

AGENDA ITEM NO. 9

SUBJECT: Resolution No. 2025-3-4 authorizing an Asset Purchase Agreement with the City of Bryan ("Bryan"), relating to the purchase by Bryan of certain Agency substation assets, and the purchase by the Agency of certain Bryan transmission line assets; amending the FY2025 Annual Transmission System Capital Budget by appropriating funds for the Gibbons Creek to Greens Prairie 138 kV Line Reconductor Project; and resolving matters incidental and related thereto.

DISCUSSION: The City of Bryan owns the Dansby and Bryan East substations. TMPA owns equipment in these substations. The TMPA and Bryan equipment in the Dansby and Bryan East substations have, over the years, been comingled together to such an extent, that the situation has created operational, maintenance, and regulatory issues for Bryan and TMPA.

The Resolution that is proposed for consideration and action would resolve these issues by transferring ownership of the substation equipment to Bryan. The following is a summary of the terms and conditions of the proposed Asset Purchase Agreement:

- Bryan would purchase from TMPA the substation assets for net book value, \$3,238,620.
- TMPA would reserve the right to construct new transmission lines connecting to the substations.
- TMPA would purchase from Bryan the Gibbons Creek to Greens Prairie 138 kV transmission line for net book value, \$251,648. Bryan would reserve and continue to operate its electric distribution system that is built under the transmission line.
- TMPA would purchase from Bryan equipment (consisting mainly of poles) owned by Bryan in the Agency's Gibbons Creek to Bryan East 138 kV transmission line for net book value, \$2,008,691.
- Bryan has initiated a project to reconductor the Gibbons Creek to Greens Prairie 138 kV transmission line (the "Gibbons Creek to Greens Prairie 138 kV Reconductor Project"). TMPA will acquire this Project. At closing, TMPA would reimburse Bryan for actual costs incurred as of the date of closing. Thereafter, Bryan would continue to construct the Project to completion with the costs of the Project being borne by TMPA. The Resolution appropriates \$4,786,000 for this Project.

Since the net book value of the transmission assets being sold to Bryan exceed \$500,000 in the aggregate, TMPA is required under the Joint Operating Agreement to obtain approval of this transaction from the four Member Cities. Also under the Joint Operating Agreement, this Resolution will require a Super Majority Vote of the Board.

BACKUP MATERIAL: Asset Purchase Agreement
Capital Project Proposal

ACTION REQUESTED: Consideration and action on Resolution No. 2025-3-4

RESOLUTION NO. 2025-3-4

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE TEXAS MUNICIPAL POWER AGENCY ("AGENCY") AUTHORIZING AN ASSET PURCHASE AGREEMENT WITH THE CITY OF BRYAN ("BRYAN"), RELATING TO THE PURCHASE BY BRYAN OF CERTAIN AGENCY SUBSTATION ASSETS, AND THE PURCHASE BY THE AGENCY OF CERTAIN BRYAN TRANSMISSION LINE ASSETS; AMENDING THE FY2025 ANNUAL TRANSMISSION SYSTEM CAPITAL BUDGET BY APPROPRIATING FUNDS FOR THE GIBBONS CREEK TO GREENS PRAIRIE 138 KV LINE RECONDUCTOR PROJECT; AND RESOLVING MATTERS INCIDENTAL AND RELATED THERETO.

WHEREAS, the commingling of Agency and Bryan assets in Bryan's Dansby and Bryan East substations (the "Substation Assets") is creating operational, maintenance, and regulatory issues, causing these assets to be no longer useful in the operation of the Agency's Transmission System;

WHEREAS, in order to resolve the foregoing operational, maintenance, and regulatory issues, the Agency and Bryan desire to enter into an Asset Purchase Agreement, under which the Substation Assets will be acquired by Bryan, and TMPA will acquire from Bryan the Gibbons Creek to Greens Prairie 138 kV Line and Bryan assets in the Agency's Gibbons Creek to Bryan East 138 kV Line;

WHEREAS, the disposition of the Substation Assets in accordance with the terms of the Asset Purchase Agreement is advantageous to the Transmission System;

WHEREAS, in order to improve the reliability of the Gibbons Creek to Greens Prairie 138 kV Line, it is necessary to acquire from Bryan its project to reconductor the Line, which is currently in progress, and to continue such project to completion (the "Gibbons Creek to Greens Prairie 138 kV Line Reconductor Project");

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

1. That the above recitals are true and correct;
2. That the General Manager, or person acting at his direction, is authorized to execute the Asset Purchase Agreement, in substantially the same form as Exhibit "A",
3. That the General Manager, or person acting at his direction, may execute such further documents as may be necessary to close the transactions contemplated by the Asset Purchase Agreement, including a joint use or similar agreement authorizing Bryan to continue to maintain and operate its electric distribution system under the Gibbons Creek to Greens Prairie 138 kV line;
4. That the FY2025 Annual Transmission System Capital Budget is amended by appropriating (i) \$4,786,000 for the Gibbons Creek to Greens Prairie 138 kV Line Reconductor Project (ii) \$2,008,691, to acquire the City of Bryan's equipment (poles and related facilities) in the Gibbons Creek to Bryan East 138 kV

transmission line and (iii) \$251,648, to acquire the Gibbons Creek to Greens Prairie 138 kV transmission line;

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

PASSED AND APPROVED THIS 13TH DAY OF MARCH 2025.



Summer Spurlock, President
Board of Directors
Texas Municipal Power Agency

ATTEST:



Jesse Davis, Secretary
Board of Directors
Texas Municipal Power Agency



EXHIBIT "A"
ASSET PURCHASE AGREEMENT, ATTACHED

ASSET PURCHASE AGREEMENT

This Agreement is entered into between the Texas Municipal Power Agency (“TMPA”) and the City of Bryan, Texas (“Bryan”) on this ____ day of _____, 2025 (the “Effective Date”).

RECITALS

Bryan is the owner of the Bryan East and Dansby substations. Both Bryan and TMPA own equipment in these substations. The commingling of Bryan and TMPA equipment in these substations is creating maintenance and operational issues that require resolution. To resolve these issues, the parties desire that the TMPA equipment in these substations be sold to Bryan, in order that all of the equipment in these substations will be owned by Bryan.

As part of the same transaction, TMPA desires to purchase from Bryan the Gibbons Creek to Greens Prairie 138 kV transmission line and the poles and other equipment Bryan owns in TMPA’s Gibbons Creek to Bryan East 138 kV transmission line.

In addition, Bryan is undertaking its Gibbons Creek to Greens Prairie Reconductor Capital Project (the “Reconductor Project”). The parties desire that TMPA will purchase the Reconductor Project from Bryan.

AGREEMENT

In consideration of the mutual benefits and obligations of the parties as set forth herein, TMPA and Bryan agree as follows:

Section 1. CONVEYANCE OF TMPA EQUIPMENT TO BRYAN. TMPA agrees to convey to Bryan (i) the equipment located in the Bryan East Substation described in the Bill of Sale attached as Exhibit “A” and (ii) the equipment located in the Dansby Substation described in the Bill of Sale attached as Exhibit “B”. In consideration of these conveyances, Bryan agrees to pay TMPA at Closing \$2,425,516 for the TMPA assets in the Bryan East Substation and \$813,104 for the TMPA assets in the Dansby Substation.

Section 2. CONVEYANCE OF BRYAN EQUIPMENT TO TMPA. Bryan agrees to convey to TMPA (i) the Gibbons Creek to Greens Prairie 138 kV transmission line described in the Bill of Sale and Assignment of Easements attached as Exhibit “C” and (ii) poles and other equipment contained in TMPA’s Gibbons Creek to Bryan East 138 kV transmission line, described in the Bill of Sale attached as Exhibit “D”. In consideration of these conveyances, TMPA agrees to pay Bryan at Closing \$251,648 for the Gibbons Creek to Greens Prairie 138 kV transmission line and \$2,008,691 for the poles and other Bryan-owned equipment in the Gibbons Creek to Bryan East 138 kV transmission line.

Section 3. ACQUISITION OF CAPITAL PROJECT AS PART OF THIS EXCHANGE.

- a. PURCHASE OF RECONDUCTOR PROJECT. At Closing, TMPA will reimburse Bryan for Reimbursable Costs incurred to the date of Closing and thereby acquire the assets constructed by Bryan as of such date for the Reconductor Project. Thereafter, the Reconductor Project shall be owned by TMPA and Bryan shall complete the Reconductor Project at TMPA's expense in accordance with Section 7.

Section 4. RIGHTS RELATING TO FUTURE PROJECTS. Following Closing, TMPA shall have the right to construct and own future transmission lines connecting to the Bryan East and Dansby substations.

Section 5. PREREQUISITES TO CLOSING. The Closing shall occur at a mutually agreeable date and time after the following shall have occurred:

- a. This transaction is approved by the TMPA Board of Directors and by the four Member Cities in accordance with the Joint Operating Agreement, effective September 1, 2016, as amended (the "JOA").
- b. If a Certificate of Convenience and Necessity ("CCN") is required, TMPA obtains the CCN.

Section 6. CLOSING. At Closing:

- a. The parties will execute and deliver to Bryan the Bills of Sale substantially in the form of Exhibits "A" and "B".
- b. The parties will execute and deliver to TMPA two copies of the Bill of Sale and Assignment of Easements substantially in the form of Exhibit "C" (one for recording in Brazos County and one for recording in Grimes County) and one copy of the Bill of Sale substantially in the form of Exhibit "D".
- c. Bryan will deliver to TMPA the amount of \$3,238,620.
- d. TMPA will deliver to Bryan the amount of \$2,260,339.
- e. In addition, TMPA will deliver to Bryan the Reimbursable Costs incurred as of Closing for the Reconductor Project and the parties will deliver to TMPA a Bill of Sale for the assets constructed for such Project as of Closing similar to the form of Exhibit "D".

Section 7. CONSTRUCTION OF AND REIMBURSEMENT FOR RECONDUCTOR PROJECT FOLLOWING CLOSING. Following Closing, Bryan shall continue to completion the Reconductor Project, acting as TMPA's independent contractor. In this Agreement, "Reimbursable Costs" shall mean actual costs incurred by Bryan to construct the Reconductor Project plus benefit and overhead costs. TMPA shall reimburse to Bryan such costs within 20 days following the date of invoicing. Invoicing shall be on a monthly basis. If TMPA is late in the payment of any invoice, interest shall be paid as required by the Texas Prompt Payment Act. TMPA shall be the owner of the Reconductor Project assets constructed following Closing.

Section 8. TAX EXEMPT BONDS. It is the understanding of TMPA and Bryan that (i) TMPA acquired the facilities being conveyed to Bryan (for purposes of this Section, the "Bryan Acquired Property") and (ii) Bryan acquired the facilities being conveyed to TMPA (for purposes of this Section, the "TMPA Acquired Property") each with the proceeds of obligations, the interest on which is excludable from gross income for federal income tax purposes (collectively, the "Tax-Exempt Bonds") and, in connection each respective acquisition, both TMPA and Bryan, as the case may be, have made certain covenants, representations and provisions to assure compliance with the Internal Revenue Code of 1986, as amended (the "Code") and any regulations or rulings promulgated by the U.S. Department of the Treasury relating to Tax Exempt Bonds. TMPA and Bryan agree to take such action, or to refrain from such action, to ensure the Tax-Exempt Bonds applicable to the Bryan Acquired Property or the TMPA Acquired Property, as the case may be, satisfy such covenants, representations and provisions of the transferring party. Moreover, in the event that the Code is amended, or regulations or rulings are hereafter promulgated which impose additional requirements applicable to the Tax-Exempt Bonds or in the event that it is determined by a court of applicable jurisdiction that this Agreement fails to comply with the terms of the Code, then TMPA and Bryan agree to renegotiate, in good faith, to amend or replace this Agreement in order to comply with the additional requirements to the extent necessary to preserve the exemption from federal income taxation of interest on the Tax Exempt Bonds originally issued with respect to the Bryan Acquired Property or the TMPA Acquired Property, as the case may be.

Section 9. GOVERNING LAW. Except as provided in Section 8, this Agreement shall be governed by the laws of the State of Texas.

Section 10. COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which shall constitute an original but both or all of which, when taken together, shall constitute but one instrument. This Agreement may be delivered by the exchange of signed signature pages by facsimile transmission or by attaching a pdf copy to an email, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

[Remainder of page intentionally left blank. Signature page to follow.]

In Witness Whereof, the parties have executed this Agreement as of the Effective Date.

TEXAS MUNICIPAL POWER AGENCY

By: _____

Name: _____

Title: _____

CITY OF BRYAN, TEXAS

ATTEST:

Bobby Gutierrez, Mayor

Melissa Brunner, City Secretary

APPROVED AS TO FORM:

Thomas A. Leeper, City Attorney

EXHIBIT "A"
FORM OF BILL OF SALE

BILL OF SALE

This Bill of Sale is made entered into as of _____, 202__, by Texas Municipal Power Agency, a Texas municipal corporation ("Seller"), and the City of Bryan, Texas ("Purchaser"). Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Agreement (as hereinafter defined).

BACKGROUND

Seller and Purchaser entered into that certain Asset Exchange Agreement dated _____, 2025 (the "Agreement"), whereby Seller and Purchaser agreed to the exchange of certain electric transmission system assets.

In connection with and as a requirement of the Agreement, Seller and Purchaser enter into this Bill of Sale for the conveyance of the non-real property Purchased Assets shown on Exhibit A-1 to this Bill of Sale.

TRANSFER OF ASSETS

For the good and valuable consideration set forth in the Agreement, the receipt and sufficiency of which are acknowledged by Purchaser and Seller, Seller grants, sells, conveys, delivers and otherwise transfers to Purchaser all of Seller's right, title and interest in and to the Purchased Assets set forth on Exhibit A-1 attached to and incorporated by reference into this Bill of Sale, to have and to hold forever.

Seller represents and warrants to Purchaser: (a) that the Purchased Assets are free and clear of all Liens except for Existing Encumbrances; (b) that Seller has good title to the Purchased Assets; (c) that Seller has the lawful right and authority to sell and otherwise transfer all of Seller's right, title and interest in and to the Purchased Assets to Purchaser; (d) that Seller will warrant and defend the same in favor of Purchaser, its successors and assigns, against the claims and demands of all persons or entities claiming by, under or through Seller but not otherwise.

IT IS UNDERSTOOD AND AGREED THAT, EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES CONTAINED IN THE AGREEMENT:

THE TRANSFER AND CONVEYANCE BY SELLER AND ACCEPTANCE BY PURCHASER OF THE PURCHASED ASSETS, IS ON AN "AS IS," "WHERE IS" AND "WITH ALL FAULTS AND DEFECTS" BASIS;

PURCHASER HAS THOROUGHLY INSPECTED AND EXAMINED THE PURCHASED ASSETS TO THE EXTENT DEEMED NECESSARY BY PURCHASER IN ORDER TO ENABLE PURCHASER TO EVALUATE THE PURCHASE OF THE PURCHASED ASSETS ON THE FOREGOING BASIS; AND

PURCHASER IS RELYING SOLELY UPON ITS INSPECTIONS, EXAMINATION, AND EVALUATION OF THE PURCHASED ASSETS IN PURCHASING THE PURCHASED ASSETS ON AN “AS IS”, “WHERE IS” AND “WITH ALL FAULTS AND DEFECTS” BASIS, WITHOUT REPRESENTATION, WARRANTY, AGREEMENT OR STATEMENT BY SELLER OR ANYONE ACTING ON BEHALF OF SELLER, EXPRESS OR IMPLIED, OF ANY KIND OR NATURE.

This Bill of Sale may be signed in several counterparts, each of which will be fully effective as an original and all of which together will constitute one and the same instrument. Any signature to this Bill of Sale transmitted by facsimile or in PDF format via electronic mail will be deemed the equivalent of delivery of an original signature.

TEXAS MUNICIPAL POWER AGENCY,
a Texas municipal corporation

By: _____
Daniel Meadows, its General Manager

CITY OF BRYAN, TEXAS

ATTEST:

Bobby Gutierrez, Mayor

Melissa Brunner, City Secretary

APPROVED AS TO FORM:

Thomas A. Leeper, City Attorney

EXHIBIT A-1
Conveyance of TMPA assets in Bryan East Substation

The transmission assets owned by Seller in Purchaser's Bryan East Substation, the intention being that Purchaser shall own all transmission assets in the Substation, including the following equipment as listed in the City of Bryan / TMPA Interconnection Agreement Facility Schedule No. 1 relating to the East Substation:

- 138/69/12.5kV autotransformer (BREA TI)
- 69kV circuit breaker (BREA-9010)
- 138kV disconnect switches (BREA-8012(1600A), BREA-8021(1600A), BREA-8027(1600A), BREA-8022(1600A), BREA-8031(1600A), BREA-8032(1600A), BREA-804(1600A), BREA-8019 (1200A))
- 69kV disconnect switches (BREA-9011, BREA-9012 2000A)
- 12kV surge arrestors
- 60kV surge arrestors
- 108kV surge arrestors
- 120kV surge arrestors
- 75kVA station service transformer
- manual transfer switch
- potential transformers
- coupling capacitor voltage transformers
- current transformers
- fused disconnect switches
- motor operated disconnect
- 138kV control house, including inverter transfer switch, yard lighting control, DC breaker panel, AC breaker panel, synchscope
- bus work, structures, distribution bays, relaying, wiring, and conduit.

Seller reserves from the conveyance the following assets inside the Bryan East Substation as follows:

- TMPA's Gibbons Creek-Bryan East 138kV line terminating at BTU's dead-end structure as specified in the City of Bryan / TMPA Interconnection Agreement Facility Schedule No. 1 East Substation.
- Right-of-way and access necessary to maintain Seller's facilities

EXHIBIT “B”
FORM OF BILL OF SALE

BILL OF SALE

This Bill of Sale is made entered into as of _____, 202__, by Texas Municipal Power Agency, a Texas municipal corporation (“**Seller**”), and the City of Bryan, Texas (“**Purchaser**”). Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Agreement (as hereinafter defined).

BACKGROUND

Seller and Purchaser entered into that certain Asset Exchange Agreement dated _____, 2025 (the “**Agreement**”), whereby Seller and Purchaser agreed to the exchange of certain electric transmission system assets.

In connection with and as a requirement of the Agreement, Seller and Purchaser enter into this Bill of Sale for the conveyance of the non-real property Purchased Assets shown on Exhibit A-1 to this Bill of Sale.

TRANSFER OF ASSETS

For the good and valuable consideration set forth in the Agreement, the receipt and sufficiency of which are acknowledged by Purchaser and Seller, Seller grants, sells, conveys, delivers and otherwise transfers to Purchaser all of Seller’s right, title and interest in and to the Purchased Assets set forth on Exhibit A-1 attached to and incorporated by reference into this Bill of Sale, to have and to hold forever.

Seller represents and warrants to Purchaser: (a) that the Purchased Assets are free and clear of all Liens except for Existing Encumbrances; (b) that Seller has good title to the Purchased Assets; (c) that Seller has the lawful right and authority to sell and otherwise transfer all of Seller’s right, title and interest in and to the Purchased Assets to Purchaser; (d) that Seller will warrant and defend the same in favor of Purchaser, its successors and assigns, against the claims and demands of all persons or entities claiming by, under or through Seller but not otherwise.

IT IS UNDERSTOOD AND AGREED THAT, EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES CONTAINED IN THE AGREEMENT:

THE TRANSFER AND CONVEYANCE BY SELLER AND ACCEPTANCE BY PURCHASER OF THE PURCHASED ASSETS, IS ON AN “AS IS,” “WHERE IS” AND “WITH ALL FAULTS AND DEFECTS” BASIS;

PURCHASER HAS THOROUGHLY INSPECTED AND EXAMINED THE PURCHASED ASSETS TO THE EXTENT DEEMED NECESSARY BY PURCHASER IN ORDER TO ENABLE PURCHASER TO EVALUATE THE PURCHASE OF THE PURCHASED ASSETS ON THE FOREGOING BASIS; AND

PURCHASER IS RELYING SOLELY UPON ITS INSPECTIONS, EXAMINATION, AND EVALUATION OF THE PURCHASED ASSETS IN PURCHASING THE PURCHASED ASSETS ON AN “AS IS”, “WHERE IS” AND “WITH ALL FAULTS AND DEFECTS” BASIS, WITHOUT REPRESENTATION, WARRANTY, AGREEMENT OR STATEMENT BY SELLER OR ANYONE ACTING ON BEHALF OF SELLER, EXPRESS OR IMPLIED, OF ANY KIND OR NATURE.

This Bill of Sale may be signed in several counterparts, each of which will be fully effective as an original and all of which together will constitute one and the same instrument. Any signature to this Bill of Sale transmitted by facsimile or in PDF format via electronic mail will be deemed the equivalent of delivery of an original signature.

TEXAS MUNICIPAL POWER AGENCY,
a Texas municipal corporation

By: _____
Daniel Meadows, its General Manager

CITY OF BRYAN, TEXAS

ATTEST:

Bobby Gutierrez, Mayor

Melissa Brunner, City Secretary

APPROVED AS TO FORM:

Thomas A. Leeper, City Attorney

EXHIBIT A-1
Conveyance of TMPA assets in Dansby Substation

The transmission assets owned by Seller in Purchaser's Dansby Substation, the intention being that Purchaser shall own all transmission assets in the Substation, including the following equipment as listed in the City of Bryan / TMPA Interconnection Agreement Facility Schedule No. 2 Dansby Substation:

- Termination on breaker side of 69kV switch BRDA-9012
- 138/69/12.5kV autotransformer (BRDA T1)
- 138kV circuit breaker (BRDA-8010, BRDA-8020, BRDA-8030, BRDA-8040)
- 138kV disconnect switches (BRDA-8017, BRDA-8011, BRDA-8012, BRDA-8021, BRDA-8027, BRDA-8022, BRDA-8037, BRDA-8031, BRDA-8032, BRDA-8041, BRDA-8042, BRDA-8019, BRDA-8062)
- 69kV circuit breaker (BRDA-9010)
- 69kV disconnect switches (BRDA-9011, BRDA-9012)
- 12kV surge arresters
- 60kV surge arresters
- 84kV surge arresters (Jack Creek Line)
- 120kV surge arresters (3 on Atkins Line, 3 on Hearne Line)
- 75kVA station service transformer
- 50kVA station service transformer
- manual transfer switch
- potential transformers
- coupling capacitor voltage transformer
- current transformers (3 on Atkins Line, 3 on Hearne Line)
- fused disconnect switches
- Control house
- bus work, structures, insulators, connectors, distribution bays, associated protective relaying, wiring, and conduit.

Seller reserves from the conveyance the following assets inside the substation as follows:

- TMPA's Dansby-Triangle Park 138kV line terminating at BTU's dead-end structure as specified in the City of Bryan / TMPA Interconnection Agreement Facility Schedule No. 2 Dansby Substation.
- Right-of-way and access necessary to maintain Seller's facilities

EXHIBIT “C”
FORM OF BILL OF SALE AND ASSIGNMENT OF EASEMENTS

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

BILL OF SALE AND ASSIGNMENT OF EASEMENTS

This Bill of Sale and Assignment of Easements is made entered into as of _____, 202__, by the City of Bryan, Texas, a home rule municipality (“**Seller**”) and Texas Municipal Power Agency, a Texas municipal corporation (“**Purchaser**”). Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Agreement (as hereinafter defined).

BACKGROUND

Seller and Purchaser entered into that certain Asset Exchange Agreement dated _____, 2025 (the “**Agreement**”), whereby Seller and Purchaser agreed to the exchange of certain electric transmission system assets.

In connection with and as a requirement of the Agreement, Seller and Purchaser enter into this Bill of Sale and Assignment of Easements for the conveyance of the assets shown on Exhibits A-1 and A-2 to this Bill of Sale and Assignment of Easements.

BILL OF SALE

For the good and valuable consideration set forth in the Agreement, the receipt and sufficiency of which are acknowledged by Purchaser and Seller, Seller grants, sells, conveys, delivers and otherwise transfers to Purchaser all of Seller’s right, title and interest in and to the Purchased Assets set forth on Exhibit A-1 attached to and incorporated by reference into this Bill of Sale and Assignment of Easements (the “A-1 Purchased Assets”), to have and to hold forever.

Seller represents and warrants to Purchaser: (a) that the A-1 Purchased Assets are free and clear of all Liens except for Existing Encumbrances; (b) that Seller has good title to the A-1 Purchased Assets; (c) that Seller has the lawful right and authority to sell and otherwise transfer all of Seller’s right, title and interest in and to the A-1 Purchased Assets to Purchaser; (d) that Seller will warrant and defend the same in favor of Purchaser, its successors and assigns, against the claims and demands of all persons or entities claiming by, under or through Seller but not otherwise.

IT IS UNDERSTOOD AND AGREED THAT, EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES CONTAINED IN THE AGREEMENT:

THE TRANSFER AND CONVEYANCE BY SELLER AND ACCEPTANCE BY PURCHASER OF THE A-1 PURCHASED ASSETS, IS ON AN “AS IS,” “WHERE IS” AND “WITH ALL FAULTS AND DEFECTS” BASIS;

PURCHASER HAS THOROUGHLY INSPECTED AND EXAMINED THE A-1 PURCHASED ASSETS TO THE EXTENT DEEMED NECESSARY BY PURCHASER IN ORDER TO ENABLE PURCHASER TO EVALUATE THE PURCHASE OF THE A-1 PURCHASED ASSETS ON THE FOREGOING BASIS; AND

PURCHASER IS RELYING SOLELY UPON ITS INSPECTIONS, EXAMINATION, AND EVALUATION OF THE A-1 PURCHASED ASSETS IN PURCHASING THE PURCHASED ASSETS ON AN “AS IS”, “WHERE IS” AND “WITH ALL FAULTS AND DEFECTS” BASIS, WITHOUT REPRESENTATION, WARRANTY, AGREEMENT OR STATEMENT BY SELLER OR ANYONE ACTING ON BEHALF OF SELLER, EXPRESS OR IMPLIED, OF ANY KIND OR NATURE.

ASSIGNMENT OF EASEMENTS

For the same consideration, Seller has sold, conveyed, assigned and transferred, and by these presents does sell, convey, assign and transfer unto Purchaser the transmission line easements described on Exhibit A-2 attached hereto (hereinafter, the “Transmission Easements”).

TO HAVE AND TO HOLD the Transmission Easements, together with all and singular, the rights and appurtenances thereto in anywise belonging unto the said Purchaser, its successors and assigns forever; and Seller does hereby bind itself, its successors and assigns, to warrant and forever defend all and singular the said Transmission Easements unto the said Purchaser, its successors and assigns, against every person whomsoever lawfully claiming, or to claim the same or any part thereof by, through, or under Seller, but not otherwise.

This Bill of Sale and Assignment of Easements may be signed in several counterparts, each of which will be fully effective as an original and all of which together will constitute one and the same instrument. Any signature to this Bill of Sale transmitted by facsimile or in PDF format via electronic mail will be deemed the equivalent of delivery of an original signature.

TEXAS MUNICIPAL POWER AGENCY,
a Texas municipal corporation

By: _____
Daniel Meadows, its General Manager

CITY OF BRYAN, TEXAS

ATTEST:

Bobby Gutierrez, Mayor

Melissa Brunner, City Secretary

APPROVED AS TO FORM:

Thomas A. Leeper, City Attorney

STATE OF TEXAS

COUNTY OF BRAZOS

This instrument was acknowledged before me on the ____ day of _____, 202__, by Daniel Meadows, the General Manager of Texas Municipal Power Agency, a Texas municipal corporation on behalf of said corporation, for the purposes and consideration therein expressed.

Notary Public, State of Texas

STATE OF TEXAS

COUNTY OF BRAZOS

This instrument was acknowledged before me on the ____ day of _____, 202__, by Bobby Gutierrez, Mayor of the City of Bryan, Texas, a Texas home rule municipality, on behalf of said municipality, for the purposes and consideration therein expressed.

Notary Public, State of _____

EXHIBIT A-1

Conveyance of City of Bryan's Gibbons Creek to Greens Prairie 138 kV Transmission Line

Those certain electric facilities, in place, known as the Gibbons Creek-Greens Prairie 138kV Transmission Line, between the Gibbons Creek Steam Switchyard in Grimes County, Texas, and the City of College Station, Texas, extending from the dead-end structure in the Gibbons Creek Switchyard owned by TMPA in Grimes County, Texas, to the dead-end structure in the Greens Prairie substation owned by the City of College Station, in Brazos County, Texas, consisting of (i) one circuit of a double circuit line for 7.4 miles on single pole concrete structures (the "7.4 Mile Portion"), (ii) 4.1 miles of single circuit on steel and concrete single pole structures (the "4.1 Mile Portion"), and (iii) 1.5 miles of double circuit (the "1.5 Mile Portion") on steel single pole structures with the second circuit being owned by the City of College Station, and being foundations, steel and concrete structures, cross-arms, insulators, static wire, associated hardware and electric conductors (hereinafter, the "Transmission Facilities"). Without limiting the foregoing, the Transmission Facilities include approximately 5.6 miles of poles, hardware, and 48-count optical ground wire, 13.0 miles of conductor, and approximately 65 concrete and steel poles.

There is excepted from this conveyance and Transmission Facilities hereby conveyed by Seller shall not include the following:

- a. The structures, owned by TMPA, on the 7.4 Mile Portion.
- b. The second circuit and structures, owned by the City of College Station, Texas, on the 1.5 Mile Portion.
- c. The Distribution Facilities, owned by Seller, described in Exhibit B of the Non-Exclusive Partial Assignment of Easement Agreement For Electrical Utilities, dated _____, 2025.

Exhibit "A-2"

TRANSMISSION EASEMENTS

The easements utilized for the Gibbons Creek to Greens Prairie 138 kV Transmission Line, including the following easements conveyed to the Texas Municipal Power Agency as recorded in the Real Property Records of Brazos County, Texas:

1. Grantor: Lillian Weaver
Volume 1230, Page 823
2. Grantor: Travelers Insurance Company
Volume 1233, Page 108
3. Grantor: Anderson/Stephen
Volume 1251, Page 663
4. Grantor: First National Bank of Bryan
Volume 1244, Page 346
5. Grantor: Dolly Olden
Volume 1231, Page 5
6. Grantor: James Creagor
Volume 1231, Page 10
7. Grantor: Jerry Windham and Frank Thurmond
Volume 1231, page 15
8. Grantor: Louise Marsh Reeves
Volume 1231, Page 20
9. Grantor: Esterline Smith
Volume 1230, Page 816
10. Grantor: Johnnie Mae Allen
Volume 1230, Page 830
11. Grantor: Vivian Duren et al
Volume 1230, Page 837
12. Grantor: Sheila Ford et al
Volume 1230, Page 845
13. Grantor: Delores Payne et al
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After recording, return to:

Texas Municipal Power Agency
Attention: General Manager
P.O. Box 7000
Bryan, Texas 77805

EXHIBIT “D”
FORM OF BILL OF SALE

BILL OF SALE

This Bill of Sale is made entered into as of _____, 202__, by the City of Bryan, Texas, a home rule municipality (“**Seller**”) and Texas Municipal Power Agency, a Texas municipal corporation (“**Purchaser**”). Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Agreement (as hereinafter defined).

BACKGROUND

(A) Seller and Purchaser entered into that certain Asset Exchange Agreement dated _____, 2025 (the “**Agreement**”), whereby Seller and Purchaser agreed to the exchange of certain electric transmission system assets.

(B) In connection with and as a requirement of the Agreement, Seller and Purchaser enter into this Bill of Sale for the conveyance of the non-real property Purchased Assets shown on Exhibit A-1 to this Bill of Sale.

TRANSFER OF ASSETS

For the good and valuable consideration set forth in the Agreement, the receipt and sufficiency of which are acknowledged by Purchaser and Seller, Seller grants, sells, conveys, delivers and otherwise transfers to Purchaser all of Seller’s right, title and interest in and to the Purchased Assets set forth on Exhibit A-1 attached to and incorporated by reference into this Bill of Sale, to have and to hold forever.

Seller represents and warrants to Purchaser: (a) that the Purchased Assets are free and clear of all Liens except for Existing Encumbrances; (b) that Seller has good title to the Purchased Assets; (c) that Seller has the lawful right and authority to sell and otherwise transfer all of Seller’s right, title and interest in and to the Purchased Assets to Purchaser; (d) that Seller will warrant and defend the same in favor of Purchaser, its successors and assigns, against the claims and demands of all persons or entities claiming by, under or through Seller but not otherwise.

IT IS UNDERSTOOD AND AGREED THAT, EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES CONTAINED IN THE AGREEMENT:

THE TRANSFER AND CONVEYANCE BY SELLER AND ACCEPTANCE BY PURCHASER OF THE PURCHASED ASSETS, IS ON AN “AS IS,” “WHERE IS” AND “WITH ALL FAULTS AND DEFECTS” BASIS;

PURCHASER HAS THOROUGHLY INSPECTED AND EXAMINED THE PURCHASED ASSETS TO THE EXTENT DEEMED NECESSARY BY PURCHASER IN

ORDER TO ENABLE PURCHASER TO EVALUATE THE PURCHASE OF THE PURCHASED ASSETS ON THE FOREGOING BASIS; AND

PURCHASER IS RELYING SOLELY UPON ITS INSPECTIONS, EXAMINATION, AND EVALUATION OF THE PURCHASED ASSETS IN PURCHASING THE PURCHASED ASSETS ON AN “AS IS”, “WHERE IS” AND “WITH ALL FAULTS AND DEFECTS” BASIS, WITHOUT REPRESENTATION, WARRANTY, AGREEMENT OR STATEMENT BY SELLER OR ANYONE ACTING ON BEHALF OF SELLER, EXPRESS OR IMPLIED, OF ANY KIND OR NATURE.

This Bill of Sale may be signed in several counterparts, each of which will be fully effective as an original and all of which together will constitute one and the same instrument. Any signature to this Bill of Sale transmitted by facsimile or in PDF format via electronic mail will be deemed the equivalent of delivery of an original signature.

TEXAS MUNICIPAL POWER AGENCY,
a Texas municipal corporation

By: _____
Daniel Meadows, its General Manager

CITY OF BRYAN, TEXAS

ATTEST:

Bobby Gutierrez, Mayor

Melissa Brunner, City Secretary

APPROVED AS TO FORM:

Thomas A. Leeper, City Attorney

EXHIBIT A-1
Conveyance of City of Bryan assets in TMPA'S Gibbons Creek to Bryan East 138 kV
Transmission Line

The transmission assets owned by Seller in Purchaser's Gibbons Creek to Bryan East 138 kV Transmission Line, the intention being that Purchaser shall own all transmission assets related to this line, including 34 concrete poles and associated hardware, and 4 steel poles and associated hardware

CERTIFICATE OF CHIEF FINANCIAL OFFICER

I, the undersigned, am the Chief Financial Officer of the Texas Municipal Power Agency (the "Agency") within the meaning of Section 5.09 of the Series 2021 Bond Resolution, the Series 2025 Bond Resolution, and the Reconstituted Series A Note Resolution (collectively, the "Bond/Note Resolutions"). In accordance with Section 5.09, I hereby make the following certifications to the Board. Capitalized terms used herein but not defined shall have the meanings set forth in the Bond/Note Resolutions.

1. The Board has authorized the sale to the City of Bryan of certain substation equipment through the adoption of Resolution 2025-3-4 on March 13, 2025 (the "Sale"). The Resolution has also authorized a partial assignment of easements to the City of Bryan (the "Assignment").

2. The Transmission System will not be materially adversely affected by the Sale and the Sale will not materially adversely affect the rates and charges charged by the Agency for the services provided by the Transmission System.

3. In my opinion as Chief Financial Officer, the Sale will not impair the ability of the Agency to comply during the current or any future year with the provisions of Section 5.02 of the Bond/Note Resolutions.

4. The Assignment does not result in a breach of the conditions set forth in Section 5.02 of the Bond/Note Resolutions.

Witness my hand this 17 day of March, 2025.

By: Lyndi Birkhead

Signature: 

Title: Chief Financial Officer

TEXAS MUNICIPAL POWER AGENCY CAPITAL PROJECT PROPOSAL

PROJECT TITLE: Gibbons Creek-Greens Prairie 138kV Reconductor					
DATE OF REQUEST: 01/31/2025		PROJECT MANAGER: Clay Lindstrom - BTU			
		☐ GP&L ☐ DME			
TOTAL PROJECT COST: \$4,786,000		START DATE: 09/02/2024		CAPITAL PLAN YEAR: 2025	
CASH FLOW \$ SPENT	FY25: \$ 2,393,000	FY26: \$ 2,393,000	FY27: \$	FY28: \$	FY29: \$
YEAR(S) \$ PLACED IN-SVC	FY25: \$	FY26: \$ 4,786,000	FY27: \$	FY28: \$	FY29: \$
☐ UPGRADE ☒ REPLACEMENT ☐ NEW CONSTRUCTION ☐ Reimbursable by TXDOT ☐ Reimbursable by _____		EXISTING TMPA ASSETS RELATED TO THIS PROJECT: Gibbons Creek-Greens Prairie 138kV line			
DESCRIPTION OF PROJECT (INCLUDING BACKGROUND, ASSUMPTIONS, & PROJECT BENEFITS): This project includes reconductoring 15 miles of the Gibbons Creek-Greens Prairie 138kV line using 1033.5 ACSS "curlew" and replacing 3 dead-end structures and miscellaneous hardware. The reconductor upgrade is necessitated due to the long-range planning study indicating reliability concerns . The cost estimate is \$4,786,000 that includes a 15% contingency. The cost estimate assumes no structure changes will be required by TXDOT nor any other re-routing or permitting issues. This capital proposal is associated with a potential transmission asset exchange between BTU and TMPA and will be considered by the TMPA Board in conjunction with the asset exchange agreement.					

TEXAS MUNICIPAL POWER AGENCY CAPITAL PROJECT PROPOSAL

Will this project require a new Interconnection Agreement (IA) or changes to an existing IA? Explain: This is an existing T-line 138 KV line jointly owned by BTU and TMPA	☐ Yes ☒ No
Will this project increase/decrease oil storage or hazardous chemical inventory or capacity? Explain: No new transformers/hazardous materials	☐ Yes ☒ No
Were security improvements evaluated and/or included in the project scope? Explain:	☐ Yes ☒ No

COST BREAKDOWN	
Labor	\$ 1,734,000
Materials	\$ 2,034,000
Contract Services	\$ 0
Engineering Consulting	\$ 394,000
Misc. Expenses	\$ 624,000
TOTAL	\$ 4,786,000

COST BREAKDOWN BASIS:
See above values as listed

Estimation Levels: P1 = Budget/Preliminary (+/- 30%) P2 = Conceptual (+/- 20%) P3 = Detail Design (+/- 10%) Estimate Level: ☐ P1 ☒ P2 ☐ P3	Over \$100K in Professional Services: ☒ Yes ☐ No Is land acquisition or right of ways procurement required? ☐ Yes ☒ No Does project involve asset retirement? If yes, please provide detail: ☐ Yes ☒ No
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SIGNATURES	
Project Manager: <i>Clay Lindstrom</i>	Date: 2/25/25
Supervisor: <i>[Signature]</i>	Date: 25 FEB 2025
Utility General Manager: <i>[Signature]</i>	Date: 2-28-25
TMPA CFO: <i>Lyndi Birkhead</i>	Date: 2.28.25
TMPA General Manager: <i>David Meadows</i>	Date: 02-28-2025