

SECTION 14: CHOICE OF LAW. This Agreement shall be governed exclusively by the applicable laws of the State of Texas. Venue for disputes shall be in the District Court of Travis County, Texas.

SECTION 15: ASSIGNABILITY. This Agreement shall not be assignable by the parties hereto, in whole or in part, and any attempted assignment shall be void and of no force and effect.

SECTION 16: ENTIRE AGREEMENT. This Agreement evidences the entire Escrow Agreement between the Escrow Agent and the Authority and supersedes any other agreements, whether oral or written, between the parties regarding the Proceeds or the Escrow Account. No modification or amendment of this Agreement shall be valid unless the same is in writing and is signed by the Authority and consented to by the Escrow Agent and the TWDB.

SECTION 17: VALIDITY OF PROVISIONS. If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

SECTION 18: COMPENSATION FOR ESCROW SERVICES. The Escrow Agent shall be entitled to compensation for its services as stated in Exhibit A, which compensation shall be paid by the Authority but may not be paid directly from the Escrow Account.

SECTION 19: NO BOYCOTT OF ISRAEL. To the extent this Agreement is a contract for goods or services within the meaning of Section 2270.002 of the Texas Government Code, as amended the Bank hereby verifies that the Bank is a company (as defined in Section 808.001(2), Texas Government Code) which does not boycott Israel and will not boycott Israel through the term of this Agreement. For purposes of this verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

SECTION 20: IRAN, SUDAN AND FOREIGN TERRORISTS ORGANIZATIONS. To the extent this Agreement is a governmental contract, within the meaning of Section 2252.151 of the Texas Government Code, as amended, the Bank represents that it is not a company (as defined in Section 2270.0001(2), Texas Government Code) engaged in business with Iran, Sudan, or a foreign terrorist organization (as defined in Section 2252.151(2), Texas Government Code) and that it is not on a list prepared and maintained by the Comptroller of Public Accounts of the State of Texas under Sections 2270.0201 or 2252.153, Texas Government Code.

[remainder of page left blank intentionally]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective upon signature of both parties.

GREATER TEXOMA UTILITY AUTHORITY

By: [Signature]
President, Board of Directors

Address: 5100 Airport Drive
Denison, Texas 75020

(Authority Seal)

[Signature]
Secretary, Board of Directors



(Bank Seal)

BOKF NA, as Escrow Agent

[Signature]
By: Bickel Tekete
Title: Vice President

Address: 5956 Sherry Lane, Suite 1201
Dallas, Texas 75225

ATTEST:

[Signature]
By: Tony Hongnoi
Title: Vice President

EXHIBIT A
Fee Schedule



Greater Texoma Utility Authority
Contract Revenue Bonds, Series 2019
(Bear Creek Special Utility District Project)

Texas Water Development Board
Escrow Account

Schedule of Fees

Acceptance Fee: WAIVED

One Time Escrow Account Setup/Administration Fee: \$850.00

For ordinary administrative services by Escrow Agent – includes daily routine account management; cash transaction processing (including wire and check processing); disbursement of funds in accordance with the agreement; and online access to trust account statements. This fee is payable in advance, with the first installment due at the time of Escrow Agreement funding/execution.

Fee is based on the following assumptions:

- Number of Deposits to Escrow Account: One (1)
- Withdrawals from the Escrow Fund: Per Direction

Charges for performing extraordinary or other services not contemplated at the time of the execution of the transaction or not specifically covered elsewhere in this schedule will be determined by appraisal in the amounts commensurate with the service provided.

Services not included in this Fee Schedule, but deemed necessary or desirable by you, may be subject to additional charges based on a mutually agreed upon fee schedule.

Our proposal is subject in all aspects to review and acceptance of the final financing documents which sets forth our duties and responsibilities.

If funds are invested outside the BOK Financial Money Market Funds an additional fee may be accessed on an annual basis to act as custodian.

Erin Fitzpatrick
Vice President
Tel: 972.892.9972
efitzpatrick@bokf.com


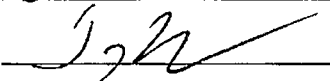
BOK Financial
Corporate Trust Services
5956 Sherry Lane, Suite 1201
Dallas, TX 75225

SIGNATURE IDENTIFICATION AND AUTHORITY CERTIFICATE OF
BOKF, N.A.

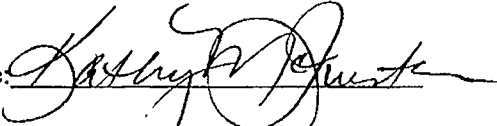
I, the undersigned, Kathy McQuiston, do hereby certify that:

1. I am a duly elected and acting Vice President of BOKF, NA (the "Bank"), and I am duly authorized to execute this certificate on its behalf.

2. That certain Escrow Agreement between Greater Texoma Utility Authority and the Bank, dated as of December 17, 2018 (the "Agreement") relating to the Greater Texoma Utility Authority Contract Revenue Bonds, Series 2019 (Bear Creek Special Utility District Project) was duly executed on behalf of the Bank by Biddel Tekeste and Tony Hongnoi both, at the time of executing and attesting the same were and are now duly elected and acting Vice President of the Bank and authorized to execute, attest and deliver the Agreement as evidenced by the resolutions or Bylaws contained in Exhibit "A". The resolutions or Bylaws contained in Exhibit "A" were duly adopted and are in full force and effect as of this date. There follows the names, offices and true and correct signatures of the aforesaid officers:

<u>Name</u>	<u>Office</u>	<u>Signature</u>
<u>Biddel Tekeste</u>	<u>Vice President</u>	
<u>Tony Hongnoi</u>	<u>Vice President</u>	

WITNESS my hand this JAN 03 2019.

Name: 
Title: Vice President

BOKF, NATIONAL ASSOCIATION

SECRETARY'S CERTIFICATE

October 19, 2012

The undersigned hereby certifies as follows:

1. That I am the duly elected Secretary of BOKF, NA, a national banking association.
2. That the following is a full, true, and correct copy of a Resolution unanimously adopted at a meeting of the Board of Directors of BOKF, NA on January 25, 2011, and it is still in full force and effect and has not been rescinded or modified:

RESOLVED, that the senior fiduciary officer of BOKF, NA shall be responsible for the day-to-day executive management of BOKF, NA. Trust Officers appointed from time to time by the Board of Directors and appointed Trust Committees shall have the authority to execute, on behalf of BOKF, NA contracts, documents, or papers pertaining to the performance of the fiduciary powers of BOKF, NA and, if necessary, to cause the seal of the organization to be affixed thereto; and the senior fiduciary officer of BOKF, NA shall designate those Trust Officers and staff members who are authorized and empowered, having established the limits of such authority, to purchase or otherwise acquire, sell, assign, transfer and deliver all shares of stocks, bonds, debentures, notes, real estate, evidence of indebtedness, deeds, conveyances, contracts, including oil and gas interests of all kinds and of contracts for the development thereof, and to execute mortgage, and releases of mortgage, on any and all property or securities now or hereafter standing in the name of the organization in any fiduciary capacity, and to make, execute, and deliver, any and all written instruments necessary or proper to effectuate the authority here delegated.

FURTHER RESOLVED, All other officers and agents designated by the Board of Directors and assigned to the Wealth Management Division shall, under the supervision of the senior fiduciary officer, perform any duties as may be required of such last named officer or agent, and may exercise any of the powers and authorities by this Resolution vested in him/her.

DATED this 19th day of October, 2012.

BOKF, NATIONAL ASSOCIATION

By:

Frederic Dorwart

Frederic Dorwart, Secretary



State of Oklahoma §
 §
County of Tulsa §

This Secretary's Certificate was acknowledged before me on this 19th day of October, 2012 by
Frederic Dorwart, Secretary of BOKF, NA, on behalf of BOKF, NA.

[SEAL]



Rachel Croft
Notary Public

My commission expires: 4/5/16
My commission number: 12003327

BOKF, NATIONAL ASSOCIATION


CERTIFICATION

AS OF APRIL 5, 2013

WHEREAS, there has been no change in the Resolution dated January 25, 2011 and certified by the duly elected Secretary of BOKF, National Association on October 19, 2012; and

WHEREAS, it remains the responsibility of the senior fiduciary officer of BOKF, NA to designate those officers who are authorized and empowered, having established the limits of such authority, to purchase or otherwise acquire, sell, assign, transfer, and deliver all shares of stocks, bonds, debentures, notes, real estate, evidence of indebtedness, deeds, conveyances, contracts, including oil and gas interest of all kinds, and contracts for the development thereof, and to execute mortgage, and release of mortgage, on any and all property or services now or hereafter standing in the name of the organization in any fiduciary capacity, and to make, execute, and deliver, any and all written instruments necessary or proper to effectuate the authority delegated; and,

IN WITNESS WHEREOF, the undersigned as the senior fiduciary officer of BOKF, National Association hereby attests that the Board Resolution dated January 25, 2011 and the Secretary's Certificate dated October 19, 2012 remain in full force and effect, and the attached list of designated and authorized officers are empowered to act on behalf of BOKF, National Association.



Barry C. Rooker
Senior Fiduciary Officer
BOKF, National Association

BOKF, NA

Legend:

EVP = Executive Vice President

SVP = Senior Vice President

VP = Vice President

AVP = Assistant Vice President

CIO = Chief Investment Officer

STO = Senior Trust Officer

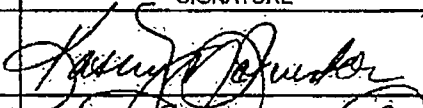



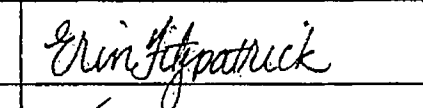
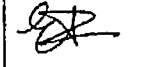

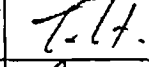
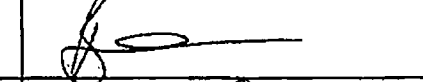


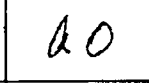
TO = Trust Officer

TOO = Trust Operations Officer

WEALTH MANAGEMENT DIVISION AUTHORIZED SIGNATURES AND INITIALS

Sorted by: (1) Location; (2) Department; (3) Name


 Division Manager

NAME	TITLE	SIGNATURE	INITIALS	DEPARTMENT	LOCATION (AZ, KS, MO, OK, NE, NM, TX)	600024642 Trust Funds	Dept. Mgr's Approval (Initials)				
Kathy McQuiston	Vice President			Corporate Trust	TX-Dallas						
Caresse Tankersley	Vice President			Corporate Trust	TX-Dallas						
Erin Fitzpatrick	Vice President			Corporate Trust	TX-Dallas						
Tony Hongnoi	Vice President			Corporate Trust	TX-Dallas						
Biddel Tekeste	Vice President			Corporate Trust	TX-Dallas						
Anthony Orozco	Officer			Corporate Trust	TX-Dallas						

WATER FACILITIES CONTRACT

THIS CONTRACT ("Contract") is made and entered into as of October 9, 2018, between the GREATER TEXOMA UTILITY AUTHORITY (hereinafter referred to as the "Authority"), a conservation and reclamation authority, a governmental agency, a political subdivision of the State of Texas, and a body politic corporate, duly created, existing and acting by virtue of Texas Special District Local Laws Code, Chapter 8283 (the "Act"), and the BEAR CREEK SPECIAL UTILITY DISTRICT, a Texas political subdivision (hereinafter referred to as the "District"), duly created and existing under the laws of the State of Texas:

W I T N E S S E T H:

WHEREAS, the Authority, acting pursuant to the Act, has issued or proposes to issue, or both, its bonds for the purposes of providing an additional supply of water to the District and certain water supply facilities in order to store and transport such water to the District; and

WHEREAS, certain revenues to be received by the Authority from the District under this Contract are to be pledged to the payment and security of the bonds to be issued by the Authority and will constitute the basis for the Authority's credit in financing such facilities and issuing such bonds; and

WHEREAS, the Authority and the District, acting through their duly constituted governing bodies pursuant to authority granted by Texas Government Code, Section 791.026, as amended, have mutually agreed upon the terms and conditions of this Contract; now, therefore

IN CONSIDERATION of the mutual covenants, agreements and undertakings herein set forth, the parties hereto hereby agree and contract as follows:

ARTICLE I DEFINITIONS

SECTION 1.01: Unless the context shall indicate a contrary meaning or intent, the terms below defined, for all purposes of this Contract and any contract amendatory or supplemental to this Contract shall be construed or used and are intended to have meanings as follows:

- (a) "Authority" shall mean the Greater Texoma Utility Authority, or its successor.
- (b) "Board" and "Board of Directors" shall mean the Board of Directors of the Authority.
- (c) "Bond Resolution" shall mean any resolution of the Board of Directors authorizing the issuance of the Bonds and providing for their security and payment, as such resolution(s) may be amended from time to time as therein permitted, where the proceeds from the sale of the Bonds will be used to discharge the cost of the Project.
- (d) "Bonds" shall mean any bonds payable from revenues to be received by the Authority from the District under this Contract and to be issued by the Authority for the purpose

of providing funds to pay the necessary costs of the Project, whether in one or more series or issues.

(e) "Cost of the Project" shall mean all cost and expense incurred in connection with the acquisition, construction, improvements, enlargement, extension and repair of the Project, including, without limiting the generality of the foregoing, the cost of the acquisition of all land, rights-of-way, property rights, easements, and interests, the cost of all machinery and equipment, financing charges, interest and administrative expenses expected to accrue during the period of construction, the funding of any reserve funds created by the Bond Resolution(s), cost of estimates and of engineering and legal services, plans, specifications, surveys, estimates of cost and of revenue, other expenses necessary or incident to determining the feasibility and practicability of acquiring, constructing, improving, enlarging, extending, or repairing the Project, and such other expense as may be necessary or incident to the acquisition, construction, improvement, enlargement, extension or repair of the Project and all legal fees, printing and other cost, fees and expenses necessary for or incident to the issuance of the Bonds.

(f) "District" shall mean the Bear Creek Special Utility District.

(g) "Engineer" shall mean a registered, professional engineer (who may be the District Engineer or the Authority's Engineer). The District and Authority agree that the Engineer may be a different firm on different aspects of the Project and that any Project will be acquired, constructed, improved, enlarged, extended and repaired in accordance with the plans and specifications prepared under the supervision of the Engineer. It is further agreed that an Engineer may be changed or added and the scope of duties adjusted by the Authority, subject to the consent of the District.

(h) "Fiscal Year" shall mean the twelve month operating period (under this Contract) commencing October 1st of each year, provided such twelve month period may be changed one time in any three calendar year period by agreement of the Authority and the District (which agreement, if made, shall be attached hereto as an exhibit).

(i) "Maintenance and Operation Expense of the Project" shall mean the expense of maintenance and operation of the Project including all salaries, labor, materials, interest, repairs, and replacements necessary to render efficient service, or which might be necessary to meet some physical accident or condition which would otherwise impair the security of the Bonds. Such term shall not include depreciation.

(j) "Operator" shall mean the party to the Contract who is designated, from time to time, by the parties with respect to each Project and, in the absence of such designation, shall mean the District.

(k) "Project" shall mean the water supply, storage and transmission facilities which are to be (i) constructed or acquired in order to meet the contractual obligations hereunder and (ii) financed by the Authority through the issuance of bonds or other obligations, to the extent the same are payable from the money paid or required to be paid by the District under this Contract or obtained as grant funds, from any source, for the purpose of paying all or part of the Cost of the Project described in each resolution or order of the District, duly passed prior to or subsequent to the date of this Contract, authorizing the issuance of Bonds by the Authority to finance the Costs of the Project.

ARTICLE II REPRESENTATIONS AND AGREEMENTS

SECTION 2.01: The District's Representations and Agreements. In connection with its undertakings hereunder, the District represents to the Authority and agrees with the Authority as follows:

(a) In its capacity as a duly organized political subdivision of the State of Texas, it is empowered under applicable laws of Texas to enter into the engagements prescribed for it under this Contract and to perform all obligations which may result therefrom, and its governing body has duly authorized execution of this Contract. Pursuant to Texas Government Code, Section 791.026, as amended, and to the extent required by the terms of that Section, the District agrees not to obtain water supply or services from any other source than pursuant to this Contract.

(b) It will timely pay to the Authority the full amount it is required to pay under the provisions of this Contract for the services supplied by the Authority for the Project.

(c) That it will plan, construct, maintain, operate and finance its own Water System and set retail rates to individual customers for water service adequate to pay all District obligations secured by and made payable from the revenues derived from the operation of the District's Water System (the "Water System").

(d) That it will cooperate with the Authority in the performance of the duties and responsibilities assigned to the Authority by this Contract.

SECTION 2.02: Representations and Agreements of Authority. In connection with its undertakings hereunder, the Authority represents to the District and agrees with the District as follows:

(a) In its capacity as a conservation and reclamation district created by the Act, pursuant to Article XVI, Section 59 of the Texas Constitution, it is empowered under applicable laws of the State of Texas, particularly under the Act, the Interlocal Cooperation Act, and the Texas Water Code, to enter into the engagements prescribed for it under this Contract and to perform all obligations which may result therefrom, and its governing body has duly authorized execution of this Contract.

(b) That it will finance all Costs of the Project not provided by the District and any grant secured for the construction of the Project.

SECTION 2.03: Construction. The Operator agrees to assume responsibility for the construction of the Project and the Authority will enter into such contracts as are necessary to construct the Project. To this end, the Authority and the District agree that:

(a) Unless otherwise agreed by the parties, the District be responsible for the preparation of final plans and specifications for the Project.

(b) Final plans and specifications for the Project shall be subject to the approval of the Authority and the District.

(c) All construction contracts shall be let and awarded pursuant to the laws applicable to the Authority.

(d) The Authority shall let and award all construction contracts, subject to the approval of each contract by the District.

(e) The Authority shall deposit from the proceeds from the sale of its Bonds in a special Construction Fund to be created and established by the Bond Resolution(s), an amount of money which shall be specified in said Bond Resolution(s). The Authority shall draw on and use said Construction Fund to pay the cost of acquiring, constructing, improving, extending, enlarging and repairing the Project.

(f) Unless otherwise agreed by the parties, the District shall be responsible for the acquisition of all land, rights-of-way, property rights, easements and interest required to provide the Project, subject to the approval of the District and the Authority.

ARTICLE III FISCAL MATTERS

SECTION 3.01: Payment for Service. The Authority will provide from the proceeds received through the issuance and sale of its Bonds such funds as are necessary, when coupled with any funds or property provided by the District and any grant received, for the purpose of providing all or part of the Project. It is agreed that the District and its customers shall have the exclusive use of the entire Project for the useful life of the Project. In consideration for the Authority's obligation hereunder, the District recognizes and agrees that the Authority will acquire an undivided interest in the Project equivalent to the percentage of the total cost of the Project provided by the Authority through the issuance and sale of its Bonds. It is further agreed that the District's obligations to make any and all payments specified in this Article and the ownership interest of the Authority in the Project will terminate when all of the Authority's Bonds issued in connection with the Project have been paid in full and retired and are no longer outstanding. It is further understood and agreed that the Authority's only source of funds to pay the principal of and interest on its Bonds is from the payments to be made by the District to the Authority under this Contract, and the District agrees that it will make to the Authority the following payments:

(a) Monthly amortization payment — Such amounts, payable monthly on or before the 10th day of each month, in approximately equal installments, as are necessary to pay (i) the principal coming due on the Authority's Bonds on the next succeeding principal payment date; (ii) the interest coming due on the Authority's Bonds on the next succeeding interest payment date; and, (iii) the fees and charges of the Paying Agent(s) for paying or redeeming the Bonds and interest thereon coming due on each applicable date.

(b) Reserve Fund Payment — Such amount as is required to be paid into the Reserve Fund from the Revenue Fund (out of payments to be made by the District) under the Bond Resolution in order to establish, maintain or replenish the Reserve Fund for the security and payment of Bonds.

(c) Administrative Payment — An amount sufficient to pay the administrative and overhead expenses of the Authority, directly attributable and chargeable to the Bonds and the Project, including the cost of routine annual accounting reports and the costs of all continuing disclosure undertakings.

(d) Extraordinary Expense Payment — Such amounts, as are necessary to pay or reimburse the Authority for any extraordinary or unexpected expenses or costs reasonably and necessarily incurred by the Authority in connection with the Bonds and the Project, such as expenses of litigation, if any, and costs of special studies and special professional services, if and when required by any governmental directive or regulation or as may be agreed between the District and the Authority.

(e) The cost of Maintenance and Operation of the Project (for which provision is made in Section 3.03) if the Authority is the Operator under that Section.

SECTION 3.02: Time for Making of Payments. The District agrees to make the payments required by Section 3.01 at the times hereafter specified:

(a) Monthly Amortization Payments — the District shall commence making monthly amortization payments at such time as any amount required by the Bond Resolution(s) to be deposited into an escrow account for the payment of interest on the Bonds during the Project construction period has been fully exhausted; provided that such payments shall commence in no event later than the earlier of (i) twelve months prior to the first principal payment date specified in the Bond Resolution(s), or (ii) six months prior to the first interest payment date for which moneys are not set aside for the payment of the interest coming due on such date from the proceeds of the Bonds. Monthly amortization payments shall continue to be made throughout the term of the Contract and shall be adjusted by the District so as to provide for the accumulation of the full amount of debt service requirements (principal, interest and paying agent fees due on any given payment date) on or before the first day of the month such debt service requirements become due.

(b) Reserve Fund Payment — the District shall commence making these payments on the 10th day of the following month, as may be provided in the Bond Resolution, after the delivery of the initial series of Bonds issued to provide the Project, and upon the issuance of additional Bonds, shall increase the payments in accordance with the Resolution authorizing such additional Bonds.

(c) Administrative Payment — the District shall commence making the administrative payment on the 10th day of the month following the effective date of this Contract, and thereafter such payment shall be made on the 10th day of each month thereafter throughout the term of this Contract.

(d) Extraordinary Expense Payment — the District shall make any extraordinary expense payment immediately upon receipt of the statement therefor.

(e) Maintenance and Operating Expenses: (i) if the District is designated as the Operator, such expenses shall be paid by the District as the same become due; or (ii) if the Authority is designated as the Operator, the District shall pay (up to the amount annually budgeted for such expenses) the amount which the Authority determines shall be required in such months, such payments to be made on or before the 10th day of each month after the Project becomes operational. The annual budget shall be prepared by the Authority at least thirty (30) days prior to the date the Project is to become operational, or, thereafter prior to the beginning of each Fiscal Year; the budget shall then be submitted to the District which may indicate exceptions or suggestions, which shall then be considered by the Board. If an annual budget is found to be insufficient or excessive, the parties agree the same shall be taken into consideration by an amendment as well as the budget for the following year, with the view that

additional payments shall be made or credit shall be given so that expenditures match receipts over the Fiscal Year or an adjustment is made in the following month.

SECTION 3.03: Maintenance and Operation of the Project. Unless otherwise agreed by the parties, it is agreed that the District will be responsible for maintaining and operating the Project for the entire term of this Contract, and shall pay all costs and expenses incurred in regard to the maintenance and operation of the Project. The District hereby agrees and covenants to operate and maintain the Project in accordance with accepted good business and engineering practices and in accordance with all applicable federal and state laws, including any rules and regulations issued by appropriate agencies in the administration of said laws. If the District is the Operator under this Section, the District agrees, to the extent allowed by law, to indemnify and to save and hold harmless the Authority from any and all, exclusive of costs caused by or associated with the Authority's negligence, claims, damages, losses, costs and expenses, including reasonable attorney fees, arising at any time from the acquisition, existence, ownership, operation and maintenance of the Project.

SECTION 3.04: Insurance. The Operator specifically agrees to carry fire, casualty, public liability, or other insurance on the Project for purposes and in amounts which would ordinarily be carried by a state political subdivision owning and operating such facilities. Such insurance will provide, to the extent feasible and practicable, for the restoration of damages or destroyed properties and equipment so as to minimize the interruption of services of such facilities. All premiums for such insurance shall constitute a Maintenance and Operation Expense of the Project.

SECTION 3.05: Covenant of Timely Payment. The District covenants that it will timely make (i) the monthly amortization payments and (ii) the additional payments specified hereunder in accordance with the provisions of this Contract as the same shall become due and payable, irrespective of whether service of the Project has been abandoned or discontinued, or if the Project has been rendered wholly or partially unusable by reason of "force majeure". The District recognizes the fact that the Authority will use the payment received from the District hereunder to pay, secure and finance the issuance of the Bonds, and the holders of the Bonds shall be entitled to rely upon the foregoing covenant of payment regardless of any other agreement that may exist between the Authority and the District.

SECTION 3.06: Late Payment Penalty. Should the District fail to make any payment at the time herein specified, interest on such amounts shall accrue at the rate of ten percent (10%) per annum from the date such payment becomes due until paid in full with interest as herein specified. In the event such payment is not made within sixty (60) days from the date such payment becomes due, the Authority may institute a proceeding for a mandatory injunction requiring the payment of the amount due and interest thereon, such action to be instituted in a court of competent jurisdiction.

SECTION 3.07: Priority of Charges - District to Fix Adequate Rates.

(a) The District represents and covenants that all payments to be made by it hereunder shall constitute "operating expenses" of the District's Water System.

(b) The District further agrees to fix and collect such rates and charges for water and services to its customers as will make possible the prompt payment of all expenses of operating and maintaining its Water System, including all payments, obligations and indemnities contracted hereunder.

SECTION 3.08: Nature of Obligation of District. The payments required to be made by the District under the terms of this Contract shall be due and payable in any and all events regardless of whether there shall be, for any reason, a delay in the completion of all or any part of the Project and regardless of whether the Project shall have been wholly or partially destroyed or damaged. The agreements of the District shall be and are separate and independent covenants and the District shall have no rights of set off, recoupment, or counterclaim. The Authority shall never have the right to demand payment of any amounts due hereunder by the District out of funds raised or to be raised by taxation. Any obligations assumed or imposed on either party hereto shall never be construed to be a debt of such party of a kind that would require it to levy and collect taxes to discharge any such obligation, it being expressly understood by the parties hereto that the funds required for all payments due from the District pursuant to this Contract are to be collected from the sources referenced herein, and from no other source.

ARTICLE IV MISCELLANEOUS PROVISIONS

SECTION 4.01: Contract Term. The obligation of the District to promptly make all prescribed payments shall commence with the effective date of this Contract and continue for the period during which the Bonds are outstanding and unpaid.

SECTION 4.02: Useful Life of Project. The District and Authority agree and mutually find that the anticipated useful life of the Project equals or exceeds the period specified in the Bond Resolution(s) for the maturity of all Bonds authorized to be issued.

SECTION 4.03: Abandonment of Use of Project. Except as provided by this Contract, the District may not obtain services provided for in this Contract from a source other than a contracting party. It is specifically recognized by the parties hereto that the District, during the term of this Contract, may acquire other facilities so as to make the continued operation of the Project uneconomical so it will be to the best interest of the parties to discontinue the operation of the Project.

Should the District choose to discontinue the operation of all or part of the Project, the District shall have the exclusive right to the salvage of all of the properties and improvements constituting the Project so discontinued. Any cost of salvage will be a maintenance and operating expense of the District, and any money realized from such salvage will serve as a reduction of such expense. The District shall retain the use of the land where the Project is situated and all remaining improvements thereon for its corporate purposes.

The abandonment of the use of the Project shall have no effect upon the obligations of the District to the Authority provided for by this Contract and all payments provided for by this Contract shall remain obligations of the District of the same nature as provided for by this Contract.

SECTION 4.04: Modification of Provisions. This Contract may be changed and modified only with the consent of the governing bodies of the Authority and the District. Such modification may be requested by either party, in which event a joint meeting of the governing bodies or of their duly authorized and appointed representative shall be held not less than thirty (30) days after the giving of such notice. At such joint meeting, the suggested changes or modifications shall be considered, discussed and settled. No such change or modification may be made which will affect adversely the payment when due of all moneys required to be paid by

the District under the terms of this Contract and no such change will be effective which affects adversely or causes a violation of any covenants contained in the Bond Resolution(s).

If for any reason the District may desire the construction of additional facilities over and above those now contemplated, and provided the same are within the legal and economic capabilities of the Authority, provision therefor shall be made by means of a supplement hereto, the terms of which are to be negotiated between the District and the Authority.

SECTION 4.05: Regulatory Provisions. This Contract shall be subject to all valid rules, regulations and laws applicable thereto, as promulgated by the United States of America, the State of Texas, or any other governmental body or agency having lawful jurisdiction or any authorized representative or agency of any of them.

SECTION 4.06: Taxes. In the event any sales or use taxes, or taxes of any nature, are hereafter imposed upon the Project or the Authority on account of the acquisition, existence, ownership, operation and maintenance of the Project, the amount of such taxes shall be treated as operating expenses of the Project.

SECTION 4.07: Title to Water and Sewage. Title to all water and sewage put into the Project under this Contract shall be in the District.

SECTION 4.08: Notices. Any notice, request, demand, statement or bill provided for in this Contract shall be in writing and shall be considered to have been fully delivered when sent by registered mail, addressed as follows:

To the Authority: 5100 Airport Drive
Denison, Texas 75020
Attention: President, Board of Directors

To the District: 16881 CR 541
Lavon, Texas 75166
Attention: General Manager

as the case may be, except that routine communications may be sent by ordinary mail and except that either party, by the filing of an appropriate written notice to the other, may specify some other individual to whom communications thereafter are to be addressed.

SECTION 4.09: Covenant to Enforce Contractual Obligations. The Authority covenants that it will enforce the obligations of the District hereunder as may be required to accomplish the purpose of this Contract. Either party may enforce any obligations hereunder owed to it by the other party.

SECTION 4.10: Consequences of District Default. The Authority and the District agree that in the event of default or threatened default, in the payment of principal of or interest on the Bonds, any court of competent jurisdiction upon petition of the holders of twenty-five percent (25%) of the principal amount of the then outstanding Bonds of the Authority shall appoint a receiver with authority to collect and receive all resources pledged to the payment of the Bonds, enforce all rights arising from default, if any, by the District in making payment under this Contract, and take charge of the pledged funds on hand and manage the proprietary affairs of the Authority insofar as such affairs relate to the Project. The court may further vest the

receiver with such powers and duties as the court may find necessary for the protection of the holders of the Bonds.

SECTION 4.11: Further Agreements of the Parties. The parties hereto specifically recognize that to the extent the District has heretofore issued, sold and delivered revenue bonds that were and are payable from and secured by a lien on and pledge of the net revenues of its Water System, and to the extent such bonds so issued and delivered are outstanding, the District has disclosed to the Authority the existence and terms of all such bonds.

Additionally, the District represents to the Authority that:

- (a) There is no provision in any resolution or order of the District which prohibits the District from entering into and executing this Contract.
- (b) The execution of this Contract and the operation thereunder will not in any way impair the obligation of contract by and between the District and any other person. The Project is in furtherance of governmental policy, not inconsistent with the existing contractual obligations of the District.

SECTION 4.12: Control of Project by Operator. The parties hereto recognize and it is specifically agreed that after completion of the Project and during the term of this Contract, the District shall have the exclusive right to the use and utilization of the Project, for the benefit of the District; that the District without hindrance from the Authority or the District, or the employees or other agents of either of them, may operate, maintain, repair, enlarge, improve, extend, provide for additions to or otherwise control, manage and keep up the said Project.

Except as specified in this Article, the abandonment of the use of all or part of such Project has no effect upon the obligations of the parties.

SECTION 4.13: Force Majeure.

(a) If for any reason of "force majeure" either of the parties hereto shall be rendered unable wholly or in part to carry out its obligation under this Contract, other than the obligation of District to make the payments required under the terms of Section 3.01 hereof, then if such party shall give notice and full particulars of such reasons in writing to the other party within a reasonable time after the occurrence of the event, or cause relied upon, the obligation of the party giving such notice, so far as it is affected by such "force majeure" shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such parties shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "force majeure" as employed herein shall mean acts of God, strikes, lock-outs, or other industrial disturbances, acts of a public enemy, orders or actions of any kind of the Government of the United States of America or of the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and people, civil disturbances, explosions, breakages or accident to dams, machinery, partial or entire failure of water supply and inability on the part of the Authority to deliver water hereunder or to provide sewage treatment or of the District to receive water or to deliver sewage treatment, on account of any other cause not reasonably within the control of the party claiming such inability. It is understood and agreed that the settlement of strikes and lock-outs shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any force majeure shall be remedied with all reasonable dispatch, shall not require the settlement of

strikes and lock-outs by acceding to the demands of the opposing parties when such settlement is unfavorable to it in the judgment of the party having the difficulty. No failure of Authority to meet any obligation by reason of force majeure shall relieve the District from its obligations to make the payments required under the terms of Section 3.01 hereof.

(b) No damage shall be recoverable from Authority by reason of the suspension of the operation of the Project due to any of the causes above mentioned. If Operator's ability to operate the Project is affected by any of such causes, the Operator shall promptly notify the other party in writing giving the particulars as soon as possible after the occurrence of the cause or causes for such interruption.

(c) It is expressly recognized by District that the Operator may be compelled to make necessary alterations, repairs or extensions of new or additional facilities from time to time during the life of this Contract, and any suspensions of the operation of the Project due to such operation shall not be cause for claim of damage on part of the Operator provided all reasonable effort is used by the Operator to provide District with the service afforded by the Project in accordance with this Contract. In such case, the Operator shall give the other party as much advance notice as may be practicable of the suspension of operation and of the estimated duration thereof.

SECTION 4.14: Easements. The District agrees that the Authority may have such easements over any easements, right of way or property held by the District so that the facilities herein anticipated and the placement thereof and of all required equipment may be appropriately provided.

SECTION 4.15: Bond Approval by the District.

(a) Prior to the issuance and delivery of any Bonds which are (i) payable as to principal, interest or redemption premium out of the debt service payments, or (ii) to provide facilities or service or any item which is to be maintained by the Authority utilizing any part of the base monthly payments, the District shall approve the issuance thereof as provided in this Section.

(b) If the Bonds are to be sold at a public sale, the governing body of the District shall, by resolution or order, approve (i) the "Notice of Sale" issued or proposed to be issued by the Authority prior to their delivery; and, (ii) the facilities to be constructed or acquired; or, if the Bonds are to be negotiated, or are refunding Bonds, the governing body of the District shall, by resolution or order approve either (i) the form of purchase agreement or (ii) the resolution authorizing the issuance of the Bonds.

(c) If the Bonds are to be exchanged for property or services or are to be privately placed, the governing body of the District shall, by resolution or order, approve (i) the form of the resolution adopted or to be adopted by the governing body of the Authority which authorizes the issuance of such Bonds; and (ii) the facilities to be constructed or acquired, or the services to be provided.

(d) The District and the Authority agree that the holders of the Bonds, and each party deemed a holder of a Bond by virtue of subrogation to the rights of the holders of the Bonds or otherwise, shall be express third-party beneficiaries of this Contract and shall have all available remedies pertaining to enforcement of this Contract.

SECTION 4.16: Severability. The parties hereto agree that if any of the provisions of this Contract contravene or be held invalid under the laws of the State, same shall not invalidate the whole Contract, but it shall be construed as though not containing that particular provision, and the rights and obligations of the parties shall be construed and in force accordingly.

[remainder of page left blank intentionally]

IN WITNESS WHEREOF, the parties hereto, acting under authority of their respective governing bodies, have caused this Contract to be duly executed in several counterparts, each of which shall constitute an original, all as of the day and year first above written.

GREATER TEXOMA UTILITY AUTHORITY

(Authority Seal)

By: 
President, Board of Directors

ATTEST:

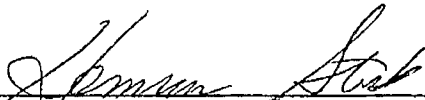


Secretary, Board of Directors



(District Seal)

BEAR CREEK SPECIAL UTILITY DISTRICT

By: 
President, Board of Directors

ATTEST:


Secretary, Board of Directors

**A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD
APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF
\$7,490,000 TO THE GREATER TEXOMA UTILITY AUTHORITY
FROM THE DRINKING WATER STATE REVOLVING FUND
THROUGH THE PROPOSED PURCHASE OF
\$7,490,000 GREATER TEXOMA UTILITY AUTHORITY
(BEAR CREEK SUD) CONTRACT REVENUE BONDS,
PROPOSED SERIES 2019**

(18 -137)

WHEREAS, the Greater Texoma Utility Authority (Authority), located in Grayson County, has filed an application for financial assistance on behalf of the Bear Creek Special Utility District (District) located in Collin County, in the amount of \$7,490,000 from the Drinking Water State Revolving Fund (DWSRF) to finance the planning, acquisition, design and construction of certain water system improvements identified as Project No. 62810; and

WHEREAS, the Authority seeks financial assistance from the Texas Water Development Board (TWDB) through the TWDB's proposed purchase of \$7,490,000 Greater Texoma Utility Authority (Bear Creek SUD) Contract Revenue Bonds, Proposed Series 2019 (together with all authorizing documents (Obligations)), all as is more specifically set forth in the application and in recommendations of the TWDB's staff; and

WHEREAS, the Authority has offered a pledge of contract revenue from the District as sufficient security for the repayment of the Obligations; and

WHEREAS, the commitment is approved for funding under the TWDB's pre-design funding option, and initial and future releases of funds are subject to 31 TAC § 371.13; and

WHEREAS, the TWDB hereby finds:

1. that the revenue pledged by the Authority will be sufficient to meet all the Obligations assumed by the Authority, in accordance with Texas Water Code § 15.607;
2. that the application and assistance applied for meet the requirements of the Safe Drinking Water Act, 42 U.S.C. §§ 300f *et seq.* as well as state law, in accordance with Texas Water Code § 15.607;
3. that the District has adopted and implemented a water conservation program for the more efficient use of water that will meet reasonably anticipated local needs and conditions and that incorporates practices, techniques or technology prescribed by the Texas Water Code and TWDB's rules;
4. that the TWDB has approved a regional water plan for the region of the state that includes the area benefiting from the project and the needs to be addressed by the

project will be addressed in a manner that is consistent with the approved regional and state water plans, as required by Texas Water Code § 16.053(j);

5. that a current water audit required by Texas Water Code § 16.0121 and 31 TAC § 358.6 has been completed by the District and filed with the TWDB in accordance with Texas Water Code § 16.053(j).

NOW, THEREFORE, based on these findings, the TWDB resolves as follows:

A commitment is made by the TWDB to the Greater Texoma Utility Authority for financial assistance in the amount of \$7,490,000 from the Drinking Water State Revolving Fund through the TWDB's proposed purchase of \$7,490,000 Greater Texoma Utility Authority (Bear Creek SUD) Contract Revenue Bonds, Proposed Series 2019. This commitment will expire on November 30, 2019.

Such commitment is conditioned as follows:

Standard Conditions

1. this commitment is contingent on a future sale of bonds by the TWDB or on the availability of funds on hand;
2. this commitment is contingent upon the issuance of a written approving opinion of the Attorney General of the State of Texas stating that all of the requirements of the laws under which said Obligations were issued have been complied with; that said Obligations were issued in conformity with the Constitution and laws of the State of Texas; and that said Obligations are valid and binding obligations of the Authority;
3. this commitment is contingent upon the Authority's compliance with all applicable requirements contained in 31 TAC Chapter 371;
4. the Obligations must provide that the Obligations can be called for early redemption only in inverse order of maturity, and on any date beginning on or after the first interest payment date which is 10 years from the dated date of the Obligations, at a redemption price of par, together with accrued interest to the date fixed for redemption;
5. the Authority, or an obligated person for whom financial or operating data is presented to the TWDB in the application for financial assistance either individually or in combination with other issuers of the Authority's Obligations or obligated persons, will, at a minimum, regardless of the amount of the Obligations, covenant to comply with requirements for continuing disclosure on an ongoing basis substantially in the manner required by Securities and Exchange Commission (SEC) in 17 CFR § 240.15c2-12 (Rule 15c2-12) and determined as if the TWDB were a Participating Underwriter within the meaning of such rule, such continuing

disclosure undertaking being for the benefit of the TWDB and the beneficial owners of the Authority's Obligations, if the TWDB sells or otherwise transfers such Obligations, and the beneficial owners of the TWDB's bonds if the Authority is an obligated person with respect to such bonds under SEC Rule 15c2-12;

6. the Obligations must contain a provision requiring the Authority to levy a tax and/or maintain and collect sufficient rates and charges to produce system revenues in an amount necessary to meet the debt service requirements of all outstanding obligations and to maintain the funds established and required by the Obligations;
7. the Obligations must include a provision requiring the Authority to use any loan proceeds from the Obligations that are determined to be remaining unused funds, which are those funds unspent after the original approved project is completed, for enhancements to the original project that are explicitly approved by the Executive Administrator or if no enhancements are authorized by the Executive Administrator, requiring the Authority to submit a final accounting and disposition of any unused funds;
8. the Obligations must include a provision requiring the Authority to use any loan proceeds from the Obligations that are determined to be surplus funds remaining after completion of the project and completion of a final accounting for the following purposes as approved by the Executive Administrator: (1) to redeem, in inverse annual order, the Obligations owned by the TWDB; (2) deposit into the Interest and Sinking Fund or other debt service account for the payment of interest or principal on the Obligations owned by the TWDB; or (3) deposit into a reserve fund;
9. the Obligations must contain a provision that the TWDB may exercise all remedies available to it in law or equity, and any provision of the Obligations that restricts or limits the TWDB's full exercise of these remedies shall be of no force and effect;
10. loan proceeds are public funds and, as such, the Obligations must include a provision requiring that these proceeds shall be held at a designated state depository institution or other properly chartered and authorized institution in accordance with the Public Funds Investment Act, Government Code, Chapter 2256, and the Public Funds Collateral Act, Government Code, Chapter 2257;
11. loan proceeds shall not be used by the Authority when sampling, testing, removing or disposing of contaminated soils and/or media at the project site. The Obligations shall include an environmental indemnification provision wherein the Authority agrees to indemnify, hold harmless and protect the TWDB from any and all claims, causes of action or damages to the person or property of third parties arising from the sampling, analysis, transport, storage, treatment and disposition of any contaminated sewage sludge, contaminated sediments and/or contaminated media that may be generated by the Authority, its contractors, consultants, agents, officials and employees as a result of activities relating to the project to the extent permitted by law;

12. prior to closing, the Authority shall submit documentation evidencing the adoption and implementation of sufficient system rates and charges or, if applicable, the levy of an interest and sinking tax rate sufficient for the repayment of all system debt service requirements;
13. prior to closing, and if not previously provided with the application, the Authority shall submit executed contracts for engineering and, if applicable, financial advisor and bond counsel contracts, for the project that are satisfactory to the Executive Administrator. Fees to be reimbursed under the contracts must be reasonable in relation to the services performed, reflected in the contract, and acceptable to the Executive Administrator;
14. prior to closing, when any portion of the financial assistance is to be held in escrow or in trust, the Authority shall execute an escrow or trust agreement, approved as to form and substance by the Executive Administrator, and shall submit that executed agreement to the TWDB;
15. the Executive Administrator may require that the Authority execute a separate financing agreement in form and substance acceptable to the Executive Administrator;
16. the TWDB retains the option to purchase the Obligations in separate lots and/or on an installment basis, with delivery of the purchase price for each installment to be paid against delivery of the relevant installment of Obligations as approved by the Executive Administrator;

Conditions Related to Tax-Exempt Status

17. the Authority's bond counsel must prepare a written opinion that states that the interest on the Obligations is excludable from gross income or is exempt from federal income taxation. Bond counsel may rely on covenants and representations of the Authority when rendering this opinion;
18. the Authority's bond counsel opinion must also state that the Obligations are not "private activity bonds." Bond counsel may rely on covenants and representations of the Authority when rendering this opinion;
19. the Obligations must include a provision prohibiting the Authority from using the proceeds of this loan in a manner that would cause the Obligations to become "private activity bonds" within the meaning of § 141 of the Internal Revenue Code of 1986, as amended (Code) and the Treasury Regulations promulgated thereunder (Regulations);
20. the Obligations must provide that no portion of the proceeds of the loan will be used, directly or indirectly, in a manner that would cause the Obligations to be "arbitrage

bonds" within the meaning of § 148(a) of the Code and Regulations, including to acquire or to replace funds which were used, directly or indirectly, to acquire Nonpurpose Investments (as defined in the Code and Regulations) which produce a yield materially higher than the yield on the TWDB's bonds that are issued to provide financing for the loan (Source Series Bonds), other than Nonpurpose Investments acquired with:

- a. proceeds of the TWDB's Source Series Bonds invested for a reasonable temporary period of up to three (3) years after the issue date of the Source Series Bonds until such proceeds are needed for the facilities to be financed;
- b. amounts invested in a bona fide debt service fund, within the meaning of § 1.148-1(b) of the Regulations; and
- c. amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed the least of maximum annual debt service on the Obligations, 125% of average annual debt service on the Obligations, or 10 percent of the stated principal amount (or, in the case of a discount, the issue price) of the Obligations;

21. the Obligations must include a provision requiring the Authority take all necessary steps to comply with the requirement that certain amounts earned on the investment of gross proceeds of the Obligations be rebated to the federal government in order to satisfy the requirements of § 148 of the Code. The Obligations must provide that the Authority will:

- a. account for all Gross Proceeds, as defined in the Code and Regulations, (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and retain all records of such accounting for at least six years after the final Computation Date. The Authority may, however, to the extent permitted by law, commingle Gross Proceeds of its Loan with other money of the Authority, provided that the Authority separately accounts for each receipt and expenditure of such Gross Proceeds and the obligations acquired therewith;
- b. calculate the Rebate Amount, as defined in the Code and Regulations, with respect to its Loan, not less frequently than each Computation Date, in accordance with rules set forth in § 148(f) of the Code, § 1.148-3 of the Regulations, and the rulings thereunder. The Authority shall maintain a copy of such calculations for at least six years after the final Computation Date;
- c. as additional consideration for the making of the Loan, and in order to induce the making of the Loan by measures designed to ensure the excludability of the interest on the TWDB's Source Series Bonds from the gross income of the owners thereof for federal income tax purposes, pay to the United States the

amount described in paragraph (b) above within 30 days after each Computation Date;

- d. exercise reasonable diligence to assure that no errors are made in the calculations required by paragraph (b) and, if such error is made, to discover and promptly to correct such error within a reasonable amount of time thereafter, including payment to the United States of any interest and any penalty required by the Regulations;
- 22. the Obligations must include a provision prohibiting the Authority from taking any action that would cause the interest on the Obligations to be includable in gross income for federal income tax purposes;
- 23. the Obligations must provide that the Authority will not cause or permit the Obligations to be treated as "federally guaranteed" obligations within the meaning of § 149(b) of the Code;
- 24. the transcript must include a No Arbitrage Certificate or similar Federal Tax Certificate setting forth the Authority's reasonable expectations regarding the use, expenditure and investment of the proceeds of the Obligations;
- 25. the transcript must include evidence that the information reporting requirements of § 149(e) of the Code will be satisfied. This requirement may be satisfied by filing an IRS Form 8038 with the Internal Revenue Service. In addition, the applicable completed IRS Form 8038 or other evidence that the information reporting requirements of § 149(e) have been satisfied must be provided to the Executive Administrator within fourteen (14) days of closing. The Executive Administrator may withhold the release of funds for failure to comply;
- 26. the Obligations must provide that neither the Authority nor a related party thereto will acquire any of the TWDB's Source Series Bonds in an amount related to the amount of the Obligations to be acquired from the Authority by the TWDB;

State Revolving Fund Conditions

- 27. the Authority shall submit outlay reports with sufficient documentation on costs on a quarterly or monthly basis in accordance with TWDB outlay report guidelines;
- 28. the Obligations must include a provision stating that all laborers and mechanics employed by contractors and subcontractors for projects shall be paid wages at rates not less than those prevailing on projects of a similar character in the locality in accordance with the Davis-Bacon Act, and the U.S. Department of Labor's implementing regulations. The Authority, all contractors, and all sub-contractors shall ensure that all project contracts mandate compliance with Davis-Bacon. All contracts and subcontracts for the construction of the project carried out in whole or

in part with financial assistance made available as provided herein shall insert in full in any contract in excess of \$2,000 the contracts clauses as provided by the TWDB;

29. the Obligations must include a provision stating that the Authority shall provide the TWDB with all information required to be reported in accordance with the Federal Funding Accountability and Transparency Act of 2006, Pub. L. 109-282, as amended by Pub. L. 110-252. The Authority shall obtain a Data Universal Numbering System (DUNS) Number and shall register with System for Award Management (SAM), and maintain current registration at all times during which the Obligations are outstanding;
30. the Obligations shall provide that all loan proceeds will be timely and expeditiously used, as required by 40 CFR § 35.3135(d), and also shall provide that the Authority will adhere to the approved project schedule;
31. The Obligations must contain a covenant that the Authority will abide by all applicable construction contract requirements related to the use of iron and steel products produced in the United States, as required by 31 TAC § 371.4 and related State Revolving Fund Policy Guidelines;

Drinking Water State Revolving Fund Conditions

32. prior to or at closing, the Authority shall pay a 2.15% origination fee to the TWDB calculated pursuant to 31 TAC Chapter 371 and the applicable Intended Use Plan;
33. prior to closing, the Texas Commission on Environmental Quality, must make a determination, the form and substance of which is satisfactory to the Executive Administrator, that the Authority has demonstrated the necessary financial, managerial, and technical capabilities to proceed with the project or projects to be funded with the proceeds of these Obligations;
34. prior to release of funds for professional consultants including, but not limited to, the engineer, financial advisor, and bond counsel, as appropriate, the Authority must provide documentation that it has met all applicable state procurement requirements as well as all federal procurement requirements under the Disadvantaged Business Enterprises program;

Pledge Conditions for the Loan

35. upon request by the Executive Administrator, the Authority shall submit annual audits of contracting parties for the Executive Administrator's review;
36. the Obligations must contain a provision requiring the Authority to maintain rates and charges sufficient to meet the debt service requirements on the outstanding debt Obligations that are being supported by the pledged contract revenues and will

further require its customers to maintain rates and charges sufficient to pay all of their revenue obligations arising from the operation of the water and sewer system;

37. the Obligations must contain a provision that the pledged contract revenues from the Authority may not be pledged to the payment of any additional parity obligations of the Authority secured by a pledge of the same contract revenues unless the Authority demonstrates to the Executive Administrator's satisfaction that the pledged contract revenues will be sufficient for the repayment of all Obligations and additional parity obligations;
38. prior to closing, the Authority must submit executed contracts between the Authority and the contracting parties regarding the contract revenues pledged to the payment of the Authority's Obligations, in form and substance acceptable to the Executive Administrator. Such contracts shall include provisions consistent with the provisions of this Resolution regarding the contracting parties' annual audits, the setting of rates and charges and collection of revenues sufficient to meet the Authority's debt service obligations and additional parity obligations.


PROVIDED, however, the commitment is subject to the following special conditions:

Special Conditions:

45. the Authority must notify the Executive Administrator prior to taking any actions to alter its legal status in any manner, such as by conversion to a conservation and reclamation district or a sale-transfer-merger with another retail public utility;
46. the Obligations must include a provision requiring that, prior to any action by the Authority to convey its Obligations held by the TWDB to another entity, the conveyance and the assumption of the Obligations must be approved by the TWDB;
47. The Authority shall not amend or revise the Water and Sewer Facilities contract with the District, which concerns the revenue source for the ledge, if the revision or amendment affects the financial condition of the Authority or its ability to repay the loan described in this Commitment without receiving the written approval of the Executive Administrator.

APPROVED and ordered of record this 12th day of November, 2018.

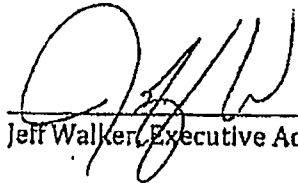
TEXAS WATER DEVELOPMENT BOARD



Peter M. Lake, Chairman

DATE SIGNED: 11/14/18

ATTEST:



Jeff Walker, Executive Administrator



GENERAL CERTIFICATE OF THE AUTHORITY

THE STATE OF TEXAS	§	
	§	GREATER TEXOMA UTILITY AUTHORITY
COUNTIES OF COLLIN, COOKE,	§	
FANNIN AND GRAYSON	§	

WE, the undersigned, President and Secretary, respectively, of the Board of Directors of the Greater Texoma Utility Authority in Collin, Cooke, Fannin, and Grayson Counties, Texas, DO HEREBY CERTIFY as follows:

1. This Certificate is executed in connection with the issuance of the \$7,490,000 "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2019 (Bear Creek Special Utility District Project)", dated January 1, 2019 (the "Bonds").

2. The Greater Texoma Utility Authority (formerly Greater Texoma Municipal Utility District) (the "Authority") is a governmental agency and body politic operating and existing under the provisions of Texas Special District Local Laws Code, Chapter 8283, as a conservation and reclamation district created pursuant to Article 16, Section 59 of the Constitution of Texas.

3. The boundaries of the Authority have not been altered or changed in any manner whatsoever since the approval by the Attorney General of Texas of the Authority's previous Series 2018 Contract Revenue Bonds (City of Paradise Project).

4. As of the date of issuance of the Bonds, the rents, revenues, and income to be derived from the facilities constructed, acquired, and improved or financed or refinanced by the Authority with the proceeds of the Bonds (including all of those amounts defined as "Pledged Revenue" in the resolution authorizing the Bonds) will not have in any manner been pledged or encumbered to the payment of any debt or obligation of the Authority or any other person other than the Bonds.

5. As of the date of issuance of the Bonds, "Water Facilities Contract" (the "Contract"), by and between said Authority and the Bear Creek Special Utility District attached to the bond resolution, is a true and correct copy of such Contract as effective on that date between the parties. The Contract has been duly authorized and is in compliance with any applicable statutory requirements. The Contract, as submitted to the Attorney General of Texas, is still in full force and effect and has not been amended or rescinded.

6. The duly qualified and acting members of the Board of Directors and officers of the Authority are as follows:

<u>Board Member</u>	<u>Title</u>
Brad Morgan	President
Donald Johnston	Vice President
Mark Kuneman	Secretary-Treasurer
Matt Brown	Member
Scott Blackerby	Member
Stanley Thomas	Member
Ken Brawley	Member
Anthony Richardson	Member
Drew Satterwhite	General Manager/Assistant Secretary

7. None of the above-mentioned directors of the Authority is also an officer, employee, or member of the governing body of a municipal corporation.

8. The Authority is not in default as to any covenant, condition, or obligation prescribed in the Contract, including any amendment or supplement thereto.

9. The Authority has not at any time entered into any contract of any nature with the United States or any branch or agency thereof.

10. Attached hereto as **Exhibit A** is a combined debt service schedule for the Bonds.

11. No litigation is pending before any federal or state court or administrative body or, to the best of our knowledge and belief, threatened in any way affecting the Contract, the existence of the Authority or the titles of its officials to their respective positions and that neither the Contract, the corporate existence or the boundaries of the Authority, nor the right to hold office of any member of the governing body of the Authority or any other officer of the Authority is being contested or otherwise questioned.

12. The Authority is exempt from the provisions of the Texas Water Code, Section 49.181, as amended, which Section requires approval of certain bond issues to be given by the Texas Commission on Environmental Quality, because, in accordance with subsection (h)(4) of such Section, the Authority is governed by a board of directors appointed in whole or in part by the governing body or chief elected official of a municipality or county, and the Authority does not provide, or propose to provide, water, sewer, drainage, reclamation, or flood control services to residential retail or commercial customers as its principal function.

13. With respect to the contracts contained within the transcript of proceedings filed with the Attorney General in connection with the issuance of the Bonds, the Authority received, if required, a completed disclosure of interested parties form and certification of filing (collectively a "Form 1295") from the business entity contracting with the Authority pursuant to the requirements of Texas Government Code Section 2252.908 and rules promulgated thereunder by the Texas Ethics Commission (the "TEC"). Not later than the 30th day after the date a Form 1295 was received by the Authority, the Authority shall notify the TEC, in an electronic format prescribed by the TEC, of the receipt of such Form 1295.

14. The Authority hereby authorizes the Office of the Attorney General to date this Certificate the date of delivery of its approving opinion, and agrees to notify the Office of the Attorney General of any changes with respect to this Certificate or any bond documents to which it is a party that are made between the date of such opinion and the date of closing.

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WITNESS OUR HANDS AND SEAL OF THE GREATER TEXOMA UTILITY
AUTHORITY, this the January 23, 2019.



President, Board of Directors
Greater Texoma Utility Authority

(Authority Seal)



Secretary, Board of Directors
Greater Texoma Utility Authority

EXHIBIT A

DEBT SERVICE SCHEDULE

Greater Texoma Utility Authority (Bear Creek SUD Project)
Aggregate Debt Service Requirements

FYE 9/30	Existing Debt			Series 2019 DWSRF			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2019	\$ -	\$ -	\$ -	\$ -	\$ 89,147.23	\$ 89,147.23	\$ -	\$ 89,147.23	\$ 89,147.23
2020	-	-	-	190,000.00	164,579.50	354,579.50	190,000.00	164,579.50	354,579.50
2021	-	-	-	190,000.00	162,622.50	352,622.50	190,000.00	162,622.50	352,622.50
2022	-	-	-	190,000.00	160,418.50	350,418.50	190,000.00	160,418.50	350,418.50
2023	-	-	-	195,000.00	158,005.50	353,005.50	195,000.00	158,005.50	353,005.50
2024	-	-	-	195,000.00	155,314.50	350,314.50	195,000.00	155,314.50	350,314.50
2025	-	-	-	200,000.00	152,370.00	352,370.00	200,000.00	152,370.00	352,370.00
2026	-	-	-	205,000.00	149,190.00	354,190.00	205,000.00	149,190.00	354,190.00
2027	-	-	-	205,000.00	145,746.00	350,746.00	205,000.00	145,746.00	350,746.00
2028	-	-	-	210,000.00	142,117.50	352,117.50	210,000.00	142,117.50	352,117.50
2029	-	-	-	215,000.00	138,211.50	353,211.50	215,000.00	138,211.50	353,211.50
2030	-	-	-	220,000.00	134,019.00	354,019.00	220,000.00	134,019.00	354,019.00
2031	-	-	-	225,000.00	129,575.00	354,575.00	225,000.00	129,575.00	354,575.00
2032	-	-	-	230,000.00	124,917.50	354,917.50	230,000.00	124,917.50	354,917.50
2033	-	-	-	235,000.00	120,064.50	355,064.50	235,000.00	120,064.50	355,064.50
2034	-	-	-	240,000.00	114,918.00	354,918.00	240,000.00	114,918.00	354,918.00
2035	-	-	-	245,000.00	109,518.00	354,518.00	245,000.00	109,518.00	354,518.00
2036	-	-	-	250,000.00	103,883.00	353,883.00	250,000.00	103,883.00	353,883.00
2037	-	-	-	255,000.00	98,008.00	353,008.00	255,000.00	98,008.00	353,008.00
2038	-	-	-	260,000.00	91,888.00	351,888.00	260,000.00	91,888.00	351,888.00
2039	-	-	-	265,000.00	85,518.00	350,518.00	265,000.00	85,518.00	350,518.00
2040	-	-	-	275,000.00	78,972.50	353,972.50	275,000.00	78,972.50	353,972.50
2041	-	-	-	280,000.00	72,097.50	352,097.50	280,000.00	72,097.50	352,097.50
2042	-	-	-	285,000.00	65,013.50	350,013.50	285,000.00	65,013.50	350,013.50
2043	-	-	-	295,000.00	57,746.00	352,746.00	295,000.00	57,746.00	352,746.00
2044	-	-	-	300,000.00	50,194.00	350,194.00	300,000.00	50,194.00	350,194.00
2045	-	-	-	310,000.00	42,484.00	352,484.00	310,000.00	42,484.00	352,484.00
2046	-	-	-	320,000.00	34,486.00	354,486.00	320,000.00	34,486.00	354,486.00
2047	-	-	-	325,000.00	26,198.00	351,198.00	325,000.00	26,198.00	351,198.00
2048	-	-	-	335,000.00	17,748.00	352,748.00	335,000.00	17,748.00	352,748.00
2049	-	-	-	345,000.00	9,004.50	354,004.50	345,000.00	9,004.50	354,004.50
	\$ -	\$ -	\$ -	\$ 7,490,000.00	\$ 3,183,975.73	\$ 10,673,975.73	\$ 7,490,000.00	\$ 3,183,975.73	\$ 10,673,975.73

Average Annual Debt Service (Fiscal Year basis)	\$ 344,321.80
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SIGNATURE AND NO-LITIGATION CERTIFICATE

THE STATE OF TEXAS

§

COUNTIES OF COLLIN, COOKE,
FANNIN AND GRAYSON

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§

WE, the undersigned, officials of the Greater Texoma Utility Authority (the "Issuer"), DO
HEREBY CERTIFY as follows:

(1) This Certificate is executed and delivered with reference to the following described bonds: "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2019 (Bear Creek Special Utility District Project)", dated January 1, 2019, in the aggregate principal amount of \$7,490,000 (the "Bonds").

(2) The Bonds have been duly and officially executed by the undersigned with our manual or facsimile signatures in the same manner appearing thereon, and the undersigned hereby adopt and ratify our respective signatures in the manner appearing on each of the Bonds whether in manual or facsimile form, as the case may be, as our true, genuine, and official signatures.

(3) On December 17, 2018 and on the date hereof, we were and are the duly qualified and acting officers indicated therein and authorized to execute the same.

(4) We have caused the official seal of the Issuer to be impressed, imprinted or lithographed on the Bonds; and said seal on the Bonds has been duly adopted as, and is hereby declared to be, the official seal of the Issuer.

(5) No litigation of any nature is now pending before any federal or state court, or administrative body, or to our knowledge threatened, seeking to restrain or enjoin the issuance or delivery of the Bonds or questioning the issuance or sale of the Bonds, the authority or action of the governing body of the Issuer relating to the issuance or sale of the Bonds, the pledge of Pledged Revenue (as defined in the resolution authorizing the Bonds) to pay the principal of and interest on the Bonds, the validity or enforceability of the Contract (as defined in the resolution authorizing the Bonds), or that would otherwise adversely affect in a material manner the financial condition of the Issuer to pay the principal of and interest on the Bonds; and that neither the corporate existence or boundaries of the Issuer nor the right to hold office of any member of the governing body of the Issuer or any other elected or appointed official of the Issuer is being contested or otherwise questioned.

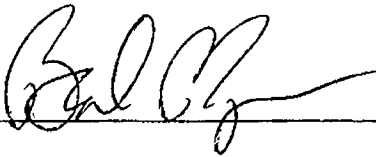
(6) No authority or proceeding for the issuance, sale, or delivery of the Bonds, passed and adopted by the governing body of the Issuer, has been amended, repealed, revoked, rescinded, or otherwise modified since the date of passage thereof, and all such proceedings and authority relating to the issuance and sale of the Bonds remain in full force and effect as of the date of this Certificate.

(7) The Issuer hereby authorizes the Office of the Attorney General to date this Certificate the date of delivery of its approving opinion, and agrees to notify the Office of the Attorney General of any changes with respect to this Certificate or any bond documents to which it is a party that are made between the date of such opinion and the date of closing.


EXECUTED AND DELIVERED this January 23, 2019

SIGNATURE

OFFICIAL TITLE



President, Board of Directors
Greater Texoma Utility Authority



Secretary, Board of Directors
Greater Texoma Utility Authority

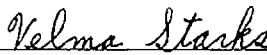
THE STATE OF TEXAS
COUNTY OF GRAYSON

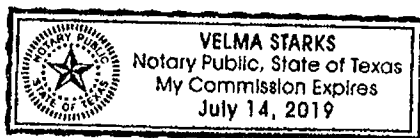
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Before me, the undersigned, a Notary Public, on this day personally appeared Brad Morgan, known to me to be the President of the Board of Directors of the Greater Texoma Utility Authority, and Mark Kuneman, known to me to be the Secretary of the Board of Directors of the Greater Texoma Utility Authority, and who in my presence each executed this instrument before me in the capacity represented, and each of said person's signature is genuine.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 17th day of December, 2018.

(Notary Seal)


Notary Public, State of Texas



CERTIFICATE OF SECRETARY

THE STATE OF TEXAS

COUNTY OF COLLIN

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I, the undersigned, Secretary of the Board of Directors of the Bear Creek Special Utility District, DO HEREBY CERTIFY as follows:

1. On the 9th day of October, 2018, the Board of Directors of the Bear Creek Special Utility District, convened in regular session at its regular meeting place of said District; the duly constituted members of the Board being as follows:

HERMAN STORK	PRESIDENT
BRYAN BLOCK	VICE PRESIDENT
LETICIA HARRISON	SECRETARY
ROBERT HAYNES	TREASURER

CHRIS ELDER)	
KEVIN HUTCHINSON)	DIRECTORS
DAVID HAWKINS)	

all of said persons were present at said meeting, except the following: None. Among other business considered at said meeting, the attached resolution entitled:

A RESOLUTION approving and authorizing the execution and delivery of a "Water Facilities Contract" with the Greater Texoma Utility Authority; and resolving other matters incident and related to the execution and delivery of such contract.

was introduced and submitted to the Board for passage and adoption. After presentation and due consideration of the resolution, and upon a motion made and seconded, the resolution was duly passed and adopted by the Board to be effective immediately by the following vote:

7 voted for 0 voted "Against" 0 abstained

all as shown in the official Minutes of the Board for the meeting held on the aforesaid date.

2. The attached resolution is a true and correct copy of the original on file in the official records of the District; the duly qualified and acting members of the Board of Directors of the District on the date of the aforesaid meeting are those persons shown above and, according to the records of my office, advance notice of the time, place and purpose of the meeting was given to each member of the Board; and that said meeting, including the subject of the entitled resolution, was posted and given in advance thereof in compliance with the provisions of Texas Government Code, Chapter 551, as amended.

IN WITNESS WHEREOF, I have hereunto signed my name officially and affixed the seal of said District, this 9th day of October, 2018.

Leticia Harrison
Secretary, Board of Directors
Bear Creek Special Utility District

(DISTRICT SEAL)



RESOLUTION NO. 2018-006

A RESOLUTION approving and authorizing the execution and delivery of a "Water Facilities Contract" with the Greater Texoma Utility Authority; and resolving other matters incident and related to the execution and delivery of such contract.

WHEREAS, negotiations have been conducted between the Greater Texoma Utility Authority (the "Authority") and the Bear Creek Special Utility District (the "District"), with respect to the execution of a water facilities contract (the "Contract," the form of which is attached hereto as **Exhibit A**), whereby the Authority would provide water supply and transmission facilities to the District; and

WHEREAS, said Contract has been prepared and submitted to this governing body for approval, and it has been determined by the Board of Directors that the Contract is in the best interest of the District and should be approved; now, therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BEAR CREEK SPECIAL UTILITY DISTRICT:

SECTION 1. The "Water Facilities Contract" by and between the Greater Texoma Utility Authority and the District, substantially in the form and content attached hereto as **Exhibit A** and incorporated herein for all purposes is hereby approved for and on behalf of the District. The President and Secretary of the Board of Directors of the District are hereby authorized and directed to execute such Contract for and on behalf of the District and as its act and deed of this Board of Directors.

SECTION 2. This Resolution shall take effect and be in full force from and after its adoption.

PASSED AND APPROVED, this October 9, 2018.

BEAR CREEK SPECIAL UTILITY DISTRICT



President, Board of Directors

ATTEST:



Secretary, Board of Directors

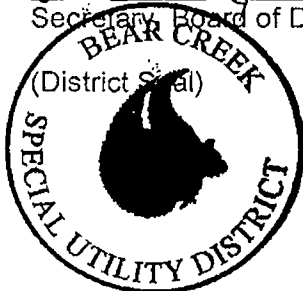


EXHIBIT A

Water Facilities Contract

See Tab 5

CERTIFICATE OF SECRETARY

THE STATE OF TEXAS

§

COUNTY OF COLLIN

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I, the undersigned, Secretary of the Board of Directors of the Bear Creek Special Utility District, DO HEREBY CERTIFY as follows:

1. On the 8th day of January, 2019, the Board of Directors of the Bear Creek Special Utility District, convened in regular session at its regular meeting place of said District; the duly constituted members of the Board being as follows:

HERMAN STORK	PRESIDENT
BRYAN BLOCK	VICE PRESIDENT
LETICIA HARRISON	SECRETARY
ROBERT HAYNES	TREASURER

CHRIS ELDER)	
KEVIN HUTCHINSON)	DIRECTORS
DAVID HAWKINS)	

all of said persons were present at said meeting, except the following: Robert Haynes and Chris Elder. Among other business considered at said meeting, the attached resolution entitled:

"A RESOLUTION by the Board of Directors of the Bear Creek Special Utility District relating to the Greater Texoma Utility Authority Contract Revenue Bonds, Series 2019 (Bear Creek Special Utility District Project) and approving the issuance thereof and the facilities to be constructed or acquired by such Authority"

was introduced and submitted to the Board for passage and adoption. After presentation and due consideration of the resolution, and upon a motion made and seconded, the resolution was duly passed and adopted by the Board to be effective immediately by the following vote:

5 voted for 0 voted "Against" 0 abstained

all as shown in the official Minutes of the Board for the meeting held on the aforesaid date.

2. The attached resolution is a true and correct copy of the original on file in the official records of the District; the duly qualified and acting members of the Board of Directors of the District on the date of the aforesaid meeting are those persons shown above and, according to the records of my office, advance notice of the time, place and purpose of the meeting was given to each member of the Board; and that said meeting, including the subject of the entitled resolution, was posted and given in advance thereof in compliance with the provisions of Texas Government Code, Chapter 551, as amended.

IN WITNESS WHEREOF, I have hereunto signed my name officially and affixed the seal of said District, this 8th day of January, 2019.



(DISTRICT SEAL)

Petia Harrison

Secretary, Board of Directors
Bear Creek Special Utility District

RESOLUTION NO. 2019-01-08-01

A RESOLUTION by the Board of Directors of the Bear Creek Special Utility District relating to the Greater Texoma Utility Authority Contract Revenue Bonds, Series 2019 (Bear Creek Special Utility District Project) and approving the issuance thereof and the facilities to be constructed or acquired by such Authority

WHEREAS, the Board of Directors has heretofore authorized the execution of a certain "Water Facilities Contract" dated as of October 9, 2018 (the "Contract") with the Greater Texoma Utility Authority (the "Authority"); and

WHEREAS, under Section 4.15 of the Contract, it is provided that the District shall approve the issuance by the Authority of any bonds that are to be payable (in whole or in part) from certain moneys that the District has contracted to pay under the provisions of the Contract; and

WHEREAS, in connection with the proposed "Greater Texoma Utility Authority Contract Revenue Bonds, Series 2019 (Bear Creek Special Utility District Project)" (the "Bonds"), the Texas Water Development Board (the "Board") has agreed, pursuant to an Application Requesting Financial Assistance (the "Application"), to purchase the Bonds and, therefore, it is neither necessary nor advisable for the Authority to prepare a Notice of Sale because, insofar as the District is concerned, the Application contains sufficient information to accomplish the purpose of a Notice of Sale; and

WHEREAS, the net effective interest rate on the Bonds will not exceed the maximum permitted by law (as defined in Chapter 1204, Texas Government Code, as amended) and it is now appropriate for this Board to approve the Application (in lieu of approving a Notice of Sale with respect to the Bonds) as well as the issuance and delivery of the Bonds and the facilities to be constructed or acquired with the proceeds of the Bonds, including the project (the "Series 2019 Project") described in the Resolution of the Authority authorizing the Bonds (the "Bond Resolution"); now, therefore,

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE BEAR CREEK SPECIAL UTILITY DISTRICT:

SECTION 1: The facilities to be constructed, acquired, and improved by the Authority with the proceeds of the Bonds as described in the Bond Resolution are hereby approved. The issuance of the Bonds by the Authority and the use of the proceeds thereof, as described in the Bond Resolution, is hereby approved. The Bond Resolution is approved as to form and content, and the District acknowledges that the payment of principal of and interest on the Bonds is payable, in whole or in part, from payments to be made by the District under and pursuant to the Contract. The District agrees to provide the reports described in the Bond Resolution within the times specified therein, in compliance with the Board's commitment. The District agrees with the obligations and conditions set forth in the Board's Commitment 18-137, as amended, and the District hereby expressly agrees that it will not acquire any of the Board's bonds that were issued to provide financing for the Bonds in the amount of the Bonds to be acquired from the Authority by the Board. A copy of such commitment is attached hereto as **Exhibit A**.

SECTION 2: It is the purpose and intent of the Board of Directors of the District to approve the Bond Resolution, and the facilities to be constructed, acquired, and improved in full

accordance with the provisions of the Contract mentioned in the preamble hereof. To the extent required by the Board or the Office of the Attorney General of Texas, the Authority is authorized by this Board of Directors to make changes and revisions to the Bond Resolution from the form approved by this Resolution in order to expedite the delivery of the Bonds. It is the intent of the District to authorize the Authority to proceed with the construction, acquisition, and improvement of the facilities at the earliest possible date, but nothing herein shall be construed as a limitation upon the right and power of the District to approve a change in the facilities for which the Bonds are to be issued.

SECTION 3: (a) No Private Use. Except as permitted by Section 141 of the Code and the Regulations and rulings thereunder, the District shall at all times prior to the last stated maturity of the Bonds exclusively operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(b) No Private Loan. Except to the extent permitted by Section 141 of the Code and the Regulations and rulings thereunder, the District shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(c) The following terms used in this Section 3 shall have the following meanings:

"Code" means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

"Gross Proceeds" means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

"Regulations" means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

SECTION 4: In order to assist the Authority in complying with Rule 15c2-12 of the Securities Exchange Act of 1934, as amended (the "Rule"), the District covenants and agrees as follows:

(a) Annual Reports. The District will provide to the Authority, no later than March 1 of each year (or such other date as may be agreed to by the District and the Authority, but no later than six months after its fiscal year end), while the District is an "obligated person" under the Rule, the information with respect to the District described in the Bond Resolution. Any financial statements to be provided pursuant to this Section shall be (i) prepared in accordance with the accounting principles described in the District's audited financial statements, (ii) audited, if the District commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not completed within such period, then the District shall provide notice to the Authority that the audited financial statements are not available and shall provide unaudited financial information of the type for the applicable fiscal year to the Authority by the required time. Thereafter, when and if audited financial statements are available, the District shall provide such audited financial statements as required to the Authority.

If the District's fiscal year end differs from the Authority's fiscal year end, the District shall provide the most recent year end annual information as well as cumulative current year to date information. The District shall notify the Authority if the District changes its fiscal year.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet Web site or filed with the SEC.

The District will notify the Authority as soon as possible if the information required by this Section cannot be provided in the above-specified time frame.

(b) Notice of Certain Events. To the extent applicable to the District as an "obligated person" under the Rule and in connection with the Bonds, the District agrees to notify the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of holders of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;

(x) Release, substitution, or sale of property securing repayment of the Bonds, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership, or similar event of the District, which shall occur as described below;

(xiii) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(c) Accuracy and Completeness. The District warrants that all information provided by it to the Authority pursuant to this Section will be accurate in all material respects to the best of its knowledge and belief. The District will provide the Authority with such information as the Authority may reasonably request to confirm the accuracy and completeness of any information provided by the District pursuant to this Section. If the Authority thereafter has reasonable grounds to question the completeness or accuracy of such information, the District will afford the Authority and its attorneys and agents, at the expense of the Authority, reasonable access to any and all records, documents, contracts, and other information which is in the custody or control of the District to confirm such accuracy and completeness. The Authority and its attorneys and agents shall maintain the confidentiality of all such information; unless required to be provided by the Authority to the MSRB, and except as otherwise provided by law. The District shall not be required to provide information or to allow access to its records which exceeds the standards applicable to a due diligence inquiry in the preparation of an official statement in connection with the sale of Bonds or any Additional Bonds by the Authority.

(d) Limitations, Disclaimers and Amendments. (1) The District shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Authority and the District each remain an Obligated Person, provided that the Authority and the District in any event will give notice of any payment or deposit of funds by either of such parties that causes the Bonds to be retired and defeased.

(2) The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Authority and the District undertake to provide only the financial information, operating data, financial statements and notices which it has expressly agreed to provide pursuant to this Section and do not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Authority's or the District's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. Neither the Authority nor the District make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

(3) UNDER NO CIRCUMSTANCES SHALL THE DISTRICT BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT, OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE DISTRICT, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(4) The provisions of this Section may be amended by the District (with the written approval of the Authority) from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by provisions of the Bond Resolution that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the District (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. If the provisions of this Section are so amended, the Authority shall include with any amended financial information or operating data next provided in accordance with the Bond Resolution an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

(e) Remedies. In the event the District fails or refuses to provide the information required by paragraphs (a) and (b) hereof, the Authority may enforce its right hereunder by an action for mandamus or specific performance; provided, however, before enforcing such remedies, the Authority shall give the District notice as provided herein and a reasonable opportunity to provide the requested information.

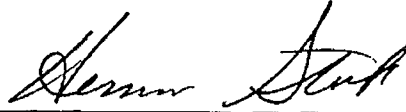
SECTION 5: Reporting of Significant Events. (1) Upon the occurrence of any of the events described below, the District will promptly notify the Authority and provide information requested by the Authority pertaining to (i) an action, suit or other formal proceeding at law or in equity, against the District that would materially and adversely affect the District's financial condition or its ability to make payments under the Contract and (ii) any change in the District's financial condition or financing arrangements that would materially and adversely affect the District's financial condition or its ability to make payments under the Contract.

SECTION 6: In all respects the Contract is re-approved and shall be and remain in full force as the agreement of the parties.

SECTION 7: The findings and determinations of the Board of Directors contained in the preamble hereof are hereby incorporated by reference and made a part of this Resolution for all purposes as if the same were restated in full in this Section.

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PASSED AND APPROVED, this January 8, 2019.



President, Board of Directors
Bear Creek Special Utility District

ATTEST:



Secretary, Board of Directors
Bear Creek Special Utility District



EXHIBIT A

COMMITMENT OF THE TEXAS WATER DEVELOPMENT BOARD

**A RESOLUTION OF THE TEXAS WATER DEVELOPMENT BOARD
APPROVING AN APPLICATION FOR FINANCIAL ASSISTANCE IN THE AMOUNT OF
\$7,490,000 TO THE GREATER TEXOMA UTILITY AUTHORITY
FROM THE DRINKING WATER STATE REVOLVING FUND
THROUGH THE PROPOSED PURCHASE OF
\$7,490,000 GREATER TEXOMA UTILITY AUTHORITY
(BEAR CREEK SUD) CONTRACT REVENUE BONDS,
PROPOSED SERIES 2019**

(18 -137)

WHEREAS, the Greater Texoma Utility Authority (Authority), located in Grayson County, has filed an application for financial assistance on behalf of the Bear Creek Special Utility District (District) located in Collin County, in the amount of \$7,490,000 from the Drinking Water State Revolving Fund (DWSRF) to finance the planning, acquisition, design and construction of certain water system improvements identified as Project No. 62810; and

WHEREAS, the Authority seeks financial assistance from the Texas Water Development Board (TWDB) through the TWDB's proposed purchase of \$7,490,000 Greater Texoma Utility Authority (Bear Creek SUD) Contract Revenue Bonds, Proposed Series 2019 (together with all authorizing documents (Obligations)), all as is more specifically set forth in the application and in recommendations of the TWDB's staff; and

WHEREAS, the Authority has offered a pledge of contract revenue from the District as sufficient security for the repayment of the Obligations; and

WHEREAS, the commitment is approved for funding under the TWDB's pre-design funding option, and initial and future releases of funds are subject to 31 TAC § 371.13; and

WHEREAS, the TWDB hereby finds:

1. that the revenue pledged by the Authority will be sufficient to meet all the Obligations assumed by the Authority, in accordance with Texas Water Code § 15.607;
2. that the application and assistance applied for meet the requirements of the Safe Drinking Water Act, 42 U.S.C. §§ 300f *et seq.* as well as state law, in accordance with Texas Water Code § 15.607;
3. that the District has adopted and implemented a water conservation program for the more efficient use of water that will meet reasonably anticipated local needs and conditions and that incorporates practices, techniques or technology prescribed by the Texas Water Code and TWDB's rules;
4. that the TWDB has approved a regional water plan for the region of the state that includes the area benefiting from the project and the needs to be addressed by the

project will be addressed in a manner that is consistent with the approved regional and state water plans, as required by Texas Water Code § 16.053(j);

5. that a current water audit required by Texas Water Code § 16.0121 and 31 TAC § 358.6 has been completed by the District and filed with the TWDB in accordance with Texas Water Code § 16.053(j).

NOW, THEREFORE, based on these findings, the TWDB resolves as follows:

A commitment is made by the TWDB to the Greater Texoma Utility Authority for financial assistance in the amount of \$7,490,000 from the Drinking Water State Revolving Fund through the TWDB's proposed purchase of \$7,490,000 Greater Texoma Utility Authority (Bear Creek SUD) Contract Revenue Bonds, Proposed Series 2019. This commitment will expire on November 30, 2019.

Such commitment is conditioned as follows:

Standard Conditions

1. this commitment is contingent on a future sale of bonds by the TWDB or on the availability of funds on hand;
2. this commitment is contingent upon the issuance of a written approving opinion of the Attorney General of the State of Texas stating that all of the requirements of the laws under which said Obligations were issued have been complied with; that said Obligations were issued in conformity with the Constitution and laws of the State of Texas; and that said Obligations are valid and binding obligations of the Authority;
3. this commitment is contingent upon the Authority's compliance with all applicable requirements contained in 31 TAC Chapter 371;
4. the Obligations must provide that the Obligations can be called for early redemption only in inverse order of maturity, and on any date beginning on or after the first interest payment date which is 10 years from the dated date of the Obligations, at a redemption price of par, together with accrued interest to the date fixed for redemption;
5. the Authority, or an obligated person for whom financial or operating data is presented to the TWDB in the application for financial assistance either individually or in combination with other issuers of the Authority's Obligations or obligated persons, will, at a minimum, regardless of the amount of the Obligations, covenant to comply with requirements for continuing disclosure on an ongoing basis substantially in the manner required by Securities and Exchange Commission (SEC) in 17 CFR § 240.15c2-12 (Rule 15c2-12) and determined as if the TWDB were a Participating Underwriter within the meaning of such rule, such continuing

disclosure undertaking being for the benefit of the TWDB and the beneficial owners of the Authority's Obligations, if the TWDB sells or otherwise transfers such Obligations, and the beneficial owners of the TWDB's bonds if the Authority is an obligated person with respect to such bonds under SEC Rule 15c2-12;

6. the Obligations must contain a provision requiring the Authority to levy a tax and/or maintain and collect sufficient rates and charges to produce system revenues in an amount necessary to meet the debt service requirements of all outstanding obligations and to maintain the funds established and required by the Obligations;
7. the Obligations must include a provision requiring the Authority to use any loan proceeds from the Obligations that are determined to be remaining unused funds, which are those funds unspent after the original approved project is completed, for enhancements to the original project that are explicitly approved by the Executive Administrator or if no enhancements are authorized by the Executive Administrator, requiring the Authority to submit a final accounting and disposition of any unused funds;
8. the Obligations must include a provision requiring the Authority to use any loan proceeds from the Obligations that are determined to be surplus funds remaining after completion of the project and completion of a final accounting for the following purposes as approved by the Executive Administrator: (1) to redeem, in inverse annual order, the Obligations owned by the TWDB; (2) deposit into the Interest and Sinking Fund or other debt service account for the payment of interest or principal on the Obligations owned by the TWDB; or (3) deposit into a reserve fund;
9. the Obligations must contain a provision that the TWDB may exercise all remedies available to it in law or equity, and any provision of the Obligations that restricts or limits the TWDB's full exercise of these remedies shall be of no force and effect;
10. loan proceeds are public funds and, as such, the Obligations must include a provision requiring that these proceeds shall be held at a designated state depository institution or other properly chartered and authorized institution in accordance with the Public Funds Investment Act, Government Code, Chapter 2256, and the Public Funds Collateral Act, Government Code, Chapter 2257;
11. loan proceeds shall not be used by the Authority when sampling, testing, removing or disposing of contaminated soils and/or media at the project site. The Obligations shall include an environmental indemnification provision wherein the Authority agrees to indemnify, hold harmless and protect the TWDB from any and all claims, causes of action or damages to the person or property of third parties arising from the sampling, analysis, transport, storage, treatment and disposition of any contaminated sewage sludge, contaminated sediments and/or contaminated media that may be generated by the Authority, its contractors, consultants, agents, officials and employees as a result of activities relating to the project to the extent permitted by law;

12. prior to closing, the Authority shall submit documentation evidencing the adoption and implementation of sufficient system rates and charges or, if applicable, the levy of an interest and sinking tax rate sufficient for the repayment of all system debt service requirements;
13. prior to closing, and if not previously provided with the application, the Authority shall submit executed contracts for engineering and, if applicable, financial advisor and bond counsel contracts, for the project that are satisfactory to the Executive Administrator. Fees to be reimbursed under the contracts must be reasonable in relation to the services performed, reflected in the contract, and acceptable to the Executive Administrator;
14. prior to closing, when any portion of the financial assistance is to be held in escrow or in trust, the Authority shall execute an escrow or trust agreement, approved as to form and substance by the Executive Administrator, and shall submit that executed agreement to the TWDB;
15. the Executive Administrator may require that the Authority execute a separate financing agreement in form and substance acceptable to the Executive Administrator;
16. the TWDB retains the option to purchase the Obligations in separate lots and/or on an installment basis, with delivery of the purchase price for each installment to be paid against delivery of the relevant installment of Obligations as approved by the Executive Administrator;

Conditions Related to Tax-Exempt Status

17. the Authority's bond counsel must prepare a written opinion that states that the interest on the Obligations is excludable from gross income or is exempt from federal income taxation. Bond counsel may rely on covenants and representations of the Authority when rendering this opinion;
18. the Authority's bond counsel opinion must also state that the Obligations are not "private activity bonds." Bond counsel may rely on covenants and representations of the Authority when rendering this opinion;
19. the Obligations must include a provision prohibiting the Authority from using the proceeds of this loan in a manner that would cause the Obligations to become "private activity bonds" within the meaning of § 141 of the Internal Revenue Code of 1986, as amended (Code) and the Treasury Regulations promulgated thereunder (Regulations);
20. the Obligations must provide that no portion of the proceeds of the loan will be used, directly or indirectly, in a manner that would cause the Obligations to be "arbitrage

bonds" within the meaning of § 148(a) of the Code and Regulations, including to acquire or to replace funds which were used, directly or indirectly, to acquire Nonpurpose Investments (as defined in the Code and Regulations) which produce a yield materially higher than the yield on the TWDB's bonds that are issued to provide financing for the loan (Source Series Bonds), other than Nonpurpose Investments acquired with:

- a. proceeds of the TWDB's Source Series Bonds invested for a reasonable temporary period of up to three (3) years after the issue date of the Source Series Bonds until such proceeds are needed for the facilities to be financed;
 - b. amounts invested in a bona fide debt service fund, within the meaning of § 1.148-1(b) of the Regulations; and
 - c. amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed the least of maximum annual debt service on the Obligations, 125% of average annual debt service on the Obligations, or 10 percent of the stated principal amount (or, in the case of a discount, the issue price) of the Obligations;
21. the Obligations must include a provision requiring the Authority take all necessary steps to comply with the requirement that certain amounts earned on the investment of gross proceeds of the Obligations be rebated to the federal government in order to satisfy the requirements of § 148 of the Code. The Obligations must provide that the Authority will:
- a. account for all Gross Proceeds, as defined in the Code and Regulations, (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and retain all records of such accounting for at least six years after the final Computation Date. The Authority may, however, to the extent permitted by law, commingle Gross Proceeds of its Loan with other money of the Authority, provided that the Authority separately accounts for each receipt and expenditure of such Gross Proceeds and the obligations acquired therewith;
 - b. calculate the Rebate Amount, as defined in the Code and Regulations, with respect to its Loan, not less frequently than each Computation Date, in accordance with rules set forth in § 148(f) of the Code, § 1.148-3 of the Regulations, and the rulings thereunder. The Authority shall maintain a copy of such calculations for at least six years after the final Computation Date;
 - c. as additional consideration for the making of the Loan, and in order to induce the making of the Loan by measures designed to ensure the excludability of the interest on the TWDB's Source Series Bonds from the gross income of the owners thereof for federal income tax purposes, pay to the United States the

amount described in paragraph (b) above within 30 days after each Computation Date;

- d. exercise reasonable diligence to assure that no errors are made in the calculations required by paragraph (b) and, if such error is made, to discover and promptly to correct such error within a reasonable amount of time thereafter, including payment to the United States of any interest and any penalty required by the Regulations;
- 22. the Obligations must include a provision prohibiting the Authority from taking any action that would cause the interest on the Obligations to be includable in gross income for federal income tax purposes;
- 23. the Obligations must provide that the Authority will not cause or permit the Obligations to be treated as "federally guaranteed" obligations within the meaning of § 149(b) of the Code;
- 24. the transcript must include a No Arbitrage Certificate or similar Federal Tax Certificate setting forth the Authority's reasonable expectations regarding the use, expenditure and investment of the proceeds of the Obligations;
- 25. the transcript must include evidence that the information reporting requirements of § 149(e) of the Code will be satisfied. This requirement may be satisfied by filing an IRS Form 8038 with the Internal Revenue Service. In addition, the applicable completed IRS Form 8038 or other evidence that the information reporting requirements of § 149(e) have been satisfied must be provided to the Executive Administrator within fourteen (14) days of closing. The Executive Administrator may withhold the release of funds for failure to comply;
- 26. the Obligations must provide that neither the Authority nor a related party thereto will acquire any of the TWDB's Source Series Bonds in an amount related to the amount of the Obligations to be acquired from the Authority by the TWDB;

State Revolving Fund Conditions

- 27. the Authority shall submit outlay reports with sufficient documentation on costs on a quarterly or monthly basis in accordance with TWDB outlay report guidelines;
- 28. the Obligations must include a provision stating that all laborers and mechanics employed by contractors and subcontractors for projects shall be paid wages at rates not less than those prevailing on projects of a similar character in the locality in accordance with the Davis-Bacon Act, and the U.S. Department of Labor's implementing regulations. The Authority, all contractors, and all sub-contractors shall ensure that all project contracts mandate compliance with Davis-Bacon. All contracts and subcontracts for the construction of the project carried out in whole or

in part with financial assistance made available as provided herein shall insert in full in any contract in excess of \$2,000 the contracts clauses as provided by the TWDB;

29. the Obligations must include a provision stating that the Authority shall provide the TWDB with all information required to be reported in accordance with the Federal Funding Accountability and Transparency Act of 2006, Pub. L. 109-282, as amended by Pub. L. 110-252. The Authority shall obtain a Data Universal Numbering System (DUNS) Number and shall register with System for Award Management (SAM), and maintain current registration at all times during which the Obligations are outstanding;
30. the Obligations shall provide that all loan proceeds will be timely and expeditiously used, as required by 40 CFR § 35.3135(d), and also shall provide that the Authority will adhere to the approved project schedule;
31. The Obligations must contain a covenant that the Authority will abide by all applicable construction contract requirements related to the use of iron and steel products produced in the United States, as required by 31 TAC § 371.4 and related State Revolving Fund Policy Guidelines;

Drinking Water State Revolving Fund Conditions

32. prior to or at closing, the Authority shall pay a 2.15% origination fee to the TWDB calculated pursuant to 31 TAC Chapter 371 and the applicable Intended Use Plan;
33. prior to closing, the Texas Commission on Environmental Quality, must make a determination, the form and substance of which is satisfactory to the Executive Administrator, that the Authority has demonstrated the necessary financial, managerial, and technical capabilities to proceed with the project or projects to be funded with the proceeds of these Obligations;
34. prior to release of funds for professional consultants including, but not limited to, the engineer, financial advisor, and bond counsel, as appropriate, the Authority must provide documentation that it has met all applicable state procurement requirements as well as all federal procurement requirements under the Disadvantaged Business Enterprises program;

Pledge Conditions for the Loan

35. upon request by the Executive Administrator, the Authority shall submit annual audits of contracting parties for the Executive Administrator's review;
36. the Obligations must contain a provision requiring the Authority to maintain rates and charges sufficient to meet the debt service requirements on the outstanding debt Obligations that are being supported by the pledged contract revenues and will

further require its customers to maintain rates and charges sufficient to pay all of their revenue obligations arising from the operation of the water and sewer system;

37. the Obligations must contain a provision that the pledged contract revenues from the Authority may not be pledged to the payment of any additional parity obligations of the Authority secured by a pledge of the same contract revenues unless the Authority demonstrates to the Executive Administrator's satisfaction that the pledged contract revenues will be sufficient for the repayment of all Obligations and additional parity obligations;
38. prior to closing, the Authority must submit executed contracts between the Authority and the contracting parties regarding the contract revenues pledged to the payment of the Authority's Obligations, in form and substance acceptable to the Executive Administrator. Such contracts shall include provisions consistent with the provisions of this Resolution regarding the contracting parties' annual audits, the setting of rates and charges and collection of revenues sufficient to meet the Authority's debt service obligations and additional parity obligations.

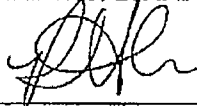
PROVIDED, however, the commitment is subject to the following special conditions:

Special Conditions:

45. the Authority must notify the Executive Administrator prior to taking any actions to alter its legal status in any manner, such as by conversion to a conservation and reclamation district or a sale-transfer-merger with another retail public utility;
46. the Obligations must include a provision requiring that, prior to any action by the Authority to convey its Obligations held by the TWDB to another entity, the conveyance and the assumption of the Obligations must be approved by the TWDB;
47. The Authority shall not amend or revise the Water and Sewer Facilities contract with the District, which concerns the revenue source for the ledge, if the revision or amendment affects the financial condition of the Authority or its ability to repay the loan described in this Commitment without receiving the written approval of the Executive Administrator.

APPROVED and ordered of record this 12th day of November, 2018.

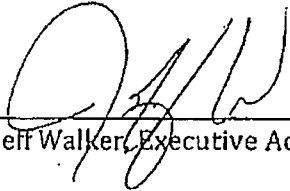
TEXAS WATER DEVELOPMENT BOARD



Peter M. Lake, Chairman

DATE SIGNED: 11/14/18

ATTEST:



Jeff Walker, Executive Administrator

GENERAL CERTIFICATE OF THE DISTRICT

STATE OF TEXAS

§

COUNTY OF COLLIN

§

§

We, the undersigned, President of the Board of Directors and General Manager of the Bear Creek Special Utility District (the "District"), DO HEREBY CERTIFY as follows:

1. Relative to District Officials. The duly qualified and acting officers of the District are as follows:

Herman Stock	President, Board of Directors
Bryan Block	Vice President, Board of Directors
Leticia Harrison	Secretary
Robert Haynes	Treasurer
Camille Reagan	General Manager

2. Relative to Signature Identification. Appearing below are the true and correct signatures of the persons holding the offices of President of the Board of Directors and General Manager. By his signature hereon, the President of the Board of Directors certifies that the signature of the General Manager appearing hereon is his genuine signature and by his signature hereon, the General Manager certifies that the signature of the President of the Board of Directors appearing hereon is his genuine signature.

3. Relative to the Contract. The Water Facilities Contract (the "Contract") between the Greater Texoma Utility Authority (the "Authority") and the District, dated as of October 9, 2018, has been duly authorized and is in compliance with any applicable statutory requirements. The Contract, as submitted to the Attorney General of Texas, is still in full force and effect and has not been amended or rescinded. No litigation is pending or threatened concerning the title or authority of the officers or concerning the Contract. No other contractual agreement or obligation of the District prohibits the District from entering into the Contract.

4. Relative to Sufficiency of Revenues. A true and correct copy of the pro-forma operating statement of revenue and expense projections showing the District's ability to make contract payments sufficient to pay bond principal and interest payments is attached hereto as **Exhibit A-1**, and a schedule reflecting recent historical gross and net revenues of the District's utility system is attached hereto as **Exhibit A-2**. The District has no outstanding obligations payable from the net revenues of its Waterworks System.

5. Relative to No Litigation. No litigation is pending before any federal or state court, or administrative body or, to the best of our knowledge and belief, threatened in any way affecting the Contract, the existence of the District or the titles of its officials to their respective positions, and that neither the Contract, the corporate existence or boundaries of the District, nor the right to hold office of any member of the governing body of the District or any other elected or appointed officer of the District is being contested or otherwise questioned.

6. Authority to Date. That the District hereby authorizes the Office of the Attorney General to date this Certificate the date of delivery of its approving opinion, and agrees to notify the Office of the Attorney General of any changes with respect to this Certificate or any bond documents to which it is a party that are made between the date of such opinion and the date of closing.

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WITNESS OUR HANDS AND SEAL of the District, this January 23, 2019

BEAR CREEK SPECIAL UTILITY DISTRICT



(District Seal)

Harman Stork
President of the Board of Directors

Camille Reagan
General Manager

EXHIBIT A-1

PRO-FORMA OPERATING STATEMENT

PRO FORMA OPERATING STMT		30 year scenario						
Bear Creek SUD		Rate Increase		DWSRF FUNDS	EXISTING CITY		ESTIMATED	
	OPERATING	Necessary to	O&M	\$7,490,000	DEBT ON	RESERVE	ADMIN	
YEAR	INCOME ⁽¹⁾	Service Debt ⁽²⁾	EXPENSES	DEBT SERVICE	W/S SYSTEM	PAYMENTS	PAYMENTS ⁽³⁾	COVERAGE
2019	2,088,907	248,508	1,778,222	89,147	138,786	71,160	33,750	1.68
2020	2,088,907	414,180	1,778,222	354,580	138,786	71,160	33,750	1.21
2021	2,088,907	414,180	1,778,222	352,623	138,787	71,160	27,750	1.23
2022	2,088,907	414,180	1,778,222	350,419	138,786	71,160	26,759	1.23
2023	2,088,907	414,180	1,778,222	353,006	138,787	71,160	25,768	1.23
2024	2,088,907	414,180	1,778,222	350,315	138,786	-	24,777	1.41
2025	2,088,907	414,180	1,778,222	352,370	138,786	-	23,786	1.41
2026	2,088,907	414,180	1,778,222	354,190	138,786	-	22,795	1.41
2027	2,088,907	414,180	1,778,222	350,746	138,787	-	21,804	1.42
2028	2,088,907	414,180	1,778,222	352,118	138,787	-	20,813	1.42
2029	2,088,907	414,180	1,778,222	353,212	138,786	-	19,821	1.42
2030	2,088,907	414,180	1,778,222	354,019	138,786	-	18,830	1.42
2031	2,088,907	414,180	1,778,222	354,575	138,787	-	17,839	1.42
2032	2,088,907	414,180	1,778,222	354,918	138,787	-	16,848	1.42
2033	2,088,907	414,180	1,778,222	355,065	126,968	-	15,857	1.46
2034	2,088,907	414,180	1,778,222	354,918	126,969	-	14,866	1.46
2035	2,088,907	414,180	1,778,222	354,518	126,969	-	13,875	1.46
2036	2,088,907	414,180	1,778,222	353,883	-	-	12,884	1.98
2037	2,088,907	414,180	1,778,222	353,008	-	-	11,893	1.99
2038	2,088,907	414,180	1,778,222	351,888	-	-	10,902	2.00
2039	2,088,907	414,180	1,778,222	350,518	-	-	9,911	2.01
2040	2,088,907	414,180	1,778,222	353,973	-	-	8,920	2.00
2041	2,088,907	414,180	1,778,222	352,098	-	-	7,929	2.01
2042	2,088,907	414,180	1,778,222	350,014	-	-	6,938	2.03
2043	2,088,907	414,180	1,778,222	352,746	-	-	5,946	2.02
2044	2,088,907	414,180	1,778,222	350,194	-	-	4,955	2.04
2045	2,088,907	414,180	1,778,222	352,484	-	-	3,964	2.03
2046	2,088,907	414,180	1,778,222	354,486	-	-	2,973	2.03
2047	2,088,907	414,180	1,778,222	351,198	-	-	1,982	2.05
2048	2,088,907	414,180	1,778,222	352,748	-	-	991	2.05
2049	2,088,907	414,180	1,778,222	354,005	-	-	0	2.05

(1) Does not include depreciation or future NTMWD Water Rate Increases

(2) Board will increase rates as necessary to service debt. Pro forma reflects \$10.00 increase effective 2019, additional \$5.00 increase effective 2020.

(3) Administrative payments billed directly to GTUA.

EXHIBIT A-2

WATER SYSTEM REVENUES

BEAR CREEK SUD

FIVE-YEAR COMPARATIVE OPERATING STATEMENT

Fiscal Year Ended September 30,

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Operating Revenues</u>					
Water Sales	\$ 1,185,455	\$ 1,116,528	\$ 878,791	\$ 709,683	\$ 523,309
Customer Charges/Fees	903,452	827,807	942,174	1,344,762	277,134
Other Income	\$ -	\$ -	\$ 151,700	\$ 165,450	\$ 88,593
<u>Total Operating Revenue</u>	<u>\$ 2,088,907</u>	<u>\$ 1,944,335</u>	<u>\$ 1,972,665</u>	<u>\$ 2,219,895</u>	<u>\$ 889,036</u>
<u>Operating Expenses</u>					
Payroll and benefits	\$ 400,236	\$ 381,896	\$ 327,463	\$ 282,718	\$ 110,160
Water purchases	612,112	551,497	464,271	423,323	198,326
Repairs and maintenance	387,470	33,382	44,137	19,411	28,996
Utilities	61,369	60,262	61,815	50,671	24,519
Supplies	243,553	237,891	100,841	132,870	28,847
Insurance	151,661	114,604	115,350	85,617	36,472
Dues and Fees	11,264	8,404	9,773	7,693	3,494
Professional fees	95,216	60,252	94,699	51,274	24,195
Other operating expenses	124,487	187,687	237,296	109,486	59,034
<u>Total Operating Expenses</u>	<u>\$ 2,087,368</u>	<u>\$ 1,635,875</u>	<u>\$ 1,455,645</u>	<u>\$ 1,163,063</u>	<u>\$ 514,043</u>
<u>Operating Income</u>	<u>\$ 1,539</u>	<u>\$ 308,460</u>	<u>\$ 517,020</u>	<u>\$ 1,056,832</u>	<u>\$ 374,993</u>

* Excludes bond payments to GTUA and depreciation.