

BINDING MEMORANDUM OF UNDERSTANDING

Between

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

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

RECITALS

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

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

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

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

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

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

ARTICLE I — DEFINITIONS AND INTERPRETATION

1.1 Definitions.

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

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

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

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

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

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

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

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

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

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

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

“MGD” means million gallons of water per day.

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

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

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

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

1.2 Interpretation.

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

ARTICLE II — FUNDING, ESCROW, AND PAYMENT CONDITIONS

2.1 Maximum Contribution.

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

2.2 Initial Escrow Amount.

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

2.3 Quarterly Installments.

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

2.4 Escrow Terms.

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

2.5 Nature of Payments.

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

2.6 One-Year Identification Condition.

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

2.7 Two-Year Commitment Condition.

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

2.8 Legal Prohibition.

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

2.9 No Other Payment Obligation.

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

ARTICLE III — REPRESENTATIONS

3.1 Mutuality.

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

3.2 City of Brownsville.

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

3.3 SpaceX.

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

ARTICLE IV — DEFAULT, TERMINATION, AND REMEDIES

4.1 Events of Default.

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

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

4.2 Remedies.

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

4.3 Termination without Default.

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

ARTICLE V — FORCE MAJEURE

5.1 Force Majeure.

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

ARTICLE VI — MISCELLANEOUS

6.1 Governing Law and Venue.

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

6.2 Dispute Resolution.

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

6.3 Notices.

Notices shall be in writing and given as follows:

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

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

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

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

6.4 Entire Agreement; Amendment.

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

6.5 Severability; Waiver; Assignment.

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

6.6 No Third-Party Beneficiaries.

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

6.7 Approvals; Effectiveness; Counterparts.

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

6.8 Public Information.

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

(Signature page follows)

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

SPACE EXPLORATION TECHNOLOGIES CORP.

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

CITY OF BROWNSVILLE, TEXAS

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



APPROVED AS TO FORM
AND LEGALITY

Guillermo S. Trevino

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

ACKNOWLEDGMENT AND SUPPORT

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

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

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

EXHIBIT A

Planning-Level Qualifying Projects

(Eligible to Be Identified — Not a Capacity Reservation)

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

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

CERTIFICATE *of* SIGNATURE

REF. NUMBER
JJSJN-G5FU8-VH4A6-DZHUD

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

SIGNER

SHEILA MCCORKLE

EMAIL
SHEILA.MCCORKLE@SPACEX.COM

TIMESTAMP

SENT
30 AUG 2026 02:52:41

VIEWED
30 AUG 2026 03:01:49

SIGNED
30 AUG 2026 03:02:22

SIGNATURE

Sheila McCorkle

IP ADDRESS
172.56.93.100

LOCATION
SAN ANTONIO, UNITED STATES

RECIPIENT VERIFICATION

EMAIL VERIFIED
30 AUG 2026 03:01:49

JOHN COWEN

EMAIL
JOHN.COWEN@BROWNSVILLETX.GOV

SENT
30 AUG 2026 02:52:41

VIEWED
30 AUG 2026 03:35:44

SIGNED
30 AUG 2026 03:36:02

John Cowen

IP ADDRESS
174.246.198.23

LOCATION
SAN ANTONIO, UNITED STATES

RECIPIENT VERIFICATION

EMAIL VERIFIED
30 AUG 2026 03:35:44



CERTIFICATE *of* SIGNATURE

REF. NUMBER
JJSJN-G5FU8-VH4A6-DZHUD

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

SIGNER

MARILYN D. GILBERT

EMAIL
MDGILBERT@BROWNSVILLE-PUB.COM

TIMESTAMP

SENT
30 AUG 2026 02:52:41

VIEWED
30 AUG 2026 02:54:07

SIGNED
30 AUG 2026 03:50:00

SIGNATURE



IP ADDRESS
172.56.95.201

LOCATION
SAN ANTONIO, UNITED STATES

RECIPIENT VERIFICATION

EMAIL VERIFIED
30 AUG 2026 02:54:07

