Chapter 154 of the Texas Civil Practice and Remedies Code for a period of not fewer than thirty (30) days. If the Approval Dispute remains unresolved after the negotiation and mediation periods described above, either Party may demand arbitration by written notice to the other Party and the Escrow Agent.
- c) **Single Arbitrator.** The Approval Dispute shall be resolved by a single arbitrator who (i) is admitted to the practice of law in the State of Texas, (ii) has not fewer than ten (10) years of experience in Texas municipal law, public infrastructure transactions, or public finance, and (iii) has no past or present relationship with any Party, BPUB, or SRWA that would give rise to a reasonable question of impartiality. The Parties shall attempt to agree on an arbitrator within fifteen (15) days after the demand for arbitration. If the Parties are unable to agree within such period, either Party may request that the presiding judge of the state district court in Cameron County, Texas, appoint an arbitrator meeting the foregoing qualifications.

- d) **Standard of Review.** The sole question before the arbitrator shall be whether the Party against whom the Approval Dispute is asserted has unreasonably withheld, conditioned, or delayed approval of the proposed Qualifying Project. In making this determination, the arbitrator shall apply the following standard: approval may be withheld only on the grounds that (i) the proposed project fails to satisfy the requirements of Section 1.15 of this Agreement, or (ii) a Legal Prohibition exists with respect to the proposed project. The arbitrator shall not substitute the arbitrator's judgment for the policy, planning, or engineering determinations of the City, BPUB, or SRWA, and shall give due deference to the public-purpose and community-benefit considerations inherent in the identification of Qualifying Projects under this Agreement and the MOU. The burden of establishing that approval has been unreasonably withheld shall rest with the Party asserting the Approval Dispute.
- e) **Venue, Governing Law, and Procedure.** The arbitration shall be conducted in Brownsville, Cameron County, Texas. The arbitration shall be governed by the laws of the State of Texas, including the Texas General Arbitration Act (Texas Civil Practice and Remedies Code, Chapter 171), and not by the Federal Arbitration Act (9 U.S.C. §§ 1–16) except to the extent federal law is mandatorily applicable and cannot be waived. The arbitrator shall conduct the proceeding in accordance with the following expedited schedule: (i) discovery, if any, shall be limited to the exchange of documents directly relevant to the Approval Dispute and shall be completed within thirty (30) days after the arbitrator's appointment; (ii) the hearing shall be conducted within sixty (60) days after the arbitrator's appointment; and (iii) the arbitrator shall render a written decision within thirty (30) days after the conclusion of the hearing. The arbitrator may extend any deadline set forth in this paragraph by not more than fifteen (15) days upon a showing of good cause by either Party.
- f) **Remedies; Limitation on Relief.** The arbitrator's authority is limited to determining whether the withholding Party has unreasonably withheld, conditioned, or delayed approval of the proposed Qualifying Project. If the arbitrator determines that approval has been unreasonably withheld, the arbitrator may issue a declaratory determination to that effect and may direct the withholding Party to act on the approval request within a period specified by the arbitrator, not to exceed thirty (30) days. The arbitrator shall not have authority to: (i) award monetary damages of any kind, including consequential, incidental, or punitive damages; (ii) order specific performance compelling the City to adopt a resolution, appropriate funds, or take any legislative or governmental action; (iii) modify, amend, or supplement this Agreement or the MOU; (iv) determine any issue other than whether approval has been unreasonably withheld under the standard set forth in Section 21.4(d); or (v) award any relief inconsistent with the governmental immunity, limitations of liability, or other protections available to the City under this Agreement or applicable law.
- g) **Costs.** Each Party shall bear its own attorneys' fees, costs, and expenses in connection with the arbitration. The fees and expenses of the arbitrator shall be shared equally by the Parties.

- h) **Preservation of Governmental Immunity.** The City's agreement to arbitrate Approval Disputes under this Section 21.4 is limited to the scope, procedures, and remedies expressly set forth herein and shall not be construed as a general waiver of, or consent to suit beyond, the City's governmental immunity under the laws of the State of Texas. The City expressly reserves all immunities, defenses, and limitations of liability available to it under the Texas Tort Claims Act (Texas Civil Practice and Remedies Code, Chapter 101), the Texas General Arbitration Act, and all other applicable law. No arbitration award or determination under this Section shall be enforceable against the City to the extent it would require the expenditure of public funds not specifically appropriated for the purpose of this Agreement or would constitute relief barred by the City's governmental immunity. The arbitrator shall not have jurisdiction to determine the scope or applicability of the City's governmental immunity.
- i) **Finality and Judicial Review.** The arbitrator's determination shall be final and binding on the Parties, subject to the grounds for vacatur, modification, or correction set forth in the Texas General Arbitration Act. Confirmation, vacatur, modification, or correction of an arbitration award shall be sought exclusively in the state district courts of Cameron County, Texas.

ARTICLE XXII — SEVERABILITY

22.1 General Severability.

If any provision of this Agreement is held invalid, illegal, or unenforceable by a court of competent jurisdiction, the remainder shall continue in effect and the invalid, illegal, or unenforceable provision shall be modified to the minimum extent necessary to make it valid and enforceable.

ARTICLE XXIII — COUNTERPARTS AND ELECTRONIC SIGNATURES

23.1 Counterparts.

This Agreement may be executed in any number of counterparts, including electronic PDF counterparts, each of which is an original, and all of which together shall constitute one and the same instrument.

23.2 Electronic Signatures.

Signatures transmitted by facsimile, portable document format (PDF), or other electronic means shall be deemed original signatures for all purposes and shall be binding upon the Parties. This Agreement may be executed and delivered electronically in accordance with the Texas Uniform Electronic Transactions Act (Texas Business & Commerce Code, Chapter 322) and the federal Electronic Signatures in Global and National Commerce Act (15 U.S.C. Section 7001 et seq.).

ARTICLE XXIV — INTEGRATION AND INTERPRETATION

24.1 Integration.

This Agreement, together with the MOU and the exhibits attached hereto, constitutes the entire agreement among the Parties with respect to the custody, restriction, investment, disbursement, and refund of the Escrow Property and supersedes prior agreements and understandings concerning that subject matter. The MOU governs the underlying Funding Payment obligations, project commitments, and suspension or termination rights; this Agreement governs escrow administration. If the two documents conflict, the MOU controls the underlying obligations and this Agreement controls the Escrow Agent's administration to the extent consistent with the MOU.

24.2 Public Information.

The City is subject to Chapter 552, Texas Government Code. SpaceX may mark genuinely confidential commercial information as such, and the City will use reasonable efforts to assert available exceptions, but cannot guarantee withholding.

24.3 Interpretation.

The word "including" means "including without limitation." The words "shall" and "will" have the same meaning.

24.4 No Presumption Against Drafter.

There will be no presumption against any party on the ground that such party was responsible for preparing this Agreement or any part of it.

ARTICLE XXV — TERMINATION

25.1 Termination Events.

This Agreement shall terminate upon the first to occur of the following:

- (a) all Escrow Property has been disbursed as Committed Funds in accordance with signed project agreements and this Agreement;
- (b) all Uncommitted Funds have been refunded to SpaceX in accordance with Article V and no Committed Funds remain in the Escrow Account; or
- (c) the Parties have agreed in a mutual written instrument to terminate this Agreement and have provided instructions addressing any remaining Escrow Property.

25.2 Effect of Termination.

Upon termination, the Escrow Agent shall be discharged from future duties and obligations hereunder, except for the obligation to provide a final escrow statement and any obligations expressly stated to survive termination. The indemnification obligations of Article XV, the fee obligations of Article XVI, and record-retention obligations shall survive termination.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Escrow Agreement as of the date first written above.

**SPACEEX:
SPACE EXPLORATION TECHNOLOGIES CORP.**

By: _____
Name: Sheila McCorkle
Title: VP, Starship Legal & Regulatory
Date: _____

**CITY:
CITY OF BROWNSVILLE, TEXAS**

By: _____
Name: Alan Guard
Title: City Manager
Date: _____

ATTEST:

By: _____
Name: Mayra Rios
Title: City Secretary

APPROVED AS TO FORM:

By: _____
Name: Guillermo (Will) S. Trevino
Title: City Attorney

**ESCROW AGENT:
PlainsCapital Bank, a Texas banking association**

By: _____
Name: Yvonne A. Trevino, CCTS
Title: Senior Vice President
Date: _____

SECTION 3: EXHIBITS TO ESCROW AGREEMENT

The following exhibits are incorporated into and form a part of the Escrow Agreement by reference. Each exhibit shall be completed, executed, and delivered in accordance with the terms and conditions set forth in the Escrow Agreement.

[Exhibits Omitted for Resolution]

Attachment “C”
Identified Projects and Milestones

- a. Potable reuse / wastewater reclamation. A wastewater treatment reclamation or potable-reuse project on the BPUB system of a scale sufficient to support an increase of Water Supply of approximately 8 MGD.
- b. SRWA Plant expansion. Expansion of the SRWA Plant, including refurbishment of existing wells and construction of new wells sufficient to expand Water Supply by approximately 10 MGD.

CERTIFICATE *of* SIGNATURE

REF. NUMBER

UMZAH-ZXEFT-W7BPW-FZ9C3

DOCUMENT COMPLETED BY ALL PARTIES ON

23 SEP 2026 02:23:54
UTC

SIGNER

GUILLERMO TREVINO

EMAIL

WILL.TREVINO@BROWNSVILLETX.GOV

TIMESTAMP

SENT

22 SEP 2026 19:37:47

VIEWED

23 SEP 2026 00:24:13

SIGNED

23 SEP 2026 00:29:07

SIGNATURE

Guillermo (Will) S. Trevino

IP ADDRESS

216.194.176.173

LOCATION

BROWNSVILLE, UNITED STATES

RECIPIENT VERIFICATION

EMAIL VERIFIED

23 SEP 2026 00:24:13

MAYRA RIOS

EMAIL

MAYRA.RIOS@BROWNSVILLETX.GOV

SENT

22 SEP 2026 19:37:47

VIEWED

23 SEP 2026 01:30:29

SIGNED

23 SEP 2026 01:31:05

Mayra A. Rios

IP ADDRESS

172.56.89.184

LOCATION

SAN ANTONIO, UNITED STATES

RECIPIENT VERIFICATION

EMAIL VERIFIED

23 SEP 2026 01:30:29



CERTIFICATE *of* SIGNATURE

REF. NUMBER

UMZAH-ZXEFT-W7BPW-FZ9C3

DOCUMENT COMPLETED BY ALL PARTIES ON

23 SEP 2026 02:23:54
UTC

SIGNER

JOHN COWEN

EMAIL

JOHN.COWEN@BROWNSVILLETX.GOV

TIMESTAMP

SENT

22 SEP 2026 19:37:47

VIEWED

23 SEP 2026 02:23:39

SIGNED

23 SEP 2026 02:23:54

SIGNATURE



IP ADDRESS

198.182.179.119

LOCATION

GRAPEVINE, UNITED STATES

RECIPIENT VERIFICATION

EMAIL VERIFIED

23 SEP 2026 02:23:39

