

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Settlement Agreement and Mutual Release ("*Settlement Agreement*") is made and entered into by and among the City of Brenham ("*Brenham*") and WTG Gas Marketing, LLC (formerly WTG Gas Marketing, Inc.) ("*WTG*"). Brenham and WTG may be referred to herein individually as a "*Party*" or collectively as the "*Parties*."

RECITALS

WHEREAS, on November 1, 2016, WTG GAS MARKETING, INC. and CITY OF BRENHAM entered into a Gas Sales Contract ("*Gas Contract*");

WHEREAS, Brenham filed a lawsuit against WTG in the 335th Judicial District Court of Washington County, Texas, Cause No. 37573, seeking declaratory relief regarding the Parties' rights and obligations under the Gas Contract ("*Lawsuit*");

WHEREAS, WTG filed counterclaims against Brenham for breach of contract and declaratory relief regarding the Parties' rights and obligations under the Gas Contract; and

WHEREAS, the Parties desire to settle and extinguish any and all claims, whether asserted or unasserted, known or unknown, between the Parties related to the Lawsuit as set forth below; and

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants, representations, warranties, benefits received, releases, and other obligations contained in and referred to in this Settlement Agreement, the Parties agree as follows:

1. **Settlement Payment:** Subject to the conditions expressed herein, Brenham shall pay WTG a sum of ONE HUNDRED THOUSAND DOLLARS AND ZERO CENTS (\$100,000.00) (the "*Settlement Payment*"). The Settlement Payment shall be made payable to WTG Gas Marketing, LLC. Within ten (10) calendar days after the below-referenced Effective Date of this Settlement Agreement, Brenham shall:

Send the Settlement Payment via wire transfer to:

Account: WTG Gas Marketing, LLC
Bank Name: Wells Fargo Bank, NA
Bank City & State: Midland, TX
Routing No.: 121000248
Bank Account No.: 5101032457

It is agreed and understood that the Settlement Payment is separate from, and in addition to, the undisputed amount of \$72,624.17 which Brenham has paid to WTG on or before January 10, 2023.

2. **No Admission of Liability:** This Settlement Agreement reflects a compromise of disputed claims and is not, and shall not be construed as, an admission of any fault, liability, or culpability of either Party; rather, the Parties expressly deny the same.
3. **Mutual Release of Claims:** In consideration of the mutual promises set forth in this Settlement Agreement, each Party hereby expressly, fully, and irrevocably releases, acquits, extinguishes and forever discharges the other Party, its agents, affiliated companies, predecessors, and successors and their respective employees, officers, directors, representatives, shareholders, subcontractors, suppliers, subsidiaries, grantors and assigns, and all persons or entities acting or claiming to act on behalf of such other Party of and from any and all causes of action, judgments, liens, indebtedness, damages, losses, claims, claims for relief, claims in bankruptcy, liabilities, and demands ("***Claims***") of every kind and character that it may now have, may have had in the past, or that may subsequently accrue to it (whether known or unknown, liquidated, or unliquidated), arising out of, or directly or indirectly relating to the Lawsuit (the "***Mutual Release***"). Notwithstanding the above, the Mutual Release does not include any Claims that arise after the Effective Date of this Settlement Agreement for breach of an obligation under this Settlement Agreement or that arise from any other agreement that the Parties may mutually enter into after the Effective Date of this Settlement Agreement.
4. **Dismissal:** Within seven (7) calendar days of WTG's receipt of the Settlement Payment:
 - a. The Parties shall jointly draft an Agreed Motion to Dismiss with Prejudice as to all claims asserted against Brenham in the Lawsuit and all claims asserted against WTG in the Lawsuit, with each party to bear its own costs, expenses, and attorneys' fees ("***Agreed Motion***"); and
 - b. Brenham shall file the Agreed Motion in the Lawsuit.
5. **Entire Agreement:** This Settlement Agreement embodies the entire understanding of the Parties with respect to the subject matter hereof, and merges all prior discussions between them, and neither Party shall be bound by any conditions, definitions, warranties, understandings, or representations with respect to the subject matter discussed herein other than as expressly provided in this Settlement Agreement.
6. **Costs:** Each Party agrees to bear its own expenses, costs, and attorneys' fees incurred in connection with the Lawsuit, including, but not limited to, the costs and fees incurred in the preparation and execution of this Settlement Agreement.
7. **Severability:** If any provision of this Settlement Agreement is held to be illegal or unenforceable, such provision shall be limited or eliminated to the minimum extent necessary so that the remainder of this Settlement Agreement will continue in full force and effect and be enforceable. The Parties shall negotiate in good faith an

enforceable substitute provision for any invalid or unenforceable provision that most nearly achieves the intent of such unenforceable provision.

8. **Authority:** Each individual executing this Agreement on behalf of each Party expressly represents and warrants to the other Party that such individual is authorized to sign on behalf of its Party. By signing this Agreement, the Parties acknowledge and agree that they have duly considered, approved, and authorized this Agreement, and have taken all necessary actions for it to be valid and binding. The undersigned represent that they possess full authority to bind and by signing below do bind their respective Party to the terms and conditions set forth in this Settlement Agreement.
9. **Governing Law and Jurisdiction:** This Settlement Agreement shall be construed and interpreted in accordance with the laws of Texas. The Parties consent and agree to submit to the exclusive jurisdiction of the 335th Judicial District Court of Washington County, Texas, for any litigation or other proceeding that may be based upon, arise out of, or in any way relate to this Settlement Agreement.
10. **Cooperation:** The Parties agree to cooperate with each other, and to execute any further documents that may be needed to effectuate the terms and intent of this Settlement Agreement.
11. **Warranties:** The Parties hereby agree and warrant that: (a) such Party owns, holds, or possesses the purported Claims released herein and no other person or entity owns, holds, or possesses any interest in any of the said Claims; (b) there are no other persons or entities from whom a release should be obtained for any of the Claims released herein; and (c) such Party has not assigned to any other person or entity, in part or in whole, the Claims released herein or taken any action otherwise inconsistent with the releases herein.
12. **Counterparts:** This Settlement Agreement may be executed in one or more counterparts or duplicate originals, all of which when taken together will constitute one and the same agreement. Electronic and facsimile copies of any original executed signature page (including, without limitation, copies electronically transmitted in portable document format or ".pdf") will be deemed the same as the original executed signature page.
13. **Effective Date.** This Settlement Agreement will become effective upon the last date of execution by any party signing below.

IN WITNESS WHEREOF, the Parties hereby execute this Settlement Agreement effective as of the Effective Date set forth above.

CITY OF BRENHAM

WTG GAS MARKETING, LLC

By:

Signature: Carayn D. Miller

Printed Name: CARAYN D. MILLER

Date: 2-2-2023

By:

Signature: J.J. King

Printed Name: J.J. KING

Date: 2-1-23